NATIONAL COALITIONS IN ISRAEL, 1984-1990:

THE POLITICS OF "NOT LOSING"

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Abstract

For six years since 1984 Israel underwent a unique political experience: it was ruled by national coalitions supported by more than 75% of the members of parliament. Larger-than-minimal coalitions have always been problematic for traditional coalition theory. The Israeli case provides therefore an opportunity to examine the various actors' motivations and behaviour, as they reflect on coalition theory at large.

The assumption that actors are driven by "win maximization" is central to formal models of coalition theory. This assumption led to predictions of winning coalitions which are minimal in size, membership or ideological scope. Non-minimal coalitions were regarded as suboptimal choices, explainable on an <u>ad hoc</u> basis, e.g. national emergency.

A careful examination of Israel's "grand coalitions" suggests that "not losing" is at least as strong a motivation as "win maximization". This notion focuses on what actors stand to lose in case of failure, rather than on what they could win if all turns out well. It implies that actors would strive to be included in coalition, regardless of its size.

Coalition payoffs to be won or lost fall into two categories - office payoffs, in terms of power, position, and resources, or ideology, in terms of shaping policy according to one's political convictions. An important observation which pertains particularly to polarized systems is that the desire to prevent a rival ideology from prevailing forms a major part in actors' "not losing" considerations.

While coalition politics takes place in the interparty arena, attention should be drawn to intraparty politics as well. It may happen that individual actors stand to lose a great deal by forming a minimal winning coalition, which would strengthen the positions of challengers for party leadership. In this case they may feel compelled to form larger coalitions, in order to reduce payoffs to their in-house rivals.

In a nutshell, it is suggested herein that if apparently suboptimal, larger-than-minimal coalitions are formed and maintained, it may be because actors are motivated by "not losing". When risks seem too great and uncertainty looms large, as is usually the case, "win maximization" cannot provide a satisfactory heuristic tool, unless supplemented by "loss minimization".

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Chapter One

Introduction

This dissertation describes the National Unity Governments which were formed in Israel following the 1984 and then the 1988 general elections, and ruled the country for almost six years. As a case study, this unique experience will provide the backdrop for a theoretical analysis of coalition formation and maintenance. It will be shown that parties which have to choose between forming a minimal winning coalition and an oversized coalition may make the latter, suboptimal choice, although it clearly leads to loss of payoffs to themselves. How can we explain such a behaviour?

As a case in point, in 1988 Mr. Yitzhak Shamir, the leader of Israel's Likud party, was able to form a narrow-based coalition between his party and several small religious and nationalist parties; this coalition would have included 65 out of 120 Knesset members, which would have met the "minimal winning" criterion. All the various would-be partners have given firm indication of their willingness to join in. In such a government, the Likud would have held all major portfolios. Nevertheless, halfway through the negotiations, Mr. Shamir turned to his chief rivals, the Labour party which was the second largest in the House (after the Likud), and invited them to join his coalition, which eventually included 97 members. This dissertation will endeavour to provide an answer to a simple question: Why did he do that - and why did Labour consent?

A national coalition, or indeed any larger-than-minimal coalition, seems to represent a suboptimal choice in that it goes against the grain of accepted coalition theory, according to which winning coalitions should be minimal (namely exclude numerically unnecessary partners). In other words, the existence of non-minimal coalitions questions the conventional assumption of coalition theory, which maintains that actors strive to form coalitions in order to maximize their gains. If this is indeed the case, actors who form non-minimal coalitions apparently choose against their own interests. However, this is only true as long as we assume that actors are solely motivated by "win maximization" considerations.

This assumption has dominated the thinking of coalition theorists, who were nevertheless faced with a need to explain the frequent occurrence, in real life, of non-minimal coalitions in parliamentary democracies. This they did by devising numerous <u>ad hoc</u> explanations, all having to do with the specifics of given historical circumstances, none claiming general theoretical validity. Perhaps the most common among these extraneous factors relates to a situation of national emergency, which places high premium on the "politics of consensus". Still, the question needs to be asked: can all historical cases in which larger-than-minimal coalitions were formed be explained only on such "circumstantial" basis, or can there be another, general way of accounting for them on theoretical grounds?

It is our contention in this dissertation that coalition-forming actors should not be regarded exclusively as "win maximizers". They are also "not losers", that is, they tend to adopt defensive, risk-averting strategies in which gains may be lower, but they are also more certain. Such actors strive to be included in a winning coalition regardless of

the size of the payoffs they could expect to gain. What matters for them, first and foremost, is to be included in coalition - almost any coalition.

Looking at parties as unitary actors, they may therefore form larger-than-minimal coalitions because they wish to participate in coalition in order not to lose, whenever a minimal coalition seems risky to form and maintain. Furthermore, looking at the behaviour of party leaders as decision-making individuals, they may form oversized coalitions for "not losing" considerations which involve intraparty motives. Faced with challenges to their leadership position, they may invite more parties to join in their government, so as to reduce the stature of their in-party rivals.

In a nutshell, the argument of this dissertation is that if seemingly suboptimal coalitions are formed and maintained, it may be because the actors' motivation is "not losing", rather than strictly "win maximization". They make suboptimal choices because they regard the optimal choices as too risky.

The Israeli Case

National Unity Governments (NUGs) cannot be regarded as an Israeli innovation, completely unprecedented in the annals of political history. Nevertheless, nearly all previous examples of such governments have had to do with a need for consensus politics in the face of dire crisis; even Israel itself had one such government, in 1967. What is intriguing about Israel's latter-day NUGs, however, is that they were

formed as an answer to a parliamentary deadlock, rather than a national crisis. In other words, it is precisely the <u>lack</u> of consensus, the neat split of the electorate between rival blocs, which made Israel's politicians prefer the NUG solution to any other option. As such then, Israel's national unity governments present a case worthy of study.

Furthermore, both the 1984 and the 1988 MUGs involved innovations such as a "no win - no lose" Inner Cabinet, or a Prime Ministerial Rotation. Thus, the coalition agreement made the government's <u>modus operandi</u> dependent on an ongoing interparty bargaining, contrary to conventional implicit assumptions as though bargaining has to do with the formation, rather than maintenance phase, and may subsequently arise only in exceptional crisis situations.

The Israeli political deadlock which brought about both NUGs constituted a rare example in real-life for phenomena which can usually be studied only in simulations. This deadlock magnified the dilemmas faced by party leaders everywhere, except that in more run-of-the-mill situations they are dealt with one at a time, or perhaps do not show up at all. As it happened, this "house divided against itself" brought out all the various problems a leader has to contend with - at one and the same time. This experience therefore encapsulates most of the general features of leadership behaviour in coalition politics: dilemmas of what ought to be done vs. what realistically can be done, as well as the difficulties associated with negotiations with other parties from a shaky position within one's own party.

All in all, then, this particular period in Israel's history provides political science with an opportunity to look into coalition processes under conditions of extreme constraints. Usually in science,

tests undertaken under extreme conditions yield significant theoretical results. It is hoped that our case study will also prove useful to scholars.

Coalition Politics in Israel

For Israel, the politics of coalition is the essence of the democratic system of government. To paraphrase Disraeli's statement, it may be said that "Israel loves coalitions". This reflects on some profound and general truth about the Jewish State. Israel is a political creation: it was created, and ever since ruled by political parties, or to be quite specific, by coalitions of political parties. The Zionist movement, founded in 1897,* created during the first half of the 20th century a Jewish community in Palestine, which became the state of Israel in 1948.** Ever since its very inception, the Zionist movement's organizing principle has been party politics, and never has there been a situation in which one party dominated a majority. Coalition politics has been with the Jewish State even before it came into being.

Israel is, and has always been, a democracy under pressure. It has faced difficulties resulting from external threats to its very existence, scarcity of resources, mass immigration and a fragmented society and polity. "The more than four decades survival of Israel's

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* On Zionism as an ideological, social and political movement, see for instance Halpern, 1961; Laquer, 1972; Vital, 1975.
** Probably the best account of the political system of the Jewish community in Palestine is Horowitz and Lissak, 1977.

democratic system of government, under intense external and internal pressures, has been facilitated by an effective regulation of unresolved conflicts within society" [Horowitz, 1990, p. 1]. In other words, coalition politics has been the adhesive force within the regime. It was through the employment of modes of conflict regulation such as bargaining, compromise, pragmatism and consociationalism, that the Israeli body politic has been able to survive.

The centrality of politics in Israel seems to be exceptional among democratic nations. The political parties have always been the chief actors in social, economic and cultural activity, elsewhere undertaken by the state or non-political organizations. Israel's democracy is a system based on parties more than on formal institutions. It is not surprising, then, that Israel was called the "parteienstaat par excellence": "When comparing the part played by the parties in Israel with the part played by them in other countries, it will be found that they occupy a place more prominent and exercise an influence more pervasive than in any other state, with the sole exception of some one-party states" [Akzin, 1955, p. 509].

Not only was Israel always ruled by parties, it was ruled by coalitions of parties. Twelve general elections (to date) have never produced a clear winner in the shape of a single political party or even an electoral bloc that won a majority of the seats in the Knesset, the Israeli legislature. A coalition government, not a one-party government, is the Israeli norm. Consequently, coalition politics has had a strong impact on the stability of the political system. During the 1948-1977 period, when the Mapai/Labour party enjoyed political dominance and was perceived as the natural party of government, coalition politics of bargaining and negotiation was the major

"political game". As of the late 1970s, after Israel was left with no clearly dominant party, coalition politics has loomed even larger.

Interestingly, despite the crucial importance of coalition politics for the functioning of Israel's political system, very few studies on the subject have been conducted. Much more attention was given to research on individual parties, on electoral behaviour and on the characteristics of the party system as a whole. Perhaps one reason for this omission is the feeling that the Israeli case is too unique for an adequate handling by any coalition model. De Swaan, for one, found Israel "a difficult country for the theories" [1973, p. 237], while Laver and Schofield claimed that "the Israeli party system is enough to bring tears to the eyes of the most stalwart coalition analyst" [1990, p. 230]. But perhaps, with a modification of coalition theory as suggested above, the case may become somewhat clearer.

Outline

The dissertation begins (Chapters Two and Three) with a review of coalition politics in Israel until 1984, in order to set subsequent developments in their context, the better to understand the formation and existence of the national coalitions of the 1984-90 period. In analysing the changing patterns of coalition politics in Israel, two different periods can be identified - the year 1977 marking the watershed. Chapter Two deals with coalition politics in a period when Israel's was a dominant party system, characterized by relatively stable coalition governments. For 29 years, from 1948 to 1977, Mapai/Labour controlled the business of government. During eight

general elections, the electorate changed in size and composition and so did voting patterns and party structures, but political power eroded only very gradually. Mapai/Labour endeavoured to reinforce its dominance by forming surplus coalitions and by employing modes of conflict regulations, which had a moderating effect on competitiveness and polarization within the political system. Finally, however, its hegemony faded away.

Chapter Three describes coalition politics during the transition from a "unipolar system" to a "bipolar system". During the 1977-1984 period, the party system saw the crystallization of two opposing party blocs - the right-of-centre Likud/Religious bloc and the left-of-centre Labour bloc. Supported by small centre parties, the Likud formed a number of relatively unstable narrow-based governments. The weakness and division of the political centre, coupled with major conflicts between the Likud and Labour over fundamental issues, were gradually creating a pattern of bipolar coalition politics which was essentially an interparty competition over control of the system's fragile "pivotal position". Since the party system became disjointed right through the middle, there followed a period of destabilization which was a prelude to the formation of the national coalitions since 1984.

Having laid part of the foundation, so to speak, we turn in **Chapter Four** to complement it by theory. There we relates the notion of "not losing" to coalition models. A survey of the major coalition theories shows that they all predict the formation of minimal winning coalitions - presumably because they all base on the premise that actors are solely motivated by "win maximization" considerations. The relatively poor predictive powers of these theories, as well as the frequent real-life occurrence of non-minimal coalitions, seem to

justify looking for additional heuristic tools. In this vein it is suggested to make use of the notion of "not losing", as explained above. A model based on the Israeli case of the 1984 and 1988 national coalitions is subsequently used to illustrate the logic and importance of the politics of "not losing" in coalition behaviour.

Chapter Five returns us to reality by focusing on the coalition bargaining which took place following the 1984 elections, producing a Labour-Likud political deadlock. The strategies of the various actors involved are analysed, showing how, given the political tie, the opposing large parties as well as the smaller parties first turned their attention to setting up "blocking coalitions", and only subsequently came to the conclusion that they would rather share power in government than compete in repeat elections. Furthermore, Labour and the Likud opted for a multipary coalition instead of a two-party national executive. This chapter describes in detail the coalition agreement, uniquely based on prime ministerial rotation and mutual veto arrangements, which put a stranglehold on the national unity government's modus operandi.

The following two chapters deal with the maintenance of the 1984 NUG. This involved mainly efforts by Labour to swing the pivotal parties to its side on fundamental issues (peace and territories), as against the Likud's politics of status quo. At the end of the day, despite a few Labour successes, status quo won.

Chapter Six deals with the 1984-86 period, under the prime ministership of Labour's Mr. Shimon Peres. Despite the institutional constraints on executive mechanisms, a high level of interparty bargaining, focusing on the tantalising prospect of rotation, enabled an effective decision-making on a number of issues. The Likud's Mr.

Shamir, notwithstanding strong intraparty opposition to the NUG formula and its policies, has had to calculate each step with a view to rotation.

Chapter Seven examines the 1986-88 period under the prime ministership of Mr. Shamir. It was characterized by a low level of interparty bargaining, so that the Likud's politics of status quo prevailed. Labour's Mr. Peres attempted in vain to change the status quo by pursuing the politics of early elections. Nevertheless, he stayed in the NUG, since the alternative could have been his party's relegation to opposition. Using the mechanism of the deadlocked Inner Cabinet, also prescribed in the coalition agreement, Mr. Shamir has been able to maintain his government on an even keel.

Chapter Eight deals with the formation and maintenance of the national coalition following the 1988 elections which resulted in a narrow victory for the Likud/Religious block over the Labour bloc. Mr. Shamir formed a non-rotational NUG in order not to be dependent both on extreme religious and nationalist parties and on his rivals within the Likud. However, his alliance with Labour's Mr. Yitzhak Rabin could not sustain the government formula for too long because Labour's Mr. Peres and Mr. Shamir's rivals within the Likud were determined to destroy this government. Eventually, Mr. Peres succeeded to bring down the government by tilting the balance of the coalition; however, he subsequently failed to form a Labour government. In this way, the downfall of the national coalition led to the formation of a narrow-based Likud government.

Chapter Nine concludes the dissertation. Its major findings are put together to show that the theoretical notion of "not losing" can be used as a tool to give a structure to the discussion of real-life

coalition politics in Israel. In trying to explain the empirical phenomenon of larger-than-minimal coalitions, the notion of "not losing" seems rather effective in its ability to explain the realities of the Israeli national coalitions - not only the behaviour of parties and factions within them, but also that of individual party leaders. It turns out that while "win maximization" may well relate to hopes and expectations, "not losing" can explain the compromises made in real-life situations. Therefore, this principle seems capable of making a meaningful contribution to coalition studies in general.

Sources

The source material used in this dissertation can be divided into three categories:

General studies on coalition theory. Much use was made here of the work done by Riker, Gamson, Leiserson, De Swaan, Dodd, Axelrod, Laver, Brams, Schofield, Shepsle, and others. Their books, articles and papers are included in the Bibliography. In October 1990, a conference on coalition theory was held at Rochester University to honour Riker's seventieth anniversary. There I had the opportunity of meeting some of these scholars and hearing their views.

Case studies on different individual countries. Here I related mainly to Austria, one of the few western democracies ruled by a "grand coalition" for any length of time, as well as other European countries. These works too are listed in the Bibliography. Also, I have had an opportunity to discuss Austrian politics at length with Prof. W. Mueller, when he visited Nuffield College in Oxford in 1990.

Material relating to Israel. This, in turn may again be divided into two subcategories:

General. The number of studies published on Israeli politics, both in English and Hebrew, is fairly large, although, as mentioned above, not much of it relates directly to coalition politics. Nevertheless, I have relied a great deal on the works of the late Prof. D. Horowitz, a distinguished scholar and a good friend, with whom I have had many enlightening conversations. Also helpful were the works of Arian, Diskin, Doron and others. These too are included in the Bibliography.

As for material relating specifically to the case-study period, the major source was the daily and weekly press, complemented by personal interviews with most of the individual actors involved. In Israel, as in most democracies, nothing stays hidden for long from the press. Hence, it should not come as a surprise that discussions herein of apparently secret meetings, deals and so on, appear without a source reference, to indicate that it has soon become common knowledge, to be found in the newspapers of the time. It may be stated quite definitely that most goings-on are public domain, and have been so since they have taken place.

However, in order to gain insight into motivations, intentions and prospects, I have talked to many individuals who took an active part in Israeli politics during the case-study period, as well as some keen observers. Data obtained in such interviews are marked as such in the body of the text. In the Likud, I have talked to Ministers Sharon, Moda'i and Nissim (who was chief negotiator on behalf of Mr. Shamir during most of this period), as well as many others. I have also communicated with the late Mr. Begin, in writing, and with Mr. Shamir through his personal aide, Mr. Achimeir.

As for Labour, I have interviewed former President Navon, Ministers Peres, Rabin, and Shachal (chief negotiator for Mr. Peres), Speaker Mr. Hillel, Secretary-General of the Histadrut Mr. Kessar and others. Mr. Ya'acobi allowed me to read his political diary. I was also given access to the Labour Party archives. The list of interviewees also includes leaders of smaller parties, such as Mr. Weizmann, Prof. Rubinstein, Mr. Hurwitz and others.

Several political commentators have shared with me their views and insights, such as Mr. Crystal of Hadashot and Israel Radio and Mr. Shchori of Haaretz. I was also given access to the archives of Israel Radio. A full list of all interviewees and correspondents appears in Appendix D. I would like to express here my gratitude to them all.

My superviser, Prof. Gordon Smith of LSE, has been patient, encouraging and enormously helpful. My gratitude to him is boundless.

Chapter Two:

A Workers Party's Paradise

Labour Party Dominance, 1948-1977

Minority or Majority?

Political scientists' views concerning political dominance in democratic regimes differ dramatically.* They seem however to agree that Israel has been for several decades a classic example of a dominant-party system, with one party, Mapai (subsequently Labour), ever acting as the central pillar of the political regime. Deeply involved in the interaction between socioeconomic groups, elections and state power, this party won electoral pluralities in one election after another for almost half a century, between 1930** and 1977. This predominance gave Mapai/Labour a sense of moral superiority, which was reflected by its opponents' attitudes of almost preordained

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* E.g. Arian & Barnes: "It is our contention that the dominant party system is _sui generis_" [Arian & Barnes, 1974, p. 592]; Compare Sartori, "the notion of dominant party establishes neither a class nor a type of party system" [Sartori, 1976, p. 195].
** As noted in the Introduction, Israel's political system actually antedates the State itself.

inferiority. The "other" parties were ineffective, "reduced to the role of carping and sniping rather than that of developing immediate alternatives" [Arian & Barnes, 1974, p. 599].

Mapai/Labour's charismatic leadership, which in pre-independence times implemented an agenda of rapid development of the Jewish community in Palestine, was publicly identified with the realization of the independent State of Israel. The party played the political game quite skillfully, both to keep itself in government and to expand its power base. Thus began a "virtuous circle" [Pemple, 1990, p. 16], which made it possible for Mapai/Labour to control government, even though it always remained a minority party. The longevity and enduring stability of Mapai/Labour's dominance were, to a large extent, the outcome of successful strategies, alliances and coalition politics: despite all appearances to the contrary, it was not an historical inevitability.*

Israel's Party System, 1948-1977

Israel elects its single-chamber, 120-member parliament, the Knesset, on the basis of one of the most extreme version of the proportional-representation (P.R.) list system, where the entire country is deemed as a single constituency. Inherited from pre-independence times (when individuals and groups participated in politics on a voluntary basis),

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* On the political dominance of Mapai/Labour until 1977, see Etzioni, 1959, pp. 196-214; Medding, 1972; Arian, 1972, pp. 187-201; Aronoff, 1979, pp. 115-132; Shalev, 1990, pp. 83-127.

this system assures almost any political group of representation in the Knesset.*

It should come as no surprise, therefore, that Israel's electoral system has resulted in an inordinate number of parties (usually called "lists" in this context) joining election campaigns, with better-than-even chances of success. Even though party mergers and splits have frequently occurred across the political spectrum, the overall level of fragmentation has remained rather stable. The electoral system accounted not only for repeated attempts by new lists to capture seats in the legislature, but also for a large variance in party sizes.**

The P.R. electoral system in Israel has created a situation characterized by a single dominant party facing a host of much smaller parties, in a system that displayed a high degree of ideological fragmentation, with a bilateral opposition. The fragmentation of the Israeli party system during Mapai/Labour's era is described in Table 2.1 on the next page.

Three characteristics of the party system in the 1948-1977 period emerge from this table: the numerical balance between the different groupings has remained basically stable; electoral volatility and party mergers and splits have chiefly occurred within, not across, political blocs; and the median position of the system has stayed within the left-of-centre Labour bloc.

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* For a discussion of the electoral system see Diskin, 1988, pp. 46-64. For its historical origins, see Horowitz & Lissak, 1977, pp. 52-54.

** For a full account of the various parties represented in the Knesset, 1948-1990, see Appendix A.

Table 2.1   <u>Election Results: Political Parties</u>

(by affiliation)

Parliamentary seats

Party/Year	1949	1951	1955	1959	1961	1965	1969	1973
<u>Left-of-centre</u>								
Communist	4	5	6	3	5	4	4	5
Mapam	19	15	9	9	9	8		
A. Ha'avoda			10	7	8			
Mapai	46	45	40	47	42	45	56	51
Rafi						10		
CRM								3
State List							4	
<u>Right-of-centre</u>								
Free centre							2	
Herut	14	8	15	17	17	26	26	39
Gen. Zion.	7	20	13	8	17			
Progress.	5	4	5	6		5	4	4
<u>Religious</u>								
NRP	16	10	11	12	12	11	12	10
Aguda		5	6	6	6	6	6	5
<u>Other</u>	9	8	5	5	4	5	6	3

Source: <u>Israel Government Yearbooks</u> for the respective years.

Mapai/Labour has exploited this fragmented, fractionalized and polarized party system in a most effective way, as far as coalition politics was concerned. It has laid out the rules of the coalition game and defined the bargaining structure. Quite simply, the dominant party determined who may join in the game and who is to be left out. This kind of power is usually associated with parties which enjoy an electoral, or at least a parliamentary majority. Yet in Israel, one minority party seemed to enjoy majority status: Mapai/Labour's political strength has resembled the power of a governing party in a two-party system, rather than a plurality party in a multiparty system.

The Numbers Game: The Only Game in Town

Several factors account for Mapai/Labour's political dominance, two of which prove central to coalition politics: size and ideological centrality, which together determine a party's pivotal position in the system.*

Naturally, a dominant party must demonstrate real strength at the grassroot level, i.e., must prove an ability to mobilize again and again a significant number of socioeconomic groups. Despite great social, economic, demographic and cultural changes which took place during the 1948-1977 period, vastly affecting the electorate, Mapai/Labour has enjoyed large and relatively steady support from various sectors of the public. At the grassroot level, the strength of Mapai/Labour was manifest by its ability to secure one-third or more of the popular vote in all the eight general elections between 1949 and 1973, ranging from 32.2 percent (in 1955) to 46.2 percent (in 1969).

The very size of Mapai/Labour's share of the vote has guaranteed its control over sizeable public resources, which were then distributed according to a "party key" method [Galnoor, 1985, pp. 173-6]. This method bases the distribution of resources upon the existing power

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* Strong leadership was certainly an important factor in Mapai's dominance. In fact, Mr. David Ben-Gurion's charismatic personality overshadowed the leaders of all other parties (Mr. Menachem Begin, the leader of Herut who became Prime Minister in 1977, proved an effective and charismatic figure only after Mr. Ben-Gurion had left the scene). Yet another contributing factor was Mapai's control of important political subsystems: the powerful trade union movement, the Jewish Agency and many local authorities.

relations, which process in turn affects future power relations. In addition to making this kind of use of public resources, the party also developed an elaborated patronage system, thus making itself, for many social and cultural groups, "their own" party [Shapiro, 1980, pp. 28-31]. Integrative in nature, Mapai/Labour has maintained its ongoing activity on a high level which has enabled it to mobilize large cadres for the real test - election time.

In parliament, a dominant party has to win the largest number of seats; it should become the "number one" party, while its main rivals should qualify merely as "also rans". Mapai/Labour's dominance in parliament has always been clear-cut. Not only was the party the largest Knesset's group: it has always been bigger than a combination of any other two parties. Mapai/Labour's vast margin of plurality is clearly indicated in Table 2.2.

Table 2.2   Mapai/Labour vs. the second largest list, 1949 - 1973

Seats in the Knesset

Party/Year	1949	1951	1955	1959	1961	1965	1969	1973
Mapai	46	45	40	47	42	45	56	51
Mapam	19							
Gen.Zionist		20						
Herut			15	17	17	26	26	39

Note: In 1965, Mapai and Achdut Ha'avoda formed the Labour Alignment; in 1969 and 1973, the Israel Labour party (Mapai, Achdut Ha'avoda and Rafi) was allied with Mapam. Herut and Liberals joined in the Gahal bloc in 1965 and 1969; in 1973 they created (with several smaller groups) the Likud bloc.

Source: Israel Government Yearbooks for the respective years.

The vast gap between the dominant and the second largest party has had strong impact on coalition politics. Essentially, the political bargaining structure in Israel has been defined by a single pole - the dominant party. In Italy, for example, the dominant Christian Democratic party has had to take into account in its coalition politics the existence of another pole - the powerful Italian Communist party. Thus, while both Israel and Italy have had dominant party systems, in terms of coalition politics, Israel (during the period discussed in this chapter) may be called a "unipolar system", whereas Italy was (and still is) a "multipolar system" [Laver & Scofield, 1990, pp. 114-6]. In this context, it is interesting to note that the "soft" hegemonial system in Italy has proven more enduring than the "strong" Israeli dominated system [Tarrow, 1990, pp. 306-332].

Mapai/Labour being by far the largest parliamentary party, its leader has always become the "formateur", the person appointed by the President to form the next government: the party has thus been the "core" to any executive coalition, dominating the bargaining structure.* In all its coalitions, it has had a majority in both cabinet portfolios and parliamentary support. Being in fact a minority party yet enjoying a "majority within the majority" situation, Mapai/Labour achieved "dictatorial" powers within the political system as a whole [Herman & Pope, 1973, p. 192].

In this way came into being a concentric decision-making process: decisions were first made by the top leadership of the dominant party,

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* On the bargaining advantages of being a coalition leader, see Austin-Smith & Banks, 1988, pp. 405-422.

thus becoming official party policies. These moved on to the executive coalition in which the dominant party had a majority, and finally were adopted by the Knesset, where the coalition had a majority. This decision-making system is outlined in chart 2.1.

Chart 2.1   <u>Concentric Circles</u>
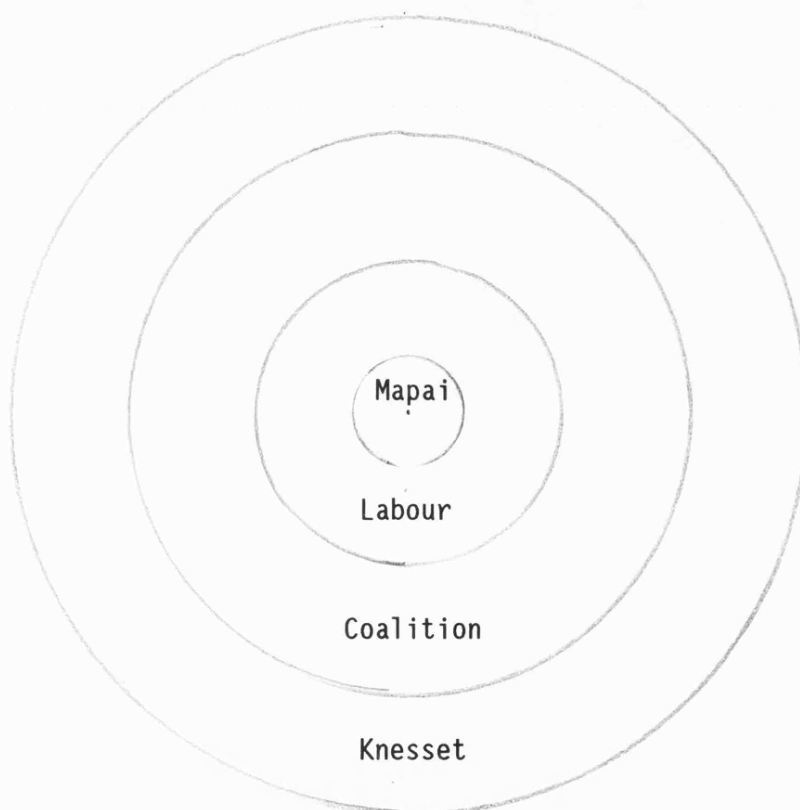
Source: Gutmann, 1961, p. 18.

Political dominance, of course, is not just a matter of numbers as such, but also a matter of political perceptions. "A dominated system is one in which party leaders assume that no majority government is possible in the foreseeable future that excludes a particular party" [Luebbert, 1986, p. 72]. Mapai/Labour has been taken for granted as the

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natural leading party by most actors in the political arena. "Consequently, other parties as well accommodated themselves to this state of affairs, aiming to become junior partners in government or, as the leader of one such party once put it, to be a 'corrective' rather than an 'alternative'" [Horowitz, 1977, p. 4]. In other words, Mapai's "core" position has had considerable impact on the political behaviour of other parties. The recognition of the infeasiblity of ousting Mapai from government in the foreseeable future has set centripetal forces in operation throughout the party system. The creation of alliances and mergers between parties was, among other things, aimed at nearing the "core" circle.

In the left-of-centre bloc, the centripetal processes started in the 1960's, following the retirement of Mapai's leader Mr. Ben-Gurion and the struggle over his political heritage. In 1965 Mapai created an Alignment with Achdut Ha'avoda, and in 1968 Mapai, Achdut Ha'avoda and Rafi formed the Labour party. In 1969 the Labour party set up an Alignment with Mapam. At the same time, centripetal moves began within the religious bloc, where most constituent parties were nearing the inner circle through participation in coalition governments. Even the right-wing Herut party was constrained to cooperate to some extent with Mapai - first in the World Zionist Organization, subsequently in the trade union movement, the Histadrut, and finally in the 1967 national coalition.

At the same time, centrifugal forces were also in operation within the party system during Mapai/Labour's dominant era. The rationale behind such moves was to capture bargaining positions in preparation for possible coalition alternatives which had not previously existed. For example, the defection of Rafi (a right-wing faction within Mapai)

from the party in 1965 was a move out of the inner circle, aimed at creating new coalition possibilities.* The ultra-orthodox parties also withdrew from coalition participation and waited for new opportunities. The centrifugal moves intensified with the creation of the Likud in 1973, in which elements previously belonging to the left-of-centre bloc were included.

In the 1973 elections, for the first time in decades, the dominance of Mapai/Labour showed signs of weakness. The number of votes gained by Labour in 1973, 621,183, was only one-third higher than the Likud's vote - 473,309. Moreover, the number of votes attracted by the two largest parties has risen, again for the first time, to about 70 percent. These developments were indicative of future changes in the party system that were to occur in 1977 [Arian, 1975, pp. 287-304].

Where the Action Is

Unless a party controls a majority in parliament, its size does not necessarily determine political dominance in and of itself. "If we ignore policy motivations entirely, then even a party with 49 per cent of the seats is not dominant if it faces several other parties which

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* Rafi's schism actually split the "nucleus" of the dominant party system - Mapai's top leadership - and caused an irreparable damage. All the attempts to restore a new "core" within the framework of the Labour party were only partially successful. Since Rafi's breakaway, things have never been the same [Johnston, 1967, pp. 288-307; Yanai, 1969].

hold 51 per cent of the seats between them. There is nothing to prevent the other parties from ganging up and keeping the dominant party out of office on a more or less permanent basis. Once we take policy into consideration, however... certain parties at the `centre' of the policy system can prove very difficult indeed to keep out of office" [Laver & Schofield, 1990, p. 86].

Indeed, it seems that a dominant party does not necessarily enjoy a favourable bargaining position in parliament. Its location on the parliamentary map must be central enough for it successfully to negotiate with other parties in the process of coalition forming. The "core" position of the party, in addition to its size, quite excludes the possibility of forming a government without it. "There is an important distinction to be made... between systems in which the dominant party is located at the median position and those in which it is in an off-centre position, away from the median" [Laver & Schofield, 1990, p. 114]. The median is a good position to be in for coalition participation.*

Theoretically, a potentially dominant party may or may not be located in the political centre. If placed in an off-centre position, however, it certainly has a strong motivation to move towards the centre. The logic of the development of political dominance suggests that in the long run, any dominant party is eminently pragmatic, if not

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* There are some exceptions to this rule, e.g. the Fianna Gail party in Ireland: Despite being a dominant party in the median position, it was not included in a number of coalitions. The Independent party in Iceland is an off-centre dominant party that took part in most coalitions. Such situations usually develop when other issues overshadow the left vs. right dichotomy [Budge & Keman, 1990, pp. 192-3].

opportunistic, its main goal being to remain "near the centre where the action is." This is because "its orientation towards power encourages it to move with long term shifts in public opinion regardless of its ideology... Any dominant party is, or will become, a centre party" [Arian & Barnes, 1974, 595-9]. In other words, dominant parties inevitably maintain flexible centrist governing formulae, lest they lose their dominance sooner or later. It is not easy to determine, however, whether the dominant party simply moves to the political centre, or perhaps it defines and shapes the political centre through its dominance. Probably both are true.

It seems, therefore, that any dominant party has strong incentives to move away from an ideologically cohesive but narrowly based set of policies or grassroot support in order to become a "catchall party" [Kirchheimer, 1966]. Consequently, if exclusivity may be important in the early stages of dominance, inclusivity tends to become the watchword for the successful dominant party further on. This rationale has guided Mapai/Labour throughout the development of its political dominance [Shapiro, 1976]. The party started out in pre-independence times as the major force of the Jewish left, being truly a non-marxist, socialist party, adhering to a combined Socialist-Zionist programme. Since independence in 1948, the party has proven more flexible, becoming a social-democratic party and enjoying good relationships with bourgeois parties and the private sector. Finally, while nominally a social-democratic party, Mapai/Labour has developed a substantial interclass social base and behaved as a typical centre party in order to maintain its political dominance. "Mapai's success was due not only to its dominant position in Israeli cabinets, but also to its gradual shift to the centre. As a result, Labour's issue preferences often

represented the ideological centre of the various coalitions"
[Seliktar, 1982, p. 309].

Mapai/Labour has been a centre party in the sense of representing
the widest possible consensus. It has been the party of consensus
simply because of its being the biggest and most heterogeneous party in
Israel, drawing support from nearly all segments of society. This
heterogeneity seems to suggest a degree of overlapping between its
ideological positions and those of other parties, which has facilitated
the mergers that formed the Labour party and the Alignment between
Labour and Mapam. Indeed, there has been a wide gap between the
positions of the "hawkish" Rafi and Achdut Ha'avoda and the "dovish"
Mapam on foreign and defense issues - but each had partners within the
ranks of Mapai itself [Beilin, 1985].

Mapai/Labour's positions vis-a-vis the three major ideological and
social cleavages in Israeli society have indeed reflected its "middle-
of-the-road" attitude: the Arab-Israeli conflict, involving mainly
"dovish" and "hawkish" views about the future of the territories
occupied since 1967; the religious issues, relating to the position of
Halacha (Divine Law) in a secular Jewish State; and the left-right
division regarding desired society and economy goals [Etzioni-Halevy &
Shapiro, 1977].

Placed at the centre of these cleavages and thus tending to
emphasize the pragmatical, rather than the fundamental aspects of
policy issues, Mapai/Labour has found it not too difficult to cooperate
with various parties. In particular, the selection of potential
coalition partners has had to do with the existence of cross-cutting
ideological axes, i.e., the possibility of different parties finding
themselves in similar positions on certain issues while at odds on

other issues. This feature of the Israeli party system accounts for a considerable degree of political moderation. The level of controversy on each issue notwithstanding, no extreme polarization has developed as yet in Israel to any alarming extent.

Traditionally, Mapai/Labour has been a moderate party, capable of accomodating a variety of views. Being the most pluralistic of all Israeli parties has been a great help on the interparty level, without damaging it internally. Normally, ties with many diverse groups and interests tend to create factionalism and make it difficult to maintain party cohesion. However, this situation is tolerable because bilateral opposition, within the context of a P.R. system and multipartism, allows divisions within the dominant party to be papered over at election time, preventing zero-sum factional fights. The electoral system, of course, frees the party from the need to garner 50 percent plus one vote in order to govern.

In this respect, Mapai/Labour was less compelled to dilute its own programme, to alienate its core of support, or to choose among its competing tendencies. At the same time, however, the overlapping between Mapai/Labour's policies and the ideological positions of parties in each of the three political blocs - left, centre-right and religious - facilitated interparty cooperation. Actually, the party has actively been involved in a partial incorporation of policies and interests that were traditionally represented by its bilateral opposition. This has stressed the party's image of centrality, facilitated its role as a regulator of political conflicts and, of course, reinforced its political dominance.

In order to assess the full impact of Mapai/Labour's centrality, one ought to examine more closely the Israeli political party map. In

general, a "party map" relates to the way political parties are organized along a continuum or in space, according to their ideological dispositions, reflected as distances from an arbitrary political "core". The combination of each party's distance from other parties, including the political "core", and its relative power, creates a linkage between the "party map" and the composition of government.

As noted above, Israeli parties are involved in three major ideological confrontations: socioeconomic (left-right) issues, foreign and defense policy issues and religious issues. The first two categories happen to overlap, and could be accommodated on the left-to-right scale. However, the weakness of a unidimensional ideological continuum, in the Israeli context, is that it can hardly accommodate religious issues. In other words, not all parties can properly be located on the left-to-right scale, particularly the religious parties, which in most ways are typical centre parties, with flexible policy positions on many issues. When it comes to religious issues, however, they should be placed at the extreme end of the ideological scale. Consequently, a second policy dimension must be introduced in order to provide for a more meaningful party map.*

The following charts represent the policy positions of Israeli parties on uni- and bi-dimensional scales.

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* The "objective" problem of placing the religious parties on the left-to-right continuum has occasionally resulted in their omission from discussion and presentation. On problems concerning the Israeli left-right scaling see Diskin, 1976, 1980 and 1988; Shamir, 1986, pp. 267-296.

Chart 2.2   Parties along the Left-to-Right Ideological Continuum

(1949-1977)

LEFT   MEDIAN   RIGHT

	MPM	+	NRP		
COM	AH	MAP	PAI AI PS	GZ	HER
	CRM		RAF SL		
		+			

Source: Lissak & Horowitz, 1979, p. 310.

Chart 2.3   The Political Party Map, 1949-1977

State   Religious

```
 *                                                          Left
COM        *
     MPM
  *           *        MAP │RAF              NRP  PAI
CRM        AH          *   │*                *    *
- - - - - - - - - - - - - -│- - - - - - - - - - - - - -
                      *    │*                      *
           *         PS │SL                      AI
          GZ              │ *      *
                         │FC     HER
                          │                            Right
```

AH = Achdut Ha'avoda   MAP = Mapai
AI = Agudat Israel   MPM = Mapam
COM = Communists   NRP = National Religious Party
CRM = Civil Rights Movement   PAI = Poalei Agudat Israel
FC = Free centre   PS = Progressive Party
GZ =General Zionists   RAF = Rafi
HER = Herut   SL = State List

Based on Seliktar, 1982, p. 296.

Both charts suggest that the closer the location of a certain party to the political "core", the higher its likelihood of participating in government. The bi-dimensional party map cannot tell which dimension is more relevant at any given time during coalition formation. It does show, however, that Mapai/Labour has had to go quite a long way towards a compromise with the religious parties, in order to win their cooperation at the executive level.

Weight and Counter-Weights

An election campaign in a multiparty system is, among other things, a political struggle for a pivotal position in the subsequent formation of the next government. The ability to capture such a position is rarely contingent upon the sentiments of the majority of the electorate; far more often, it is at least partially a product of the rules of the electoral game [Remy, 1975, pp. 293-301]. A specific party may find itself in a pivotal position, on the left-right scale, if the parties to its right and the parties to its left do not possess a parliamentary majority or if (which is more usual) their combined majority does not have the makings of a coalition government. The ability to "pivot" with less than an outright majority of the seats in parliament is quite essential in situations of ideological polarity. "The only way [a pivotal party] could be beaten by a vote on an issue located on the left-right dimension would be as a result of an unholy alliance of right and left. Furthermore, even if this had happened, it is very likely that this alliance would have been forced to agree upon

a policy position very close to that of the [pivotal party]" [Laver &
Schofield, 1990, p. 112].

In the Israeli dominated system, the operational distinction
between "left" and "right" was the impossibility of forming any
coalition between parties to the left of Mapai/Labour and to its right,
for ideological reasons, even though they have had a parliamentary
majority between them. Mapai/Labour's pivotal position has been based,
then, not only on its size but also on its location at the centre of
the ideological spectrum. The bloc of parties to the right of
Mapai/Labour was the larger, but even so had little chance of forming a
coalition, since even with the support of the religious parties, it did
not have a majority in the Knesset. Mapai/Labour was "a uniquely
essential proto-coalition", precisely because it was impossible to form
a coalition without it [Riker, 1962, p. 130].

The party has retained its pivotal position in each of the eight
general election in the 1949-1973 period. In 1961, its political
dominance was tested for the first time. Deeply divided from within and
bitterly attacked from without because of the "Lavon Affair" [Yanai,
1981, 43-44 et passim.], Mapai had to cope with a merger between the
General Zionist and the Progressive parties which formed the Liberal
party, a real centre-right challenge to its hegemony. As it happened,
Mapai lost five seats in the Knesset, the Liberal party gained three,
but the overall picture has not changed dramatically. Although
weakened, Mapai still held the pivotal position. Following the
elections, the Liberal party led the "Club of Four" (which included
parties from both right and left), which tried to face Mapai en bloc in
the coalition negotiations [Diskin, 1988, p. 31]. Mr. Levi Eshkol,
Mapai's second-in-command, took charge of the negotiations and

eventually succeeded in dismantling this unholy alliance and formed a left-of-centre coalition government. The failure of the "Club of Four" proved that a coalition of left and right parties without Mapai was not a politically viable alternative.

In the 1965 election, the prospects of changing the pivotal party looked more promising, and the composition of the next coalition appeared to be in doubt. Thus, it was the first "critical election" in Israel [Key, 1955, p. 4]. For the first time a strong right-wing political bloc, Gahal (composed of the General Zionist and Herut parties), was formed to fight Mapai head-on. No less significant was the attempt by the secessionist Rafi list (previously a right-wing faction of Mapai, led by Messrs. Ben-Gurion, Moshe Dayan and Shimon Peres) to capture the pivotal position for itself. However, election results showed once again that the parties to the right of Mapai, including Gahal, Rafi, and the religious parties, could not achieve a parliamentary majority. Rafi learned the lesson and re-merged with Mapai to form the Labour party following the Six Day War.

The 1969 election was not bitterly contested, due to the existence of a national coalition since 1967. However, a very serious challenge to dislodge the Labour party from its pivotal position was made in the 1973 election. The traumatic events of the Yom Kippur War provided the background for the electoral fight between Labour and its rival from the right, the Likud, resulting in the right-of-centre bloc gaining strength vis-a-vis the left-of-centre bloc. The move to the right was not limited to the electorate. In 1973, the State List (which originated in the Labour party) joined the Likud. These significant developments were not, as yet, strong enough to topple Labour from its dominant status, shaky as it may have become. Still, it was clear that

the party's political dominance was nearing its end [Galnoor, 1980, pp. 119-148].

In the 1977 election, Labour lost both its status as the largest party and its position as the pivotal party. Prior to the election, it was believed that the Democratic Movement for Change (DMC), a new centre party, might capture the median position in the system. As it happened, the shift to the right was so strong that a coalition of the right-wing and the religious parties, without the centrist DMC, was possible. In the past, centre parties (such as the Liberal party in 1961 or Rafi in 1965) failed to "pivot" because, between them and the right-wing and religious parties, they did not have a parliamentary majority. In 1977, the right-wing and religious parties simply were not dependent any more on the centre to form a government. The DMC was cordially offered (and grudgingly accepted) an invitation to join the right-of-centre coalition, but it had no real bargaining power. In a matter of a few years, the DMC has virtually vanished from the political scene [Rubinstein, 1982].

In conclusion, Mapai/Labour's political dominance from 1948 to 1977 was not an accident or a matter of a few sporadic successes on election day. The party has been the strong pivotal actor in the political system, due to its numerical strength and moderate ideological posture. Mapai/Labour, an electoral and parliamentary minority, has achieved a majority status at the governmental level and behaved as a fully established majority party. In the Israeli dominated system, coalition politics did not determine who will govern the country, but rather who will be the junior partners of the dominant Mapai/Labour party.

Surplus Coalitions

The Coalition Actors

At any given time, it is not very easy to determine the unit of analysis used to define coalition actors [Budge & Keman, 1990, pp. 39-43]. The conventional assumption that only political parties play the coalition game seems too simplistic, since quite often these do not behave as unitary actors. Actually, a single coalition situation tends simultaneously to involve different types of nonpartisan actors as well: factions, political blocs and individual members of parliament - all of whom try to influence the formation and the maintenance of the national executive.

This has certainly been the case in the Israeli dominated system. Participating in the coalition game were self-serving party leaders, factions and breakaway parties, well-established parties, political blocs (proto-coalitions) and various extra-parliamentary political bodies: the powerful trade union movement, other pressure groups, the media and other actors. Even if limited exclusively to political groups within parliament, the nature of Israeli coalition actors does not become much clearer, changing as it did over time and overshadowed by the presence of a dominant party within the framework of an extreme version of the P.R. system. As already noted, the existence of a single pole, the central plurality party, has tended to initiate centripetal and centrifugal moves, usually associated with party alliances, mergers, and splits, by "other" parties trying to influence or else

replace the party at the political "core". Not one Israeli party has been left unmarked by this kind of experience, which accounts for the extremely large number of participants in the coalition game.

Nevertheless, two major types of coalition actors can be identified in the dominated system: from 1948 to the mid-1960's, individual parties were the chief players in the coalition game, whereas from the mid-1960's on, blocs of parties organized along ideological lines dominated the scene. In each bloc, however, there has been a leading party which has dominated coalition strategies: Mapai was the leading party in the Labour bloc, while Herut dominated the Likud bloc. The leaders of these parties were simultaneously the heads of the proto-coalitions.

The actors in the coalition games leading to the governments formed by Mapai/Labour fall into three categories: First, "pariah" parties, excluded a priori from participation in government. This has been the case of the Israeli Communist party, regarded (not only by Mapai/Labour but also by all other Israeli parties) as lying outside the "Zionist consensus". The Communists never participated in any executive coalition, not even in national coalition of 1967. Another "excluded" party, at least until the Six Day War, was the right-wing Herut, the mainstay of opposition. Mapai and Herut shared traditional hostility since pre-independence times, and have not had much in common, policy-wise, afterwards. Viewing Herut as its most dangerous rival, Mapai has gone to a lot of trouble in order to ascertain that no political power come its way [Levite & Tarrow, 1983, pp. 301-3].

The exclusion of the extreme parties from potential participation in government has been, of course, a smart coalition strategy which served to increase Mapai/Labour's political dominance well above

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whatever was warranted by its electoral and parliamentary achievements. In very much the same way, the Christian Democratic party in Italy excluded the Communist party from office on ideological grounds, which policy also happened to improve its pivotal position in all the post-war coalitions. "Centre parties, often in a pivotal position in the coalition system, like to portray their political rivals as members of some lunatic fringe, typically alleging an obsession with extreme policies and thereby attempting to marginalize them from the political process" [Laver & Schofield, 1990, p. 47].

The second category of actors has included "occasional partners": parties that have had coalition potential, yet participated in government mainly when the needs of the dominant party required it. The ultra-orthodox Adugat Israel, which cooperated with Mapai for only three years in almost three decades, is a case in point. An ongoing partnership between the two parties was quite difficult, due to the vast gap separating them on the religious-secular scale. Also the Liberals (formerly the General Zionist party), Poalei Adugat Israel and Mapam, each belonging to a different political bloc, have alternated between government and opposition. In general, whenever these parties gained in electoral support, and more so when their policy positions became popular, Mapai/Labour tended to include them in the coalition. To this extent, the public was allowed a modest influence over the political agenda of a government, the "core" of which has remained constant.

The third category of actors were the parties which constituted the "regulars" of the coalition governments in the 1948-1977 period. First and foremost among them was Achdut Ha'avoda, which has joined with Mapai in coalition for twenty two years, until the two parties

formalized their alliance and finally merged. In addition, two smaller parties, each belonging to a different political bloc, were included in this category: the National Religious Party (NRP) and the Independent Liberal Party (ILP, formerly the Progressive party). Both the NRP and the ILP have joined in coalition with Mapai/Labour for over twenty years.

In this "core" group, the ILP was the junior partner which probably preferred participation in government - for visibility, some jobs for party activists, an opportunity to influence legislation and fear of electoral extinction. Mapai/Labour's interest to include this small centre party in coalition was to offset the influence of the leftist Mapam and Achdut Ha'avoda. Most important for the dominant party, however, was to cooperate with the ILP, an "unnecessary" actor (save the 1974 coalition), for preventing the crystallization of a rival centre which, bringing together religious and right-wing parties, might challenge its pivotal position, if not oust it from power altogether [Mahler & Trilling, 1975, p. 216].

A political onslaught from the right has always been Mapai's nightmare. In retrospect, it is tempting to speculate on the possible outcome of a move by Mapai, in the early 1960's, to cooperate with both constituents of the Liberal party, the Progressives and the General Zionists, rather than with the leftist parties. This might have put the entire party system on a different course, quite the better one for Mapai. As it happened, having been left out of the 1961 coalition government, the General Zionists looked for a political alternative and found it in Herut. Thus were formed Gahal in 1965 and the Likud in 1973, and the stage was set for the termination of Mapai/Labour's political dominance in 1977.

Be this as it may, the real inner "core" of coalition politics in the dominant party system was the "historic alliance" between Mapai and the NRP. For size and policy considerations, Mapai needed at least one medium-size coalition partner, a permanent and stable one near the political centre. Up to 1967, the NRP was an ideal coalition partner since its policies were similar to those of Mapai's, save on religious issues. Finding a common ground and maintaining a status quo on religious matters in the framework of a coalition seemed best for both parties. For Mapai/Labour, minor concessions on religious issues were exchanged for support on other major policies. As for the NRP, it could always argue that whatever concessions attained would not have been possible at all, had it stayed out of coalition altogether.

The shift of the NRP from centre to right on national issues, following the 1967 war, brought uneasiness to its relationship with Mapai/Labour. Still, both parties avoided confrontation by formulating increasingly vague programmes on foreign and defense policy. This helped maintain an overall coalition framework, but could not prevent repeated cabinet crises and breakdowns. All in all, "[this] marriage is one of convenience, not one based on harmony" [Don-Yehiya, 1975, p. 258].

Coalition Membership

Mapai/Labour has formed an uninterrupted series of seventeen coalition governments during the tenure of eight parliaments. As required by law, those governments were each presented to the Knesset, won a vote of confidence and assumed office. There have been many changes in the

party composition of these coalitions, however, with quite a few parties and individual Members of Knesset (MKs) going in and out during each government's term of office (the picture in its entirety is presented in Table 2.3 on the next page). Thus, the 8th coalition saw the National Religious Party quit over the "Who is a Jew?" issue* in 1958, but this withdrawal did not force the downfall of the government, which carried on until the elections to the 4th parliament. The 13th coalition became a national unity government on the eve of the Six Day war in June 1967, when joined by Rafi and Gahal. During the 15th coalition, Gahal left in August 1970, when the government decided to accept an American peace initiative, the Rogers Plan. The 17th coalition was formed without the NRP, which joined in later only to withdraw again, in December 1976, from the last of Mapai/Labour's governments.

Coalition membership seems to have had little to do with ideological affinity. Never was there a coalition based on any one bloc of parties, and most coalitions actually included parties from each of the three main political blocs. Curiously, already in the first Knesset Mapai and Mapam, both of the left-wing bloc, had had an outright majority, but Mapai's leader, Mr. Ben-Gurion, did not even include

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* Since Israel's Law of Return grants a more or less automatic citizenship to any Jew asking for it, while leaving the question of eligibility open to interpretation, this problem's significance is not exclusively theological, not quite. Rather, it has been plaguing Israel's political system ever since the State was created.

Table 2.3   Coalitions Formed by Mapai/Labour, 1949-1974

Cabinet	Partners	120	Knesset
1) 3/1949	Mapai*+Religious Bloc+Progressive+Sephardim		1
	(48) (16) (5) (4)	73	
2) 11/1950	Mapai+Religious Bloc+Progressive+Sephardim		1
	(48) (16) (5) (4)	73	
3) 10/1951	Mapai+Hap.Mizrachi+Mizrachi+Aguda+Poa.Aguda		2
	(50) (8) (2) (5)	65	
4) 12/1952	Mapai+NRP+General Zionists+Progressive		2
	(50) (10) (23) (4)	87	
5) 1/1954	Mapai+NRP+General Zionists+Progressive		2
	(50) (10) (23) (4)	87	
6) 6/1955	Mapai+NRP+Progressive		2
	(52) (10) (4)	66	
7) 8/1955	Mapai+NRP+Achdut Ha'avoda+Mapam+Progressive		3
	(45) (11) (10) (9) (5)	80	
8) 1/1958	Mapai+NRP+Achdut Ha'avoda+Mapam+Progressive		3
	(45) (11) (10) (9) (5)	80	
9) 12/1959	Mapai+NRP+Achdut Ha'avoda+Mapam+Progressive		4
	(52) (12) (7) (9) (6)	86	
10) 11/1961	Mapai+NRP+Achdut Ha'avoda+Poalei Aguda		5
	(46) (12) (8) (2)	68	
11) 6/1963	Mapai+NRP+Achdut Ha'avoda+Poalei Aguda		5
	(46) (12) (8) (2)	68	
12) 12/1964	Mapai+NRP+Achdut Ha'avoda+Poalei Aguda		5
	(45) (12) (8) (2)	67	
13) 1/1966	Alignment+NRP+Mapam+Ind.Liberals		6
	(49) (11) (8) (5)	73	
14) 3/1969	Alignment+NRP+Mapam+In.Lib.+Rafi+Gahal		6
	(49) (11) (8) (5) (9) (22)	104	
15) 12/1969	Alignment+NRP+Ind.Liberals+Gahal		7
	(60) (12) (4) (26)	102	
16) 3/1974	Alignment+NRP+Ind.Liberals		8
	(54) (10) (4)	68	
17) 6/1974	Alignment+CRM+Ind.Liberals		8
	(54) (3) (4)	61	

*   Including the Mapai-affiliated Arab lists.

Mapam in the coalitions of the early 1950's. The conflict between Mapai and Mapam on foreign policy orientations at the time has barred Mapam's participation, all the more so because Mr. Ben-Gurion never wanted an entirely left-wing government in the first place.

Moderate and "Closed" Coalitions

Mapai/Labour formed coalitions that were "closed" and ideologically moderate. A "closed" executive coalition implies the inclusion of all parliamentary parties within a given ideological sphere. An "open" coalition "skips" over one or more such parties. Usually, coalitions in parliamentary democracies tend to be "closed". If some are found to be "open", it is probably due to problems in defining and measuring ideological distances in one dimension or more [cf. Taylor, 1972].

Mapai/Labour has always preferred moderate parties to extreme ones within the various political blocs; whenever a more extreme party participated in any of its coalitions, all the moderate parties in the same bloc also participated. In Axelrod's terms [1970], all its seventeen coalitions were "closed" and "winning". The only exceptions to this rule were Rafi and the Civil Rights Movement (CRM), Mapai's two breakaway parties, which were blackballed by the dominant party [Diskin, 1988].*

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* Unlike Rafi's split, the CRM's secession was not politically dangerous, since it has remained within the left-of-centre camp. Still, the challenge to the veteran leadership (Mrs. Golda Meir was then party leader) was unforgivable.

The dominant party tried to create balanced as well as moderate situations. "If the dominant party has partners on opposite sides of it on the same [policy] dimensions... then these flank parties tend to balance each other out, as neither can get what it wants without the dominant party's support" [Luebbert, 1986, p. 80]. Thus, for instance, the NRP with its "hawkish" policies on foreign and defense issues (after the Six Day War) counterbalanced the "dovish" influence of the ILP, Mapam, and moderate factions within Mapai itself. Certainly, the dominant party has never sought a balance across the entire ideological spectrum. It preferred not only a balance, but an ideological proximity as well among its coalition partners. Consequently, in building coalition governments, Mapai/Labour has started out from the "core" and proceeded in both directions to bring in moderate rather than extreme parties.

Bargaining for a Limited Partnership

Throughout its rule, Mapai/Labour has been torn between the need to form coalitions, because of its minority status, and the not unnatural desire to rule the country all by itself. The solution has been to treat the various coalitions as limited partnerships: in the context of the dominated system, the most important principle - if not the only principle - in the process of coalition negotiation was that Mapai/Labour should maintain an absolute majority in government. That is to say, it should have more votes in the executive than all its coalition partners combined. This principle was never negotiable, and

has had a strong impact on the entire bargaining structure both for the formation and the maintenance of executive coalitions.

Mapai/Labour's "dictatorial" position in government was not always readily accepted by its partners. The first challenge, by the "Club of Four", as noted above, failed miserably. When two opposition parties, Gahal and Rafi, joined in the national unity government on the eve of the Six Day War, this principle was put to yet another test. While there was an apparent cause to redistribute ministerial portfolios, so as to reflect the relative parliamentary power of the various coalition partners, old and new, this was not done, the reason given being that Gahal and Rafi joined government "just" because of a national emergency. After the 1969 elections, when the formula of a national unity government continued, a change in power relations within government indeed took place, yet the absolute majority of the Labour Alignment, consisting now of the Labour party (formerly Mapai, Achdut Ha'Avoda and Rafi) and Mapam, was maintained.

Having a clear majority in government has made the dominant party rather willing to compromise and make promises; these mattered, but not too much. After all, it was up to Mapai/Labour to decide, during the lifetime of the coalition, whether or not it was going to live up to its promises. Consequently, bargaining was not limited to the formation process, but rather was an ongoing endavour throughout the tenure of each government. Needless to say, it was usually at the formation of a new coalition that a great many previously ignored promises have had to be dealt with.

Coalition bargaining to form the government has usually proven to be a rather lengthy, excruciating process. Most negotiations took up the entire period allowed by law; typically, the would-be coalition

partners have had to be seen to drive a hard bargain. In fact, even when portfolio distribution and policy issues could be readily settled, bargaining has had to appear as a prolonged (and by implication, tough) encounter, for reasons of political legitimacy. "What makes the talk so long, difficult and complex is generally not the lack of goodwill among the elites, but the fact that negotiations must appear the way they do in order to satisfy the members whose orientations are still largely attuned to the vocal, symbolic, and ideological aspects characteristic of each respective political culture. It is wrong to assume that, because interparty negotiations take a long time, much is being negotiated among the parties. Most negotiation in cases of protracted government formation takes place between leaders and their followers and among rival factions within parties" [Luebbert, 1986, p. 52].

The never-ending bargaining process was, among other things, an excellent device to avoid controversial issues. As it happened, parties which had long participated in interparty negotiations came to prefer the postponement of fundamental decisions, placing a greater emphasis on operative goals, over which it was easier to compromise. This tendency accounts, among other things, for the fact that no constitution was ever drawn in Israel (the religious parties strongly object to that), or that no decision was taken on the issue of the occupied territories during the period between the Six Day War in 1967 and the Yom Kippur War in 1973, or actually ever since. In fact, the practice of making compromises and the proclivity for short-term solutions, in order to accommodate coalition parties, has created a tendency in Israeli politics, whereby neither government nor the Knesset has been able to implement comprehensive, long-term programmes even on less controversial issues such as economic policy.

Finally, there is no doubt that intraparty politics have an impact on the coalition bargaining process. Factionalism and threats of party splits, particularly in the context of the P.R. system, may constrain decisions making in coalition negotiations. Intraparty tensions may make it difficult for parties to participate in coalitions. In the Israeli case, for example, "The NRP's reason for not joining the Rabin coalition was a desire for party unity. Similarly, Labour's decision not to yield on 'Who's a Jew?' and a national coalition cabinet was, to a large extent, influenced by its desire to maintain the party and its electoral coalition with Mapam" [Don-Yehiya, 1975, p. 273]. Thus, even the bargaining position of the dominant party was strongly affected by intraparty politics. Moreover, it had carefully to distribute its ministerial portfolios among its various factions, lest the delicate intraparty balance be tipped and bring about a split.

Coalition Payoffs and Tradeoffs

In final analysis, payoff distribution is the name of the game for the participants in coalition politics. Unless one expects to be paid, one does not play the game in the first place. As for the stakes in the coalition game, there seem to be "two major motivations for playing: the desire to gain office and the desire to influence policy... Office may be pursued instrumentally in order to enhance control over policy, and conversely that policy may be pursued instrumentally in order to improve the chance of getting into office" [Laver & Scofield, 1990, p. 164].

Office Payoffs

Ministerial portfolios are certainly the major payoffs distributed among coalition partners. Basically, the number of portfolios allocated to parties may either conform to a norm of proportionality, whereby each party will be represented in government in accordance with its parliamentary strength; or else the distribution of portfolios may reflect the individual bargaining power of each coalition partner. The proportional basis seems to provide for a sense of fairness and thus may contribute to stability, whereas the use of bargaining power appears to be associated with political "blackmail" and may introduce destabilization into to the coalition game. Most coalition studies have found that "the number of ministries received by partners in a governing coalition is indeed explained, almost on a one to one basis, by their contribution of seats to that coalition" [Browne & Franklin, 1973, p. 458].

Indeed, in the Israeli context, it was argued that "the ratio of ministerial payoffs obtained by each party support, by and large, the proportionality proposition. The size of the deviations in most cases is not significantly large. However, in some instances, such as in the 1964-1969 period, Mapai managed to obtain a disproportionally large share of payoffs as opposed to the 1974 government, when it was underpaid. The NRP's payoff is less variable, but at least on two occasions (1951 and 1952) it obtained a larger than proportional payoff. On the other hand, the smaller parties like the ILP, Mapam, and Achdut Ha'avoda conform to the proportionality rule" [Seliktar, 1982, p. 306].

Actually, Mapai/Labour has managed, for most of the time, to secure a disproportionally large share of the payoffs, compared to its coalition partners - mainly, of course, because it was the dominant party, not easily blackmailed by other parties. True, in the first two coalitions, during the early 1950's, the dominant party had paid a high price for the cooperation of its partners, mainly the NRP. However, it soon learned that a lower price would be sufficient to get the same amount of cooperation. Since then, the dominant party has increased its own payoffs disproportionally to its electoral strength, at the same time reducing its partners' share. In the mid-1970's, Mapai/Labour's declining political dominance again forced it to offer a high reward for participation. The loyal ILP provided an extreme example when its four-member parliamentary group was offered two seats in the 1974 government [Nachmias, 1973, pp. 301-5].

It is popularly believed that smaller parties tend to "blackmail" the larger parties. In Israel, the small coalition partners, at least until 1977, although needed for the coalition to be a winning one, did not even receive their fair share in the allocation of governmental payoffs. Actually, the total rewards received by the smaller parties - portfolios, government appointments, financial support, and so on - seem to indicate a definite discrimination against them, compared with Mapai/Labour's share [Diskin, 1988, p. 162]. The Israeli experience can explain why "bargaining power" is not always relevant. The one-party dominance has been strong enough to make sure that no other party can exercise much leverage against it. The smaller parties have been happy "not to lose" and get whatever they were given.

The distribution of portfolios has both quantitative and qualitative dimensions. Bargaining over who gets which portfolio does

seem in practice to be an important component of coalition negotiations. Although the assessment of quality is not always easy to make, not least because different parties may take a different view of the same portfolio, there seems to be a consensus in a given system on the pecking order of portfolios. In the Israeli dominated system, Mapai/Labour's control has been qualitative as well as quantitative: the Prime Ministership, Defence, Foreign Affairs, Finance and Education. The ministries distributed to coalition partners have not been, by and large, major or significant in any hierarchical sense.*

Mapai/Labour's long-time ally, the NRP, traditionally received the Ministries of Religious Affairs, Social Affairs and for a while the Ministry of the Interior. The NRP valued these offices both for the patronage possibilities inherent in them and their instrumentality for controlling policy in certain areas important to the party. Smaller and virtually "unnecessary" coalition partners, such as the ILP, Mapam and Achdut Ha'avoda, scarcely received any relatively important portfolio.

While in office, all parties tried to ladle out patronage and influence policies to their own advantage. Officially, positions in the Israeli civil service could not be part of coalition, or any other kind of bargaining. Most coalition agreements explicitly stated that the public service should be depoliticised. In reality, however, Mapai/Labour placed its own loyal personnel in top bureaucratic positions, thus reinforcing its political dominance. Moreover,

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* One major exception, quite easy to explain under the circumstances prevailing then, was the appointment of Rafi's Mr. Dayan as Defence Minister on the eve of the Six Day War in 1967.

Mapai/Labour's patronage was not limited to government agencies. The party also exercised control over patronage payoffs in various public institutions, and most importantly over the trade union movement.

Within the state bureaucracy, a clear manifestation of Mapai/Labour's dominance was its direct control over 75 to 90 percent of the government budget through its ministerial portfolios. The party tended to hold on to "big spending" ministries, while controlling the rest through their budgets, which could only be spent with the approval of the Finance Ministry. Sometimes, in order to settle conflicting claims, Mapai/Labour saw fit to transfer departments from one ministry to another, without losing much control in the process. In 1952, for instance, the General Zionist party was given the Ministry of Commerce and Industry, but without some departments (and their budgets) which Mapai moved over to the Treasury. In 1961, Mapai handed the Ministry of Labour to Achdut Ha'avoda after removing from it the Housing Department, which eventually became a Mapai ministry [Seliktar, 1975, p. 15].

The fact that in Israel there is no legal limitation on the number of ministries and ministers has had an important impact on coalition politics. Coalition partners have tended to prolong bargaining, hoping to gain more seats at the government table. In final analysis, the size of government depended on the ability of Mapai/Labour's negotiators successfully to conclude the coalition formation process without giving up too many portfolios. Generally, the number of ministers has continuously been on the increase, regardless of the parliamentary base of the executive. If in 1949 there were 12 government positions in a coalition based on 73 members of parliament, in 1974 a coalition of 68 MKs formed a 20 member government. The executive/legislature ratio has

increased from a 1:6 level to more than 1:4. The number of Mapai/Labour's ministers has always been on the rise, the party's parliamentary strength, the total number of ministers or the number of ministries notwithstanding. The change in figures certainly represents a change in political culture.

If the table in the government meeting room seemed to have been made out of rubber rather than wood, it suggests that coalition politics in Israel is a "nonzero-sum game" rather than a "zero-sum game". This partly explains why most Mapai/Labour governments have been surplus coalitions.

Policy Payoffs

As noted above, a party can influence government policy by having control over a particular ministry. Ministries initiate legislation and introduce measures to advance certain policies; they can also spend their budgets on specific programmes which involve policy payoffs. In addition, a coalition partner may simply enjoy policy payoffs resulting from the overall coalition policy package. In this context, a party's policy payoff is inversely related to the distance between its "ideal" policy line and the policy of the government as a whole. The wider the gap, the lower the policy payoff, and vice versa [Laver & Schofield, 1990, p. 193-4].

In a dominated system, the policy positions of the coalition tend to correspond to the positions of the dominant party. After all, the dominant party formed the coalition in the first place and most probably is located at the political "core". Certainly in Israel, Mapai/Labour's policy positions have represented, to a large extent,

the ideological centre of the various coalitions it formed. Whereas the central dominant party has received maximum policy payoffs, all other coalition partners received much less. The religious goals championed by the NRP, for instance, have been able to obtain relatively low-value payoffs, since such positions sharply deviated from the policies of a government controlled by secular parties. There is a sense, however, in which the "religious payoffs" could be regarded as not too low: simply, in any other circumstances the religious payoffs would have been even lower.

As for non-religious issues, the NRP, located as it was near the "core", could and did enjoy high policy payoffs. After the 1967 war, however, the NRP moved to the right on defense and foreign policy issues; consequently, it received fewer policy payoffs in a Mapai/Labour coalition which was based on the centrist formula of status quo on those issues. The "dovish" socialist Mapam party, on the other hand, received low policy payoffs across the board - in economic, religious and nationalistic terms. The overall coalition policy favoured a mixed economy rather than socialist planning. Mapam was also quite displeased with the government's policy package on religious issues. Moreover, it was dissatisfied with the coalition's foreign and defense policy, and actually suspended its membership in the national coalition of 1969 because of the participation of the right-wing Gahal.

The smaller ILP held positions similar to Mapam's on religious issues, but on economic issues it was to the right of both Mapam and Mapai, advocating a basically free market economy. Achdut Ha'avoda, which started out from positions similar to Mapam's, eventually drifted towards the "core" and merged with Mapai. Theoretically at least, this

move represented an increase in its policy payoffs [Seliktar, 1982, p. 309].

A Party which is mainly concerned with policy payoffs might join the coalition but forgo the right to ministerial seats. Sometimes its representatives may join government, but as ministers without portfolios. Usually, these arrangements indicate the party's interest in the coalition policy package rather than its office patronage. The Civil Rights Movement joined the 1974 Rabin government but did not assume ministerial positions, claiming interest only in government policy. The ultra-orthodox Agudat Israel exerted coalition patronage which was instrumental to the advancement of its religious policies. It was not interested, however, in assuming government positions in a secular Zionist government.

To conclude, Mapai/Labour as the central party has provided the core for the political system and as such controlled the distribution of payoffs. It secured the cooperation of other parties by letting them, in a selective fashion, enjoy the payoffs that were controlled by the political centre. Mapai/Labour exchanged with its coalition partners access to economic, political and ideological payoffs in return for political support. In this way, the payoffs system contributed significantly to the stability of coalition governments.

Continuity and Change

During the 1949-1977 period, Israel was governed by seventeen coalitions, each with an average life-time of twenty months. These relatively short-lived governments meant that coalition negotiation

have become a regular feature of politics not only after elections, but also in between. Dissension within the coalition was the chief cause of government dissolution. Still, the short duration of the various governments was not a reflection of political instability, since the dominant party has always remained in control. Opposition parties have never been successful in their attempts to bring down the government in no-confidence votes in parliament.

Short-lived governments came and went, but the rule of a single party was never interrupted. It was an impressive display of government continuity in a period of intensive change. The essence of stability has had to do with the dominant party's coalition politics. It employed successful modes of conflict resolution which could deal with social and economic change and cope with deep and widespread political and ideological controversies. The regime attributes in Israel certainly pointed to a political system with alarming disintegrative features. The party system was fragmented, fractionalised and polarized. It went through frequent changes in the wake of mergers and splits. Also, there were many changes in the composition of the coalition governments due to uneasy alliances between parties that did not always adhere to the same set of political rules [Horowitz, 1990, pp. 1-10].

The centrality of a dominant party was, however, a cohesive force which counterbalanced the centrifugal tendencies of the political system. In fact, the deficiencies of the political system did more to strengthen the dominance of Mapai/Labour than to undermine the system's stability. As we have seen, there have been changes of coalition partners, but there was not a change of government. This situation provided continuity and stability at the interparty level. The parties served as agents to distribute resources and as mediators between the

public and the government. The patterns of response by the parties and government to demands of various political groups also contributed to stability, but at the expense of political effectiveness.

Labour's "Not Losing" Governments

In pre-statehood times, coalition "governments" were particularly large-based, in order to achieve the widest possible consensus among political parties and groups, due to the essentially voluntary nature of the political organization in the obvious absence of the enforcing powers of a sovereign state (some political groups actually rejected the legitimacy of the Jewish central authority) [Horowitz & Lissak, 1979, pp. 13-5]. In those large coalitions Mapai, already the leading political force but unable to acquire a clear hegemony because it did not possess an outright majority, had to share power with other political groups (save in the Histadrut, where it had exercised full control). Mapai remained in minority in the interim coalition government that was set up immediately after independence in 1948, since it was based on the previous formula (Table 2.5).

Table 2.4   The Interim Coalition Government by Parties - 1948

Mapai	4
Mapam	2
General Zionists	2
Religious group	2
Orthodox group	1
Sephardic group	1
Progressive party	1

Total	13

The major political change of 1948, from community to statehood,
was not followed by a substantial change in the electoral and
parliamentary strength of Mapai. Although Mapai and its leaders were
identified with the establishment of the new state, the party never
became a majority party [Paltiel, 1975, pp. 397-414]. However, the
party could use its strength to bring to an end the tradition of
consensus and achieve for itself a majority status at the government
level, following the elections to the first Knesset. Certainly, in
sovereign Israel there was no more relying on voluntary obedience, so
Mapai, as the plurality party, could form coalitions in the manner
described above. In terms of coalition theory, Mapai acted according to
the logic of Riker's "size principle" [Riker, 1962]. By reducing the
size of the "grand coalitions" which had existed before, it was able to
increase the payoffs granted to the fewer coalition partners - and
mainly to itself, as the coalition leader. Those smaller coalitions
still remained rather large, but not too large as to deny Mapai its
outright majority within the respective governments, as indicated in
Table 2.6 [Nachmias, 1975, pp. 241-254].

Table 2.5   Mapai/Labour's strength in the Coalition Governments

1949 - 1973

Year:	1949	1951	1955	1959	1961	1965	1969	1973
No. of Members	12	13	16	16	16	21	24	20
Of which Mapai:	7	9	9	9	11	12	14	16

Source: Israel Government Yearbooks.

Generally, the size of Israel's coalition governments has been determined by "normal" political situations, not by external threats to the democratic system. Only once was the size of coalition directly influenced by an external threat - on the eve of the Six Day War in 1967, when a national unity government was formed to deal with a perceived threat to Israel's very existence. Ironically, this national coalition came to an end in 1970 as a result of yet another external "threat" - an American peace initiative which the right-wing Gahal rejected, withdrawing from the coalition when the government decided to go along with it. It seems that some external pressures tend to unite a nation, and some work to divide it.

Israel's survival needs in face of external threats to its security seem to have created a popular attitude towards the political parties, whereby they were expected to strive for consensus and accommodation, or at least appear to be doing so. After all, larger coalitions tend to have more legitimacy and authority than smaller ones, particularly in dealing with serious crises. In this context, coalition politics is viewed as a "nonzero-sum" game because political parties cooperate as well as compete among themselves. "The political culture in which coalition formation and coalition management takes place attaches a high value to consensus: payoff maximization occurs in terms of 'concord'" [De Swaan, 1973, p. 81].

The impact of the prolonged conflict with neighboring countries on the behaviour of political parties in Israel notwithstanding, it seems that the composition of governments, and thus their size, have in final analysis emerged from "normal" interactions among the actors in the coalition game. In determining the size of the coalition, Mapai/Labour has opted, as a matter of principle, to secure for its governments an

outright parliamentary majority. In fact, all seventeen coalitions formed by Mapai/Labour were supported by a majority of the members of the Knesset. The size of these coalitions has varied: from a national unity government, a "grand coalition" of 104 seats, through many "surplus coalitions", to a "minimal winning coalition" of 61 seats in the 120-seat Knesset.

The formation of a minority government, while theoretically a viable possibility, has never been seriously considered. Of course, some coalitions formed by Mapai/Labour lost parliamentary support and became, through the resignation of the Prime Minister - never by losing in a no-confidence vote in parliament - "caretaker" governments for relatively long periods. Still, when the next executive coalition was formed, it was based on the support of a majority in parliament, usually an "oversized" one.

One way to explain surplus coalitions is by recalling Riker's "information effect": imperfect information, at the bargaining and formation stage, may increase the size of the winning coalition [Riker, 1962, pp. 87-9]. For instance, in a highly fragmented multiparty system, a surplus coalition may eventually be formed because no participant has sufficient information to calculate in advance how many parties would be needed for the coalition to be a winning one, or what conditions will ensure the participation of one party or the other.

Riker's "information effect" has to do with the stage of coalition bargaining and formation, and as such, can indeed explain surplus coalitions in "regular" multiparty systems. In dominant party systems, however, the logic of the "information effect" is not as relevant, since the dominant party controls the bargaining and formation process and thus seems to have adequate information. What a dominant party

cannot know for certain, is the way its coalition partners are going to behave once government has been set up. "If a dominant party deals simultaneously with a cluster of less powerful 'other' parties, offering each of them a place at the government table, then none is able to twist the dominant party's arm in the negotiations that precede government formation... Dumping an awkward passenger by the side of the track in the run-up to the investiture debate presumably has few costs... Dumping the same passenger after the government has formally taken office is another matter altogether and may impose far higher costs on the dominant party" [Laver & Schofield, 1990, p. 86].

That is to say, considerations concerning the maintenance and stability of the coalition, rather than its formation, may explain the existence of "larger-than-minimal" coalitions in dominant party systems. "Some actors may defect the coalition at crucial moments and therefore it may be necessary to form a 'reserve' in terms of weight, i.e. votes" [De Swaan, 1973, p. 84]. Luebbert, in dealing with dominated systems, suggests that the dominant party has an incentive to add "unnecessary" coalition partners in order to avoid war of nerves with smaller parties. "A minimum-winning government would contain no excess parties, and the withdrawal of one party would bring down the government. This situation permits a kind of blackmail of the dominant party... for a party can threaten to leave the government at will, and thus compel the dominant party to choose between making concessions or renegotiating the entire government agreement. The leaders of the dominant party can avoid this dilemma if they can form a government that includes one or more unnecessary parties, none of which can bring down the government by itself" [Luebbert, 1986, p. 79].

In Israel, this proved to be the case in 1955, when the General Zionist party left the coalition government without taking with it the parliamentary majority of the Mapai-led coalition. In 1958 the National Religious Party withdrew its support of the government over the "Who is a Jew?" dispute, but coalition still enjoyed a parliamentary majority. So it was not until the 1974 Labour government, headed by Mr. Yitzhak Rabin, that the dominant party came to realize the high costs imposed on a minimal winning coalition. Formed in the aftermath of the traumatic 1973 war, it was an uneasy coalition to begin with. In 1976, a minor incident developed into a major rift between Labour and the NRP. Once the coalition agreement was shattered, the weakened dominant party was unable to negotiate a new one. In fact, this coalition turned out to be the last Mapai/Labour dominated government.

The notion that "larger-than-minimal" coalitions are more stable than "minimal winning" coalitions in dominated systems seems to have an important theoretical implication. Most coalition theories assume that surplus coalitions are relatively unstable precisely because of the inclusion of actors who are "unnecessary" for the coalition to be winning. In the same way it is argued that "minimal winning" coalitions are stable because there are no "free passengers" on board. In other words, in the context of "minimal winning" coalitions, the various actors have maximized their gains so they have no motivation to change the composition of the coalition, whereas in surplus coalitions there is still room to increase "winnings" by ejecting "unnecessary" actors. Consequently, "minimal winning" coalitions should almost by definition be more stable than coalitions of any other size [Dodd, 1976, passim].

It seems, however, that it is basically a question of semantics. If we regard any change whatever in the party composition of the

coalition as indicative of lack of stability, it may be reasonable to suppose that "minimal winning" coalitions are the most stable ones. If however lack of stability refers to the actual downfall of the government, or to a substantial change in its political formula, there is no reason to suppose that "larger-than-minimal" coalitions are relatively unstable. The Israeli experience during the period under discussion here has shown that surplus coalitions can be rather stable precisely because a number of "unnecessary" actors are included: the dominant party can maintain the basic coalition formula, in spite of a

political crisis with a junior partner who may or may not stay on in the coalition.

Surplus coalitions in Israel result in part from internal pressures within society at large. "The cleavage structure in Israel which is based on ideological, religious, and ethnic factors makes it necessary for the coalition leader to absorb the resulting pressures in the coalition structure" [Seliktar, 1975, p. 5]. This can explain why Mapai saw fit to include in the first two coalitions the Sephardic party - an "unnecessary" partner, but one which was useful in dealing with ethnic pressures. Similarly, the "open invitation" to the NRP to join coalition governments, even when it was not arithmetically necessary, served among other things to diffuse the explosive secular-religious situation.

Enjoying a high degree of consensus, surplus coalitions have a moderating effect on cleavages. Moreover, their ability to push through parliament legislation on controversial issues is unmatched by smaller coalitions. On specific policy issues, the consent of "interested" parties is indeed crucial. For instance, on religious issues the participation of religious parties is important, while on labour

relations the cooperation of the left-wing parties is vital. These instances could help explain surplus coalitions as well: "Political requirements alter the definition of a 'winning coalition' because decisions adopted by a simple majority or without the concurrence of certain groups or individuals in the voting body will remain ineffective" [De Swaan, 1973, p. 81].

Surplus coalitions were also created through the initiative of the "other" parties, to which the dominant party favourably responded. The usual case was for centre and religious parties to express interest in expanding coalition scope by coopting parties ideologically adjacent to themselves. In 1952, the Progressive party made joining the coalition conditional on the inclusion of the General Zionist party. Similarly, in 1974 the ILP pushed for the inclusion of the CRM in the coalition. Intermittent attempts by the NRP to bring the Likud into government were however rejected by Mapai/Labour, for obvious reasons.

The partners on the left, Mapam and Achdut Ha'avoda, usually pressed for a "minimal winning coalition" exclusively composed by the left-wing bloc. The dominant party refused to accede because it has been its overall coalition strategy to ally with the centre and religious parties. Actually, in most coalitions, the left-of-centre parties have become "unnecessary" actors. However, Mapai/Labour tended to included them in government, not least because of their much stronger position in the powerful Histadrut. In this sense, the Histadrut has been an extra-parliamentary actor who, in aroundabout way, added "unnecessary" weight to the coalition government. Commenting on "larger-than-minimal" coalitions, De Swaan argues that "political requirements alter the definition of a 'winning coalition' because decisions adopted by a simple majority or without the concurrence of

certain groups or individuals not represented in the voting body will remain ineffective" [De Swaan, 1973, p. 81].

It has been noted already that Mapai/Labour attempted to control coalition politics by counterbalancing ideologically divergent partners in government. This was most evident in the juxtaposition of the NRP and the ILP on religious issues, or the offsetting of Mapam by the ILP in economic policy. This strategy, in the exigencies of a multi-dimensional policy space, has brought about coalitions that tended to be oversized and of an extended policy range. In this way the government resembled "a supercoalition from which ad hoc coalitions for each bill or each category of issues are formed" [De Swaan, 1973, p. 81].

In the context of coalition formation, the relative importance of policy and size seem to display inverse proportionality. When coalitions are formed to achieve particular policy goals, it is the implementation of the coalition agreement that is important, not coalition's relative size. Minority, minimum-winning and surplus coalitions, all may be acceptable to members (and even to nonmembers) if salient policy goals can be attained. The possession of a "minimal winning" coalition is all-important only in a world with no policy goals whatsoever. For self-serving office-seekers, the only thing that matters about a coalition is that its size should be minimal, because in such a coalition participants can maximize their winning in terms of office payoffs. Surplus or minority coalitions make sense only when policy payoffs are involved as well [Budge & Keman, 1990, p. 18].

In Israeli coalition politics, the pursuit of ideological goals has been important, alongside with the unavoidable office-seeking. Consequently, from the theoretical point of view, both surplus

coalitions and minority governments should have formed - at least on occasion. The coalitions formed by Mapai/Labour were mostly "larger-than-minimal", however, never minority governments, which begs a question. We do know that dominated systems do not always have majority governments. In typical dominated systems such as Italy and Sweden, for instance, minority governments are rather common. Why not in Israel?

Luebbert argues that "the first and essential point to appreciate is that in a dominated system the only opportunity a party has for influencing public policy is by participation in a coalition" [Luebbert, 1986, p. 73]. This may explain the behaviour of the "other" parties which may seek coalition participation, realizing they have no opportunity to influence government policy from opposition benches. Yet why would the dominant party, which controls the bargaining process, find it important to include the "other" parties in its coalitions, if it does not have to?

It seems that Mapai/Labour has included some "other" parties in its coalitions because they were weak and could not have much impact on government policy. The cost of their inclusion was rather low, so it was better to have them in coalition than outside. As mentioned above, Mapai/Labour has been careful to maintain an absolute majority in the executive coalition, and the presence of some "other" parties could not make much of a difference. A minority government, however, if formed, might have been blocked, at least occasionally, by the opposition - regardless of its policies. In the Israeli political culture, a tradition of supporting the government from the outside has never developed. If you are not in, you are out. If you are out, you tend to oppose. Certainly, policy positions are important to Israeli parties, but when in opposition they tend to ignore policy considerations and

oppose government for opposition's sake (the rule being "you stand were you sit").

It seems that in the 1950's and 1960's, when the political dominance of Mapai/Labour was at its highest and the system was not extremely polarized, the "other" parties were moving towards the centre, clamouring to be included in Mapai/Labour's governments in order "not to lose". For most parties, there were no strong ideological barriers to coalition participation; the anti-establishment parties have not been really powerful. The outcome was majority coalitions which, based on Mapai/Labour strategy, turned out to be surplus coalitions.

In the 1970's, however, the political consequences of the Six Day War made the party system more competitive and polarized, in particular over the number one issue on the political agenda: the future of the territories occupied in the 1967 war. This development forced parties to take sides, to become either political "hawks" or "doves". Achdut Ha'avoda, for example, which merged with the ruling Mapai party, abandoned its previous "hawkish" positions and became a more moderate faction within Labour. In a similar way, the General Zionist party, originally rather moderate, became more "hawkish" in the framework of the opposition Likud. Yet nowhere was this change more marked than in the National Religious Party: traditionally moderate on defense issues, it gradually became more and more nationalistic, undertook to champion the cause of settlement, and its "historic alliance" with Mapai/Labour seemed more and more anachronistic.

This redefinition of ideological positions involved making choices about government participation. Under the changing circumstances, it was Mapai/Labour which looked for the inclusion of some "other" parties

in its coalitions in order "not to lose" its political dominance. Since the base of potential coalition partners was narrowing, Mapai/Labour found itself in trouble. The hesitancy of the NRP on whether or not to join the 1974 coalition was an indication of the weakness of the ruling party. Eventually, Mapai/Labour was unable even "not to lose", and its half a century of political dominance came to an inglorious end in feeble attempts to run a narrow, minimum-size government.

To conclude, in the dominated system, changes in electoral politics did not generate changes in the politics of forming a government. There was but one fixed bargaining structure, and it was controlled by Mapai/Labour. The increasing importance of foreign and defense policies after 1967, however, initiated a slow change in the structure of the bargaining game, as Mapai/Labour was losing political ground. The public support for a more right-wing national policy was reflected in a qualitative change in the bargaining environment. In 1977, the voters decided to strip Mapai/Labour off both its large size and pivotal position. A new bargaining structure was in the making, as we shall see in the next chapter.

Chapter Three

Control from the Sidelines:

The Likud's Narrow-Based Governments, 1977-1984

From Dominance to Competition

Dimensions of Change

Most observers of Israeli politics identify two periods in the evolution of the party system: one-party dominance and consensus politics, from 1948 until 1977, and party competitive system and adversarial politics, since 1977 [See, for instance, Horowitz, 1977; Aronoff, 1988; Arian, 1977]. The "realigning electoral era", or the "defreezing" of the party system structure in Israel began somewhere in the mid-1960's. Yet the year 1977 stands out as the watershed between old and new politics, because in that year, for the first time - through a "critical election" - changes took place in electoral politics which revolutionized the pattern of coalition politics in Israel.

How much change would justify the use of the word "realignment"? V.O. Key, for one, suggests that a true realignment of a party system involves "more or less profound readjustments... in the relations of

power within the community, and in... new and durable election groupings" [Key, 1955, p. 4]. In other words, a significant party system realignment must manifest itself through changes both in the politics of elections and in the politics of coalition. It seems that a genuine realignment is not only an electoral change that persists, but a change that has an impact on power relation, the way parties interact to form a government. Thus, a gradual change in the makeup of the electorate may "suddenly" change the composition of government; an "electoral flux" which may not have meant much for a long time can, at one particular juncture, dramatically change the structure of coalition bargaining [Mair, 1990, p. 216; Smith & Mair, 1989, pp. 1-2].

The combined impact of changes in election and coalition politics on the Israeli party system has been such that it seems to require a new classification altogether. Realignment in Israel actually suggests a party system change from the category of dominant party systems to a new category of bipartisan (bloc) dominant, or bipolar systems. Specifically, this realignment was characterized by the erosion of Mapai/Labour's political dominance and the rise to power of Herut/Likud - two distinct yet related processes.

In assessing possible changes in a dominant party system, Duverger notes that "domination takes the zest from life... The dominant party wears itself out in office, it loses its vigour, its arteries harden... every domination bears within itself the seeds of its own destruction" [Duverger, 1963, p. 312]. He seems to refer to the classic dilemma facing a dominant party: how to retain the traditional core support and at the same time attract new and significant political support. In other words, a dominant party has to find the right balance between rigidity and flexibility, if it is to maintain a long-term political

hegemony. If the dominant party shows signs of immobility and stagnation, it may turn the "virtuous cycle" of dominance into a "vicious cycle" of political collapse [Pempel, 1990, p. 16]. Furthermore, "a failure of the dominant party is a major crisis for the entire system" [Merkl, 1988, p. 574].

The realignment of the party system can be explained as a change in the political elite to which the voters respond, or as an elite's response to social and electoral pressures. Sartori suggests that political rather than social forces are decisive in party system change [Sartori, 1969, p. 90]. Duverger maintains that once the dominant party loses its spiritual dominance the voters will sooner or later bring about its collapse [Duverger, 1963, pp. 308-312]. This is exactly what happened to Mapai/Labour in its last decade in power. The party lost its ideological and leadership supremacy and ran into political and organizational crises. "One factor in the fall of the dominant party is the inner structure of the party. Within a pluralistic party in power over a long period of time, undermined relations within the party, disagreements, disintegration and erosion encouraged the party's decay" [Shamir, 1986, p. 269].

The stagnation of the dominant party has opened up previously non-existing opportunities to alternative party elites. In 1977, Israelis were offered, for the first time, more than one real candidate for the prime ministership, an alternative to Mapai/Labour's rule. The voters had the last word - and they chose Herut/Likud. However, but for the alternatives created by party elites, there would have been no real possibility for those voters to desert Mapai/Labour on such a scale. Needless to say, social trends favouring Herut/Likud have existed long before 1977, but before a real counter-elite was formed, Herut/Likud

could not win. An alternative ruling group had had to crystallize before electoral changes could manifest themselves in parliametary-cum-coalition politics. According to this view, the electorate does not create new parties and counter-elites; it merely realigns its support and loyalties to the shaping political alternatives [Shapiro, 1980, pp. 23-38].

Some scholars assume that the change in the Israeli party system has originated in the social, rather than political system. "The Labour party lost power primarily because it, and its leadership, had lost legitimacy by becoming increasingly unresponsive to the demands created by a dynamically changing society" [Aronoff, 1979, p. 115]. Furthermore, "empirical analyses... seem to suggest that the electoral changes witnessed in the Israeli party system... stem from the electorate more than from the elite. The public appears to lead the realignment... the public has preceded its leadership" [Shamir, 1986, p. 293]. In other words, the party structure changed as a response to, or more precisely as an attempt to take advantage of massive changes in the attitude of the voters.

The roots of the party system change notwithstanding, it is clear that Mapai/Labour, as a dominant party, had failed to provide acceptable forms of "linkage" between citizens and state. A wide gap has opened up between the party and the public, but "the party machinery tried to conduct party life as if nothing had changed... Their power game became a private one. Labour... showed... a growing gap between the party machinery and the electorate" [Azmon, 1981, p. 433]. Certain of its continued rule under all circumstances, Mapai/Labour has grown even more insensitive to public demands, which attitude only helped the party in its headlong rush downhill.

When support for a dominant party is on the decline, the situation becomes rather complicated. Obviously, a dominant party which has never had seriously to compete with other parties finds it difficult to change its style or its methods, or even display the ideological flexibility required for a real electoral struggle - just when it is needed most. In Israel, the dominant Mapai/Labour party has gradually gone into a state of stagnation and immobility which proved detrimental to its electoral chances. "Because the distinction between party and state is blurred in a dominant party system, the dominant party, while being credited for any progress and achievement, is also blamed for all problems and failures" [Shamir, 1986, p. 269]. The more disabled Mapai/Labour became, the more its nonaccomplishments tended to loom large in the eyes of the people.

A complex combination of factors contributed to the decline of Mapai/Labour and the rise of Herut/Likud, a phenomenon that changed the very nature, and with it the classification of the Israeli party system.

Labour's Leadership Crisis

A powerful and cohesive leadership has been a key factor in maintaining Mapai's political dominance. In particular, the cultivation of the charismatic image of its leader Mr. Ben-Gurion as the "Founder of the State" helped make Mapai the natural ruling party. In the early 1960's, however, an internecine struggle for leadership developed between Mr. Ben-Gurion and his old comrades-in-arms, Mr. Eshkol and Mrs. Golda Meir; as might have been expected, the more bitter it became, the more

costly it turned out to be. On the face of it, the struggle focused on the so-called "Lavon Affair" [on the whole affair, see Yanai, 1981]. Whatever its real causes, however, its long-term consequences for the dominant party were nothing short of devastating. The conflict destroyed the effective and indispensable partisan leadership of Mr. Ben-Gurion; it badly damaged the ideological, indeed the moral superiority of the Labour Movement; and it eventually resulted in an acrimonious split in 1965, when Mr. Ben-Gurion, Mr. Moshe Dayan and Mr. Shimon Peres, among others, were forced out of Mapai's ranks; they then went on to establish a new party, Rafi.

The intraparty victory of the Eshkol-Meir faction was, if anything, short-lived. Although the compromising style of Prime Minister Levi Eshkol has had some advantages in dealing with controversial issues, the public at large had no confidence in his ability to handle foreign and particularly defense affairs. Prior to the Six Day War in 1967, under massive public pressure, Mr. Eshkol had to relinquish the Defence portfolio to Mr. Dayan, a sworn enemy of the vetern leadership. Rafi then rejoined Labour, and from 1967 to 1973, younger leaders (such as Mr. Dayan, Mr. Peres, Mr. Abba Eban, and Mr. Yigal Allon) became more influential within the party, yet they were unable to assume full command because of factional rivalries among themselves. Mrs. Meir, who succeeded Mr. Eshkol as prime minister, still maintained a strong leadership position, not least because she headed the powerful party machinery. The old Labour leadership has become very well entrenched in its party positions, from which it was able to manipulate the composition of party organs and control their agenda. Also, the oligarchical leadership used to recruit activists in the patron-client style, bringing in mediocre people to positions

requiring more qualities than loyalty to superiors. They never allowed the development of an open pattern of upward mobility for new and capable young men and women; independent and creative young leaders were an anathema to the old guard of the party.

The repeated succession crises brought about by this narrow-minded leadership style did much damage to Labour's power and public image. In the aftermath of the 1973 war, there took place "a political earthquake", with Mr. Rabin, Mr. Peres and Mr. Allon replacing Mrs. Meir, Mr. Dayan and Mr. Eban as Prime Minister, Defence Minister and Foreign Minister, respectively. Still, the new leadership was plagued with the same bitter factionalism, which caused further damage to the public image of Labour. As a matter of fact, the Rabin-Peres king-of-the-castle running battle, which first began in 1974, still tops the party agenda at the time of writing.

The emergence of the Democratic Movement for Change (DMC) as an independent party in 1977 was widely perceived as an adequate answer to this deepening leadership crisis. The DMC provided an alternative channel of upward mobility for military, economic and academic leaders who were not given a fair chance of competing for positions within Labour's ranks. Thus, the DMC played a major role in the downfall of Labour in the 1977 election, since a majority of both its leaders and voters had previously been identified with Labour.

The Legitimation of the Opposition

Political dominance involves, among other things, the delegitimation the opposition, in order to deny it any credibility as a real

alternative. A strong dominant party has the power to define the boundaries of legitimation, and this is exactly what Mapai/Labour has done throughout its long period of rule. It has engaged in a systematic campaign aimed at delegitimazing and isolating the Herut party and other right-wing political forces. During the pre-independence era, Mr. Ben-Gurion, Mapai's unchallenged leader, consciously orchestrated the efforts to stigmatize Herut and the entire right wing. The Irgun Zva'i Leumi, the pre-state militia headed by Mr. Begin, which later formed the core of the Herut party, was portrayed as being a terrorist organization whose actions against the British authorities actually undermined the Jewish struggle for independence. Needless to say, its political organs were excluded from participation in the "national" pre-state institutions headed by Mapai.

Following independence in 1948, Mr. Ben-Gurion blatantly accused Herut of being an antidemocratic, repressive fascist type of movement, posing a grave threat to the core values of the Jewish people and the Israeli state. He explicitly expressed doubts about Herut's commitment to the precepts of parliamentary democracy and used to warn that if Mr. Begin should come to power, Israel would turn into a dictatorship. More than once, Mr. Ben-Gurion declared (it has actually become one of his bywords) that all parties are eligible to participate in his coalitions, "except Herut and the Communists". This was a clever bit of ostracization, which turned Herut into a pariah party. Indeed, Herut has been excluded from coalition participation from 1948 until 1967, at which time of emergency it was invited to join in as a junior partner in the national unity government headed by Mr. Levi Eshkol. Mr. Ben-Gurion's departure from active politics, with his partisan style of leadership and bitter enmity towards Herut, thus signified the end of

this party's "illegitimacy". His successor, Mr. Eshkol, dealt with Herut in a more conciliatory style, which helped reduce its political isolation.

Meanwhile, after a long period on the farther shores of the political map, Herut has been consciously making moves of its own towards political legitimacy. Two such moves took place in 1965: Herut participated for the first time in the election to the Histadrut, the trade union movement controlled by Mapai; and more importantly, together with the Liberal party, Herut set up a new political bloc named Gahal. Despite its own declining power, the Liberal party seemed to be a natural ally, both because it did have political legitimacy and because of its traditional hostility towards the Labour Movement. In forming Gahal, Herut was willing to forego immediate political payoffs in anticipation of greater dividends in the future. Allowing the declining Liberals to ride on the tailcoat of its own growing popular support (the joint party list was made up on a fifty-fifty basis), Herut has won its oh-so-coveted legitimacy, not to mention the Liberal party's considerable material assets.

Thus, the crystallization of the new political bloc in 1965 was for Herut a first critical step along the path of legitimation. Participation in the national unity government since 1967 made the process irreversible. Mapai/Labour's continued attempts to warn the public against the dire consequences of Herut's rise to power were now futile. "In the final analysis, it would seem that a dominant party seeking to reinstitute a policy of excluding and delegitimizing a political opponent who has acquired a legitimacy status faces a much more difficult task than was the case before that opponent gained legitimacy" [Levite & Tarrow, 1983, p. 309].

For the Liberal party, the establishment of a political bloc with Herut was yet another attempt to find its proper place in the party system. In spite of an impressive record in the history of the Zionist movement, the party (formerly the General Zionists) has regularly suffered major political setbacks since the state of Israel was established. It has been unable to produce any charismatic leader of national stature; its historic constituency was split between moderate and extreme tendencies, between centre and right-wing; furthermore, the party lacked clear parliamentary orientation, undecided as to whether it should be in coalition with or in opposition to Labour. All this came down to a decline in electoral support which in turn encouraged a search for interparty agreements. When the merger with the Progressive party in 1961 failed to create a strong political centre, the Liberals resolved to ally with Herut even at the cost of a split with the Progressives. Gahal gave the Liberals a more secure electoral basis, guaranteeing their continued parliamentary representation, and of course gave hope of a real alternative to Labour's rule.

The formation of Gahal in 1965, which was expanded in 1973 and renamed Likud, turned isolation and stagnation into political success. In 1977, Herut and the Liberals found themselves running the legitimate government of Israel.

Enter the Likud

The Likud's major component was the Herut party. Descended from both the revisionist faction in the Zionist movement and the Irgun Zva'i Leumi of pre-independence period, this political party has for long

stagnated in the backwater of Israeli politics. Its membership was based on middle-class Ashkenazi, mainly urban and usually anti-socialist groups. In time, this core attracted several other, mostly discontent groups. Among them, Sephardim have been playing an increasingly important role. It was, however, only the force of Mr. Begin's personality that has kept them together throughout this long period.

The Liberal party on the other hand has represented a better-off segment of the population, mainly upper-middle class urban and rural groups. It was perhaps the most distinctly Ashkenazi party in the Israeli system. As noted earlier, possibly its most severe problem has been in the sphere of leadership.

Yet another component, which joined the Herut-Liberal alliance (Gahal) in 1973 to form the Likud, called itself La'am. It was a hodge-podge of Herut politicians who had previously been forced out of the party for challenging Mr. Begin's leadership, and later joined forces with persons who had left Mapai/Labour - most of them supporters of the "Greater Israel" idea.

The catalyst who played a major role in turning this rather unlikely alliance into a party, in 1973, was ex-General Ariel Sharon. Although without any power base of his own at the time, he was an immensely popular war hero, who could influence if not manipulate veteran party workhorses - particularly Mr. Begin, who simply adored generals.

Unlike Mapai/Labour's leadership, which had lost all dynamism and became quite immobile, Herut/Likud's leadership moved in the opposite direction, from stagnation to openness and mobility. After years of heading the oligarchical leadership of the natural party of opposition,

Mr. Begin realized that only through genuine recruitment of new leaders can the inferior position of his party be changed. While protecting his own top position, Mr. Begin was determined to set up a counter-elite which would be able successfully to challenge the ruling party. When Herut was still part of the national unity government, in 1969, Mr. Begin invited Air Force General Ezer Weizmann to become a cabinet minister. This was a major turning point in the pattern of national leadership recruitment. Labour's monopoly in selecting persons of proven record in other domains, mainly defense, for top political positions, was now broken as Herut became a new channel to the power elite.

The formation of the Likud in 1973 represented a giant step forward in the buildup of a powerful and attractive leadership structure. To begin with, Mr. Begin agreed to make peace with former party rivals and challengers such as Mr. Shmuel Tamir or members of Lehi ("the Stern Gang"), who had been bitter rivals in pre-independence times. Secondly, Mr. Begin was willing to put up with the political maneuovers of Mr. Ariel Sharon, because of the latter's major role in bringing together the various factions to be included in the Likud. Also, Mr. Begin brought in new political groups under the Likud umbrella, even though it narrowed the representation of his own Herut party within the new political bloc.

All these steps were taken in order to present to the public a respectable and legitimate ruling alternative. It was believed that only a wide spectrum of leaders (including former Ben-Gurion and Labour supporters) could substantially enhance the winning prospects of the Likud bloc. The Movement for a Greater Israel, for instance, added much

respectability to the Likud, since it included some prestigious personalities previously associated with the Labour establishment.

The leadership stature of Mr. Begin himself was growing with the passage of time; his personality became an important factor in the Likud's rise to power. Long obscured by Mr. Ben-Gurion, as of the 1970's Mr. Begin's charisma turned out to be an invaluable political asset for the right-wing bloc. His direct, populistic style, using nationalistic overtones and reflecting sensitivity to Jewish symbols (which Labour lacked, by and large) proved appealing to the proverbial "man-in-the-street" - particularly to Sephardic Jews, a growing component in the electorate. He was quite articulate in his forceful definition of the goals of the Jewish State and thus was able to establish himself as a statesman with an international reputation as well as "a proud Jew". Labour leaders were no match to Mr. Begin when it came down to electoral politics. And it was thus that in 1977, after long years in political wilderness, Mr. Menachem Begin was called by the President to form the government.

The Ideological Shift to the Right

In the pre-independence era, socialist and social-democratic symbols shaped the ideology of the Labour Movement; quite a significant part of the small Jewish community in the then Palestine upheld egalitarian principles. Later on, socialist ideology began to pale - not an unknown phenomenon in most social democracies in the Western world, to say nothing of the Eastern. The net result was a shift of the Israeli electorate away from the left. One dimension of this ideological

decline was an apparent difficulty experienced by Mapai/Labour in mobilizing the Sephardic mass immigration of the 1950's through political education in social-democratic ideas. Realising that the new immigrants were unlikely to back social democracy, Mapai did not even try to use its power bases - the Kibbutzim, or the Histadrut with its indispensable health services, labour exchanges and regional trade unions - to reinforce its image as a workers' party. Instead, it exploited these political organs to develop economic dependency among Sephardic Jews.

As far as the Sephardic segment was concerned, this dependency was associated with a growing feeling of economic inequality and ethnic inferiority. The social and economic gap made it easy for Sephardic groups to blame Labour for its duplicity. Looking for an alternative, many Sephardim made a bee-line to the rival political camp. The Likud, focusing on national and religious symbols and addressing itself to problems of social and economic injustice, has had far greater appeal to low-status groups than Labour.

The political shift to the right was reflected not only in the socioeconomic domain but also in foreign and defense issues. The Six Day War, which brought under Israel's control the territories of its Biblical heartland, has given much boost to ideological fundamentalism. This took the form of strong national and religious sentiments which have had an impact on Sephardic groups as well. It was the root cause for a continuing drift to the right in Israeli public opinion, which naturally strengthened the Likud.

The Labour party, by contrast, found itself completely vexed in the aftermath of the 1967 war, in this particular respect. The party has been uniquely unable to formulate any clear-cut position on the

future of the occupied territories, torn apart by dovish and hawkish tendencies as it was. As a matter of fact, Labour has tried to consolidate a consensus around a <u>status quo</u> notion of "no withdrawal, no annexation", which was correctly interpreted by all and sundry as a non-starter, making the switch-over to the Likud that much easier. It is important to note in this context that as far as the controversy over the future of the territories is concerned, Herut/Likud has never been alone on its side of the issue. Not only most religious groups, but significant elements in the Labour movement as well tended to support the Likud's basic positions.

Labour Means Old, Likud Means Young

Labour's major achievements, which accounted for most of its success and political power, took place mainly in the 1940's and 1950's. Naturally, these were losing much of their impact with the passage of time. The Labour party appeared less attractive to younger voters, for whom old symbols meant little, past achievements were taken for granted, and present injustices were all that really mattered. Thus, Labour was increasingly perceived as a senior citizens' party, whereas the alternative, the Likud, was for the younger generation.

As of the mid-1960's, polls were reflecting this trend, also in terms of positions on issues, not only with respect to partisan support. These tendencies in the positions of the general public were also displayed by elite groups. For instance, opinion polls showed that university professors leaned to the left, while their students were more supportive of the right wing [Peres & Shemer, 1984, pp. 89-110].

Published surveys and opinion polls create political images which tend to be translated into political reality, as shown in Table 3.1.

Table 3.1   Likud and Labour Gains in A Variety of Age Groups

(percentage)

Age Group	Likud			Labour		
	1969	1973	1977	1969	1973	1977
Under 24	36	44	51	40	39	20
25-39	30	44	34	54	37	25
40-49	25	35	29	61	48	38
Over 50	21	23	23	62	54	53

Based on Arian, 1985.

The most striking feature here is the data for 1977, when 51 percent of the 18-24 age group supported the Likud, as against a low 20 percent support for Labour. And indeed, in that year the Likud came to power and Labour was badly defeated. Demographically speaking, the groups registering greatest support for the Likud were steadily increasing in size, while age groups supportive of Labour were naturally shrinking. When ethnicity is thrown in, this tendency becomes a snowball.

Ashkenazi versus Sephardi

The chief ethnic cleavage among the Jews in Israel is between the Ashkenazim (immigrants of European origin and their descendants) and the Sephardim (of Asian or African origin, mostly from Arab countries).

The Ashkenazim constituted an overwhelming majority of Israel's population at the time of independence in 1948. In the 1950's, however, massive immigration waves of Sephardic Jews came to Israel, bringing with them significant demographic changes in the composition of the electorate. In the course of time, the share of Sephardic Jews, with their higher birth rate, have increased in the voting population as against a steady decline in the share of the Ashkenazi group. All this has had considerable impact on voting patterns.

The main beneficiary of the demographic changes has been the Likud. It was estimated that "the long-term influence of changes in the demographic-ethnic makeup of the population upon the balance of parliamentary power... would increase the gap between the two major parties (in the Likud's favor) at a rate of some 2% in each election campaign" [Peres & Shemer, 1984, p. 106].

The following Table sums up the situation.

Table 3.2   Labour and Likud Vote by Ethnic Origin, 1969, 1973, 1977

(percentage)

	Labour			Likud		
	1969	1973	1977	1969	1973	1977
Sephardim	51	39	32	32	43	46
Sephardic origin	49	40	23	37	47	65
Ashkenazim	61	53	48	20	26	19
Ashkenazi origin	48	38	23	26	39	23

Based on Arian, 1985.

It is quite apparent from the above Table that the increase in the share of Sephardic Jews in the electorate, a well as the change in their voting patterns (particularly among the second generation of the 1950's immigrants) has significantly strengthened the Likud. In the face of this trend, it becomes quite clear that any efforts made by Labour to prolong the Likud's political isolation were doomed to failure.

Economically, the Ashkenazi group generally enjoys a higher standard of living than the Sephardim. Over time, there has been no sign of narrowing the gap. The persistent overlapping between ethnic affiliation and socioeconomic status was one more factor which worked for the Likud. Promising economic reforms and improvements, it appealed directly to the poorer section of the voters, who happened to be mostly Sephardic. The Ashkenazi Labour establishment was blamed for their economic problems, so that voting for the Likud was also an act of social protest.*

For Labour, the changing demographic makeup of the voting population has created insurmountable political problems. The moderate but steady decline in the relative size of the Ashkenazi group, its main voting reservoir, hurt Labour. The tendency to identify Labour with the Ashkenazi group earned the party an anti-Sephardic image, portraying it as largely responsible for the ethnic gap in the first

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* It is interesting to note that the Likud was regarded by many as an anti-establishment party long after it had come to power. Thus, in 1981, for instance - after four years in power - the Likud still commanded the ethnic vote, gaining about 70% of the general Sephardic vote and close to 90% of the underprivileged Morrocan Jews [Diskin, 1984, pp. 44-56].

place. At the same time, the Likud was portrayed as promoting the advancement of the Sephardic group. However weakly founded in reality, these images (which still persist) have nevertheless counted in determining electoral choices. Labour's attempts to deal with the "Sephardic problem" have failed to distinguish between patronage politics (being responsive to Sephardic demands) and participation politics (keeping open channels for authentic representation of Sephardic Jews within its ranks). This failure to comprehend the fundamental difference between patronage and participation can explain - perhaps better than any other factor - Labour's weak position among Sephardic Jews.

"The coming to power of the Likud has opened the way for Oriental [Sephardic] Jews to redefine their collective status in Israeli society" [Lewis, 1984, p. 34]. For the Sephardic group, the Likud was perceived as some kind of shelter from the elitist, arrogant and secular Labour party and the condescending, paternalistic Ashkenazi establishment. They were anti-Labour, if nothing else.

The Changing Power Relations

The fall of Labour and the rise of the Likud can best be traced by their changing fortunes at the electoral level. The vote for Labour came down from 51.2% in 1965, through 46.2% in 1969 and 39.6% in 1973, to a low of 24.6% in 1977, at which point its political dominance came to an end. Conversely, the Likud's vote had moved up from 25% in 1965, through 29.2% in 1969 and 33.8% in 1973, to a victorious 35.3% in 1977.*

In parliament, the losses of Labour and the gains of the Likud appear in Chart 3.1 on the next page.

It can readily be seen that voters in large numbers left their previous political homes and formed new attachments during the period under discussion. In 1977, the pattern of Labour's dominance was broken and the Likud won the largest number of Knesset seats. Many believed, however, that the election results were but a temporary setback, an accident. It was thought that when the emotional force of those realigning issues was spent, aberrant voters would come back to the

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* In 1981 Labour gained 36.6% of the vote by recovering most of its 1977 losses to the DMC, but the Likud remained number one by gaining 37.1% of the total. Labour seemed to have exhausted its vote potential in the 1981 elections, whereas the Likud's vote continued to grow, carving into the 12 to 15 percent level of the religious vote. As of 1973 the combined Likud-religious vote was higher by 5% to 10% than the vote for Labour and its affiliates.

fold. Thus, the 1981 election was equally critical, in that it proved that the changes of 1977 were of a lasting nature and the old pattern of Israeli politics was unmistakably and totally broken. The results of the 1977 and 1981 elections appear in Table 3.3 on the next page.

Chart 3.1   Labour and Likud Knesset Seats, 1965-1984

Knesset Seats
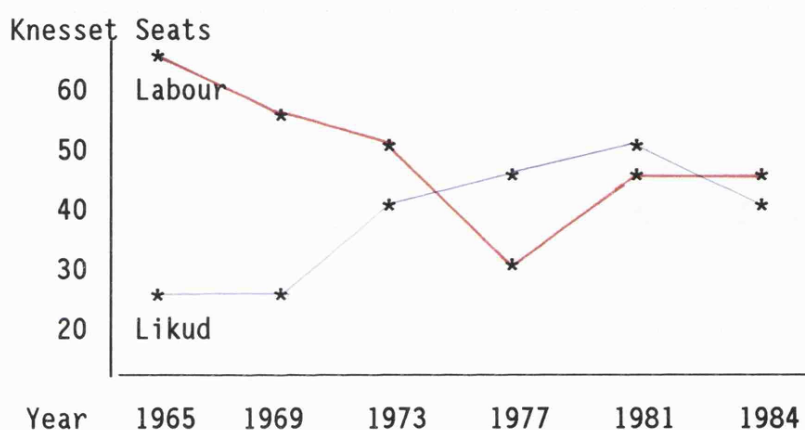
Source: Arian, 1985, p. 141.

Fragmentation

The level of fragmentation in the party system reflected a change from a consensus model to an adversarial or majoritarian model [Lijphart, 1989, pp. 141-4]. In 1977, the number of party lists participating in the elections was 22, out of which 13 acquired parliamentary

Table 3.3   Results of the 1977 and 1981 Knesset Elections

	1977	1981
Left-of-Centre		
Communist (Rakah)	5	4
Sheli	2	-
CRM	1	1
Arab (Labour)	1	-
Labour	32	47
Shinui	-	2
Centre		
Ind. Liberals	1	-
DMC	15	-
Telem	-	2
Religious		
Poalei Agudat Israel	1	-
Agudat Israel	4	4
NRP	12	6
Tami	-	3
Right-of-Centre		
Likud	43	48
Shlomzion	2	-
Techiya	-	3
Flatto-Sharon	1	-

Source: Israel Government Yearbooks.

representation.* In 1981, the number dropped to an all-time low of 10 out of 31 lists that ran for election. Moreover, the Progressive party, Poalei Agudat Israel and the Arab lists disappeared from the scene for the first time since 1949. As for parties' size, if in 1977 the two major parties won 75 seats out of a total of 120 between them, in 1981 they won 95 seats. The leading religious party, NRP, was cut in half between 1977 and 1981, from 12 to 6 Knesset members. In fact, all the smaller parties, left, right or religious, lost power in 1981.

This indicates an overall reduction in the levels of fragmentation and fractionalization. The actual number of parties may not have changed dramatically, but looked at from the point of view of parliamentary proto-coalitions, or the effective number of parties with coalition potential, the number has gone as far down as may be expected within the framework of an extreme P.R. system [Laakso & Taagepera, 1979, pp. 3-27]. The figures seem to represent a strong potential for stiff competition and a high level of polarization between the two largest parties.

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* By Israeli law, a "list" had to obtain at least one per cent of the total eligible vote in order to be able to claim a seat in the Knesset. Periodic attempts to change the law in order to increase this "blocking percentage", thereby reducing the number of parties in the Knesset, have all failed until recently, for obvious coalitionary reasons. In early 1992, the "representation threshold" was raised to 1.5%.

Polarization

In the 1977 election the DMC , a centrist party, gained an impressive number of parliamentary seats, 15, and became the third largest party after the Likud and Labour. Some analysts have viewed the rise of the DMC as signifying a major structural change, from a dominant party system to a basically tripartite system - left, right and centre. By 1981 it became clear, however, that the shift was instead towards a bipartite system. There is no doubt that the DMC brought down Labour in 1977, but it is equally true that its flash-in-the-pan was a negative vote against the ruling party, not a positive vote to the notion of a third major party. Come 1981, there was no political centre, no middle ground, no DMC. In the absence of a political centre, two opposing political blocs, the Likud and Labour, were fighting each other head-on - a clear sign of increasing polarization [Pollock, 1982, pp. 28-52].

Two major factors contributed to polarization - the debate on the future of the territories occupied since 1967, and ethnicity. In 1981, all the lists represented in the Knesset, save one, had declared their allegiance with either large political party even prior to the elections. This choice was related to policy positions on the territorial issue. The hawkish, right-wing Likud camp included the NRP and Agudat Israel (both religious) as well as Tami, a party which attempted to outflank the Likud on the ethnic issue, and also Techiya, which endavoured to do the same on the territorial issue. The dovish, left-wing Labour camp included the CRM, Shinui (a leftover from the heyday of the DMC) and Hadash, the "new" communist party, reflecting mainly Arab national sentiments. Telem, led by Mr. Dayan, was the only list to withhold its post-election intentions. This clear pattern of

two proto-coalitions has reflected deep polarization on a key ideological issue.

Thus crystallized a party system consisting essentially of two large parties, each drawing its support from different class and ethnic elements in the population. The voting pattern in the 1981 election was blatantly ethnic, the Likud gaining most of the Sephardic vote and Labour supported by the majority of the Ashkenazi group. Labour never realized the depths of ethnic animosity and was not prepared for an Ashkenazi-Sephardic showdown.

Volatility

The party system's transformation has been accompanied by fluctuations in the level of electoral volatility, as shown in the following Table, which gives the estimated percentage of voters who changed their vote from one general election to the next:

Table 3.4   Electoral Volatility

Years	Electoral Volatility
1965-1969	25%
1969-1973	32%
1973-1977	50%
1977-1981	40%
1981-1984	25%

Source: Arian, 1985.

During the 1965-1977 period, the level of electoral volatility doubled, from 25 to 50 percent. The weakening of party identification initiated a move of many voters across party and even bloc lines - a sure sign that the dominant party system was coming to an end. After 1977, however, electoral volatility has not taken the form of switch across party blocs but rather represented a reshuffle of parties' strength within each bloc. In 1981, nearly all the 1977 Likud voters returned to support their party, and helped it secure its second electoral victory. Labour's gaining back most of the vote it had lost to the DMC in 1977 helps explain the high level of volatility in 1981 - 40 percent. Towards 1984, voting patterns seem to have settled, returning to pre-transformation levels.

The formation of two competitive blocs of parties along both political-ideological and social-ethnic lines has created class politics in Israel that did not exist in the past, when the dominant Labour party obtained a plurality of the vote within all categories of the electorate. Theoretically, there seems to be an apparent contradiction between deep polarization and high levels of electoral volatility. This however can be explained, at least in part, if volatility occurs within, not across, party blocs.

Socio-Political Cleavages

Lijphart suggests that whereas the consensual model is associated with a multi-cleavage situation, the adversarial model is characterized by the existence of a major dividing issue [Lijphart, 1989, p. 147]. In Israel, the number of controversial issues has not been reduced when the party system was transformed, yet one single issue dominated the

entire political scene - the future of the occupied territories. All other cleavages coincided with this question, including the ever-problematic religious issues. Even parties formed with a sole intention to address specific issues (such as Tami) were firmly based on one side or the other of the chief political issue that really mattered.

The existence of such a salient issue is the key to understanding the Israeli party system. The division into three political blocs - Labour, right-wing and religious - which had played such an important role in the dominant party system, lost its significance with the emergence of the national issue. While the political and organizational structures of the old party system were preserved, ideology placed them now in only two polarized party blocs: the right-wing/religious bloc and the left-wing bloc.

Competitiveness

A change from a consensual to an adversarial model is associated with minimal rather than oversized coalitions [Lijphart, 1989, p. 148]. Also in the adversarial model, the power of the opposition (which is usually not of a bilateral nature) tends to increase. This proved to be the case in Israel as well. The emergence of two opposing party blocs, the Likud's and Labour's, capable of contesting for the control of government, has contributed to a high level of competitiveness. Certainly the very formation of party blocs was prompted by a strong desire to attain and retain power.

The increasing competitiveness between opposing parties may actually lend more importance to the distinction between "left" and "right" than is warranted by the ideological differences between them

[Arian & Shamir, 1983, p. 277]. This was the case in the 1981 election campaign - the longest and most bitterly fought in Israel's young democracy. The results show that the consolidation of power in the two major blocs was the strongest (95 out of 120). This very high level of competition was the outcome of the voters' preference for a clear-cut choice between the only two parties capable of making a coalition [Azmon, 1981, p. 434].

The Three-Ringed Circus

Significant party competition in Israel takes place in three different arenas: elections for parliament, elections for control of the Histadrut, and municipal elections. In the past, the dominant Mapai/Labour had the elections to the Histadrut, where it enjoyed an overwhelming majority, take place prior to the date on which both parliamentary and municipal elections were held. In the former arena, elections could serve Mapai/Labour as a relatively harmless lightning-rod for whatever protest vote there was, as well as a useful indicator for telltale shifts in public attitudes, the better to prepare itself for national and local elections. In 1977, for the first time, parliamentary elections were held prior to the Histadrut elections, and local elections took place even later. This departure from tradition cost the party dearly at the polls. The parliamentary election hit Labour hard, with no "early warning" of the massive protest vote that had emerged.

Labour's humiliating Knesset defeat was a political shock which created a sense of loss and despair among many, including most of the elite groups in society. When Labour won the Histadrut elections a few

months later, however, it created a feeling that the loss of parliamentary power was just an aberration, which feeling served to cushion the transition to a competitive two-bloc party system. It appeared to make sense for each of the large parties to control a different political arena, and even the division seemed right: the Likud would control national issues in parliament and Labour would have a strong influence on socioeconomic issues by controlling the Histadrut.

The following Table shows the Likud-Labour power relations in both the Knesset and the Histadrut, which contributed to the competitive dimension of the political system.

Table 3.5   <u>Electoral Gains in the Knesset and the Histadrut</u>

<u>Year</u>	<u>Knesset 120-seats</u>		<u>Histadrut (percent)</u>	
	<u>Likud</u>	<u>Labour</u>	<u>Likud</u>	<u>Labour</u>
1973	39	51	22.7	58.3
1977	43	32	28.8	55.3
1981	48	47	26.8	63.1

Source: <u>Israel Government Yearbooks</u>, <u>Histadrut Yearbooks</u>.

The growing level of competitiveness discerned in the varying results of Knesset and Histadrut elections was also manifest in the municipal arena. The Israeli voter has emerged, on the whole, as a rather sophisticated political animal: he has proven his ability to distinguish between the three arenas and generally cast his vote in each according to independent evaluations of the parties competing in each case - even though they were the same parties all along.

Much Change, Little Stability

The 1977 elections were as dramatic as can be. One day in May, "the patronage, prestige and power which Labour leaders had been accustomed to were suddenly removed from their grasp" [Arian, 1977, p. 20]. The end of half-a-century of political dominance was characterized as "more than a change in government" [Horowitz, 1977, p. 3]. No "revolution" took place, however, because major factors relating to political culture in the environment of the party system have been preserved. Loyalty to the Jewish state, adherence to democratic values, acceptance of political legitimacy, playing by the rules of the game, adoption of patterns of bargaining and compromise and so on - these elements were strong enough to allow a party system change and a change of government without a change in the nature of the regime.

As of May 1977, the Herut party has controlled the power centre of the political system. Herut, in a way reminiscent of the early-days Mapai, maintained a majority in Gahal, Gahal dominated the Likud, the Likud had a majority in the coalition and the coalition controlled parliament. Labour, for the first time, was not the core of government - it was not even in government.

The Herut party <u>controlled</u> the power centre but was not <u>in</u> the power centre; this is more than a semantic distinction. A system controlled from an off-centre position tends to experience acute problems of political stability. In this sense, the 1977 election brought about only "half a revolution" - a new party at the head of the government, but not a new political hegemony. Unlike Mapai/Labour in the past, the Likud has not become the pivotal party in the centre of the political map. In general, it has been argued that a P.R. system and coalition government undermine democracy by taking the choice of government from the people and giving it to a few politicians who wheel and deal for coalitions that do not reflect the "will of the people". Much more so when an off-centre party controls the executive coalition, a condition which may lead to "government without consensus". This was certainly the case with the Likud, particularly in the early years of its political rule.

The development of political bipolarity, with two more or less equal party blocs, strengthened the bargaining power of minorities, thus contributing to further instability. There was no centre party to lend stability to the political system. The attempts by the DMC in 1977 and Telem in 1981 to adopt a neutral centrist position between the two blocs failed miserably. As it happened, the pivotal position was occupied by the religious Agudat Israel in 1977 and the ethnic Tami in 1981, but they were in no position to consolidate a genuine political centre around them. It seems that only a party of medium or big size could really act as a pivot, and no such party has existed in Israel since 1977. In this respect, the party system has changed from a "working multiparty system" to a "non-working multiparty system".

In conclusion, the "partial revolution" of 1977 robbed the party system of a sizable pivotal party. The political centre became weak and divided. The linkage between size and centrality was broken and, consequently, the pivotal position became shaky and unstable. The disjointed party system was hurt right where it lived, in the middle. One consequence of this situation has been a succession of unstable governments. The formation of the first bipolar, national coalition in 1984 actually represented a successful effort to strengthen the pivotal position and secure government stability. Until 1984, the Likud maintained its political rule by coalition politicking that was successful mainly in keeping Labour in opposition, as will be explained in the next section.

The Likud's "Not Losing" Coalitions

Realignments in party systems tend to be accompanied by changes in patterns of coalition politics, all the more so when a dominant party system turns into a competitive one. After all, "dominance" mainly suggests controlling coalition politics, whereas "competitiveness" necessarily implies a political struggle over the composition of government. Being an off-centre dominant party, the Likud developed rather interesting mechanisms to control coalition politics in the 1977-84 period.

Off-Centre Control of Coalition Politics

The very existence of a coalition-forming party which is located at an off-centre position, or indeed nearer the end of the classic left-right continuum, has a strong impact on the formation and maintenance of the executive coalition. Chart 3.2 is a hypothetical illustration of the modus operandi of an off-centre coalition leader.

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                                    50
        Left _____._____.__ Right

        Party    A      B      C        D      E      F      G

                 15     25     6        5      6      8      35
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Chart 3.2   An Off-centre Coalition Leader

(in a hypothetical 100 member parliament)

Party G, being by far the largest parliamentary party, is likely to become the coalition "formateur". The location of Party G, near the end of the political spectrum, indicates that it attaches importance to policy considerations, otherwise it would probably not have been positioned there in the first place. A major concern of Party G in forming the government is thus to ensure that the coalition's "policy package" will be as close as possible to its own policy position. Accordingly, Party G will endeavour to form a minimal ideological range coalition DEFG (54 seats) which provides it with the best possible policy payoffs. Coalition DEFG happens to be of a minimal size in terms of membership, and as such it supposedly maximizes office payoffs to its members. It seems therefore that Party G should be content with this coalition, which maximizes both its policy and office payoffs. Moreover, in view of coalition theory's assertion that a minimal winning coalition is the most stable one, Party G apparently enjoys an "ideal" situation: It maximizes payoffs in a coalition which maintains a long-term stability. This situation seems too good to be true.

Actually, the stability of coalition DEFG is rather precariously balanced. To begin with, the pivotal Party D may join an alternative coalition ABCD, possibly enjoying even better payoffs compared to coalition DEFG. Also, Party G itself, which formed coalition DEFG, may not be content with the overall payoffs arrangements. Its office payoffs, 35/54, seem reasonable enough. Its policy payoffs, however, are disappointing because the policy position of coalition DEFG is a good way to the left of Party's G ideal policy position. Being the coalition leader, Party G may initiate a right-wing shift of the coalition's policy position. Such an attempt may result, however, in

the defection of centre Party D. Should we conclude that coalition DEFG is inherently unstable? not necessarily.

It is possible to stabilize coalition DEFG, to some extent, by a tradeoff between policy payoffs and office payoffs among its members. For example, Party G, the coalition organizer, can offer Party D some of its many office payoffs in exchange for policy payoffs. Party D may well accept the offer, if it is less concerned with policy payoffs compared to Party G. In any event, Party D will certainly expect to get significant office payoffs for its policy concessions. After all, as a centre party it has to "justify" its membership in a coalition that pursues a rather extreme right-wing policy. This is the essence of the deal between the dominant (off-centre) Party G and the pivotal Party D. This political exchange supposedly contributes to the stability of coalition DEFG, in that Party G enjoys higher policy payoffs and Party D gets more office payoffs.

It is important to note that a dominant off-centre party cannot maximize both policy and office payoffs. Also, it is very unlikely that this party will choose to maximize office payoffs at the expense of the policy positions that had brought it political success. What is likely, however, is that in time, the dominant party will move to the political centre and then try to maximize both policy and office payoffs. In the short run, however, the off-centre dominant party will probably choose to maximize policy payoffs in exchange for a goodly share of office payoffs to its coalition partners.

In this example, it may be the case that Party G will distribute important cabinet posts to Parties D, E and F in order to make them pursue its desired policy, not theirs. It is up to the larger party to strike the right balance between policy and office tradeoffs within the

coalition framework. Such arrangements may be somewhat complicated, but the principle of payoffs exchange seems valid and operative. Since the leading party controls bargaining, its overall position is safe enough to initiate cabinet reshuffles whenever needed. Moreover, a certain degree of instability is tolerable in situations where the leading opposition party (in this case Party B) cannot put together a winning coalition. If, indeed, the other side cannot win, you cannot lose even if your coalition becomes less stable due to an increasing imbalance in the distribution of policy and office payoffs among partners.*

The Likud, headed by Mr. Begin, was an off-centre dominant party that controlled coalition politics in a way similar to Party G in this hypothetical example. As the coalition organizer, the Likud was interested in policy as an end onto itself and used office as a means to influence policy. Prime Minister Begin did not mind giving important cabinet positions to non-Herut members, as long as they supported Herut policies. Thus, Mr. Yadin, the leader of the DMC, served as a Deputy Prime Minister, while two former Labour leaders, Mr. Dayan and Mr. Hurwitz, were given the weighty Foreign Affairs and Finance portfolios, respectively.

Actually, giving non-Herut members high cabinet positions was the most effective way to ensure that Herut's off-centre positions would become government policy, which was what really mattered to Mr. Begin. Leaders of other factions and parties were offered glamorous and powerful offices in which to implement Mr. Begin's policies - not

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* On portfolios as a currency whereby parties may be compensated for loss of policy payoffs, see Austin-Smith & Banks, 1988, pp. 405-422. For an opposite view see Laver & Shepsle, 1990(A), p. 890.

theirs. For the policy-motivated Mr. Begin, office assumed secondary importance. Needless to say, only a leader who enjoys complete domination over his own party, as Mr. Begin did, could have contemplated such tradeoffs at the expense of his loyal lieutenants.

Offering senior positions to non-Herut leaders was apparently a suboptimal choice. But since these persons played an "office" game to Mr. Begin's "ideology" game, a tradeoff was the logical way to go. The coalition was able to secure a majority and Mr. Begin's policy predominated. Obviously, it is often quite difficult to ascertain the precise motives of players and to tell who plays which game, or whether they play only one game at a time. In this particular case, however, there were clearly two divergent motives leading to the development of two different games, which made tradeoff possible: office payoffs in exchange for policy payoffs in a framework of a viable coalition [Schlesinger, 1976, pp. 840-9].

That this was indeed the case is testified to by the fact that when the top non-Likud ministers mentioned above, namely Mr. Yadin, Mr. Dayan and Mr. Hurwitz, attempted to pursue "independent" policies that were unacceptable to Mr. Begin, they were ejected from government one by one. Even a Herut leader, Defence Minister Ezer Weizmann, was forced to resign his office as a result of policy conflicts with the Prime Minister. It was definitely Mr. Begin's government, and he got rid of those who did not see it this way. He could afford to do so, because there was no real alternative either to his leadership or to his government. The resigning ministers could and did vote against his weakened coalition, but it did not matter. This was partly why Mr. Begin was confident of his ability to dictate policy and control coalition politics from an off-centre position.

The complexity of off-centre control of coalition politics, involving as it does the employment of different mechanisms of decision-making in the implementation of policy positions, is best illustrated by two major decisions, one on peace and one on war, made by the Likud's government, using completely different decision-making mechanisms in each case.

The Peace Accord

The major decision on the Israeli-Egyptian peace treaty in 1979 offers an opportunity to study how a party which controls the executive coalition, but not the pivotal position in the legislature, operates. Under the circumstances, the Likud leadership could not have used the "concentric circles" mechanism, simply because it would not have worked. It was impossible to go through the motions, because there were major disagreements within the ruling party. The strongest anti-peace group opposing Prime Minister Begin was in Herut itself. Any attempt to enforce the principles of party discipline and government collective responsibility might have torn party and government apart. Realizing that the pro-peace forces, including most of the Labour opposition, had a sure legislative majority, Mr. Begin decided to resolve the issue neither in his party nor in government, but in parliament.* So this

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* Mr. Begin says that he brought the issue directly to parliament's approval only because he had promised to do it and for no other reason [personal communication, 19.8.91]. If no intraparty politics was involved, however, there was no reason for him to threaten with resignation, as he did before the vote was taken.

example illustrates a way in which intragovernment decision-making can be affected by the balance of power in the legislature.

The more general point relates to decisions made by the government as a whole, or initiated by coalition partners. It is not necessary for the executive coalition to be supported by the same legislative parties on each single vote. It is possible for a decision to be supported by parties or individual members who are not usually supportive of the executive coalition. When both coalitions, executive and legislative, are involved in decision-making, it is the verdict of the legislative coalition that counts most.

Choosing the main location of conflict resolution tends to influence the outcome, and is therefore usually manipulated by political leaders. The Israeli debate on peace with Egypt in 1979 brings to mind the dispute about Britain's entry into the European Community in 1975. The then British Prime Minister Harold Wilson put the issue to a referendum at the electoral level. The official explanation was that the decision was of such import that it could not have been taken without "the whole-hearted consent of the British people". In reality, this decision was merely intended to preserve the unity of Mr. Wilson's Labour party, which was severely divided between pro- and anti-European sentiments. It was the minority Labour's pro-European group that pushed to resolve the issue outside the party ranks. The anti-European forces had a majority in the Labour party but were heavily outnumbered in parliament and in the electorate, due to the overwhelming pro-European attitude of the Conservative party. Both cases, then, illustrate Archimedes's leverage principle: the force applied to the lever sometimes counts less than the fulcrum you chose.

The War in Lebanon

The Israeli debate about the war in Lebanon in 1982 shows the above principle in work all over again. The decision in point was the initiation of a war against the PLO which had created in Lebanon "a state within a state". The issue was highly controversial and the Likud leadership was faced with much opposition within the party, as well as in the executive coalition and in parliament, by opponents of a large-scale military operation.

To implement its policy, the Likud this time did use the "concentric circles" model. Its leaders, mainly Mr. Begin and Defence Minister Ariel Sharon, first pushed a vote in party caucus, in order to silence factional critics. Then they secured government approval against the opposition of two coalition partners, the NRP and Tami; finally, using the instruments of "party discipline" and "government collective responsibility", they were able to withstand a series of no-confidence motions in parliament. Had a free vote been taken in the legislature, there is an undeniable possibility that a majority of the members would have rejected the Likud's position. The war in Lebanon was an example of a major issue in which the position of a minority (or actually a bare majority within a minority government, since at the time, the coalition had 59 members out of 120 Knesset members) becomes an official policy, due to the astute choice of a particular decision-making mechanism which involves specific locations of conflict resolution.

The above cases show how a non-pivotal party has a capacity for effective decision-making, through cleverly-used political mechanisms for problem resolution. Still, an off-centre control of coalition

politics involves many difficulties and complications. One way to reduce the tensions involved in such an imbalanced situation is to widen the gap between ideological declarations and political action. This was what Mr. Begin did by making peace. While giving up huge territories (the whole of the Sinai Peninsula), he nevertheless intensified his hawkish policy declarations. However, the safer way to deal with the instability inherented in off-centre control of coalition politics is to find strong and long-term political allies.

Coalition Membership - Home in on the Range

As related in the previous chapter, until 1977 coalition governments usually consisted of parties from each of the three traditional political camps - left, religious and centre-right. The major share of the coalition membership was drawn from the left-wing and religious camps, basing on Mapai's "historic alliance" with the NRP. Located as it was in the centre of the party map, Mapai however usually managed, as coalition leader, to recruit parties from the centre-right camp as well. Contrariwise, the coalitions formed by Herut after 1977 mostly consisted of parties from only two political camps - the right-wing and the religious bloc; centre elements became negligible and the left-wing camp was left out altogether. The narrowing basis for coalition formation was the outcome of two related factors: the increasing importance of ideology in the party system and the strategy of the off-centre Herut to minimize the ideological range of the coalition.

Table 3.6 describes the size and ideological range of the three coalition governments formed by the Likud during the 1977-1984 period.

Table 3.6   Coalitions Formed by the Likud

                          1977-1984

No.* Date   Coalitions Partners   120 Knesset

18)   6/77   Likud + NRP + Aguda + Dayan
              (45)   (12)   (4)   (1)   62   9
19)   8/81   Likud + NRP + Aguda + Tami
              (48)   (6)   (4)   (3)   61   10
20)   10/83   Likud + NRP + Aguda + Tami + Techiya + Telem
              (46)   (6)   (4)   (3)   (3)   (2)   64   10

* Number of coalition government since 1949.

Source: Israel Government Yearbooks.

The 18th coalition reached a size of 77 Knesset members in October
1977, when the DMC joined in with its 15 members. However, this very
coalition became a minority government in October 1980, following the
defection of a few Likud members and the effective dissolution of the
DMC. The 19th coalition, formed after the 1981 elections, became a
minority government in the first half of 1982, when an NRP member left
the coalition and two Likud members crossed the floor to Labour. It was
with a minority coalition that the government initiated the Lebanon War
in June 1982. In the second half of 1982, the government regained a
majority status when Techiya and Telem joined the coalition framework.
The 20th coalition was formed by Mr. Yitzhak Shamir after Mr. Begin's
resignation; its majority status deteriorated within months until
finally, in March 1984, Tami - a coalition partner - joined the
opposition in an unprecedented move to force early elections.

In order to understand how the governments were formed and why their membership changed so erratically, we ought to analyse the Likud's basic _modus operandi_ - off-centre control of coalition politics.

Coalition Bargaining

In the past, the dominant Mapai/Labour used to see coalition government as a matter of Hobson's choice. Being a minority party, it had to form coalitions but always regarded them as a limited partnership. It could afford to do so because it enjoyed a dominance in the centre of the party system. The Likud, by contrast, realizing the risks involved in maintaining power in a competitive party system, viewed alliances and coalitions as the vehicle of choice towards dominance. Unlike Mapai/Labour, the Likud sought cooperation with other parties on the basis of an unlimited coalition partnership. An effective way to create such a partnership is the formation of political alliances (proto-coalitions) before elections, rather than afterwards. In this way, a pre-election ally may be in a more powerful position in the post-election bargaining process to form a government.

Electoral coalitions seem to be more relevant in competitive rather than in dominant-party systems. In a dominated system, electoral politics is not translated into coalition politics - at least not as far as the coalition leader, the dominant party is concerned. This is not the case in a competitive party system, where the composition of government hinges on post-election negotiations. Here, electoral cooperation rather than competition may increase the chances of the

parties involved eventually to form the executive coalition. In this situation, a fight at the electoral level between possible future allies may prove too costly.*

Actually, the very formation of electoral proto-coalitions is an indication that the party system is nearing a more competitive posture. In such a system, electoral politics and coalition politics are closely related. One problem involved in the formation of pre-election alliances is the difference in size between the parties. The smaller party may have to be careful lest it lose its own identity - and with it a goodly number of votes - to its senior ally. This problem may become very much a reality in the context of a two proto-coalition race in a competitive party system, as the Israeli example illustrates.

In 1981, the Likud and the NRP created an electoral proto-coalition by appealing to the voters to return the 1977-1981 government. In fact it was Tami, an NRP's Sephardic splinter group, who first committed itself to a Likud government, in order to draw electoral support from among Mr. Begin's supporters. Tami thus forced the NRP's hand, lest its voters think it might contemplate cooperation with Labour. While the Likud's parliamentary representation went up from 45 in 1977 to 48 in 1981 and Tami gained 3 seats, the NRP lost half of its seats, previously 12 and now only 6.

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* Of course, electoral coalitions do not necessarily depend on ideological proximity; sometimes it is a question of survival. The FDP in (formerly West) Germany, for example, does not regard its liberal ideology as a version of either Social-Democracy or Christian-Democracy. Apparently, it wishes to have a progressive, liberal society in Germany. Still, in order to pass the 5 per cent threshold, it has had to ally with either major party already at the electoral level, so as to be able to cross this particular political barrier.

The NRP suffered, among other things, from an "identity crisis". The party was one of two religious groups in the 1977-1981 Likud coalition (the other one was the ultra-orthodox Agudat Israel), so it could not claim exclusive credit for "religious" concessions by the government; and, of course, it found it difficult to compete with the Likud on nationalistic issues. The NRP's slogan in the 1981 elections was "A vote for us is a vote for the Likud". Many of its potential supporters seem to have preferred direct voting to voting by proxy...

After 1981, the NRP sought to maintain its unique identity by calling over and over again for a national unity government, namely a coalition which would include the Labour party. This appeal represented the NRP's best strategy for maintaining a unique centrist role while qualifying its support for the Likud. Actually, it was only back then, in the days of Labour's rule, that the NRP had enjoyed a salient political status and was electorally secure by virtue of its unique identity.

The different political strategies employed by the NRP under Labour and Likud governments can illustrate the crucial difference between "not losing" and "win maximizing" strategies.* Under Labour, the NRP developed a strategy of how "not to lose". Its main concern was to protect its members and their particular interests from the arbitrariness of a secular government. The "historic alliance" between Mapai and the NRP was actually meant to guarantee, through a limited

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*   Being central to our thesis, the difference between these two alternative strategies will be elaborated upon in the next chapter.

political partnership, the basic needs and rights of religious groups. The NRP participated in Labour's coalitions because it was the only game in town. It was not an ideological alliance; cooperation and participation simply meant protection.

When the Likud came to power, however, the NRP saw its chance to play to "win", not just "not to lose". The NRP was not concerned any more solely with the protection of its traditional constituency; taking up the settlement banner, it now tried to reach out to other, non-religious groups, as long as they had positive attitudes towards Jewish culture and symbols. The NRP wanted to become a sizable centrist party, a kind of Jewish "Christian-Democratic" party, as it were. As it turned out, the NRP failed in the attempt to "play in the major league", as the Americans say, namely to try and win non-religious as well as religious votes in an open party competition. Having set its aims too high, the NRP stumbled over its own electoral success in 1977. Apparently, the party was better off playing "not to lose" under Labour. Actually, as long as Labour was believed to be the coalition-forming party (including the 1977 election, when nobody expected a Likud victory), the NRP had received potential Likud votes. The NRP appeared then to be the only force which could stop Labour from relinquishing territory and pursuing a dovish policy. After 1977, however, it was the Likud, not the NRP, who was regarded as the major force fighting it out against Labour's policy, so the Likud gained votes at the expense of the NRP [Friedman, 1984, pp. 141-165].

The Minor League

It was the fierce political fight between the Likud and Labour that shaped the basic structure of the bargaining process. The Likud was in power, Labour was a strong opposition. No such opposition existed when Labour dominated the party system; at that time, opposition was divided, bilateral, incapable of presenting alternative policies and leadership to the ruling party. When Labour went into opposition, however, it was a "dominant opposition party", i.e., an opposition party that could provide a clear alternative to the ruling party. Labour possessed over a two-thirds of the parliamentary seats obtained by all opposition parties, so there was no bilateral opposition to speak of. Needless to say, the existence of "a dominant party in opposition" is what makes a party system competitive in the first place [Punnett, 1975, p. 437].

Due to the competitive nature of the party system, the small parties became indispensable to the bargaining process. In this context, three categories of small parties could be identified in the 1977-1984 period. First, the satellite parties which clearly swore future allegiance to a specific government, e.g., the CRM and Shinui (ex-DMC) to a Labour government, or Tami and the NRP to a Likud government. By declaring their intentions, these parties have actually undertaken pre-election informal commitments to form what were in fact electoral proto-coalitions. The satellite parties claimed to pursue the "correct" policy of the coalition they intended to support.

The second type included balance-tipping parties, such as the DMC in 1977 or Telem and Agudat Israel in 1981. Willing to cooperate with either large party (their major objective being to capture the pivotal

position in the party system), these parties refrained from making any pre-election commitments. The third type of small parties included "pariah" parties such as extreme left groups, or Mr. Flatto-Sharon,* who professed to support the right wing. Certainly, all three types of small parties maintained coalition "relevancy", even though not all of them were potential candidates for participation in a given executive coalition - because all of them (including the "pariahs") counted in defining the balance of power in the legislature, which is really the crucial factor in an extremely competitive party system.

Institutional Constraints

The competitive nature of the system created situations in which even institutional constraints were "exploited" to determine the outcome of coalition bargaining. Such was the case with the formation of the 20th coalition. After months of rumours to the effect that he has not been functioning properly as Prime Minister, Mr. Menachem Begin announced his retirement on August 28, 1983. He retired, however, without formally submitting his resignation to the President of the State, as required by law. On September 1, Foreign Minister Mr. Yitzhak Shamir was elected by the Herut/Likud party organs as Mr. Begin's successor, having beat Mr. David Levy, the Housing Minister, by a 60 to 40 margin.

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* Shmuel Flatto-Sharon, a millionaire of shady background, found refuge in Israel in 1976 from heavy suspicions of fraud and embezzlement in France. When the French asked for extradition, Mr. Flatto-Sharon sought refuge again, finding it this time in parliamentary immunity - an outstanding testimony to the merits of the P.R. system.

Meanwhile, Mr. Shimon Peres, Labour's leader, claimed that he should be invited by the President to form a new government, being the head of the largest party (at the time Labour had 50 Knesset members, against Likud's 46). The President was bound by law to do nothing, however, since legally Mr. Begin was still Prime Minister. By the time Mr. Begin's letter of resignation was submitted to the President, Mr. Shamir had managed to put together a winning coalition of 64 Knesset members. The calculated delay in submitting Mr. Begin's letter of resignation was a tactical move designed to anticipate the theoretical possibility of a Labour government being formed, and it also served to avert pressures within the Likud (mainly by Liberal members) and the NRP to form a national coalition.

Coalition Payoffs: Office vs. Policy

Naturally, in a competitive system the coalition-forming party tends to be rather generous in ladling out payoffs to its coalition partners in order to maintain their loyalty. The small parties, for their part, try to exert strong bargaining pressure by playing one large party against the other. Furthermore, during the 1977-1984 period, this bargaining process was characterized by some cooperation among the smaller parties. The NRP, Agudat Israel and Tami, which tended to support the Likud, nevertheless negotiated simultaneously with Labour. As a result they received, in a Likud coalition of course, payoffs according to their bargaining power rather than the norm of proportionality. Quantitative and qualitative office payoffs were the clearest indication of the strength of the minor coalition partners.

Office Payoffs

With the formation of the first Likud government in June 1977, Herut offered factions within the Likud and parties in the coalition government positions which Mapai, the former ruling party, had never relinquished. Herut held on to only two important portfolios, the Prime Ministership and Defence. The Foreign Affair ministry was offered to Mr. Dayan ,an "outsider", the Finance ministry was given to the Liberal faction in the Likud and Commerce and Industry to the La'am faction. Two other significant portfolios, Education and Interior, were offered to the NRP, the main coalition partner. When the DMC joined the coalition in October 1977, Prime Minister Begin offered it four seats around the government table and made its leader, Mr. Yigael Yadin, his deputy.

The NRP benefitted most from its alliance with the Likud. Winning the Ministry of Education was indeed a great coup for NRP. This portfolio, as befits its "important" status, was regarded in the past as one of the dominant party's "protected domains". Moreover, letting a religious party control the Education portfolio in a basically secular state had a more profound significance than a mere distribution of payoffs to a coalition partner. The NRP was also given its traditional domains, Ministry of Religious Affairs and the Interior Ministry (which included then the Police Department). Even when the NRP lost half of its parliamentary representation, in the 1981 election, it was able to retain the positions it had gained in 1977, due to the near-tie between the Likud and Labour.

The Likud was rather generous with the DMC, in terms of office payoffs: it even kept vacant portfolios waiting for this party's

delayed decision to join the coalition. Its leader, Mr. Yadin, was made "arch-minister", charged with coordinating the activities of the various ministries dealing with social affairs and given control of their budgetary allocations. This in addition to his duties as Deputy Prime Minister, in which position he proved to be a major asset to Mr. Begin, by chairing government meetings in his absence (for almost a full year) and by defending his policies. Three other DMC leaders were given portfolios, including the highly respected Justice Ministry. Even while the DMC was falling to pieces, it set a record of government payoff disproportionality: the original ratio of 4 government seats for 15 DMC Knesset Members went up to 3 for 7, then 3 for 6, until finally 2 government members represented 3 Knesset members.

Unlike the NRP and the DMC, the ultra-orthodox Agudat Israel was not interested in taking up seats around the government table, an important coalition partner though it was. Apart from its objection to sharing full responsibility in a secular Zionist government, Agudat Israel, a small but highly fractious party, was unable to share among its leaders one or even two potential portfolios. In terms of office payoffs it preferred the chairmanship of parliamentary committees and control over governmental agencies and departments which deal with socioeconomic and educational matters that directly affected the party's constituents. It also acquired the chairmanship of the Coalition Caucus, a prominent position previously reserved to the dominant party. Agudat Israel's main office payoff, however, was a coalition agreement full of promises, including massive state funding for its social and educational institutions.

Tami was a coalition partner interested in both material benefits and government status. This ethnic party was led by a previous NRP

government minister, Mr. Aaron Abu-Hazeira, and a former Labour government minister, Mr. Aaron Uzan. These two well-established public figures managed to gain 3 Knesset seats in the 1981 election, basing on the vote of Sephardic and traditional Jews.* The price for its participation in the coalition was strictly jobs and funds with which to support and reward its members. The 3 Knesset members of Tami were all made front benchers in the coalition government (!) - one government minister and two deputy ministers who controlled between them a triple-decker ministry - Labour, Social Affairs and Immigrant Absorption (at the same time, the Likud had only 13 government ministries left for its 48 Knesset members). Tami enjoyed a strong bargaining power because its 3 seats helped Mr. Begin form a 61 coalition in 1981.

The Likud itself became more concerned with office payoffs as it adjusted to its dominant political role. In 1977, Herut settled for two out of the four top positions; after the 1981 election, Herut doubled the number of its ministers and ministries to include also the Foreign Affairs and Finance portfolios, which had been originally assigned to the Liberal faction. The strengthening of Herut was, in fact, at the

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* There are several "degrees" of religious adherence in Israeli Judaism: Ultra-Orthodoxy, which includes most Hassidic congregations, is uncompromising in its observation of the Halacha, the body of religious law; Orthodox Jews observe the Halacha, but in a more relaxed fashion; other Jews regard themselves as "traditional", namely, they respect the Halacha but observe it only partly. Reform and Conservative Judaism, while prominent in the diaspora, are practically non-existent in Israel. In term of politics, the ultra-orthodox will always vote for their own parties; an orthodox will tend to vote for a religious party; a "traditionalist" may vote for any party, but would presumably prefer one that is not blatantly anti-clerical.

expense of the Liberal group which declined in influence and status due to resignations, internal strife, and poor ministerial performance. From being an equal partner with Herut in Gahal and the Likud, the Liberals were relegated, especially after the 1981 election, to a secondary role in the Likud and in government.

Actually, the Liberal leader, Mr. Shimcha Ehrlich, was a loyal friend of Begin's and trusted him more than his own fellow Liberals, when it came to making decisions about the makeup of the parliamentary list and the allocations of government positions for the Liberal faction. Mr. Begin stuck by the time-honoured factional formula for dividing up the spoils and gave the Liberals their fair share of portfolios - all of them of secondary importance, however. Mr. Ehrlich himself, once the Finance Minister, was "kicked upstairs" to become a harmless Deputy Prime Minister. Mr. Ehrlich's major concern was to ensure that his Liberal rival Mr. Yitzhak Moda'i would not get any important position. Yet another faction in the Likud , La'am, was also weakened by defections when some of its Knesset Members joined Herut or crossed the floor to Labour. Also its leader, Mr. Yigal Hurwitz, could not find a proper place around the government table, resigning twice over policy disagreements with Herut's leadership.

In time, office payoffs began to play an increasing role in the maintenance of the Likud's coalitions. These payoffs seemed to be effective in buying the support of coalition partners and in solving the Likud's factional problems. In 1977, a 13-member government represented a coalition of 62 Knesset Members. In 1981, a government of 18 ministers plus 10 deputy ministers was needed in order to put together a coalition of 61 Knesset members!

Policy Payoffs

It was argued that "Unlike Mapai, the Likud was cooperative and forthcoming in accommodating the needs of coalitionary parties. Mapai strove to allocate what may be termed particularistic rewards, while the Likud was prepared to allocate universalistic ones as well" [Aronson and Yanai, 1984, p. 16]. The idea was to allow partners influence over policy in their particular areas of interest. The formation of the first Likud-led coalition in 1977 was based on having Herut control defence and foreign affairs, the Liberals controlled the economy, while the religious parties had control over areas with special concern to them. Reasonable as the original plan may have been, it failed the test of time, since none of these groups was happy with the payoffs granted to the others.

Religious Payoffs, compared with the past, were increased quite substantially. Labour had basically maintained a status quo in its relations with the religious parties, whereas the Likud was willing to change the status quo in favour of the religious sector. Put differently, Labour had made certain concessions to the religious parties but had taken special care to protect the interests of the secular sector; the Likud lent a hand to religious legislation which effectively changed the status quo, although it did not go all the way. The religious parties failed, for instance, in their ongoing efforts to change the Law of Return over the "Who is a Jew" question. Such a change would have antagonized not only the secular sector in Israel proper, but also most of the diaspora Jewery, which may have been the crucial point. All in all, however, the Likud was quite willing to

increase policy payoffs to the religious sector, hoping to consolidate a national-religious political bloc.

In terms of socioeconomic payoffs, the Likud tried in a haphazard way to be all things to all people at once - both factions within its ranks and all the coalition partners. The government never had a coherent economic policy, coming up every few months with newfangled "package deals" to prevent economic deterioration. Four Finance Ministers, with four different economic philosophies, served in the Likud governments from 1977 to 1984. The first minister was all for "market economy" and laissez-faire; the next favoured a "balanced budget" economy; his successor was simply for a "correct economy"; and he was followed by a minister who wanted a "mixed economy". In reality, the Likud conducted seven years of "electioneering economy" - as Mr. Begin himself used to say, "we wanted to do good by the people".

Lavishly spending, heavily borrowing from abroad, printing money, incurring huge budget deficits, sapping out foreign currency reserves, increasing imports, the government was able, in the short run, to create a sense of prosperity. Herut, the NRP, Agudat Israel and especially Tami (which claimed to represent the underprivileged) thus received "socioeconomic" payoffs galore. Even the Liberals were happy, since the middle-class - and certainly the rich - got richer. There was only one fly in the ointment, which did not seem to cause much distress for a while: the country became poorer, its future became mortgaged. The inevitable crisis was dealt with in 1985, when the Likud was no longer the sole ruling party.

As for policy payoffs in terms of <u>national issues</u>, these were not granted to coalition partners, or indeed to factions within the Likud, unless Herut - in effect its leader, Mr. Begin - so wished. The parties, factions and leaders whose policy positions were located to the left of Mr. Begin's own have achieved practically nothing, in ideological terms. The moderate DMC was in a particularly awkward situation, because "Begin concluded that the coalition negotiations with the DMC would have to avoid substantive ideologies and policies, and focus on ministerial payoffs" [Torgovnik, 1980, p. 91]. Indeed, this was exactly what Mr. Begin did, said the DMC leader, Mr. Yadin: "We were told categorically that if we wanted to insert a clause into the coalition agreement to the effect that this government, in order to bring about peace talks, is willing to make a territorial compromise on the West Bank, then there was nothing to talk about" [<u>Haaretz</u>, 17.6.1977].

Aware of Mr. Begin's uncompromising stance on national issues, the DMC was faced with a dilemma: to be an opposition to the government or to join the coalition and "fight for changes from within". After seven months of negotiations, the DMC chose to join the Likud's coalition, which had a majority with or without it, believing it could moderate Herut's policy. The DMC's rationalization was of the classical variety: If we were out of office things would have been much worse, namely, the right-wing fringe would have carried on with their policy of more Jewish settlements in Arab populated areas, expropriation of lands, and so on. In fact, what "moderating" influence the DMC may have been able to exert was rapidly diminished, along with its parliamentary strength. The DMC did manage occasionally to delay the implementation of Herut's

policy, but never to change it. Indeed, these low policy payoffs seem to have been a major factor in the party's downfall.

Even Foreign Minister Mr. Moshe Dayan and Defence Minister Mr. Ezer Weizmann did not have much influence, in their efforts to push forward a moderate foreign and defence policy which was unacceptable to Mr. Begin. They both found themselves in a position similar to the DMC's. Having played a crucial role in the Camp David peace talks with Egypt, their influence on national policy gradually dwindled till eventually they both lost all real power and resigned - Mr. Dayan in October 1979 and Mr. Weizmann in May 1980.

Mr. Dayan's political emasculation seems to have followed a rather typical pattern. When Mr. Begin considered that his once indispensable Foreign Minister was expendable after all, he made the NRP's Interior Minister Mr. Burg chief negotiator in the short-lived talks on Palestinian autonomy in 1979. At the same time, Mr. Weizmann, still in government, was in charge of policy in the territories; yet Mr. Begin backed Agriculture Minister Mr. Ariel Sharon's hawkish policy on settlements. Thus, Mr. Dayan found himself chiefly involved in the one aspect of his portfolio he hated most and was least suited to - attending cocktail parties and the like, while Mr. Weizmann was unable to do anything in the most crucial aspect of his own portfolio, settlements. They both quit government pretty soon. With the departure of these two charismatic leaders, Mr. Begin was in a better position to pursue his ideology; in other words, he increased, if not maximized, his own policy payoffs.

Mr. Dayan, Mr. Weizmann and some DMC ministers left Mr. Begin's coalition because of the slow pace of the peace process, whereas the right-wing Techiya party opposed Mr. Begin because he signed the peace

treaty in the first place. If those moderate leaders were in opposition to Mr. Begin on the left, Techiya was a strong opposition on the right. When policy payoffs to the moderate groups went up, the payoffs to Techiya came down, and _vice versa_. Techiya has been a true-blue ideological party, concerned with policy payoffs first and foremost. In 1980 it was paid a bonus, when parliament passed a declarative law affirming that the reunited Jerusalem is Israel's eternal capital. After the 1981 elections the coalition had a one-vote majority, which meant that Mr. Begin could least afford to antagonize Techiya's three Knesset Members with too strong a show of "moderation". Actually, the Techiya party joined the coalition only after the Lebanon war began in 1982, when the Prime Minister promised it a firm stance on national issues.

All in all, most coalition parties and factions have had misgivings about the way Herut's leadership distributed policy payoffs. The Liberal faction thought the religious payoffs too high; Tami and some groups within Herut thought that socioeconomic payoffs were not high enough; a few moderate Likud MKs wanted a change in "national" payoffs, and so on. It was rather difficult to keep all of them happy all the time. However, there was one payoff which all partners were happy to share - "anti-Labour" policy. In fact, this attitude was the cement holding the coalition together, the main asset of the Likud's coalitions.

Not Losing or Winning by Default?

During the 1977-1984 period, anti-Labour forces maintained a majority in parliament. This, rather than the positions of individual parties, was where the cleavage between the two political blocs, the Likud and Labour, cut through. It was this fact that pointed to the supremacy of the Likud and accounted for the political durability of its governments [Warwick, 1979, pp. 465-98]. In fact, as soon as the 1977 and 1981 election results were in, it became clear that the Likud, rather than Labour, will form the next government. Essentially ,the postelection coalition bargaining determined political payoffs, not political control. A Likud coalition seemed to be a sure thing, as was a Labour opposition; all the rest were details - important, but still details. The investiture vote of the Likud's coalitions provided a picture of how the major cleavage line divided the legislature.

The performance of the Likud's governments was frankly poor from day one, and analysts soon began predicting that it would quickly come apart. Instead, it held on for full seven years, surviving many a major crisis. The Likud's governments survived the resignation of its leading ministers; parliament was asked by the attorney general to remove the immunities of several members, all of them associated with the ruling coalition, in order for them to stand trial; the state of the economy reached pit bottom when Israel surpassed Argentina to lead the world in rates of inflation. To put it mildly, the Likud's government was not an outstanding political success. But none of this really mattered. Since an alternative Labour coalition was unacceptable to a majority in parliament, the crippled Likud coalitions carried on. Simply put, the Likud could not lose because Labour could not win.

It is not only that the Likud governments did not have to be successful in order to maintain political viability; they actually did not even have to have a parliamentary majority. The governments' position was secure because the opposition could not put together any kind of majority to replace it at the helm. Usually, it is the left-right balance in parliament that determines which coalition will be viable. If the right wing is dominant in parliament, there will be a right-of-centre executive coalition. Its size may be important, but not crucial. A surplus coalition, a minimal winning coalition or even a minority government - any will do. A right-of-centre executive coalition cannot lose, because right-wing parties will certainly block the formation of a left-of-centre executive coalition. Certainly, not all right-wing parties will actively support or participate in a right-of-centre executive coalition; some may even oppose it, but knowing the consequences, they will be careful not to help the opposing bloc.

In defining government viability, what really counts is the majority of the legislative coalition, not the size of the executive coalition. "A proto-coalition V will form a government if there is no alternative coalition A which is supported by parties controlling more legislative votes than those supporting V and which all supporters of A prefer to form rather than V" [Budge & Laver, 1985, p. 488]. In terms of viability, whatever the size of the Likud's executive coalitions, they did not face opposition from a majority in legislature, due to ideological considerations and anti-Labour feelings. Even when the Likud led a minority government, it was still a viable coalition vis-a-vis the opposition. The opposition could win a few votes in parliament or at best force early elections, but it could not form its own executive coalition. Thus, for example, when Tami, a coalition partner,

wanted in 1984 to get back at the Likud government, it voted for early elections - not for a Labour government. And even for this the party was severely punished by voters who suspected that it had wanted to help bring Labour back to power. Anti-Labour passion was, and still is, a potent political power.

It seems that when ideological polarization tends to create a political gap within the party system, the executive coalition which is currently in power enjoys stronger political viability. In this sense, the more polarized a system is, the greater the political stability of the executive coalition. Also, in a disjointed party system, the larger the difference in size between the two political blocs, the more stable the government. The existence of ideological polarization and the way it splits the party system are two related factors which together determine coalition stability. When the two poles of the disjointed party system are more or less equal, and when the coalition is controlled from an off-centre position, the stability of the government cannot last for long. This is what happened to the Likud's governments.

As we saw, the Likud bloc never won a landslide victory against Labour. It had a slight advantage, just enough to keep it in power. In fact, the Likud's rule depended on a coalition of disparate, ultimately incompatible interests, which could only stay in power by default, that is, it could not lose to Labour. Labour found it difficult to regain power because it faced both opposition to its policy positions and resentment by extensive segments of the public. Seven years of poor Likud performance in government, from 1977 to 1984, hardly changed the verdict of the electorate. In 1984, Labour barely managed to achieve a political tie with the Likud, and the only way out was to form a national coalition.

Chapter Four

The Politics of "Not Losing"

The 1984 election results have brought about an unprecedented change to
Israeli coalition politics; all bets were now off. Before proceeding to
analyse the characteristics of the new system and its _modus operandi_,
which is in effect the main subject of this dissertation, we must take
a close look at the theory of coalition politics as it stands today, in
order to see how it may help us understand the changed rules of the
Israeli situation. In the final analysis the same question will be
asked in reverse - whether the Israeli experience, unique as it was,
may contribute something to coalition theory.

Minimal Coalitions

Essentially, two different types of theories have been used to explain
and predict the formation of coalition governments in parliamentary
democracies. The first type, "office-seeking" theories, deals with
coalition formation only on the basis of the numerical strength of the
parties in parliament. Policy considerations do not enter the
discussion. The second type, "policy-based" theories, assumes that
coalition governments are also the outcome of policy considerations and
thus predict their formation on the basis of both the power relations
and the policy positions of the parties. The three most familiar

"office-seeking" or "policy-blind" theories are: "size principle" [Riker, 1962]; "minimum-size coalition" [Gamson, 1961]; and "bargaining proposition" [Leiserson, 1968]. The better-known "policy-based" theories are: "policy distance" [De Swaan, 1973]; and "closed minimal range" [Axelrod, 1970].

The one feature common to all these theories is their overall purpose - to predict which coalitions will form out of a given distribution of parties in parliament. Each in its own way deals with the essence of a democratic regime: translating the "will of the people" into governmental power.

By and large, these different coalition theories are based on different definitions and make divergent assumptions. Nevertheless, they all seem to share a single fundamental premise: maximizing office and/or policy payoffs is the major motivation for the actors who bargain over coalition formation. If this is indeed the basic motivation, it necessarily follows that the various actors strive to form a winning coalition that is minimal in some sense, because it is such a coalition that would secure maximal office and/or policy payoffs for its participants (a "winning coalition" is a group of parties in the legislature which combine to sustain a government). In order to clarify the differences, as well as similarities, among the various theories proposed, let us use an imaginary example of election results and see which coalition(s) will be predicted by each.

Table 4.1   Winning Coalitions Predicted by Five Coalition Theories

For a Hypothetical Distribution of Parliamentary Seats.*

LEFT..RIGHT

Parties:	A	B	C	D	E
Seats:	6	41	6	43	4

Total seats 100, minimum required 51.

Theories:

Minimal winning coalition	ABC (53)	ABE (51)	ACD (55)	ADE (53)
	BCE (51)	BD (84)	CDE (53)	
Minimum size	ABE (51)	BCE (51)		
Bargaining proposition	BD (84)			
Minimal range	ABC (53)	BD (84)	CDE (53)	
Closed Minimal Range	ABC (53)	BCD (90)	CDE (53)	

Based on Lijphart, 1984, 48.

Earlier coalition theories were "policy blind", under the influence of the work done by von Neuman and Morgenstern in their Theory of Games and Economic Behaviour [1953]. They are:

Minimal winning theory. Riker's famous "size principle" assumes that the bargaining undertaken to form a winning coalition is a zero-sum game, that is, the total value of the prizes a coalition can offer is fixed. Since the value of the prizes cannot increase with the

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*   The use of the left-right unidementional policy scale seems to capture the essential aspects of coalition formation: "Generally, one dimensional and multidimensional formulations... yield rather similar results" [Taylor and Laver, 1973, p. 228].

addition of a new member, actors will strive to form winning coalitions that do not contain more actors than those absolutely necessary to win. In other words, the "size principle" predicts only minimal winning coalitions, without any "dummy" or "surplus" parties which are not necessary to satisfy the minimal majority requirement in parliament. In the above example, however, no less than seven different minimal winning coalitions are predicted. This rather poor predictive ability is precisely the problem with the size principle: in any given situation in a multiparty system (three parties or more), it never makes a single specific prediction about the winning coalition. The larger the number of parties, the more minimal winning coalitions are predicted.

Minimum size theory. The coalitions predicted by the size principle alone may vary considerably in size, that is, the number of seats they represent. As a necessary refinement, therefore, the mininum size theory predicts that among all the possible minimal winning coalitions, the one most likely to form is the one with the least surplus weight (in terms of seats) above the absolute minimum needed to satisfy a majority criterion. The logic is quite simple - in this situation, each party will prefer to secure for itself the largest possible payoff, assuming a direct relationship between a party's size and its relative share in these payoffs. In our example, the seven minimal winning coalitions predicted range in size from coalition CDE with 51 seats to coalition BD with 84 seats. The minimum size theory narrows it down to two possible coalitions - ABE and BCE, each with 51 seats. However, this theory cannot predict which specific coalition, between the two possible ones, will in effect be formed.

Bargaining proposition. Michael Leiserson suggested a different

criterion to reduce the number of predicted minimal winning coalitions: "The proposition regarding bargaining is that as the number of actors increases there is a tendency for each actor to prefer to form a minimal winning coalition with as few members as possible" [Leiserson, 1968, p. 775]. He assumed that from among the possible minimal winning coalitions, those with the least number of parties are likely to form because the bargaining process is less complicated and thus easier to complete; also, he expected such a coalition, once formed, to remain more stable than most alternatives. Other things being equal, a two-party coalition is preferable to a three-party coalition, and so on. In our example, the bargaining proposition theory predicts that from among the possible minimal winning coalition, BD will form because it involves only two parties, whereas all the others involve three.

It is worth noting that there is a 33-seat difference between the 84-member coalition BD predicted by the bargaining proposition and the 51-member coalitions predicted by the minimum size theory. This wide gap in numbers is indicative of the totally different approach to the considerations guiding party negotiators in their efforts to set up a winning coalition: payoff distribution on the one hand, smoothness of bargaining and stability on the other hand.

Among these three "policy blind" theories, the "minimal winning coalition" predicted seven coalitions, the "minimum size coalition" defined two, whereas the "bargaining proposition" theory made a unique prediction, although one totally different from either coalitions predicted by its rival. Therefore, while the first theory proves unsatisfactory in terms of predictive powers, the latter two may be regarded as refinements, narrowing down the range of possibilities, but they do it in radically different ways. Is there a way further to

refine our tools, so as to arrive at more conclusive predictions?

It does make sense to take into account not only the various parties' sheer size, in terms of parliamentary seats, but also what they stand for. After all, despite sometime appearances, a party is not just (al least, not always!) a bunch of people out to grab power and office payoffs, regardless of policy and ideology considerations. It makes sense, therefore, to look into this area as well. "Just as it was assumed to be easier to forge a coalition agreement between fewer rather than more parties, so it was assumed to be easier to do so between parties closer to each other, rather than farther apart, in terms of policy" [Laver and Schofield, 1990, p. 97]. The following theories do precisely that.

Minimal range theory. It is plausible to suggest that ideological compactness may encourage parties to bargain and form coalitions which would not suffer from too many conflicts among prospective partners. The more heterogeneous a coalition is, the higher the cost, in terms of its maintenance, of goal clarification. Actors will therefore endavour to form coalitions with a minimal range, i.e. least ideological diversity. Specifically, the distances between the parties on the left--to-right scale can be measured in ideological "spaces". The total number of spaces between the extreme left-wing Party A and the extreme right-wing Party E in our example is four. The seven minimal winning coalitions have ranges of two or three "spaces"; no possible coalition has a single "space", which would have been the best possible situation in terms of this particular theory. The minimal range theory, predicting as it does the formation of coalitions with the least number of "spaces", will therefore point out coalitions ABC, BD and CDE. Yet it offers no means of selecting among them.

Closed Minimal Range. A closely related approach, proposed by Axelrod in his <u>Conflict of Interest</u> [1970], predicts a "minimal connected winning coalition". Connected here means that coalitions tend to consist of actors who are contiguous on the policy scale. Such coalitions must be both connected and "minimal" - they should contain no more members than is necessary for a coalition to win, but these members should represent a "straight flush" in the deck. Thus, there may be superfluous actors, in terms of coalition size, since without whom the coalition will fail the connectivity test.* Coming back to our specific example, this theory makes three different predictions - ABC, BCD and CDE, all minimal connected coalitions. Note that coalition BCD appears here for the first time: none of the previous theories predicted it because it is not "minimal", since Party C is not needed for this coalition to meet the size requirement. It is needed, however, to ensure connectivity. Still, in predicting three different possibilities, without offering a way to select one of them as the likely outcome, this theory too leaves something to be desired.**

It seems then that "minimal winning" theories have largely been proven to possess poor predictive abilities, because "they yield many

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* The findings of several studies, which tested the applicability of policy-blind and policy-based coalition theories to the reality of European parliamentary democracies, suggest that Axelrod's approach has been the most fruitful one among those tested. See for instance Taylor and Laver, 1973, pp. 222-27, and De Swaan, 1973, pp. 147-58.

** The above discussion was based on: Lijphart, 1984, pp. 46-66; DeSwaan, 1973, pp. 47-79; Laver and Schofield, 1990, pp. 89-143; Budge & Keman, 1990, pp. 10-19; Browne, 1973.

predictions for any one given parliamentary situation" [Lijphart, 1984, p. 51]. Furthermore, they obviously cannot explain why non-minimal winning coalitions do occur very often in real-world coalition politics, which phenomenon is quite widespread: "When we look at actual governments, only 34 per cent of coalitions in twelve West European countries between 1945 and 1971 can be described as 'minimal winning'" [Budge & Keman, 1990, p. 14]. This lack of correspondence between theory and reality has opened the way for all kinds of arguments which may account for circumstances that could "justify" the occurrence of larger-than-minimal winning coalitions.*

One of the better-known explanations of this kind is Riker's famous "information effect: "If coalition-makers do not know how much weight a specific uncommitted participant adds, then they may be expected to aim at more than a minimum winning coalition" [Riker, 1962, p. 88]. Lijphart explains its significance thus: "In the negotiations about the formation of a cabinet, there may be considerable uncertainty about how loyal one or more of the prospective coalition parties, or individual legislators belonging to these parties, will be to the proposed cabinet. Therefore, additional parties may be brought into the coalition as insurance against defections and as guarantee for the cabinet's winning status" [Lijphart, 1984, p. 54].

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*   For the sake of brevity, we shall discuss here only surplus majority coalitions, not minority governments. The latter are also non-minimal winning coalitions, even though the 50 per cent + 1 criterion is not satisfied by them . However, they pertain to circumstances way outside the subject of this dissertation, and will not be considered here.

A similar approach was taken by Laver and Schofield, who referred to intra- rather than interparty uncertainty, a situation in which "party discipline is low, so that party leaders cannot be certain, for key votes, that they will be able to deliver the full seat total won by the party at the preceding elections. In this case, surplus majorities represent `insurance' against unauthorized defections by factions of undisciplined parties. We can think of what happens in this case as party strategies unofficially moving the winning post a bit further down the road, so as to include a few extra seats for insurance purposes" [Laver & Schofield, 1990, p. 82]. In other words, sometimes the minimum size requirement may relate not to a "simple" majority but rather to a "working majority".

Another situation in which there is need for a larger-than-minimal winning coalition arises when constitutional and political requirements "alter the definition of a `winning coalition' by prescribing qualified majorities or by bestowing veto power on at least one actor in the voting body that must be included in any coalition... because decisions adopted by a simple majority or without the concurrence of certain groups or individuals in the voting body will remain ineffective" [De Swaan, 1973, p. 81].

Still another case for a larger-than-minimal coalition is when high value is attached to consensus politics: "When consensus... becomes an independent source of motivation, the actors strive to take the objectives of all, or almost all, actors into considerations when the composition and policy of the winning coalition is determined" [De Swaan, 1973, p. 83]. Arend Lijphart, for one, observes that "oversized cabinets are more typical of the consensus model, and they are

particularly suitable for governing plural societies" [Lijphart, 1984, p. 62]. In fact, coalition politics based on consensus appears to be a typical response to pressures originating in the environment, e.g. external war or a major economic crisis.*

The above explanations, and others of their ilk, are problematic in two respects at least. First, they certainly do not cover all the divergent real-world instances of larger-than-minimal coalitions - many cases remain apparently unexplained [Laver & Schofield, 1990, p. 83]. Second, and more important, they essentially use ad hoc criteria to account for surplus coalitions. To sum up our discussion so far, the dominant orthodoxy of Coalition Theory suggests that coalitions will tend to be minimal with respect to size alone, or a blend of size and policy. However, it has to resort to ad hoc explanations whenever the number of possible coalitions emerging from theoretical considerations is larger than one, and far more importantly, whenever real-life coalitions prove to be larger-than-minimal. Can there be another set of theoretical considerations which will improve predictability?

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* In fact, De Swaan goes further to suggest a whole list of unique circumstances with which he tries to explain the existence of non-minimal coalitions [De Swaan, 1973, pp. 81-87].

The Politics of "Not Losing"

Given the aforementioned problems, one should look for more basic reasons that could explain why oversized governments are so prevalent in the actual politics of coalition formation. One possible avenue to explore is the validity of the assumption whereby actors are motivated above all by a desire to maximize coalition payoffs - a pattern of behaviour which logically should lead to the formation of minimal winning coalitions.

It is not unreasonable to suppose that actors who bargain to form coalitions may be motivated by what could be termed a "not losing" behaviour: loss avoidance being regarded as more important than win maximization. Since typically, the main coalition actors are party leaders, their major concern with "not losing" can be understood in two important ways at least. First, they do not want to lose in the interparty game, that is to say, they do not want to be excluded from a winning coalition, which is the only way to secure payoffs - policywise or otherwise. Second, they do not want to lose in the intraparty game. Here, the basic assumption is that a leader's position within his or her party becomes more vulnerable if the party is relegated to opposition, more easily defendable if the party is a member of the ruling coalition. Consequently, interparty as well as intraparty considerations which involve elements of risk and uncertainty may account for a conservative, defensive behaviour - a "not losing" attitude - on the part of individual as well as partisan coalition actors.

The important point here is that in view of a "not losing" approach towards the politics of coalition formation, actors will be mainly concerned with being included in, rather than excluded from, a winning coalition. If participation in coalition is considered vital, actors cannot be said to be motivated exclusively by a desire to maximize their payoffs through forming minimal winning coalitions. In fact, they may want to be included in almost any winning coalition - be it minimal or not. If almost all the actors in a given situation want to become members of a winning coalition regardless of size considerations, there is a high probability that the eventual coalition will be wide-based. One may expect therefore an intense, confusing and sometimes underhanded bargaining process, the end result of which may well be a larger-than-minimal coalition whose members have traded off larger but less certain payoffs for smaller but safer ones.

Oversized coalitions can be explained as a result of the "not losing" approach also in a different way. The alternative approach turns our attention from the coalition-making process to the coalition-foiling process, in which actors attempt to block the formation of coalitions from which they may be excluded. These actors become involved in the creation of "blocking coalitions" - protocoalitions based on interparty agreements which exclusively aim to prevent other parties from forming a coalition. If a deadlock has been reached in this way, actors can now concentrate their efforts on undermining each other's protocoalition or, failing that, unite competing protocoalitions together, as the only way to form any coalition, which will then be well oversized, of course.

Such behaviour cannot be explained by the "win maximization" motivational assumption. In reality, since it is rather difficult to

dismantle interparty agreements ("proto-coalitions, once formed, remain non-dissolvable" [Grofman, 1982, p. 86]), the phenomenon of wide-based coalitions could more easily be explained by the logic of "not losing".

The "not losing" approach emphasizes the presence of risk in the process of forming a coalition. This risk may make actors more sensitive to losses involved in being excluded from a winning coalition than to the amount of payoffs receiveable through being included.* Actors may adopt a "low risk, low expectations" attitude and choose to sacrifice possible high payoffs for the greater probability of acquiring some payoffs. Put differently, by reducing their expectations they make their realisation more probable. They may be willing to give a premium to certainty over uncertainty. For them, "not losing" may simply be a matter of being included in a winning coalition, almost any winning coalition; of participating in the only political game that distributes payoffs and secures their leadership positions. The idea of "not losing" gives a new sense to an old saying: they know it's crooked, but it's the only game in town.

The logic of "not losing" is contested by those who assume that rational coalition behaviour should aim exclusively at maximizing payoffs: "Some participants will choose the alternative leading to the larger payoffs. Such choice is rational behaviour and it will be accepted as definite while the behaviour of participants who do not so choose will not necessarily be so accepted" [Riker, 1962, p. 23]. Riker's assertion notwithstanding, it may be less reasonable for an

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* On the idea that "losses loom larger than gains" under conditions of uncertainty, see for instance Quattrone & Tversky, 1988, pp. 717-736.

actor to aim at a minimal winning coalition, since the advantage it offers over an oversized coalition may be offset by the risk of losing all, in the actor's subjective reckoning. This reasoning does not attempt to question the rationale involved in the desire to maximize payoffs - it comes to complement it. It is certainly rational for actors to strive to maximize payoffs; it is equally rational, however, for actors to strive not to lose. Thus, it is possible to think of Riker's "win maximization" approach as part of the rational theory of choice, and of the "not losing" approach as part of the descriptive theory of choice.*

Indeed, given coalition formation realities, it seems reasonable enough to assume that actors would rather be in a "not losing" situation than in a "win or lose" situation. In a sense, not winning, winning a little, winning a lot or winning the maximum, are all but special cases of the general notion of "not losing". To suggest that actors strive exclusively to maximize payoffs is hardly more significant than to say that they would rather have more money than less. Maximization of payoffs is more of a desire than a strategy, involving a hypothetical option that may or may not come true. In any immediate and practical sense, actors are involved in attempts to avoid losing. The logic of "not losing" thus implies survivability - which is what politics is all about.

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* Essentially, the rational theory of choice deals with the choice between alternatives as a rationally guided process governed by abstract considerations; the descriptive theory of choice is more empirical, using real-life situations for the development of criteria. On the differences between these two theories of choice see for instance Kahneman, Slovic, and Tversky, 1982; Dawes, 1988.

Certainly, not to all types of political games can the "not losing" approach be applied effectively. For example, it is hard to imagine a "not losing" approach in presidential politics. In such an instance, a rather clear win-or-lose situation is certain to develop. However, parliamentary politics is a totally different proposition, which provides room for considerations of "not losing" in forming coalition governments. Here, there are many actors who "play it safe" since they do not want to lose and be "out of it". They are not gamblers but rather risk-averting creatures who would be happy not to lose, happier to win something and happiest if they were to hit the political jackpot. In short, when the benefits are of an "either-or" nature, there is no room for a "not losing" approach; but in the more common case of graded benefits, there is very little room for anything else.

"Not losing" represents a conservative minimax approach in the formation phase of coalition politics, when it may safely be assumed that actors strive above all to be included in a winning coalition - a government - in order to avoid the risks of opposition. This implies a certain level of interparty cooperation: rivals may become allies in the process of coalition formation, namely the transition from the parliamentary level to the governmental level. This raises a key question: does a strong interparty competition take place at all in coalition politics, and if so, where? According to the "not losing" approach, the more likely place for effective interparty bargaining could be found at the coalition maintenance phase, that is, within the framework of an already established winning coalition. The "not losing"

actor is likely to reason out that his bargaining position would be much stronger once he has been included in the winning coalition.*

Indeed, it is quite possible that after the formation of the government, an actor may try to renegotiate the coalition agreement and extract more advantages at the expense of other partners. If his demands are refused he may even threaten to leave the coalition altogether.** In other words, coalition strategies could possibly revert from "not losing" to "winning" after the transition from the formation to the maintenance stage had been completed. However, such a change of strategies may be risky because it entails coalition instability and possible demise. Given these considerations, it is not unreasonable to assume that the "not losing" approach may continue to dominate even the coalition maintenance stage. Much as the various actors may desire to get more payoffs, they nevertheless have to make sure that conflicts amongst themselves not become exacerbated to the point where dissolution of the winning coalition becomes inevitable.

"Not losing" actors appreciate that coalitions are also ruling governments, and that coalition politics is basically about acquiring governmental payoffs. Under conditions of uncertainty, these payoffs are the best "insurance" actors may have for political survival.

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* Dixit & Nalebuff [1991, pp. 25-27] tell an amusing story about bargaining with a taxicab driver, the long and the short of it being this: get in first, then tell the driver your destination. If you'd tell him before you got in, you may never get in at all. Its particular relevance to our case in point is also due to the fact that the horrid experience they relate took place in Jerusalem...

** In is not uncommon for actors to reopen the interparty agreement or break agreed-upon rules, as witness the fact that in the real world, coalitions do dissolve.

A Working Model for "Not Losing"

In order to examine the "not losing" approach in action, let us reiterate our previous numerical example and see how it works now.

Table 4.2   A Hypothetical Distribution of Parliamentary
                            Seats Among Five Parties

LEFT...RIGHT

Parties:	A	B	C	D	E
Seats:	6	41	6	43	4

Total seats 100, minimum required 51.

Given the distribution of parliamentary seats among these parties, the question is which winning coalition is most likely to form? The various coalition theories discussed earlier suggested several divergent possibilities, and it seems that the most elaborate among them, in terms of taking the most factors into account, seems to be the "closed minimal range" winning coalition developed by Robert Axelrod. As noted earlier, it predicts that coalitions will tend to form when they are both "connected", that is, composed of parties adjacent on the policy scale, and "minimal", that is, devoid of unnecessary members [Axelrod, 1970, pp. 165-87]. In our case, three such possible coalitions were predicted: coalitions ABC and CDE with 53 seats each, and coalition BCD with 90 seats. Which one will eventually emerge as the winning coalition? Axelrod offers no help here, so let us try to answer this question by examining the bargaining logic of the various

parties involved, noting that no coalition is possible at all, according to this theory, without Party C.

The Large Parties

The left-of-centre large Party B, for instance, could develop two different bargaining strategies: (1) to try and form coalition ABC; or (2) to participate in coalition BCD. If Party B was to form coalition ABC, its expected share of the payoffs will be 41/53, whereas if it joined coalition BCD its payoffs will be 41/90. Win maximization suggests that "any participant will expect others to demand from a coalition a share of the payoff proportional to the amount of resources which they contribute to a coalition. When a player must choose among alternative coalition strategies where the total payoff to a winning coalition is constant, he will maximize his payoff by maximizing his share... Since his resources will be the same regardless of which coalition he joins, the lower the total resources, the greater will be his share. Thus, where the total payoff is held constant, he will favor the 'cheapest winning coalition'" [Gamson, 1961, p. 376].

In other words, if Party B's driving motivation is to maximize its payoffs, it should have no hesitation in preferring coalition ABC to BCD, since this is the "cheapest winning coalition" (41/53 > 41/90). For the very same reason, Party D would prefer coalition CDE to coalition BCD. Could we conclude, then, that from the predicted set of three "connected" coalitions, either ABC or CDE will form but probably not BCD? The "win maximizers" have no hesitation: "If there are two almost winning proto-coalitions and several quite small ones, the size principle suggests that the two large ones [B and D in our case] do not

combine, for the resulting coalition would be so large as to be nearly worthless" [Riker, 1962, p. 126]. A closer analysis of the outlooks of Parties B and D, however, will show that they may adopt a "not losing" approach and resolve to form coalition BCD rather than ABC or CDE.

If Party B bargains to form coalition ABC, it runs the risk that coalition CDE will be formed - depending which way Party C decides to jump. By the same token, if Party D bargains to form coalition CDE it runs the risk that coalition ABC will be formed. Generally, then, the bargaining to form coalition ABC or CDE involves the risk that at the end of the day either Party B or Party D will be left in opposition. If coalition ABC is formed, Party B will get 41/53 payoffs and Party D will get 0 payoffs. Conversely, if coalition CDE will form Party D will get 43/53 payoffs and Party B will get 0 payoffs. Thus, a "win maximization" coalition strategy runs the risk of losing all.

The mutual fear of Parties B and D to be left out of coalition altogether may trigger a change in their respective bargaining strategies. In other words, the commonality of interests to avoid losing may provide a compelling <u>raison d'etre</u> for a B-D interparty cooperation the outcome of which may produce coalition BCD. Indeed, if the bargaining logic of Parties B and D is to avoid losing, i.e. maximize the probability of winning anything at all, they will cooperate to form coalition BCD, or even BD, both of which are certain winners for them. The formation of coalition BCD would suggest that Parties B and D have adopted a "not losing" approach rather than a "win maximization" approach. They have probably resolved that their aspiration level will be satisfied by virtue of their being included in a winning coalition. Coalition BCD may not be the "best" winning

coalition they could have formed (41/90 < 41/53, and 43/90 < 43/53), but it is definitely a winning coalition - and they are definitely included in it.

If we turn our attention from office payoffs to possible policy payoffs in the would-be winning coalition, Parties B and D will have even a stronger reason to prefer the wide-based coalition BCD to the narrow-based coalitions ABC or CDE. Ideologically, Party B would tend to prefer coalition ABC, where it could more easily advance left-wing policies, while Party D should prefer coalition CDE in order to push forward right-wing policies. However, as already noted, a bargaining aimed to form the narrow-based coalitions ABC or CDE involves the risk of being defeated by the opponent, which entails painful costs in terms of policy payoffs. Thus, in order to avoid the risk of an ideological defeat which may be not only regrettable but also irreversible, Parties B and D would prefer to form coalition BCD.

True, in terms of policy payoffs, coalition BCD is worth very little to Parties B and D, because its formation represents, if anything, a left-right ideological "freeze" (provided Party C is neutral in this respect). However, an ideological stalemate may be better than an ideological disaster. And if Parties B and D are two poles apart and deeply divided on fundamental issues, the risk of opposition may indeed be regarded a disaster. Theoretically, a strong ideological clash between the two leading parties should lower the chances of coalition BCD to form. However, it is precisely because of the great ideological distance between them that a high value is attached to "not losing" in terms of policy payoffs.

It appears, then, that the desire to reduce uncertainty about participation in a winning coalition, based on considerations of both

office and policy payoffs, accounts for a high probability that Parties B and D will form the non-minimal coalition BCD.

The Extreme Parties

The bargaining logic which requires the leading Parties B and D to form a wide-based winning coalition may make even more sense if Parties A and E in figure 4.2 are not "merely" located on both ends of the local policy spectrum, but are really extremist, "irresponsible" parties. Let us suppose, for example, that Party A is Marxist and Party E is Fascist. These will be then essentially "anti-system" parties, equipped with well-developed non-democratic ideologies, representing alienation and distrust towards the parliamentary system. Such extreme parties may or may not be active in the bargaining process.* Sometimes they seek active participation in order to diminish their political isolation, establish their legitimacy and expand their political power. Sometimes they do not play any active role and wait to see if the emerging winning coalition would be on their "side" of the party system or not. They may even want the other side to win, believing that "things have to get worse before they could get any better".

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*   We assumed that a "not losing" attitude entails coalition membership. However, remaining faithful to a certain ideology and adopting a non-participatory strategy may be an effective "not losing" strategy for extreme parties, as when a Communist party refuses to "manage the crisis of capitalism". Such parties may win votes away from their adjacent parties who joined the winning coalition and became "de-ideologized". See for instance Sartori, 1976, p. 327; Dittrich, 1985, p. 266.

Be this as it may, the extreme parties are necessarily part of the coalition bargaining process simply because they are there - represented in parliament and thus having an impact on the calculations of the possible coalition "formateurs", the large parties. Usually, extreme parties passively contribute to the crystallization of legislative "blocking coalitions", organized by opposing larger parties with the intention of preventing each other from forming a winning coalition. However, these large parties will probably refuse to rely on extreme "pariah" parties to form their own winning coalitions. Winning coalitions based on the support of irresponsible extremist parties lack both political legitimacy and stability, that is, they are risky to form. If these constraints apply to our example, then Party B will not form coalition ABC and Party D will stay away from coalition CDE. These coalitions are theoretically feasible but politically impossible. Consequently, there is no much bargaining to be conducted, and BCD becomes a "given" coalition.

The Centre Party

The centre Party C in figure 4.2 occupies the pivotal position and can possibly dictate the coalition solution from among the three possible coalition options: ABC, BCD and CDE. Apparently, Party C should bargain to form either coalition ABC or CDE but not coalition BCD, because its proportional share in coalitions ABC or CDE is 6/53 while in coalition BCD it is only 6/90. Moreover, as the pivotal party it may use its bargaining power to get more than its "fair share" of the payoffs in the smaller coalitions - perhaps even the top position.

However, Party C's choice of ABC or CDE may be somewhat problematic since it may soon be identified as either a left-wing or a right-wing party. This may weaken its pivotal power and incur a future electoral price. Such a costly and possibly irreversible damage would not occur if Party C chose to participate in coalition BCD. In this wide-based coalition, Party C does not lose its pivotal role and may subsequently (in the "maintenance phase") ally, at its will, either with Party B or with Party D. Thus, by employing a strategy which makes it join coalition BCD, Party C could possibly extract high office payoffs (assuming that, in its "neutral" central position, it has few policy payoffs to demand - the balance between Parties B and D will take care of that). This may occur not necessarily at the coalition bargaining table, but probably after the formation of the winning coalition. This bargaining logic represents a "not losing" approach at the formation stage, and possibly a "win maximization" approach at the maintenance stage.

However, even though coalition BCD could be attractive to Party C, this party cannot dictate its formation. The formation of a wide-based coalition depends on Parties B and D, which would probably prefer coalition BD (though it is not "connected") to BCD. For Parties B and D, coalition BCD does not make sense: its policy position is identical to BD and Party C may be expected to demand high office payoffs, even if it remains neutral on policy matters. If Parties B and D adopt a "not losing" attitude, however, it is possible that they will form coalition BCD anyway, foregoing the option of BD. They may not need Party C in order to strengthen the winning coalition against its opponents, but each of them - separately and at cross-purposes! - may

need it badly for a narrow-based coalition, if and when it becomes desirable.

If Party C fears being outmaneouvered by the formation of coalition BD, it may resort to its original bargaining strategy and try to form either coalition ABC or CDE. However, its ability to play an effective pivotal role depends on its strength as well as on its central position. If Party C is weak (as in our example, 6/100), it is quite possible that neither Party B nor Party D will be much interested in forming a narrow-based coalition (even if Parties A and E are not regarded as "pariahs"), since such a coalition is likely to be highly unstable (53/100). Moreover, if Party C is internally divided it may find it virtually impossible to use its potential power to "jump on the bandwagon" and bargain to form coalitions ABC or CDE. A feeble and fragmented centre is not capable of playing an effective role in forming a left-of-centre or a right-of-centre coalition. Given these considerations, the probable coalition solution would be either BD or BCD.

Whichever winning coalition finally emerges, it will be dominated by the large parties, and even if Party C is included it would be effectively blocked from playing a pivotal power - unless either large party allows this. The large Parties B and D mean to form a "not losing" coalition and they would not let Party C to make them lose. All this may change, however, if either large party decides it stands to lose nothing by forming a narrow-based coalition, in which case Party C will become essential. Since such an eventuality can never be ruled out, it is most reasonable for both Parties B and D to court Party C on an ongoing basis, for which reason the end result of the present discussion is that "not losing" predicts coalition BCD.

Intraparty Politics

What emerges from the above discussion is that the large Parties B and D would tend to form coalition BCD, placing BD as a second-best. The preference for a wide-based coalition involves a preference to win less with certainty over the option of winning more with a degree of uncertainty. This choice was based on the assumption that Parties B and D are unitary actors in pursuing their bargaining strategy. Will their choice of a winning coalition be different if they were internally composed of strong factions which press for independent bargaining strategies?

Let us suppose, for example, that the left-of-centre party B with its 41 parliamentary seats consists of two major factions: a dominant left-wing faction B1 with 25 seats and a more right-wing faction B2 with 16 seats. Will the dominant left-wing faction B1 pursue a strategy aiming to form the left-of-centre coalition ABC, instead of the middle-of-the-road coalition BCD? Possibly, because for faction B1, more than for faction B2, the former coalition is definitely more attractive in terms of policy payoffs than the latter. Moreover, faction B1 may fear that in coalition BCD the minority faction B2 may be strengthened at its expense, through cooperation with Parties C and D.

If the above considerations convince faction B1 to bargain for the formation of coalition ABC, it runs of course the risk of the party as a whole being left in opposition, if eventually coalition CDE will be formed. In opposition faction B1 may also face trouble from faction B2. The failure of party B to be part of a winning coalition may be exploited by faction B2 to stage an intraparty coup. Failing that,

faction B2 may split away and try to join the winning coalition CDE. Indeed, it seems that Faction B1 in formulating a coalition bargaining strategy finds itself between the devil and the deep blue sea. In the final analysis, however, the dominant faction B1 may possibly resolve to form coalition BCD and not coalition ABC. First, it is easier to face intraparty opponents in a winning coalition than in opposition. Second, faction B1 can exploit the formation process of coalition BCD to "punish" faction B2 by reducing its expected payoffs and thus hurting its pivotal power (such an intraparty maneouvre is hardly possible in the narrow-based coalition ABC). Faction B1's intraparty move would probably be "justified" by the need to preserve the distinctiveness of party B in the left-right coalition BCD.

Let us turn to the right-of-centre party D with its 43 seats and also assume that it consists of two factions: a dominant relatively left-wing faction D1, with 26 seats, and a right-wing faction D2 with 17 seats. Here, the minority right-wing faction D2 will certainly prefer coalition CDE to coalition BCD because for it, more than for faction D1, such a choice involves both higher office and policy payoffs. Moreover, faction D2 is not really worried: if the bargaining to form coalition CDE brings about the relegation of Party D to opposition, because ABC eventually formed, this will provide D2 with an opportunity to stage a successful intraparty coup. By contrast, the dominant faction D1 will most probably choose a strategy aiming to form coalition BCD. If need be, it will bargain mainly with faction B2 (and not B1) which favours the same coalition solution. Moreover, in the bargaining process to form coalition BCD it will use its intraparty dominance to reduce payoffs to faction D2.

Luebbert noted that "in parties in which factional competition is intense, government formation provides an often ideal opportunity for one faction to seek to sabotage another" [Luebbert, 1986, p. 52]. Furthermore, it is worth noting that intraparty politics may be carried over into the coalition maintenance stage and possibly determine the government's _modus operandi_. Dominant factions may create formal or informal structures from which their intraparty rivals are excluded ("kitchen cabinets"). In fact, the "real" winning coalition may consist of factions whose combined political power represents but a minority in parliament, if not in the government itself. This "core" may nevertheless be stable and viable, since no other alternative "core" has the political power to replace it.

In our example, the "core" and thus the whole coalition is not really stable. In the left-of-centre party B the dominant faction is a left-wing faction. Also, the minority right-of-centre faction D2 in the right-wing Party D is strong, and has a clear interest to bring down coalition BCD. For its survival, this coalition will largely depend on cooperation between a majority faction in one party (D1) and a minority faction in another (B2). This is an obviously unstable situation.

The main conclusion from the above discussion is that wide-based coalitions could be the outcome of intraparty politics, where dominant factions use the bargaining process to thwart their intraparty rivals. Larger-than-minimal coalitions "can offer attractions for party leaders motivated above all by the desire to remain party leaders" [Laver and Schofield, 1990, p. 30]. Fighting intraparty rivals through cooperation in a winning coalition with other, "unnecessary" parties, indeed seems to be an effective way to secure political survival for factions and individuals, even though it may weaken the party as a whole. When a

dominant faction invites additional parties to join the winning coalition, there are bound to be fewer payoffs for the party as a whole. But then, of course, in intraparty terms what counts most is the payoff to the individual factions, not to the party as a whole. The dominant faction would see to it that its intraparty rivals, rather than itself, would suffer from the reduced payoffs to the party. After all, the very reason to bring in more parties to the winning coalition was to hurt them.

Such intraparty considerations which could bring about a surplus coalition are based on the "not losing" approach and seem further to undermine the validity of the "win maximization" approach. Each party as a whole certainly does not maximize its winnings in the wide-based coalition, and the intraparty factions just "maximize" their efforts not to lose. Thus, the reasons why actors behave in a "not losing" fashion are to be found within the parties as well as in the interparty arena.

In conclusion, what emerges from the discussion of the "not losing" approach is that when the coalition process in its entirety is viewed as a game played in stages, and in different arenas, the "win maximization" assumption - on which the formal coalition theory is predicated - seems only partially adequate. When Riker formulated the famous size principle in his <u>Theory of Political Coalitions</u>, he pointed out a contradiction between his theory and another famous theory suggested by Downs in his <u>Economic Theory of Democracy</u> [1957]: "Downs assumed that political parties (a kind of coalition) seek to maximize votes (membership). As against this, I shall attempt to show that they seek to maximize only up to the point of subjective certainty of

winning. After that point they seek to minimize, that is, to maintain themselves at the size (as subjectively estimated) of a minimum winning coalition" [Riker, 1962, p. 33].

As the following discussion of the Israeli experience during the period 1984-1990 will show, "not losing" proves to be a more powerful analytical tool than "win maximization". In other words, while neither Riker's nor Downs's approach will do in itself to explain what had actually taken place, an amalgamation of both will enable us to understand the rather unique exercises, maneouvres, machinations and plots which characterised the Israeli coalition scene during that period, and most particularly the bizarre, rather than simply strange bed-fellowship witnessed then. The system's behaviour will be related in great detail, at the conclusion of which it will be analysed to see just how far the "not losing" notion can contribute to a better understanding of coalition politics.

Chapter Five

Forming a National Unity Government, 1984

Strategy and Tactics

About a year after the June 1981 general elections, which had produced a narrow-based Likud government, the opposition Labour party took a commanding and stable lead in public opinion polls [Diskin, 1988, pp. 135-150] This was mainly due to the poor performance of the Likud government (such as the protracted Lebanon War and triple-digit inflation), leading most political observers to conclude that Labour was going easily to win the coming general elections and form the next government. They proved to have been very wrong. The Likud, but more so Labour, were both the losers in the 1984 elections, and instead of the expected Labour government, the two major parties were forced into a national unity government (henceforth NUG).

Two political initiatives taken separately by Labour and the Likud could partly explain the surprising election results. Labour's initiative to force premature elections turned out to be a political error, while the Likud's idea to make the formation of an NUG after the election the centrepiece of its election campaign turned out to be a smart political move. Contrary to the pre-election projections, Labour lost some power, the Likud gained some power, and the overall result

was a political tie between the two major political blocs, which was going to last for years.

Should Opposition Rush to Assume Power?

The July 1984 elections were held almost a full year before the end of the regular four-year parliamentary term. The decision was taken in March 1984, through the initiative of the opposition Labour party, when the Knesset resolved to dissolve itself and set a date for new elections.* For an opposition party to force a government into premature elections was an unprecedented event in Israel's parliamentary history.** Generally speaking, there is nothing unusual about an opposition party trying to topple the government, given the opportunity. It certainly looks bad if a major opposition party does not do its best to get to power as soon as possible. Under those specific circumstances, however, Labour seems to have made an error of judgement by forcing early elections. Specifically, Labour could probably look forward to better results, had the elections taken place

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*   Israeli law requires a majority of the Knesset to decide on premature elections. Until then, such an initiative has only been taken by the coalition. In Britain, for example, early elections can happen on the Prime Minister's whim, usually with an intention to catch the opposition unprepared. In Israel, the opposition cannot really be surprised, not least because quite a few months pass between the dissolution of the Knesset and election date.

**   The Likud government tried to have the vote taken in a secret ballot rather than show of hands, expecting many opposition members to vote against party line for obvious, self-serving reasons. The Speaker, Mr. Menachem Savidor (a Likud member) ruled against it, which ruling cost him his political career.

at the due date, mid-1985, since Mr. Yitzhak Shamir's Likud government of 1983-84 was in complete, hopeless shambles.

Mr. Shamir's government did not seem able to resolve the burning issues on the national agenda on its own. The Israeli army was deeply stuck in the Lebanese quagmire, in a protracted conflict that was already two years old. The Likud, which had decided on the Lebanese "war by choice" in June 1982, had no idea when or how to withdraw the army and put an end to the military operations.* Moreover, Israeli economy was in total disarray, following the collapse of the so-called "correct economy", a once effective Likud slogan. Spiraling inflation required urgent measures to manage the crisis, but no recovery plans seemed to be in sight.

Actually, the Likud government did not seem capable of formulating and implementing coherent policies in any major area. Also, the Likud party itself suffered from bitter factionalism due to leadership succession fights, following Mr. Begin's resignation as Prime Minister. Furthermore, Mr. Begin, having resigned, then steadfastly refused to intervene in this struggle, even though it might have made a significant contribution to stability within the party.** In less than

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* On the Lebanon war see for instance Schiff and Ya'ari, 1984. It was the first war in Israel's history about which there was no nation-wide consensus.

** "I have never intervened in this kind of things" [personal communication, 19.8.91]. The motives for Mr. Begin's resignation have never been made public, other than the usual "personal reasons" excuse. However, Labour failed to make any use of this potentially damaging (for the Likud) fact in the campaign. It seems that Mr. Begin's prestige has remained so high that any reference to his resignation would have backfired - at least, that it how Labour's strategists saw it.

a year, Mr. Shamir was twice challenged as party leader - in September 1983 by Mr. David Levy and in April 1984 by Mr. Ariel Sharon. Under such circumstances, the question faced by Labour was: Why not wait for the scheduled general elections in 1985 and let the Likud get into more trouble meanwhile?

There was apparently one problem, however, with this kind of logic - it did not fit well into the political schedule of Labour's leader Mr. Peres, who wanted early elections as soon as possible. For Mr. Peres, waiting for 1985 was a risk, since by then he might have faced a leadership challenge himself. Mr. Peres had already made an arrangement with his party rival Mr. Rabin, whereby the latter would become Defence Minister in a future Labour government. However, he feared yet another potential challenger, Mr. Yitzhak Navon.* As a former President of the State of Israel and a popular Sephardic leader, Mr. Navon seemed an excellent candidate to lead Labour against the Likud, capable of drawing away some of the crucial Sephardic voters. When Mr. Navon ended his term as President, in May 1983, he said he would observe a "cooling-off period" of one year before returning to active politics. Mr. Peres therefore had to move fast in order to avert this challenge to his party leadership. He promised Mr. Navon the Foreign Affairs Ministry in a would-be Labour government, and at the same time, in order to secure his top position, pushed for early elections.

Once Mr. Peres secured early elections through an agreement with a coalition partner, the Tami party, he suggested a May or June 1984 date. Labour's preference for the earliest possible date (in Israeli

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* Yitzhak Rabin and Yitzhak Navon, interviews.

terms, that is) was based on its lead in the opinion polls, and was aimed at preventing the Likud from introducing "election-economic" measures. Labour remembered well the prolonged 1981 campaign, when the Likud government was effectively buying off the public vote, which policy had paid off handsomely in opinion polls as well as on election day [Ben-Hanan and Temkin, 1986, pp. 15-35].

The Likud, for its part, wanted to buy time and proposed a November election date, presumably on the assumption that things were so bad now that six months henceforth they could only get better. Eventually the two parties met halfway, and the date was fixed for July 23, 1984 - at the height of the vacation season, which seems to have been disadvantageous to Labour.* Nevertheless, "Peres decided to accept a July compromise, calculating that the personal and party risks of a November election were greater than the potential loss of travelling Alignment [Labour] supporters" [Arian, 1986, p. 5].

It is not unreasonable to assume that a political leader finds it difficult to make a distinction between his own personal interests and those of his party. Moreover, when the good of the party and the good of the leader are not one and the same, leaders almost invariably tend to rationalize this fact away. Mr. Peres was no different. Yet some of his colleagues reflect bitterly on his decision. According to them, had the elections taken place in November 1984, or sometime in 1985, Labour

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* At the time, the number of Israelis spending some time abroad during the summer was greater than half a million, while total population was about 4 million. Presumably, Labour's well-off voters took to vacationing overseas more than the Likud's poorer constituency. Haaretz (30.7.84) reported that in a straw polling station outside "Mark & Spencer" on Oxford Street, London, Labour enjoyed a big lead over Likud among visiting Israelis...

would have picked up a few more parliamentary seats - which was all that was needed for Labour to form its own government, rather than share power with the Likud in the framework of an NUG [interviews Mr. Ya'acobi, Mr. Gur and others].

Because Labour forced early elections, the Likud apparently did not pay the full electoral price for its poor performance in government. Mr. Peres had been anxious to get to power as soon as possible, but in the end he was not given the political power needed to assume full charge of the government for a full parliamentary term. But then, of course, he was still the leader of the Labour party. Mr. Peres did not win the 1984 general elections, but in the intraparty arena he did not lose. For him, as for all politicians, the intraparty arena counted for most. Thus, it seems that personal "not losing" considerations could partly explain both the date and, thus, the results of the 1984 elections.*

Consensus Is Competition

During the 1984 election campaign, in a nationally televised political debate between the leaders of Likud and Labour, Prime Minister Shamir unexpectedly proposed the establishment of a unity government following

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* Mr. Peres said that the need "to save the nation" from the Likud, rather than intraparty considerations, made him decide to push for early elections. Other Labour leaders (such as Mr. Rabin, Mr. Moshe Shachal, Mr. Mordechi Gur and Mr. Gad Ya'acobi), however, cited intraparty politicking as having played a role in the decision on early elections [personal interviews].

the elections, to include both the Likud and Labour. A rather surprised Mr. Peres declined to take up the challenge. This incident, a fortnight before election day (10.7.84), apparently had an impact on the course of the campaign and thus on election results. It appeared to have helped the Likud, which was well behind in opinion polls, and possibly hurt Labour which was then regarded as a sure winner.

The Prime Minister's call for an NUG was a smart political move on the part of the beleaguered Likud. To begin with, Mr. Shamir was portrayed as a national statesman who puts the country ahead of his party. Naturally, the public prefers to see nonpartisan attitudes displayed by its political leaders, especially in times of national crises and distress. More importantly, the call for national unity served to pacify traditional Likud supporters who were disappointed with the poor performance of the government and were hesitant about voting for it. However, if the Likud promised cooperation with Labour, these people could square the circle and vote yet again for the Likud, as required by sentiment but till then vetoed by reason. Also, Labour's disregard for the Prime Minister's unity gesture reaffirmed its sectarian image as a party which puts particularistic interests ahead of the national interest. This had a particularly strong impact on the behaviour of the Sephardic voters, who disliked Labour for precisely this reason.*

The Labour party rejected the call for a national unity government, explaining that it would bring about stagnation, not

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* The impact seems to have been significant since by 1984, voters of
  Sephardic origin have become a majority within the electorate
  [Arian, 1986, p. 8]

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progress. What the nation needed was not an unwieldy national coalition but rather an effective government which could make crisp, clear decisions on major issues. In reality, of course, the main reason for rejecting the call for a national coalition was that Labour maintained a big lead in the public opinion polls and was sure of easily winning the elections.

It is worth noting that the wide publicity given to opinion polls that indicated a big Labour lead, about 10 seats over the Likud, seems to have influenced the very results they were supposed to forecast, because the information tended to change voting behaviour in both the Likud and Labour camps. It made it easier for disaffected Likud supporters to follow their hearts anyway, feeling that their votes would not affect the preordained results, especially in view of the Likud's call for national unity. In the Labour camp, voters who hesitated whether to vote for Labour or its satellite parties, voted for the latter, assuming that Labour would win anyhow. These two parallel developments contributed to a more or less equal split of the vote between the two big parties and their blocs, which brought about an NUG. [Diskin, 1988, p. 142]

With the benefit of hindsight, it seems that Labour's refusal to accept the Likud's suggestion of an NUG was a political error. Even if Labour had good reasons to reject the idea (such as fear of stronger opposition from the left-wing Mapam) - it would have done better publicly to announce, at least for campaign purposes, that it may be favourably inclined to national unity "under certain conditions". To ignore or indeed disapprove of the idea altogether was a tactical

mistake which reinvested Labour with the arrogant image it had desperately tried to shake off. The Labour party should have learnt the lessons of the 1981 elections, when it paid dearly for its partisan politics and image - always a sure weapon in the hands of its political rivals. Already in the 1960's, Herut and Rafi attacked Mapai as a self-serving party and charged it with ignoring the national interest. This old political weapon seemed effective also in 1984.*

Generally speaking, advancing a conciliatory strategy in elections campaigns seems to possess electoral power, since it tends to attract a good number of voters who prefer consensus and view partisan attitudes with distaste. This is particularly true when a governing party shows a willingness to cooperate with the opposition. Such a move may be interpreted by voters as a magnanimous gesture, thus increasing the chances for reelection. Still, consensus politics in elections does not mean coordination or cooperation with political opponents. Rather, it implies a well devised and skillful form of competition. In the Israeli context, the Likud's conciliatory attitude was proven to be an effective campaign strategy in a fierce competition with a political "enemy".

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*   Mr. Peres admits now that he was genuinely surprised by Mr. Shamir's NUG offer, and that his response was not adequate [interview].

The Losers - Likud and More So Labour

The Likud and Labour parties were both the losers in the 1984 election. There was, however, a difference in perspective, in that the Likud's loss was less than expected whereas Labour was the sure winner who never won. The timing of the elections and the one smart campaign move by the Likud could account in part for these unexpected results. There were, however, other factors involved.

The poor record of the Likud government was probably the main reason why this party could not avoid the voters' punishment (any effort to escape it through the use of electioneering economics was ruled out - not for lack of desire to do so, but for lack of means). Moreover, in 1984, the charismatic Mr. Begin, who had almost singlehandedly won for the Likud the 1981 elections, was not around anymore. Another charismatic leader, Mr. Sharon, was not really involved in the campaign, due to his authorship of the fiasco in Lebanon.* Apart from that one brilliant move, inviting Labour to a national unity government, the Likud ran a bad campaign which left most of the initiative in Labour's hands [Torgovnik, 1986].

The Likud's numerous problems notwithstanding, there were two factors that worked in its favour. First, the policy positions of the party on foreign and defence issues were rather popular with the

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*   Mr. Ariel Sharon says that apart from the Lebanon issue, the Likud's campaign managers did not want his participation because of his impressive showing in the leadership contest against Mr. Shamir [interview].

electorate. Second, it could still rely on the loyalty of a majority of the Sephardic community. Thanks to these factors, the Likud, already written off in opinion polls, was able to escape an electoral disaster. Not unscathed - the Likud lost in 1984 seven seats, so that its parliamentary strength was reduced from 48 to 41 seats - the biggest defeat of a ruling party in Israel's history, save Labour's collapse in the 1977 elections. However, paraphrasing Mark Twain, the earlier reports of the Likud's death were greatly exaggerated.

If observers were surprised, to some extent, by the relatively small loss of the Likud, they must have been shocked by the fact that Labour lost too. Throughout the campaign, almost all opinion polls forecast a clear Labour win, with the party gaining over 50 parliamentary seats. The real figure turned out to be very different - its parliamentary representation came down from 47 to 44 seats. Granted, early elections (especially in summer) and the party's reaction to Likud's NUG proposal were damaging - but these factors cannot entirely explain Labour's failure. There were deeper reasons involved.

Actually, Labour's election campaign was rather effective, and the party held the political initiative all along. Its leadership appeared united and forcefully dealt with the campaign issues, successfully exposing the weaknesses of the Likud government. This was done in a low-key fashion, however, in order not to irritate and antagonize the Sephardic voters who traditionally leaned towards the Likud. This strategy seemed reasonable enough at the time, but in final analysis proved ineffective. It failed to make any significant inroads into the

Sephardic vote, which probably goes to show that Labour's defeat was not so much related to campaign strategies, but rather to the simple fact that its policy positions, especially its stance on foreign and defence issues, were rejected by the majority of the electorate. Leadership was seemingly another problem Labour suffered from, at least as far as the popularity of Mr. Peres was concerned.* Be it as it may, under almost "ideal" conditions, Labour was badly beaten in the elections.

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*   Mr. Peres has been regarded by some people as an Israeli Richard Nixon. His "lack of credibility" was partly due to bitter accusations made by Mr. Rabin, under whom he served in government in 1974-77 (one label stuck on him by Mr. Rabin will probably follow Mr. Peres for the rest of his political life - "indefatiguably seditious"). Also, some have never forgiven him his bitter conflicts with the Likud's idol Mr. Menachem Begin.

The Coalition Bargaining Process

Election Aftermath

General elections, especially in multiparty systems, do not choose governments at all, they just define the power relations between parties in parliament. These relations, however, tend to provide some indication as to the composition of the new government. This was not the case, however, after the 1984 elections. For the first time since 1949, the results gave no indication about the final outcome of the post-election interparty bargaining. Indeed, the results were puzzling to such an extent that seasoned observers, as well as the leading actors, could not predict whether it will be possible to set up a new government, let alone how.

Following the announcement of the final results, it transpired that in addition to Labour and the Likud, a record of no less than thirteen small parties gained parliamentary representation. Moreover, the newly elected Knesset was apparently deadlocked. Eight parties (consisting of sixty Knesset Members) seemed to oppose Labour as the potential coalition leader, while seven parties (also comprised of sixty members, of course) appeared to be against Likud as the leading party in a future government. The 60:60 parliamentary impasse, consisting of two "blocking coalitions", is presented in the following table:

Table 5.1   The 1984 legislative blocking coalitions

Against the Likud   Against Labour

Labour   44   Likud   41
Shinui   3   Techiya   5
CRM   3   NRP   4
Yachad   3   Shas   4
Ometz   1   Agudat Israel   2
Rakach   4   Morasha   2
PLP   2   Tami   1
                                     Kach   1

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              60   60

Of course, the neat picture presented here was hardly apparent
when the election results were first in. It gradually emerged out of
post-election maneouvering, where each of the two large parties first
tried to get together several small parties in order to block its
opponent from forming a government and only then, if possible, form its
own narrow-based government. Essentially, the interparty bargaining was
conducted simultaneously between each of the large parties and the
various smaller parties, and between the large parties themselves. The
bargaining had its own dynamics, since it was assumed that a few small
parties might jump either way.

Theoretically, six different political options seemed to be
possible in the aftermath of the 1984 elections: (1) a narrow-based
Labour government; (2) a narrow-based Likud government; (3) a
bipartisan Labour-Likud government; (4) a multiparty national
coalition; (5) repeat general elections; and (6) a prolonged period of
a caretaker government - headed by the Likud - which might presumably
survive until the next scheduled elections, in 1988. Let us examine

each option in turn in order to see, by way of elimination, why a multiparty national coalition emerged as the most preferred option.

Bargaining Strategies

Labour's Strategy

Since Labour was given first opportunity to form a new government, its behaviour seems a useful perspective from which to start analysing the bargaining process. On August 5, 1984, following consultations with all the parties in the Knesset (as required by law),* the President of Israel, Mr. Chaim Herzog, granted Mr. Peres, the leader of the largest party in parliament, a mandate to try and form a new government. Mr. Herzog added a "presidential advice", suggesting that Mr. Peres should form a national unity government. The Labour leader perfunctorily promised to form a "wide coalition", and immediately invited all parties, including the Likud, to participate in the bargaining process.

While exploring the wide-based coalition possibility, Mr. Peres first attempted to form a narrow-based Labour government. In fact, Mr. Peres and Mr. Sharon (on behalf of Mr. Shamir) met secretly a few days after the elections to discuss a Labour-Likud government based on parity, quite similar to the national coalition that was eventually

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* The Kach list held views so distasteful to the general public that its leader and single representative in the Knesset, Rabbi Meir Kahana, was not consulted by the President, against all precedent.

formed. Both parties continued, however, in their efforts to form a narrow-based government [Mr. Sharon, interview; see also Kotler, 1988(A), pp. 164-5].

In parliament, Labour could rely on the immediate support of 56 members: 44 Labour, 3 CRM, 3 Shinui, 4 Rakach, 2 PLP. In other words, it was 5 members short of a legislative majority coalition of 61. Additional support could come from small central and religious parties. Following long negotiations, Labour signed on 22.8.84 a "memorandum of understanding" with two centre parties - the 3 members of Yachad and the single member of Ometz. By securing the support of 4 additional members of Knesset, Labour achieved a major objective: a 60-member "blocking coalition" which made it impossible for the Likud to form a government. Now, from an apparently strong position, Labour was looking to break the 60-member barrier by trying to court some of the religious parties. For this purpose Labour was willing to pay those parties substantial religious and financial payoffs.

In talks with the ultra-orthodox parties, Agudat Israel and Shas, Mr. Peres realized that both were squarely placed in the Likud camp. The same applied to the right-wing Morasha. The NRP, on the other hand, took a somewhat moderate stand. Officially, it did not exclude the possibility of Labour heading a government, although it demanded that it be a national coalition.* Practically, then, Labour failed to gain the support of 4 out of 5 religious parties for a narrow-based

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* This public attitude of the NRP was aimed mainly at maintaining its own identity vis-a-vis the Likud bloc, and should not be deemed a true expression of support for a Labour government.

government, and the tiny Tami party apparently remained Mr. Peres's last hope. Tami was badly beaten in the 1984 elections and was left with a single member in the Knesset, Mr. Abu-Hazeira.* In the post-election maneouvering he loosely coordinated his bargaining strategy with Yachad and Ometz, which was why Labour regarded him as a potential ally. However, Mr. Abu-Hazeira, as a leader of a patently Sephardic list, could not bring himself to support a Labour government and eventually sided with the Likud bloc, to create the 60:60 political tie.**

It should be pointed out that even if Abu-Hazeira was to side with Labour, it would create a 61-member legislative coalition, but only a 55-member executive coalition (i.e. government), because 6 out of the 61 were members of the two left-wing parties, PLP and Rakach. These parties were - and are - widely regarded as representing the Arab sector. A government depending on these parties was a bitter pill to swallow; a government in which they actually held portfolios was totally out of the question: if nothing else, it would have cost Labour dearly in the next elections. In other words, a narrow-based Labour government would have been necessarily a minority government. A minority Labour government was unacceptable to the Yachad and Ometz parties, who joined Labour in its 60-member "blocking coalition", so

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* One of the major reasons for Tami's failure was the fact that it had helped Labour in bringing about early elections.
** Mr. Abu-Hazeira: "I coordinated my steps with Weizmann of Yachad; I was abroad when he signed with Labour. He called me and wanted me to join him. I refused, although as the 61st member I could get almost anything from Labour. I wanted a national unity government, so in a situation of 60:59 in favour of Labour I gave my support to the Likud bloc in order to create a 60:60 tie" [Abu-Hazeira, interview].

basically this alternative was non-existent. Mr. Peres was, of course, aware of these complications, but he believed that with the addition of the 61st member, some more religious parties would join in, fearing to be left high and dry. In reality, however, this scenario did not even begin to unfold, and Labour was left with the support of no more than 60 members of Knesset.

Labour's failure to acquire the support of even one religious party carried a clear political massage: The religious parties would not take part in bringing Labour into power, although they might support and cooperate with an already existing Labour government. In fact, as of 1977, this attitude by the religious parties has become a major premise of coalition politics in Israel. In practical terms, it has made the formation of a Labour government an almost impossible undertaking. On the other hand, the attitude of the religious parties towards the Likud has been far more benign.

Most Labour leaders were aware of the problems their party have had with the religious parties. Mr. Rabin, for instance, said: "In many talks I have had with the religious parties, I realized that they would never give power to Labour at the expense of the Likud, they will only come to us when we are in power."* The party leader Mr. Peres, however, has never resigned to the idea that the religious parties have basically become an integral part of the Likud bloc. Being aware of Labour's declining strength within the electorate, he has continuously tried to find for Labour allies in the religious camp. In the 1984

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* Mr. Yitzhak Rabin, interview. This view is shared by most Labour ministers and MKs interviewed.

post-election period, however, there was not much he could do about wooing religious support for a Labour government: all the 5 religious parties flatly rejected a narrow-based Labour government, regardless of possible heavy payoffs.

Labour's inability to form its own government created a precedent in Israel's parliamentary history. It was the first time that the largest parliamentary party could not form a coalition government at all. That the party which came out first in the elections is not necessarily the leader in coalition formation is a fact of life in many a democracy;* but for Israel it was a shocking first.

The Likud's Strategy

While Labour's Mr. Peres was officially trying to put together a government, the Likud was doing very much the same, but unofficially.** Actually, both Labour and the Likud fielded negotiating teams to bargain with the smaller parties. This was probably a classic case of two opposing proto-coalitions being set up simultaneously [see Riker, 1962, pp. 167-8]. The official "formateur", Mr. Peres, was given 42 days at the most (initial 21 days and possibly a 21 days extension) to complete his task, and the Likud's strategy during this period

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* In 1977, for instance, the Dutch Labour party, PvdA, gained an impressive parliamentary plurality, but was nevertheless removed from office by many smaller parties [Vis, 1983, pp. 153-167].

** The Likud's Deputy Prime Minister Mr. Levy explained the strategy on Israeli Radio (8.8.84): "The fact that the President asked Peres to form a government does not necessarily mean that he would head it". For an insider's account of the bargaining process, see Moda'i, 1988, pp. 95-106.

essentially aimed at making him waste his valuable time. The Likud's "blocking" strategy concentrated mainly on consolidating its ties with the religious parties. The Likud's leader Mr. Yitzhak Shamir put it quite clearly: "The Likud will remain loyal to its coalition partners... mainly to the religious parties... [there is a] special... spiritual affinity between the world-view of the Likud and that of the religious parties. It is not just a matter of coalitionary expediency" [interview in Ma'ariv, 10.8.84].

Needless to say, the Likud was not just trying to block Labour's bargaining moves, but actually endavoured to form its own narrow-based government. All in all, its initial support base appeared more solid than Labour's. In the new parliament, the Likud could apparently rely on the support of 60 members of the right-wing and religious parties. The right-wing parties accounted for 47 members (Likud 41, Techiya 5, and Kach 1), while the religious parties had 13 members (NRP 4, Shas 4, Aguda 2, Morasha 2, and Tami 1). On paper at least, it appeared that the right-wing and religious parties had a 60-member "blocking coalition", enough to obstruct the formation of a Labour government. This situation also encouraged the Likud to look for additional support in order to form its own government.

The problem with some parties in the religious bloc was that they were not in favour of a Likud, or in fact any kind of narrow-based government. But assuming that when push comes to shove, the right-wing and religious blocs would stick together, the Likud was only one member short of securing a parliamentary majority of 61. The two small centre parties, Yachad and Ometz, appeared to be the only possible candidates to join the right-wing/religious alliance. The irony of the situation was that the leaders of those two parties, Mr. Weizmann of Yachad and

Mr. Hurwitz of Ometz, had split away from the Likud only a few years before, and now it was up to them to allow the Likud to be the sole governing party.

The Likud's leadership targeted Mr. Weizmann and made him "an offer he could not refuse". He was to become the Deputy Prime Minister and the number two leader in the Likud party (second only to Prime Minister Shamir) - a position he had already held under Mr. Begin. Additionally, Mr. Weizmann could choose either the Defence or the Foreign Affairs portfolio in a Likud government. Moreover, the Yachad party would get two seats at the government table, and another portfolio.* This was probably the most generous political offer that could have been made to a 3-member pivotal party. While the MK number two on the Yachad list, Mr. Benjamin Ben-Eliezer, seemed to be tempted by the Likud offer, Mr. Weizmann himself was against any deal with the Likud. In crucial talks with Deputy Prime Minister Levy, the Likud's "king maker", he made it clear that he had left the party mainly for ideological reasons and had no intentions to resume his political career in the Likud.**

Having failed to create a partnership with Yachad, the Likud next tried to woo Mr. Hurwitz of Ometz. A political hawk who had been one of

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*   Mr. Ben-Eliezer, interview.

**   When Mr. Weizmann signed his agreement with Labour, he said on Israeli Radio (22.8.84): "The Likud kicked me out, I owe them nothing". Apparently Labour somehow felt it owed Mr. Weizmann nothing as well; he was never rewarded properly for making it possible for Labour to set up its all-important "blocking coalition". Labour even refused to allocate Yachad and Ometz a few spots on its list for the trade union elections in 1985. At the time this dissertation was nearing its completion, Mr. Weizmann announced his final retirement from active politics.

the founders of the Likud in 1973,* he was promised in 1984, being in a pivotal parliamentary position, no less than the Finance Ministry in exchange for his support. For all his hardline stance on foreign and defence policy, Mr. Hurwitz's main electoral asset was his no-nonsense approach to economic issues, which was worlds apart from the Likud's. Mr. Hurwitz did not want to risk his public image, so he too turned down the Likud's offer.** This practically closed the door on the option of a narrow-based Likud government.

These efforts notwithstanding, the prospect of a narrow-based Likud government was problematic even with the support of Yachad and Ometz. Very much like the situation on the Labour side, a 60-member legislative "blocking coalition" on the Likud's side did not mean that the party was one member short of an executive coalition. To begin with, two of the religious parties, NRP and Tami, were opposed to the very idea of a narrow-based government, even though they sided with the Likud. Also, the Likud found it morally uncomfortable to rely on the support of the pariah, ultra-nationalist Kach list in forming a government. For an executive coalition, then, the Likud enjoyed the support of only 55 members of parliament. Only a change in the positions of the NRP, Yachad and Ometz would have given the Likud a

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*   In the late 1970's, when still a member of the Likud, Mr. Hurwitz
     resigned from government on two separate occasions, following
     policy disputes with the Likud's leadership. First he had quit his
     Commerce and Industry portfolio in opposition to the Camp David
     agreements, later he left the position of Finance Minister as a
     protest against the Likud's inflationary economic policy.

**   Unlike the case of Mr. Weizmann, the Likud might have secured the
     support of Mr. Hurwitz if it had tried hard enough (it did get his
     support in 1986). However, it was not worth the effort, since his
     single vote was not enough for a stable narrow-based government.

fighting chance to form a majority government. This was not to be, and the Likud was left with only a 60-member "blocking coalition" in the legislature.

To sum up, a stable narrow-based government was not really a viable option under the conditions which prevailed in the aftermath of the 1984 elections. The efforts of both Labour and the Likud to form their governments resulted in a 60:60 political stalemate. This deadlock, of course, was not only the result of "pure" bargaining. Ideological constraints also prevented the formation of a narrow-based government by either party. Specifically, reliance on Arab/Communist support by Labour or on fascist support (the Kach movement) by the Likud was ideologically unacceptable. Thus, both arithmetics and ideology ruled out the option of a narrow-based government and forced the main actors to look for alternatives.

The Small Parties' Strategy

In a multiparty parliament with two opposing large minority parties, each of them requiring the support of smaller parties in order to form a majority (or at least to block the opponent from doing so), it is not unreasonable to assume that the stronger the competition between the two larger parties, the more dependent they become on the support of the smaller parties. The tight competition in the Israeli Knesset following the 1984 elections appeared to reflect an extremely interdependent relationships between large and small parties.

In the emerging 60:60 political tie, the small parties could play two different yet related roles. First, they were potential "pivotal

players", being capable of creating a majority in parliament, namely making a government possible. Second, they could serve as "blocking players", significantly contributing to the creation of parliamentary "blocking coalitions". It is seldom, however, that a parliamentary power structure lends itself to a critical activity by so many small parties in "pivotal" and/or "blocking" roles. The more-or-less balanced power relations between the two leading parties apparently heralded a field day for the smaller parties. How did the small parties take an advantage of the extremely competitive situation? Did they make the most out of it? During the 1984 coalition bargaining process, it was widely assumed that the small parties - especially those in the political centre - would do very well for themselves. At the end of the day, however, there was a widespread agreement that the small parties could have done much better.

The number of the small parties in the Knesset increased from 8 in 1981 to 13 in 1984. Based on manifest preferences and past record, 8 out of these 13 parties seemed clearly to belong to either political bloc. Four parties were left-of-centre: the CRM, Shinui, the PLP, and Rakach; four were right-of-centre: Agudat Israel, Morasha, Techiya, and Kach. Naturally, each was opposed to a government led by the political opponent, and supportive of a narrow-based government led by the larger party in their political bloc. Actually, these parties provided the solid base for the formation of the two legislative "blocking coalitions". The remaining five small parties - Shas, the NRP, Tami, Ometz, and Yachad - occupied, theoretically at least, a real "pivotal" position and were thus expected to try and use it effectively.

In reality, however, things turned out differently. Shas, an ultra-orthodox Sephardic party, did not even try to play "pivot".

Following its surprising electoral success, having come out of nowhere to gain four parliamentary seats, Shas immediately declared itself on the Likud's side. In a sense, it was only natural for Shas, a party whose voters were traditionally pro-Likud, to become part of the right-of-centre bloc. Shas's electoral appeal in the Likud's traditional strongholds, however, was precisely the reason why it could have advanced a "pivoting" strategy - keeping a distance from the Likud and contemplating cooperation with Labour. If "pivoting" was a high priority, the Shas leadership should not have given its voters the impression that the Likud and Shas were basically one and the same. However, having learned the lesson of Tami, which paid dearly for abandoning its alliance with the Likud, Shas quickly joined the right-of-centre bloc. It probably did it too soon for its own good. Certainly, Shas demanded and received the Interior Ministry, allocated to the Likud in the subsequent unity government - a high payoff by anybody's standards; but then it lost something no less valuable - its potential "pivoting" power [Herzog, 1986, p. 114].*

Unlike Shas, the NRP did not join the Likud bloc unconditionally. Actually, this party expressed its opposition to any narrow-based government. Instead it proposed the formation of an NUG. The party even

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* Since its inception prior to the 1984 elections, Shas was completely under the sway of its nationalistic leader, Mr. Yitzhak Peretz, who was forcefully in favour of supporting the Likud. For that reason, little thought was given at the time to other options. Later on, when Mr. Peretz was replaced by the more middle-of-the-road Mr. Der'i and Shas did try to steer a middle course between the Likud and Labour, it had quite a few difficulties with its voters. Had Shas spent more time in 1984 figuring out its options for the future, it would have been in a better position in the late 1980's [Dixit and Nalebuff, 1991, p. 232].

suggested that, under certain circumstances, it would be willing to participate in a wide-based coalition headed by Labour. The NRP's theoretical "pivoting" strategy was essentially a matter of survival. Close cooperation in the past with the larger Likud cost the NRP two-thirds of its parliamentary representation between 1977 and 1984, eight seats altogether. Now the NRP wanted to keep its options open as long as possible.* This strategy turned out to be successful, and in the subsequent NUG, the NRP was the only party not counted in either political bloc.** However, in the actual allocation of portfolios the NRP was not so successful, since it had to share payoffs with Shas, Agudat Israel and Morasha, all of which were taken care of by the Likud.***

As it turned out, Shas and the NRP, and other religious parties for that matter, managed to maintain a relatively strong position in the NUG eventually set up by Labour and the Likud - even stronger than the one they had when allied with only one major party. The reason was that both leading parties had a clear interest to maintain good working relations with the smaller ones, in anticipation for future political

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*   On the complicated way payoffs were allocated when the NUG was
        eventually formed, see below.

**   The NRP did gain some strength by adopting an apparent "pivoting"
        role - it increased its representation to 5 seats in the 1988
        elections. However, it was no longer the largest party in the
        religious sector of the electorate.

***   Mr. Sharon, who was in charge of contacts with the religious
        parties on behalf of the Likud, had a particular motivation "to
        teach the NRP a lesson" for opposing his policies during the
        Lebanon war.

cooperation.* As for the "one-person" parties of clientelistic nature, namely Ometz, Tami, and Yachad, they were not successful in the coalition bargaining process. Mr. Abu-Hazeira of Tami, even if he could not but side with the Likud, as he claimed, should have at least been given a seat in government; however, he was left altogether outside the coalition.** Mr. Hurwitz of Ometz was allowed by Labour to become a Minister without Portfolio and without influence in the NUG.

Even the most important small party in the political centre, Yachad, did not take advantage of its seemingly strong pivotal position. Even if its leader Mr. Weizmann wanted to side with Labour for ideological reasons, he was still in position to demand - and receive - more than what he actually got: a membership in the Inner Cabinet, with no portfolio and no powerful basis for operation.*** After all, his contribution to the consolidation of the "blocking coalition" on Labour's side - a crucial step towards the eventual unity government - was more significant than anybody else's.

The existence of too many small parties; the formation of a wide- rather than narrow-based government; and mistakes in the implementation

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* This partly explains why the large parties did not legislate an electoral reform during the lifetime of both NUGs, even though it was in their own interest to shake free of their dependence on small parties.

** Tami was promised a "safe" place on Likud's list for the next elections and some financial payoffs. [Abu-Hazeira, interview].

*** Both Mr. Weizmann and Mr. Ben-Eliezer of Yachad admit that mistakes were made during the bargaining process. (On possible errors by rational players, see Riker and Ordeshook, 1973, pp. 37- 43.) Mr. Weizmann was promised (and believed) that he would handle Labour's foreign policy within the NUG - but things did not work out that way. [Interviews.]

of bargaining strategies - all these provide explanations as to why the small centre parties did not do as well as expected. In terms of coalition strategies, it was Yachad, more than any other small centre parties, that failed most notably to realize its strong potential to dictate terms and conditions [Doron, 1988, p. 84]. If in past governments the large parties felt "exploited" by the small parties, in the 1984 coalition bargaining process it seems that the large parties "exploited" the small parties. The central minor actors, having staked their claim by "blocking" a narrow-based government by either Labour or the Likud, practically gave up, or else could not perform, their parliamentary "pivoting" role. This pattern of behaviour tended to add to the ongoing political standoff between the two opposing political blocks.

Any Which Way But Lose

From the above discussion emerges the following picture: in an evenly divided 15-party Knesset, the possibility of a narrow-based Labour or Likud government, supported by the three extreme left- or right-wing parties, respectively, but opposed by four centre and religious parties, was practically non-existent. Of course, both leading parties realized that a narrow-based government involved high costs, and nevertheless its chances of success were very slim. However, they each pursued the option of a narrow-based government - chiefly in order to prevent the opponent from creating one. Given this situation, where was the escape route out of the 60:60 political impasse?

Strictly speaking, there was no constitutional obligation forcing anyone to deal with the political stalemate. In Israel, as long as a new government is not confirmed by a vote of confidence in parliament, the old government is legally entitled to carry on with its duties. Thus, if the 1984 political impasse was to persist, it would mean that the caretaker government (headed by the Likud) stays on in power for the duration - theoretically, even until the next scheduled elections in 1988. This option, however, was not considered seriously even by the governing Likud party, because it might have led to an unstable "Weimar" situation.* "The Likud chose not to attempt to capitalize on its temporary incumbency enforced by law without the legitimate authority of a majority government and without the cooperation of the largest faction in the Knesset [the Labour Alignment]" [Yanai, 1990, p. 183].

An apparently plausible course out of the political impasse was to hold another round of elections. Any competition that ends in a draw might produce a winner if repeated, so a political tie could be broken by a "political playoff". This seemingly reasonable solution, however, did not appeal to the various party leaders, for several reasons.

To begin with, following many months of electioneering and bargaining, starting yet another campaign seemed a very tiresome and expensive undertaking. The business of elections in Israel takes months, not weeks, and quite a few burning issues, which should have been dealt with most urgently, would have had to wait until after the

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*   Many concerned commentators drew comparisons between Israel's situation in 1984 and the Weimar Republic, citing the election of the fascist Kach party as the most worrying common aspect.

next round of elections. Prime Minister Shamir, for one, said: "I hope it won't happen. It would be very hard for the country to endure another election campaign" [Ma'ariv, 10.8.84]. Besides, it was assumed that repeat elections would not produce a clear winner, but essentially result in yet another stalemate. It was widely accepted that the political impasse appeared to represent a genuinely divided society. Mr. Rabin, for instance, said that "we felt that the political tie reflected the opinions of the public" [interview].

In this situation, there was no reason to pursue repeat elections. "In a two-faction conflict, the more equal that balance, the more likely a cooperative outcome is. With equal power, neither faction can win large gains in a political struggle - which most likely will end in stalemate. The expected payoffs for conflict will be low" [Quirk, 1989, p. 914]. In other words, the essential equality between the Labour and Likud blocs made it logical to adopt a cooperative rather than conflictual strategy. In practical terms it meant to try and set up a joint government, instead of conducting yet another electoral competition.

Consequently, this was the preferred choice for both the Likud and Labour. If the only possible government was a national coalition, which entails power-sharing between political opponents, so be it.* Such a bargaining strategy actually meant that the two leading parties preferred the certainty of governmental power-sharing over the

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* Both Labour's Mr. Moshe Shachal and Likud's Mr. Moshe Nissim said that at no point during the complicated bargaining process was the option of repeat elections seriously considered, even though it was clear that the only way out was a Likud-Labour government [interviews].

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uncertainty of winning a new round of elections. In other words, each of the large parties preferred lesser but guaranteed payoffs to greater payoffs that could only be reaped by the winner of the repeat elections, the loser losing all. As everyone knows, love and politics make strange bedfellows; for reasons of political expediency, then, it was more convenient for Labour and the Likud to acknowledge this fact, rather than risk another cliche, "win or bust".

The Importance of Intraparty Politics

All other considerations notwithstanding, the decision of both Labour and the Likud to prefer the formation of a joint government over repeat elections was mainly influenced by intraparty politics. Specifically, the personal interests of both party leaders, Mr. Peres and Mr. Shamir, probably played the most important role in the decision to form a joint government, instead of a new election. The reason was that prior to repeat elections, both were bound to face intraparty challenges which might result in a loss of their top party positions. Becoming bedfellows appeared to be safer for both leaders, in terms of maintaining their own leadership position. This personal risk, more than the uncertainty of their party's success in repeat elections, dominated their separate but identical decisions.

In other words, for the two losers of the 1984 elections, Mr. Shamir and Mr. Peres, the expected utility of a compromise leading to the formation of a national coalition was higher than that of new elections preceded by an intraparty challenge. The challengers would probably have made a great deal of their respective failures in not

winning the elections. The Likud under Mr. Shamir lost 15% of its voting strength in the 1984 elections, and Mr. Peres lost for Labour three consecutive elections, in 1977, 1981, and 1984.* Turkeys do not look forward to Christmas, and losers do not look forward to intraparty challenges.

Intraparty considerations gave preference not only to government formation over repeat elections, but also to a national coalition over a minimal winning coalition. This was particularly true as far as the Likud was concerned. By Mr. Shamir's reckoning, in a narrow-based Likud government (minimal winning coalition) his intraparty rivals, Mr. Levy and Mr. Sharon, were bound to receive high payoffs such as the Defence and Foreign Affairs portfolios for themselves, numerous key appointments for their supporters, and so on. In a national coalition with the Labour party, however, he would be able to see to it that they get lower payoffs. This, of course, was a good enough reason for him to prefer a wide-based government (namely a national coalition).**

Indeed, considerations of portfolio allocations were closely

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* Despite repeated electoral losses, it was no mean task to challenge Mr. Peres within Labour. He was still the established leader of the party and his rivals, Mr. Rabin and Mr. Navon, were not really versed in intraparty politics. The Likud's Mr. Shamir seemed to be in more trouble. In April 1984 he hardly survived a challenge from Mr. Sharon, even though the entire top leadership of his party supported him.

** It is of interest to note that in 1984 Mr. Sharon, Mr. Shamir's rival, also supported a national coalition: following the Sabra and Shatila massacre of September 1982, a Judicial Commission of Inquiry found him unsuitable to the position of Minister of Defence, a ruling which badly handicapped his political aspirations. Now, sitting around the government table with Labour leaders meant for him a political rehabilitation. In 1988 he did not need political legitimacy anymore, so he opposed an NUG.

related to the choice of a national coalition option, and when the government was formed portfolio distribution was based on intraparty politics. In the Likud, for example, a young Sephardic leader, Mr. Moshe Katzav, was given a government position by Mr. Shamir in order to counterbalance the influence of another Sephardi, Mr. Levy, among the Likud's many voters in this sector. Also, Mr. Moshe Arens, the former Defence Minister who became a close ally of Mr. Shamir's, was made his heir apparent in a move against the Sharon faction. Other loyal supporters of Mr. Shamir were also given governmental posts.* In Labour, by the same token, seven ministers were Peres supporters, and only two looked up to Mr. Rabin. Mr. Peres also strengthened the government position of his loyal supporters such as Mr. Shachal. Even Mr. Peres's insistence, during negotiations with the Likud, that Mr. Rabin be given the Defence portfolio for the entire four year period, was not as strangely altruistic as it may appear: he preferred his rival from within busy with the heavy burden of Israel's security, rather than in party politics [interviews, Mr. Shachal, Mr. Ya'acobi, Mr. Baram and others].

It seems then that Mr. Peres and Mr. Shamir, both in a weak intraparty position in the aftermath of the 1984 elections, had a mutual interest to coordinate their policies. Their preferences were identical: a joint coalition rather than repeat elections, a wide- rather than narrow-based coalition: "The two leaders, Shamir and Peres,

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* Mr. Shamir's rivals accused him of playing factional politics instead of acting as the leader of the entire party, unlike Mr. Begin [Mr. Aridor, a former Finance Minister, in a Herut meeting, 16.9.84].

also made good use of each other to thwart opposition to their leadership within their own parties. The two leaders were enmeshed in a bear-hug which propped up both of them and prevented challengers from their own parties from bringing down their man lest the other - opposing - leader be left standing alone in the ring" [Arian, 1988, p. 19].*

It is not untypical of politicians to settle rather than fight. This is one difference between politicians and their voters. The voters may have preferred another round of elections in a 60:60 political tie, but the politicians tried to find a compromise. Politicians fear political deadlocks and attempt to reduce tensions and strife, which at least some voters enjoy. This is probably why electoral politics is basically polarized, while parliamentary and coalition politics tend to have more accommodative dimensions.

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*   It seems that personalities have also had a lot to do with the formation of a national coalition. Unlike the charismatic, and unchallengeable leaders of past years, such as Mr. Ben-Gurion of Mapai or Mr. Begin of Herut, who were made of the stern stuff required to run a narrow-based government, and in any event were unlikely to share power with their traditional opponents, the current lacklustre leaders, Mr. Peres and Mr. Shamir, were capable and willing, by default, to cooperate in the framework of a national unity government.

Why So Many Partners?

A Labour-Likud cooperation in a national coalition indeed seemed justified under the circumstances: a narrow-based government was impossible, repeat elections unacceptable and a caretaker government intolerable. Besides, in a fragmented Knesset with a record 15 parties it made more sense to form a national coalition between the two leading parties than go into a "partial" coalition based on one big party and a large number of smaller ones.

Apart from the arithmetics of interparty and intraparty politics, there were many more reasons that made a joint coalition the best choice. To begin with, the country was still facing economic bankruptcy and the army was still in Lebanon - two major crises that threatened the very fabric of society. So grave was the situation that a narrow-based government, even if a feasible alternative, might have been unable properly to deal with these burning issues. Also, although a unity government did not necessarily reflect "the will of the people", in light of the close election results, the call for a broad-based government became very popular,* so that if either Labour or the Likud

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* On 25.7.84 four prominent writers, Amos Oz, Chaim Guri, A. B. Yeoshua and S. Izhar (Labour supporters all) issued a call for national unity. Amos Oz said (1.8.84) after meeting Prime Minister Shamir: "if we can talk to the Palestinians, we should be able to talk also with the Likud". Former Prime Minister Begin expressed strong support for a national coalition. The one leader who came out strongly against national unity was former Secretary General of the Histadrut Mr. Yitzhak Ben Aaron, still quite influential at the time.

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would have appeared responsible for thwarting national unity, they could expect electoral punishment.

For the Labour party, a national coalition was attractive because it was the only way for its leaders to get back to power. Having become used to the trappings of power and influence in the past, and then cruelly dispossessed, they were now willing to pay the price of cooperating with the Likud. Also, the prospect of remaining in opposition for a further term would have been detrimental to party morale and perhaps to its future electoral chances as well. For Mr. Peres, forming a national government was the only way to become Prime Minister. Moreover, becoming Prime Minister with the Likud's blessing would hopefully remove the inexplicable stigma which made him the politician Sephardic voters loved to hate. Mr. Peres explained Labour's problem (and his) thus: "Since for a time the Labour party had the image of a party more concerned with its own good than with that of the nation, it must not only serve the nation and the state in practice, it also must be seen to be doing so" [Hattis-Rolef, 1985, p. 17]. There is no doubt but that the call for a unity government drew much of its impetus from ethnic tensions.

As for the Likud, participation in a national unity government was an opportunity to demonstrate that it had a quality, professional ministerial team, on a par with Labour's veterans. More importantly, this way it could be part of the damage control team, rather than have Labour put to rights what the Likud had destroyed in the 1977-84 period, when they were alone in power. A national coalition was indeed an alibi for the Likud "being part of the solution after being part of the problem" [Kirkpatrick Forum, 1987, p. 6] Essentially, the Likud and Labour needed each other. "Failing to provide effective economic

leadership without full cooperation of the powerful Histadrut, the Likud actively sought to form a unity government with the Labour Alignment, whose representatives ruled the powerful Labour federation. On the other hand, the Labour Alignment needed - although perhaps to a lesser degree - the cooperation of the Likud in order to legitimize a military withdrawal from Lebanon" [Yanai, 1990, p. 183]

Clearly, then, both Labour and the Likud had a genuine interest in forming a national coalition. The question, though, is why did they form a nine party government, instead of a straightforward bipartisan (Laour-Likud) national executive, which seemingly would have been better positioned to tackle the burning issues on the political agenda.

No few explanations have been given as to why, in the context of a national coalition, did the two large parties not free themselves of the smaller ones. Labour's Mr. Rabin, for one, said that "the lack of trust between the leaders of the two major parties prevented a bi-partisan government" [interview]. The Likud's Mr. Sharon claimed that "due to future uncertainty, each of the large parties wished to preserve its sphere of influence" [interview]. In fact, before the Labour-Likud coalition agreement was finally signed, each party had signed agreements with various small parties in order to try and block the other side's option of establishing a narrow-based government, and possibly form its own coalition.* Mindful of the future, each large

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* There was a clause in the coalition agreement whereby an agreement signed by either large party with a smaller party does not bind the other, but it was largely ignored. The Likud, for instance, caused a crisis even before the NUG was formed by insisting to fulfill commitments made to Shas, a member of its proto-coalition.

party felt obligated to bring its satellite parties into the wide-based national coalition.

Paradoxically, even though Labour did not have secondary agreements with the religious parties, it was as much interested in their participation in a national coalition as was the Likud, for only in government could Labour develop useful ties with the religious parties, in anticipation of future prospects. After all, Labour would most probably need the support of the religious parties if it is ever to reestablish its own government. Thus, Labour - even more than the Likud - was not really interested in a plain Labour-Likud national executive, without the religious parties.*

All in all, its seems that previous commitments and future expectations joined to prevent a bipartisan Labour-Likud government. Still, it seems that if the party leaders had realized before the coalition bargaining process began that a political deadlock would emerge, the composition of the national coalition might have been different.** Mr. Sharon, for example, said that he had sensed a deadlock was emerging, and "that is why I told Mr. Peres, less than a week after the elections, that we should first have a Labour-Likud agreement, and only then deal together with the small parties. Mr.

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* Just before signing the NUG agreement, Mr. Peres offered Mr. Abu-Hazeira of Tami (who had already sided with the Likud) to become one of Labour's 12-member contingent of ministers. The idea was, of course, to have his support if and when the national coalition would collapse.

** Three days after the election (26.7.84) Mr. Ya'acobi of the Labour Alignment called in an article in Haaretz for a Labour-Likud national coalition without the ultra-orthodox and the extreme left- and right-wing parties.

Peres, however, started negotiating with the religious parties just as soon as our meeting was over. We could have had a smaller and more effective government [namely, without minor parties], had he but listened to me" [interview].

The importance of accurately assessing the outcome of the coalition bargaining process notwithstanding, it seems that the struggle for the system's pivotal position was a major reason why each of the larger parties tried to make agreements or otherwise cooperate with smaller parties. Since no one large party could control the pivotal position, a national coalition was formed composed of the two large parties and their allies. Essentially, it was the need to have a strong pivotal position that brought about a national coalition, and the distrust between the two larger parties could explain why it was a multi- rather than bipartisan government [Galnoor, 1985, pp. 35-45].

Yet another important reason for having a multiparty national coalition was the simple fact that the two leading parties were not too eager to face each other head-on in a bipartisan government. In such a situation they would probably have been required to make clear-cut decisions on issues, which they actually wanted to avoid. Ideological issues relating to the peace process were a prime example. An unwieldy multipartisan government, more than a bipartisan national executive, offers the possibility of problem handling - as distinct from problem solving - and this is probably why it was preferable to both Labour and the Likud. The wish to escape hard decisions in a "winner-loser" context appears to correspond with an attitude of "low risk, low expectations".

It is worth noting that had the coalition selection process been democratized, in that all 120 members of parliament could choose a

governing coalition in a simple yes-or-no voting (yes for parties which must be included in the governing coalition, no for parties which must be excluded), a bipartisan Labour-Likud coalition would most probably have been formed [Brams and Fishburn, 1991, pp. 1-2]. However, coalition bargaining and formation is a matter handled by party elites, and they chose to form a multiparty government, for the reasons outlined above.

In the event, the coalition agreement formed a 25-member government plenum, evenly divided between the Likud and Labour (12 ministers each) plus one minister for the NRP. Each major bloc was completely free to select its ministers. The Likud allocated ten seats to itself, one each to Shas and Morasha, as well as one deputy minister's position to Agudat Israel, which declined full membership in government. Labour appointed nine ministers from its own ranks, one each from Yachad, Ometz and Shinui (shortly afterwards, Yachad formally amalgamated with Labour).

In terms of coalition politics, by forming a multiparty government the major actors "simply" shifted the political deadlock from the legislative to the executive level, that is, from parliament to government. This indeed was what the 1984 national unity government was all about.* Of course, such an unwieldy government might turn out to be more costly than repeat elections. After all, the inclusion of two

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* The coalition consisted on 97 members: the Likud contributed 53 members and Labour only 44. Still, the government itself was based on parity, which meant that it was the balance in the legislature, not in the executive, that counted. The coalition was actually based on the 60:60 parliamentary situation. In a sense, it was similar to a jury in which the only possible winning coalition must include all the members.

opposing political blocs composed of 9 parties within a single government may bring about years, not months, of ongoing party politicking and campaigning. Still, being in government - even such a government - is safer than any other alternative, because participants are assured of some payoffs without taking risks. This is the essence of a "not losing" government.

The Pre-Nuptial Agreement

The interest of both Labour and Likud, or rather of Mr. Peres and Mr. Shamir, to share governmental power rather than risk repeat elections when faced with a political deadlock, constituted a necessary but not a sufficient basis for the formation of a national coalition. There was still a need to set up a governmental modus operandi which would enable two opposing parties to become coalition partners. Given the historical rivalry between Labour and the Likud, power-sharing could provide only a narrow scope of operation in a limited number of areas. The attempt to find an adequate government formula, in terms of both policy guidelines and structure of decision-making, produced a rather unique coalition agreement. Essentially, the agreement between Labour and the Likud was based on carefully balanced policy positions and on a mutual veto structure.

In principle, coalition agreements define ways and means to deal with issues on which the coalition partners differ. On the most problematic issues, there may be an "agreement to disagree": some may be ignored altogether; others may be put on hold, pending the next elections or a referendum; yet others may be dealt with by the

government in a specified and detailed manner - depending on the kind of agreement reached by the would-be partners.* Whatever the nature of the coalition agreement, it must be honoured in good faith for the system to work at all. In 1984, there was no honour or good faith between Labour and the Likud. The task was clear but almost impossible: how to force rivals to become allies. This made the formulation of the agreement a work of art.**

The first requirement for the formation of a Labour-Likud government entailed the formulation of mutually acceptable coalition guidelines. Since the two parties were deeply divided on core issues, the coalition agreement had clearly to state how these would be handled. As to the territorial issue, for instance, it was clearly specified (clause 14) that there would be no change in sovereignty over the occupied territories during the term of the national coalition, unless agreed to by both the Likud and Labour.*** Regarding settlements, the agreement detailed (in clause 15) the precise number of settlements to be established in the occupied territories every

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* In the early 1970's, the NRP and Mr. Dayan were promised by Labour a referendum on the territorial issue, in order to prevent the breakdown of the coalition.

** The method by which the coalition agreement had been worked out was explained to the present writer in great detail by Labour's Mr. Shachal and the Likud's Mr. Nissim, who, together with Mr. Peres and Mr. Shamir, negotiated, wrote and signed the document. The full text follows in Appendix B.

*** This was essentially "a decision not to decide", since it was clear that the ultimate status of the territories could not be changed before new elections.

year. Electoral reform (clause 1.18) was another issue which could not be decided unless agreed upon by the two leading parties.*

In many respects, this was a coalition agreement "a la carte", since each and every article was specifically tailoured for the circumstances of its inception. Still, despite all efforts to word it as carefully and precisely as is humanly possible, it was a problematic document, because (in order to make it acceptable to both Labour and the Likud) certain paragraphs had perforce to include some measure of vagueness, so that each party could read them as it pleased. Clause 10 of the agreement, which stated that Israel would call upon Jordan to enter peace negotiations, is a case in point. When the call was to be made, the Likud intended to include in it its "peace-in-exchange-of-peace" formula, whereas Labour imagined that the statement allowed the government to open an immediate dialogue with Jordan, based on its own "territory-in-exchange-of-peace" formula.

Acceptable coalition guidelines, important though they are, may or may not be acted upon during the lifetime of the government. After all, they do not have the same political clout as specific government decisions - which are also problematic in terms of implementation. In final analysis, the implementation of government policy decisions is in the hands of the ministers responsible for their handling. It is through them that ideology, issues and policy positions can be translated into reality. In the context of the national coalition,

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*   Since the pivotal religious parties were opposed to any kind of
      electoral reform, it was unlikely to take place. Still, a face-
      saving formula was put into the agreement, whereby the issue will
      be "examined" (the classical "kill-by-committee" method).

Labour and the Likud, gravely suspicious of each other as they were, insisted that their own ministers would be in charge of implementing policy on issues regarded to be sensitive - or else, responsibility should be split. Thus, for example, both Labour's Defence Minister Mr. Rabin and Likud's Housing Minister Mr. Levy were to be directly involved in implementing policy on the settlement issue.*

It seems, then, that portfolio allocation as hammered out in the coalition agreement meant more than "merely" dividing payoffs between partners. In fact, it also aimed at controlling the implementation of government policy in areas of disagreement between Labour and the Likud. If need be, this mutual control mechanism provided each party with political tools to block one-sided actions. Put simply, to make the guidelines in the coalition agreement credible, both leading parties insisted on being equal partners in implementation as well.

Acceptable coalition guidelines and mutual supervision of policy implementation did not fully satisfy the two partner-opponents. They insisted on better safeguards against unilateral moves. As a result, the coalition agreement included some political innovations which essentially created a government structure based on mutual veto arrangements. Thus, a ten-member Inner Cabinet (split, needless to say, 5:5 between Labour and the Likud) was established, which provided each

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* The interparty balance was not maintained in all important areas. The Likud, which was largely responsible for the economic chaos that brought about a national coalition, was oddly given all the major economic portfolios, because Labour insisted on the Defence Ministry. The overall balance was kept, however, not only in government portfolios but also with regard to the appointment of senior officials, which again required mutual agreement.

party with a veto power over government decisions.* Also a Prime Ministerial Rotation was invented, whereby that most important office will be exchanged in mid-term between the two parties. In essence, the coalition agreement attempted to create a government without majority rule, based on complete, total parity: the "perfect" coalition for partners who are rivals.**

The design of new institutions shows that the coalition agreement was not written in accordance with the existing rules of the political game; rather, it aimed to exchange them for new rules. Formulating the coalition agreement was essentially an interparty game played prior to the real governmental game. In forging an alliance between two opposing parties, it was vital to foresee the difficulties and problems which might arise and anticipate them before government was formed. [Laver and Shepsle, 1990, p. 873].

Unlike most governments, which define their policies and _modi operandi_ as they go along, in this case policies and structures had to be rigidly defined from the outset. There was an absolute need to ensure that on those many issues where Labour and the Likud did not see eye to eye, neither could act on its own, without the other's consent. The negotiators of the coalition agreement were required therefore to deal both with existing problems and problems which might arise in the

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* The term "Cabinet" is reserved in this dissertation for this particular organ, whereas "Government" relates to the plenum of Ministers.

** Once the principle of total parity in government was accepted, the size of Labour's and Likud's Knesset group became irrelevant. In Austria's grand coalitions, for example, the proportional rather than parity formula was adopted [Dreijmanis, 1982, p. 251].

future. The ultimate goal was, of course, to secure the stability of the bipolar coalition once it was formed.*

The need to anticipate all contingencies and the will to secure stability produced a coalition agreement which stretched the law to its limits, to put it mildly.** Klaus von Beyme had already noted that in Israel, "there have been attempts to protect the coalitions through amendments to the 'minor constitution'" [von Beyme, 1983, p. 358]. The 1984 coalition agreement seemed to go a step further. It was essentially treated by the political leaders as a 'constitution' in and of itself. Prime Minister Shamir, for instance, said: "An agreement between parties on the establishment of a government of national unity cannot be treated as a matter of convenience, like just any other contract between political parties. It should rather be treated as a constitutional cabinet that provides a legal political programmatic framework for the smooth functioning of the government in both the executive and legislative areas" [Kirkpatrick Forum, p. 153].

The 1984 coalition agreement, the "quasi-constitution", took 39 days to hammer out, and then a national unity government was formed.*** The Labour-Likud negotiations were conducted in an atmosphere of mutual

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* It goes without saying that one of the most important measures was to safeguard the coalition from too-independent MKs, by imposing strict limitations on their freedom of action [Goldberg, 1990, pp. 197-8]

** Thus, the agreement explicitly put a constraint on the Prime Minister's legal right to appoint and dismiss ministers.

*** On 13.9.84, the National Unity Government won the investiture vote by 89 to 18 with 1 abstention. Prime Minister Peres called it "the most 'interesting' government in Israel's history".

suspicion, and resembled more than anything else one of those pre-
nuptial agreements which purport to give structure to married life, but
actually deal mainly with the division of communal property when it's
all over. Mr. Abba Eban said: "This government, the like of which has
never happened in any parliamentary democracy, allows each of the two
major parties to prevent the other from doing what it thinks fit - each
of us can thwart the other's major objectives ... the NUG is so
preposterous that it might even work" [Hattis-Rolef, 1986, p. 115].

Was There Any Alternative?

The national coalition based on mutual veto arrangements was the
outcome of the 60:60 parliamentary impasse that prevailed in the
aftermath of 1984 elections. Was this political impasse unsurmountable?
Could Mr. Peres or Mr. Shamir have broken it, had they employed
different bargaining strategies? Could another Labour "formateur" have
been more successful than Mr. Peres in bringing about a Labour
government? Could not Mr. Shamir have blocked Mr. Peres's efforts to
form a government and become the "formateur" himself? And could he not
then have used the power of office to form a stable Likud government?
It is impossible to answer these questions with any degree of
certainty, but it is interesting to speculate a little.

One strategy that Labour could have been used in its efforts to
break out of the impasse was to put public pressure on the religious
parties. Mr. Peres could have strongly stressed the importance of the

three seats difference (44 against 41) between Labour and Likud, and claim that it was against the tenets of democracy to allow any but the largest party to form the government. This, of course, was the strategy used by Mr. Begin in 1981 when the Likud edged Labour by a single seat (48 to 47). It seems that such a strategy had little chance, however, since it would not have changed the position of the religious parties: they would never ally with Labour against the Likud. Labour's negotiator Mr. Shachal maintains that "had we concluded a quick deal with Ezer Weizmann of Yachad immediately after the elections, and promised him a senior government post, we could have gained a strong momentum and possibly break the political impasse in our favour. However, due to intraparty considerations [Mr. Rabin and Mr. Navon were promised the Defence and Foreign Affairs ministries, respectively], Mr. Peres acted too slow and thus failed to break the deadlock" [interview].

Given the 60:60 post-election tie, it apparently made sense for Labour to nominate Mr. Navon, a popular Sephardic leader, as its Prime Ministerial candidate. Such a move may possibly have broken the impasse and result in a Labour government, because Shas and Tami - the two Sephardic parties in the 60-member Likud bloc - would have been in an awkward position, had they opposed the election of Israel's first Sephardic Prime Minister, regardless of his political colours.* For such a scenario to have unfolded, however, the consent of the party

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* Mr. Navon still believes that such a possibility existed, although Mr. Peres never considered it seriously [interview].

leader was needed. Mr. Peres could not bring himself to consent to such a strategy, since it would have cost him the office of the Prime Minister, if not his chairmanship of the party. Thus, due to intraparty politics, Labour was not given a chance to try and form its own government.

The Likud could also have employed strategies that might have broken the political impasse. These strategies, likewise, were not acceptable to Mr. Shamir, and that was probably why they were never pursued. For example, the 60-member Likud's "blocking coalition" was apparently strong enough to prevent Mr. Peres, the "formateur", from forming a Labour government. The way to do it was to take advantage of the legal constraint which stipulates that a "formateur" be given up to 42 days to put together a government and obtain the confidence of parliament. Had the Likud tried to block Mr. Peres for 42 days, it might have gained the political initiative.

In this event, Mr. Shamir would have become the "formateur" and given the opportunity to present a government of his own. Even if he failed, he was still the Prime Minister of a caretaker government. Mr. Shamir did not want to follow this apparently winning scenario, probably because he regarded it short-lived and too risky. For the Likud, and certainly for Mr. Shamir personally, such a scenario involved too many unknown factors at the interparty and intraparty levels. A power-sharing arrangement between the Likud and Labour, which could be justified in term of the political impasse, seemed a safer long-term proposition for Mr. Shamir. He preferred a conservative "low risk, low expectations" attitude, and thus contributed to the endurance

of the political stalemate which eventually led to the formation of the NUG.*

In conclusion, the formation of the NUG was not necessarily the only or even the most desirable political solution. This "unwanted and unloved child" came into being mainly because under the circumstances prevailing at the time, it seemed the least problematic choice for the major actors involved.

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* There was also the outside chance that the leaders of a third party, such as Mr. Weizmann of Yachad or Mr. Burg of the NRP, would head a NUG. This, however, was certainly not the fulfillment of either Mr. Peres's or Mr. Shamir's dreams.

Chapter Six

Rotation vs. Status Quo:
Bipolar Coalition Politics, 1984-86

Bipolar coalition politics in 1984-86 evolved in the shadow of the expected prime ministerial rotation. Included the coalition agreement, this unique innovation determined that Labour and the Likud would share time in the highest executive office in the land. The notion of rotation was a quantum leap in Israeli coalition politics. Never before had such a remarkable arrangement been part of the deals between coalition partners. Explaining the uniqueness of this phenomenon seems to be quite germane to the analysis of the NUG's modus operandi.

Prime Ministerial Rotation

How Did It Come About?

When Labour and the Likud eventually decided to form a national coalition, its basis was to be complete parity. In order to enshrine it, they formulated mutually acceptable coalition guidelines, worked out a balanced distribution of government portfolios and senior civil service positions, and created an Inner Cabinet based on mutual veto.

All these measures contributed to the equality of power-sharing between the two political blocs. However, this was not good enough unless some way was found to include the office of the prime minister in these parity arrangements. One should bear in mind, in this context, the centrality of the position of the prime minister in Israel's political system: it is far more than a mere "primus inter pares". Therefore, both Labour and the Likud insisted that power-sharing should apply here too. Since the position itself was essentially indivisible, a time-sharing arrangement seemed to be the second best [Horowitz, 1990, p. 227].

The idea of a prime ministerial rotation was, then, an inevitable result of the need to pursue total parity in government between two partner-opponents: "The concept of parity in representation is both reflected and dramatized in the rotation clause of the coalition agreement that committed the Likud and the Labor Alignment to maintaining the unity government for the entire four-year term of the Knesset and to rotating their leaders in the office of the prime minister at midterm" [Yanai, 1990, pp. 183-4]. Even though the idea of rotation had started floating around soon after the announcement of the close election results, it took a lot of bargaining time and effort for both Mr. Peres and Mr. Shamir to accept it.*

At first, each party leader insisted that he should head the national coalition for the entire parliamentary term: Mr. Shamir based his claim on his being the outgoing Prime Minister, whereas Mr. Peres

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*   Rotation was seriously discussed only when Mr. Peres was forced to
     ask the President for an extension of his original 21-day mandate
     to form a government.

was the official "formateur". Eventually, political reality prevailed over wishful thinking. The fear that repeat elections might then turn out to be the only viable political solution to the deadlock, as well as the hypothetical possibility that a third candidate might emerge - convinced both leaders that for their own good, they should agree to share the position of the prime minister on a rotational basis. Now arose the question of the order of rotation: who should head the national government first. Labour's Mr. Peres threatened a total withdrawal from the negotiations if he was not to become prime minister first, and the Likud gave in: Mr. Shamir agreed to be second. Naturally, the Likud demanded that the implementation of rotation will be legislated, but this never happened, because of the legal complications involved.

Essentially, the 1984 rotation agreement stated that the NUG will serve for 50 months: during the first 25 months government will be headed by Labour's Mr. Peres, while the Likud's Mr. Shamir will be his deputy (until October 1986), and for the next 25 months, Mr. Shamir and Mr. Peres will switch positions (until November 1988). The order of rotation, and the personal commitment of both party leaders to it, were to have a strong impact on interparty and intraparty politics in the 1984-86 period.

The Sequence

The rotation agreement was in effect a political document, not legally binding, the implementation of which was basically dependent on the

good faith of the parties concerned.* Precisely for this reason, the sequence of rotation was critically important. The first prime minister was to assume office at once, while the "heir presumptive" to prime ministership had to wait for two years before taking up his position. Two years is a long time in politics, certainly in a bipolar coalition situation. After all, the rotation agreement could fail to materialize for objective or opportunistic reasons, due to interparty as well as intraparty considerations; it therefore seemed that the uncertainty of actual implementation of rotation gave "a clear advantage for the first to take the post: his attaining the office would not depend on the government surviving two years, or on the willingness of the other bloc to relinquish the office in mid-term" [Horowitz, 1990, p. 227].

Why did the Likud accede to Mr. Peres's demand to become the first prime minister of the 1984 NUG? To begin with, Labour came out of the elections as the largest party. More important, the public looked forward to a real and urgent change in policies of the outgoing Likud government, and it was only natural for Labour, rather than the Likud, to lead such a change. In the framework of an NUG, Labour would do the dirty job of cleaning the economic mess and getting the Israeli army out of Lebanon - the two most urgent tasks - while the Likud would have an alibi for complying with a change of policy without admitting past failures.

One of Mr. Peres's reasons for insisting on being first in the sequence of rotation was his burning desire to establish his status as

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* In this respect, it was a totally different situation from the legal-constitutional rotation in the top political position prevailing in the Yugoslav or Swiss systems, for instance.

a national leader. After years of personal abuse, he must have felt that only the prime ministership of a unity government would gain him the legitimacy he so urgently needed. Mr. Shamir too, having just succeeded the immensely popular Mr. Begin, had to establish his national stature; but unlike Mr. Peres, his need for political legitimacy was not as desperate. Also, there was a difference between the personalities of the two leaders. Mr. Peres was not the kind of politician who could wait for years - even for months - to get political results (or prizes): he wanted them here and now. Mr. Shamir, by contrast, although older than Mr. Peres, had the patience to wait for things to happen in their own good time.

It seems, then, that the image of Labour as the party of change and the dynamic personality of Mr. Peres - as opposed to the status quo image of the Likud and Mr. Shamir - contributed to a logical sequence of the rotation. In retrospect, this order - Labour first, Likud second - "was instrumental in the survival of the government. Uncertainty about rotation facilitated change under the Labour prime minister [Lebanon, economy], and the mutual veto prevented further departure from the status quo [peace process] under the Likud prime minister. Thus, the order of succession provided each prime minister not only with his share of office, but also with his share of effective political control" [Horowitz, 1990, p. 232].

Had there been a way to make rotation legally binding, it might have made better sense for either leader to be the second prime minister, the one who occupies the office when the next elections are held. Actually, some party leaders thought that incumbency prior to elections was sufficiently important for either party to gamble on a nominal implementation of the rotation agreement. Mr. Nissim, who

drafted the rotation agreement on the Likud's behalf, said that "I had recommended to Mr. Shamir to be the second in the order of rotation because politically it was better for the Likud in the long run" [interview]. Mr. Peres himself suggested that "politically it was better for Labour to be second in occupying the office of the prime minister, but we could not let the Likud go on destroying the country, so I insisted on becoming first" [interview].

True, from a long-term political perspective, Labour probably took some risk by occupying the office of the prime ministers first, because it was expected in the first two years to solve the burning problems that were the raison d'etre of the NUG, and then the Likud would reap the results. It was obvious that, come election time, the Likud would take all credit for any achievement, Labour's included, to itself.* Israel Kessar, the Secretary General of the Federation of Labour (the Histadrut), publicly expressed his fear that "the righteous suffer and the wicked thrive" [Hattis-Rolef, 1985, p. 90].

Summing up the pros and cons of the sequence of rotation, it seems - especially as rotation was not fixed by law - that it made much better political sense, in the circumstances of 1984, to occupy the office of the prime minister first. This is what Labour did, and it was able to use the uncertainty about the implementation of rotation as a political tool to control the modus operandi of the 1984-86 NUG.

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* It is not unreasonable to speculate that had Labour led the unity government into the 1988 elections, it might have gained few more parliamentary seats, if not emerge definitely victorious.

The Personal Aspect

The rotation agreement stated that should either Mr. Peres or Mr. Shamir be proven unable to perform the duties of the Prime Minister, for whatever reasons, their respective parties should replace them - with the consent of the other party. Barring that eventuality, however, the agreement (Paragraph 1.5, see Appendix B) referred to both Mr. Peres and Mr. Shamir by name - not as the nominees of their respective parties.

Strictly speaking, therefore, had either party replaced its leader in the meanwhile, the agreement would have become null and void. This was probably the most explicit expression of the mutual personal interest that both leaders had in the existence of the national coalition.

The personal aspect of the rotation was important to both leaders mainly in the context of intraparty politics, since it reduced the incentive for internal coups. The leader expected to be most committed to rotation was of course Mr. Shamir, who had to survive two years as the Likud's leader before he could become prime minister again. Considering past challenges to his leadership, even when he actually was prime minister, this was not a simple matter. For Mr. Shamir to achieve rotation on a personal basis, he had to make several concessions to Labour in the division of ministerial portfolios. Specifically, he agreed that Mr. Rabin become a Defence Minister - the

most important position after the Prime Ministership - for the entire duration of the NUG.*

For Mr. Peres, the suggestion that his long-time rival Mr. Rabin would become a Defence Minister for the whole four years seemed rather attractive. This way, Mr. Rabin would be unable to engineer Mr. Peres's political demise for having lost for Labour three consecutive general elections, both because he would be too busy with defence matters, and because the rotation agreement, which in effect will name Mr. Rabin personally as Minister of Defence, will also name Mr. Peres personally as Prime Minister. Mr. Shachal, who drafted the rotation agreement on Labour's behalf, said: "The personal aspect of the rotation was also intended to protect Peres from a possible revolt by Rabin and his people" [interview]. Of course, it was not very likely that Mr. Peres be ousted from party leadership while serving as prime minister, but it is better to be safe than sorry.

Labour wanted the rotation agreement to be personally attached to Mr. Shamir because it feared the possibility of Mr. Sharon becoming the Likud leader, and as such the future prime minister of the NUG.** Mr. Rabin claimed that "we wanted to make sure that whatever happens Sharon

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* Had Mr. Shamir agreed to rotation not on a personal basis, the Likud would have held the two most senior cabinet posts, Defence and Foreign Affairs, when Labour occupied the Prime Ministership. In the post-rotation period, all three posts would have changed party hands. Mr. Shamir's commitment to rotation perforce cost his loyal ally, Mr. Arens, two years in the Defence Ministry.

** Labour found it difficult enough to explain why it agreed to sit in the same government with Mr. Sharon in the first place, bearing in mind his dismal record on Lebanon. They found it possible, however, to rationalize it away by claiming that according to the coalition agreement, each party had an exclusive right to select its own ministers [interviews, Mr. Rabin, Mr. Gur, and others].

would not be the Likud's leader; that was the real importance of the personal aspect of rotation" [interview]. Such a possibility actually emerged in June 1986, a few months before rotation was due to take place. Mr. Shamir's political career was in jeopardy because of his involvement in the "Shin-Bet affair".* Labour made clear that it would be willing to honour the rotation agreement with any other Likud leader, save Mr. Sharon. As it happened, Mr. Shamir survived the crisis, not least because he was personally committed to rotation.

Was There a Safe Way to Avoid Rotation?

Will the rotation agreement be implemented? This was the haunting question which dominated the NUG during the entire 1984-86 period. Labour's top leaders said publicly, time and again, that the question was completely out of place, since they had full intention to proceed with rotation as agreed. Mr. Peres himself promised: "We signed an agreement, and we will honour it in spirit and in letter" [Israel TV, 13.2.85]. Mr. Rabin said: "I definitely believe that we shall fulfill our undertaking to transfer the premiership to the Likud at the end of our two-year term" [Hattis-Rolef, 1985, p. 23]. However, politicians' promises count as much in Israel as anywhere else, and the political stakes involved were high enough for the possibility of their reneging on the agreement not to be dismissed out of hand.

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* For details see below.

In 1986, when rotation was due, Labour was indeed faced with an acute dilemma about whether or not to renege; the outcome could have determined its future as a governmental party. Mr. Peres has been a successful and popular prime minister. At long last, he was able to visit poor Sephardic neigbourhoods and developments towns, the so-called "Likud country", without fear of being publicly humiliated. His Labour party was well ahead of the Likud in opinion polls.* So why not renege on rotation and run for early elections as prime minister? Does not Labour deserve an electoral victory, after three consecutive defeats?** After all, who knows what will happen after rotation? One scenario was almost certain to unfold - Mr. Peres's popularity would decline again, the public's memory being what it always is, and then he might even be challenged by Mr. Rabin for party leadership. Why not seize the opportunity while its still there?

Needless to say, any move to prevent rotation from taking place was quite risky. Forcing early elections or trying to form a narrow-based Labour government - the two possible moves - might simply fail to materialize. Moreover, even if either move was successful, Labour would risk voter retribution for breaking a written agreement and for not playing a fair game. Mr. Peres might ruin his newly-acquired reputation and Labour might be blamed for dismantling the popular NUG. The Labour

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* One "had-elections-taken-place-now" poll, for example, gave the following results for 1986, in terms of parliamentary seats: March - Labour 50, Likud 32; July - Labour 51, Likud 32; September - Labour 57, Likud 32 (see Ma'ariv, 2.11.86).

** Euphoric party activists, excited about the prospect of Labour-led government, clamoured for avoiding rotation at the April 1986 party conference.

party (and more so Mr. Peres personally) has always had problems of credibility in certain segments of the public, and a renegation on rotation might cause an irreparable damage to its reputation in the eyes of the electorate.*

In 1986, several events took place which seemingly provided Labour with good opportunities and/or excuses not to implement rotation. In March, Herut/Likud held a disgraceful party conference, and television showed shameful scenes up to physical clashes between party factions. The chaotic conference proved that Mr. Shamir did not enjoy the confidence of a majority within his party. As noted above, the rotation agreement had named him personally as the "rotatee" (unusual circumstances call for unusual words), and now that he seemed to have lost the "controlling shares" in the Likud, Labour could use it as an excuse to declare the agreement null and void.** In May-June, Mr. Shamir's personal involvement in a major security scandal, the Shin-Bet affair, weakened his political standing even further, and another good opportunity to avoid rotation seemed available.*** However, Prime Minister Peres was unwilling to take any action.

Several political commentators suggest that the Likud's intraparty politics, and even Mr. Shamir's shaky position in the aftermath of the

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*   As an unlikely alternative, there was even a suggestion to hold a
     referendum on whether or not to implement rotation (made by Mr.
     Edri, Labour's parliamentary faction leader, in a TV interview,
     5.4.86). There has never been a referendum in Israel's history, on
     no question whatever, and there is no legal basis for holding one.

**   In an interview, Mr. Shachal claimed authorship for this idea.

*** Labour's Mr. Gur insisted that because of the Shin-Bet affair, Mr.
     Shamir had lost the moral right to become prime minister. He then
     resigned from government prior to rotation in October 1986.

Shin Bet affair, were simply not good enough as a pretext to avoid rotation. According to this view, only a deeply dividing ideological issue, such as a breakthrough in the peace process, could have been publicly accepted as a legitimate cause for the collapse of both government and rotation.*

Was such an issue ready for decision by October 1986? Labour's Mr. Ya'acobi, for one, suggests that "before rotation, the issue of peace, based on talks with the Jordanians, was basically ready for a government decision. Labour could have avoided rotation and go for elections. It might have lost two seats for dismantling the government, but would have gained at least five due to its position on the peace process" [interview]. Mr. Abu-Hazeira of Tami said: "The peace process was the only issue that justified avoiding rotation. I do not know at what stage it was prior to rotation date. However, I know for sure that had it been brought up for a decision, Mr. Peres would have gained the support of at least 70 members of Knesset, including most of the religious parties, and there would be no need for early elections" [interview].

Mr. Rabin, on the other hand, does not believe there was a safe way to avoid rotation, even in the pretext of promoting peace: "As for the peace process, we could have created a crisis but then the Jordanians might have said that there was no agreement or understanding. Only a spectacular development, a <u>force majeure</u>, could have justified avoiding the rotation. In general, if Labour would have

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* Interviews, Messrs. Shchori and Crystal, political commentators for <u>Haaretz</u> and <u>Hadashot</u>, respectively.

reneged on rotation, we would have lost trust and credibility, a problem we suffer from anyhow in certain quarters. The party and its chairman [Mr. Peres] would have paid a high price for avoiding rotation" [interview]. Mr. Peres, who had the final say in this matter, agrees for once with Mr. Rabin: "There was no way to avoid rotation, no problems in the Likud, not even the peace process. <u>I had to implement the rotation agreement</u>" [interview].

Implementation

All uncertainties and speculations notwithstanding, the rotation agreement <u>was</u> honoured. On 10.10.1986, Mr. Peres handed President Herzog a letter of resignation which read as follows: "As you know, on 13.9.1984 a coalition agreement was signed between Labour and the Likud regarding the establishment of a National Unity Government. The time has now come to fulfill Paragraph 1.5 in the agreement regarding the completion of my term as Prime Minister, and this I now do in accordance with this agreement and within the time limit specified... I estimate that my resignation will augment the trust in Israel's democratic regime... which is founded on trust in spoken as well as written words. Therefore I am proud of the move I am now making..." [Government Press Office]

There is no doubt that Mr. Peres's decision to stand by the rotation agreement was motivated by considerations of trustworthiness. His political Achilles heel has always been those repeated allegations of non-credibility, and the last thing he needed was to prove himself indeed "indefatigably subversive", to use the oft-repeated phrase

coined by his party rival Mr. Rabin. "Peres, aware of the credibility problem that hurt his image as Minister of Defense under Mr. Rabin, which was strengthened by the latter's accusation in his memoirs of constant subversion on Peres's part, had no alternative but to honour the rotation agreement" [Elazar and Sandler, 1990, p. 225]. "Peres did not want to have his political opponents renew the charges against him of being unreliable by breaking the rotation agreement which had been worked out with the Likud" [Arian, 1988, p. 18].

Ministers who were close to Mr. Peres at the time confirm that credibility was the major reason for honouring rotation. Mr. Ya'acobi suggested that "although it made political sense to avoid rotation, for Peres the credibility problem was the key issue" [interview]. Mr. Shachal, probably the closest to Mr. Peres among Labour's ministers, further elaborated: "Peres went along with rotation because of his wife and family, who cared for his public image. True, he hoped for something big to happen before rotation. Since nothing happened, he felt he had to let rotation take place" [interview]. It seems indeed that Mr. Peres wanted to rid himself, once and for all, of his notoriety as an unreliable, "yes and no" politician; he wanted to build up the image of "the new Peres".

There were, of course, some hard political facts which suggest that Mr. Peres had no option but to abide by the rotation agreement. "The national unity government implemented the rotation agreement primarily because its first two years in office did not alter the parliamentary conditions that had created it... In addition to the personal credibility issue that has haunted Peres in the past and made him sensitive to the possible charge of bad faith, he did not have a viable strategy for an alternative coalition or even a legitimizing

issue for an early election prior to the rotation date" [Yanai, 1990, p. 185] In other words, the government formula - and with it the rotation agreement - survived because Labour could not secure the support of the religious parties for a narrow-based coalition or for early elections.* These parties estimated that they could gain no more from a narrow-based coalition than what they have already acquired in the NUG. Put simply, Labour could not capture the system's pivotal position.

The credibility question and the attitude of the religious parties provide a plausible, but not necessarily a full explanation for the implementation of rotation. It seems that Mr. Peres took this step also because he expected to be able to bring down the NUG soon afterwards, using the peace issue for leverage. This way, he could eat his cake and have it - deny Mr. Shamir the premiership without losing credibility. Actually, it seems that Mr. Peres should have gone along with the rotation agreement even if a reasonable opportunity to foil it had presented itself, because no conceivable pretext would have left his personal reputation untarnished. Furthermore, Labour's renegation could unite the fragmented Likud, alienate the religious parties, as well as restore the image of "the old Peres", no matter what the actual reason might be.

The alternative strategy, namely to eliminate the political consequences of rotation soon after its implementation, apparently made

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* Mr. Peres did try to court the religious parties. For one thing, he supported a bill for stricter enforcement of religious kosher laws (June 1985). He also paid a courtesy visit to Rabbi Ovadia Yossef, the spiritual leader of Shas, and made several gestures intended to display his respect for religion.

better political sense. As it turned out, however, this strategy failed dismally. What was needed for such a strategy to work, it seems in retrospect, was possession of both the political and the legal powers of prime ministership. But after rotation, of course, Mr. Peres was only second-in-command in the NUG, and this turned out to make all the difference in the world. What Mr. Peres should perhaps have figured out in advance, but didn't, is that what a prime minister can do without too much difficulty, a deputy prime minister may find to be an impossible task.

The Transfer of Power

It seems then that as much as Mr. Peres had considered the various implications of rotation, he probably did not fully appreciate what it meant for his own political power. Having become so popular all of a sudden, relegation to the number two position after rotation seemed to him a mere "legal technicality", with little political meaning.* This became evident in September-October 1986, when Labour and the Likud negotiated the transfer of the office of the prime minister. This interparty bargaining was supposed to involve a few necessary improvements in the coalition agreement, based on the two years' experience of the NUG. In fact, it provided Labour with an opportunity to extract a certain price for its readiness to abide by the rotation agreement, but Labour failed to take advantage of it.

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*   Mr. Beilin, Mr. Peres's aide, confirms this [interview].

Actually, in these negotiations, Labour failed to achieve any substantive change in the rules of the political game. Most importantly, Labour tried but could not obtain a "mini-rotation", i.e. get back to the office of the prime minister at the end of the 50 months' term of the NUG - even before the next elections. It was agreed that Mr. Shamir would stay on as prime minister for perhaps more than 25 months - until the investiture of a new government after the elections. Labour wanted to have a say in the preparation of the agenda for government meetings, again in vain. Also, the Likud turned down Labour's demand to set up an inner economic cabinet, similar to the defence and foreign affairs cabinet, to be headed by Mr. Peres. Moreover, it was determined that Mr. Shamir would be able to empower ministers to carry out special tasks, possibly circumventing Labour ministers in charge of the overall domain in which these tasks regularly fall. All in all, Labour asked for some major changes in the terms of the coalition agreement, but eventually settled for minor changes, mostly of a personal nature.*

Mr. Shamir explained the Likud's tough stance in the negotiations: "The Likud has kept the coalition agreement from A to Z, although it's well-known that we have had to grit our teeth in so doing. And we did this in the national interest. Now it's time for our coalition partner to take that same test, and we're watching to see whether they pass it. We will not agree to any changes in the rules of the game at this late

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* One of the things Mr. Peres wanted was to protect his appointees, and even make a few new ones. In this, he was only partly successful; for instance, he could not get for his closest aide, Mr. Beilin, an appointment as ambassador to the United States.

stage" [Jerusalem Post, 3.10.86] The Likud's general attitude notwithstanding, it still seems that since it did not want to give Labour the slightest pretext for reneging on rotation, the latter could have obtained more political concessions than it actually did.

Apparently, Mr. Peres did not strongly insist on introducing important changes in government procedures because he thought he could still play some kind of prime ministerial role after rotation. Being forced to realize that he would now have to play second fiddle was for him a humbling experience. By this default, then, Labour failed to protect its positions in the post-rotation NUG. Mr. Shachal, who together with Mr. Peres negotiated the implementation of rotation, admitted that "Peres's uderstanding of the legal-constitutional significance of the change was found wanting. Rotation represented the deterioration of Labour's position in government; we lost dominance and even our status of parity" [interview]. There is no doubt but that from rotation in 1986 to the present, Labour has played a secondary role in Israeli politics.

To sum up, the prime ministerial rotation was a watershed event, resembling general elections in many respects. However, it was not as unexpected as Labour's fall from power in 1977, for instance. Rather, it was scheduled within the ongoing coalition process, yet a critical event all the same. Because of rotation, the 1984 NUG should not really be regarded as one grand coalition, but rather as two proto-coalitions, Labour's and the Likud's, with a management agreement between them [Doron, 1988, p. 89]. The political nature of this management agreement seemed to have a strong impact on the modus operandi of the NUG.

Due to the rotation agreement, the value of the NUG to the two major actors was not the same; nor was it constant over its expected

50-months lifetime. For the Likud, which had to wait 25 months for rotation and then enjoy the prime ministership for another 25 months, the value of the coalition hardly changed during the entire period. For Labour, by contrast, having occupied first the prime minister's office, the value of the NUG depreciated after rotation. This inequality in the coalition's value between Labour and the Likud was a strong incentive for the latter to insist on the agreement which stated that the NUG last for a full parliamentary term, as well as for the former to consider ways and means to avoid rotation, or failing that, to make attempts to bring the NUG down afterwards.

The Days of Shimon Peres

Coming to describe the modus operandi of the 1984-1986 NUG under the prime ministership of Mr. Peres, we shall examine the way major issues on the national agenda were dealt with. All the issues under consideration caused conflicts between Labour and the Likud. The level of interparty controversy determined that some issues be resolved, while others be merely "handled". After all, the NUG was a government based on parity.

The Non-Polarizing Issues

Lebanon

The first major resolution adopted by the NUG was on the Lebanese War, which had begun in June 1982 and was then already going on for more than two years; the Israel Defence Force (IDF) was in occupation of a large part of Lebanese territory south of Beirut, engaged in a war of attrition with various local forces within this territory and on its boundaries. This pressing issue, which provided one of the major raisons d'etre for the existence of a national coalition in the first place, was finally resolved on January 13th, 1985. The government decided on full and complete military withdrawal from Lebanon. Also, in order to safeguard towns and villages in the northern parts of Israel, a "security zone" was set up, controlled by the Israeli-backed South Lebanese Army (SLA). The credit for putting an end to this protracted

conflict should be given to the political acumen of Prime Minister Peres and the military authority maintained by Defence Minister Rabin. These two Labour leaders succeeded where their predecessors, Likud's Mr. Shamir and Mr. Arens, failed.

The decision to disengage from Lebanon was reached in stages, and was indicative of the Prime Minister's modus operandi in a government based on parity. First, Mr. Peres exhausted the diplomatic option through attempts to negotiate a reasonable political and security arrangement with the Syrians and Lebanese [Schiff & Ya'ari, 1984] The failure of this diplomatic initiative served to soften the position of those who objected to military withdrawal. Second, Mr. Peres and Mr. Rabin sought and received the backing of the "professionals" - the defence and military establishment. Third, Mr. Peres made sure that all Labour ministers be united in supporting a withdrawal resolution, including former Chief of Staff Mr. Gur, who had certain reservations. Fourth, the Labour Prime Minister isolated the Likud party by acquiring the support of ministers representing the smaller parties, such as Mr. Burg of the NRP, Mr. Peretz of Shas and Mr. Shapira of Morasha.

By now Mr. Peres had already secured a government majority for a military withdrawal. However, he looked for some support from within the Likud party itself before putting the issue to a formal vote, because a head-on Labour-Likud confrontation on such an important security matter could adversely affect the political legitimacy of the formal resolution. Needless to say, acquiring the votes of some Likud ministers for a decision on a military withdrawal was not an easy task, bearing in mind that 9 out of the 10 Likud ministers in the NUG were members of Mr. Shamir's previous government which proved unable to find a way out of this particular maze, while 8 out of the 10 had served in

Mr. Begin's government that had initiated the war in the first place. Eventually, as a result of much political and public pressure, two Likud ministers, Vice Premier Mr. Levy (Herut) and Mr. Patt (Liberals), joined forces with the majority in a 17 to 8 vote in favour of a military withdrawal from Lebanon.

The wide margin of support for Labour's position was rather impressive, in that the inbuilt equilibrium between the two opposing blocs in government was thrown completely out of kilter. Mr. Rabin noted: "On the question of Lebanon the government was able to take a decision which diverged from the consensus because there was a crossing of lines by several Likud members" [Hattis Rolef, 1985, p. 20]. The resolution was regarded as a political defeat for the Likud, and there was even a demand for reconsideration, mainly by Mr. Sharon. However, Prime Minister Peres made clear that the resolution stands: "This government, like any government, operates by majority decision; a majority decision is binding on all members of government; and we will carry out what's been decided" [Israel TV, 13.2.85]

An important aspect of the Lebanon issue related to the locus of decision-making. The issue was decided in the 25-member government plenum rather than the 10-member Inner Cabinet (which had not yet been activated). The result was that it enjoyed a great deal of legitimacy and deterred extra-parliamentary activity of the "opposition from within" led by Mr. Sharon. In May 1985, upon the completion of the military withdrawal, Labour demanded an official investigation into the conduct of the entire war. The Likud strongly objected, even threatened to dissolve the coalition, and Labour had to back off. Still, the Lebanon issue was for Labour a major political victory which strengthened the leadership of Prime Minister Peres.

The Economic Emergency Plan

More than the war in Lebanon, it was the national economy, then on the verge of total collapse, which provided the real justification for the formation of a unity government. "The most pressing threat facing the Israeli government in the summer of 1984 was the economic crisis. With a 24.3-percent monthly rate of inflation in August 1984, a gap of $3.8 billion in the balance of payments in 1982 and almost $4 billion in 1983, and the 1983 collapse of the bank shares on the stock exchange, which endangered the existence of the whole banking system, the Israeli economy was facing bankruptcy" [Elazar and Sandler, 1990, p. 226].

The situation was so severe that already in the first meeting of the NUG, 16.9.84, a special "Economic Committee" of four (Mr. Peres, Mr. Shamir, Mr. Moda'i and Mr. Ya'acobi) was set up to deal with the economic crisis. Since one of the major problems was huge public spending, the committee was granted special authority to control the budgets of the different ministries. Naturally, the various ministries resisted such interference; particularly, attempts to control the huge defence budget did not make very much of an impact.* Also, the introduction of a few short-term emergency measures was likened by the press to the application of bandages where major operation is called for; it soon became clear that only a comprehensive emergency plan might stabilize the national economy.

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* Finance Minister Mr. Moda'i attacked the defence establishment, calling it "a state within a state" in a government meeting, 13.11.84.

After nine months of preparations, the government approved on June 30th, 1985, a sweeping economic program. As for the decision-making mechanism, Mr. Peres adopted very much the same strategy that served him so well on the Lebanon issue six months earlier. For an emergency plan to have any chance of success, the cooperation of the powerful Histadrut was vital. Such cooperation was not readily forthcoming, since the plan envisaged both a sharp drop in real income and a sharp rise in unemployment. Mr. Peres had to use all the power and prestige he possessed both as Prime Minister and as the leader of the Labour party to obtain the reluctant cooperation of the trade union movement [Mr. Kessar, interview]. Mr. Peres "gave just enough ground to the Histadrut on technicalities to allow some face saving for Kessar [the Histadrut's Secretary-General], but he withstood the pressure" [Lewis, 1987, p. 591].

Once the cooperation of the trade unions was secured, it did not take much effort to get the support of Labour's team in the government, including the "social affairs" ministers, Mr. Navon and Mr. Gur. Mr. Rabin, who decided to abstain in the vote on the economic plan, was the only odd man out in a united Labour front. He was not happy with the cuts proposed in the defence budget, and also used the opportunity to distant himself from his party rival, Mr. Peres. The leaders of the smaller parties were easily convinced to back the economic plan, so that the question was again the attitude of the Likud ministers. Here, Mr. Moda'i - the Finance Minister - proved himself an effective ally. Not only was he a co-author of the emergency plan; as a Liberal Party leader he actually handled the pressures from the private sector which opposed this massive government intervention in the economy.

Among the Likud's ministers, Mr. Shamir and Mr. Corfu seemed to have learned the lesson from the vote on Lebanon and this time sided with the government majority. The main opposition to the economic plan came, however, from the three would-be contenders for the Likud's leadership: Mr. Levy, Mr. Arens and Mr. Sharon. Most vocal in his opposition was Mr. Levy, whose roots were in the poor Sephardic community. He was quite reluctant to impose the further hardships involved in the economic plan on the weaker segments of the public. The split within the Likud's ranks was the reason why the government was able to adopt yet another major decision with a wide margin of 15 to 7. Labour's Prime Minister Mr. Peres could claim for himself two major political victories within six months.

The Taba Dispute

Six months after the introduction of the economic emergency measures - which, incidentally, proved highly effective - yet another major issue was brought to government decision, the so-called Taba dispute. Taba is a small beach area at the Israeli-Egyptian border, near Eilat - all of it 250 acres or so - which remained disputed territory following the signing of the peace treaty between the two nations in 1979, due to imprecise border marking in the early 1900's. From a minor problem it had developed into the major stumbling block on the way of improved Israeli-Egyptian relations. Until early 1985, Prime Minister Peres referred to the Taba dispute as a minor annoyance, nothing more: "The Taba issue was not the be-all and end-all of relations between Israel and Egypt" [Israel TV, 13.2.85] It soon turned out, however, that Egypt regarded the Taba dispute as a symbol of "Israeli intransigence". The

process of normalization with the only Arab nation to sign a peace treaty with Israel came to a screeching halt, and the government was forced to deal with the issue more seriously.

In May 1985, Labour and the Likud (which held different views on how to handle this issue, as on everything else) agreed on a procedure to formulate government policy: the Inner Cabinet will decide between "arbitration" and "conciliation". Whereas Labour's position was immediately to refer the dispute to an international court for arbitration, the Likud suggested to exhaust measures of conciliation before using the venue of an international judicial body. For months, Mr. Peres was unable to bring up the issue for resolution, since he did not have a majority in the 5:5 Inner Cabinet.

By November 1985, anxious to restore momentum to the relations with Egypt, Mr. Peres said: "Mr. Mubarak insists on arbitration and that's it. There are two opinions before our cabinet: one opinion is... let's go to arbitration, and this view... takes into account that we have a real case here, and that it cannot be taken for granted that Taba belongs to Egypt. Others insist on conciliation first and on arbitration afterwards... there is a disagreement which has yet to be resolved either way because of the deadlock in the Inner Cabinet." Asked if he insisted on arbitration even at the cost of dissolution of the NUG, he replied: "you want me to put the cost before the decision and I want to do the reverse" [Israel TV, 28.11.85]

In January 1986 Mr. Peres became less circumspect in handling the issue, threatening that if the Likud would force a 5:5 tie in the Inner Cabinet, he would raise the issue at the government plenum, where he enjoyed a majority, or simply "go to the president" (i.e., submit his

resignation).* "Peres adopted a strategy of decision-making through crisis management. Understanding that patience alone would not suffice to move a compound-structured government with diversified interests, he eventually brought his cabinet to the verge of collapse, thus forcing them to swallow bitter medicine. He exploited the art of brinkmanship in dealing with the Taba issue" [Elazar and Sandler, 1990, p. 224].

This kind of ultimatum was of course in violation of the coalition agreement. The Likud was certainly entitled to hold on to its position in the Inner Cabinet, and Mr. Peres was not supposed to refer the issue to the government plenum without its consent. Yet an ultimatum, if taken seriously, speaks louder than a coalition agreement, and the Likud found itself between the devil and the deep blue sea - complete surrender or no government, no rotation. On January 13, 1986, when Mr. Peres agreed to provide the Likud with a face-saving formula, the latter accepted his terms on Taba.** Unlike its conduct on the Lebanon and the economy issues, this time the Likud did not split - it collectively capitulated to Mr. Peres's ultimatum. Rotation, now less than a year away, was too important to be risked over the Taba issue.***

After only sixteen months in office, Mr. Peres has achieved his third major political victory in a government based on parity. As for

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* The threat was made in Labour's ministers caucus, 8.1.86.

** Mr. Peres promised the Likud that he would demand that Egypt cease and desist from supporting terror, stop anti-Israeli propaganda and accelerate the pace of "normalization".

*** Mr. Achimeir, personal aide to Mr. Shamir, admitted as much [interview].

the issue at hand, Mr. Peres's "arbitration" position proved a loser, since the international tribunal ruled against Israel on the Taba Dispute. Labour and the Likud blamed each other for the loss. "Labour implied that it was Likud's insistence on gaining everything that resulted in losing everything. Likud accusingly implied that in the future a Labour-backed international conference would result, as in the international arbitration of Taba, in Israel having to withdraw to the pre-1967 borders" [Elazar and Sandler, 1990, p. 237].

The Shin-Bet Affair

The Shin-Bet affair amounted to a political cover-up of an incident in which members of the Israeli General Security Services (generally known as the Shin-Bet) executed two captured Arab terrorists who had hijacked an Israeli bus near Ashqelon in April 1984. Mr. Shamir was then Prime Minister of a narrow-based Likud government. Some details had started to emerge in public almost immediately, but it was not until early 1986 that public indignation turned into a strong demand for full investigation.* The affair was highly sensitive because Mr. Shamir should have known about it all along, having been directly responsible for the Shin-Bet, and apparently did. Mr. Peres, when he became Prime Minister, might have also been informed about the incident.

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*   The whole affair was one more blow to the already tarnished
      prestige of the hitherto near-legendary secret service, which also
      failed to uncover the publicity intentions of the notorious
      Mordechai Vaanunu, who sold to foreign newspapers the purported
      secrets of the Dimona nuclear reactor. Later on, in May 1987,
      Chief Justice Meir Shamgar sharply criticized the Shin-Bet over
      yet another affair.

Investigating any high-level political coverup of a security "affair" is no simple undertaking anywhere, much more so in Israel. Still, there were many politicians - mainly on Labour's side - who demanded a judicial Commission of Inquiry to conduct an open investigation of the affair, as befits a democratic society. Others, mainly on the Likud side, suggested that in the name of national security the matter should be investigated by a police team, so as not to expose the operational methods of the Shin-Bet. On 25.6.86, President Herzog pardoned the Shin-Bet men involved, following a recommendation by the Inner Cabinet delivered to him through the Minister of Justice. Now there was no call, of course, to investigate the incident itself. The decision on how to investigate the involvement of politicians in the apparent cover-up was left to the government, namely for those politicians themselves.

On 13.7.86, the government plenum voted 14 to 11 in favour of appointing a special police team to investigate the politicians' involvement in the Shin-Bet affair. The parties which supported the resolution were: Likud - 10; Shas - 1; Morasha - 1; the NRP - 1; Ometz - 1. Not only was the Likud bloc united this time, it also acquired the vote of the "neutral" NRP minister and more surprising still, the vote of Ometz, a member of Labour's bloc.* For Mr. Shamir, the NUG decision was a crucial political victory: had a judicial Commission been formed to investigate the Shin-Bet affair, his very political career might

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*   The Likud simply bought the vote of Ometz's Mr. Hurwitz (for
     details, see below). There was also a problem with Shas's Mr.
     Peretz, who called publicly for a judicial investigation, and had
     to be reminded to which political bloc he belonged.

have been jeopardized.* With rotation date only few months away, he was therefore determined to prevent this eventuality. His party rivals, Mr. Sharon and Mr. Moda'i, backed him all the way because they did not want Mr. Levy to replace him. Mr. Levy himself, who was eager to get to the top position, could not be seen, of course, voting against Mr. Shamir in time of trouble.

The vote on the Shin-Bet affair was the first and only time that Prime Minister Peres found himself on the losing side of a major government decision.** Actually, Mr. Peres was not really that eager not to lose; at any rate, he did not do everything he could in order to win the vote. Had he wanted badly to score a political victory on the Shin-Bet affair, he could most probably have achieved it. After all, he controlled the government's agenda, and therefore could have delayed a decision or avoided one altogether. It seems that Mr. Peres did not really want a public judicial commission because he feared it might accuse him of negligence in handling the affair. Moreover, Mr. Peres probably wanted Mr. Shamir rather than Mr. Levy to replace him as prime minister, come rotation time.*** Labour's loss in the vote on the Shin-

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* For Mr. Shamir, the affair was "an unfortunate incident". He accused his rivals of conducting a political vendetta, claiming they wanted to do to him what they had done to Mr. Sharon over the Lebanon issue. In December 1986, the Attorney General "cleared" the political level of any wrongdoing in this affair.

** Mr. Peres did lose a few minor votes, e.g. a 12:13 vote on a tax issue (22.9.85). He then accused the Likud of partisan attitude.

*** Disqualification from public office by an official, judicial Commission of Inquiry, would certainly have constituted the kind of force majeure required to apply the rotation agreement on a Likud nominee other than Mr. Shamir. In any event, Labour "preferred" Mr. Shamir over Mr. Levy, since the latter was a popular Sephardic leader, and thus a tougher competitor.

Bet affair was an indication that the party was in for tough time in the NUG, once Mr. Shamir becomes prime minister in October 1986. From then on, Labour would have to exploit the mutual veto arrangements in the 5:5 Inner Cabinet in order to block the Likud.

The Polarizing Issues

On the political solution of the Arab-Israeli conflict and the Palestinian problem, the positions of Labour and the Likud were extremely polarized. These matters tended to impair the government decision making process and even threatened its very existence.

The Settlement Issue

As a matter of fact, not all the issues relating to the Arab-Israeli conflict involved sharp Labour-Likud controversies within the framework of the NUG. The continued establishment of Jewish settlements in Judea and Samaria (as the territories occupied by Israel in the 1967 war are officially known by decree of the previous Likud government) was quite adequately covered by the NUG formula. It was one of those potentially explosive issues anticipated in the coalition agreement, which stipulated that five to six settlements would be established during the NUG's first year in office, in addition to the continued "development" of existing settlements. Also, the NUG was to implement all of the previous Likud government's last-minute pre-election decisions on new settlements. In total, the agreement called for the establishment of 27 settlements within the NUG's four-year term.

In reality, during Labour's hold of the prime ministership, 1984-1986, only three or four new settlements were actually set up. The Likud did not raise the roof over this apparent failure, and even the settlers movement, Gush Emunim, lay low. Labour and the Likud seemed to have reached a workable solution: a declarative decision by the NUG to carry on with a policy of settlements was enough to satisfy the Likud; and Labour, which apparently gave up on a principle, acted effectively to limit settlement activity. "The Likud insisted on the principle of continued settlement in the occupied territories, while Labour sought arrangements that would confine its implementation to a few new settlements" [Horowitz, 1990, p. 228].

The Peace Process

The modus vivendi between Labour and the Likud with regard to the settlement policy could not apply to the peace process and the territorial issue as a whole. On the final political resolution of the Arab-Israeli conflict and the way to reach it, Labour and the Likud were diametrically opposed. It was clear that the peace process was the dark horse among the issues potentially capable of blowing up the NUG. To avoid such a possibility, both parties agreed to call for new elections if and when crucial decisions will have to be made.

Despite the delicate interparty balance in the NUG, Prime Minister Peres was determined to push ahead with the peace process in any way he saw fit. In February 1985, when the NUG was but a few months old, Mr. Peres already acted as if he had an open mandate to deal with the peace issue, stressing that "the NUG has agreed: (1) to invite [King] Hussein to Middle East peace talks; and (2) that the Jordanian Monarch may

raise whatever issue he wished and the Israeli side would discuss them seriously" [Israel TV, 13.2.85]. What Mr. Peres was trying to do was send a clear message to the world, particularly to the Arabs, that he himself, not the Likud's Foreign Affairs Minister Shamir, was in charge of Israel's diplomatic efforts.

In April 1985, Mr. Peres effectively demonstrated his ability as Prime Minister to run the diplomatic and political show, by forcing the NUG to reconsider its previous, Likud-supported decision not to approve a visit to Egypt by Labour's Minister without Portfolio Mr. Weizmann.* This angered the Likud to such an extent that it demanded to bring the issue before the 5:5 inner cabinet, which was thus activated for the first time. This political move, which strengthened the Likud's veto powers, served as a remainder to Mr. Peres that the NUG was a government based on parity, not a Labour government.

In May 1985, when the NUG discussed the release of Arab terrorists in exchange for Israeli POWs, Mr. Peres again angered the Likud, notably Mr. Shamir and Mr. Sharon, by refusing even to consider the settlers lobby's request simultaneously to grant pardon to members of "the Jewish underground" serving time for acts of terror against Palestinian leaders.** Mr. Peres said that the government would not discuss the issue "so that ministers will not be judges and judges will not engage in politics and neither will replace the President... [The

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* In the second vote, the NRP and Ometz changed their positions and voted with Mr. Peres. Since Mr. Shamir mainly objected to the official nature of Mr. Weizmann's trip to Egypt, the pill was sweetened by making it a private visit.

** Eventually, Israel released 1,300 terrorists in exchange of 3 POWs held by the Jibril organization.

authority to grant] pardon is in the hands of the President, with the endorsement of the Minister of Justice... and so it shall remain" [Israel TV, 6.6.85]. In other words, Mr. Peres accused the Likud of disregard for both the supremacy of the law and division of powers between the branches of government.

For the Likud, however, the most problematic aspect of the pardon issue was neither the legal consideration nor the actual release of the prisoners. Rather, it feared that Mr. Peres's attitude indicated a "soft", generally moderate posture towards the Palestinian issue. The Likud suspected that Mr. Peres might want to conduct an independent policy on this most sensitive issue. Mr. Shamir felt obliged therefore to clarify his party's position on the Palestinian issue: "The NUG agreed on the following three points: No negotiations with the PLO, we shall not accept any Palestinian state or entity in Eretz-Israel, Israel remains committed to the Camp David Accords" [GPO, interview, 27.6.85].

The Likud's position notwithstanding, Mr. Peres had no intention to give up his role as prime mover of Israel's foreign policy, with or without the Likud's consent. In October 1985, Mr. Peres visited the United States and said, both in an address to the United Nations General Assembly and in a meeting with President Reagan, things that were unacceptable to the Likud. Mr. Shamir's reaction was rather sharp: "This is a critical period. The moment Government begins to discuss matters relating to the political solution, to relations between ourselves and our neighbors, to the future of Eretz-Israel, everything becomes sensitive, very intense, and naturally various possibilities are to be expected... including elections. One of the bases of the Likud-Labour agreement to establish the NUG was that as regards this

issue on which we are divided... relations with the Arab states... no step is to be undertaken without the agreement of both the Likud and Labour. That is the basis. Perhaps it binds their [Labour's] hands... but all of us must abide by the agreement" [Israel TV, 31.10.85].

Prime Minister Peres possessed such a political savvy that even a tie in the Inner Cabinet was not enough to bind his hands. To this end he used the parliamentary device of the "Prime Minister's address" to justify his pursuit of peace as he saw fit. Specifically, the Knesset's perfunctory endorsement of Mr. Peres's address in October 1985, which included the controversial phrase "international auspices", was trotted out by him as all the sanction he required for his foreign policy efforts. It was, needless to say, a rather novel definition of "parliamentary democracy", a new twist to the principle according to which "the assembly itself does not decide; it only mirrors the decisions made by the electorate on the one hand, and by the party (or coalition) in power on the other" [Smith, 1972, p. 136].

Naturally, Mr. Shamir was furious, and when asked whether he too thought that the Knesset endorsed the idea of an "international forum" for talks with Jordan, he responded that it was up to the Inner Cabinet to decide: "All political and security matters must be brought before the Inner Cabinet... otherwise it will be a serious violation of the agreement, and a democratic state is run according to agreements...a decision must be made, a vote must be taken, and the vote will be the deciding factor" [Israel Radio, 11.11.85]. Mr. Peres's attempt to use a parliamentary devise to promote government policy, found no grace with Labour's Mr. Shlomo Hillel, the Speaker of the Knesset: "When the Knesset endorses, or actually takes note of, the Prime Minister's address, it does not mean that it approves of all its details; while

debating the various aspects of the speech, many members of the coalition [also] criticise them. But they nevertheless endorse the speech as a whole, showing support for the coalition against the opposition" [interview].

Mr. Peres manoeuvered the Likud not only through parliamentary tricks, but on substantive issues as well. In fact, the Prime Minister conducted many of his political moves on the peace process in secret also because he knew they were unacceptable to the Likud. The Likud ministers openly accused Mr. Peres of initiating diplomatic moves which Foreign Minister Shamir was not aware of. Mr. Shamir himself was reluctant to admit that he was not consulted by Mr. Peres: "According to the agreement, I have to be informed on every political move, whether open or secret. I receive reports. You needn't think that just because I am informed, I also agree with every move" [Israel TV, 31.10.85]. Mr. Shamir insisted on a government decision on how to proceed with the peace process: "It is inconceivable that one person, even if he is the greatest of geniuses, should determine, decide, and implement without consulting with anyone, without some state organ deciding on the issue. We demand that all political moves be brought before the Inner Cabinet as agreed" [Israel Radio, 11.11.85].

Mr. Peres ignored the Likud's complaints and kept on visiting world capitals and meeting with Arab leaders. He dubbed 1986 "the year of negotiations". Following on Mr. Peres's secret visits, this time to Morocco, Likud's Vice Prime Minister Mr. Levy remarked: "It's an ironic joke that members of the Inner Cabinet and other ministers have to hear via Reuters from Morocco about the Prime Minister's arrival. I do not intend to deny or even to object to the Prime Minister's right, authority and prerogative to take in the political arena a number of

initiatives that sometimes are secretive. But here it is a matter of an open, publicized visit" [Israel Radio, 24.7.86]. Foreign Affairs Minister Shamir expressed a similar opinion of Mr. Peres's visits: "The fact that he appears alone at meetings of this kind does not exempt him from his commitment to the plan which binds the entire government" [Israel Radio, 28.7.86].

The Likud was very unhappy with Mr. Peres's questionable parliamentary maneouvering as well as with his secret diplomatic moves, but it was most worried about the contents of the Prime Minister's peace policy. The Likud blamed Mr. Peres for putting forward proposals which had little in common with the basic guidelines of the NUG. For instance, Mr. Peres's proposal to open the negotiations with the Arabs and the Palestinians under the auspices of an international conference was never approved by government. Mr. Peres even rejected the Likud's long-standing "autonomy plan" for the Palestinians, and talked about a "unilateral autonomy" as a better way to deal with the issue.* Mr. Shamir responded with a strong attack on Mr. Peres, asking the Prime Minister (rhetorically, though): "Who authorized you to talk in this way?" [Herut meeting, 16.12.85]

During his last months in office, Mr. Peres continued with his efforts to keep alive the idea of an international conference, promoting it in "farewell visits" to Washington, Cairo and European capitals. Due to the Likud's unswerving objections at the time,

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* A "unilateral autonomy" was a plan calling to let the Palestinians control their own affairs in the territories without a direct Israeli involvement, but with security safeguards.

however, he has had to wait until 1991 in order to see it come to fruition - with him on the sidelines.

To sum up, Prime Minister Peres spent a great deal of energy in his efforts to push the peace process forward, but at the end of the day he could do very little. The NUG was deadlocked on most issues relating to the Middle East conflict. The uncertainty about rotation was not strong enough, as a political lever, to breach this deadlock. The threat not to implement rotation might have played a role in splitting the Likud's vote on withdrawal from Lebanon or on the economy, or in twisting the Likud's arm on the Taba dispute. Yet it could not overcome the stalemate over the Palestinian, territorial or settlements issues.

The Personal Issues

The 1984-86 NUG was repeatedly troubled by clashes between Labour's Prime Minister Peres and various Likud ministers, especially Mr. Sharon, Mr. Moda'i and Mr. Levy, all viewed by Mr. Peres as relating to the NUG as if it was "his" government, not theirs. On two occasions, these conflicts developed into major political crises which almost brought down the NUG.

The Likud's Mr. Sharon, who was instrumental in the formation of the national coalition, soon became a major threat to its very existence, continuously challenging the Prime Minister's authority and

the policy positions of the Labour party.* A particularly serious crisis began on 11.11.85, when Mr. Sharon accused Mr. Peres of reaching a secret agreement with King Hussein of Jordan concerning an international peace conference - far removed from the policy guidelines hammered out for the NUG. Mr. Sharon charged that Mr. Peres's policy of "appeasement" will also jeopardise the peace with Egypt, and that the "cynical attitudes" of the Labour party "cost us blood".

Following that incident, Mr. Peres told Mr. Shamir that Mr. Sharon's statements sharply violated the principle of collective responsibility, and declared his intention to dismiss him from the government (it should be recalled that the coalition agreement explicitly denied the Prime Minister his lawful right to dismiss ministers representing the other bloc).** Mr. Shamir's response was a threat to dissolve the NUG: "What is at stake here is the internal relationship within the government... we are talking about abiding by the coalition agreement" [Israel Radio, 14.11.85]. Mr. Peretz, Shas's Interior Minister, offered his good services as mediator between Mr. Sharon and Mr. Peres, and eventually the Prime Minister agreed to accept a letter of apology from Mr. Sharon; one crisis was over.

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* When the NUG was but one month old, Mr. Sharon had already suggested that Mr. Peres was financially assisting the Arab sector (in Israel proper), while denying resources from Jewish settlements in Judea and Samaria (NUG, 14.10.84). Several months later he called both Mr. Peres and Mr. Rabin "liars and hypocrites" (meeting with Herut activists, 21.8.85). Mr. Peres immediately consulted with Mr. Shamir, on 23.8.85, and crisis was averted for a while.

** Seven Labour ministers demanded in a caucus meeting (12.11.85) that Mr. Sharon be dismissed - a move which, it was believed, would lead to early elections.

The Prime Minister had no choice but to react strongly to Mr. Sharon's remarks, not only because of the personal insult involved, but also because he had to assert his position as chief spokesman for the NUG. By creating this crisis, Mr. Peres sent a signal to King Hussein and others, letting them know that he rather than the right-wing Mr. Sharon controlled government policy. Still, Mr. Peres stopped short of actually dismissing Mr. Sharon, explaining that "I only warned Mr. Sharon and did not fire him because we were implementing the emergency economic measures" [Haaretz, 3.10.86]. Yet another important reason for Mr. Peres not to dismiss Mr. Sharon was his fear of bringing down the NUG and probably losing cherished credibility in the process, or rather proving the lack of it.

On 7.9.86, yet another Peres-Sharon crisis erupted when Mr. Sharon said that the terrorist attack on a synagogue in Istanbul, Turkey, was an inevitable outcome of Mr. Peres's misguided foreign policy of "begging for peace".* The Prime Minister demanded another letter of apology, which was immediately forthcoming (it seems that Mr. Sharon was well aware of the Arab saying, "There's no custom duty on words"). Mr. Sharon knew well that Mr. Shamir was anxious to assume the prime ministership a few weeks hence, which made it the wrong time to exacerbate relations within the Likud's leadership. After all, many of Mr. Sharon's provocative statements were aimed not exclusively towards

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* Mr. Sharon's apparently suicidal behaviour in the NUG seems to have had a logic of its own. By risking dismissal, he was building up a reputation for toughness that somewhat deterred the NUG in general, and the Likud's ministers in particular, from adopting too moderate policy positions. [On "motivated irrationality" see for instance Tsebelis, 1990, p. 156].

Mr. Peres and the Labour party; he was also jockeying for position within the Likud, and he stood to lose a great deal by sabotaging rotation right now.* As it was, Mr. Sharon was able to fortify his personal position in the Likud. In February 1990, however, following a factional fight with Mr. Shamir, Mr. Sharon decided to resign from the government. His resignation accelerated the downfall of the next NUG in March 1990, as described in Chapter 8.

In 1986, relationships began to deteriorate between Prime Minister Peres and another Likud minister, Finance Minister Moda'i. Indeed, in the early days of the NUG, there were good and effective working relations between Mr. Peres and Mr. Moda'i, joint authors of the initially successful economic recovery programme of July 1985. Following the success of the first, stabilisation stage, both Mr. Peres and Mr. Moda'i inevitably claimed credit for the programme, which inevitably led to political friction between them. On February 1986, when the national economy was supposed to move on to the next stage, economic growth, Mr. Peres put forward a number of new proposals without consulting first his Finance Minister, "who was not relevant for this stage".** A furious Mr. Moda'i then let it be known that he was the Minister in charge of the national economy, not a mere clerk at

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* Mr. Sharon said that he personally negotiated the crises with Mr. Peres, and that was why a compromise was found. If it was up to Mr. Shamir, he might have found himself outside the NUG [interview].

** Mr. Peres in caucus, 5.2.86. To achieve economic growth, Mr. Peres suggested, for one thing, to allocate "10 percent of the savings - 400 million dollars - to investment" [Israel TV, 15.2.86].

the back and call of the Prime Minister. Now the clash started gathering a real momentum.

On 4.4.86, in two different newspaper interviews, Mr. Moda'i sharply attacked the Labour party and Prime Minister Peres. He charged that the Likud accepted the major economic portfolios in the NUG because Labour simply did not have any viable plan to deal with the alarming state of the national economy. As for Mr. Peres himself, "he knows nothing about economics" [Haaretz, 4.4.86], and "from now until rotation he is going to be a roving prime minister" [Hadashot, 4.4.86]. These insults provided Mr. Peres with a golden opportunity to remove Mr. Moda'i from office. On 9.9.86, in a speech at the Labour party conference, Mr. Peres made public his intention to dismiss Mr. Moda'i. The Likud immediately charged that Mr. Peres has no authority to do so, under the coalition agreement - which was true enough, of course.

Mr. Peres responded that "it's true, this was the original agreement. [But] later on, after some trials and tribulations, we added another clause; a minister's speaking out against government decisions, in violation of the coalition agreement, insulting another minister, insulting the Prime Minister, will lead to the breaking up of the government. The Likud has had an opportunity to challenge this clause, [yet] no one challenged it... and it became a part of the agreement. The time to challenge this clause was when it was made... If I do not carry on with this [i.e., dismiss Mr. Moda'i] now, my word becomes worthless. The previous incident [Mr. Sharon's crisis] was resolved because it was the first one, and there had been no rules beforehand. The current crisis follows a clear precedent" [Israel TV, 9.4.86].

As a matter of fact, prior to April 1986 there had been scores of incidents which could have been interpreted as violations of collective

responsibility. The encounter between Mr. Peres and Mr. Moda'i developed into a crisis simply because the Prime Minister had wanted it to become one. "This may have been Peres's political rationale for securing the removal of Likud Finance Minister Mr. Moda'i, thus denying continuity to the minister who could claim a measure of the credit for economic stabilization" [Elazar and Sandler, 1990, p. 232].

At the beginning of the Moda'i crisis, Mr. Shamir said: "Labour broke the agreement. No reason for Mr. Moda'i to resign. The Likud will not participate in the NUG. Mr. Peres will have to go to the President and offer his resignation" [Israel Radio, 9.4.86]. A few days later, however, a compromise was reached whereby Mr. Moda'i, the Finance Minister, and Mr. Nissim, the Minister of Justice, changed portfolios. Mr. Shamir hastened to explain that "the Likud's duty, out of a sense of national responsibility, was to see to it that the NUG would continue to exist [even if it meant] to rearrange the government or to exchange ministries" [Israel Radio, 14.4.85].

A few months after being "relegated" to the Ministry of Justice, Mr. Moda'i had yet another clash with the Prime Minister. On 19.7.86, Mr. Moda'i said that he saw no reason to consult Mr. Peres on the appointment of a new Attorney General because he did know as much about law as on economics. Mr. Moda'i added that Mr. Shamir was going to be a better prime minister than Mr. Peres, and he will know how to "settle the accounts with Labour" [Israel Radio, 20.7.86]. This was the end of Mr. Moda'i's membership in the Peres government.* On 21.7.86, Mr.

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* At the time, there was some talk about a possible Labour-Liberal alliance in the next Knesset. The Peres-Moda'i conflict effectively eliminated this eventuality.

Moda'i volunteered his resignation, much to the relief of Mr. Peres and more so to Mr. Shamir, who was then anxiously awaiting for rotation to take place in October 1986.

Mr. Moda'i was bitterly disappointed with the Likud, which had not backed him up in his confrontation with Mr. Peres and allowed him to be victimised [interview]. Apparently, when the Likud had to choose between Mr. Moda'i and the survival of the NUG, it chose to carry on with the government formula. Mr. Moda'i, unlike Mr. Sharon, was simply not sufficiently powerful within his party. The Likud would not risk the rotation just to save Mr. Moda'i's political career. As it happened, Mr. Moda'i was back in government after rotation, but he has never regained the political status he had had as Finance Minister.

Another Likud minister who has repeatedly crossed swords with Prime Minister Peres was Housing Minister Mr. David Levy. Ever mindful of his "natural" constituency, lower-class Sephardi groups, Mr. Levy constantly challenged the NUG's economic plan, which involved both price hikes and a freeze on salaries.* In April 1985, for example, Mr. Levy attacked subsidy cuts which raised prices just before the Passover holiday. In the bickering that ensued, Mr. Levy used the by now usual threat - breakup of the NUG. Unlike Mr. Moda'i, and more like Mr. Sharon, Mr. Levy did have enough clout within his party to make his threat look real, and Mr. Peres had to back off.

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* Already on 2.10.84, well before the NUG devised its economic emergency plan, Mr. Levy had attacked the government's economic policy and resigned from its negotiating team with the trade unions.

All in all, the conflicts between the Labour Prime Minister and the Likud ministers were about "who runs the NUG". Essentially, Mr. Peres was successful in asserting his authority in all areas of activity. However, he could not dismiss such Likud ministers as challenged him from fortified positions within their party (Mr. Sharon and Mr. Levy), because he did not really have an option to form a Labour government with the small pivotal parties.

Intraparty Politics

The prime ministerial rotation agreement provides a useful perspective for the analysis of the interaction between intraparty and interparty politics in both Labour and the Likud, as it affected the maintenance of the 1984-86 NUG. Essentially, the order of the rotation between Labour and the Likud can explain the differential intensity of intraparty politics, while the fact of Mr. Peres and Mr. Shamir being personally named in the agreement accounts for the impact of intraparty politics on the performance of the NUG.

Intraparty politics was related to the sequence of the rotation in that holding the office of Prime Minister tended to squelch factionalism. Thus, in the pre-rotation period (1984-86) the Labour party was basically faction-free, whereas the Likud suffered from strong factionalism. The 1984-86 NUG seemed rather stable, and intraparty politics have not seriously affected its modus operandi, because both Mr. Peres and Mr. Shamir have had a personal stake in its continued existence.

This is rather striking nevertheless, because Labour at least has had good cause to launch an intraparty revolution, in view of the shockingly disappointing 1984 election results. The rotation agreement, however, made Mr. Peres the first Prime Minister of the NUG, and furthermore he seemed to be doing rather well in this job, so that few in Labour sought to argue with success. Moreover, the Prime Minister's main rival, Mr. Rabin, was busy in the Defence Ministry (as Mr. Peres knew in advance he would be), while the threat from the popular but ineffectual Mr. Navon was easily neutralized. The result was that in the pre-rotation period, 1984-86, the Labour party behaved as a unitary actor in the politics of the NUG. The record shows that all Labour's ministers voted in unison on all the major issues submitted for government resolution.*

Unlike the Labour party, the Likud suffered from intense factionalism during the very same period, 1984-86, mainly because both Mr. Sharon and Mr. Levy only grudgingly accepted the seniority of the party leader, Mr. Shamir.** The two contenders for party leadership were particularly angered by the personal naming of Mr. Shamir in the rotation agreement, which practically secured his position as the chairman of the Likud, and neatly ruled out any prospect of intraparty

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* Disciplined voting should be expected of a social-democratic party, especially as its ministers met regularly prior to government sessions. The one exception was Mr. Rabin's abstention on the emergency economic plan, for proposed cuts in the defence budget.

** As noted earlier, both Mr. Levy and Mr. Sharon had previously attempted to replace Mr. Shamir, in September 1983 and in April 1984, respectively. Factionalism was also intensified, needless to say, because of the elections defeat which had forced the party to share power with Labour.

revolution against him. Nevertheless, the two challengers resolved to coordinate their opposition to the leader, and in Herut's Conference in March 1986 they apparently succeeded in pushing Mr. Shamir into a minority position in the party he purported to lead.*

It was a curious situation, then, with the internal opposition having a majority but unable to translate it into a real political victory, which certainly wrought havoc within the party - much more so because the opposition could not unite behind a single candidate to replace Mr. Shamir, even if it were possible. Officially, then, Mr. Shamir remained the party leader, mostly by default. As rotation drew nearer, however, it did indeed have a moderating influence on this infighting, since the internal opposition could not afford to bear the blame for foiling it. Even when Mr. Shamir found himself in serious political trouble over the Shin-Bet affair, in June 1986, the intraparty opposition never tried to block his way to the Prime Minister's office in October.**

The peace issue seemed to have been the most effective ideological weapon in Likud's intraparty politics. Mr. Shamir, as party leader, had

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*   It was a stormy conference, marked by name calling and microphone
     grabbing, which nearly came to blows and finally failed to
     conclude properly.

**   Mr. Sharon actually supported Mr. Shamir over the Shin-Bet affair.
     Since he could not replace Mr. Shamir, he had to back him up so
     long as he could not see himself emerge victorious from the
     succession battle in the Likud. Having already aligned himself
     with Mr. Shamir against a challenge from Mr. Levy in September
     1983, and then come back in April 1984 with a challenge of his own
     (which had failed), in March 1990, following the collapse of the
     NUG, Mr. Sharon again blocked a coup against Mr. Shamir by Mr.
     Arens and Mr. Levy.

to adhere to the NUG status formula on this subject, and occasionally even make a few concessions to Prime Minister Peres. This, of course, gave the internal opposition an opportunity to blame Mr. Shamir (as well as the Labour party) for being "too soft" on the peace issue, albeit rather strange for Mr. Sharon and Mr. Levy to accuse Mr. Shamir of "softness" on the peace issue: they had supported the Camp David Peace Accords in 1979, while Shamir had opposed them.

Due to all this intraparty politicking, the Likud failed to behave as a unitary actor in the pre-rotation NUG. The party was half in and half out of government, and its ministers did not vote in unison on major issues. In actuality, government during this period was the Labour party and Mr. Shamir's faction in the Likud, while the Sharon-Levy alliance was the opposition. However, this situation did not matter much as far as the NUG's _modus operandi_ was concerned. It was Mr. Shamir's behaviour, dominated by the tantalising rotation agreement, that enabled the 1984-86 NUG successfully to deal with the major issues.

Small Parties' Delinquency

Compared with the stormy confrontations between the Likud and Labour, and within the Likud itself, the activities of the small parties in the 1984-86 NUG can only be regarded as a sideshow. Still, several incidents involving the minor parties are worth discussing because they influenced the _modus operandi_ of the NUG as a whole.

When Mr. Hurwitz of Ometz took sides with the Likud bloc on the Shin-Bet affair, it was rather surprising. To begin with, Mr. Hurwitz

had joined government as a member of the Labour bloc, and it was expected of him not to cross the lines on such an important issue. Moreover, Mr. Hurwitz has had a consistent record of supporting public investigations of political and security affairs.* What made him change his mind and support what amounted to a coverup of the Shin-Bet affair? At the time, Mr. Hurwitz claimed that he had sided with the Likud because he thought the interest of national security was at stake. Years later, however, it was revealed that Mr. Hurwitz support for the Likud on the Shin-Bet issue had been bought with a promise to secure his political future - well, perhaps one may call it a security interest, after all.**

On 28.6.86, Mr. Hurwitz signed a secret agreement with the Likud whereby he undertook to support Mr. Shamir on the Shin-Bet issue in exchange for two "safe" seats on the Likud's list for the next general elections.*** Naturally, the agreement had to be kept secret because Mr. Peres was perfectly entitled to dismiss Mr. Hurwitz, officially still a member of Labour's. After all, it is one thing to cross the floor on a specific issue, quite another thing to sign a defection agreement with the "enemy". To avoid suspicion, Hurwitz has kept

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* Back in the 1960's, he even risked his political career by supporting Mr. Ben-Gurion in the latter's demand for a public investigation of the Lavon affair.

** The "scoop" had been first exposed in <u>Hadashot</u> in September 1988. Subsequently, it was confirmed by several Likud leaders [interviews].

*** In Israel's P.R. electoral system, a "safe" seat means a placement on a party's list of candidates which falls well within that party's expected gain in the forthcoming elections. Thus, for both Labour and the Likud at the time, the first 30 placements were regarded "safe"; lower than that, uncertainty rapidly increased.

attending Labour caucuses until April-May 1987, at which time he was finally able to explain siding with Likud for ideological reasons, relating to the peace issue. Mr. Hurwitz's defection exposed a down-and-dirty aspect of Israeli coalition politics.* It also set up a precedent, in that never before had a minister defected from one political bloc to another. In the context of an NUG based on parity between two opposing political blocs, such a move was particularly disturbing. As of June 1986, the formal parity in the NUG did not really exist, even though Labour did not know it.

If Labour's proto-coalition suffered from the loss of Ometz, the Likud's proto-coalition with the religious parties was basically kept intact. Already in 1984 Mr. Abu-Hazeira of Tami had been promised an additional four-year term in parliament for sticking with the Likud bloc. The religious Morasha list was allowed to maintain its cabinet position within the Likud bloc despite a split in its ranks in 1985.** Also, the Likud leadership prevented an attempt by one of its junior ministers, Mr. Katsav, to merge the Labour and Social Affairs portfolios in March 1985, because the religious Agudat Israel objected to such a move.*** Indeed, due to the tight inter-bloc competitive

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* Mr. Hurwitz says he expected Labour to avoid rotation; this, in addition to his general tendency towards the Likud's policy positions, made him sign up with the Likud [interview]. He did not explain, however, why he has kept it a secret for a long time.

** Morasha had two MK's after the elections; one of them split and left the coalition, the other stayed in the government to set a new record: one man, one vote, one portfolio.

*** Agudat Israel's Mr. Porush had only the title of Deputy Minister for Social Affairs, but in fact he had full ministerial powers. His objection to the merger was therefore quite understandable.

situation, the Likud had to make rather heavy concessions in order to keep the religious parties within the fold.

In the context of the NUG, not only the Likud but also Labour wanted to maintain an ongoing dialogue with the pivotal religious parties. This made unacceptable behaviour by the religious parties readily forgivable. In December 1985, for instance, an unprecedented event occurred when the ultra-orthodox Agudat Israel, a coalition partner, filed a no-confidence motion because of the establishment of a branch of the Mormon Bingham Young University in Jerusalem. Needless to say, the Aguda got away with this flagrant violation of government collective responsibility.

In their bewilderment, both Labour and the Likud considered seeking legal advice from the Attorney General on the following absurd question: What to do with a coalition partner who files a motion of no-confidence against the government? Only in the context of a bipolar national coalition could such a question come up at all. It seems that Israeli coalition politics can sometimes test credulity to its limits, and the suspension of disbelief is a necessary tool of political analysis.* Finally, since neither the Likud nor Labour wanted to create an unnecessary crisis with Agudat Israel,** lest the delicate balance

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*   See Rubinstein, Kirkpatrick Forum, pp. 32-33.

**   Agudat Israel seems to have calculated its moves quite well. It was problematic enough for this anti-Zionist party to be a member of the coalition (which is the reason why it had declined membership in the government proper). To be a member of a coalition which suffered Mormon missionary activities (as the ultra-orthodox public saw it) to go on in Jerusalem, was too much. By proposing no-confidence, the Aguda was able strongly to express its objection without suffering any consequences.

of the NUG be frustrated, the matter was allowed to go by. The motion, incidentally, was defeated, and the university was built.

The Politics of Rotation

The implementation of the prime ministerial rotation was never taken for granted. "Since implementation of the rotation agreement required that the coalition government survive for two years, it was uncertain whether the exchange would actually take place. The exchange was also dependent on the good will of the first to hold the premiership, Peres, who had both the incentive and the ability to foil it by refusing to relinquish the position to Shamir" [Horowitz, 1990, p. 223]. It was this uncertainty of rotation which gave Labour an effective political edge in the struggle to control the NUG's policies. During the 1984-86 period, Labour played rotation politics.

The effectiveness of this rotation politics was related to the simple fact that Labour had less to fear from the breakdown of the NUG, compared to the Likud. If government was to collapse, Labour would still hold the position of prime minister, which means controlling the core of political power. "Rotation served as a critical organizing event in the structure and operations of the unity government due to the pivotal role of the office of the prime minister in the Israeli system of government and in the political process" [Yanai, 1990, p. 184].

Aware of its disadvantageous position, the Likud was hesitant to use the mutual veto arrangements of the NUG to block Labour's political initiatives. Any such attempt was likely to foil rotation. In other

words, each issue Labour put on the NUG agenda was essentially attached to the issue of rotation, and the Likud had simultaneously to relate to both the issue at hand and to the issue of rotation. Since the Likud could not deal with each issue separately, Labour achieved a dominant position in interparty bargaining.* In the 1984-86 period, Labour exploited its bargaining advantage to the hilt in order to secure political victories on such major issues as the question of Lebanon, the economic emergency plan or the Taba dispute. Also, Labour forced the Likud to choose between the political career of Finance Minister Mr. Moda'i and rotation. The Likud chose rotation.

The success of Labour's rotation politics was reflected by the fact that it did have a very strong impact on the behaviour of Likud ministers. Mr. Sharon claimed that "the prospect of rotation made it difficult for us to organize effective opposition to Labour's policies" [interview]. Mr. Moda'i asserted that "for two years we could not calculate our moves without factoring in our fears that rotation might not take place" [interview]. And Mr. Nissim put it quite simply: "rotation was hanging over our heads" [interview]. The Likud leader, Mr. Shamir, was naturally most highly sensitive to the issue of rotation, and took extra care not to provide Mr. Peres with any excuse not to implement it. "Shamir, anxious to keep the rotation agreement and succeed Peres as prime minister, was therefore obliged to accept many of Peres' dictates" [Elazar and Sandler, 1990, p. 225].

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*   On the advantages of simultaneous bargaining in a multi-issue
    situation, see for instance Dixit and Nalebuff, 1991, pp. 295-6.

Mr. Shamir's personal conduct significantly contributed to the operative capabilities of the NUG. He recognized the rules of the "rotation game", and no less important, by his nature he could play second fiddle rather well.* Put together, the objective need to resolve the burning issues of a bankrupt economy and a military quagmire, the politics of rotation played ever so skillfully by the dynamic Mr. Peres, and the patient equanimity of Mr. Shamir, all contributed to the "problem-solving" performance of the NUG. Contrary to expectation from a government subject to such heavy constraints on its decision-making mechanisms, the 1984-86 NUG functioned rather effectively.

Rotation contributed to the effective _modus operandi_ of the NUG by serving as a tie-breaker in the Labour-Likud stalemate prescribed by the coalition agreement. Actually, it was rather safe for Prime Minister Peres to apply rotation politics to non-ideological issues, estimating that the Likud would back off if pushed hard enough. Coming to the ideological issues that sharply divided the two parties, however, the use of rotation politics seemed rather dangerous. On the peace issue, for example, Mr. Peres could not push the Likud too hard without risking a dissolution of the NUG formula.** Of course, even Mr. Shamir himself could not appear too eager to cooperate with Labour,

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* Even Mr. Peres acknowledged: "I don't think Mr. Shamir acts like an alternative Prime Minister" [interview, Yediot Ahronot, 21.12.84].

** Years before, because of disagreements over the peace issue, Gahal, the Likud's precursor, left the 1967-70 national coalition.

lest he be accused of abandoning major Likud principles.* No doubt, the limit was one-sided decisions on the peace issue. Perhaps Mr. Peres could still have remained Prime Minister even if the Likud left the NUG because of a bold Labour peace initiative, provided the small religious parties would support him. This, however, was too much of a risk, which he did not dare take. Mr. Peres wanted to play brinkmanship, but not fall off the brink.**

Apart from the peace issue, rotation politics was not effective in relation to some personal issues. Thus, for example, when Labour put the Likud on the horns of a dilemma, forcing it to choose between Mr. Sharon and rotation, the Likud preferred Mr. Sharon. Similarly, the Likud won the vote on the Shin-Bet affair when Shamir's political career was at stake.

It appears, then, that rotation politics did have its limits. It certainly gained for Labour a number of political victories, but Mr. Peres was unable to cross a well-defined line, in terms of ideology and personalities. Labour's rotation politics was also circumscribed by the need to play a "fair game" with the Likud, as a coalition partner in a government based on parity. The principle involved was expressed by Mr. Shamir himself: "During his term as prime minister, the incumbent should exercise restraint. He should refrain from taking advantage of

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* Mr. Shamir did stand by the Likud's positions, regardless of rotation politics, in opposing an inquiry into the Lebanon fiasco, in opposing Mr. Weizmann's official visit to Egypt, and in supporting pardon for members of "the Jewish underground".

** If "brinkmanship is thus the deliberate creation of a recognizable risk, a risk that one does not completely control" [Schelling, 1960, p. 200], rotation politics was a controlled risk, not brinkmanship.

his position in order to force on his partners a policy that is unacceptable to them" [Kirkpatrick Forum, p. 154]. If Labour was to appear "unfair" in pushing the Likud too hard, it might have destroyed the national coalition and suffered losses in terms of political credibility - always a problematic issue for Labour. Moreover, such a behaviour was bound to incur an electoral cost, especially as the NUG formula was becoming rather popular with the general public.*

All in all, the advantages and limitations of rotation politics created a mixed pattern of conflict and cooperation between Labour and the Likud. Both parties exercised brinkmanship, but very carefully. "Almost every major decision by the government was preceded by tense political maneuvering, sometimes in an atmosphere of crisis. Eventually, all the crises were resolved, usually to the satisfaction of Prime Minister Peres" [Horowitz, 1990, p. 228]. Mr. Shamir grudgingly allowed Mr. Peres his victories because of rotation, but only so long as they could not be interpreted as "Likud sellouts".

Finally, bitterly, Labour implemented rotation simply because there was no way out. Hypothetically, having established himself as a successful prime minister (through rotation politics), Mr. Peres could have used the trump card of early elections. Such a political move, however, involved a degree of uncontrollable risk. In such elections Labour could have been defeated on the ground of lack of credibility

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* Opinion polls conducted in 1985-6 showed an overwhelming support for a NUG over any other kind of government: 59% to 66% of all respondents in polls conducted in 1985 and 1986 preferred an NUG. See for instance Dahaf polls of April 1985, March 1986, September 1986.

and fairness for dodging rotation. The other option, a narrow-based Labour government without the Likud, was only theoretical, because the pivotal religious parties were unwilling to cooperate with Labour against the Likud. Under these circumstances, the most Mr. Peres could do was to exploit rotation politics to its maximum limits until rotation day - which was exactly what he did.

Chapter Seven

Status Quo vs. Early Elections

Bipolar Coalition Politics, 1986-88

The dynamism characteristic of the 1984-86 period came to an end with rotation in October 1986, when Mr. Shamir became Prime Minister, and the politics of status quo became the dominant theme of the NUG. This was the outcome of the reduction in the level of cooperation and the concomitant increase in the level of competition which now became the hallmark of the Likud-Labour bipolar coalition politics. The dominance of the politics of status quo has been closely associated with the increasingly important role played by an Inner Cabinet based on mutual veto arrangements, where interparty conflictual bargaining was mainly conducted.

The Institution of Mutual Veto

The Formation of the Inner Cabinet

One institution which most faithfully reflected the basic idea behind the formation of the NUG was the Inner Cabinet. This political body emerged from the need felt by both major parties to secure a complete parity, amounting in effect to mutual veto arrangements, at the

executive level. To guarantee a balanced NUG, a unique internal organ was set up, whose membership was equally divided between the two partner-opponents. Clause 1.14 of the 1984 coalition agreement stipulated that "A permanent ministerial committee, called the Inner Cabinet, will be established. It will have 10 members, five from each party".

The creation of a 5:5 internal political organ within the framework of the NUG suggested a two-tier national executive: the government plenum and the Inner Cabinet. This apparently complicated structure was, however, inevitable: a government plenum consisting of 25 members, which furthermore could not provide total parity between the two leading parties, was just too cumbersome. For the possibility of mutual veto to exist at all, a perfectly balanced Labour-Likud political organ was required. Moreover, the government plenum included many small parties, and the two large parties wanted an exclusive club of their own. After all, the NUG was "their" government, not that of the minor parties.*

The issue specifically associated with the formation of the Inner Cabinet was the development of Jewish settlement in the occupied territories, on which Labour and the Likud were sharply divided. In the government plenum, at least 13 out of 25 - the whole Likud bloc plus the NRP - were pro-settlement, and 12 members of the Labour bloc, at

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* It is also possible that, given the proclivity of confidential information to leak out to the press from any large-scale political forum in Israel, it was felt that a ten-member body would be more controllable, whereas a 25-member forum would be as good as a press conference.

the most, were anti-settlement.* Obviously, the Labour party could ill afford to be in a 12:13 minority position at the government plenum on such a major issue. Consequently, it suggested the formation of a smaller Labour-Likud body based on absolute parity in which the pro-settlement NRP, which enjoyed a pivotal position in the NUG, was not represented.

The formation of a smaller internal organ within the framework of the larger NUG could also be justified in terms of numbers alone. Theoretically, at least, a smaller body could improve the decision-making process by imposing order and efficiency on an unwieldy government structure and membership. Moreover, an exclusive Labour-Likud internal organ could become the focus of the interparty ideological encounters, thus enabling the government plenum to concentrate on executive and departmental duties, free of political bickering.

All the above considerations notwithstanding, the Inner Cabinet was first and foremost a "tool to ensure veto power for each of the two main blocs over "core value" decisions" [Elazar and Sandler, 1990, p. 223]. "Both camps in the 1984 NUG acquired veto power over major policy issues through the equally divided 10-member inner cabinet, which could be called upon by each of them to make a binding decision" [Yanai, 1990, p. 183]. In other words, the idea was to ensure that never would either large party find itself in a minority position on a major policy issue.

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* One of Labour's group of 12 ministers, Mr. Hurwitz of Ometz, was a political "hawk" whose position on this particular issue could not be taken for granted, as witnessed by his eventual defection.

Certainly, the Inner Cabinet could make new decisions, but it also could as it often did - "decide not to decide". Thus, the existence of the Inner Cabinet not only tended to prevent the formulation of one-sided new policies, but also strengthened the political status quo by making it rather difficult to bring about changes in existing policies. This situation gave the Likud a built-in advantage, since it was its policy that became frozen in this way. In a way, the formation of the Inner Cabinet symbolized both the politics of mutual veto and the politics of status quo. Only when both parties could agree on a new policy, or else when one party was split internally, could the status quo be change. Put simply, the Inner Cabinet provided the large parties with a "safety net" to protect their basic interests.

Actually, in the bargaining which led to the formation of the 1984 NUG, the Inner Cabinet was first conceived of as a committee to coordinate coalition activities, rather than an authoritative political body.* It was supposed to deal with the interpretation of the coalition agreement, determine membership of ministerial committees, set up various government mechanisms and so forth. Later on, it was mutually agreed that the Inner Cabinet would also deal with a limited number of sensitive Labour-Likud issues. Only when the coalition agreement was finally signed, however, was it realized that the Inner Cabinet was granted more political authority than originally anticipated.** Still,

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* Mr. Shachal and Mr. Nissim, interviews

** By the law of connected vessels, this authority was taken away from the government plenum, for which reason some party leaders (on both blocs), realizing they were not going to be members of the Inner Cabinet, objected to the very idea.

it was not until Labour-Likud relations started to deteriorate, causing many issues to be referred to the Inner Cabinet, that its dominant status was fully realised.

For the first seven months, the NUG operated without an Inner Cabinet, during which time it adopted major decisions on the withdrawal from Lebanon and on economic policy - important, but non-polarizing issues. In April 1985, however, a Labour-Likud clash over a visit to Egypt of Minister without Portfolio Mr. Ezer Weizmann occasioned the first meeting of the Inner Cabinet.* The demand came from the Likud, which feared that Prime Minister Peres was unilaterally trying to dominate NUG foreign policy. It thus served as a reminder to Mr. Peres (who till then enjoyed a majority in the government plenum and used it) that the NUG was a Labour-Likud coalition, not a Labour government. Still, the activation of the Inner Cabinet served Mr. Peres's purposes in at least one respect: he would now have a tool with which to block the Likud's settlement policy. After all, this was the reason why Labour came up with the idea of an Inner Cabinet in the first place.

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* The activation of the inner cabinet was approved in the NUG on 28.4.85 by an overwhelming majority. Two ministers voted against, and two abstained - all members of the Labour bloc, none a candidate for membership.

The Composition of the Inner Cabinet

Intraparty politics within the two parties, especially in the Likud, dictated to a large extent the very size of the Inner Cabinet. The five Likud representatives were: Mr. Shamir - the party leader; Mr. Arens, Mr. Levy and Mr. Sharon - the leaders of the three main factions; and Mr. Moda'i - the leader of the Libaral wing.* The five Labour members were: Mr. Peres, the party leader; Mr. Rabin, the alternative party leader; Mr. Navon, the Sephardic former President; Mr. Ber-Lev, the party's Secretary General and a Peres loyalist; and Mr. Weizmann of Yachad, who had secured for Labour the legislative "blocking coalition" which paved the way to the NUG.**

The Likud actually suggested a larger Inner Cabinet - 6:6 instead of 5:5 - in order to alleviate its complicated factional situation. The sixth member was supposed to be Mr. Nissim, a Liberal factional leader. In Labour there were many willing candidates for the Inner Cabinet, such as Mr. Ya'acobi, Mr. Shachal or Mr. Gur. Mr. Peres, however, was not eager to enlarge the Inner Cabinet and insisted on a membership of ten at the most.*** It is possible that Mr. Peres really wanted it to

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*   Subsequently, Mr. Nissim replaced the dismissed Mr. Moda'i, who returned to the NUG after the rotation, but had to wait until the resignation of Mr. Arens before he could join the Inner Cabinet again.

** Mr. Weizmann was the only member of a small party allowed to join the Inner Cabinet. Eventually, he joined the Labour party.

*** Following the 1988 elections, as we shall see, the Likud was strong enough to force a 6:6 Inner Cabinet.

be a more efficient decision-making forum. Besides, he had little reason to help the Likud solve its factional problems. It was suggested, however, that Mr. Peres did not want to add a sixth Labour member to the Inner Cabinet and thus build him as a potential national leader, who may eventually threaten his top party position.*

It is worth noting that if originally, Labour's group in the Inner Cabinet seemed a cut above that of the Likud (in terms of military record, for instance, Labour had two former Chiefs of General Staff, Mr. Rabin and Mr. Bar-Lev, and one General, Mr. Weizmann, against the Likud's one General, Mr. Sharon). The picture has changed, however, with the passage of time. In Labour, while both Mr. Peres and Mr. Rabin have kept enjoying a strong political and public standing, the political stature of the remaining three clearly deteriorated. Relatively ineffective government performance, coupled with the never-ending Peres-Rabin struggle within Labour, tended to suppress the upward mobility of these leaders. By contrast, in the Likud all Inner Cabinet members have gained in experience and stature during the lifetime of the NUG. Not only Mr. Shamir, Mr. Arens, Mr. Sharon and Mr. Levy of Herut, but also Mr. Moda'i and later Mr. Nissim of the Liberal wing have became well-respected national leaders. Their prominence was related to an effective performance in government as a whole, and to a relatively open pattern of leadership mobility in the Likud.

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* This according to Mr. Ya'acobi, who claims to have been promised by Mr. Peres to become Labour's sixth member, and thus is not without an axe to grind [interview].

The Modus Operandi of the Inner Cabinet

The Inner Cabinet has definitely become the key political institution throughout the existence of both Israel's NUGs, up until 1990. It was empowered, according to the coalition agreement, to deliberate and decide on the following: (1) issues within the jurisdiction of the ministerial defence committee; (2) foreign policy, defence and settlement issues, as incorporated in the Basic Guidelines for the government; and (3) any other issue, including those issues stipulated by the Basic Guidelines, which the Prime Minister or the Deputy Prime Minister wish to raise for deliberation and decision by the Inner Cabinet. In other words, no issue was outside the Cabinet's hegemonial jurisdiction.

Still, it was not so much the wide scope of issues, but rather the political status of the decisions adopted by the Inner Cabinet which gave this institution its uniquely powerful standing. First and foremost, Cabinet decisions were made legally equivalent to government decisions; hence, there was no need for the plenum to approve Cabinet decisions - or even be aware of them, since it was specifically stated that the Cabinet (in the person of either Prime Minister or Deputy Prime Minister) may decide not to bring an issue discussed there to the knowledge of the plenum. Nor was the Cabinet required to forward to the plenum issues on which it failed to decide. If and when informed, government ministers could submit their reservations to the Prime Minister; yet no such reservation could delay, much less prevent, the implementation of the decision in question. Finally, either the Prime Minister or the Deputy Prime Minister could unilaterally remove an item

from the agenda of the government plenum to that of the Inner Cabinet.

The above arrangements make it clear that the Inner Cabinet was much more than a mere ministerial committee on security and foreign affairs, in that it did not have - unlike any ordinary ministerial committee - to report to the government plenum. It was in effect a supreme executive organ, with no foundation in Israeli law.*

The Inner Cabinet was then an authoritative "super government", set up through a political compromise which turned a blind eye to legal considerations. Its decisions were final, and the right to appeal them was legally vague and politically hopeless. Because of these legal-constitutional problems, there had been, originally, a Labour-Likud "gentlemen's agreement" not to convene it often, or rather to do so only if it was absolutely necessary.** In reality, however, the Inner Cabinet was very active and was convened rather regularly, having proven itself to be the only effective decision-making organ in a system which saw the relationships between its major components deteriorating rather than improving with the passage of time.

It is worth noting that the intensive activities of the Inner Cabinet created a problem for the small parties which were not represented in it. Their exclusion from the Inner Cabinet suggested that they were not full partners in the decision-making on central issues. To enable the small parties to participate in discussion and

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* On the constitutional problems relating to the Inner Cabinet see, for instance, Kotler, 1988(A), pp. 38-44.

** When the Inner Cabinet was first formed, Prime Minister Peres promised to convene it only if the NUG's very existence was in danger.

decision, Labour and the Likud preferred, whenever possible, to refer issues for resolution to the government plenum, not to the Inner Cabinet, since the broader the deciding body, the greater the public legitimacy of the decision. There was however a flip side to this coin: much as the religious parties were unhappy with their exclusion from the Inner Cabinet, it still allowed them to exercise more voting freedom in the government plenum. Mr. Burg of the NRP and Mr. Peretz of Shas, in particular, would probably have been more cautious and consistent in their voting behaviour, had they been members of the Inner Cabinet.

Government Collective Responsibility

In setting up an Inner Cabinet, an hierarchical national executive was created in which not all ministers were equal: members of the Inner Cabinet were "senior" ministers, and the others were "junior" ministers. This unprecedented situation, which made most members of the government - not by their own will - spectators rather than full actors, inevitably constituted a problem in the sphere of government collective responsibility. This principle means, at least implicitly, that government members be regarded as "equal" in most respects. When not all the members are equal, not even in theory, how can they be equally responsible for government policy?

Many important decisions were adopted by the Inner Cabinet, many of which were never discussed, or even adequately reported to the government plenum. As it happened, "junior" ministers often heard about the deliberations and decisions of the Inner Cabinet from the news-

media.* The government plenum was regarded by some as more of a rubber stamp than a decision-making body. Appeals or reservations to Inner Cabinet decisions were dealt with by the Inner Cabinet itself, not the government plenum. This was, in fact, the core of the problem of government collective responsibility.

The Pollard affair** in 1987, which involved Israeli espionage activities in the United States, best demonstrated the general attitude to ministerial collective responsibility in Israel as relating to the multiple-tiered NUG. The Clarification Committee appointed by the Inner Cabinet stated in its report that responsibility for the affair lies with the government as a whole. This made little sense. If all ministers were equally responsible, it practically meant that not one of them was. Mr. Peres, who was Prime Minister when the spying operation had been authorized, indeed thought that no one at the political level should be held responsible: "In England they caught four extremely dangerous agents... Maclean, Philby, Fuchs, Burgess... who for years sat in the heart of British intelligence. Did anyone ask questions about ministerial responsibility?" [Israel TV, 22.4.87].

The absurdity of the whole situation was best reflected by the way the Commission's report was handled. Following its endorsement by the Inner Cabinet, the report was brought to the government plenum on 27.5.87 for endorsement - without giving "junior" ministers a chance to read it. In other words, "junior" ministers were asked to assume

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*   When the Inner Cabinet was set up, Mr. Burg of the NRP asked for an observer status, explaining he could not fully rely on information leaked from its closed sessions...

**   This affair will be dealt with more extensively below.

responsibility for an affair they knew nothing about. Prime Minister
Shamir promised them only that they would be allowed to read the report
after its endorsement by the government... Mr. Ya'acobi had this
comment: "I do not run away from my responsibility - apart from the
Pollard case, which the government did not discuss, did not get
information about; I am against this for moral reasons" [Kirkpatrick
Forum, p. 97] This was indeed an Orwellian scene, without precedent in
the history of governments in Israel. It could only have happened, of
course, because there was an Inner Cabinet, a "super government" on top
of a "regular" government.*

Was the Inner Cabinet Really Necessary?

Whichever party held the office of the prime minister, it virtually
controlled government policy. In 1984-86, most issues were resolved to
the satisfaction of Prime Minister Peres; in 1986-90, Prime Minister
Shamir dominated the NUG decision-making process. If each prime
minister, in his turn, enjoyed a majority in the government plenum, why
have an Inner Cabinet? The reason was, of course, that without this, or
a similar arrangement, there would not have been an NUG. It was the
mutual veto arrangements within an authoritative Inner Cabinet
(particularly with respect to the number one issue on the political
agenda, the future of the occupied territories) which made possible a
Labour-Likud cooperation in a national coalition.

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* On many issues, security matters included, the government had
three-tiers. There was yet another "forum" on top of the Inner
Cabinet, as related below.

In almost six year of the existence of national coalitions, Labour benefited more than the Likud from the institution of Inner Cabinet. Even in 1984-86, when Mr. Peres was Prime Minister, Labour has derived some advantages from the operation of the Inner Cabinet, such as blocking decisions on the establishment of new settlements in the occupied territories. From the end of 1986, when Mr. Shamir became prime minister, until the downfall of the NUG formula in early 1990, the Likud had a built-in majority of three to five votes in the government plenum, and Labour certainly needed then the "security net" of the Inner Cabinet. In other words, Labour enjoyed a potential veto power long after it had become a minority party in both parliament and government.*

It was precisely because of Labour's overall weak political standing that the Inner Cabinet began to wield more authority and power, while the government plenum was relegated to the role of a glorified debating society. It was Labour's equal status in the Inner Cabinet (i.e. its veto power) which gave a real meaning to its membership in the NUG. The most a veto power could secure for Labour, however, was a political status quo. This was not satisfactory to the party which, unlike the Likud, wanted to change the way things were. Labour's "solution" was to ignore the Inner Cabinet's mutual veto arrangements and pursue its own policies unilaterally, mainly on the peace issue (this was a major reason for the collapse of the NUG formula in March 1990).

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* The 1988 NUG is discussed in detail in the next chapter.

The "Prime Ministers Forum"

The Inner Cabinet, with its mutual veto arrangements, was a formal institution designed to deal with conflictual issues. In order to prevent interparty conflicts from tearing the NUG apart, however, there was also a need for an informal conflict-reducing institution. In Israel, "kitchen cabinets" have been a long-standing tradition observed by all the coalition governments, and the NUGs were no exception. Throughout their existence, a top level informal grouping, which at first was called "the Prime Ministers forum" and later "the forum of four", has operated on more or less regular basis.

Since the NUG was in essence a bipolar Labour-Likud government, it was only natural that the two leaders, Mr. Peres and Mr. Shamir, should meet regularly to discuss major issues on the political agenda. As of September 1984, there was "the informal institution of Friday morning meetings between Peres and Shamir to coordinate, and if necessary bargain over, controversial issues" [Elazar and Sandler, 1990, p. 223]. This "institution", however, was short-lived. The problem with the Peres-Shamir meetings was that the two leaders basically did not trust each other and therefore could not, by themselves, create a proper mechanism for the management of the NUG. This was why Defence Minister Rabin, a former prime minister, joined the two leaders to set up the "Prime Ministers Forum".

When relations between Mr. Peres and Mr. Shamir were still agreeable, there was a fair dialogue between Labour and the Likud and the NUG functioned properly. However, the deterioration in the Peres-Shamir relations sharply reduced the level of the interparty

bargaining, to the detriment of the NUG as a whole. Already in early 1986 there were a few Labour-Likud meetings to discuss whether there was any common ground between them, apart from the need jointly to deal with economic issues at a time of crisis.* After rotation in October 1986, and particularly as of May 1987, when the Inner Cabinet had rejected Mr. Peres's peace plan - the "London Document" - the two party leaders were hardly on speaking terms, and the NUG was actually functioning as a "split-personality" government. It was then that Mr. Rabin stepped in; his ability to relate to Mr. Shamir was the adhesive force which kept the shaky 1984 NUG formula alive.

With the formation of the 1988 NUG, the Likud's Foreign Affairs Minister Mr. Arens (a Shamir ally) was "officially" added to the trio Shamir-Peres-Rabin, in what became known as "the forum of four." There were a few attempts to enlarge the membership of the "forum" from four to six, by adding the two Deputy Prime Ministers, Mr. Levy of the Likud and Mr. Navon of Labour, but they failed. A 6-member top caucus appeared too large to deal with sensitive issues. Moreover, Mr. Shamir had no interest in making his party rival Mr. Levy a permanent member in such a caucus, while Mr. Peres felt no real urge to promote Mr. Navon's political career.**

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*   One such meeting took place on 21.2.86 with the participation of more than 10 government ministers from both sides.

** The promise to be made a member of the "forum" caused Mr. Levy, who favoured a narrow-based Likud government, to support the formation of an NUG following the 1988 elections. Also in February 1990, when Mr. Sharon resigned from the NUG, Mr. Levy was promised to become a member of the "forum", in exchange for supporting Mr. Shamir in the Likud's intraparty politics. Neither promise was fulfilled.

In terms of <u>modus operandi</u>, the "forum" both resolved interparty differences and formulated policies. The "forum" was thus both a political and a functional caucus, consisting off the top officials of the NUG: The Prime Minister, the Defence Minister, the Foreign Affairs Minister, and the Finance Minister. Being a small and intimate grouping, where no leaks of secret information were likely, the "forum" seemed ideal for "invisible" politics, i.e. handling sensitive security, diplomatic and political issues. No formal decisions were made in this informal caucus, "just some ideas were exchanged" and "a few understandings were reached".* Even though the "forum" did not formally produce any new political decisions, it produced policy directives on a number of issues where the members shared a common interest.** Needless to say, once an "understanding" was reached in the "forum" on a specific issue, its approval by the Inner Cabinet or the government plenum could be taken for granted.

This state of affairs has added yet another dimension to the already acute problem of government collective responsibility. It meant, in effect, that the NUG was a three-tier government: a "forum" with four first-class ministers, an Inner Cabinet with another eight second-class ministers, and a government plenum with additional, third-class ministers. Now legally, there may arise a situation in which several top ministers are authorised by the plenum to deal with a

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*   Mr. Rabin, interview. A similar view was expressed by Mr. Shamir
     [Israel TV, 31.10.85].

**   Such mutual understandings occasionally led to fiascoes, as
     witness the Shin-Bet affair, the Pollard affair, the arms deal
     with Iran and the transfer of funds to the Contras in Nicaragua.

limited number of issues for a limited period of time;* but this was not at all the case here. Rather, the "forum" took charge of any issue at any time it wished to do so. The Pollard affair, for example, was handled almost exclusively by the "forum". Members of the Inner Cabinet knew very little about it, and ministers in the government plenum knew nothing.** Constitutionally, it was an intolerable state of affairs.

For all the political and professional experience of Messrs. Shamir, Peres, Rabin, and Arens, their performance as a team was far from impressive.*** The level of coordination among them was rather poor, and the advice they were given on certain issues was bad. The four top leaders certainly did a much better job at their own individual ministries than in their role as the "apex" of the NUG. The deterioration of interparty relations in the NUG could certainly provide an "objective" explanation for the weakness of the "forum". Still, its very existence, and particularly the Shamir-Rabin alliance, reduced tensions within the NUG, kept the government formula intact, but could not change its status quo politics.

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* Specific assignments and limited authority were given, for example, in 1974 to Mrs. Meir and Messrs. Dayan and Eban to negotiate with Syria about the Golan Heights in 1974.

** Mr. Ya'acobi: "On security issues, I must admit that even the Inner Cabinet did not know everything" [interview].

*** There had been effective senior teams (Prime Minister, Defence Minister and Foreign Affairs Minister) in the history of Israel's governments: Messrs. Eshkol, Dayan and Eban during the 1967 War; Mrs. Meir and Messrs. Dayan and Eban during the 1969 War of Attrition and the 1973 War; Messrs. Rabin, Peres and Allon during the 1976 Entebbe Operation; and Messrs. Begin, Dayan and Weizmann during the 1979 Camp David talks. All these seem to have functioned better than the "forum" of the NUG. The senior team consisting of Messrs. Begin, Sharon and Shamir, however, which ran the 1982 Lebanon War, was by far the worst.

The Days of Yitzhak Shamir, 1986-88

In October 1986, Mr. Shimon Peres handed over the Prime Ministership to Mr. Yitzhak Shamir, as per the coalition agreement. The NUG now entered a completely new phase, in which its _modus operandi_ was greatly changed.

The Non-Polarizing Issues

Economic Policy

On the eve of the October 1986 rotation, the Likud rejected Labour's suggestion to nominate Mr. Peres as the head of an "economic cabinet", signifying increased interparty conflict over economic policy in the post-rotation NUG. Labour has had some good reasons to try and secure a stronger influence on economic matters in a government where the Likud held the most important economic portfolios, including that of the Finance Minister. Moreover, Labour held the major "spending" portfolios - such as Defence, Education and Health - which badly needed the support of the Treasury. In addition, Labour felt responsibility to certain sectoral economic interests - village cooperatives and collectives and economic concerns affiliated to the trade union movement; most of them were in poor financial shape and could not be salvaged without government money, which could not be expected to come readily from Likud-controlled ministries. Finally, the July 1985

emergency economic plan had put the national economy on the road to recovery and Labour, having already claimed credit for the great achievement, wished to remain involved.

These considerations created some Labour-Likud tensions soon after rotation was implemented. When Finance Minister Mr. Nissim prepared the first budget for Mr. Shamir's government without consulting the trade unions, bitter interparty accusations were exchanged during the marathon government sessions of December 1986 and January 1987. Labour's Defence Minister Mr. Rabin, for example, extremely annoyed with proposed cuts in the defence budget, said: "Those who got us into the Lebanese quagmire and the economic crisis that faced us when the NUG was established, now want to solve the problem by a cut in the defence budget. Not a chance" [Ma'ariv, 18.12.86]. The Likud in turn reminded Labour how its disastrous policies led to the 1973 War. Such accusations notwithstanding, the matter did not assume crisis proportions; Prime Minister Shamir hastened publicly to promise that the "unity government is not threatened by the economic plan" [Israel TV, 21.12.86].

It was Finance Minister Nissim who tried to diffuse interparty tensions on economic issues, and he did it rather skillfully. Some of his decisions, regarded by members of his own party as "pro-Labour", irked the ire of some of his colleagues. The end result was that Mr. Nissim enjoyed the cooperation of Mr. Peres, and Labour as a whole, in the preparation of the budget for 1987/1988, which was readily approved by the NUG. Prior to the 1988 elections, Mr. Nissim categorically refused to pursue pre-electoral economic policies. So in final analysis, contrary to earlier expectations, the economic policy of the post-rotation NUG did not serve to polarize Labour-Likud relations.

The Pollard Affair

In March 1987 a Jewish officer in the U.S. Naval Intelligence, Mr. Jonathan Pollard, was convicted and severely sentenced after confessing to espionage for Israel. The public exposure of the affair, which caused incalculable damage to one of Israel's most valuable assets - the special relations with the U.S. - raised in Israel demands for an investigation. At first, the government refused to conduct any form of inquiry into the matter, but as a result of strong pressures both in the U.S. and in Israel, Prime Minister Shamir reluctantly agreed. The investigation, however, was not entrusted with a judicial Commission of Inquiry, as defined by law, but with a "clarification committee" with no legal foot to stand on and very limited authority.*

The two-member "clarification committee" came to the conclusion that the operational level was essentially to blame for any misconduct in the Pollard Affair. The four ministers who were involved in the affair (Messrs. Peres, Rabin, Shamir, and Arens) were cleared of any wrongdoing. Immediately upon receiving the committee's report, Prime Minister Shamir summoned a special session of the government plenum, on 27.5.87, to endorse it. Even though the report had not been read by members of the government, as related above, it was confirmed by 14 votes in favour, 3 against and 4 abstentions. "In the Pollard case... both the decision-making and implementation processes were carried out

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* The so called Tsur-Rottenstreich Committee included two prominent public figures and concluded its findings in two weeks.

smoothly, since all the major leaders felt themselves threatened" [Elazar and Sandler, 1990, p. 231].

Needless to say, the way the whole affair was handled was not endorsed wholeheartedly by all segments of the political spectrum. Even Knesset members representing the coalition rebelled against their leaders and adopted a unique resolution which set up a parliamentary committee of investigation, headed by Mr. Abba Eban, to look into the political handling of the affair. This committee, at its own initiative, investigated various aspects of the issue, and its probing discussions were fully covered by the news media. In its conclusions, the parliamentary committee ascribed heavy responsibility to all the ministers of the "forum", especially to Mr. Peres who was Prime Minister at the time. Mr. Peres tried to belittle the results: "The honourable committee in not a judicial commission... I do not expect it to issue a legal conclusion. It does not consist of jurists. It can offer an opinion, as it should, regarding policy. I do not think any crime was committed here... this affair took place without the approval of the political echelon" [Israel TV, 22.4.87].

If Mr. Peres found himself in trouble because of his party colleague Mr. Eban, he received some support from Mr. Shamir. The Prime Minister declined to accept demands made by some Likud Members of Knesset to launch a smear campaign against Mr. Peres using the Pollard Affair for leverage. He seemed to have felt that he was also somewhat responsible to what had happened. Besides, Mr. Shamir probably remembered Mr. Peres' supportive attitude towards him in the Shin-Bet affair a year before. It seems that on security matters, there was an interparty understanding, especially between the top leaders. "No major party played the role of determined opposition; rather, both Likud and

Labour cooperated in investigating these matters in subdued and mutually protective ways" [Arian, 1988, p. 19].

The Pollard Affair was the one major issue in the post-rotation period which saw close cooperation between the top leaders of the Likud and Labour, at a time when overall interparty relations were deteriorating. It was a rare example of a nonzero-sum game, or actually a cooperative game in an overall zero-sum situation.

The Lavie Project

In the early 1980's, Israel's Aviation Industries (IAI) had launched an ambitious scientific and technological program, the centrepiece of which was a "state of the art" jet fighter. The project involved thousands of scientists and engineers, and was supposed to cost billions of dollars. In 1985, Defence Minister Rabin expressed doubts as to the technological value of the project, as well as to Israel's ability to carry the financial burden.* Actually, the 1984-86 NUG could have put an end to the extravagance, but the then Prime Minister, Mr. Peres, was in a bind: more than anyone else, he has been associated with the development of Israel's military industries, including IAI; on the other hand, he was well aware that the Lavie project has got out of hand.

If he was unable to make up his mind, the Likud's ministers were generally in favour of continuing with this national project (led by

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* In May 1985 and again in May 1987 Mr. Rabin said that the Lavie project was a "land mine" that cost a fortune. He also informed his colleagues that the U.S. administration opposed it.

ex-Defence Minister Arens, a former professor of avionics). Only in spring 1987 did a real opposition to the project begin to emerge. Most Likud ministers, mainly for nationalistic and prestigious reasons (typical of their party's tradition) supported the continuation of the project. On the other hand, most Labour ministers, chiefly for pragmatic and financial reasons (typical of their party's tradition) wanted to abandon the project and look for better yet cheaper alternatives.*

Following months of public debate, the government plenum convened on 16.8.87 to decide on whether or not to continue with the Lavie project. Prime Minister Shamir, who controlled the agenda, resolved - after long hours of discussion - not to put the issue to a vote, for fearing that his pro-Lavie position might be defeated. On 30.8.87, Mr. Shamir finally put the issue to a vote. On the eve of the voting session, the positions of the 24 ministers** were evenly divided: 12 ministers, mostly Likud, took a pro-Lavie position, and 12 ministers, mostly Labour, were in favour of discontinuation. There were, however, few important exceptions in both camps,*** and the issue could not be

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* One such alternative was the F-16 jet fighter. However, a majority in the Inner Cabinet favoured the Lavie, at the time.

** The 25th minister,Mr. Rubinstein of Shinui, resigned in May 1987 following the Cabinet's rejection of the "London Document". He would have probably voted against the continuation of the Lavie project.

*** Since Finance Minister Nissim of the Likud, an Inner Cabinet member, favoured discontinuation, Mr. Shamir could not bring the issue for decision in this particular forum.

perceived as a straightforward Likud-Labour encounter. When Prime Minister Shamir called on his ministers to show hands, he fully expected the result to be a 12:12 tie. Much to his surprise, however, the final outcome was anti-Lavie - 12; pro-Lavie - 11; abstention - 1.

It was Mr. Peres who managed to outmaneouvre Mr. Shamir through clever manipulations of both government agenda and voting procedures. His political moves provide a textbook example of heresthetics - the art of political manipulation.* It seems worth while to dwell for a few moments on the way Mr. Peres succeeded in defeating an apparently winning proposition.

Needless to say, Mr. Shamir decided to bring the issue to a vote at a time when he believed his position would certainly prevail. The expected 12:12 tie would have meant a victory for his pro-Lavie position, because the project was already underway, and the actual item on the agenda was a proposal to abandon it; its failure to win a majority would have meant continuation. Therefore, for Mr. Shamir a 12:12 tie was a rather satisfactory outcome. Not only was it good enough to win, it also did not involve too much arm-twisting and imposition of party discipline. The Prime Minister was seemingly heading for a comfortable, effortless political victory.

On the other hand, Mr. Peres, who now led the anti-Lavie group, realized he was headed for a clear defeat, unless he found a way to change at least one minister's vote. To break the expected tie, Mr.

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* Heresthetics is a term coined by Riker. Essentially, "heresthetic is about structuring the world so you can win" [Riker, 1986, p. ix].

Peres could try and change the position of Labour's Health Minister Mrs. Arbeli-Almozlino, who took the pro-Lavie side. To do it prior to the voting session, however, was risky for two reasons. First, Mr. Shamir might have decided - as was his prerogative - not to bring the issue to a vote he was going to lose. Second, If Mr. Peres was to impose party discipline on Mrs. Arbeli-Almozlino, Mr. Shamir might have done the same to Mr. Peretz, Mr. Hammer and even Mr. Nissim, all of whom took the anti-Lavie side. Had party discipline been strictly imposed, the inevitable outcome would have been a decision in favour of the Lavie proposition.

Mr. Peres concluded, therefore, that if nothing could be done before the voting session, then something had to be done during the session itself. He now had to display the timing of a trapeze artist, and this he did. He waited until Mr. Shamir had put the issue on the agenda, and was now unable to withdraw it. Only then did Mr. Peres make his move. He asked for a brief recess and left the room with his Labour colleagues for a caucus meeting, before Mr. Shamir could stop him or appreciate what was happening. In this way, Mr. Peres seized from Mr. Shamir the control of the agenda.

In the short but crucial Labour caucus, Mr. Peres applied full pressure on Mrs. Arbeli-Almozlino to change her pro-Lavie position. He told the Minister that in his view the issue had turned into a pure Likud-Labour conflict, and if she voted with the Likud, she would cause Labour a real damage. In other words, the minister was urged to vote strategically, rather than judge the immediate issue on its merits, as it seemed to her. In other words, she was called to ignore short-term preferences for the sake of long-term goals.

Completely taken by surprise, a bewildered Mrs. Arbeli-Almoznino could only ask plaintively why Mr. Peres had failed to talk to her beforehand. She was put in a most embarrassing position, having earlier the same day stressed her commitment to the pro-Lavie position in radio interviews. For a few minutes the caucus listened to her complaints, and then a decision was reached: she would be allowed, as a face-saving formula, to abstain. At that moment the Lavie project died.* When Labour's ministers came back to the meeting room, Mr. Shamir realized he was out-foxed. At that particular moment, however, it was too late for him to do anything about it.

Mr. Peres was not really in control of the agenda. However, he wrestled it out of Mr. Shamir's hands at the right moment, forced a change of intended voting, and brought about an unexpected victory. The timing and the quick execution of this political maneouvre were the key to Mr. Peres's success.**

Brilliant as this last-minute maneouvre was, however, it was the united opposition to the Lavie by two key ministers, the Finance (Likud) and Defence (Labour) Ministers, which actually decided the issue. Following the vote, the chief pro-Lavie spokesman, Minister without Portfolio Arens, decided to resign from the government,

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*   Mr. Weizmann remarked during the session that "the burial of the Lavie project was preceded by a very expensive state funeral".

**   The above account of the circumstances surrounding the vote on the Lavie project is based on interviews with three key figures: Labour's Mrs. Arbeli-Almozlino, the unwilling heroine of the day; the Likud's Mr. Nissim, who had planned the voting manipulation together with Mr. Peres; and Labour's Minister Mr. Ya'acobi, who attended the Labour caucus during the break in the government plenum session.

claiming inability to share collective responsibility for this decision.* The Lavie project was the one major NUG issue over which Prime Minister Shamir found himself on the losing side. Secure in the knowledge that he was going to win the vote anyway, Mr. Shamir saw no need to impose party discipline on Finance Minister Nissim, and this was his undoing.

In sum, economic policy, the Pollard affair and the Lavie project, problematic as they were, did not polarize relations between the Likud and Labour within the framework of the post-rotation 1984 NUG. This was not the case, however, with the major ideological issues.

The Polarizing Issues

The overall solution to the Middle East problem was the chief cause for polarized Likud-Labour relations in the post-rotation 1984 NUG. On two important aspects of it, however, the two parties did find an acceptable modus operandi: Intifada and the Settlement issue.

Intifada: The Palestinian Uprising

Israel was taken by complete surprise when a road accident in the Gaza District, on December 9, 1987, triggered civil uprising (subsequently known throughout the world in its Arabic name, Intifada) among the

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* There was an attempt by Mr. Arens and Mr. Sharon to call for another vote on the Lavie, but Mr. Shamir ignored their call.

population of the occupied territories. When the trouble started, Israeli leaders demonstrated ingenuous wishful thinking in making themselves believe that this large-scale uprising is but a sporadic, short-lived aberration. Prime Minister Shamir still talked about "disturbances" [Israel TV, 23.12.87] two weeks after they began, while the Mayor of Jerusalem Mr. Kollek optimistically observed that the "coexistence between Jews and Arabs in Jerusalem is not dead" [Ma'ariv, 9.2.88]. Defence Minister Rabin, the man directly in charge, did not bother to cut short a trip overseas for another two weeks.

Having returned at last, Mr. Rabin decided to adopt a "strong hand" policy, on which he was supported by the two major parties.* This policy included beefing up Israel's military presence in the territories, the use of ingenious weaponry to fight street violence, arrests and deportations of Intifada leaders, and harsh measures against the general Arab population. The "strong hand" policy has severely harmed Israel's image abroad: the small nation that was David, has now become Goliath.** While Israel's reputation was being tarnished, these strong measures have not proven successful. It was not that simple to put an end to a phenomenon that stemmed out of more than 20 years of frustration and despair among the residents of the occupied territories.

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* The main opposition to Mr. Rabin's "strong hand" policy came from the left-wing parties. In January 1988 Mr. Daraussa, an Arab Labour MK, left the party in protest over of Mr. Rabin's policy.

** Several Likud ministers suggested in February 1988 to prevent foreign press from covering the Intifada.

At the end of March 1988, Likud MKs started for the first time to question Mr. Rabin's strategy against the <u>Intifada</u>. Specifically, they claimed that his overall position of territory-for-peace had been a major factor in the failure to suppress the Palestinian uprising. Mr. Rabin, for his part, observed that only progress in the peace process could effectively put an end to the <u>Intifada</u>. Naturally, the Likud's attacks on Mr. Rabin have increased as the 1988 elections were approaching. These attacks created tensions between Labour and the Likud, the more so because until then Mr. Rabin has been a close ally of Prime Minister Shamir, one of the mainstays of the NUG. Ultimately, the two parties unified behind the same military response to the <u>Intifada</u>, mostly because neither could come up with a better answer. However, the <u>Intifada</u> as an unexpected political development adversely effected the decision making process of the NUG, especially as the two parties had totally opposing views on the political implications of the Palestinian uprising.

The Settlement Issue

Prior to rotation, the Labour party had feared that when the Likud would assume the top position, it would establish, at a minimum, the number of settlements provided for by the coalition agreement, and if only politically and financially possible - many more. As it happened, the situation remained very much the same as in the pre-rotation period, and settlements in the occupied territories have not become a dividing issue that seriously threatened the unity of the post-rotation NUG. Prime Minister Shamir fully supported a pro-settlement policy, but

he did not want to clash with Labour over this issue - particularly not with Defence Minister Rabin.*

As a matter of fact, shortly after rotation the settlement issue did cause a Likud-Labour controversy. The Likud wanted public funding to be channelled to the establishment of more settlements, while Labour expected government funds to bail out the kibbutzim, which were in financial troubles. Labour's Mr. Peres stressed the economic dimension of the issue: "The distinction is not between kibbutzim and settlements, but between the productive sector and service expenditure" [IDF Radio, 8.2.87]. The leaders of Gush Emunim (the settlement movement) suggested in reply that the kibbutzim constituted "floundering settlements".** At least in the economic front, the kibbutzim won out over the settlements, for they had more public support.***

As for the political dimensions of the issue, the Likud claimed that settlements in the occupied territories contributed to the security of Israel. By contrast, Labour's Defence Minister Rabin said that they had no particular security significance [Israel Radio, 24.2.87]. When the Intifada broke out, Mr. Rabin even suggested that the settlements in the territories were "a heavy security liability", because they interfered with military operations against the

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* As Defence Minister, Mr. Rabin was in charge of the occupied territories, and thus had a strong influence over settlement policy, the NUG's official policy notwithstanding.

** Settlers' leader Mrs. Weiss, Ma'ariv, 19.3.87.

*** An opinion poll published in Davar (4.3.87) indicated that 42% of the public supported giving unconditional assistance to the Kibbutzim.

Palestinian uprising. The Likud and the far right-wing parties held the opposite view, namely, that the establishment of more settlements was the most effective response to the _Intifada_.

The _Intifada_ and the settlements, two separate yet related political issues, created Likud-Labour conflicts and constrained the government decision-making process. Their impact, however, was not as bad as that of the peace process issue, which has polarized, indeed paralyzed, the functioning of the post-rotation NUG.

The Peace Process

It was difficult enough to push forward with the peace process in the pre-rotation NUG; it became impossible to keep it moving in the post-rotation government. As a matter of fact, most Likud-Labour clashes over the peace process did not even focus around substantive issues; they simply could not overcome procedural hurdles, notably the so-called "international conference" problem.

Early in February 1987, Labour's Foreign Minister Peres was back from Europe and let it be known that he was going to push forward with a plan for an international conference as an opener for Arab-Israeli negotiation process.* When the Likud charged that he was not authorised to present such a plan without government approval, Mr. Peres reverted to his previous pretext, namely, that he had obtained his mandate to do so from the Knesset: "In October 1985 the Knesset resolved that direct

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* In general outline, this had been very similar to the conference which eventually took place in Madrid in late 1991.

negotiations may begin through an international forum. No one can annul the Knesset's resolution, whatever his rank. I had shown the text of my address to the Prime Minister [Shamir] in advance. The Knesset voted, and this is binding" [Israel Radio, 11.2.87]. A few weeks later, back from a visit to the U.S., Prime Minister Shamir responded: "It is the cabinet that decides on implementing policy. If the Knesset is not satisfied with government policy, it can express no-confidence in the government" [Israel Radio, 25.2.87].

February 1987 saw the NUG tottering on the verge of collapse, even though Prime Minister Shamir found it difficult to admit it. Asked in a TV interview about the "feeling that currently two governments are acting in Israel... yours and that of Mr. Peres. Who is actually in control?" He replied: "That's an erroneous impression; there's only one government in Israel" [Israel TV, 24.2.87]. Mr. Shamir was right only in a strict formal sense: Mr. Peres was keeping under his hat a secret agreement he had made with King Hussein of Jordan on an international conference (the "London Document"). In April-May 1987, however, when many of the details of the "London Document" became known, the gale became a storm and the existence of the NUG as a single collective unit actually ended. Prime Minister Shamir said that the "idea of a conference is crazy, suicidal" [Hatzofeh, 10.4.87], and Mr. Sharon simply suggested that the international conference was "a deception" [Israel TV, 30.4.87]. The Likud was really furious with Mr. Peres, who strayed away from government policy and acted independently and secretly.

The Labour party blamed the Likud of spreading lies in an effort to torpedo the peace conference. "Mr. Shamir and his office engage in mudslinging and party politicking but Mr. Peres will not be dragged

into a dispute" [Haaretz, 10.4.87]. Mr. Peres himself, responding to accusations of violating the coalition agreement which obliges him to cooperate with Mr. Shamir on issues of high policy, said: "There was a rotation in position. To the best of my knowledge, Mr. Shamir has no authority whatsoever to change the policy we pursued for two years, which included striving for direct negotiations via an international conference" [Israel TV, 22.4.87].

Essentially, Mr. Peres sought government approval for a two-tier peace plan: (1) An opening session with the participation of the United States, the Soviet Union, Jordan and Israel; and (2) direct negotiations between Jordan and Israel. He publicly threatened that if the government rejected his plan, he would bring it down and seek early elections [Israel TV, 22.4.87]. On 13.5.87, Mr. Peres formally put his peace plan on the agenda of the Inner Cabinet. It was blocked through the 5:5 mutual veto arrangement, so that now the plan was officially dead, if not buried. For Mr. Peres, the rejection of the "London Document" by the NUG was an overwhelming setback; in his view, it was a breakthrough comparable to the Camp David Accords, a giant step for the nation, for his party, and for himself.

Politically, the strategy chosen by Mr. Peres to maneouvre his peace proposal through the decision-making mechanism was wrong and self-defeating. To begin with, he should have brought Mr. Shamir into the picture from the very beginning. This was the only way the "London Document" could have taken off. Alternatively, prior to putting it for official resolution, Mr. Peres should have tried to secure either a majority in the NUG for the peace proposal or, failing that, a majority in the legislature for an early elections proposal. For Mr. Peres, not to secure a majority either in government or in parliament meant a

double loss to the Likud. Having once proven himself a master of heresthetics, he now proved himself not to be a grand master.

The May 1987 Inner Cabinet impasse was clearly the end of the NUG as a unified national executive, and its decision-making mechanism became paralyzed and stalemated.* Moreover, May 1987 signaled the start of an 18 months long election campaign, until November 1988. The contest was not between a party in government and a party in opposition, but rather between two supposed partners to the same coalition. Mr. Peres was both within government and without. Legally, he served in government under the "murderer of peace", as Mr. Shamir was called then in Labour parlance; politically, Mr. Peres promoted a foreign policy the Prime Minister was dead-set against. This created an impossible situation.**

In the months following the May 1987 Inner Cabinet deadlock, Prime Minister Shamir and Foreign Minister Peres vied with one another for control over Israel's foreign policy. Mr. Shamir expressed his views against any territorial compromise, while Mr. Peres stuck to the formula of territory-for-peace. Mr. Shamir went to Washington and tried to explain that real peace could only be achieved through direct negotiations with the Arab countries. Mr. Peres travelled around the globe promoting the concept of an international conference, which was

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*   Interparty relations became so bad that occasionally issues such as drugs (2.8.87), funds for scientific research (13.9.87), and the like, were put on the agenda in order to achieve a minimal level of national unity...

** Mr. Peres could have resigned from the NUG when his peace plan was blocked and fight the Likud from the opposition bench. "Not losing" considerations made him stay in, as will be explained later on.

not official government policy. The Prime Minister said angrily: "Had I believed then [1984], for a moment, that our partners might consider total withdrawal to the pre-June 1967 lines in the context of a peace agreement, I would not have entered into a partnership with Labour and would have preferred to go to a new election" [Kirkpatrick Forum, p. 150].

In October 1987, Mr. Peres established a precedent by calling upon the American Jewish community to intervene in the political debate in Israel and apply pressure on the government to accept the idea of an international conference. This ran against the grain of a tradition according to which world Jewry is expected to support the policy of Israel's government of the day, and not become involved in party politics. Mr. Peres implied that since the well-being of the Jewish state is a matter of concern for all Jews, the nature of the peace process "should be discussed by the entire Jewish world"* [NUG session 1.10.87].

Some real support for Labour's peace proposals came from the peace initiatives of the U.S. administration in 1988. In fact, the United States government basically supported the formula of territory-for-peace, which coincided with Labour's ideas. Each time the Americans came up with a new initiative, Labour was provided with an opportunity to attack the Likud's rigid positions. In March, for instance, Labour

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* Calls for outside interventions in Israel's domestic politics are often politically costly, because they are interpreted as unpatriotic. The same reaction Mr. Peres received when, in January 1988, he came up with a suggestion to make the Gaza strip an international neutral zone.

used the peace initiative of Mr. Schultz, the U.S. Secretary of State (which was not accepted by the government as a whole), to accuse the Likud of increasing the likelihood of a new Arab-Israeli war.* Needless to say, in his visits to Jerusalem as well as in meetings in Washington, Mr. Schultz negotiated separately with Likud and Labour leaders about the ways and means of getting Israelis and Arabs around the same table...

The American peace initiative served the Labour party in yet another important way. It provided its leaders with a good excuse not to leave the NUG even though its status quo policy was totally unacceptable to them. Labour could explain that it stayed in the NUG in order to try and change its peace policy with a little bit of help from its Americans friends. The U.S. administration, for its part, could not exert too much pressure on the Israeli government to accept new peace initiatives, because 1988 was an election year both in Israel and in the U.S. Besides, 1988 was the first full year of Intifada, which intensified the rigidity of Prime Minister Shamir's position, under strong pressures from Mr. Sharon and the right-wing Techiya party.

Labour's peace policy, the "London Document", which was formally dead since May 1987, was finally buried in August 1988, when King Hussein of Jordan acknowledged the PLO's exclusive authority to determine the future of the occupied territories. The Likud used the

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* The U.S. came up with quite a few ideas to advance the peace process. In February 1988 Mr. Murphy, U.S. Assistant Secretary of State, toured the Middle East to discuss such concepts as "international opening", "interim agreements", "accelerated autonomy" and "unilateral autonomy".

opportunity to suggest that the "London Document" had never been a serious peace proposal in the first place, while Labour began to think that perhaps the Palestinians were the appropriate people to talk with about peace.* These developments made the divisions in the NUG even more apparent, and the November 1988 elections have become a head-on Labour-Likud fight on a single issue: the peace process.**

In conclusion, the national agenda has changed completely with rotation. "After the first NUG [1984-86] resolved or at least stabilized the two major crises in security and economic affairs that had confronted it upon taking office two years earlier, the incentives for consensus decision making were removed" [Elazar and Sandler, 1990, p. 231]. Once the common Labour-Likud agenda was essentially exhausted, the long-standing political divisions between these two partner-opponents reappeared, to frustrate the government decision making process.

One should note that it is a rather typical feature of national coalitions that their ability to produce new policies is seriously impaired once the emergency conditions which brought about their

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* The parliamentary opposition followed suit: the Techiya party used the opportunity to call for annexation of territories, whereas the left-wing parties called on the government to recognize the PLO.

** In the 1984 NUG, the peace process was basically a media affair: a lot of issues were thrown up in the air, but no real progress was made. Bearing in mind the Israeli configuration of political forces, real progress can come about in two ways only: either the Likud might be persuaded to change its policies (possibly under extreme duress), in which case it will enjoy widespread support across the political spectrum, or Labour will have sufficiently solid majority to resist strong objections verging on civil disobedience, if not worse, from the Likud and the right wing.

formation disappear. This phenomenon was witnessed, for example, in the 1945-66 Austrian grand coalition. Until 1955, the common desire to achieve political independence and economic reconstruction played an important role in securing consensus politics and a high level of interparty cooperation. Once the political and economic situation in Austria was stabilized, however, the OVP-SPO disagreements became more salient and frequent. This added yet another constraint to the already complex decision-making mechanism, adversely effecting the proper functioning of the national coalition [Dreijmanis, 1982, pp. 237-259].

Personal Issues

Generally speaking, the collegial relationship between Likud and Labour ministers sharply deteriorated after the prime ministerial rotation in October 1986. One major reason was that once the Likud had assumed control of the NUG, Labour had nothing to look forward to. When Mr. Shamir became Prime Minister, Labour ministers - chiefly Mr. Peres - came to view the NUG as "his" government, not "theirs".* In the post-rotation period there were probably more fierce clashes between the two partner-opponents in government than between the coalition and the opposition. The post-rotation government was one in which the Prime Minister wished the worst of luck to his Foreign Minister in his

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*   If in 1984-6 collective responsibility was a problem of "tuning
      the instruments" in the coalition orchestra, in 1986-88 there were
      two conductors.

missions abroad, fearing he was conducting a "private" policy.* Never before had the hope that a cabinet minister should fail in representing the nation abroad been voiced so loudly, even by the parliamentary opposition.

The Likud accused Mr. Peres of behaving as if he was an alternative Prime Minister and blamed him for refusing to play second fiddle, as Mr. Shamir did in 1984-86. Such a situation, it was argued, was bound to create chaos and anarchy. Mr. Peres remained unruffled: "it behooves those who had brought upon us inflation and the Lebanon war to be a bit more modest" [Ma'ariv, 1.8.87]. Likud MKs again and again called on Mr. Shamir to dismiss Mr. Peres. Even Labour's Defence Minister Rabin, the key figure of the post-rotation NUG, was criticized by the Likud. Interparty relations worsened to such an extent that, in March 1988, the Likud parliamentary faction set up a committee to examine the possibility of forming a narrow-based Likud government.**

For all these Likud-Labour skirmishes, Mr. Shamir was able to contain himself: throughout his period as Prime Minister, he never dismissed a single Labour minister. He did not want to create crises that would possibly cause the downfall of the NUG. Mr. Shamir maintained political control, was content with the status quo, and

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* Haaretz and Jerusalem Post, 6.4.87, quoted senior Labour party officials as saying that there was no reason to go on with the NUG after Mr. Shamir had expressed his hope that Mr. Peres would fail in his official visit to Spain.

** It was clear in advance that this move, suggested by Mr. Sharon and Mr. Moda'i, both previously dismissed by Mr. Peres, could not succeed (the religious parties would not take part in bringing down the NUG). But it served well the dual purpose of fighting Labour and simultaneously embarrassing Prime Minister Shamir.

could afford to ignore what he viewed as an uncollegial behaviour by Labour's ministers headed by Mr. Peres.*

Intraparty Politics

Intraparty politics have come to play a more prominent role in the post-rotation NUG, and had a strong impact on the modus operandi of the government. Compared with the pre-rotation period, a noticeable change was evident in the Likud, where the intensity of factionalism was substantially reduced. Mr. Shamir was now Prime Minister and naturally enough his intraparty position improved, especially as he was constantly attacked by the Labour party. Moreover, he skillfully managed both to fight and split his intraparty opposition.** With the final unification of the Likud - the merger of Herut's and the Liberal's central committees in August 1988 - Mr. Shamir achieved a majority in his party's organs, which facilitated intraparty truce.*** The most

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*   It seems that their differential attitudes to verbal abuses by ministers from the other party reflect as well as anything else the personality differences between the dynamic, high-strung Mr. Peres and the stolid Mr. Shamir.

**   The alliance between Mr. Sharon and Mr. Levy was fragile not only because both leaders aspired to the top position in the Likud, but also because Mr. Sharon was apparently more ideologically oriented, whereas Mr. Levy seemed more office oriented. Mr. Shamir knew how to use these differences to his advantage.

*** Mr. Shamir's faction seemed to have benefited from the merger with the Liberals, even though in a 3,000 member central committee it is impossible accurately to assess the exact strength of each faction before it comes to an actual vote.

telling indication of Mr. Shamir strengthened position was the fact that, unlike in 1984, neither Mr. Levy nor Mr. Sharon challenged him for the leadership of the Likud prior to the 1988 elections.

If factionalism in the Likud, before and after rotation, did not seriously impair the smooth functioning of the government, post-rotation developments in the Labour party contributed much to the demise of the NUG as a national executive. Interestingly enough, the source of the conflict in the Labour party could be found in the 1984 rotation agreement, which secured for Mr. Peres only two years as Prime Minister, while Mr. Rabin was guaranteed a full four year term as Defence Minister. As explained earlier, this arrangement seemed useful enough for Mr. Peres at the time; but with the implementation of the rotation agreement in 1986, Mr. Rabin became Labour's most senior minister, and despite his preoccupation with the Intifada, he did find time to use this powerful political position in his ongoing struggle with Mr. Peres. Moreover, Mr. Rabin has developed a strong political alliance with Prime Minister Shamir, which further weakened the political status of Mr. Peres within the framework of the NUG. The effect of these developments was that Mr. Peres, previously number one in both the Labour party and the NUG, found himself in the post-rotation era as number two to both Mr. Shamir and Mr. Rabin.

These new circumstances were unacceptable to Mr. Peres, who now decided to pursue early elections as a means for both destroying the NUG formula and undermining Mr. Rabin's position in the Labour party.*

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* Despite their rivalry, Mr. Peres and Mr. Rabin joined to defeat a revolt by younger party members in the election of Labour's candidate to the Jewish Agency chairmanship (December 1987).

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As intended, this policy created a sharp conflict with the Likud and put Mr. Rabin on the proverbial horns of a dilemma. Thus far, Mr. Rabin had employed a mixed strategy of competition and cooperation with the Likud in the NUG, but now he was forced to decide between party and government - to go along with Mr. Peres or be accused of having too close relations with the Likud. Since Mr. Rabin assessed that he could not defeat Mr. Peres within the Labour party, he had no choice but to acquiesce with the strategy of constant friction with the Likud which resulted in a paralyzed NUG. The nearer the elections, the more intensive became the interparty conflict initiated by Mr. Peres, which tended to augment his intraparty status. Three consecutive electoral defeats notwithstanding, Mr. Peres managed to lead Labour uncontested into the 1988 elections.*

The Small Parties

Intraparty politics in the small parties also had an impact on the performance of the 1986-88 NUG. Developments within the NRP, for instance, affected the relationships between the two leading political blocs in the NUG. Theoretically, such a possibility always existed since in the 25-member government plenum, the single NRP member was not included in the 12:12 Labour-Likud parity arrangements. In the pre-rotation period the NRP representative, Mr. Burg, showed no

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* Mr. Rabin did not challenge Mr. Peres also because he was content with his cabinet post. He therefore ignored his supporters who urged him to try and assume leadership of the party.

predilection for either bloc in his voting pattern, so that basic parity was not frustrated. But the prime ministerial rotation happened to coincide with an internal power struggle within the NRP, the net result of which was that the middle-of-the-road Mr. Burg was replaced by the nationalist Mr. Hammer, who mostly voted with the Likud bloc, for ideological as well as personal considerations.* In this way, the NUG eventually turned out to be more of a Likud government than a Likud-Labour national executive.

The withdrawal of the small Shinui party from the government in the post-rotation period also contributed to the deteriorating status of the Labour party in the NUG. Shinui was the only left-of-centre party which joined, albeit reluctantly, the Labour party into the NUG in 1984. Already at rotation time in October 1986, a factional fight within Shinui almost forced the party out of the NUG. When the government rejected the "London Document" in May 1987, Shinui quit the NUG, leaving Labour in a clear minority position.**

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*   Mr. Burg's faction had led the NRP during the decades of "historic partnership" with Mapai/Labour. Mr. Hammer headed the younger, nationalistic faction which has always favoured closer relations with the Likud. Following this internal shift, the NRP was regarded by some as the religious equivalent of the Techiya party.

**   Following its withdrawal from the NUG, Shinui together with ILP and several prominent public figures tried in vain, in July 1987, to form a liberal centre party. Later on it joined a left-wing bloc with the CRM and Mapam.

The Politics of Early Elections

In 1986-88, the Likud's adherence to the politics of <u>status quo</u> - the avoidance of any new decisions - seemed to serve its current political goals and was compatible with the conservative personality of Mr. Shamir, now the Prime Minister. <u>Status quo</u> politics was also strengthened by the fact that many existing NUG policies were actually Likud policies, having been formulated at the time when the party had been solely in government. On the other hand, the Labour party was unhappy with the <u>status quo</u> and wished to force changes in NUG policy. For that purpose, Deputy Prime Minister Peres had to find an alternative political tool to the politics of rotation which served him so well in 1984-86. He chose the politics of early elections. In coalition terms, this strategy represented a change of Labour's 1984 bargaining logic, deriving its rationale from changes in public opinion polls.

Soon after rotation in October 1986, Mr. Peres expressed in several political gatherings his view about the urgent need for early elections.* The frequency and conviction with which he referred to the subject created the impression that he had fulfilled the rotation agreement not least because he believed he could soon be able to force early elections, which would hopefully result in a Labour government

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* For example, in a meeting of Labour's ministers on 8.2.87, and the next day in Labour's parliamentary faction.

headed by himself. The intent to regain for Mr. Peres the position he had recently vacated was discussed only in private, however.* Publicly, the call for early elections was connected to the peace process.

Labour explained that only an international conference could bring King Hussein into the peace process, and that negotiations with Jordan were included in the basic guidelines of the 1984 coalition agreement. Thus, Labour claimed, if the Likud interpreted the coalition agreement differently, the best way out of the impasse would be to ask the voters' opinion, and the sooner the better. In May 1987, when Mr. Peres was about to bring his agreement with King Hussein, the "London Document", for government resolution, he was asked what would happen in the event of a deadlock in the Inner Cabinet. He replied: "I will turn to Mr. Shamir and say: 'This government is made up of two parts. If they fail to agree between them, the fair thing to do is to go to the people... It is not such a tragedy, to go to elections'." [Israel TV, 7.5.87].

On the eve of the vote in the Inner Cabinet, Mr. Peres said it was the Likud's "last chance" to accept his peace proposal, but the Likud did not seem much impressed by this threat. According to prior statements, Labour was supposed to leave the NUG in order to try and bring it down from the opposition bench. Several Labour ministers, however, argued that it was unwise to leave the Likud alone in government, free to wreck the country's security and economy. Also, they pointed out the danger of allowing the Likud to go to the next

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* Mr. Shachal, interview.

elections as the incumbent party. The end result was that Labour decided to stay in the NUG, but promised to bring it down "in few weeks".*

Labour's campaign to bring down the NUG from within had started, then, with a whimper, and did not gain much force as it went along. Mr. Peres was known to have complained that his colleagues were not really helping him in this cause, and to some extent he was right. Not all Labour ministers were for the creation of a "permanent election atmosphere".** Besides, a few of them did not approve of some unethical moves that were contemplated in order to frustrate the NUG _modus operandi_: staying in government while voting no-confidence in it; not showing up for government meetings; allying with opposition parties to ambush government initiatives in parliament; threatening defection from the government; and so on.***

Apart from creating chaos within the NUG, the politics of early elections was based on the assumption that if such elections were to take place, the end result would be a coalition government headed by Labour. In 1987, this assumption seemed valid enough. Mr. Peres's popularity, following his successes during his tenure as Prime Minister

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* The decision not to withdraw from the NUG seems to have cost Labour quite a lot in terms of credibility, and clearly exposed its political weakness.

** In May 1987 Rabbi Meir Kahana of the racist Kach movement was prohibited from participating in Knesset discussions and votes. Since MK Kahana was technically part of the Likud's "blocking coalition", this move changed the odds slightly in favour of early elections.

*** Such ideas came up in the caucus of Labour's ministers, for instance, on 28.1.87, 18.5.87, 14.7.87, 2.8.87, and 6.8.87.

in 1984-86, was rather high. Also, the Labour bloc had an edge over the Likud bloc in most public opinion polls.* During 1988, however, the picture has changed to the worse from Labour's viewpoint. The personal popularity of Mr. Peres was dropping and, more importantly, the net effect of the Palestinian uprising in the territories was a shift to the right in public opinion. Indeed, the Intifada turned out to be detrimental to Labour electoral prospects. Generally, the public has become more hard-lined and anti-Arab and, consequently, Labour started lagging in the opinion polls.**

It seems, then, that Labour's threat of premature elections was more real in 1987 than in 1988. However, even in 1987 the politics of early elections suffered from an acute problem of being perceived by the public as dishonest politicking. Having collected his due from the 1984 coalition agreement, it seemed, Mr. Peres was now doing everything within his power to prevent Mr. Shamir from receiving his fair share. There was a distinct possibility that a premature election campaign would focus not on peace, but rather on emotionally loaded questions of public decency.*** Many had suspected that Mr. Peres will not abide by

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*   A Yediot Ahronot poll taken on July 13-14, 1987, found that party for party, Labour led the Likud by a margin of 7 seats in the Knesset, while the Labour bloc led the Likud/Religious bloc by 4.

**   Studies showed that Israel's use of force in the territories was a major explanatory variable in predicting voters' choice. The intifada really changed voters' political opinions: about one-fourth said their views had become more moderate, while one-third said their positions had hardened [Arian & Shamir, 1990, p. 3].

***   An opinion poll taken in March 1987 found that 46 percent of the electorate were willing to skip the next elections altogether, provided a rotating NUG continued (50 percent objected). Also, had Labour brought about early elections, it would have lost two seats to the Likud [Kirkpatrick Forum, p. 104].

the rotation agreement; they were proven wrong, but only for a short while. His conduct after rotation seemed to vindicate his reputation for dishonesty, so that in the last two years of the NUG's term Mr. Peres lost much of the credit he had gained during the first two years.

While the loss of prestige was real, the prospect of early elections proved elusive. Labour failed to gain the religious parties' support for early elections.* Furthermore, Mr. Shamir was doing his best to protect himself from early elections. "Shamir, not having completed his term as prime minister, had no incentive to call for early elections, especially when he was lagging in the public opinion polls" [Elazar and Sandler, 1990, p. 234]. Thus, Mr. Shamir set out to prove to the religious parties that anything Labour could do, he could do better. In May 1987, for instance, when the media speculated that the ultra-orthodox Shas might support Labour, Mr. Shamir signed an agreement with it: Shas committed itself to block early elections in exchange for the Likud's support on religious issues. The right-wing Techiya also threatened - in July 1987 and again January 1988 - to support early elections if the Likud would stray from its nationalistic policies. "The religious parties and the rightwing Techiya exploited the leverage they gained from Labour's election proposal by extracting concessions from the Likud in return for rejecting the proposal" [Horowitz, 1990, p. 230].

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* Having failed to gain a majority for early elections, Mr. Peres eventually suggested a referendum (which is not provided for by any Israeli law or political practice, and has never been conducted on any issue) on a peace plan concocted out of Labour's platform and Secretary Schultz's peace initiative [Labour ministers caucus, 24.4.88].

The Likud's agreements and "understandings" with the small parties and with individual MKs, aimed at preventing early elections, finally destroyed the delicate interparty balance in parliament and in the NUG. It was now that the secret agreement between Mr. Hurwitz of Ometz and the Likud (as described in the previous chapter) came to full fruition. In the government plenum, the Likud could now count on at least 14 out of the 25 members (Likud bloc 12, NRP 1, Ometz - 1) for support on ideological as well as practical issues.* Thus, ironically, Labour's politics of early elections, which was designed to defeat the Likud's politics of status quo, in fact strengthened it.

Labour's politics of early elections directly challenged the authority of Prime Minister Shamir, but his reaction was rather mild. Having succeeded in preventing premature elections, Mr. Shamir could afford to ignore Labour's provocations. During 1988, Mr. Shamir was able to push Labour out of the NUG with no much risk, but he chose not to do it, for exactly the same reasons of credibility and decency which were working so badly for Mr. Peres. In order to appear as a national leader, abiding by his agreements despite all provocations, he preferred to head a problematic NUG rather than a narrow-based Likud government. Moreover, he may have calculated that an NUG which basically pursues a Likud policy would eventually create a right-wing atmosphere which may help his party in the next election. All things considered, he could afford to and did show magnanimity.

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*   A majority in the coalition government entails a majority in parliamentary committees, including the powerful Finance Committee.

In terms of <u>modus operandi</u>, the 1986-88 NUG was not a problem-solving government. Apart from the new decision on the Lavie issue, the NUG was mainly a problem-<u>handling</u> government, where issues were at best regulated. In fact, as of May 1987, even regulating issues became problematic, due to the worsening Shamir-Peres relations. One important outcome of this situation was that the NUG lost some political control and was unable to impose its authority on sub-groups such as the Jewish settlers in the occupied territories.* The relative inability of the 1986-88 NUG to regulate conflicts brought about more polarization and immobility into the political system, and <u>status quo</u> reigned supreme.** "The Israeli political scene after the 1986 rotation was marked by less interparty bargaining and more sensitivity to the effects of policy decisions on the outcome of the 1988 elections. The time between the rotation and the elections became a prolonged political waiting period" [Horowitz, 1990, p. 230].

All in all, in 1988 it became clear that the Likud's politics of <u>status quo</u> prevailed over Labour's politics of early elections in two significant respects. First, Labour was unable to force premature elections and the 1984 NUG lasted for its full term until 1988. Second, Labour's peace policy, which provided the <u>raison d'etre</u> of the early elections politics, was defeated in the scheduled elections in 1988.

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* On problems of ungovernability see, for instance, Horowitz and Lissak, 1990, pp. 236-9. These circumstances may partly explain why in July 1987 Prime Minister Shamir voted in favour of clemency to prisoners of the "Jewish underground" (a group of settlers who committed several acts of terrorism against Palestinians and planned more), against the position of his own government.

** Mr. Shamir's 1986-88 NUG - like his 1983-84 government - did not function properly, projected a bad image but was politically safe.

The Parliamentary Opposition

The discussion about the first NUG has concentrated until now on the relationships amongst the various components and personalities composing the parliamentary majority on which this very wide-based government rested. Let us recall now that there were, after all, parties represented in the Knesset which had not joined the coalition agreement. Inconsequential as it may seem, there <u>was</u> a parliamentary opposition during that period.

In any parliamentary system, government and opposition appear to be at odds. "Government does not need, or want, the opposition's moral support. It does not need the opposition votes" [King, 1976, p. 18]. Still, in many systems there is a serious dialogue between government and opposition, and on ocassion the opposition is successful in delaying or amending government policies. This was not the case with the national coalition which dominated the Israeli parliamentary scene and almost totally restricted the role of the parliamentary opposition. There was no surprise factor, not even a theoretical chance to block a government initiative in parliament. Actually, the government's majority was so large that it could not to be endangered even by dissenting votes within the coalition parties.

The government controlled over three-fourth of the seats in the 120-member Knesset, and this was a major factor in determining executive-legislative relations. In the words of Mr. Eban, the unity government resembles "systems under which the balance between responsibility and criticism - that is to say between government and opposition - is disturbed by the almost total absorption of the

legislative into the executive" [Hattis-Rolef, 1985, p. 115]. It brings
to mind the way Otto Kirchheimer described the Austrian Red-and-Black
coalition: "elimination of major political opposition through
government by party cartel" [Kirchheimer, 1957, p. 136].*

The weakness of the opposition tended to weaken the government
accountability to parliament and hence to the people, and thus seemed
to produce apathy on the part of the voters. "The absence of a vibrant
and formidable opposition in the Knesset bears the potential for
institutional imbalance, which may, in the long run, either reduce the
status of the Knesset to that of a rubber stamp or encourage
extraparliamentary opposition activity" [Elazar and Sandler, 1990, p.
240]. The Knesset as a whole was looked down at to an extent that
alarmed the Speaker, who warned: "By belittling the Knesset we are
performing a disservice to democracy, because the public is slowly
getting accustomed to the idea that one can have a government without
the Knesset and its committees" [Hattis-Rolef, 1985, p. 81].

All discussions, amendments and criticism were exhausted at the
executive level, which could not be bothered with legislative debates.
"There is an inclination to paralyze the Knesset, or at least reduce
its weight," warned the Speaker. "This is due to the fact that the
adoption of any decision by the cabinet and coalition is such a
difficult and cumbersome process that when a decision is finally agreed

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* So small the opposition was that it could not even gather the 30
  signatures by members required to convene a special parliamentary
  session during a recess. It was not surprising, then, that the
  government grudged the opposition even a single parliamentary
  committee chairmanship - not even the State Audit Committee,
  traditionally an opposition preserve.

to, there is an inclination, perhaps a subconscious one, to say to the Knesset: there are enough madmen around without you interfering" [ibid.] In other words, since heated debates had already taken place in government itself, there was little incentive to repeat the process in parliament. Put simply, the national governments essentially functioned as a mini-parliament, as a "coopposition".

The parity between the two leading partner-opponents accounted for the phenomenon of "responsibility avoidance". When it is unclear who bears responsibility, it is not clear who to criticize, and how actually to oppose. The dualism of government responsibility has created problems for the parliamentary opposition. A combination of bilateral opposition - common enough in parliamentary systems - and a "bilateral" government made it difficult for the opposition in parliament to focus its criticism of the government, which took away from its effectiveness. The inevitable outcome was a decline in the status of parliament.

However, it was precisely this fact which also lent flexibility to parliament, because there was no reason to enforce strict party discipline. The decline of the parliament was offset, to some extent, by the performance of some members within the ranks of the coalition. "It is possible that members of parliament from one of the two major parties will attempt to criticize ministers from the other large party, supervise and investigate their activity, and promote discussion of their policies" [Goldberg, 1990, p. 196] Again, this is similar to what had occurred in Austria's grand coalition, 1945-1966: "Since all government proposals were either compromises between the two parties or resulted from logrolling between them... almost none satisfied both parties to the same extent. This often led both parliamentary groups to

criticise the government's proposal from different points of view"
[Muller, 1990, p. 14].

A critical attitude towards the government was occasionally displayed by parliamentary committees, mainly the Finance Committee and the Public Audit Committee. The highlights of this kind of parliamentary activity, however, were two investigation committees set up to investigate major issues, against the will of the government: the bank shares manipulation scandal (1985) and the Pollard affair (1987). When members of parliament investigated these affairs, they pushed their party affiliations into the background. In their desire to lay the blame at the doorstep of the other party, both Labour and Likud members displayed intensive investigative zeal. But then, of course, such initiatives would have been difficult if not impossible to take up had there been a narrow-based government.

All the same, the performance of parliament may not have been as bad as could be expected in a situation where the opposition was very small. One study even disputes "the conventional wisdom that argues that the existence of an NUG makes parliamentary decay inescapable" [Goldberg, 1990, p. 219]. Be that as it may, for healthy executive-legislative relations the National Unity Government "was like a strong medicine for a serious illness - it is unavoidable but you should stop it as soon as possible" [Eban, Kirkpatrick Forum, 1987, pp. 11-12].

Chapter Eight

As Things Change, They Remain The Same:

The 1988 National Unity Government

. **The Formation of the 1988 NUG**

The 1988 Elections

Given the incessant interparty conflicts within the framework of the post-rotation 1984 NUG, the chances for a Labour-Likud cooperation in government after the 1988 elections looked rather slim. The Likud was particularly exasperated with Labour for constantly undermining both government stability and Mr. Shamir's status as Prime Minister. Besides, in the election campaign the voters were asked by both parties to make a clear choice between the policies of the Likud and Labour on the peace and territorial issues; under such circumstances, to propose a future national coalition appeared rather inappropriate.

As a matter fact, during the 1988 election campaign Labour did come up with the idea of an NUG (for tactical reasons), but the Likud

ignored it.* The Likud, which was leading in opinion polls, certainly did not have any reason to propose an NUG, which would have upset right-wing voters and increase the electoral appeal of parties in the extreme right.** Also, in the Likud party itself Mr. Shamir, aware of the objection by Mr. Levy, Mr. Sharon and Mr. Moda'i to an NUG formula, preferred not to create unnecessary pre-election tensions.

The elections were held on November 1, 1988 and the results were as follows:

Table 8.1   The 1988 Election Results - Likud and Labour blocs

Labour bloc		Likud-Religious bloc	
Labour	39	Likud	40
CRM	5	Shas	6
Rakach	4	Aguda	5
Mapam	3	NRP	5
Shinui	2	Techiya	3
PLP	1	Tzomet	2
ADL	1	Moledet	2
		Degel Hatora	2
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Total	55		65

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*   In a curious reversal of what had happened in the 1984 campaign, Mr. Shamir talked in a nationally televised debate (23.10.88) about a broad-based Likud government, not an NUG. Labour's call for an NUG was probably the best indication of its electoral weakness which had become noticeable since the beginning of the Intifada in December 1987.

**   Two separate polls published by Ma'ariv and Yediot Ahronot on 21.10.88 indicated an electoral advantage to the right-of-centre parties.

The most significant outcome of the elections was a strategic victory for the Likud bloc over the Labour bloc. The basic 60:60 political tie between these two rival blocs, that had emerged in the 1984 elections, was now broken: in 1988 the voters gave a clear 65:55 majority to the right-of-centre bloc. The chief winners of the 1988 elections were the four religious parties: the three ultra-orthodox parties - Shas, Agudat Israel and Degel Hatora - and the NRP.* Their combined parliamentary representation increased from 13 to 18 seats between 1984 and 1988. The ultra-orthodox parties were extremely successful, having gained 13 out of the 18 religious seats. Among them, Shas has proven to be a strong competitor to the Likud within the Sephardic community in development towns and poor neigbourhoods. Shas has become the largest party after Likud and Labour, and with its 6 parliamentary seats, it occupied the pivotal position in the system.

The Likud itself came ahead of Labour - albeit by a margin of one seat, 40 to 39 - and emerged as the number one party. However, both large parties suffered setbacks. The Likud lost votes mainly to the small right-wing parties (Techiya, Tzomet and Moledet), which created a first-time presence of an ultra-right-wing bloc in parliament. Consequently, the Likud party which appeared to have moved towards the centre of the party system possessed now a potential to capture its pivotal position, which has been weak since Labour's defeat in the 1977 elections. The Labour party with its 39 seats - its lowest since the first ever parliamentary elections in 1949 (save 1977), was relegated

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* On the religious parties in the 1988 elections see Don-Yehiya, 1989, pp. 11-54; Heilman, 1990, pp.135-151.

to number two. It lost votes to left-wing parties, mainly the CRM. The Likud's edge over Labour in the elections was the product of several factors: The _Intifada_; King Hussein's public disengagement from the occupied territories (and thus from the peace process); Mr. Shamir's image as a national leader, as opposed to the "too partisan" Mr. Peres; finally, two particularly severe terrorist attacks within the last couple of weeks prior to the elections strengthened anti-Arab attitudes and seemed to have strengthened support for the right-wing. Also, Labour paid electorally due to its association with the financial mire of the trade unions' industries.

The loss of seats for both Labour and the Likud was an indication that the electorate was disappointed with the indecisiveness of the 1984-88 NUG. In 1988 a substantial portion of the vote went to extreme religious and nationalist parties, seemingly as a reaction to the renegation on matters of principle associated with a national coalition.* Ironically, it was the success of political extremism that created the need for yet another national coalition.

It is worth noting the circular nature of these political developments. Compared to the 1984 elections, in 1988 the level of competitiveness in the party system decreased but the level of polarization increased. Thus, if in 1984 an NUG was inevitable, in 1988 it seemed more as the least of two evils. In order to block extreme

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* The same thing had occurred in Israel in the 1955 elections, when the then two large parties in Mr. Sharett's broad-based coalition, Mapai and the General Zionists, lost seats to extreme left- and right-wing parties. A similar development took place in West Germany, where the 1966-69 grand coalition encouraged left and right-wing extremism. In the 1969 elections, the neo-Nazi NPD nearly gained representation in the Bundestag.

tendencies and to regulate conflicts which might otherwise tear the system apart, the Likud and Labour again joined grudgingly in an NUG, which by its very nature is an indecisive political organ. As an aside it may be pointed out (as a prediction which could be tested in the 1992 elections, due in June) that this, in turn, may encourage more political extremism in the future. The spiral may go on until one large party eventually occupies the political centre, and the level of polarization is reduced.

The political extremism which emerged from the 1988 elections was worrisome to many. "The Israeli public indicated before the 1988 elections that they were ready to have one of the parties assume the role of forming the coalition. But after the very close results were announced, polls showed that they again supported the notion of a NUG" [Arian, 1988, p. 20]. The support for an NUG was based on fear that a narrow-based government could be blackmailed by the small parties.* The small religious parties, mainly ultra-orthodox, were likely to demand a change in the definition of "Who is a Jew?" in the Law of Return - one of the most sensitive issues dividing secular and religious Jews in Israel and abroad. Similarly, the extreme right-wing parties were likely to demand the annexation of the occupied territories, if not transfer of Arabs from them. The extreme left-wing parties were willing to let the Palestinians have an independent state in the territories. The formation of a Likud-Labour NUG seemed the only way to restrain these extremist, totally incompatible policies.

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* On 12.11.88, a huge demonstration in Tel-Aviv demanded that the major parties form an NUG. The President of the State also came out in favour of an NUG.

The Coalition Bargaining Process

In many ways the results of the 1988 elections were similar to those of 1984. However, the minor differences were large enough to change the entire structure of the bargaining system. In 1984, Mr. Peres had become the "formateur" since the Labour party was the largest group in parliament. However, due to the 60:60 Labour-Likud parliamentary tie, his only realistic governmental option had been a national coalition based on parity, up to the prime ministerial level. In 1988, by contrast, Mr. Shamir became the "formateur" not only because the Likud party was the largest group in parliament, but also because a majority of the members - 65 out of 120 - favoured him as the prime ministerial candidate. As for governmental options, Mr. Shamir had at least two realistic ones: a narrow-based Likud government or a Likud-led national coalition.

In the first stages of the bargaining process, the Likud negotiated with the small religious and nationalist parties in an apparent attempt to form a 65-member Likud coalition. These talks had an apparent bargaining logic. If one political bloc is stronger than the other "it may expect a high conflictual payoff and is likely to adopt a conflictual strategy... [Moreover,] if the main conflict in a policy dispute corresponds to the left-right ideological cleavage, cooperation is less likely" [Quirk, 1989, pp. 914-5]. Such a conflictual strategy - a Likud government without Labour - was the option preferred by leaders such as Mr. Sharon, Mr. Levy and Mr. Moda'i. Still the party leader, Mr. Shamir, did not want to form a

Likud government. Apparently he himself had good reasons to prefer the other feasible coalition option - a Likud-led unity government with the Labour party.

One reason for Mr. Shamir's reluctance to lead a narrow-based Likud government and preference for a national coalition was that he did not want his prime ministership to be constantly at the mercy of sundry extreme rightist and ultra-orthodox parties. Compared with a national coalition, a 65-member Likud coalition - the Likud plus 7 small parties - appeared to be potentially very unstable.* More importantly, Mr. Shamir's opposition to a narrow-based Likud government was based on intraparty considerations. In a Likud government, Mr. Shamir's party rivals - Mr. Levy, Mr. Sharon and Mr. Moda'i - were bound to get key portfolios, an eventuality not at all to his liking. Forming a national coalition with Labour seemed an effective way to prevent it. In such a government, key posts will have to be allocated to Labour leaders, thus reducing the benefits available to Mr. Shamir's party rivals.** For example, in a national coalition the Defence portfolio would go to Labour's Mr. Rabin, and one of Mr. Shamir's chief party rivals, a potential candidate for party leadership - Mr. Sharon - would be blocked.

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* This brings to mind a similar situation regarding the Red-and-Black Austrian coalition: "Divisions within the OVP at times made negotiations difficult... In 1959, for instance, the 'reformers' led by Klaus, then the OVP leader in Salzburg... wanted an OVP-FPO coalition... but Chancellor Raab opposed such a coalition, arguing that the FPO was not a stable coalition partner" [Dreijamanis, 1982, p. 249].

** Mr. Moda'i and more so Mr. Sharon [interviews] claimed that intraparty politics strongly motivated Mr. Shamir to prefer a national coalition to a "partial" one.

Mr. Shamir's personal reasons for preferring a Likud-led national coalition notwithstanding, the strategy designed to achieve it was complicated and highly risky. If Mr. Shamir was to approach the Labour party at an early stage of the bargaining process, he might have faced at least three major problems. First, strong intraparty opposition from those who preferred a narrow-based government: Mr. Shamir would have been accused of cooperating with the chief political "enemy". Second, he might have angered the small parties which constituted the base of his hypothetical 65-member winning coalition and push them to ally with Labour. Third, the Labour party would have probably demanded total parity in a national coalition. Given these constraints, Mr. Shamir had had to be seen to strive for a narrow-based coalition and only then switch to a national one. In other words, Mr. Shamir had first to consolidate a power-base from which he could offer Labour an inferior position in a national coalition.* This was exactly what Mr. Shamir did. He was on the verge of announcing a narrow-based Likud government, when he suddenly opted for a renewed national coalition.**

Mr. Shamir's efforts to secure a Likud-dominated wide-based coalition almost failed because of the effective bargaining conducted by Mr. Peres with the religious parties. At the first stages of the bargaining process, it was widely believed that the religious parties

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* A Likud-led national coalition meant that the Prime Ministership was essentially a nonnegotiable cabinet post.

** The Likud simply ignored written agreements with several small parties. When Techiya leader Mr. Ne'eman (a world-famous physicist) asked Mr. Shamir what to do with the agreement between them, whether he should donate it to a museum, Mr. Shamir coolly replied: "As far as I'm concerned, you can do with it anything you'd like."

negotiated with Labour mainly in order to exact more concessions from the Likud. However, Mr. Peres for his part did his utmost to bring about a Labour government or, at a minimum, a prime ministerial rotation in a national coalition.* To this end, he had to pull at least one or even two religious parties to his side. This was not an easy task, since the religious parties were basically inclined to support the Likud.

Luckily for Mr. Peres, this commitment did not lead to a speedy formation of a Likud government, because Mr. Shamir deliberately protracted the negotiations in view of the Likud-led national coalition which was his ultimate goal. This waiting period angered the religious parties, and it was this anger that Mr. Peres exploited.

Mr. Peres's bargaining strategy is worth discussing, since it involved some brilliant heresthetical moves in the negotiating process. More importantly, as will be explained below, at one stage Mr. Peres managed to change the entire structure of the bargaining system which emerged from the 1988 elections. He rather unexpectedly got Labour out of its inferior position and put it on an equal footing with the Likud. It appeared (for a short time) as if a national coalition with a prime

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* Mr. Peres never accepted the 65:55 Likud-Labour power relations, claiming that a majority in parliament, including some religious parties, was holding views close to those of Labour on the peace issue. "They [the religious parties] are not all of one hue. The Likud is too hasty in annexing them unto itself" [Jerusalem Post, 2.11.88].

ministerial rotation would be the final outcome of the bargaining process.*

On 28.11.88, the Likud's Mr. Shamir and Mr. Arens met Labour's Mr. Peres and Mr. Rabin to offer them participation in a non-rotational Likud-led NUG. Both Labour leaders accepted the offer in principle, but said that a final reply would have to wait few days to get the approval of their party bureau. On 30.11.88, Labour's bureau was convened to decide the matter. Two proposals were put forward for a head-to-head vote: (1) Labour should participate in a NUG; (2) Labour should not enter a NUG "under the Likud". The carefully worded phrase "under the Likud" in proposal (2) meant that only if provisions for complete parity (including a prime ministerial rotation) were made, Labour would consider the formation of an NUG. Proposal (1) was apparently backed by Mr. Peres, Mr. Rabin and most Labour's ministers; proposal (2) was made by Mr. Baram, the party's Secretary-General and a member of the party's younger generation. By a vote of 61 to 57, Labour's bureau decided against an NUG "under the Likud". The unexpected defeat of a proposal sponsored by the top leadership was regarded as a political shock.**

In fact, the Labour bureau decision was the culmination of Mr. Peres's bargaining strategy, aimed at opening for Labour the option of a rotational government which would enable him to become Prime

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* A coalition bargaining process, stormy as it may seem while it goes on, usually lacks elements of real surprise because the basic formula of the future government can be predicted with a high degree of certainty. Mr. Peres's moves, however, entailed a sudden twist in the regular course of the bargaining process by opening unexpected coalition options.

** Jerusalem Post, headline, 1.12.88: "A Shocker from Labour".

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Minister. A necessary condition for such a strategy to take off the ground was to change the basic 65:55 parliamentary power relations in favour of the Likud, to a 60:60 Likud-Labour balance. The potential targets to tilt the parliamentary balance were the religious parties which were leaning towards the Likud. It was not a simple undertaking to "steal" a religious party from the Likud bloc, but Mr. Peres managed to sign a secret agreement with the 5-member Agudat Israel, having promised them far-reaching financial and religious benefits. The signing of such an agreement was a real achievement for Mr. Peres, since Labour and Agudat Israel were certainly strange bedfellows.*

Mr. Peres had to keep the Agudat Israel agreement in secret for two reasons. First, so as not to alert the Likud and push Mr. Shamir to form a narrow-based government without delay. Second, to conceal some of the harder-to-swallow concessions in the agreement from his own party. The agreement certainly constituted a necessary condition - a 60:60 tie - for achieving a Likud-Labour parity in government. However, another condition was needed: a decision by Labour's bureau that the party would consider participation in government but "not under Likud". The problem was that Mr. Peres could not be seen to support such a resolution openly. After all, he had already told the Likud he would unconditionally support a national coalition. Also, he would have been accused by his party rival Mr. Rabin of blocking Labour's way into the government.

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* Even during the long years of Labour's dominance, Agudat Israel was mostly in opposition. Since 1977 it has been a loyal ally of the Likud.

Publicly, then, Mr. Peres said nothing about parity (i.e. prime ministerial rotation) as an obstacle for a national coalition, and actually seconded Mr. Rabin's proposal to join in with no conditions. Secretly, however, Mr. Peres tried to manipulate both the Likud and Mr. Rabin, working behind the scenes for the acceptance of a resolution not to join a government "under the Likud". If Labour's Bureau would have approved the Peres-Rabin proposal, it would have been impossible for Mr. Peres to keep the option of a government based on parity alive. Thus, Mr. Peres wanted the Bureau to adopt a resolution which would force the Likud to improve its terms for Labour's participation in a national coalition. In other words, having secured his secret agreement with Agudat Israel, Mr. Peres was now working to secure a victory for a position he openly opposed.

It is difficult to determine the extent to which Mr. Peres was actually involved in bringing about the surprising outcome of the vote in the party's Bureau, which took place in a secret ballot. However, it was unprecedented for a Peres-Rabin sponsored resolution to be defeated in any party organ, especially on a major issue. Also, it could be assumed that those who knew about the secret agreement with Agudat Israel - Mr. Peres's close allies - had a clear interest to vote against joining a government without conditions. After all, if the parliamentary power relations was really 60:60, there was no reason to join an NUG without securing parity and rotation. Thus, it seems that the party's bureau resolution was, to some extent, covertly inspired by Mr. Peres and his associates. Both the secret agreement with Agudat Israel and the strategic voting in Labour's Bureau made a rotational national government a viable coalition option.

However, Mr. Peres's tactics, brilliant as they may seem to the Machiavellian spirit, were necessarily short-lived. The Likud would not have acquiesced with the "defection" of Agudat Israel. As the party in charge of the caretaker government, the Likud would have probably maintained a 60:60 political stalemate until the religious party returned to the fold. Moreover, the Labour party itself would have rejected many of the concessions included in the agreement with Agudat Israel. In fact, when some of the details in the agreement - not all of them - were revealed in meetings of Labour's ministers, Mr. Peres faced strong opposition to his moves. Eventually, the effort to secure a government based on prime ministerial rotation collapsed in face of interparty and intraparty difficulties.* This collapse notwithstanding, the very creation of an option for a rotational NUG, let alone keeping it alive for a while, was an impressive political achievement.**

Following Labour's failure to change the basic inter-bloc power relations, the bargaining proceeded towards the eventual formation of a non-rotational NUG. The Likud's dominance was symbolized by the fact that Mr. Shamir was to hold the prime minister's office for the full governmental term. Moreover, even though there was an equality in the

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* On 4.12.88 the governing body of Agudat Israel, known (officially!) as the Council of Sages, decided - following meetings with Likud and Labour delegations - to side with the Likud. This sounded the death knell for Mr. Peres's hopes for a rotational national coalition.

** Considering Labour's inferior position, the newspapers suggested that had Mr. Peres succeeded in his moves, he would have deserved to be nominated "the Politician of the Decade" (see for example Hadashot, 2.12.88).

number of ministers between the Likud and Labour parties, the Likud bloc was larger than that of Labour. The government plenum was composed of 26 ministers: Likud 11, Labour 11, NRP 2, and Shas 2. Shas and the NRP were essentially members of the Likud bloc. The Shinui party which had been a member of the Labour bloc in the 1984 NUG did not join the 1988 NUG. The one institution that provided for parity in government was a 6:6 Inner Cabinet, based - as in 1984 - on mutual veto arrangements.

The 1988 Likud-led NUG was formed on 22.12.88; it was the first time in Israel's history that the Labour party has agreed to participate in a government dominated by another party. Just six years earlier, in 1982, the then Prime Minister Mr. Begin had offered a similar arrangement which the Labour party rejected forthright.* In 1988 the political situation was different. "The 1988-1990 NUG witnessed a further deterioration in the position of Labour because it was relegated to a subordinated role to the Likud in the government. On the other hand, the Likud's legitimacy was enhanced; it was the party solely at the helm - with support of Labour" [Arian, 1988:21].

Intraparty Politics and the Formation of the 1988 NUG

In 1988, more than in 1984, the Likud and Labour each tried vigorously to court the religious parties, and the bargaining process took the hue

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* Mr. Begin, personal communication.

of sheer horsetrading. However, the negotiations with the religious parties did not aim at achieving a narrow-based government but rather a national coalition. Both the Likud and Labour actually used the religious parties as a threat vis-a-vis each other, in jockeying for a better position in a would-be national coalition.* Mr. Shamir was aiming at a Likud-led national coalition, while Mr. Peres was looking forward to a government based on parity. They both used the religious parties for their purposes; they both preferred a national coalition for reasons of intraparty considerations [Mintz, 1989].

As already noted, Mr. Shamir preferred a national coalition to a narrow-based government because, by "sacrificing" a few cabinet seats to Labour in a wide-based government, he could possibly strengthen his own position in the Likud and reduce the benefits to his rivals. Actually, even when Mr. Shamir found out about the Labour-Agudat Israel agreement, a situation which put the option of a Likud-led government at risk, he still favoured a national coalition, not a narrow-based Likud government. For Mr. Shamir not to let Messrs. Levy, Sharon and Moda'i acquire key government positions was indeed a high priority. Not surprisingly, these leaders for their part supported a narrow-based Likud government which would strengthen their positions within the Likud. To achieve the goal of a Likud-led national coalition, Mr. Shamir had to force Labour to join the coalition as a junior partner.

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* A similar situation developed in Austria in 1962-1963, when both the OVP and SPO parties used the threat of a narrow-based coalition with the FPO as a bargaining tactic in the formation of the Black-and-Red grand coalition [Dreijmanis, 1982, pp. 249-50]. On the dependence of political outcomes on credible threats, see for instance Brams and Hessel, 1984.

This he succeeded in doing by threatening to leave it out of government altogether by forming a Likud government with the religious parties, which would have been a second-best for him, but a disaster for Labour.

As for Labour, Mr. Peres bargained with the religious parties in order to achieve a national coalition based on prime ministerial rotation, also for intraparty considerations. Only in such a government could Mr. Peres maintain his strong position as party leader. Mr. Peres charges that for this very reason, his party rival Mr. Rabin spoiled for Labour the rotation option [interview]. Allegedly, Mr. Rabin preferred a Likud-led NUG, because if Mr. Shamir became Prime Minister for the entire duration, he and not Mr. Peres would be Labour's senior official, which would make him effectively, if not formally, the party leader.* Mr. Peres could, of course, move that Labour not join at all a Likud-led NUG and serve in a "fighting" opposition to Mr. Shamir. However, in opposition Mr. Peres's position would have been weakened even further. After all, it is easier to fight intraparty opposition from a governmental position than from the opposition bench. So once Mr. Peres was faced with the choice between participating as a junior partner in a national coalition or remaining in opposition, he opted for the lesser of two evils.**

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*   Mr. Rabin indeed pulled the rug from underneath Mr. Peres's feet by publicly declaring during the negotiations that "under the circumstances" Labour would not insist on a prime ministerial rotation as a condition to join a national coalition.

**   Besides, Mr. Peres probably assumed that in the governmental position he sought for himself, as the Finance Minister, he could win over the religious parties - a move that failed during the coalition bargaining process - because then he will have in his hands the strings of the national purse.

Intraparty politics in 1988 dictated not only which government would be formed, but also membership and portfolio allocations. Once Prime Minister Shamir gave Labour two major posts - Defence to Mr. Rabin and Finance to Mr. Peres - he turned to strengthen his faction within Likud's group of ministers.* Thus, for example, Mr. Arens, a Shamir ally who was a Minister without Portfolio in the 1984 NUG, became Minister for Foreign Affairs, not least in order to block an intraparty rival, Mr. Levy. Also, Mr. Shamir gave first ministerial positions to three loyal young politicians of his faction.** In the Labour party, government membership was also determined almost solely by intraparty politics. Mr. Peres, whose leadership position was at risk, distributed government posts to his loyal supporters and denied membership from his rivals. The recalcitrant Mrs. Arbeli-Almuslino, for one, was not included in the government.***

It seems, then, that intraparty politics in both the Likud and Labour provides empirical support for a general observation made by Luebbert: "In parties in which factional competition is intense, government formation provides an often ideal occasion for one faction to seek to sabotage another" [Luebert, 1986, p. 52]. Needless to say,

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* Unlike in 1984, in 1988 the Likud-Labour division of portfolios tended to reflect the general preferences of the public: it supported the Likud's foreign policy and Labour's economic policy. Labour's Mr. Rabin enjoyed credibility on security matters, which explains his overall popularity.

** It is interesting to note that despite the fact that the Likud's grassroot support comes mainly from the Sephardic community, it had no representation among Mr. Shamir's newly promoted leaders.

*** Mr. Rabin was able, nevertheless, to block Mr. Peres's attempts to get rid of some other members of his faction.

the formation of the national coalition was not explained to the public in precisely these terms. Rather, a wide-based government was justified by the need to counterbalance national and religious extremism. In reality, however, ideological moderation was the outcome of the coalition bargaining process, not its driving force.

Mr. Shamir's goal was a Likud-led government; had he been unable to achieved it in the framework of a national coalition, he would probably have formed a narrow-based Likud government, paying a high price to the extreme nationalistic and religious parties.* As for Labour, if Mr. Peres could have succeeded in forming a narrow-based Labour government with both the communists and the religious parties, or a rotational NUG through heavy concessions to the religious parties - he would have probably done it, justifying everything as necessary in order to push forward the peace process.** So in 1988, unlike 1984, ideology was less of a binding constraint on the coalition bargaining and formation process. The factors which counted most was Mr. Shamir's motivation for political dominance and Mr. Peres's motivation for political survival.

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*   This actually happened in 1990, following the collapse of the NUG formula, as we shall see further on.

**   Again, Mr. Peres tried to do just that in 1990. In 1988 he justified Labour's joining a Likud-led NUG as an unavoidable necessity, aimed at "saving" important portfolios from the Likud.

Unequal Partners

The maintenance of the 1988 Likud-led NUG was problematic from the word go, mainly because its formula was unacceptable to significant factions within both the Likud and Labour. In the Likud, the Sharon-Levy-Moda'i alliance wished the NUG ill, both because of their opposition to its policy package and their desire to topple Mr. Shamir.* In Labour, the broad-based government was opposed by Mr. Peres mainly because it was not a rotating NUG. Actually, the viability of the 1988 NUG was heavily dependent on cooperation between two rather unlikely partners, Mr. Shamir of the Likud and Mr. Rabin of Labour. A Shamir-Rabin dispute was therefore more critical for the maintenance of the government than any dispute between Mr. Shamir and Mr. Sharon, or between Mr. Rabin and Mr. Peres. In many ways, the 1988 NUG was a Shamir-Rabin government, not a Likud-Labour national executive.

The bilateral opposition to the NUG used the most explosive issue, the pace of the peace process, as its main political weapon. The intensity of factional attacks on the government notwithstanding, the Shamir-Rabin alliance was strong enough to keep the NUG formula alive and even produce an Israeli peace plan in May 1989. However, the adoption of the peace plan, which seemingly created a Likud-Labour

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*   In fact, Mr. Levy supported the formation of the NUG believing he would join the top "forum" and receive more patronage. Soon enough he realized how much the promises given him were really worth.

ideological balance within the NUG, caused even more intensified factional activity aimed to destabilize the government formula. This activity eventually proved successful; within less than a year, in March 1990, the NUG collapsed. The way the government coped with the strong opposition to the NUG formula, which developed following the May 1989 peace plan, seems a useful perspective to analyse the modus operandi of the NUG, which was essentially about factionalism and the manipulation of the peace issue.*

Manipulating The Peace Process

Likud-Labour discussions aimed at an acceptable formula on the peace issue started soon after the formation of the government. After a few months of interparty dialogue, the NUG approved (on 14.5.89) a Shamir-Rabin sponsored peace plan based on the notion of holding democratic elections in the occupied territories.** It was based on the hope that

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* Apart from the peace issue, no decisions were made on any major issue during the 15 months of the NUG's existence. In government sessions ministers mainly listened to reports on plans to absorb immigrants, on financial trouble in development towns, on how to reduce bureaucracy, on electoral reforms, etc. There were, of course, occasional Likud-Labour clashes on social and economic issues. However, very few decisions were made on any matter. Due to the disagreements on the peace issue, the NUG was virtually paralyzed as a national executive throughout its existence.

** The plan was approved by a wide margin in the NUG. Messrs. Sharon, Moda'i, Levy of the Likud and Mr. Shaki of the NRP voted against it, claiming it was "too moderate". Also Messrs. Weizmann and Edri of Labour voted against it, claiming it was "too tough". In many respects, the NUG plan was similar to Labour's 1988 election campaign proposal which was called at the time a "gimmick" by Prime Minister Shamir.

the Palestinians would choose delegates with whom Israel could negotiate the future status of these areas. In any immediate sense, however, the government initiative was meant to enable a continued cooperation between the Likud and Labour in a national coalition, as well as to improve Israel's image abroad, which has been severely damaged since the beginning of the Intifada in December 1987.

The strongest opposition to the NUG peace plan developed within the Likud by the "constraints" faction led by three members of the Inner Cabinet - Messrs. Sharon, Moda'i and Levy. The faction's activity and the reaction to it by both the Likud and Labour had a strong impact on the NUG's modus operandi. The faction's open objection to the NUG's peace plan was based on its claim that the plan might lead to the establishment of a Palestinian state in the land of Israel.* Consequently, the "constrainers" demanded to introduce four amendments - which they dubbed "constraints", hence the name of their ad hoc alliance - to the original NUG plan: (1) No participation of East Jerusalem Arabs in the elections; (2) no negotiations as long as violence continues, i.e. before the end of the Intifada; (3) no negotiations with PLO and no Palestinian state in the Land of Israel; and (4) the continuation of Jewish settlements in the territories.

The very formation of the "constraints" faction constituted an acute problem for Mr. Shamir. If the Likud Prime Minister was totally to ignore the demands of the "constraints" faction, he would be faced

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* The "constraints" faction was furious with a call made by several Labourites to open a dialogue with the PLO without the Likud's consent. As they put it, Labour was but a tenant in the NUG, in no position to sell the house (the land of Israel) without the consent of the landlord (the Likud).

with a mounting opposition within his own party. He was well aware that in terms of substance, the "constraints" faction's positions certainly reflected the opinions of an overwhelming majority of the Likud members. On the other hand, if he was to let the faction's positions become official policy, he would be blamed by Labour for undermining the NUG peace plan. Since Mr. Shamir could not wish away the "constraints" faction, he was certain to find himself in trouble either in the Likud or in the NUG. Put simply, the "constraints" faction actually constrained Mr. Shamir to choose between party and government. Thus the Likud Prime Minister found himself between the Devil and the deep blue sea.

One of the leaders of the "constraints" faction, Mr. Sharon, served as the chairman of Likud's Central Committee, the party's supreme political organ. Therefore it was there that the faction planned its showdown with Mr. Shamir. The crucial meeting of the Central Committee on July 5 1989 was a turning point in the road of the NUG. Also, it provides us with a prime example of heresthetics at its best.

The main issue at stake was the peace process, although the real battle between the factions revolved around agenda control and voting procedures.* Prime Minister Shamir demanded that a single vote of endorsement take place on his address, in which he would introduce the

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* The tradition in the Likud has been that the Chairman of the Central Committee consult with the Chairman of the Movement (Mr. Shamir held the latter position at the time, as he still does at the time of writing) when laying out the agenda for the Central Committee. Mr. Sharon, however, was not required to defer to him, and chose this time to use his prerogative of unilaterality.

NUG's peace plan. Mr. Sharon, on the other hand, proposed two separate votes: (1) on the Prime Minister's speech; and (2) on the "constraints" faction's positions on the peace issue. As a way to avoid open conflict, Mr. Shamir suggested a head-to-head vote of his proposal against any other proposal, meaning that of the "constraints" faction. Mr. Sharon rejected this idea and insisted on two separate votes. The procedural fight was not merely a matter of prestige. Rather, it reflected a conflict between Mr. Sharon's strategy of "increasing dimensionality" and Mr. Shamir's strategy of "fixing dimensionality" [see Riker, 1986, p. 66]. In other words, the number of dimensions of the peace issue introduced through smart political maneouvres could determine whether it would be a winning or a losing proposition within the framework of the NUG.

In order to introduce a new dimension to the NUG peace plan and prove that in its original form it does not enjoy a majority within the Likud, Mr. Sharon had to pass a resolution reflecting the positions of his faction. By his estimate, in a head-to-head vote between Mr. Shamir's policy and the faction's, the latter would have been defeated because many members of the Central Committee, if forced to choose between their leader and their principles, would probably vote strategically (for the leader) rather than sincerely (for the principles they believe in).* Only two separate votes could have relieved the Likud members of this dilemma.

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* Opinion polls carried out before the meeting among Likud Central Committee members (by Ma'ariv and Yediot Ahronot) indicated that Mr. Shamir had the support of at least two-thirds of the members.

Mr. Sharon's insistence on two votes instead of one thus represented a maneouvre of increasing dimensionality. The obvious fact that the two-votes proposal was but a political maneouvre did not matter much. The members of the Central Committee would certainly have voted for the faction's policy, if no other issue was involved. After all, it did reflect more faithfully the Likud's ideology. "Manipulation works even though those who are manipulated know they are being manipulated because, once a salient dimension is revealed, its salience exists regardless of one's attitude towards it" [Riker, 1986, p. 151].

Mr. Shamir protected himself against Mr. Sharon's maneouvres by pursuing a strategy of fixing dimensionality, namely blocking the separate votes proposal and insisting on one vote only. The Prime Minister was certain of victory in the Central Committee in this case, which would enable him to claim that the peace plan enjoys a majority both in the NUG and in the Likud. Mr. Sharon could not, of course, let such a thing happen, since it would have defeated the very raison d'etre of the "constraints" faction. Attempts to reach a compromise between the two sides, even as the Central Committee was already in session, failed utterly. There was even fear of physical violence during the meeting, which disgracefully proved to be the decisive factor: the spectacle of a disorderly (and nationally televised live) showdown eventually forced Mr. Shamir to yield to the demands of the "constraints" faction. In order to prevent the separate approval of its proposals, he agreed to include the four constraints in his own speech. It was a face-saving formula which failed to disguise complete surrender.

And so it was that the Prime Minister's speech had been scrutinized by leaders of the "constraints" faction before delivery.

Moreover, Mr. Shamir was made to declare that the principles introduced into his speech would bind the representatives of the Likud in both government and parliament. For the Prime Minister, this capitulation was a worse outcome than whatever may have happened had he agreed in advance to vote separately on his and the faction's proposals, both of which would have been approved, in all likelihood. In the latter case, Mr. Shamir could have told Labour that his proposal represents NUG policy, whereas the faction's proposal is only part of the principles of the Likud - which, alongside with many other principles, could be shelved for the time being. Having included the "constraints" in his own speech, however, he dealt a crippling blow to the NUG's original peace plan. When at long last the Central Committee meeting was over, there was a near-unanimous agreement that the "constraints" faction had scored a great political victory.

The victory of the strategy of increasing dimensionality over the strategy of fixing dimentionality within the Likud created, as could be expected, an NUG crisis. Even though Prime Minister Shamir insisted that his speech did not deviate from NUG policy, Labour leader Mr. Peres reacted by saying that "party interests have superseded the national need for a peace process. Shamir may agree to Sharon's dictates, but the Labour party will not" [Israel TV, 6.7.89]. Labour demanded and got another vote in the NUG approving the peace plan (23.7.89), but the plan's political status and the chances for its implementation were severely damaged.

The government crisis was not only related to the peace plan itself, but also to the Shamir-Rabin relations which maintained the NUG status quo thus far. When Mr. Shamir made peace within the Likud - capitulating to his intraparty opposition - at the expense of the NUG

peace plan, he lost the confidence of Mr. Rabin, who with him engineered both the NUG and its peace plan. This breach of faith marked the beginning of the end of the 1988 NUG. If until then it was a Shamir-Rabin operation, now Mr. Peres and Mr. Sharon have seized the initiative. Since both these leaders were dead set against the NUG formula, for ideological and personal reasons, the stability of the government, if not its existence, became now very shaky.

In the second half of 1989 the NUG was rapidly deteriorating. Not only did the PLO reject the idea of elections in the territories (which made the NUG plan very much irrelevant) but also the Intifada intensified, bringing about bitter exchanges of accusations between the Likud and Labour.* Moreover, two fresh "foreign" peace initiatives - one by Egypt's President Mubarak (September) and one by U.S. Secretary of State Baker (October) - turned up to be destabilizing, as far as the NUG was concerned. These "ideological interventions" from outside appeared to frustrate the already delicate Likud-Labour ideological balance, since both basically rested on the territory-for-peace formula as well as a meeting in Cairo between Israelis and Palestinians - ideas totally unpalatable to the Likud.

In late 1989 and early 1990 the NUG spoke in three voices on the peace issue: Labour supported both the NUG plan and the two "foreign" initiative; Prime Minister Shamir supported the NUG plan but was against the "foreign" initiatives; and the "constraints" faction in the

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* Even aloof politicians like Mr. Arens and Mr. Rabin became involved in the Likud-Labour mudslinging. When Mr. Arens said that Mr. Rabin was not his best choice to deal with the Intifada, he was quickly reminded that because of him, the Israeli Army was stuck in Lebanon for years.

Likud opposed both the NUG plan and the "foreign" initiatives. The "foreign" initiatives, at least that of Mr. Baker, provided Mr. Rabin with an opportunity to put Mr. Shamir's real intentions to a test, in order to see whether or not his position on the peace issue is different from that of the "constraints" faction. Mr. Rabin expected Mr. Shamir to go along with him at least one step further, to an unprecedented Israeli-Palestinian dialogue in Cairo. However, Mr. Shamir, suspecting that the PLO was going to be a guiding force in Cairo as well as distrusting the Americans' promise to play the role of "an honest broker", flatly refused.* Besides, Mr. Shamir's chief desire was to keep the peace within the Likud, and making gestures towards Labour would have served him ill in this respect.

In his determination to display a tough attitude <u>vis-a-vis</u> the peace issue, Mr. Shamir dismissed Mr. Weizmann from the NUG on 31.12.89. Mr. Weizmann was accused of conducting unauthorized meetings with PLO. He was alleged to have helped bring about the PLO's qualified endorsement of Secretary of State Baker's peace initiative. Since refusal to have anything to do with the PLO was a central feature of the consensus on which the NUG rested, Mr. Shamir showed Labour, by dismissing Mr. Weizmann, "who is boss" in government.** This move put Labour in an awkward position indeed, forcing them to choose between

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* As a matter of fact, he laid out conditions for a Cairo meeting which the Palestinians rejected at the time, although they did accept similar conditions for the subsequent meeting in Madrid.

** Apart from revenging the dismissal of Mr. Moda'i in 1986, Mr. Shamir taught Mr. Weizmann a personal lesson for denying him the prime ministership in 1984, when he decided to collaborate with the Labour party.

equally distasteful alternatives: to back Mr. Weizmann meant to put an end to the NUG and being portrayed as a pro-PLO party. To abandon Mr. Weizmann was to accept a clearly inferior position in NUG. Mr. Peres, who wanted to dismantle the NUG formula anyway, suggested that his party stand up for Mr. Weizmann. Mr. Rabin, who favoured the continuation of the NUG, searched for a compromise solution. Using his influence with Mr Shamir, and helped by Mr. Peretz of Shas, Mr. Rabin negotiated a way out of the crisis: Mr. Weizmann stayed on as a minister, but left the Inner Cabinet.

Mr. Shamir seemed satisfied with the conclusion of the crisis: "I have punished the man who was responsible for 'PLO chasing'; I conveyed a message to the world that we are set against the PLO; and I still succeeded in maintaining the existence of the NUG" [Israel TV, 3.1.90]. He assumed that the Weizmann affair would strengthen his leadership position in the Likud following months of infighting, in which the "constraints" faction blamed him of "soft" political standing and opening the door to bring the PLO into the peace process. However, If Mr. Shamir thought that at least he bought some domestic peace, he was proven wrong. The "constraints" ministers kept fighting him, because the real issue was not policy but the very leadership of the Likud. The factional activity intensified in preparation for yet another crucial meeting of Likud's Central Committee, scheduled for February 12, 1990.

At that meeting, the basic rules of democratic conduct broke down almost completely. Mr. Sharon, the Chairman of the Central Committee, again refused to consult Mr. Shamir on the agenda, and insisted again on two separate votes. Having learned from past mistakes, Mr. Shamir decided to be more resilient this time. At the meeting, Mr. Shamir gave his address and asked himself for endorsement. Nobody could tell

whether the hands raised in the tumult actually constituted a majority; Mr. Shamir announced that he had won a majority, declared the meeting closed and turned to walk away.* At the same time the chairman, Mr. Sharon, grabbed another microphone and asked for the Committee's approval of his faction's "constraints". Instead of one or two orderly votes, Mr. Shamir and Mr. Sharon were vying with each other over two separate microphones, simultaneously asking for a show of hands on two different sets of resolutions and then each announcing victory. Mr. Shamir appears to have emerged the victor, if for no other reason then because he had remained the Prime Minister.

In the February 1990 meeting, unlike the one in July 1989, Mr. Shamir's strategy of fixing dimensionality seems to have won over Mr. Sharon's strategy of increasing dimensionality. Following the Central Committee meeting Mr. Sharon resigned his position in government, claiming that he could fight more effectively for his positions outside the NUG.** This development robbed Labour of a sorely needed pretext to leave the government, since it gave a boost to the NUG peace plan which was the issue at stake.*** However, the Shamir-Rabin alliance was crumbling, and it was obvious that the government could not survive for long. When Mr. Peres approached Mr. Rabin with a plan to form a

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*   It had been agreed in advance that voting will take place only
     after a debate, to which scores of members from both camps already
     registered.

**   Another "constraints" minister, Mr. Moda'i, actually left the
     Likud to set up a new 5-member parliamentary faction, in order to
     put more pressure on Mr. Shamir.

*** Even Mr. Weizmann, the most "dovish" of Labour's ministers, said
     that Labour should stay in government now that Mr. Sharon had
     resigned.

"government of peace" - Labour and the religious parties - the latter agreed to dismantle a governing formula he had believed in. He was willing to do it not least because he did not feel committed any more to Mr. Shamir. It was Mr. Rabin's consent to the attempt to form a Labour government which brought about the collapse of the NUG in March 1990.

The downfall of the NUG in 1990 was an indication that the pattern of politics that facilitates conflict regulation fell short of securing the degree of ideological and political consensus required for conflict resolution. "At best such governments could only resolve problems over which a broad consensus exists and launch initiatives to be completed at a stage when the government will be more homogeneously structured" [Elazar and Sandler, 1990, p. 241].

The Politics of Narrow-Based Government

Following the 1988 elections and the formation of the Likud-led NUG, Labour's leader Mr. Peres soon developed an ambivalent attitude towards the government formula, the Likud and Prime Minister Shamir. Apart from ideological reasons, Mr. Peres was not ready to put up with his failure to secure an NUG with prime ministerial rotation in the coalition bargaining process. Mr. Shachal, a close associate of Mr. Peres's, claimed that "Peres's desire to topple the 1988 NUG existed from day one. Without rotation he could not see himself waiting a whole parliamentary term without becoming prime minister. This is why he planned to destroy the government" [interview].* This behaviour seems to correspond with Riker's idea about political manipulation: "The heresthetician [political manipulator] thrives when he is losing because he is driven, it seems, by an intense desire to win" [Riker, 1986, p. 51]. Even Mr. Peres himself admitted that "there was no point to stay long in government without rotation. We made a mistake joining the NUG in the first place" [interview].

The personal position of Mr. Peres in the non-rotational NUG was indeed problematic. Even though he was Deputy Prime Minister and Finance Minister, he did not enjoy the same status as Prime Minister Shamir or even Defence Minister Rabin. This unacceptable situation Mr.

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* Mr. Edri and Mr. Katz-Oz, ministers loyal to Mr. Peres, expressed similar opinions [interviews].

Peres was determined to change, by trying to form a narrow-based Labour government with the support of the pivotal religious parties. To achieve this goal, Mr. Peres had two major political weapons at his disposal. As the leader of the Labour party he could shake the foundations of the national coalition by sharpening the already existing conflict with the Likud about the peace issue. And as the Finance Minister he was in good position to buy out the religious parties. Since the views of several religious parties on the peace issue were not too distant from Labour's, Mr. Peres's strategy to dismantle the NUG and form a Labour/Religious government seemed, at least on the face of it, not totally unrealistic.

There were two ways to try and form a Labour/Religious coalition: through new elections, or through a change of alignment in the existing parliamentary situation. Generally speaking, in Israel changing a government without new elections is quite legitimate.* In this particular case, however, the only legitimate way to form a new government was through new elections, because the Likud has had the foresight to include a clause to this effect in the 1988 NUG agreement.** It was clearly stated there that if the Knesset passed a vote of no-confidence in the NUG, no other government would be established in its stead. Rather, within seven days both the Likud and

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*   In several other countries, on the other hand, a <u>fliegende wechsel</u> - a change in the coalition without new elections - is politically unacceptable, if not plainly illegal. The idea is that democratic norms should prevail over parliamentarism. See Bogdanor, 1983, p. 275.

**   See the 1988 coalition agreement, Article 1.22, in appendix C.

Labour would submit a bill for dissolving the Knesset and holding new elections within 100 days. Moreover, a change of government without asking for the opinions of the voters would certainly detract from the political legitimacy of a would-be Labour/Religious coalition in its efforts on the peace issue.

Mr. Peres was not interested in the longer, if more legitimate route to a Labour/Religious government. He wanted to form it already in the current Knesset.* He provided several explanations for his choice of strategy: First, there was an urgent need to advance the peace process that could not wait until after the long process of new elections and new coalition bargaining. Second, several religious parties maintained at the time positions similar to Labour's on peace, but things could change in the wake of new elections. Third, there was no majority in the Knesset for new elections, not least because the Likud and Mr. Shamir naturally opposed it. And fourth, even if it was necessary to consult the electorate, it was better for Labour to enjoy incumbency prior to elections. As for the claim that attempts to form a narrow-based Labour government in the current Knesset violated the coalition agreement, Mr. Peres responded by suggesting that the Likud also did not adhere to the agreement - by blocking progress on the issue of electoral reforms, for instance.

All these explanations notwithstanding, Mr. Peres had at least two important reasons to pursue a policy of narrow-based government rather

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* The Likud, suspecting Labour of an effort to form a government in the current Knesset, tried to make the 1988 coalition agreement a state law. But it failed to do it, as it failed to legislate the articles on rotation in the 1984 coalition agreement.

than early elections in his attempts to dismantle the NUG. First, Labour was well behind the Likud in public opinion polls.* In the municipal elections held in February-March 1989, which usually provide a good indication of voting patterns for the forthcoming national elections, Labour was badly beaten by the Likud.** Second, in the event of early elections Mr. Peres was bound to face a strong intraparty challenge to his leadership.*** After all, he led Labour four times into defeats in general elections. To become prime minister in the current parliamentary term was the safest way for Mr. Peres to secure for himself the top spot on Labour's list and lead it in general elections for the fifth time.****

In his plan to destroy the NUG formula, Mr. Peres was not without allies in the Labour party, as well as enemies such as Mr. Rabin, of course. In particular, he enjoyed the support of younger party activists, who saw even a Labour defeat in the next elections as a blessing in disguise, because it would hasten the departure of the

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* In July 1989, for example, polls indicated that if elections were held, Labour's representation would drop from the present 39 seats to 25 [Newsweek, 31.7.89].

** Indeed, so spectacular was the Likud's success that these municipal elections were dubbed "the second upheaval" (the "first upheaval" occurred in 1977, when the Likud upset Labour in national government). Also, in November 1989 Labour achieved only a narrow victory in its last remaining bastion, the Histadrut.

*** Apart from Mr. Rabin, three new contenders for the party leadership emerged in March 1989: Mr. Shachal, Mr. Ya'acobi and Mr. Gur.

**** Only Mr. Ben-Gurion has led Mapai/Labour into five general elections - all of which he won.

veteran leadership and open new roads for them.* Also the more "dovish" party members tended to support him.

Having secured a sufficiently strong basis at the intraparty level, Mr. Peres then turned to operate at the interparty level. In the course of 1989, using his clout as both the leader of the Labour party and Finance Minister, he was building a strategic understanding with the religious parties. Needless to say, an effort to split the religious parties from the Likud bloc involved a highly risky political gamble. Granted, several religious parties currently agreed with Labour's positions on the peace issue, but did that really mean that they would make Mr. Peres Prime Minister? After all, for over a decade the religious parties supported only Likud leaders as prime ministerial candidates: Mr. Begin in 1977 and 1981, and Mr. Shamir in 1983, 1984 and 1988. Moreover, the affinity between the Likud and the religious parties has related not only to religious issues but also to political issues such as settlements, several security matters and many socio-economic problems. However, both persistent efforts by Mr. Peres and political developments within the ultra-orthodox camp appeared to undermine the basic formula of 1988 NUG and seemingly made a Labour government a not unrealistic option.

One ultra orthodox party that has gone through a meaningful political change was Agudat Israel. It had been basically an opposition party until Mr. Begin brought it into the Likud government in 1977.

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*   This group seems to have adopted Lenin's slogan, "things have to
     get worse before they can get better". However, one of their
     leaders, MK Chaim Ramon, denied [in an interview] that this was
     the group's political thinking.

Since then it was identified with the Likud bloc until its withdrawal from the NUG in November 1989 after 11 months of deteriorating relations with Prime Minister Shamir. If for 40 years Agudat Israel regarded Labour as socialist and anti-religious, in 1989 it started to relate more favourably towards Labour, especially as Mr. Peres, the Finance Minister, provided it with generous financial allocations. Because of that, Prime Minister Shamir was forced to make concessions to the remaining religious parties, fearing they might change their tune as well.* Thus, for example, the Likud "killed", in November 1989, the proposed Basic Law on Human Rights, which was objectionable to the religious parties.

The changing attitude of Agudat Israel severely destabilized the government, but it was developments within another ultra orthodox party, Shas, which eventually sealed the fate of the NUG. Headed by the nationalist Rabbi Yitzhak Peretz, but guided in effect by an extraparliamentary group of rabbis, Shas with its 4 parliamentary seats was practically an integral part of the Likud bloc during the 1984-88 period.** In the 1988 elections, however, Shas increased its number of parliamentary seats to 6 and became the pivotal party. The moderate Mr. Arieh Der'i, who emerged now as Shas's strongman, considered ways and means to exploit his party's new position in the system for improved

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* Meanwhile, Mr. Shamir used the unstable situation also to strengthen his intraparty position: he suggested to his own party that the real choice was not between him and the "constraints" faction, but between him and a possible Labour government.

** In 1984 the Likud risked a major NUG crisis when it backed Shas in its clash with the NRP over government patronage.

benefits, and apparently reached the conclusion that cooperation with Labour was his party's best bet. This alliance eventually brought about the dissolution of the 1988 Likud-led NUG.

A Labour-Shas cooperation in the framework of a coalition government seemed a reasonable enough strategy for both parties. They could agree on political issues, since Shas, as a Sephardic populistic party had no real conflict with Labour's territory-for-peace formula.* As for Labour, since it could not attract enough Sephardic votes to get back to power, it needed to ally with a party which could do just this. Shas, a rising new force, seemed the right choice for a partner.** Moreover, Shas proved particularly successful in "Likud country" - poor neigbourhoods and development towns - which put it on collision course with the Likud, much to Labour's delight. Given the tight power relations in the existing Knesset, however, an effective Labour-Shas ruling coalition seemed a long-term proposition, perhaps to be implemented in the next Knesset. In the current Knesset both parties were supposed to cooperate in government on the peace issue as well as on Sephardic-Religious issues.

This rationale - to plan a long-term Labour-Shas governing coalition for, say, the decade of the 1990's - did not correspond with the personal plans of both Mr. Peres of Labour and Mr. Der'i of Shas.

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* During a visit to Cairo, the Shas "guru" Rabbi Yossef declared that saving lives is more important than keeping territories, which put him foursquare on Mr. Peres's side.

** Many Sephardic voters who had supported Labour until the early 1970's, and then had switched to the Likud in the late 1970's and early 1980's, now felt that both large parties have let them down. They voted for Shas in 1984 and more so in 1988. Shas got also the votes of previous NRP and Tami supporters.

Both leaders wanted to cooperate in government already in the current Knesset. Mr. Peres wished to destroy the NUG and become prime minister right away. He certainly did not want to wait until the next elections, by which time he may not even head Labour's list. As for Mr. Der'i, a candidate for the Finance post in a would-be Labour government, he assumed that holding a senior cabinet post for a couple of years would enable him substantially to increase Shas's political power in advance of the next election.*

By the end of 1989, the Peres-Der'i plan to dissolve the NUG was basically in place. Even the political weapon to be used in bringing down Mr. Shamir's government was decided upon: An affirmative answer to Mr. Baker's peace initiative. Now, as the would-be coalition partners waited for an opportune moment to execute their plan, there was one more problem they had to resolve: acquiring the support of Labour's Mr. Rabin, a staunch advocate of the NUG formula. Sometime in January 1990, Mr. Der'i met with Mr. Rabin, with Mr. Peres blessing, and told him that his consent was the last thing needed to bring about a change of government which would take Labour to power and Israel to peace talks in Cairo. According to Mr. Rabin, "Der'i came to me and said that Peres's people claim that you are against Mr. Peres being Prime Minister. I said this was not a problem. The important thing was to move towards peace" [interview]. When Mr. Rabin finally came to believe in the feasibility of a Labour-Shas "government of peace", the NUG was clinically dead.

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* According to political commentators, Mr. Der'i expected Shas to gain 10 to 12 Knesset seats. [Mr. Shchori and Mr. Crystal, interviews]

Having obtained Mr. Rabin's support for his effort to set up a narrow-based government, Mr. Peres felt confident enough to say: "We have today a clear majority in parliament for going ahead with the peace process, there is a clear change of heart in the religious parties. The moment they [the Likud] say no [to the peace process], that will be the end of the story [NUG]". The Likud's Deputy Foreign Minister Netanyahu responded: "we do not deal with ultimatums, and we certainly do not yield to them. If Labour wants to bolt the Government, they are free to do so. But they will be responsible for dealing with the consequences" [New York Times, 22.2.90].

In early March 1990, Labour and its associates, the ultra orthodox parties, decided to move for a vote of no-confidence in the NUG, following which a Labour government was supposed to be formed. The plan was as follows: 60 MKs will vote against the government (55 Labour bloc, 5 Agudat Israel); the ultra orthodox Degel Hatora with its 2 MKs would abstain. The government will have only 58 votes (47 Likud bloc, 6 Shas, 5 NRP). The NUG would fall, and the same parties who voted against would form a narrow-based government. Once a Labour government was in place, Shas with its 6 MKs would join in. This plan was meant to save the Shas leadership problems with its followers, most of whom were anti-Labour. The idea was that Shas would not be seen to help setting up a Labour government, but merely join an already existing Labour government.

A plot involving more than half the membership of the Knesset could not have remained concealed for any length of time; as it was, it became apparent on Monday, 12.3.90, following a meeting of Labour's Central Committee. In response, the next day Prime Minister Shamir dismissed Mr. Peres from his government - an act which may have brought

him personal gratification, but was mainly intended to prevent Labour ministers from staying on in a caretaker government, should the NUG fall in the no-confidence vote scheduled for Thursday 15.3.90.* And indeed, all Labour ministers then had no choice but to submit their resignations so as not to be seen abandoning Mr. Peres at this crucial moment. A major political crisis was afoot, and several politicians attempted to save the NUG formula. However, the Peres-Der'i alliance pressed on to topple the NUG as scheduled.

The Knesset debate on the no-confidence vote was as bitter as could be expected. Mr. Shamir: "Peres never accepted the fact that he was not the premier. He treated me as he had treated all the other premiers he served under, and the record makes that plain. He complains of character assassination, but Israeli leaders have already testified to his character" [Jerusalem Post, 16.5.90] - a clear reference to Mr. Rabin's characterization of Mr. Peres as "indefatigably seditious". Mr. Peres's response was equally below the belt: "Shamir was poles apart from the former Likud premier Begin." The Shamir NUG fell in a vote of 60 against 55. 115 MKs were present, but the 5 Shas MKs who were absent tipped the scale.** Thus came to an end the first Israeli government to

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*   By law, a minister's dismissal or resignation takes effect after 48 hours, so Mr. Shamir had to fire Mr. Peres early enough to make sure he was out of the government before it fell down. In hindsight, it was a major miscalculation on Labour's part to let the cat out of the bag more than 48 hours before the scheduled no-confidence vote.

**   Earlier, Mr. Shamir had refused to give the Shas patron Rabbi Yossef a written commitment on behalf of the Likud to respond favourably to the Baker peace initiative. The Rabbi then instructed Shas's MKs not to show up for the vote, and five out of the six obeyed.

have lost in a no-confidence vote in parliament. Still, for the time being Mr. Shamir remained the head of a caretaker government and the Labour party was out. Labour's policy of "a narrow-based government" apparently won a political victory, but as we shall see it was very short-lived.

It was symbolic that the collapse of the NUG involved the formal dismissal of Mr. Peres from the government. In fact, Mr. Peres had given Mr. Shamir good excuses to dismiss him many times before. However, as long as Mr. Shamir believed that the NUG could continue to function, he turned a blind eye on Mr. Peres's behaviour and relied on his close cooperation with Mr. Rabin to keep the government formula alive. But when Mr. Rabin joined Mr. Peres in opposition to the government, Mr. Shamir realized that the end was at hand. He took a political gamble by dismissing Mr. Peres and sever relations with Labour. In final analysis he emerged a winner, for following the collapse of the NUG a narrow-based Likud government was formed.

Winning the Battle, Losing the War

The successful 60:55 parliamentary no-confidence vote, on 15.3.90, put an end to the NUG: "The operation of parliamentary democracy... implies that governments must lie down and die when they are beaten in the legislature. Typically, such a defeat can be definitely established only if the government loses a confidence vote" [Laver & Scofield, 1990, p. 211]. In Israel, governments are not necessarily buried when they die: they become caretaker governments that may come back to life. Coalition politics revolve sometimes around this kind of life after

death, and this indeed is what happened to the Shamir government following the collapse of the national coalition.

Given the coalition crisis, the President of the State Mr. Herzog had to initiate a new agenda which would map ways out of the political stalemate. Having consulted with the parties represented in the Knesset, as required by law, Mr. Herzog found out that the options of new elections or yet another national coalition did not enjoy wide support and could not lead to a speedy formation of a stable government. Thus, the only remaining option was to call on the leader of either major parties to serve as a "formateur" for a new government. However, the President (as well as anyone else, not least Mr. Peres) was surprised to discover that Labour's leader did <u>not</u> enjoy the support of a majority of the members of the Knesset.

As expected, Mr. Peres was supported by the 60 members of Knesset who voted in favour of bringing down the NUG. But perhaps unexpectedly, Mr. Shamir now enjoyed the support of 60 members from the Likud and Religious blocs - including the 5 Shas MKs who only a few days earlier had brought down his coalition by not showing up for the no-confidence vote.* Given a 60:60 parliamentary balance, who should be called upon to form the next government? Never before has an Israeli President had to make a political decision, nor was he supposed to do such a thing. The assumption behind the law governing the President's role in appointing a "formateur" was that the identity of the candidate would emerge in and of itself, as a result of a clear majority in the Knesset

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* It should be stressed again that Shas, for fear of its pro-Likud voters, could ill afford to be seen as doing anything which positively prevented Mr. Shamir from heading the government.

supporting one party leader. This time, however, the appointment of a "formateur" meant in fact giving an initial advantage to either side, thus possibly determining a specific resolution to the coalition crisis.

On 21.3.1990 President Herzog decided to assign Labour's Mr. Peres with the task of forming a new government. He cited three main reasons for his decision. First, the Labour party was the largest party in the Knesset.* Second, the Labour party succeeded in the no-confidence vote.** Third, the President thought that "MK Shimon Peres has the best chance of receiving the support of the majority in the Knesset. This is of course the main consideration that must guide me and has guided me in the past and indeed won the Knesset's approval on each occasion" [Herzog, GPO, 21.3.90]. Naturally, the Likud was not very happy with the President's decision. However, "there can be no institutional method which guarantees that the head of state will not have to make a decision which is regarded by one of the political parties as being unfair" [Bogdanor, 1983, p. 268].***

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*   On the very day of the no-confidence vote, the 5 Liberal MKs headed by Mr. Moda'i were recognized as a separate parliamentary faction, so the Likud was relegated to the number two party with 35 seats.

** Knowingly or otherwise, he thus applied "the principle of guilt" whereby "the party that caused the defeat of government had to take responsibility for it by being entrusted with the formation of the new government" [von Beyme, 1983, p. 357].

*** This act by Mr. Herzog, as well as his calls for national coalitions both in 1984 and 1988, and his other involvements in controversial issues (e.g. the pre-trail pardon given to Shin-Bet officials or the clemency given to the convicts of the Jewish underground) all indicated that parliamentary democracy in divided Israel was facing the phenomenon of "creeping presidentialism".

The President may have assumed that Mr. Peres has had a good chance to form a government, but reality proved him wrong. When Mr. Peres officially started the bargaining process, he had a legislative coalition of 60 MKs - one short of the minimum requirement. However, he found it near-impossible to get any additional parliamentary support in the face of the Likud and its allies. Mr. Peres expected support from Shas and Degel Hatora, which parties engineered with him the downfall of the NUG, but they did not come through, having been categorically instructed by their spiritual leader Rabbi Schach (to whom even Rabbi Yossef deferred) not to help in forming a Labour government. This "religious veto" forced Mr. Peres to look for parliamentary support by renegades from the right-of-centre parties. Here, the "best" potential candidates were MKs from the Liberal faction which has just split away from the Likud.

In early April it seemed as if Mr. Peres has managed to put together a 61-member winning coalition, when he captured a defector from the Liberal faction: MK Avraham Sharir.* Having secured a winning coalition on paper, Mr. Peres asked the Speaker to convene a Knesset session on 11.4.90 in order to present his government and ask for approval. Just before the session was due to open, with the coalition guidelines on the members' tables and all the guests of honour already in the gallery, it transpired that Mr. Peres did not have a majority to

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* The strategy of capturing defectors was "justified" by the urgent need to form "a government of peace". It was supposed to create a momentum whereby more parties (such as Shas) would join the government for fear of being left out. Mr. Sharir, formerly a member of the "constraints" faction, was obviously ready to back a left-wing cabinet for hefty office payoffs.

form a new government after all. Two MKs from Agudat Israel defected from the proposed 61-member Labour coalition (following yet another rabbi's orders), and did not even show up for the Knesset investiture session.*

Finding himself in this awkward position, Mr. Peres asked to delay the opening of the Knesset session. The Speaker, Mr. Shilansky of the Likud, turned out to be quite accommodating. He could have declared it an investiture session, in which case Mr. Peres would have failed to gain the House's confidence and concluded then and there his assignment as a "formateur". However, Mr. Shilansky never called on Mr. Peres to present his government, thus granting him a new lease of life as a "formateur". That day Mr. Peres asked the President to extend his mandate, hoping that Agudat Israel will bring its two dissident MKs to heel, or else replace them. He was given 15 extra days to try and form a government.

Having obtained additional time to form a government, Mr. Peres hoped to get somehow support from the Shas or from the breakaway Liberals. As much as Shas's Rabbi Yossef wanted to help Mr. Peres, he nevertheless felt he had to obey the instructions of Rabbi Schach, as well as respect the wishes of pro-Likud Shas voters. As for the breakaway Liberals, Mr. Peres thought he might somehow benefit from their conflict with the Likud. But the Liberal faction's threat to join a Labour government was just a mercenary way to obtain concessions from

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*   Both MKs Verdiger and Mizrachi said they would rather have
         resigned their Knesset membership than vote for a Labour
         government [interviews].

the Likud.* On 25.4.90, when Mr. Moda'i announced that the Liberals would stay in the Likud bloc, the last forlorn hope to form a Labour government faded away. The next day Mr. Peres informed the President that he could not form a government.

On 27.4.90 the Likud's Mr. Shamir called on the President and was given a mandate to form a new government. His term as "formateur", long as it may have been, was not really eventful - not least because it was clear that sooner or later a Likud government will definitely be formed. In fact, within two weeks Mr. Shamir already had a 61-member winning coalition, but he was in no rush to form a government.** He was equivocal in his mind about two possible coalition options: forming a narrow-based Likud government or again a Likud-led NUG. In fact Mr. Shamir was facing the same dilemma as in the 1988 coalition bargaining process. Of course, in 1990 he trusted Labour much less than in 1988, but still he was not enthusiastic about forming a narrow-based government. He abhorred being the captive of religious and right-wing extreme parties and head a government in which he, a veteran nationalist, would be regarded a left-winger. The end result of these considerations was that Mr. Shamir decided to delay the final choice of government format as much as possible.

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*   Mr. Moda'i made all the Likud government ministers sign an agreement to the effect that he would be granted a top-ranking cabinet position and that the whole of his faction would be given "safe seats" on the Likud's list of parliamentary candidates for the next elections. Hard cash guarantees in case of default were also mentioned.

**   The two defectors, Mr. Mizrachi of Agudat Israel and Mr. Sharir of the Liberal faction, were back in the Likud's fold to give Mr. Shamir a 61-member majority. They were even joined by a Labour defector, Mr. Ephraim Gur, the 62nd member of the coalition.

Unlike Mr. Shamir, his party rivals Mr. Sharon and Mr. Levy were keen on a narrow-based government, in which they would get the key cabinet positions abandoned by Labour. They put pressure on Mr. Shamir to conclude a speedy formation of a government, but he himself was still willing to negotiate with Labour different arrangements for a possible national coalition. Labour's leaders had good reasons seriously to consider a renewed national coalition. For Mr. Peres, the main consideration was to avoid or delay his party's relegation to opposition status, which for him meant a bitter intraparty struggle of political survival. Mr. Rabin simply wanted to be back in government as Defence Minister, a position which, he felt, was simply robbed away from him. So both Labour leaders were willing to negotiate a national coalition, even though it was clear enough that it would be dominated by the Likud party even more strongly than the 1988 NUG.*

During the month of May 1990, Mr. Shamir was still not sure whether or not to pursue a strategy which would bring about an NUG. On the one hand, he knew what he should expect of Mr. Peres in an NUG; on the other hand, Mr. Sharon and Mr. Levy would be much more formidable opponents in a narrow-based government. Finally, despite his reluctance, Mr. Shamir formed a narrow-based Likud government in which his intraparty rivals received top positions. It may be said that as a matter of fact, Mr. Shamir was not quite free to choose which government to form, because Mr. Sharon and Mr. Levy had a veto power on

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* It was obvious, for instance, that the new coalition, whatever its hue, would not say "Yes" to the Baker peace plan and would not be based on a Likud-Labour parity. To add insult to injury, Mr. Peres, said the newspapers, was to be offered a far less prestigious portfolio - Immigration Absorption.

the subject. When Mr. Sharon called for a meeting of the Likud's Central Committee in early June 1990 to decide the matter, it was clear that a narrow-based government was soon to become a fact. On 11.6.90 a narrow-based Likud government consisting of 19 ministers was sworn in.*

Looking back at those three months of the political crisis, it seems that in the final analysis, extraparliamentary rabbis rather than party politicians decided the fate of the governing coalition. To begin with, Rabbi Yossef had helped Mr. Peres dismantle Mr. Shamir's national coalition by ordering the Shas MKs not to show up for the no-confidence vote. Then came Rabbi Schach to restore parity between the two political blocs by preventing Shas and Degel Hatora from supporting a Labour-led government. Finally, the Lubavitzer Rabbi dealt the final blow to a possible Labour coalition by instructing his loyal MKs from Agudat Israel not to support a left-wing government. This situation, which would have been inconceivable but a decade before, is perhaps the best indication for the profound changes that have taken place in the composition of the Israeli electorate and in the political system as a whole.

As the political crisis progressed, both Labour and the Likud became more and more involved in a real-world, down-and-dirty coalition politicking. The bitter conflict was about capturing the system's weak pivotal position, which would enable the winner to form at best an unstable government. In the coalition bargaining process marginal

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*   Mr. Levy became Minister of Foreign Affairs, while Mr. Sharon was given the Ministry of Housing - a prominent position in face of the huge incoming waves of immigration, as well as a prime position for influence- and benefit-peddling.

players and defectors called the political shots. They exhibited a high degree of mercenary cynicism, a willingness to do anything to acquire office payoffs. This period was abuzz with instances of inter-bloc defections, intervention of external forces in the coalition process, party splits, factionalism, political bribery and much more. The public, disgusted with "politics", began to demand changes both in the extreme P.R. electoral system and in the system of government itself.* However, the public demand for sweeping changes seemed rather hopeless because the existing political structure gives strong power to party politicians who are not likely to give it up easily.

The lesson in coalition terms is that parliamentary forces that can agree on defeating the government in a no-confidence vote may not be able to agree on a new government to replace it. The ability to form a government is not quite the same as the ability to engineer a successful vote of no-confidence.** Shamir's unity government was vulnerable, but not replaceable. Replacing a government must ultimately mean setting up an alternative government that can win the confidence of parliament. Obtaining a majority in parliament against a government means defeating it in a limited sense only, until a new government wins a vote of confidence.

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* This was, of course, another form of extraparliamentary pressure, used most effectively by a group of decorated veterans who launched a hunger strike to demonstrate their disgust with the system. Eventually, as this dissertation was nearing completion, the Knesset adopted one of their demands, albeit in a diluted from: a law for direct elections to the office of prime minister.

** If a constructive vote of no-confidence was the rule in Israel (as it is in Germany), the three months coalition crisis might never have occurred.

Mr. Peres won the small battle but lost the greater war, since eventually a narrow-based Likud, rather than Labour government was formed. The formation of a Likud government in June 1990 finally gave the majority of the electorate what they had apparently voted for in 1988: a government under the Likud, based on nationalistic and religious forces, without the participation of Labour. Coalition politics is criticized for producing governments that do not reflect "the will of the people"; but had Mr. Peres succeeded in forming a Labour government, one might have claimed, most reasonably, that it represented a total distortion of the 1988 election results.

Chapter Nine

Conclusions

In this dissertation, we set out to demonstrate the usefulness of the notion of "not losing", using Israel's 1984 and 1988 national coalitions as a case-study. And indeed, it seems that this approach can explain rather well the secret of the NUGs successful existence for almost six years, 1984-1990. "Not losing" considerations dominated the interparty bargaining strategies of the various actors during the formation phase of both governments, which was why larger-than-minimal coalitions came into being in the first place. Furthermore, "not losing" considerations have had a strong impact on the *modus operandi* of both unity governments and thus on their stability during the following, maintenance phase. Finally, it was a deviation from this principle which brought down the 1988 NUG.

Minimax ("not losing") coalition strategies were employed by the two major parties, Labour and the Likud, as well as by the various small parties, in their pursuit to acquire both office and policy payoffs. It can and will be shown that the more traditional approaches to coalition politics, emphasizing "win maximization" as they do, are not quite adequate to explain the behaviour of the principal partisan, factional and individual actors involved in either the establishment of Israel's NUGs or their maintenance.

Traditionally, national unity governments have been given *ad hoc* explanations, mainly in terms of dire national emergency (e.g.

Britain's government during World War II). And indeed, this can fully explain Israel's previous experience with an NUG, in 1967. However, while Israel's overall situation was indeed difficult in 1984, this does not seem to have been the chief determinant factor of the 1984 NUG; Israel has managed similar crises in the past without such a government.*

Yet another ad hoc explanation which might fit the bill relates to the conservative behavioural pattern of "low risk, low expectations" apparent in the leadership style of both Mr. Peres and Mr. Shamir, the leaders of the two large parties and therefore the two chief actors in the political system. However, "not losing" considerations will be shown to have determined to a large extent the moves of nearly all actors, at least some of the time - among them Mr. Rabin, a daring general in his time, as well as the charismatic and more famously daring Mr. Sharon, on the one hand, and the ever calculating leaders of the religious parties, on the other hand.

Therefore, we shall endavour to demonstrate that throughout the period under consideration, the various moves of the actors involved in the Israeli political system cannot be exclusively explained by the traditional "win maximization" approach, without recourse to the guiding principle of "not losing".

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* It may even be argued that the present time (early 1992) is no less crisis-ridden than mid-1984: enormous immigration absorption tasks (incompetently handled), rampant unemployment, serious deterioration in U.S.-Israel relations, and relentless terrorist attacks. Yet there is no NUG at present. Interestingly, however, as soon as the first shots in the 1992 election campaign were fired, the Likud began to talk about a post-election NUG, which Labour rejected out of hand. This is where we came in...

Coalition Formation

In analysing the major strategic decisions made during the 1984 coalition bargaining and formation process (Chapter Five above), it seems that in all of them the driving motivation of the actors involved was above all how not to lose, rather than how to maximize winnings.

At the initial post-election bargaining stage, both Labour and the Likud gave priority to the creation of "blocking coalitions", ahead of trying to form "winning coalitions". Each large party bargained to create a legislative coalition not really for the purpose of forming its own executive coalition, that is, a government, but essentially in order to block the opponent from forming a government. A conservative "not losing" approach was also employed at this stage by the small parties, which tended to cooperate with either Labour or the Likud in the formation of the legislative "blocking coalitions" rather than keeping their coalition options open as long as possible. Only when they felt secure from total loss, did the various parties move on.

Once a political stalemate of two 60-member legislative "blocking coalitions" emerged in the 120-member Knesset, Labour and the Likud could either "play it safe" and share power in government, or take the risk involved in repeat elections in the hope of winning a majority this time. Their decision, to opt for power-sharing, was a clearly risk-averting one in terms of coalition behaviour. It simply meant a transfer of the "blocking coalitions" from the legislative level to the executive one, in forming a "not losing" government.

Thus, the national coalition formed was a multiparty government, not a Labour-Likud two-party national executive. The decision to

include small satellite parties in the government was aimed at minimizing the risk of losing, if and when the national coalition would dissolve and a minimal coalition would become a viable option.

Even the very coalition agreement defined a government structure and _modus operandi_ which reflected a "not losing" approach, since it was based on a Labour-Likud parity and mutual veto arrangements which aimed mainly at thwarting the political opponent, rather than opening options to oneself.

The "not losing" behaviour demonstrated at the formation phase does not seem rational from the point of view of "win maximization", because it led to an oversized coalition. However, we should bear in mind that a "maximizing winning" strategy was highly risky. It could have resulted in a total loss for either side - exclusion from the winning coalition either immediately or as a result of repeat elections. Therefore, a "not losing" strategy does appear to have had its rationale: it secured sure if small coalition payoffs to the two large parties as well as most of the small parties.

One of the major reasons why Labour and the Likud displayed a common interest in a national coalition related to personal considerations by their top leaders, Mr. Peres and Mr. Shamir respectively. Rather typically for party leaders who tend to perceive their personal interests as identical with those of their parties, the two leaders preferred governmental power-sharing to repeat elections, because the latter option constituted a personal risk for either of them. Repeat elections might have been preceded by a strong intraparty challenge to their top party positions, not least because they had failed to win the previous elections. Compared to this risky option, power-sharing seemed a safer and thus preferable choice. This community

of "not losing" interests was most clearly demonstrated in the prime ministerial rotation agreement which virtually tied the survival of the national coalition not only to a Labour-Likud interparty cooperation but also to their own political survival.*

Ideological considerations also played a major role in the formation of the 1984 unity government. Most significant was the fact that the positions of the left-of-centre Labour and the right-of-centre Likud on the fundamental issues - peace and territories - were extremely polarized. This situation created a strong partisan motivation to prevent the political opponent from forming a government which might make and implement irreversible ideologically-based decisions. Each side was therefore prepared to forego its own ideology, to a certain extent, as long as this guaranteed that the other side would not be able to push through its policy positions.

Any one of the "win maximization, policy blind" coalition theories would have predicted a narrow-based left-wing or more probably right-wing coalition, ignoring the fact that pariah parties were represented on both extremes of the spectrum. But even a "policy-based, win maximization" theory would have been unable to explain why neither party attempted during this stage at least to look for chinks in the armour of the opponent's blocking coalition, in order to maximize its policy payoffs. Needless to say, the coalition which eventually emerged has had the gross disadvantage of robbing both major components of

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*   As a matter of fact, Mr. Shamir took great care to make himself personally the "beneficiary" of the rotation agreement, ensuring in-house peace for the duration. The same applied of course to Mr. Peres as well, but less forcefully because he became the first incumbent.

almost any policy payoff. It has had, on the other hand, the advantage of denying such payoffs to the opponent - and this, it turns out, was the overwhelming policy-wise consideration.

Turning to the 1988 bargaining and formation process (Chapter Eight), it seems that again the national coalition was the outcome of "not losing" strategies. The Likud's intraparty politics was probably the key to the formation of the wide-based coalition this time. Given the Likud-Labour parliamentary power relations (65:55), forming a national coalition seemed a suboptimal choice for the Likud, because it could have formed a minimal winning coalition and maximize its office and policy payoffs. However, Mr. Shamir was motivated by a desire to strengthen his own position in the Likud, and the inclusion of Labour in government seemed an effective way to achieve this, since it was bound to reduce coalition payoffs to his intraparty rivals. Thus, the national coalition which did not seem a rational choice in interparty "win maximization" terms, appears to have had its logic once Mr. Shamir's intraparty "not losing" considerations are taken into account.

As for Labour, it decided to join the 1988 national coalition for both inter- and intraparty "not losing" considerations. The party as a whole made a rational choice by preferring government to opposition, and its move can be explained in terms of both office and policy payoffs: Labour's membership in government meant ministerial and other posts as well as blocking the pursuit of extreme religious and nationalist policies. For Labour's leader, Mr. Peres, however, coalition participation constituted a certain risk in intraparty politics, since in a Likud-Labour government the status of his rival Mr. Rabin was bound to be strengthened. Still, Mr. Peres agreed to bring Labour into the national coalition because he would rather deal

with a challenge to his leadership position as a government minister than as the leader of the opposition.

In general, the formation of wide-based coalitions seems to direct our attention to the wider context of coalition bargaining which appears to take place simultaneously at the inter- and intraparty levels - two separated but still related arenas. Party leaders who face difficulties in their own house for having failed to win a clear election victory, may try to join a winning coalition in order to find there refuge from punishment by intraparty challengers. By the same token, party leaders may fear an intraparty challenge even if they had won the elections, so the same consideration may hold true for them as well.

It should be emphasized, in this context, that a larger-than-minimal coalition holds a real advantage for the beleaguered party leader: in a minimal winning coalition, he will have to offer his party rivals influential positions, in which they will be able to expand their in-party influence still further, either by allocating jobs and funds to supporters, or by appearing as the keepers of the true party ideology, or both. A "not losing" approach to this problem is to bring in the rival party and hand over to it at least some of these positions.

The wider context in which the interparty bargaining and formation process is tied to intraparty politics actually relates to both the pre- and post-election periods. The pre-election period may witness a challenge to the party leadership by politicians who claim that they will be able to put the party in a more advantageous position for the post-election coalition bargaining process. If the party is defeated in the elections, yet another intraparty challenge is possible, the logic

of which is to select the "right" leader who would secure for the party the best possible coalition option. Naturally, party leaders - even if they are the "wrong" choice to lead the party into elections and in the bargaining process - employ "not losing" tactics to avoid pre- and post-election intraparty challenges. If they are successful, their parties may have to settle for suboptimal coalition choices [Laver and Shepsle, 1990, pp. 504-5].

For instance, prior to the 1984 elections, Labour's Mr. Peres seemed to have been aware that he was regarded by many in his party as the "wrong" leader; in order to avoid an intraparty challenge, he forced early elections. Mr. Navon, who was apparently the "right" party leader both in terms of pre- and post-election calculations, was thus robbed of the opportunity to contest Mr. Peres within the party. As a result, Labour finally had to settle for a coalition option which only a few months earlier it had refused even to consider.

While the conclusions so far have focused on the attitudes and strategies adopted by the large parties and their leaders, it should be borne in mind that the smaller parties' behaviour can also be explained by and large in terms of "not losing". They knew in advance, of course, that they will not be called upon to form a coalition; they also knew that they may have a great deal to say about which coalition will be formed; but each one of them knew as well that a coalition may be formed without it.

The small parties mainly played the "blocking", not the "pivoting" role. In doing that, they joined either of the two large parties, perhaps too soon for their own good, for fear that if they kept their options open for too long they may be left out altogether - especially once the two large parties decided to join forces. This is a classical

case of "not losing". For Shas, for instance, the "not losing" attitude displayed in 1984 has incurred a price in the long run, when it found it difficult to switch to "win maximization" by steering a middle course between the Likud and Labour in 1990.

The case of Yachad's Mr. Weizmann, as well as other small-party leaders, brings forth an important point about "not losing" in general: while defensive, it is by no means a passive strategy. In politics, "not losing" has to be played out with as much skill, intensity and heresthetical ability as "win maximization". Mr. Weizmann, for one, having decided, for ideological reasons, not to side with the Likud in any case, gave his full support to Labour without any negotiation. He may have thought that his pivotal position would lend him automatically the payoffs due to an actor who is in position to tip the balance either way. This was a naive approach to "not losing", which eventually led to his fading away from the political scene, alongside with Tami's Mr. Abu-Hazeira and Ometz's Mr. Hurwitz, two more pivotal actors in 1984 who failed to secure their respective positions for the long run. In short, one may play a "not losing" strategy and lose anyway...

The Maintenance Phase

Needless to say, the trials and tribulations of the formation stage are by no means over once a government has won the confidence of the legislature. Maintaining the multiparty executive is as delicate a balancing act, requiring the same skills and bound by the same considerations as forming it in the first place.

The formation of the Inner Cabinet and the pattern of portfolio allocation were two major features which defined the rules of the "not losing" game at the maintenance phase of Israel's National Unity Governments. The Inner Cabinet was based on a Labour-Likud parity and mutual veto arrangements which represented coalition politics of risk avoidance and uncertainty reduction. Each of the major parties was concerned with securing the ability to thwart the opponent's objectives even at the expense of its own freedom of action. And the allocation of government portfolios was balanced in a way that would enable the two large parties not to lose to each other by foiling one-sided actions; that is to say, in each major sphere of government activity, such as settlements, for instance, responsibility was split between ministries held by each bloc. But the most extreme example of the balanced distribution of government positions in the 1984 unity government was the rotation in the office of the Prime Minister.

The design of a new institution, the Inner Cabinet, and the unique pattern of allocating government portfolios, as defined at the coalition formation phase, were supposed to be operative at the government maintenance phase. That is to say, the "not losing" approach particularly underlines that coalition formation is not divorced from coalition maintenance. A coalition government is not only a coalition but also a government, and a "not losing" actor must know <u>before</u> joining the government what precisely is being formed. If necessary, he will insist on changing the rules of the game and/or on designing new ones. For example, Labour's insistence on an institutional change - the setting-up of a "no-win, no lose" Inner Cabinet - was aimed at breaking the anticipated "winning coalition" of the Likud/Religious bloc in the government plenum on the fundamental issue of settlements.

Still, it seems that the very transformation from coalition formation to maintenance creates a certain change in the atmosphere; having secured themselves against total loss, some actors may regard themselves safe enough to start mixing their strategies, and elements of "win maximization" may become more pronounced. Specifically, in our case in point, the "not losing" interparty arrangements on which the government was predicated were frustrated by intraparty politics deriving from the factional system described in the Table below:

Table 9.1   The Factional System of the National Coalitions

	LABOUR		LIKUD	
Period	Mainstream	Opposition	Mainstream	Opposition
1984-1986	Peres-Rabin	None	Shamir	Sharon-Levy
1986-1988	Rabin	Peres	Shamir-Arens	Sharon-Levy
1988-1990	Rabin	Peres	Shamir-Arens	Sharon-Levy-Moda'i

Factional leaders did bargain to "win" after the "not losing" coalition has taken office. For almost six years, however, no leader has dared employ a risky "win maximization" strategy that seriously threatened the very existence of the basic government formulae.

As related in Chapter Six, in 1984-86 Labour's Prime Minister Peres used rotation as a political weapon to score several partisan victories over the Likud. The scope and effectiveness of the politics of rotation was, however, rather limited. Mr. Peres did not use it to "win" fundamental issues, e.g. the peace and territorial issues, since such a strategy might have led to the collapse of the government,

especially as the pivotal religious parties refused to side with Labour. If Mr. Peres was a true "win maximizer", he should have taken a decision, sometime in 1986, not to implement rotation but rather to compete in new elections - which, based on Labour's high polls ratings, could have brought about a "win-maximizing" Labour government. Mr. Peres did not employ such a strategy because it was too risky: a failure meant opposition and an intraparty challenge by Mr. Rabin - a total loss. In a nutshell, Mr. Peres used the politics of rotation only to the extent that he could control the risk and no more.

As for the Likud's Mr. Shamir, despite intraparty opposition from Messrs. Levy and Sharon, he voted strategically on several issues, allowing Labour to "win", in order "not to lose" rotation. On the peace and territorial issues, however, Mr. Shamir did not want to and certainly could not vote strategically. On these sensitive issues he had much more to lose. Had Labour pushed this point to the limit, threatening to bring down the NUG and frustrate rotation, it would have cost Mr. Shamir the prime ministership, but would also have sent him to new elections as a possible winner (not least because Labour would have lost a great deal of credit by welching on a written agreement). But betraying Likud ideology on the territorial issue would have cost Mr. Shamir the party leadership, and with it rotation and everything else.

In 1986-88 (Chapter Seven), after rotation, Prime Minister Shamir used the politics of status quo as a "not losing" device to block Labour's politics of "early elections", which aimed at changing the government peace policy, if not the government formula itself. As of early 1988, having the support of the religious parties and a lead in the opinion polls, the Likud could rather safely have ejected Labour from the government and consequently maximize its coalition payoffs.

However, Mr. Shamir declined to dissolve the national coalition because for him, status quo was a satisfactory "not losing" solution, both in government on the peace and territorial issues and - more importantly - in the Likud's intraparty politics. A change to a Likud government would have meant increased payoffs to Mr. Shamir's intraparty rivals and thus reduced payoffs for him.

As for Labour's Mr. Peres, even though he found himself in a dominated position in the government, he dared not take a risk in order to change the status quo. In May 1987 he threatened to leave the government if it did not change its peace policy. The government policy did not change, but Mr. Peres nevertheless stayed on. This may have been embarrassing, but opposition and an intraparty challenge by Mr. Rabin were really risky. Losing in government was a loss to the Labour party; losing to Mr. Rabin was a loss to Mr. Peres, hence the strategy he adopted.

Throughout the lifetime of the 1988 national coalition, as explained in Chapter Eight, Prime Minister Shamir has faced a permanent dilemma: opt for a united government and a split Likud, or for a united Likud and a split government. In his attempts to eat his cake and have it, he found a strategic ally in Mr. Rabin. They both struggled to sustain a "winning coalition" within the government that was under a constant threat from Labour's Peres faction and the Likud's Levy, Sharon and Moda'i ("constraints") faction. Finally, however, Messrs. Shamir and Rabin were each forced by their respective intraparty rivals to choose between party ("not losing") and government ("win maximization"), and they each chose party. Mr. Shamir, because Mr. Peres was undermining the government formula anyhow, and Mr. Rabin - because he could not contain Mr. Peres. Both Messrs. Shamir and Rabin

realized that they may lose both in the government and in the party, so they chose at least not to lose in the party - even if it meant risking a relegation to opposition. Their choice of party over government was thus a conservative "not losing" move, which had to do with political survival at the intraparty level, not with "maximizing winnings" at the interparty level.

Mr. Peres was the one leader who could and did try to "maximize winnings" at the interparty level. As it happened, his efforts to form a narrow-based government succeeded in dismantling the national coalition, but failed to form a Labour government. Following the failure of his risky "win maximization" strategy, Mr. Peres - aware that he now faced a serious intraparty risk - changed his strategy back to "not losing" and was willing to join a renewed national coalition. Mr. Shamir was also willing to consider such a "not losing" option, but intraparty considerations eventually forced him to form a narrow-based Likud government. Mr. Peres paid dearly for his unsuccessful venture: he lost his cabinet position and eventually the chairmanship the Labour party. This was perhaps the best evidence that a "not losing" rather than a "maximize winnings" coalition strategy had been the logical choice during the lifetime of the national unity governments.

This applies to the small parties as well. At the maintenance stage, none of the small parties has made a bold move to try and initiate a narrow-based government. They preferred the NUG formula, even though it could not have been, for them, a "win maximization" strategy. In a nutshell, the small parties behaved as factions in the large parties rather than as independent actors.

A notable exception was Shas's involvement in the downfall of the 1988 NUG, and the subsequent attempt by Mr. Peres to form a narrow-

based government, in which Shas stood to gain a great deal. It should be borne in mind that this party was completely under the control of an extraparliamentary group of rabbis. Its political leadership did seek this time to pursue a strategy of "win maximization"; its spiritual leaders, however, were more concerned about the long-term impact on the party's grassroot constituents, who were more inclined towards the Likud. Whatever payoffs the party might have obtained during the remaining two and a half years of the 12th Knesset, it could have lost more in future elections. In this way, long-term considerations of "not losing" prevailed over short-term considerations of "win maximization", and Shas made its astonishing about-face.*

During the formation and maintenance phases of the national coalitions, Israeli party leaders ever found themselves involved in a balancing act between inter- and intraparty considerations. This dilemma, which is of course quite typical of party politics in any multiparty parliamentary democracy, is not easy to resolve. What appears as an optimal course of action in one game may prove to be a suboptimal behaviour in the context of the other game. Usually, leaders follow "the dynamics of changing expectations", that is, they "learn" in the course of the coalition negotiation and maintenance processes about the intentions of inter- and intraparty rivals and adjust their strategies accordingly [Kliemt & Schauenberg, 1984, p. 13]. However, if

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* The same sort of calculation made Shinui leave the government in May 1987, when it felt its position eroded among its middle-class, middle-of-the-road constituents, who tended to drift towards the CRM. "Not losing", in this case, forced Shinui to forego incumbency payoffs in order to secure future survival.

no strategy can secure success in both games, party leaders are likely to prefer the intraparty game, because it is the principal arena in which their political survival will be decided.

In view of this, the intraparty arena should not be regarded as "merely" one of many environmental constraints with which actors who form and maintain interparty coalitions have to contend. Intraparty politics seems to be inherent to the coalition process. Its importance appears to be similar to that of ideology, in determining the configurations of actors in the coalition game. Hence our suggestion that due to "not losing" considerations, the intraparty arena is a major area to be investigated within the analysis of coalition politics, and the interparty arena is by no means the only one that should be studied in depth. In other words, a proper coalition theory should not only ask which parties are involved and what is the numeric strength and ideological position of each one of them - but also take a good look at their internal composition, as a functional determinant of their external behaviour.

Applicability

All the above discussion should not be construed as an argument in favour of the "not losing" approach as a superior alternative to any existing coalition theory. The point is that it should be added to, rather than totally replace, the traditional approaches. In game theory terms, it may be thought of as a component in a mixed strategy, rather than a pure strategy in itself.

The rationale of the "not losing" approach suggests a new application to interparty competition in polarized systems. In fact, it points out a pattern of interparty interaction that is incompatible with one of the most famous models of party systems - Sartori's "polarized pluralism". Essentially, Sartori argues that a system with a high level of fragmentation (five parties or more) creates "polarized pluralism" in that the direction of the interparty competition is centrifugal [Sartori, 1976, pp. 342-351]. By contrast, the "not losing" approach asserts that precisely because the party system is polarized and ideological differences between left and right are wide, off-centre parties will initiate centripetal moves to capture the centre or forge alliances with those already occupying it. An off-centre party will move towards the centre position, even if it may lose votes to extreme parties in its own "hemisphere", for this is the only way to prevent the ideology of the other "hemisphere" from prevailing. This dynamics of interparty competition can be called "centripetal pluralism", as opposed to "polarized pluralism"; it seems to be directly related to the analysis of coalition politics in terms of "not losing" strategies.

Centripetal moves by large off-centre parties tend to form oversized coalitions which lack ideological cohesion. This phenomenon could hardly be explained by the "minimizing" coalition theories - certainly not by the policy-blind ones, but not even by the policy-based theories which assume a relatively high degree of ideological compactness amongst coalition partners. Indeed, when a larger-than-minimal coalition lacking ideological cohesion is formed, it implies an ideological "freeze" and thus there is a high probability that the actors involved were motivated by "not losing" considerations. Moreover, precisely because of the lack of ideological compatibility

these actors will be highly concerned with maintaining the stability of the coalition once it was formed. If "not losing" considerations account for both the formation and stability of the coalition, we can partly understand why empirical research failed rather surprisingly to verify the theoretical assertion that more compact coalitions are more stable [Sanders & Herman, 1977; Schofield, 1987].

Wide-based coalitions tend to be based on "not losing" politics wherever consensus politics do not apply. In such coalitions, conflicts between partners do take place because the leaders have to take into account the attitudes of party members and the wider constituency. Even in Europe's consociational democracies, "cartels of elites" - which are largely autonomous in their coalition behaviour and mostly pursue the politics of accommodation - engage in sporadic conflicts because regardless of their "consensual" motive they are rational actors who have to consider "not losing" in both the intraparty and electoral arenas. In fact, the interaction of the elites may be more easily approved by the followers if it stems from "not losing" considerations rather than from aloof politicking [Tsebelis, 1990, Ch. 6].

The concept of "not losing" appears to be conducive to the emergence of a defensive, status quo oriented pattern of coalition behaviour. It tends to facilitate the creation of governments overburdened with heavy constraints that impair their governing capabilities. "Not losing" governments may find themselves incapable of resolving conflicts or regulating them - they can only handle them [G. Smith, 1986, pp. 216-220]. "Not losing" coalitions create highly elaborate rules for the political game - so elaborate, in fact, that the game itself can hardly be played. In wide-based "not losing" governments, where partners are opponents and vice versa, there are

nearly insurmountable problems of collective responsibility and the concomitant avoidance of responsibility.

The circumstances which led to the formation of Israel's 1984 and 1988 national coalitions were rather unique by comparative European standards. However, the "not losing" coalition strategy which dominated the thinking of Israeli politicians is not uncommon in the party politics apparent in many parliamentary democracies which have been ruled for decades by coalition governments. Professional politicians have a common inter in avoiding any venture that may risk their careers and therefore set a high priority to bargaining for mutual benefit, small though it may be, over the escalation of ideological controversies and political confrontations. For them politics is "the art of the possible" or actually "a survival game". When preference for compromise to contest is built into coalition politics, it entails prudent conservatism which is incompatible with the high-risk "win maximization" assumptions of coalition theory and thus with minimal winning coalitions. A defensive risk-averting approach to coalition politics is much more compatible with oversized coalitions, as the Israeli experience suggests.

The idea of "not losing" seems to offer a good conceptual framework for the analysis of the realities of Israeli national coalition politics. Hopefully, it can therefore at least stimulate a re-examination of the oft-repeated claim that coalition actors are solely motivated by "win maximization" considerations. An expanded set of motivations, which would include risk avoidance as well as risk taking, loss minimization as well as win maximization, intraparty as well as interparty constraints, may have stronger explanatory powers.

Postscript

In 1917, a year after he invented general relativity, Albert Einstein had tried to apply it to the universe. According to general relativity, matter or energy (which were equivalent) warped space and time like a heavy sleeper sagging a mattress. The universe, Einstein realized, was the ultimate sagging mattress. He proposed that the weight of the whole cosmos could warp space-time around on itself...

But there was a problem with the curved-back universe. Such a configuration was unstable, it could either fly apart or collapse. Einstein didn't know about galaxies. He thought, and was reassured as much by the best astronomers of the time, that the universe was a static cloud of stars. To explain why his curved universe didn't collapse like a struck tent, therefore, he fudged his equations with a term he called the cosmological constant, which produced a long-range repulsive force to counteract cosmic gravity. It made the equations ugly and he never really liked it. That was in 1917, twelve years before Hubble showed that the universe was full of galaxies rushing away from each other.

When Einstein heard about Hubble's discovery, he discarded the cosmological constant, calling it the worst blunder of his career. At the crucial moment, Einstein had lost faith in the beauty of his own beautiful theory. (What he should have suspected, of course, was the "evidence" that the universe was static. His contemporary, the inscrutable Eddington, said that no experiment should be believed until it has been confirmed by theory.) Had he stuck to his guns, Einstein would have made one of the greatest predictions in the history of science, that the universe is dynamic.

Dennis Overbye,
Lonely Hearts of the Cosmos

Which goes to show that Albert Einstein, too, was a "not loser"!

Appendix A

A Glossary of Parties

Agudat Israel - An ultra-orthodox religious party with a non-Zionist ideology. Since 1977 a member of the coalition but without assuming full membership in government. See also Poalei Agudat Israel.

Achdut Ha'avoda - A left-wing party affiliated with a section of the Kibbutzim movement. Was part of Mapam, 1948-54. Joined Mapai in the Alignment in 1965. Joined Mapai and Rafi in 1968 to form the Israel Labour party.

Alignment - (a) name of an electoral list composed of Mapai and Achdut Ha'avoda in 1965; (b) name of an electoral list, 1969-1984, composed of the Labour party and Mapam.

Arab Democratic List (ADL) - A list of Mr. Abdel Wahab Daraussa, an Arab MK who left the Labour party following the Intifada.

Civil Rights Movement (CRM) - A left-wing party led by Mrs. Shulamit Aloni who split from the Labour party. Ran for elections for the first time in 1973.

Degel Hatora - An ultra orthodox list formed in 1988 under the guidance of Rabbi Schach.

Democratic Movement for Change (DMC) - A party established in 1977 by Mr. Yigael Yadin as a purported alternative to both major parties. Collapsed gradually during the term of the 9th Knesset. See also Shinui.

Free Centre - A splinter group which left Herut in 1967; a part of the Likud between 1973 and 1977, and a component of the DMC in 1977. Headed by Mr. Shmuel Tamir.

Gahal - an electoral list between Herut and the Liberal party in the 1965 and 1969 elections; expanded in 1973 to form the Likud.

General Zionists - A right-of-centre party which favours private enterprise. Merged in 1961 with the Progressive party to form the Liberal party.

Hadash - See Rakach.

Herut - A right-wing party founded in 1948 by the Mr. Menachem Begin. In 1965, Herut and the Liberal party formed the Gahal list; since 1973 the major component of the Likud.

Independent Liberals - The former Progressive party. In 1961 merged with the Gerneral Zionists and in 1965 split again. As of 1984 part of the Labour bloc.

Israel Communist party (Maki) - until 1967, an orthodox Marxist party; since then leaning towards accepted Zionist views. In 1973 was a component of Moked; in 1977 was part of Sheli. Since then practically nonexistent.

Kach - A movement led by Rabbi Meir Kahane, notorious for its extremist right-wing views.

Labour party - One of Israel's two major political parties (See Mapai, Alignment).

La'am - An alliance of small factions within the Likud consisting of the State List, the Independent Centre and the Labour Movement for the Land of Israel. Gradually assimilated within the Likud's major components.

Likud - A joint list of Herut, the Liberal party, La'am and other factions, founded in 1973. The major right-of-centre political bloc.

Mapai - The major component of the Labour movement. In 1968 merged with Achdut Ha'avoda and Rafi to form the Labour party.

Mapam - A left-wing socialist-Zionist party; was part of the Alignment between 1969 and 1984. Left the Alignment for the 1988 elections.

Moledet - A right-wing party established in 1988 by Mr. Rehavam Ze'evi, calling for a "voluntary transfer" of Arabs from Israel.

Morasha - A religious list founded towards the 1984 elections by factions from the NRP and Poalei Agudat Israel.

National Religious Party (NRP) - A powerful religious party and a permanent partner in all governments.

Ometz - A 1984 electoral list headed by Mr. Yigal Hurwitz. Was part of the Labour bloc and then defected to the Likud.

Poalei Agudat Israel - An ultra-orthodox party with a workers' orientation, set up elections lists with Agudat Israel in 1949, 1955, 1959, 1973 and with Morasha in 1984.

Progressive List for Peace (PLP) - Established in 1984 as a joint Arab--Jewish list supporting the creation of a Palestinian State.

Progressives - See Independent Liberals.

Rafi - A party founded by Mr. David Ben-Gurion when he split from Mapai in 1965. In 1968 most members returned to form the Labour party with Mapai and Achdut Ha'avoda. The rest (including Mr. Ben--Gurion) formed the State List.

Rakach - A Communist party that appeals to Arab nationalist sentiments. Broke off from the Israel Communist Party in 1965. In 1977, joined with other splinter groups to form Hadash.

Shas - An ultra-orthodox party which split from Agudat Israel in 1984 in order to appeal to the Sephardic community.

Sheli - A leftist group formed towards the 1981 elections. Then split between the CRM and the PLP.

Shinui - A centrist party formed after the 1973 War, part of the DMC in 1977, part of the Labour bloc in 1984.

State List - See Rafi, La'am.

Tami - A party set up in 1981 after its leader, Mr. Aaron Abu-Hazeira, split from the NRP. It was based on an ethnic appeal to Morrocan Jews.

Techiya - An extreme right-wing party led by Mr. Yuval Ne'eman; split from Herut after the signing of the Camp David Accords.

Tzomet - A right-wing party established towards the 1988 elections by Mr. Rafael Eitan; split from Techiya.

Yachad - A list established in 1984 by Mr. Ezer Weizmann, later joined Labour.

Appendix B

The 1984 Coalition Agreement between the Alignment and the Likud

1. **The Government**
   1.1 A National Unity Government (henceforth: the Government) will be formed, with the participation of the Alignment and the Likud factions, and other factions which choose to join the coalition in accordance with this agreement.
   1.2 The Government will be founded on the following principles:
      a) Equality between the Alignment and the Likud in the number of ministries and ministers.
      b) The addition of other factions will be done in such a way that the balance between the two sides will be maintained. However, the addition of the NRP would not be at the expense of either side and would not be regarded as a violation of the inter-bloc balance.
      c) Should a minister cease to serve as a member of the government for any reason, his party will choose the minister who will replace him.
   1.3 The Government and its ministers will act in accordance with the Basic Guidelines attached to this agreement, which are an integral part of it, and in accordance with Cabinet decisions.
   1.4 The Government will serve for the entire full term of the Eleventh Knesset, until November 1988.
   1.5 In the first 25 months the Government will be headed by Mr Shimon Peres and Mr. Yitzhak Shamir will be his Deputy and Minister of Foreign Affairs, and during the next 25 months Mr. Yitzhak Shamir will be Prime Minister and Mr. Shimon Peres will be his Deputy and Minister of Foreign Affairs. To firmly base this provision changes will be introduced to the Basic Law: the Government, to define the status and authority of the Deputy Premier.

1.6 Should Mr. Shimon Peres or Mr. Yitzhak Shamir be unable to fulfill their duties, for whatever reasons, their party would provide a replacement with the consultation and consent of the other side.

1.7 Article 1.6 notwithstanding, all other ministers will serve in their positions for the entire Government's term of office.

1.8 Throughout the entire period of the Government's term of office, the Prime Minister will not wield his authority (under Section 21a of the Basic Law: The Government) to dismiss a minister from his post, except with the consent of the Deputy Premier. Such consent will not be required, however, to dismiss a minister who belongs to the faction headed by the Prime Minister. The Prime Minister will wield this authority with regard to a minister belonging to the faction of the Deputy Premier, should the latter request it.

1.9 In order to implement the change of Premiers stipulated in Article 1.5, Mr. Peres will resign towards the end of the first 25 months of the Government's term of office, and the Alignment and the Likud will jointly recommend to the President of the State to nominate Mr. Shamir as the designate Prime Minister. The new Government will be formed by the end of the first 25 months.

1.10 Mr. Shamir agrees to form his government along the principles set forth in this agreement.

1.11 This agreement will also apply to the government formed be Mr. Yitzhak Shamir.

1.12 Twenty five ministers will serve in the government, twelve from either side and one NRP minister.

1.13 The division of ministries, save the Prime Minister and the Deputy Premier and Minister of Foreign Affairs will be as follows:

Alignment: The Likud:

1) Ministry of Defence   1) Ministry of Finance
2) Ministry of Education and Culture   2) Ministry of Justice
3) Ministry of Agriculture   3) Min. of Labour & Welfare
4) Ministry of Health   4) Min. of Housing & Constr.
5) Ministry of Immigrants absorption   5) Min. of Industry and Trade
6) Ministry of Police   6) Ministry of Transport
7) Ministry of Communication   7) Ministry of Tourism
8) Min. of Energy and Infrastructure   8) Min. of Science & Develop.
9) Ministry of Economy and Planning   9) To be decided.

The NRP and Shas factions will be represented in Government by a single minister without portfolio each until the Prime Minister and his Deputy will decide on how to divide the Ministries of the Interior and Religious Affairs among them.

1.14 A permanent ministerial committee, called the Inner Cabinet, will be established. It will have 10 members, five from each side.

1.15 The Inner Cabinet is empowered to deliberate and decide on the following issues:

a) Issues within the jurisdiction of the Ministerial Defence Committee under the government operational procedures. (The Inner Cabinet will also serve as the Ministerial Defence Committee.)

b) The policy and defense issues incorporated in the Basic Guidelines.

c) Any issue, including those issues stipulated by the Basic Guidelines, which the Prime Minister or the Deputy Premier seek to bring for deliberation and decision in the Inner Cabinet.

1.16 The decisions of the Inner Cabinet will have the same force as decisions of the Ministerial Defense Committee; but in Para. 41c of the government operational procedures, the consent of the Deputy Premier will also be required, in addition to that of the Prime Minister. In Para. 42 of the government operational procedures, the Prime Minister will be

entitled to bring an issue for deliberation by the Inner Cabinet only with the Deputy Premier's consent. Should disagreements arise, and the Inner Cabinet does not reach a decision on a certain issue, the matter will not be brought before the government plenum without the joint agreement of the Prime Minister and the Deputy Premier. Should an issue be brought for deliberation in the government plenum, and the Prime Minister or the Deputy Premier determine that it should be discussed in the Inner Cabinet, the issue will be discussed in the Inner Cabinet.

1.17 A ministerial committee for economic affairs will be established, to be chaired by the Finance Minister. His deputy will be an Alignment representative.

1.18 A coalition committee will be established to look into changing the electoral system and amending electoral laws. The committee will be chaired by an Alignment representative. Changes in the electoral system as well as in the election laws will not be carried out without the consent of the two parties.

1.19 A ministerial committee will be established to determine in which ministry to place the Land Authority.

1.20 A ministerial committee will be established to look into the areas of activity and responsibilities of the Ministry of Economy and Planning.

1.21 Decisions by the ministerial committees stipulated in clauses 1.19 and 1.20 will be regarded as recommendations only.

1.22 A deputy minister from the Likud will serve in the Ministry of Defence. The definition of those civilian matters to be handled by him will be determined by the Minister, after consultation with him.

1.23 A deputy minister from the Alignment will serve in the Ministry of Finance. The definition of those matters to be handled by him will be determined by the Minister, after consultation with him.

1.24 The Ministry of Police will be reestablished.

1.25 The principle of continuity in government decisions will be maintained. The opinion of the Attorney General on the matter will be considered.

2. **The Knesset**

The Knesset coalition members will act in accordance with the coalition procedures, as follows:

The Coalition Executive

2.1 The Coalition Executive will not make a decision on any issue brought before the Knesset or one of its committees, if either of the two factions (Alignment or Likud) objects.

2.2 The Coalition Executive will comprise of six members from the Likud faction and six members from the Alignment faction, as well as one representative from every other faction participating in the coalition. In the first 25 months, the Coalition Executive will be chaired by a Likud representative, and an Alignment representative will be his deputy. In the ensuing 25 months, an Alignment representative will serve as chairman, and a Likud representative will serve as his deputy. The decisions reached at Coalition Executive meetings will be placed on record. The Coalition Executive chairman will convey these decisions to the coalition faction leaders.

2.3 Motions to the Agenda and Private Member Bills

a) A member of the coalition who wishes to submit a motion to the agenda will first submit it to the Coalition Executive chairman. The chairman will clarify the position of the relevant minister. If neither the chairman nor the minister objects to the motion, it will be submitted to the Knesset Speaker.

b) A member of the coalition who wishes to submit a private member bill, will first submit it to the Coalition Executive for deliberations. The Coalition Executive will bring the bill to the attention of the relevant minister, who will state his position within a month. Should the minister not state his position within a month, the bill will be submitted to the Knesset

Speaker. Should the relevant minister declare his opposition to the bill, he or his representative will be summoned to a discussion by the Coalition Executive, which will decide on the matter.

c)   Members of the coalition factions will vote on motions to the agenda, whether regular or urgent, and on private member bills, in accordance with the decision of the Coalition Executive, or with the statement of the minister replying, should the Coalition Executive not manage to decide them.

2.4   Amending or Altering a Section of a Law in Committee

a)   A member of the coalition who wishes to amend or alter a section of a bill will notify the committee chairman, or the coalition coordinator, if the committee chairman is not a coalition member. The chairman or coordinator must delay the vote on the section in question. The committee's coalition members will meet to decide on the proposal after the committee meeting is concluded. If the issue under discussion is a section of particular importance, the faction of the member proposing to amend or alter the section of the law is entitled to demand that the matter be decided by the Coalition Executive, with the participation of the relevant minister.

b)   Members of the coalition must vote in favour of bills submitted by the Government, and are prohibited from abstaining from voting on any of the three readings of bills submitted to the Knesset by the Government.

c)   On issues on which the coalition factions have been granted a free vote or the right to abstain, under the Transition Law (Amendment) of 1961, the Coalition Executive will conduct a dialogue concerning the matter if any one of its factions so demands.

2.5

a)   On the issues enumerated below, action will be taken as follows: (1) A bill for a Basic Law submitted by a Knesset member will be regarded as a private member bill. (2) Basic Law proposed by the Constitution, Law

and Justice Committee of the Knesset will be acted upon with the consent of both parties.

b) The right to abstain on issues of conscience or religious conscience will be upheld after clarification in the Government or the Coalition Executive, except for issues concerning the preservation of the religious status quo.

3. General

3.1 The inclusion of additional factions in the coalition, and/or the inclusion of their representatives in the Government after it has been approved by the Knesset, will be carried out jointly and with the consent of the parties to this agreement.

3.2 The preservation of the status quo on religious matters will be ensured, and the right to submit private bills on religious matters will be upheld. The date for raising these bills, if submitted, for debate in the Knesset, and the manner of voting on them, will be determined in consultations between the Prime Minister and the Deputy Premier.

3.3 The real level of funding for state and state-religious education, schools, infrastructure of higher learning, various yeshivas, Torah institutes and educational and cultural institutions will be maintained, and discrimination against any one of the streams of education will be prevented. If a budget cut is made, it will be proportional.

3.4 A suitable allocation will be guaranteed to settlement movements and youth movements.

3.5 An agreement between a party to this agreement and any other faction will not be binding upon the other party to this agreement.

The above agreement was signed on 13.9.1984.

Source: Kotler, 1988(B) pp. 389-394.

Appendix C

1) **The 1988 Coalition Agreement between the Likud and the Alignment**

In most respect, the 1988 coalition agreement was a duplication of the 1984 agreement (Appendix B). Following are major articles in the 1988 agreement that are significantly different from the 1984 agreement:

1. Article 1.4: The Government will be headed by Mr. Yitzhak Shamir, and Mr. Shimon Peres will serve as Deputy Premier.
    There was no prime ministerial rotation, and all Articles pertaining to it were omitted.
2. Article 1.6: Twenty-six ministers will serve in the Government...
    The parity between the Likud and Labour blocs ceased to exist. If in the previous agreement additional parties were included at the expanse of either major party, now they came in outside the major parties' quotas.
3. Article 1.8: The Inner Cabinet... will have 12 members, six from each party.
    In the previous agreement, the number was 10.
4. Article 1.20 (on electoral reform, Article 1.17 in the 1984 agreement): the committee will look as well into "changes in the governmental system". Also, "should the two parties not reach an agreement within a year, each party will be entitled to initiate legislation in the Knesset as it sees fit."
5. Article 1.22: "Should the Knesset pass a vote of no-confidence against the Government, no other government will be established in its stead. Within seven days of the no-confidence vote, the two parties will submit a bill for dissolving the Knesset and for holding new elections no later than 100 days from the day on which the bill is approved by the Knesset. The two parties will ensure a majority to approve this bill... within 30 days of the day in which the bill is tabled in the Knesset. They will act firmly to base this provision in the appropriate legislation".

This Article was needed because this agreement, unlike the previous one, did not determine the duration of the govenment's term of office.

2) Members of the National Unity Governments

The 1984-86 NUG (Government No. 22) - 13.9.84-21.10.86

Ministers

Simon Peres (Labour), Prime Minister
Yitzhak Shamir (Likud), Deputy Premier and Minister of Foreign affairs
Yitzhak Navon (Labour), Vice Prime Minister and Minister of Education and Culture
David Levy (Likud), Vice Prime Minister and Minister of Housing and Construction
Moshe Arens (Likud), Minister without Portfolio
Yossef Burg (NRP), Minister of Religious Affairs
Chaim Bar-Lev (Labour), Minister of Police
Chaim Corfu (Likud), Minister of Transport
Mordechi Gur (Labour), Minister of Health
Yigal Hurwitz (Ometz, Labour bloc), Minister without Portfolio
Moshe Katsav (Likud), Minister of Labour and Social Affairs
Yitzhak Moda'i (Likud), Minister of Finance
Aryeh Nechamkin (Labour), Minister of Agriculture
Moshe Nissim (Likud), Minister of Justice
Gideon Patt (Likud), Minister of Science and Development
Yitzhak Peretz (Shas, Likud bloc), Minister of the Interior
Yitzhak Rabin (Labour), Minister of Defence
Amnon Rubinstein (Shinui, Labour bloc), Minister of Communication
Moshe Shachal (Labour), minister of Energy and Infrastructure
Yossef Shapira (Morasha, Likud bloc), Minister without Portfolio
Avraham Sharir (Likud), Minister of Tourism
Ariel Sharon (Likud), Minister of Industry and Trade
Yaacov Tsur (Labour), Minister of Immigrants Absorption
Ezer Weizmann (Yachad, Labour bloc), Minister without Portfolio
Gad Ya'acobi (Labour), Minister of Economy and Planning

Deputy Ministers

Adiel Amorai (Labour), Deputy Minister of Finance
Shoshana Arbeli-Almozlino (Labour), Deputy Minister of Health
Avraham Katz Oz (Labour), Deputy Minister of Agriculture
Ronnie Milo (Likud), Deputy Minister of Foreign Affairs
Menachem Porush (Aguda, Likud bloc), Deputy Minister of Labour and
    Social Affairs

<u>The 1986-1988 NUG</u> (Government No. 23) - 21.10.86-22.12.88

The membership of this government and its portfolio allocation was almost identical to the 22nd government with the following changes:

Yitzhak Shamir (Likud), Prime Minister

Shimon Peres (Labour), Deputy Prime Minister and Minister of Foreign Affairs

Shoshana Arbeli-Almozlino (Labour), Minister of Health (instead of Mordechi Gur who did not join the government until 18.4.88, when he became Minister without Portfolio

Moshe Nissim (Likud), Minister of Finance as of 16.4.86

Yitzhak Moda'i (Likud), Minister without Portfolio. From 16.4.86 to 23.7.86, Minister of Justice. After his resignation, the Justice portfolio was assigned to Avraham Sharir (Likud)

Moshe Arens (Likud) resigned on 2.9.87 and returned on 18.4.88 as Minister without Portfolio

Yitzhak Peretz (Shas) resigned on 4.1.87 and returned as Minister without Portfolio on 25.5.87

Amnon Rubinstein (Shinui) resigned on 26.5.87 and his portfolio was assigned to Gad Ya'acobi (Labour)

Yossef Burg (NRP) resigned on 5.10.86 and Zevulun Hammer (NRP) replaced him.

(Government No. 24) - 22.12.88-15.3.90

Ministers

Yitzhak Shamir (Likud), Prime Minister and Minister of Labour and
    Social Affairs.
Shimon Peres (Labour), Deputy Prime Minister and Minister of Finance
David Levy (Likud), Vice Premier and Minister of Housing and
    Construction
Yitzhak Navon (Labour), Vice Premier and Minister of Education and
    Culture
Moshe Arens (Likud), Minister of Foreign Affairs
Chaim Bar-Lev (Labour), Minister of Police
Areih Der'i (Shas, Minister of the Interior
Rafael Edri (Labour), Minister without Portfolio
Mordechi Gur (Labour), Minister without Portfolio
Zevulun Hammer (NRP), Minister of Religious Affairs
Avraham Katz Oz (Labour), Minister of Agriculture
Moshe Katsav (Likud), Minister of Transport
Dan Meridor (Likud), Minister of Justice
Ronnie Milo (Likud), Minister of the Environment
Yitzhak Moda'i (Likud), Minister of Economics and Planning
Moshe Nissim (Likud), Minister without Portfolio
Ehud Olmert (Likud), Minister without Portfolio
Gideon Patt (Likud), Minister of Tourism
Yitzhak Peretz (Shas), Minister of Immigrants Absorption
Yitzhak Rabin (Labour), Minister of Defence
Moshe Shachal (Labour), Minister of Health and Infrastructure
Avner Shaki (NRP), Minister without Portfolio
Ariel Sharon (Likud), Minister of Industry and Trade
Yaacov Tsur (Labour), Minister of Health
Ezer Weizmann (Labour), Minister of Science and Technology
Gad Ya'acobi (Labour), Minister of Communication

Deputy Ministers

Yossef Beilin (Labour), Deputy Minister of Finance
Benjamin Netanyahu (Likud), Deputy Minister of Foreign Affairs
Moshe Zeev Feldman (Agudat Israel), Deputy Minister of Labour and
    Social Affairs

Appendix D

Interviews

The following persons have devoted their time to answer my questions regarding events in which they took part, or which they observed. Titles reflect the position(s) they held during the 1984-1990 period. The dates relate to the time the interview took place, or the communication was written.

Aaron Abu-Hazeira, Tami and Likud, former minister; MK (24.7.91).
Yossef Achimeir, Likud, personal aide to Prime Minister Shamir 1984-92 (27.3.92).
Nava Arad, Labour, MK (19.1.92).
Shoshana Arbeli-Almozlino, Labour, Minister of Health (25.7.91).
Hanan Azran, political commentator, Israel TV. (22.2.92).
Gen. Chaim Bar-Lev, Labour, former Chief of Staff, IDF; Minister of Police (20.11.91).
Uzi Baram, Labour, Secretary General of Labour 1984-89, MK (17.10.91).
Menachem Begin, Likud, former Prime Minister (personal communication, 19.8.91).
Dr. Yossef Beilin, Labour, Cabinet Secretary 1984-86; MK 1988 (18.12.91).
Brig. Benjamin Ben Eliezer, Yachad and Labour, MK (8.1.92).
Dr. Ra'anan Cohen, Labour, MK (19.1.92).
Hanan Crystal, political commentator, Hadashot and Israel Radio and TV (10.9.91).
Rafael Edri, Labour, Minister without Portfolio (24.7.91).
Gen. Mordechi Gur, Labour, former Chief of Staff, IDF; Minister of Health; Minister without Portfolio (13.9.91).
Shlomo Hillel, former minister; Speaker of the Knesset 1984-88, MK (25.7.91).

Yigal Hurwitz, Minister without Portfolio (23.1.92).

Moshe Katsav, Likud, Minister of Labour and Social Affairs, Minister of Transport (18.12.91).

Abraham Katz Oz, Labour, Minister of Agriculture (24.7.91).

Israel Kessar, Labour, MK, Secretary General of the Histadrut (16.10.91).

Shalom Kital, political commentator, Israel Radio (31.8.91).

Michael Kleiner, Likud, MK (10.1.92).

Dan Meridor, Likud, Minister of Justice (16.10.91).

Ronnie Milo, Minister of the Environment (8.1.92).

Eliezer Mizrachi, Agudat Israel, MK (18.12.91).

Yitzhak Moda'i, Likud, Minister of Finance, Minister of Justice, Minister of Economics and Planning (5.9.91).

Yitzhak Navon, former President; Deputy Prime Minister and Minister of Education and Culture (8.1.92).

Moshe Nissim, Likud, Minister of Justice, Minister of Finance, Minister without portfolio (28.8.91).

Ehud Olmert, Minister without Portfolio (8.1.92).

Shimon Peres, Labour, Prime Minister, Vice Premier and Minister of Foreign Affairs, Minister of Finance (1.9.91).

Gen. Yitzhak Rabin, Labour, former Prime Minister, former Chief of Staff, IDF; Minister of Defence (2.8.91).

Chaim Ramon, Labour, MK (19.1.92).

Shlomo Raz, political commentator, Israel Radio (31.8.91).

Prof. Amnon Rubinstein, Minister of Communications (30.1.92).

Moshe Shachal, Labour, Minister of Energy and Infrastructure (22.7.91).

Ilan Shchori, political commentator, Haaretz (27.7.91).

Gen. Ariel Sharon, Minister of Industry and Trade (23.12.91).

Prof. Shimon Shetrette, Labour, MK (10.1.92).

Dan Tichon, Likud, MK (10.1.92).

Yaacov Tzur, Labour, Minister of Immigrants Absorption; Minister of Health (31.10.91).

Mordechi Virshuvski, CRM, MK (24.7.91).

Gen. Ezer Weizmann, Yachad and Labour, Minister without Portfolio, Minister of Science and Development (19.11.91).

Gad Ya'acobi, Labour, Minister of Economy and Planning, Minister of Communications (9.8.91).

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