



# BULLETIN

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## Parliamentary Election in Israel—Foreign Policy Consequences

by Patrycja Sasnal

*Following the election to the Knesset, right-wing parties which will determine the composition of the future government have strengthened their position on Israel's political scene. In all probability, a coalition led by the victorious Kadima party, if formed, will resume negotiations with the Palestinian side—yet it could be too weak to make unpopular decisions. If a coalition is formed by the right-wing Likud party, the peace process will slow down. The United States and, to some extent, the European Union are capable of effectively influencing Israel's new government towards counteracting tendencies detrimental to Israeli–Palestinian relations.*

**Election Results and the Forming of Ruling Coalition.** While early returns from Israel's parliamentary election show that the centrist Kadima party led by Tzipi Livni came up the winner (28 seats in the Knesset), marginally overtaking Benjamin Netanyahu's Likud party (27 seats), yet it is Likud that has the best chance of forming a government in coalition with other right-wing groupings. To win the office of Prime Minister, Livni, who failed to form a ruling coalition in the autumn of 2008, would need to persuade both the left-wing Labor Party (LP) and two antagonistic extreme right-wing parties—the nationalist Yisrael Beiteinu and the orthodox Shas party—to team up with Kadima to set up a government. One possible scenario features a national unity government formed by a Kadima-Likud coalition, yet personal differences between the leaders of the two groups could well get in the way. This set-up would be particularly risky for Kadima if Netanyahu became the Prime Minister, as in the process of co-governing with Likud the few program differences between the two parties could be obscured, to Kadima's disadvantage.

After official election results are announced on 18 February, and following consultations with all the parties that have won seats in the parliament, President Shimon Peres will entrust the mission of forming a ruling coalition within 42 days to the leader of the party that has the best chance of assembling a majority of 61 seats in the 120-member Knesset. It is possible that the government will not be formed until early April.

**Israeli–Palestinian Relations.** The position on the peace process represents the most important program difference between Kadima and Likud. During the election campaign, Likud won substantial support by distancing itself from the policy of withdrawal of Israeli troops from the occupied territories (in 2000 LP Prime Minister Ehud Barak withdrew troops from southern Lebanon and in 2005 Kadima founder and Prime Minister Ariel Sharon pulled out from the Gaza Strip), pointing to the adverse consequences of such a policy, in particular the strengthening of Arab groups hostile to Israel: Hezbollah and Hamas. Under a Kadima government Israel launched armed operations against these groups: the ill-fated July 2006 war against the Lebanese Hezbollah and Operation Cast Lead against Hamas at the turn of 2008.<sup>1</sup> With this election taking place shortly after the completion of the Gaza operation, before its long-term effects could be known, neither Kadima nor LP could use it to their advantage in their electoral campaign. However, the right-wing parties benefited from the radicalization of public sentiment in the wake of the Gaza offensive.

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<sup>1</sup> See P. Sasnal, "The International Context of the Israeli Offensive in the Gaza Strip," PISM Bulletin No. 3, 13 January 2009.

The new make-up of the Knesset could impede the progress of peace negotiations with the Palestinian side. The right-wing parties, which refuse even to consider territorial concessions to the Palestinians, have now won an absolute majority in the Knesset. Whichever grouping forms the government, it will be dependent on decisions of the parties opposed to peace talks. The left-wing parties (LP and Meretz) and parties representing Israeli Arabs, which continue to regard progress in peace negotiations with the Arab neighbors (Palestinians, Syria and Lebanon) as a national security priority, have won less than 30 seats.

Unlike the Kadima and LP leaders, Benjamin Netanyahu has not committed himself to continuing talks with Palestinian Authority leaders and he denounced negotiations aimed at a "two-state solution" (the formation of an independent Palestinian state alongside the Israeli state), including those started by the Kadima government in Annapolis in 2007. He proposed instead an alternative general plan for economic development of the occupied territories, which means that—provided a right-wing government is formed—political negotiations could lose their priority status in Israeli–Palestinian relations. If the right-wing parties form a ruling coalition and do not engage in peace talks with representatives of the Palestinian Authority (Fatah), support for Hamas and other radical Palestinian parties could swell again. According to poll findings published after Operation Cast Lead, Hamas for the first time overtook Fatah 28.6% to 27.9% to lead in Palestinian public opinion surveys, with a 9% increase noted in support.

If Kadima governs, the weakness of its coalition could emerge as a threat to the peace process. Livni would have to work with parties which agree neither to the division of Jerusalem nor to other territorial concessions. Moreover, now that the election has shown that a majority of the Israeli society is against such solutions, it would take a strong leader capable of winning over the nation for difficult solutions to make decisions in the matter of concessions—yet there is no such leader on the Israeli political scene.

**Iran.** Although issues related to Israeli–Palestinian relations and Israel's offensive in Gaza dominated the final stage of the election campaign, Iran's nuclear program remains Israel's national security priority. Likud has emphasized its importance more forcefully than Kadima has, yet no meaningful differences in a future government's (whether Kadima- or Likud-led) Iranian policy should be expected; pushing for sterner diplomatic and economic sanctions and allowing for the use of force will continue to be regarded as options. It cannot be ruled out either that—given the advancement and growing significance of Iran's nuclear program—the future government will be more active in counteracting it.

**Relations with the USA and EU.** Although prospects for an Israeli–Palestinian peace agreement seem more remote if Likud rules, the USA could play a key role in bringing about such a settlement—provided intensive efforts are made to that end. President Barack Obama is planning involvement in the Middle East conflict, with a view to bringing about the two-state solution endorsed by Kadima and the left-wing parties. Yet divergences could arise on this issue between the U.S. administration's goals and the Israeli government, regardless of the shape of Israel's ruling coalition, because taking unpopular decisions on territorial concessions that the U.S. expects will be problematic for Kadima and Likud alike. Besides, the announced revision of U.S. administration's policy on Iran, with diplomatic means to be the first resort, could spark misunderstandings in relations between the two states. Also in this regard the nature of the future Israeli government is of secondary importance, as counteracting Iran's offensive policy is a priority for both Israel's largest parties.

The Middle East conflict is—alongside economic issues—the most significant subject of Israel's contacts with the European Union. The EU expects progress in peace negotiations. As the new government, whether formed by Kadima or Likud, will be intent on maintaining or strengthening good relations with the EU, this gives the EU an opportunity to play an active role in Israeli–Palestinian negotiations.

**Conclusions.** The outcome of the Knesset election mirrors the radicalization of public sentiment in Israel, a shift due largely to the escalation, in recent years, of the conflict with Palestinians. Presumably, a right-wing coalition formed by Netanyahu would be less inclined to resume negotiations with the Palestinian side, and a Livni coalition could—at a critical point of talks—prove too weak to take unpopular decisions on territorial concessions. The efficiency of peace negotiations could benefit the most from a robust, broad Kadima-Likud coalition enjoying strong social legitimacy. On the other hand, the changes on the Israeli political scene will affect neither the country's strategic alliance with the U.S. nor its relations with the EU.