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Livni vs. Netanyahu: From One Election to the Next

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On February 10, Israelis head to their first national election in nearly three years. With the exception of the 1977 election, this will be the only Israeli campaign in which no incumbent has run for the office of prime minister. Foreign Minister Tzipi Livni leads the Kadima party, which is neck and neck with Binyamin Netanyahu's Likud party; each is expected to garner approximately 30 seats in the 120-member Israeli parliament. Since their views on the peace process differ, the election's outcome will directly affect U.S. regional policy and the future of the Annapolis process.

Background

When Israel last went to the polls, it was unclear whether Kadima would become an established party or just fade away. Ariel Sharon created the centrist Kadima party weeks before his massive stroke in January 2006 in an attempt to break the left-right divide that has dominated Israel since the 1967 war. Two key events since Kadima's 2006 victory -- Israel's inconclusive 2006 Lebanon war and Hamas's 2007 takeover of Gaza -- supported the prevailing wisdom suggesting that Kadima could not hope to compete as a major party, thus reverting Israel back to the Likud-Labor dichotomy. This year, however, has marked a startling turnaround. Kadima -- not Labor -- is vying with Likud for the top electoral spot. Two developments have driven this change: the seeming electoral collapse of the Labor party and the emergence of Livni's leadership in place of the unpopular Ehud Olmert.

Labor's Collapse

Labor won nineteen seats in the 2006 election, down from the forty-four under Yitzhak Rabin in 1992, and is polling a mere nine seats at present. This is a calamitous drop for Ehud Barak, who, as Rabin's protege and the most decorated general in Israeli history, was viewed as the savior of Olmert's government when he joined as defense minister after the disastrous Lebanon war. His growing unpopularity stems from many causes. Barak projects arrogance and aloofness, and his personal financial transactions, such as his endeavors in expensive real estate, are at variance with Labor's socialist roots. Israelis also perceive him as focusing more on undermining Livni than building a solid, center-left coalition. For instance, when he called Livni by her formal name -- Tzipora, which literally translates to "bird" -- many interpreted his attitude as denigrating to the first woman with a chance at the premiership since Golda Meir (who served from 1968 to 1974). In addition, the Israeli public seems happier with Barak as a capable defense minister than as prime minister. To make matters worse, a subgroup within Labor wants to create a separate dovish bloc, which is likely to diminish the party further. Taken together, Barak's chances do not look promising.

Livni's Rise

Barak's eclipse coincides with Livni's rise. While Barak is viewed as unsupportive of peace efforts, Livni has eloquently articulated support for a two-state solution and has met with chief Palestinian negotiator Ahmed Qurei (Abu Ala) on a weekly basis over the last year to hammer out details of a framework agreement. At the same time, Israelis see her as a tough negotiator, as she has been critical of some of Olmert's concessions to

the Palestinians. She has also made the case publicly that Hamas will seize upon any inactivity to discredit Palestinian moderates.

Since Olmert is not running, he is able to give speech after speech articulating the benefits of creating a Palestinian state (with Israeli security backing) and the dangerous consequences of failing to do so. As of now, this has had a salutary effect for Livni, attracting droves of Labor voters to her. Her poor personal relationship with Olmert has also burnished her image as honest and uncorrupt. Her unwillingness to engage in protracted coalition bargaining with the Shas party over financial resources has increased her standing in the polls. This boost came at an opportune time in light of this week's municipal elections, as Kadima member Haim Ramon insists that his party won a third of the municipalities. Nonetheless, these elections were probably based largely on local issues, as mayors from all parties downplayed their national affiliations.

Livni may also play the "Obama card" in the upcoming election, suggesting that the Middle East peace process is linked to good relations with the United States. As such, campaign aides are likely to allege that a Likud victory will inevitably lead to a clash with Obama administration.

Netanyahu's Electoral Chances

Netanyahu believes he has several cards to play in the election. First, he will seek to neutralize Livni's Obama reference by emphasizing his knowledge of the United States as an asset in avoiding conflict with Washington. Critics will challenge this argument by citing Netanyahu's rough relations during his tenure as Israeli premier with former U.S. president Bill Clinton

Second, Netanyahu recently declared that he favors a national unity government (NUG) in an attempt to cultivate the Israeli center. This NUG could take many forms, but Netanyahu will likely favor the version that enables him to lean on parties within the right and center-right. Netanyahu also favors an "economic peace" with the Palestinians but has provided few details, particularly on how economics could substitute for a political process. He is unlikely to provide more details, given his desire to woo two prominent hawks, Benny Begin and Moshe (Bogie) Yaalon, to his campaign. Israelis regard both as very honest, and Netanyahu hopes their presence will remodel Likud and remove the stain of corruption that has tainted the party in recent years.

Third, Netanyahu is counting on Israeli Arabs. While constituting a fifth of the population, they historically vote for Israeli Arab parties, which traditionally stay out of coalitions, leaving the core issues of the Arab-Israeli conflict to be worked out by center-left Jewish parties. Likud thinks the Israeli Arabs will keep voting for these politically marginal parties, thereby limiting the center-left's prospects. If Israeli Arab voters switched their allegiance to Kadima or Labor, it would alter the race's electoral dynamics and boost Livni's fortunes.

Fourth, as finance minister under Ariel Sharon, Netanyahu slashed spending and earned a reputation as a fiscal hawk. He reduced the bloated welfare system for ultraorthodox Jews, but his significant military cuts factored into Israel's poor performance in the 2006 Lebanon war. Netanyahu will seek to use his experience in finance to suggest he is perfectly suited to lead Israel at a time of global financial crisis.

Both Netanyahu and Livni will seek to ensure that U.S. engagement with Iran is not open-ended and that the negotiations are used as a means to strike a "grand bargain" precluding -- rather than deterring -- an Iranian nuclear weapon.

U.S. Role

The outcome of the upcoming Israeli election will influence how the United States views its prospects in the Middle East. Although many wonder how the Obama administration would shape the election's outcome, this is a moot point since there are no signs that Obama is inclined to influence the process, and the new U.S. administration takes office less than three weeks before the Israeli elections.

A Livni victory will lead to more focus on the Palestinian track, given the progress made by her and Abu Ala. On the other hand, a Netanyahu victory could put more American emphasis on the Syria track. After all, Netanyahu was willing to strike a deal with Syria while he was in office in 1998, yet Ariel Sharon vetoed the back-channel efforts that Netanyahu confidante Ronald Lauder made with Syrian leader Hafez al-Asad. If Netanyahu wins, it will be interesting to see if he picks up where he left off, this time with Hafez's son and current Syrian president, Bashar al-Asad.

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