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UNITY GOVERNMENT: THE SECOND PHASE

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The Rotation in the Office of Prime Minister / Without an Alternative / Still Without an Alternative at Mid-Term / Peres' Unity Government: Record and Precedents / The Second Unity Government: Stabilizing Factors / Destabilizing Pressures / A Concluding Note

The Rotation in the Office of Prime Minister

The rotation in the office of the Israeli Prime Minister took place on October 20, 1986. As expected, the Knesset overwhelmingly approved the Second Unity Government, headed by Yitzhak Shamir of the Likud.¹ Both Unity Governments were formed on the basis of one coalition agreement which covers the entire term of the Eleventh Knesset.² This agreement is based on the principle of parity in representation between the Likud and the Labor Alignment. Rotation epitomized this principle in relation to the top position in government, which clearly cannot be shared. Despite the continuity of the initial coalition

agreement, another mini-accord was needed in order to put the rotation into effect. This was done primarily to placate the concerns of the Labor Alignment over the powers of the prime minister. Ironically, these concerns arose from the very effective use of power by the Alignment leader, Shimon Peres, as the head of the first Unity Government. Indeed, the great importance attached to the issue of rotation may only be understood by analyzing the critical role of the office of the Prime Minister in the Israeli system of government.

In Israel, the office of prime minister does not constitute a separate constitutional power. The government as a whole is the seat of executive power and is based on the

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principle of collective responsibility. Collectively, the government even constitutes the commander-in-chief of Israel's armed forces.³

On the other hand, the Israeli prime minister possesses a special legal role and occupies a pivotal position in government. He forms the government and submits it to the Knesset for approval; his resignation is tantamount to dissolving the entire government. The prime minister speaks for the government and, to a large extent, determines its agenda. He is Israel's chief representative and negotiator abroad. On many occasions he is called upon to mediate in internal public disputes and to act as an arbiter in intra-governmental conflicts and complex decision-making.

In sum, the prime minister, more than any other single official, determines the course and agenda of Israeli politics and occupies its center stage. He represents stability and authority in government and thus offers the potential electoral and political advantage of incumbency in office.

A private legislative initiative in 1981 gave the prime minister the legal authority to oust a minister from his government.⁴ This authority is not entirely compatible with Israel's tradition of coalition regime, which accords parties in government the power to appoint their own ministers. For this reason, the Likud and the Alignment incorporated a reassuring clause in their coalition agreement which requires the consent of the leader of the other bloc before exercising this power. The clash between legal authority and coalition agreement did not prevent Prime Minister Peres from twice declaring his intent, without Shamir's consent, to launch dismissal procedures against Likud ministers who spoke disparagingly of him in the media and in public. In the case of Ariel Sharon, Peres finally accepted a formal apology. In the case of Yitzhak Modai, Shamir acquiesced after the first incident to the Prime Minister's demand to remove Modai from the Ministry of Finance; and in the second instance, Modai resigned voluntarily to avoid another showdown between the two blocs which might have threatened the implementation of the rotation.

The impending rotation dominated the first two years of the Unity Government. In all likelihood, the threat of early elections will haunt the post-rotation period. Both issues reflect the

precarious and temporary nature of a Unity Government, despite its vast public acceptance and parliamentary inevitability during the Eleventh Knesset. Such a government, however, is not compatible in the long run with the routine norms and expectations of competitive politics in a democratic system.

Without an Alternative

Until 1984, the outcome of all Israeli elections enabled the largest Knesset faction to form a limited-majority government without the need for a grand coalition or a repeat election. The 1967 Government of National Unity was not formed because of coalition constraints, but rather in response to growing, impatient public pressure in the face of an external threat and imminent war (the Six-Day War). The conversion of this emergency-type national unity government into a regular grand coalition, following the 1969 elections, lasted less than a year, and did not jeopardize the role of the Labor Alignment as the majority faction in government.

The prolonged existence of a fragmented multi-party system with a dominant party at its center (Mapai, subsequently the Labor party and the Labor Alignment) in an almost pure system of proportional representation, did not produce an unbridgeable impasse in coalition formation in Israel. This condition, however, did cause some difficulties in the government's functioning, and certainly shaped its particular modes of operation. By contrast, the incomplete development of a two-bloc competition (the Likud vs. the Labor Alignment), at the center of the Israeli multi-party system, created just such a crisis for the first time in 1984. Neither of the two major blocs was able to form a limited-majority coalition, and the Knesset was threatened for the first time with an enduring deadlock, preventing the formation of a coalition government. This crisis was averted through the establishment of the Unity Government. It reminded us that in the Israeli type of parliamentary democracy, the voters choose a parliament rather than a government (which is selected by the Knesset) and that the pure proportional representation system makes it extremely difficult, until now impossible, for a party to gain the majority of the votes. It is thus difficult to anticipate a conclusive victory for one of the two major electoral blocs in the future

without the adoption of electoral reform; either by raising the mandatory threshold for representation, which now stands at a mere 1 percent, or a more significant change – by the adoption of mixed, proportional and district systems of election. The coalition agreement between the Likud and the Labor Alignment promised to consider such a change, but has not yet produced even a serious deliberation of this issue. This will probably occur closer to the election and in all probability will result only in raising the threshold for representation in the Knesset.

Table 1
The Knesset Representation of the Likud, the Labor Alignment and their Coalition Camps in 1981 and 1984

	1981	1984
Labor Alignment	47 M.K.s	44 M.K.s
Likud	48 M.K.s	41 M.K.s
Post-Election Labor Coalition Camp	50 M.K.s	54 M.K.s
Post-election Likud Coalition Camp	66 M.K.s	54 M.K.s

The Unity Government reflected the equal strength of the initial, post-election competing coalition camps (54 M.K.s each). However, neither of the two blocs succeeded in bringing its entire coalition camp into a Unity Government. Mapam, on the left, quit the Labor Alignment in response to the Labor Party decision to form the Unity Government. Techiya, on the right, also refused to join this government for diametrically opposing reasons. Nevertheless, the Likud and the Alignment adhered to the principle of parity in the representation of both coalition camps in the Unity Government, with the Mafdal (National Religious Party) as the only non-aligned party in the government.

This principle made it possible to form a Unity Government, even if it did not actually reflect the numerical parliamentary strength of either the Likud or the Alignment in the Knesset. The Unity Government offered the Alignment, previously in opposition, the Prime Ministry; and it offered the Likud, who lost the mandate to rule alone, an opportunity to regain it in mid-term.

Table 2
The Composition of the Unity Government
And the Strength of its Parliamentary Factions

	Ministers	M.K.s
Labor Alignment	9	37
Yahad	1	3
Ometz	1	1
Shinui	1	3
Total	12	44
Likud	10	41
Morasha*	1	2
Shas	1	4
Aguda	—	2
Total	12	49
Mafdal (NRP)	1	4
Grand Total	26	97

* Both the Minister who represented Morasha in the Unity Government and one of Morasha's two MKs rejoined the NRP in 1986.

Still Without an Alternative at Mid-Term

The Unity Government implemented the innovative and unusual rotation agreement primarily because its two years in office did not alter the parliamentary conditions which had created it. These conditions were constantly monitored by the two major partners, especially at times of crisis. Peres often faced open opposition to rotation in his party and was pressured on several occasions by his associates and aides, most noticeably in the Sharon dismissal incident, to risk a coalition crisis and opt for early elections. Peres examined his options at each occasion, but finally decided against overturning the rotation commitment. In addition to the personal creditability issue, which has haunted Peres in the past, he had to take into account three considerations.

First, none of the coalition parties outside the initial coalition camp of the Alignment was prepared to quit the Unity Government and form a limited-majority government under the Alignment leadership. Moreover, the Likud, in the event of a coalition crisis, was expected to cement

its alliance with parties such as the NRP, who had allied with them in the past. During the transitional period between Peres' resignation and Shamir's inauguration in office, the Alignment may have learned that the Likud actually stood a better chance of forming a limited-majority coalition if it chose not to support Shamir as prime minister of the Unity Government. In such a case, all factions, excluding Shinui and Yahad, were inclined to remain with the Likud under the terms of the Unity coalition agreement; two other factions were prepared to join (Tehiya and Tami), providing Shamir with a 60 M.K. coalition which could have been voted into office with the passive support of the single mandate of Meir Kahane.

Second, even the early election option, which was repeatedly considered by the leaders of the Labor Alignment, was far from certain. It depended, in the Alignment's strategy, on receiving the votes of the Tehiya party, which had publicly supported such an election. Tehiya, however, would have certainly given its potential ally, the Likud, an opportunity to form a limited-majority coalition before collaborating with the Alignment in bringing an early election. Even so, an early election was a superfluous and risky gamble for the Alignment as long as Peres remained in office; especially, if the Alignment could have been blamed for both violating an explicit commitment and ending the popular Unity Government without the benefit of an important legitimizing issue.

Third, despite the unique structure of the Unity Government and the prospect of rotation, Peres adopted a broad concept of the powers and prerogatives of the Prime Minister's office. He undertook new diplomatic initiatives and actually prepared the agenda for a Labor-run government. However, he was not able to establish a critical issue which would have justified an early election.

Peres' Unity Government: Record and Precedents

The functioning of the Unity Government in its first twenty-five months was marked by intermittent crises. Its record was not universally applauded, especially during the controversial General Security Service (Shabac) Affair, when the government refused to establish a judicial committee to investigate this complex issue.⁵ Among other faults, the government maximized the coalition character of the Israeli government,

expanding and legitimizing partisan appointments to the State Civil Service and to directorships in state-owned corporations.

Nevertheless, the Unity Government did register four major achievements. First of all, it enlisted the support of all organized economic groups, most critically the Histadrut (the powerful Federation of Labor) in a painful economic policy which reduced inflation from 440 percent to 25 percent annually, without a major increase in unemployment (between 7 to 7.5 percent). Second, it withdrew the Israeli army from Lebanon and restored the pre-war security zone without deterioration of security in the North or a debilitating internal debate and settling of political accounts.

Third, the Unity Government changed Israel's image in the world from one of intransigence to one of moderation and flexibility. The initial agreement with Egypt over Taba and the subsequent summit meeting between the Israeli Prime Minister and the Egyptian President came after a ceaseless effort to resume the peace process which came to a halt with the cessation of the autonomy talks in 1981.

Fourth, the Unity Government inhibited the growing partisan tendency in divisive and delegitimizing politics and escape from the larger issues of consensual politics. Formation of a Unity Government provided a reorganizing pause from inter-party competitive politics and redefined a common platform upon which partisan differences may become constructive and meaningful.

These achievements were possible primarily because the Unity Government has neither turned itself into a mini-Knesset nor into a joint executive of two competing shadow governments. It has acted as a unified body with cross-cutting partisan divisions on major issues (the Likud on Lebanon and the economy; the Alignment on the Shabac Affair). Peres used the prerogatives of his office as much as any of his predecessors, although he did so only after an exhaustive process of deliberations and compromise seeking. As his deputy, Shamir accepted Peres' style and did not attempt to use his post to provide an alternative, divisive leadership which could have paralyzed the government. Shamir did make an effort to be knowledgeable, to protect the factional interests of the Likud and to check or inhibit policy initiatives which were not acceptable to his party, but he did not adopt an assertive style or

uncompromising attitude. At times, it seemed as if he was trying to cover up for Peres, certainly to minimize differences between them. The tension between the two leaders reached crisis proportions on factional-personal rather than policy issues; chiefly regarding Peres' declared intent to use his legal power to dismiss Likud ministers. Shamir did not back down on principle, but nevertheless, sought to compromise and was extremely careful not to create an irreparable rift with Peres and the Alignment, even on those difficult issues. Peres, himself, met him at least half-way after effectively using a brinkmanship strategy in all the dismissal incidents. The patterns of cooperation which developed between Peres and Shamir will be tested anew in the second Unity Government.

The Second Unity Government: Stabilizing Factors

Only a seven-day delay occurred between the end of the first Unity Government and the installation of its successor. It proved that the entire Alignment leadership had finally resigned itself to the inevitability of the rotation, though not necessarily to a full-term Unity Government. The leadership of the Likud showed that it understood that a cooperative attitude and compromise are needed after rotation, as much as before; though it refused to depart completely from the practices and precedents of its predecessor. The public remained overwhelmingly supportive of the Unity Government, and the implementation of the rotation clause in the coalition agreement became an independent issue in Israeli politics. The second Unity Government will be subjected, however, to conflicting pressures of stabilization and destabilization.

Partisan pressures for discontinuation of the Unity Government are potentially powerful, but the stabilizing factors are also strong. Foremost among them is the support of the public, which has come to expect the continuity of this government. It is interesting to note that, immediately after its formation, the public was extremely skeptical about the future of this government, but changed its attitude with time and responded positively to the government's executive successes and to its continued survival.⁶ This public attitude will discourage efforts to put an end to the Unity Government.

Second, during the past twenty-five months, the Unity Government established quite effective,

if tedious and lengthy, decision-making and crisis-resolution practices. Shamir, himself, came to office with a cooperative attitude. Hence, one may conclude that if the Unity Government does not complete its full term, it will not be due to a breakdown in communications, but will be instead the outcome of a rational strategy on the part of one of the two major blocs or both.

Third, during its term of office, the Unity Government established a foundation for a consensual approach on two major policy areas: Lebanon and the economy. The first became a muted issue after the military withdrawal. Moreover, the authority of Defense Minister Yitzhak Rabin is acceptable to both blocs and will tend to minimize such differences. As for the economy, the removal of the assertive and opinionated Modai from the Ministry of Finance and the appointment of Moshe Nissim in his place sharply curtailed the likelihood of a coalition crisis on this issue. Modai tried, with some success, to formulate a potentially explosive partisan issue between the Likud and the Alignment concerning governmental financial aid to organized economic groups and interests associated with the Histadrut and Labor Alignment (Kupat Holim, Moshavim, Kibbutzim). Nissim declined to carry this torch and adopted a more cooperative approach toward the sectorial economic interests of both blocs. The third policy area — the issue of settlements and possible negotiations with Jordan and the Palestinians — remains potentially the most explosive and crisis-bound issue between the two blocs. These issues are among the destabilizing factors in the functioning of the second Unity Government, to be discussed later.

Fourth, the new Prime Minister's leadership style is compatible with the requirements and established practices of the government. Shamir tends to be low-key, cooperative and compromising, and he does not seek an alternative to the Unity Government. Conversely, he would like to see it continue, even after the next election, a position which has not been taken yet by anyone else in either the Likud or the Alignment.⁷ Shamir's style is not threatening to Peres, the dethroned Prime Minister who plans to pursue his political-diplomatic initiatives as Foreign Minister and does not have to fear that his impressive record as Prime Minister will soon be forgotten.

Fifth, both major blocs are still incapable of forming an entirely new coalition. Only the Likud stands a chance of forming a limited-majority government on the foundation of the present one. The uncompromising support of the religious parties for the Unity Government is chiefly responsible for this situation. Any move by the Alignment to dismantle the government without a legitimate issue may hurt their chances to woo the religious parties from the Likud, either in the present or even the next Knesset.

Finally, the rotation clause made the full-term commitment an integral part of the coalition agreement of the Unity Government. Rotation became an issue of credibility for Peres and the Alignment; the full-term coalitionary commitment may also develop into an issue of credibility for them, following the implementation of the rotation.

Destabilizing Pressures

The continuously destabilizing element hindering the functioning of the Unity Government is the perception of its temporary nature, which requires both major blocs to keep their differences alive in the public eye and to prepare alternative strategies. The Alignment found it harder, initially, to resign itself to the inevitability of the Unity Government. It may find it increasingly difficult to adjust to its present circumstances — serving under a Likud Prime Minister, thus moving the Alignment further from its previous position of attempting to delegitimize the Likud as a major governing bloc. Without an alternative government or strategy, the Alignment was forced to implement the rotation in the Office of Prime Minister, but it still tends to view it as a transient rather than a full-term commitment. Moreover, in order to balance the impact of rotation, the Alignment may be drawn into oppositional patterns of behavior towards the Prime Minister. An initial sign of this attitude can be found in the statement that the Alignment would grant Shamir a "period of grace" as Prime Minister — an expression borrowed from the political dictionary of an opposition party. Other similar indications include talk about forming a committee to pinpoint and highlight differences between the Alignment and the Likud, and the announcement of the formation of an election department in the Israel Labor Party, staffed by

high-powered professional and academic personnel.

If these patterns do materialize, they will reintroduce the threat of turning the Unity Government into a highly divided and deadlocked mini-Knesset. This possibility would certainly legitimize a bid for an early election. Such a deadlock may result from both the adoption of a strategy of partisan confrontation and the emergence of a hopeless ideological schism in the evolving agenda of the second Unity Government.

It would be a mistake, however, to look for potential destabilizing pressures only in the Alignment, which reluctantly departed from the prime minister's office. Destabilizing pressures may also appear in the Likud. A demand may be raised to use the Office of the Prime Minister to pursue and highlight partisan policies, such as the settlement issue, which was sidetracked by Prime Minister Peres. There is also the pressure to follow the assertive prime ministerial style set by Peres, in response to oppositional behavior of Labor Ministers. Finally, Prime Minister Shamir must face pressures from personal rivals, who actively seek the leadership of the Herut Party.⁹ This leadership conflict, if renewed in full force after a long lull in expectation of the rotation, may prevent the Likud from adopting a unified strategy in government and make it more difficult for Shamir to pursue his low-key cooperative leadership style, and could also encourage the Labor Alignment to pursue early elections.

The astonishing successes of the Unity Government virtually exhausted the government's urgent consensual agenda. The new possible agenda, centering on political, diplomatic issues, is more likely to breed ideological confrontation and crisis. The issue-oriented, non-partisan movements — such as the nationalist Gush Emunim and the dovish Peace Now — are certain to play major roles in redefining the ideological boundaries between the two camps. The Likud will find it hard to accept an international conference to resolve the Arab-Israeli conflict or any far-reaching concession in Judea, Samaria and Gaza; while the Alignment will be hard-pressed not to overlook any opportunity to break the stalemate in peace talks through an international Forum and significant concessions to Jordan, even within an interim agreement without peace.

The issue of Jewish settlement in Judea,

Samaria and Gaza may reemerge at the center of partisan controversy, despite the existence of an explicit coalition agreement on this issue. American pressure and the prospect of negotiations may contribute to this development. Settlements epitomize and concretize the wider debate on the future of the territories. A compromise or even trade-off on this and other political issues is less likely, but still possible, provided there is no viable prospect for the resumption of the peace process, and providing neither of the two blocs commits itself to a strategy of confrontation and early elections.

A Concluding Note

The second successive Unity Government is now faced with the problems and difficulties of adjustment but not with an agenda of immediate crises. Even so, the leadership of the Alignment and the Likud will increasingly monitor outside pressures and consider post-Unity strategies. Shamir, who has the greatest interest in the continuation of this government, may try to balance these pressures by presenting the Alignment with a new and innovative plan for a Second full-term Unity Government, with the possible repetition of the rotation clause following the election. Such a proposal may not be acceptable to ambitious rivals within his own party, but it would be in keeping with the Likud's generally favorable approach to the Unity Government and reflect its present inferior position in public opinion polls.⁸ The Alignment is not likely to respond positively to such a trial balloon, or even to a formal initiative, before the next general election. However, it will have to decide, in time, whether to appeal to the voters as an anti-Unity Government party or to leave the issue open until after elections. Much will depend on the performance of the second Unity Government under Shamir's leadership.

Not entirely resigned to the full and prolonged consequences of rotation, the Alignment will at least be attuned to other alternatives, primarily early elections, and will be increasingly pressured to explore such a strategy. However, it probably will not move to dismantle the Unity Government before its time, unless one or more of the following events takes place:

- 1) A clear violation of the position or diplomatic freedom of action of Peres in government. The Alignment is expected, in general, to be less compromising in the event of arbitrary use of the prime minister's legal powers and prerogatives, especially if directed against a Labor Minister.
- 2) A governmental deadlock on a primary issue which may legitimize early elections and make them possible.
- 3) The development of a potentially successful parliamentary initiative by other parties for early elections, against the background of cumulative tensions in government, promising public opinion polls and a poor executive record of the Second successive Unity Government. In such an event, the Alignment will take pains not to appear as the spoiler, but rather as the responsible party moving to restore an effective government to Israel.

In the first phase of the second successive Unity Government, Shamir will strive to create a visible leadership record while avoiding a crisis with the Alignment. The latter will allow Shamir to create such an initial personal identity in office, which will provide a basis for comparison with Peres. Simultaneously, it will continue to work, if conditions permit, on the future diplomatic and political agenda for a Labor government and on a strategy to bring this about.

Notes:

¹ The second Unity Government was confirmed by the Knesset on October 20, 1986. Eighty-two M.K.'s voted in favor, 17 voted against and 3 abstained. The first Unity Government was confirmed on September 13, 1984. Eighty-nine M.K.'s voted in favor, 18 voted against, and one M.K. abstained.

² The regular term of the Knesset is four years. However, the coalition agreement covers a fifty month period, with the intent of slightly advancing the date of the next elections.

³ Basic Law: The Military, March 31, 1976.

⁴ The Amendment to the Basic Law: The Government concerning the dismissal of Ministers was tabled by M.K.'s Moshe Shahal (the Alignment) and Amnon Rubinstein (Shinui) and approved by the Knesset on May 20, 1981.

⁵ The Shabac (General Security Service) Affair evolved initially, around the question of responsibility for

the killing of two terrorists who had hijacked a civilian bus in Israel, following their apprehension by Israeli security people. Questions of a cover-up within the GSS, and possible cooperation of others, followed this disclosure. The head of the GSS was forced to resign, and its legal advisors were removed from office. All were pardoned in advance by the President of the State. The Government voted down a proposal to establish a judicial investigating committee to examine all allegations concerning the affair. The residual legal issues, thus, remained in the hands of the Attorney General.

⁶ According to a poll taken after the 1981 elections, 80 percent supported formation of a Unity Government. *Ha'Aretz*, July 27, 1984. However, two-thirds of the respondents in a street poll, taken immediately after the formation of the Unity Government, did not expect it to remain in office more than a year. *Ha'ir*, September 1984.

⁷ Shamir raised this possibility in an interview with Hadaf Hayarok, *Al-Hamishmar*, Supplement for the Kibbutz Movement No. 202, October 21, 1986.

⁸ The Herut is the largest faction of the Likud.

⁹ The Labor Alignment leads the Likud by 13 Knesset seats (49 vs. 36) according to *Yediot Ahronot-Dehaf* poll, September 1986; and according to *Ha'Aretz-Pori* poll (46.3 percent vs. 22.5 percent), *Ha'Aretz*, November 7, 1986.

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