

# Israeli Labor's Sad Decline and Uncertain Future

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*The sorry state* of Israel's Labor Party is all the more striking against the background of its unique role in the country's past. Mapai, as it was once called (a Hebrew acronym for The Party of the Workers of the Land of Israel), combined socialism with nation-building. It took upon itself breathtaking and unprecedented challenges, and met them with astonishing success. Labor was the central force in creating first, a functioning socialist (and deeply democratic) civil society, then a state with a social democratic regime. It called its platform "constructive socialism" to distinguish it from revolutionary socialism: there was no capitalism to rebel against, nor a proletariat to rebel against it. Labor Zionism would bring people to the Land of Israel, make diaspora Jews into working people, and then, having created a proletariat, would enable that "nation of workers" to form a state that would be socialist from birth.

This was not just unorthodox Marxism. It seemed to defy the whole of modern political experience—which was, of course, part of the movement's attraction. It would defy a history of submission and make the Jews an independent people. Nation-building and socialism were two sides of a single coin: a national liberation movement expressing its independence in a sovereign democratic state. But that was formal independence. Real independence rested on productivity—so first the Jews would have to stand on their own economic feet. For Labor Zionists, democracy and socialism were inseparable—the only combination that would make the new Israelis "masters of their own fate," as Ben-Gurion put it in Israel's Declaration of Independence.

Against this impressive background, the spectacle of Ehud Barak crawling into Benjamin Netanyahu's Likud government to play second fiddle—third, in fact—seems even more embarrassing than it ordinarily would. Labor once occupied almost half the seats in the Knesset and has now shrunk to thirteen seats (out of 120), the fourth party in size. It also seems to have surrendered its ideology almost wholesale, since Netanyahu is far to the right both economically and on foreign affairs. Barak, the Israeli press repeatedly said, is not the Labor Party's leader; he is its undertaker. How, then, did we get from Ben-Gurion's vision to Barak's petty maneuvering for cabinet seats? Where along the line did Labor lose its soul?

There are two connected stories here. One is about what happened to Labor's social-economic ideology and the other is about what happened to its dovish stance in foreign policy. But the two stories do not run parallel. They are, in a sense, opposites: the more clearly dovish Labor became in the 1970s and 1980s, the more its voting base was concentrated in the middle and upper classes. And those classes gradually came to resent the (harshly) egalitarian economics of the old Mapai. If they were no longer in control of the ship of state, then at least they wanted the freedom to pursue private riches. The lower classes (mostly non-Ashkenazi immigrants) voted for Likud, whose economic policies were right-wing from the start. So the social democratic option virtually vanished.

There is also another way in which the two stories run in opposite directions: while on economics the Labor Party capitulated to neoliberal views and finally became indistinguishable from the other large parties, on matters of foreign policy, the other large parties largely adopted Labor's stance. To be sure, Likud would need to be dragged kicking and

screaming to any partition plan, in contrast to Labor, which would, in theory, march boldly toward it. But in fact Labor's leader Barak (who became increasingly hawkish after the Camp David summit in 2000) and Likud's leader Netanyahu cooperate easily. Both are now formally committed to the two-state solution, and neither believes it to be feasible anytime soon.

This came about, in part, because of political decisions taken by the leading Israeli politicians—Barak's machinations to win the position of defense minister for himself, the refusal of the centrist Kadima Party's Tzipi Livni to join Netanyahu's hawkish cabinet, and Netanyahu's eagerness to secure a large coalition despite ideological gaps within it. But other, perhaps more important factors have shaped the larger picture, and in order to understand these we need to describe the tectonic shifts in Israeli politics in the last decade and a half.

The first earthquake was the Oslo Accord of 1993. The accord was, in retrospect, a failure, and it now seems—I will come back to this—that Yasir Arafat never really meant to see it through to partition. It nevertheless was a crucial turning point, because it revealed, or perhaps actually formed, an Israeli majority in favor of partition. Ever since Oslo, with some minor oscillations, the majority of Israel's citizens believe that eventually the land will be partitioned between two national states: one Jewish, one Arab.

The process itself derailed almost as soon as it began, and mutual recriminations followed. Arafat failed to stop—some suspected that he actively initiated—acts of terrorism, and exploding buses did not encourage Israelis to be more generous. Yitzhak Rabin, who signed the accord, felt he could not, under these conditions, confront the settlers and instead allowed massive building in the territories—including a network of bypass roads, to appease them.

But despite Palestinian terrorism on the one hand, and settlement activity on the other, Rabin remained committed to the process, in the face of public outrage, literally to the very day of his assassination: he was murdered at a peace rally. Shimon Peres, the godfather of the Oslo accord, assumed Rabin's post and vowed to keep marching along the same path. Labor was clearly still the dovish party. But Peres's

peace platform lost the 1996 elections by a very thin margin.

This did not mean that Israelis reverted to dreams of Greater Israel, but it did reflect public frustration in the shadow of terror. Likud's Netanyahu too, having risen to power because of that frustration, did not officially renounce the Oslo process, but he did drag his feet, arguing for (what made sense to many Israelis) "reciprocity": no further concessions so long as the Palestinians failed to stop terrorism. Still, public opinion tipped toward the peace process.

After the Netanyahu years of stalemate, Labor's Barak won the elections of 1999, promising to bring things to a head. Barak located the problem not with the Oslo destination—partition—but with the Oslo assumption that gradual, small steps would build trust. He promised to put a full-fledged peace deal on the table right away (though he, too, allowed massive building in the settlements to appease settlers until the deal was struck).

*This was the prelude* to the second earthquake: Camp David 2000. There are many interpretations of what exactly happened when Barak, Arafat, and Bill Clinton met in those short days of marathon negotiations to finalize a peace accord. But in retrospect the Israeli public understands it this way: Israel offered the most it could, including partition of Jerusalem, and Arafat answered with a ringing No. His demand that Israel recognize the Right of Return—the right of the 1948 refugees and their descendants to come back to Israel proper—was a sure deal breaker; it is the exact opposite of partition.

The resulting political shift went very deep. A whole political vocabulary that had informed Israel's politics for decades suddenly became defunct. The tectonic plates began to move. The old idea that giving up the West Bank and Gaza was a "concession" that Israel would make in exchange for peace was gradually replaced by a realization that the occupied territories were not a prize but a burden, a danger to the very existence of a Jewish state. If Israel did not extract itself from the occupation, it would drift slowly toward bi-nationalism, a single state with (very soon) an Arab majority.

Labor was quicker to draw this bold conclusion from Arafat's refusal of partition.

Though the immediate result was a renewed *Intifada* on the Palestinian side, and the election of arch-hawk Ariel Sharon on the Israeli side, Labor eventually responded in the 2003 elections with a unilateral partition plan. Its short-term leader, ex-general Amram Mitzna, ran on a platform promising to press for an agreement but to withdraw from Gaza, and eventually from the West Bank, even in the absence of a Palestinian peace partner.

The plan was rejected by the electorate; Sharon defeated Mitzna in a landslide. But within a year of his election, Sharon astounded Israel by adopting the Labor platform. He announced he would unilaterally withdraw from Gaza and erect the security wall—effectively a border—not far from the Green Line (the old international border which divides the occupied West Bank from Israel). This caused a schism on the Right. Part of Sharon's party rebelled, and he ended up creating a new centrist party, Kadima (Forward).

The move out of Gaza was initially considered a success. Labor, of course, supported it, happy that its belief in the necessity of partition, once considered a "leftist" stance, had become the position of the center.

*The time seemed right*, then, to realign the party's platform to the left of this new center. The party seemed to recover its wits and rearticulate its distinct left-wing ideology. It elected Amir Peretz, dove and social democrat, former head of the Histadrut (Israel's organization of labor unions), as its leader. While Kadima stood for further unilateral withdrawals, Peretz was more optimistic about the prospect of an agreement, and he also clearly stated that he would put a stop to the erosion of the welfare state.

For a brief moment, it seemed that the logic of Israel's politics had been reestablished: the right-wing Likud stood for a foreign policy status quo (that is, postponing any partition plans) on the one hand, and neoliberal economics on the other; Kadima stood for unilateralism (that is, a hawkish pessimism about the prospects of a peace agreement, but a realization that the occupation must end) along with what looked like a default choice of more or less neoliberal economic policies; and Labor

was back to its old self: dovish hopes for peace with social democratic economics.

But not for long. Three important factors rapidly undermined this alignment. The first was the rocket fire from the evacuated Gaza Strip, aimed at Israel's southern towns. This seemed marginal at first, because the rockets did little physical harm. Second, Sharon's stroke and subsequent coma threatened to throw Kadima into disarray; and last, at the insistence of the Bush administration, Israel agreed to Hamas's participation in the Palestinian elections—and Hamas won. Few understood at the time that these circumstances would pave the way for Labor's undoing.

Things seemed to proceed as predicted regardless of all this: Kadima, which held a large lead in the polls with Sharon at its head, still led without him. Ehud Olmert, Sharon's successor, won the elections. The Israeli public still tended to unilateralism, and the coalition that was formed in the aftermath of the elections gave Labor, which came in second, considerable leverage on policy. Labor's first mistake was that Peretz, with an eye on the prime-ministership, agreed to take the Defense Ministry rather than the post he seemed tailored for, that of the Treasury. The combination of a prime minister with no background in security and an even less experienced minister of defense failed to meet its first major test: the Lebanon War in the summer of 2006. Although the war was a reaction to the kidnapping of two soldiers on the Lebanon border by Hezbollah, there were deeper reasons to wage it. Hezbollah had become increasingly bold in its attacks on Israel, and it had managed to build something close to a full-scale army, with a large arsenal of rockets. But Peretz and Olmert went to war unprepared and without an orderly process of decision-making. Their confident declarations that they would free the kidnapped soldiers created misleading and exaggerated expectations. They couldn't make good on those promises, and, what was worse, weeks of shelling by Hezbollah, which the mighty Israeli Defense Forces were unable to stop, paralyzed Israel's North.

The war's public relations within Israel, not only worldwide, were much worse than its actual results. Ever since the campaign, Hezbollah has been careful not to antagonize

Israel, and the northern border is more peaceful than it has been for decades. Had the aims of the war been more modestly defined, it might not have backfired so badly for both Olmert and Peretz. But Peretz lost all his political credit, and his promise of social democratic and dovish policies became a dead letter virtually overnight.

*But the most crucial* result of the war was that it brought home to Israelis that primitive rockets could paralyze the country. In the light of Hezbollah's shelling, the continued shelling from Gaza appeared in a different light. Many argued that unilateral withdrawals only help establish aggressive Islamic regimes, bridge-heads for Iran. It now seemed that having blocked the way to peace by refusing an agreement, the Palestinians had found an effective way to block the road to unilateral partition too. Likud's warning that further unilateral withdrawals would result in rockets hitting Tel Aviv, Jerusalem, and Israel's international airport suddenly seemed persuasive. The transformation of Israel's political vocabulary came full circle. At first, Israelis thought that Palestinians wanted partition, and that Israel should grant their wish only in exchange for peace. Then Israelis came to the conclusion that it was in their own vital interest to end the occupation. And now it suddenly seemed that the Palestinians realized the same thing—that to destroy the Jewish state they need only prevent partition and hold on till Greater Israel becomes an indivisible land with an Arab majority. The old means was stalemate at the negotiation table; the new means were Kassam rockets.

If Kadima was still the centrist party, and Likud led the right-wing opposition, the least-relevant party was now Labor. Peretz had nothing to offer that Olmert wasn't already proposing.

Given the record of the Lebanon War, Labor was ready to bring back a general as its leader—ex-chief of staff and former prime minister, Ehud Barak. Barak and Olmert were an unimpressive team. Olmert, entangled in a series of criminal investigations and desperate to reach a quick agreement before the public attorney drove him out of office, and Barak, alternately undermining him and hugging him, got

nowhere. Every time public opinion turned strongly against Olmert, Barak threatened to leave the cabinet, then clung to his seat meekly till the storm blew over.

When Olmert was finally forced to resign, there was no need for new elections. Tzipi Livni, his deputy took over. But then Barak began to make impossible demands in Labor's name, many of which had to do with his own title and personal status in the cabinet. Livni was patient, but had other troubles too. Shas, the Sephardi ultra-orthodox party, made its own demands. Finally, Livni opted for elections rather than selling Kadima's principles one by one to prospective coalition partners.

What could Labor offer now? Not much. Barak's lavish lifestyle did not increase public confidence in his social democratic commitment. As for foreign policy, no one really knew what the party wanted to do. Having backtracked from its bold unilateral program, Kadima now put forth all that Barak had offered in Camp David 2000, which Barak himself seemed unwilling to offer again. Those who thought Labor was indistinguishable from Likud had a point. Those who thought Labor was indistinguishable from Kadima had a point, too. Labor opted for a campaign centered on Barak himself, in which his authority and responsibility were played up in lieu of a platform. Huge billboards declared that though Barak was "not cool"—to translate the Hebrew colloquialism roughly—still, he was "a leader."

A pied piper seemed more like it. Barak led the party to the lowest point in its history: thirteen seats, slightly fewer than the hawkish party identified with Russian immigrants (Avigdor Lieberman's Israel Our Home). Barak understood what this meant. He immediately declared Labor would accept the voter's verdict and go into opposition. Then, he changed his mind.

Crawling back into the coalition under these humiliating conditions almost tore the party apart. It still may. A weighty faction of the party's Knesset members deeply resents the move. Why Barak should want it was clear enough; out in the cold of opposition, he would most likely have been ousted by the party. As minister of defense, he has a better chance of survival. But why would Labor reduce itself to a Likud lackey? The idea was that "from within"

Labor could restrain what was otherwise an extreme right-wing government.

There was some truth in this argument, though it has little to do with Barak himself. Ofer Eini, head of the Histadrut, facilitated the party's maneuvering. Eini, perhaps the most credible social democrat in Israeli politics today, is also a cool-headed power player. The Histadrut is not institutionally tied to Labor the way it used to be under Mapai, but it forms much of Labor's power base. Eini used Barak's eagerness to enter the coalition, and Netanyahu's eagerness to turn Barak into a fig leaf for his government, to dictate a more moderate (but hardly social democratic) economic policy over the heads of Treasury officials and in opposition to Netanyahu's neoliberal beliefs. Eini put his full weight in the Labor convention in favor of joining the coalition and had his way. What he got from Netanyahu was crucial: a commitment to negotiate the state's budget with the Histadrut.

The spectacle was worrisome, and a testimony to the fragmented state of Israel's political system in general and of Labor in particular. The party is still teetering on the edge of a split, with one faction at the cabinet table, and another refusing to commit its votes to the coalition.

Israel needs a real social democratic party. Not only for the health and balance of its political system, but also because, while the country has been moving steadily to the economic right, the world is changing, and social democratic policies are now the order of the day. The steady erosion of the middle class over many years of extreme Reaganite policies, the decline of the welfare state, and now the global economic crisis are creating the political base for a renewed social democratic agenda.

But social democratic views won't have a chance in Israel if there is no political party to give them focus and form. It may be impossible to return to the all powerful Mapai, with its Histadrut base. But union leaders are not, in the long run, a reliable mainstay. Israel needs a new Labor Party, and the courage to split from Barak's faction seems like the necessary beginning of a left revival. The time is ripe for both social democracy and partition. So long as Barak is in command, neither is likely. Many would-be Labor voters will choose to stay with the centrist Kadima.

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