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Central Intelligence Agency



Washington, D.C. 20505

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DIRECTORATE OF INTELLIGENCE

11 June 1984

Israel: Labor Prepares for the Election [Redacted]

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Summary

The Labor Party has an impressive lead in public opinion polls over the ruling Likud bloc with less than two months until the parliamentary election on 23 July. Labor has set aside its ideological and personality feuds and united behind Party Chairman Shimon Peres. Its lead--which has remained strong for more than six months--shows no signs of dwindling the way it did in 1981. Nevertheless, a Labor victory is not assured, in our judgment. Labor must maintain party and leadership unity and convince the electorate--particularly Sephardi voters--that it is committed to looking after their interests.

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Labor is targeting three groups of voters: disillusioned Sephardi supporters of Likud, young "Lebanon War graduates" who are voting for the first time, and Israeli Arabs. Labor hopes to attract an additional 100,000 votes over its total in 1981, which would give it about five more seats in the Knesset and reduce its dependence on smaller parties to form a governing coalition.

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This memorandum was prepared [Redacted] of the Israel/Palestinian Branch, Arab-Israeli Division, Office of Near Eastern and South Asian Analysis. Information as of 11 June 1984 was used in its preparation. Comments and queries are welcome and should be addressed to Chief, Arab-Israeli Division, at [Redacted]

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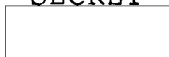
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US-Israeli relations will figure prominently in the campaign. Likud will trumpet Israel's strong relationship with the United States, Labor probably will try to counter by warning that Likud's approach to strategic cooperation with Washington could draw Israel into conflicts having little bearing on Israeli interests.

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Getting Its Act Together

Since the Labor Party went down to defeat at the hands of Menachem Begin's Likud in 1977, Labor has been viewed by the Israeli public as a faction-torn minority party lacking strong leadership. Labor is no longer seen this way by many Israelis. Labor today is much more united than it was before the two previous Knesset elections (in 1977 and 1981), and it clearly has the early lead in the current campaign.

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Labor Chairman Shimon Peres deserves much of the credit for restoring the party's credibility, in our view. He has done extremely well during the past six months in establishing a united leadership and laying the groundwork to unseat the ruling Likud bloc. Peres and his principal rival, former Prime Minister Yitzhak Rabin, apparently have set aside their bitter personal rivalry, which has plagued Labor for the past decade. Peres also persuaded former President Yitzhak Navon not to seek the party's top position. Labor thus was spared a potentially divisive leadership fight that would have seriously damaged the party's prospects of returning to power in July. Navon's inclusion in the Labor leadership, in our judgment, has improved the party's electoral appeal, particularly among his fellow Sephardi voters.



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Labor has taken other steps to maintain internal harmony over the course of the campaign. Labor leaders have decided, for example, not to name a "shadow cabinet" before the election. In 1981 party infighting over who was to get which slot in the shadow cabinet was a major distraction.

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Labor also is trying to prevent unauthorized policy statements that Likud could attack. In addition to Peres, Rabin has been chosen as the principal Labor spokesman on defense and foreign policy issues and Gad Ya'akobi on economic matters. Similarly, the Labor Party leadership has clamped down on efforts by the party's many factions to publicize and build support for their positions on election issues. For example, the US Embassy in Tel Aviv reports that Labor leaders have persuaded the party's "peace faction" not to press for a full-scale party debate on its proposals for revitalizing the peace process. They argue that internal party discussion on negotiating strategy would "complicate" Labor's election campaign.



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Party unity was an important consideration in the selection of Labor's list of candidates for the Knesset. In our judgment, Peres and his colleagues on the selection committee accommodated most of the conflicting demands of the party's factions in preparing the list. There are eight newcomers who are likely to win seats in the Knesset. Two are prominent Sephardim--former President Navon in the second slot and Israel Kessar, newly elected Secretary General of the Histadrut, in the sixth position. The list easily won the endorsement of the Labor Party Central Committee, and, according to the Embassy, the mood in party headquarters afterwards was optimistic.

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### Public Standing

The Labor Party continues to hold an impressive lead over Likud in opinion polls.\* Polls conducted since early elections were agreed upon in late March show Labor winning about 55 Knesset seats and Likud 40. Israelis also believe Labor is better able to deal with the country's problems than is the ruling Likud bloc, according to recent polling data.

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The polls show that Labor is ahead of Likud in the critical battle to capture the so-called "floating vote"--about 20 percent of the Jewish vote. Israeli pollsters describe the floating voter as one who identifies with one camp emotionally but will abandon it for another party if he believes that party's policies are better for the country. Israeli pollsters estimate that in the last two elections Likud won nearly 80 percent of the floating vote.

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Peres, meanwhile, has begun to overcome his chronic public image problem. In public opinion polls, support for Peres as a potential prime minister has increased from 2-3 percent a year ago to 4.9 percent last December and 14.8 percent in May. We believe Peres's public image will continue to improve as the election approaches, given the lack of enthusiasm for Shamir's leadership and the decision by Navon and Rabin--who had consistently scored higher than Peres in these polls--not to contest his leadership.

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\* The results of public opinion polling in Israel should be evaluated carefully. Israeli polling techniques have been criticized as falling short of those common to professional polling organizations in the United States. This said, data cited in this paper represent trends in public opinion that are noteworthy, in our judgment. In 1981, the polls accurately predicted that the election would end in a virtual dead heat. Labor saw its huge lead in the polls dwindle in the months prior to the election as a result of Begin's charismatic campaigning and decisions on economic and national security matters that won wide popular support.

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Campaign Strategy

Labor realizes that it is not enough for the party to receive as many as or slightly more seats than Likud. It needs substantially more because of the problems of forming a coalition. Labor has fewer potential coalition partners than Likud and is thus more dependent than Likud on its own performance in the election. Labor could not set up a coalition with the parties to the right of Likud and will not align with at least one party to its left, the Israeli Communist Party, which is anti-Zionist. [REDACTED]

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To maximize its performance, Labor is targeting three groups of voters that it hopes to attract into its camp: disaffected Likud supporters; young first-time voters many, of whom fought in the war in Lebanon; and the Israeli Arab population. Rabin told visiting US officials in April that Labor hopes to pick up an additional 100,000 votes over its 1981 total from these groups. This would give Labor approximately five more Knesset seats than it won in 1981 and reduce its dependence on smaller parties to form a coalition. [REDACTED]

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Disillusioned Likud Supporters. We believe Labor's campaign will focus principally on Sephardim who voted previously for Likud but have been alienated by the government's economic policies. Israeli pollsters say that Likud has fewer "diehard" supporters--those who remain faithful despite their party's ups and downs--than Labor. Only about half of those who voted for Likud in 1981 are committed to supporting Likud now, according to recent polls, while about 85 percent of Labor's supporters are considered diehards. Polls conducted over the past six months show that about 13 percent of Likud's supporters in the last election now say they will vote for Labor. In contrast, only one percent of Likud's current supporters come from Labor's ranks. [REDACTED]

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The main focus of Labor's campaign will be the economy. According to recent polls, approximately 80 percent of all Israelis have lost confidence in the government's handling of the economy, and Labor will attack the records of Begin and Shamir. Sephardim are particularly worried that the policies of Likud Finance Minister Cohen-Orgad will lead to long-term erosion in real wages, sustained high unemployment, and severe cutbacks in social services. They fear the economic remedies will hurt them more than any other segment of Israeli society. [REDACTED]

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To capitalize on Sephardi disillusionment with Likud, Peres and his colleagues must still overcome Sephardi mistrust and hostility toward the Labor movement, which they regard as a bastion of Ashkenazi elitism in Israel. US Embassy reporting indicates that Sephardi skepticism about Labor's sensitivity to their community has not diminished in the seven years since Labor was last in power. Peres, in particular, is detested by large numbers of Sephardim who see him as the leading symbol of Ashkenazi domination in Israeli society. [REDACTED]

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Lebanon War "Graduates." Labor hopes to take advantage of public dissatisfaction and concern about the invasion of Lebanon and the Army's continuing presence there, but it is uncertain how prominent this will be as a campaign issue. We believe much of the momentum of the antiwar movement has diminished, and the public is reluctantly resigned to a prolonged Israeli stay in south Lebanon. In recent conversations with Embassy officers, Labor officials have said their private polls indicate Lebanon is not a major issue now because the public perceives very little difference in the positions of the Labor Party and Likud. We believe Labor will try to sharpen the distinction by hammering away at the failures of Likud from the beginning of the war in Lebanon to the present. Labor hopes to attract the support of young Israelis voting for the first time whose political awareness has been influenced by the Lebanon morass. [redacted]

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Labor will argue that it would get the Army out of Lebanon within three to six months after taking office and would take appropriate measures to secure the northern border. Once the Army has withdrawn, Labor believes security can be assured through reliance on the Army of South Lebanon in the area adjacent to the border, a UNIFIL presence further north, and Israeli "freedom of action" to reenter Lebanon if these arrangements fail to maintain adequate security. [redacted]

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Israeli Arabs. Labor is making a major effort to appeal to Israeli Arab voters, who constitute 10 percent of the electorate, most of whom have voted Communist in previous elections. Labor received 29 percent of the Israeli Arab vote in 1981, and several party activists have told Embassy officers they believe Labor may win as much as 45 percent of the Arab vote in July. [redacted]

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Labor hopes to take advantage of the disappointment of Israeli Arabs with what Likud has done to support development in the Arab sector and open up job opportunities for Arabs. In this regard, the Histadrut--the Labor Party-controlled trade union federation--announced a plan last month to develop industry in Arab and Druze areas in Israel. Peres also has pledged that a Labor government would increase Arab participation in "all decisionmaking bodies in Israel." [redacted]

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Labor's ability to deliver on its promises to the Arabs is limited by its need to satisfy other constituencies, particularly the Sephardim who are competing for the same resources that the Arabs would hope to obtain from a Labor government. On the other hand, Israeli Arabs are eager to increase their influence within the Labor Party and Histadrut, in our judgment, and they can only do this if they help Labor defeat Likud. Israeli Arabs also perceive that the issue of full citizenship rights in Israel is tied to a resolution of the Arab-Israeli conflict, and they regard Labor as much more likely than Likud to enter into negotiations with Jordan on the West Bank. [redacted]

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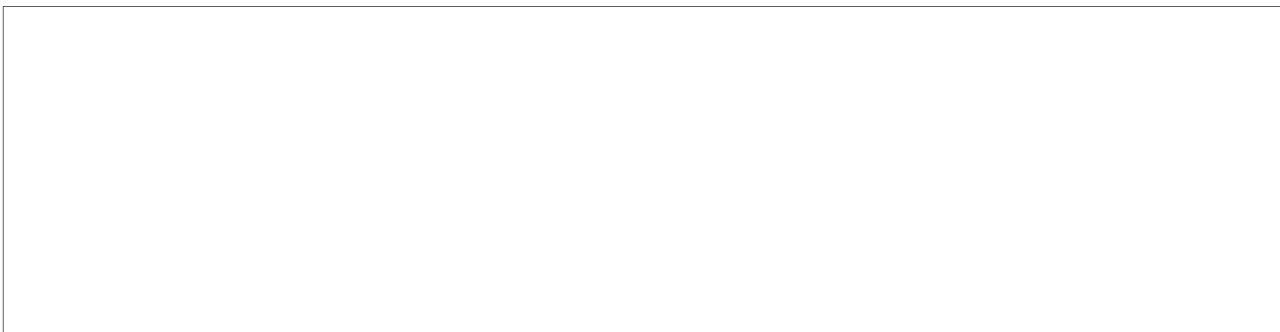
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Israeli Arabs believe Peres is more sensitive than Shamir to their situation in Israel, and, in our judgment, Navon's presence on the ticket probably will also attract Arab voters. Navon's call as President in September 1982 for an investigation of the Sabra and Shatila massacres was received with widespread approval by Israeli Arabs.



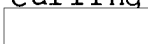
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Other Issues



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Labor officials have told the Embassy that Peres will listen to, but not comment on, ideas related to the peace process, apparently fearing damaging preelection leaks. In campaign appearances, Peres has been "hardening" the Labor position by calling for extending Israeli sovereignty to the Jordan Valley.



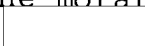
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During the remainder of the campaign, Labor will try to avoid speculating on future peace process strategy and concentrate instead on procedural aspects of the issue. Labor will declare its intention to undertake several confidence-building measures--including a freeze on settlement activity near heavily-populated Arab areas--to get the peace process moving after it takes office.

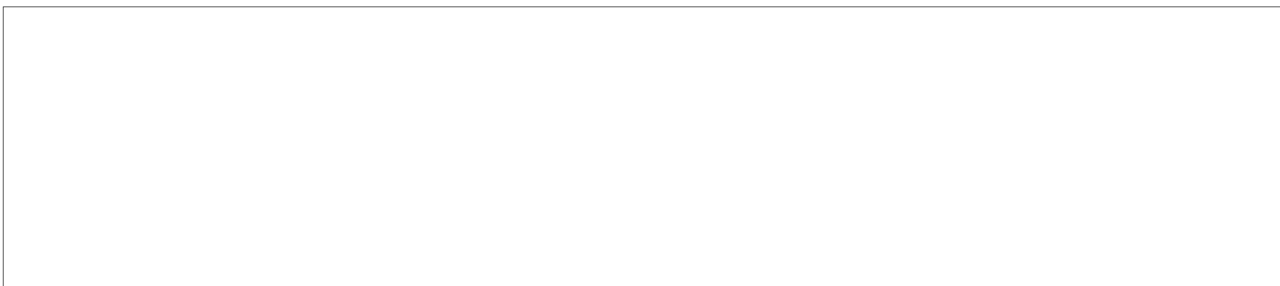


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Labor also will criticize the Likud government for contributing to the freeze in relations with Egypt, but this issue probably will not be as prominent as the economy and Lebanon. Social issues, including the tension between Sephardi and Ashkenazi Jews, will be featured in the campaign as well. Former President Navon has stated that he will speak out primarily on the erosion in the moral and social fabric of Israel as he seeks votes for Labor.



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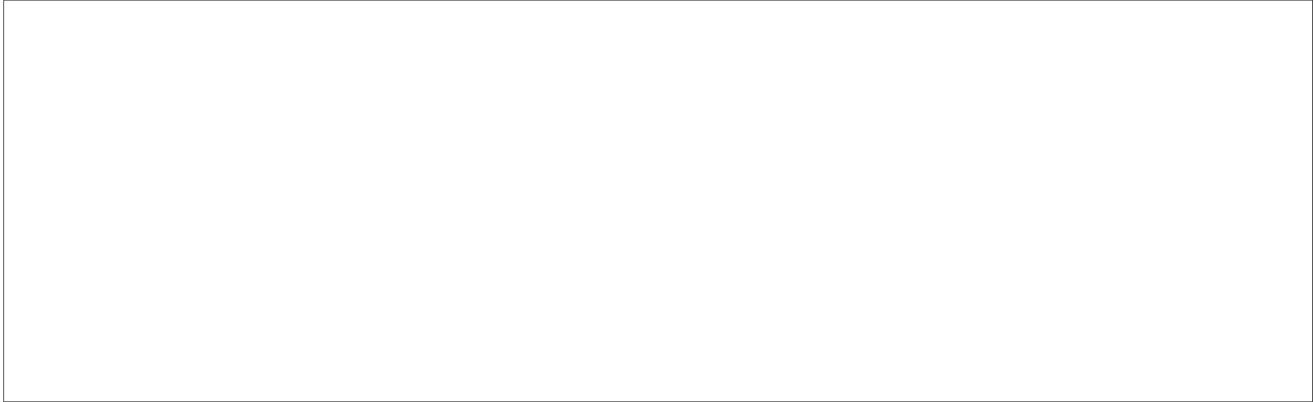
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Outlook

Shimon Peres and his Labor associates have a significant advantage over Likud, which is beset by leadership and factional problems, with less than two months to go until elections. Labor's lead in the polls is impressive and shows no signs of slipping the way it did three years ago. Nevertheless, a Labor victory is not assured, in our judgment. Public opinion in Israel is very fluid and sensitive to events. Labor owes its lead more to Likud's failings than to confidence in Labor's policies. 


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Prime Minister Shamir is in a position to influence events for political advantage, although we believe he is unlikely to do anything dramatic to turn the election around for Likud. Shamir is reluctant to risk a confrontation with the United States during a critical election campaign, in our view, and the public's disillusionment with the war in Lebanon militates against major military action that could result in the loss of more Israeli lives. 

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Recent polling data indicate the question of leadership is uppermost in the voters' minds and will outweigh the public's evaluation of the policies and issues Labor and Likud will raise in the campaign. With the departure of Menachem Begin and his firm control over the country's affairs, voters will look at Shamir's record with a critical eye, in our judgment, and will weigh carefully his leadership against what Peres and his team are offering. Labor will have to convince voters that its new-found cohesion is more than a passing phenomenon. 

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Above all, Labor must increase its appeal to Sephardi voters, who form the backbone of Likud's support. The absence of Begin's charismatic appeal to these voters and their growing disillusionment with Likud present new possibilities for Labor. The inclusion of former President Navon and the Histadrut's Israel Kessar in the Labor leadership will also help. But the party will have to overcome a legacy of Sephardi alienation from the Labor movement and demonstrate that it is committed to looking after Sephardi interests. 

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Results of 1981 Election and Current Projections  
for 23 July Election

<u>Coalition</u>	<u>1981</u>	<u>1984</u> <sup>1</sup> (poll projections)
Likud	48 <sup>2</sup>	39
National Religious Party	6 <sup>3</sup>	4
Agudat Israel	4	5
TAMI	3	3
Tehiya	3	5
Telem <sup>4</sup>	2	-
 <u>Opposition</u>		
Labor Alignment	47	52
Citizens' Rights Movement	1	2
Shinui	2	1
Rakah (Communist)	4	-
Yahad (Weizman)	-	4

<sup>1</sup> Projection based on poll conducted in late May by Modi'in Ezrahi and reported in Ma'ariv on 29 May.

<sup>2</sup> Includes seats held by Yitzhak Peretz and Ammon Linn who defected to Labor in mid-1982.

<sup>3</sup> Includes seat held by Haim Druckman who left in early 1983 to form MATZAD Party. Druckman's MATZAD has united with Hanan Porat (ex-Tehiya) and elements of Poalei Agudat Israel (Agudat Israel Workers) to form the Morasha (Tradition) Party in the July election.

<sup>4</sup> Telem disbanded after the death of its founder Moshe Dayan in October 1981. Ex-Telem Knesset members Yigal Hurvitz and Mordechai Ben-Porat each has formed his own list to run in the July election.



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