ISRAELI POLITICS IN THE AFTERMATH OF THE “FAILED EXPERIMENT”

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ABSTRACT

In 1992, Israel enacted a law that separated the election of the Prime Minister from that of its parliament, the Knesset. The intention was to combat the growing power of smaller parties in Israel’s coalition-style governments by strengthening the position of Prime Minister. These parties represent marginal portions of the population but have been disproportionately represented in government. The system was abandoned in 2001 when it became apparent that the law was causing small parties to garner even more power. This paper analyzes the effects of the direct-election period on Israeli party politics and finds that small parties, through increases in coalition and blackmail potential, are able to exercise a relatively higher degree of power. In short, the lasting effect of the electoral law has been a shift from small parties receiving portfolio concessions, which aid parties in influencing the crafting of policy, to receiving policy concessions, the ultimate goal of political actors. This will be proven through qualitative and quantitative analyses of

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portfolio allocations to smaller parties. This paper will conclude with a forecast on the trajectory of the Israeli party system.

_Beware the tyranny of the minority-_ Latin Proverb

I. INTRODUCTION

Throughout the history of modern democracy, one of the greatest challenges has been achieving a balance between the voice of the many and the voice of the few. There has never in the history of the world been a system where one voice represented everyone, as people naturally differ in their views, given their different experiences and the context out of which their views develop. Political factions exist as one way of representing such diversity of opinion; electoral systems can bring as much diversity of opinion into the fold of governance as possible. However, there is ultimately a tradeoff between diversity of opinion and the domination of the many by the few.

The Israeli electoral process is firmly tethered to its party system. Since the inception of the State of Israel in 1948, the electoral system has seen single-party hegemony, two-party competition, and finally the emergence of multiple-party competition. The sole legislative body of Israel is the 120-seat Knesset. Israel’s population elects the Members of Knesset (MKs) through a single-district, closed-list, proportional representation system. Currently, parties must attain at least 2% of the vote in order to win seats in Knesset. The MKs elect a President to a seven-year term, and the President is charged with appointing a Prime Minister the party leader most able to form a government (generally the leader of the winning party).

Another key aspect of Israel’s party system is that no party has ever won a majority of seats in the Knesset. As a result, the winning party has always been tasked with forming a coalition government. This usually involves entering into agreements with the smaller parties of the Knesset, and typically concessions must be made if the winning party wants a chance to govern. From 1948 until 1977, Israel was dominated by the left-of-center Labor Movement (operating under different names over time); it won a plurality of votes in every election, and thus led the government for the first thirty years of Israel’s existence. In the 1977 legislative elections, the right-of-center Likud party won a plurality and successfully formed a government, ending the period of Labor hegemony. From 1977 to 1996,
the electoral process was controlled by both Likud and Labor; the two parties wrestled for power, often resulting in extremely close electoral outcomes. As a consequence, smaller parties began to gain power as coalition partners. Their ability to “make or break” a coalition made them necessary to the success of any government.

In 1992, the Knesset passed a new electoral law; the law created a separate ballot for Prime Minister, allowing constituents to vote for a party in the Knesset elections and a candidate for Prime Minister. This system was implemented from 1996 to 2003, at which point the direct election of the Prime Minister was abandoned, and Israel returned to its original electoral system. 1996 marks a fundamental and observable shift in the nature of Israeli government. The question thus becomes how the fragmentation of the Israeli party system since 1996 has affected coalition formation and governance in Israel.

This question is important in that there has been a major shift in the way the Israeli government operates. Once, a few large parties controlled the electoral system; now, Israel is increasingly dominated by multiple small parties that have much more power relative to their sizes. One cannot understand the nature of Israeli policy unless one understands the shift in the features of Israel’s electoral system after 1996, because coalition formation and (as a result) governance were altered in 1996, and the effects of this alteration have persisted for the last fourteen years.

This study finds that the fragmentation of the Israeli party system since 1996 has led to a rise in the power of small parties, specifically within the governing coalition. This has led to an equal decline in the power of larger parties, and the subsequent growth in the size of governing coalitions. Finally, the fragmentation of the system has led to a change in both the number and nature of cabinet appointments for smaller parties, and has ultimately shifted the benefits accruing to small parties from portfolio payoffs to policy payoffs (for the purposes of this examination, “portfolio payoffs” are cabinet positions awarded to groups or individuals and “policy payoffs” are governmental policies that benefit certain groups or individuals). This analysis will begin with a survey of available literature; it will then proceed to the main argument, after which the manner of how the analysis was conducted will be explained. The data will then be presented, followed by an analysis of the data. Finally, conclusions on the nature of the data will be drawn and implications for future research will be made.
II. LITERATURE REVIEW

An important work to consider in investigating the topic in question is an article by David Nachmias and Itai Sened, entitled “The Bias of Pluralism: The Redistributional Effects of the New Electoral Law in Israel’s 1996 Election.” This paper, written while the law mandating the direct election of Prime Minister was still in effect, predicts multiple shifts in the Israeli electoral system by analyzing data from the 1996 elections (elections were held for both Prime Minister and Knesset in 1996). Nachmias and Sened find that “the institutional reform of the electoral law significantly decreased the electoral strength of the big parties and inevitably augmented the bargaining power of the religious and other small parties.”

This conclusion serves as a starting point for the research presented here; the investigation of Nachmias and Sened looks at the effects of the changed electoral law for one election, while the analysis presented here examines the persistence of these effects after the return to the original electoral system.

The article notes that disappointment with how the government was being run led to the creation of a grassroots movement to change the electoral law. Essentially, this movement “attributed the stalemate in Israeli politics… to coalition politics: small parties…gained disproportionate influence in the coalition formation process, thus weakening the discretionary authority of the prime minister over the formation of national public policies….The institutional change was supposed to remedy this situation.”

Nachmias and Sened assess that the law is a failure regarding its intended effects, and take a three-pronged approach for their reasoning. The first argument they employ is that the law increases the opportunities for small parties to pressure larger parties for concessions “preceding the first round of the election, again before the second round of the election, and still again during the bargaining process for the formation of the coalition government (Beilin 1996).” It is logical to assume that the more chances a small party has to extract benefits from large parties, the more numerous and substantive the benefits will be. The two rounds of elections mentioned are a reference to the direct election for Prime Minister, which requires a candidate to achieve a majority rather than a plurality; thus, the

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3 Ibid.
law called for a run-off between the top two candidates in the event that no candidate received a majority on the first ballot.

The second argument insinuates that the system will cause voters to engage in vote splitting. Whereas before voters had to cast their ballots strategically for the largest party of the bloc they supported (in the hope that a smaller party that may be ideologically similar to a specific voter’s preference might join the coalition), the new law eliminated the logic of this strategy. Nachmias and Sened write, “under the new law, voters can cast a ballot for the head of the party that leads the parliamentary bloc they prefer, and then vote sincerely for the party of their choice.”

This inevitably will lead, they say, to a decline in the power of the larger parties relative to smaller parties in a given coalition.

Finally, Nachmias and Sened point to another provision of the electoral law as a means for arguing that the law defeats its own purpose. The law changed rules regarding votes of confidence and no-confidence in two ways: first, the threshold for passage of such a vote was raised from simple majority to absolute majority (whereas a simple majority only calls for a majority of members present and voting, an absolute majority requires a majority of all members, both present and absent as well as voting and non-voting); second, and more importantly, a vote of no confidence by an absolute majority would no longer dissolve just the government, but the entire Knesset (a two-thirds majority would be required to dissolve only the government). Evidently, “this change constitutes a strong disincentive to legislators to support a vote of no confidence.” This in turn harmed the ability of a coalition to effectively govern and simultaneously weakened the power of the opposition.

Another work of scholarship dealing with the reforms of the electoral law is Tamar Hermann’s article, “The Rise of Instrumental Voting: The Campaign for Political Reform.” Written after the passage of the electoral reform law and before the first election operating under the new law, Hermann’s article makes an argument that runs counter to the arguments made in the Nachmias and Sened paper, as well as in this article. Hermann argues that “the formerly dominant ‘ideological voting,’ which is quite stable by its nature and less contingent on performance, has given way to ‘instrumental voting,’ which is highly dependent on the politicians’

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5 Ibid, 277.
6 Ibid, 276.
achievements and hence basically alterable.” Hermann goes on to reason that “[the passage of the electoral reform law] was prompted and accelerated by vigorous pro-reform activity that fostered the notions of politicians’ accountability and of attentive citizenship.” While this is a credible analysis, it overlooks certain elements that have led to the reverse of the effect Hermann suggests.

Hermann believed that the reform would increase accountability of “politicians.” Under the electoral reform, this was true for the Prime Minister - direct election removed the multiple barriers between the electorate and the head of government, thus giving voters the power to punish the Prime Minister for actions not “mandated” by the electorate. However, the reform in no way increases accountability of the “politicians” in the Knesset. Under the reform, MKs were still elected through a closed-list system, and because Knesset elections no longer carried the weight that accompanies elections for heads of state, it can be argued that they became subject to less accountability. It seems that the push toward strategic voting fizzled out in the wake of the shift in electoral systems. Israeli voters gained even more incentives to vote with their hearts (i.e. more ideologically in-tune with their own beliefs) instead of their heads (i.e. strategic voting) both during the direct election period and—as this paper will show—after the return to the original system.

III. ARGUMENT

This paper argues that, since the failed experiment between 1996 and 2003 to directly elect the Prime Minister, voters have more thoroughly committed to small, particularistic parties (i.e. parties with relatively small bases of electoral support—the non-Labor/Likud types) rather than return to larger constituencies, because of the higher potential to reap coalition benefits (in terms of payoffs) in a smaller constituency. Thus, small parties have continued to assert a relatively high degree of what Alan Ware refers to as “coalition potential” and “blackmail potential” in his text, Political Parties and Party Systems. Ware defines coalition potential as a situation in which “the party must be needed, at least on some occasions, for a feasible coalition that can control government,” while blackmail potential refers to

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8 Ibid.
situations in which “the party’s existence affects the tactics of party competition of those parties that do have ‘coalition potential.’”  Subsequently these small partiers have reaped disproportionate benefits, even after the return to the original electoral system.

In order to understand the current circumstances of Israel’s electoral system, it would be useful at this point to explore the history that led to the “failed experiment.” As was noted earlier, Israeli electoral history during the first thirty years of the state’s existence was fairly static. The left-leaning Labor movement had existed in Israel long before it became a state in 1948, and was responsible for the creation of many governmental institutions during the British Mandate period (1918-1948). From the first elections in 1949 until the legislative elections in 1977, the Labor Party (going by such names as Mapai and Alignment) dominated the electoral scene. It won pluralities in the first eight Knesset elections and faced no substantive challenge from any other party. Nachmias and Sened contend that dominance by Labor occurred because of its relatively central position on the two most important ideological scales -- the religious-secular scale and the hawk-dove scale. They explain that “when the largest party occupies such a central position in the relevant policy space, and when this central position is coupled with a significant size advantage, the central, dominant party, has a considerable bargaining advantage in the coalition formation process.” While the dominance of Labor was substantial, it was not impossible to overcome.

The 1977 legislative elections saw the rise of the Democratic Movement for Change (DMC), a party that lasted only one election cycle and is responsible for significantly altering the political scene in Israel. The DMC also occupied a central position on the same policy space, and as a result they picked up fifteen Knesset seats that would have probably gone to Labor otherwise. This allowed the right-of-center Likud Party to win a plurality of seats and subsequently to form the first right-of-center government in Israeli history. DMC’s one-time victory also engendered a system in which Likud and Labor ran extremely close and competitive elections. This augmented the power of small parties for the first time - with the proliferation of such close elections, the power to make or break a coalition fell to the small parties.

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10 Nachmias and Sened, 273.
After fifteen years of this, the Knesset passed the new electoral law in 1992, which went into effect in the next election cycle in 1996. The intent was to give greater power, as well as higher stability, transparency and accountability to governing coalitions. Uriel Reichman, a Tel Aviv University law professor and champion of the reform law, believed that “[the law] makes the Prime Minister the one with the upper hand in negotiations. It should reduce the strangling that now takes place by the religious parties and the others.” Reformers believed that if people directly elected the Prime Minister, the position would gain a greater legitimacy in the eyes of the people, thus creating a more powerful mandate to form a government. The hope was that the law would reduce fragmentation of the party system as well as the power of small parties to reap disproportionate benefits. Finally, reformers desired to maintain the pluralism of the old Israeli system while eliminating problems in governance resulting from the executive’s reliance on the support of small parties. The new system ultimately achieved the opposite of the intent of the reformers, and was abandoned in 2003. However, its effects have persisted despite the return to old electoral system.

This article looks at the substantial gains in power achieved by small parties since 1996 and, in particular, tries to explain why the power of small parties has persisted in spite of Israel’s return to the original system. There were three independent variables explored in this research: first, strength of the largest party in a coalition, measured by a proportion of seats within that coalition; second, the size of small parties’ representation in government with respect to the portion of the popular vote they garnered in Knesset elections; and finally, the raw number of parties in the Knesset. The dependent variable is the power of small parties in the Israeli electoral system, measured in terms of both payoffs accruing to smaller parties in the form of portfolios and payoffs accruing to smaller parties in the form of policy outcomes. Additionally, this paper will explore the role of the size of the governing coalition, measured by the number of seats in the coalition, in order to determine whether increased power of small parties has led to increased amount of small parties in government.

The goal of this paper is to show that, as the independent variables increase in terms of strength and party number, the dependent variable will increase as well. I will also argue that the independent variables and the

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dependent variable have a cyclical, reinforcing relationship - the constituents of smaller parties are induced to positively influence the size of smaller parties in the Knesset as the benefits that the smaller parties receive trickle down to them, and the higher the possibility of constituents receiving benefits from small parties, the higher the probability that constituents will choose to vote for small parties over larger ones.

Furthermore, this paper will look at the change in the nature of concessions accruing to small parties. I will argue that the competitive system that existed from 1977 to 1995 allowed small parties to extract concessions in the form of portfolios; since 1996, however, the smaller parties have become even more powerful, thus shifting benefits from portfolio concessions to policy concessions. Portfolio concessions are means to an end, while policy concessions are the actual end. By augmenting their power, small parties now have a greater ability to get what they want, rather than being placated with a ministerial position and no promise to influence policy.

IV. RESEARCH DESIGN AND METHOD

The research examines electoral data for every Knesset election (there have been eighteen Knesset elections between 1948 and 2009), as well as data on the makeup of every Israeli government (there have been thirty-two governments between 1948 and 2009). The first independent variable studied was the strength of the largest party with the coalition. I studied the makeup of each coalition and charted the proportion of seats held by the largest party in each coalition. Additionally, I charted the relative strengths of each of the other parties in the coalition in the same manner. I calculated averages of the strength of the largest party within a coalition for two time periods: 1948-1995 and 1996-2009. My goal is to determine whether or not a positive or negative correlation exists between the balance of power within a given coalition and the level of sway smaller parties have on the dominant coalition party. Additionally, I will make a comparison between the strength of smaller parties within the coalition governments and the strength of smaller parties in the elections (again, by strength this paper refers to concessions of both portfolio and policy). I will draw this comparison by evaluating the strength of all small parties in a coalition together, both in government and in elections.
The second independent variable I studied was the raw number of parties. This number was calculated by compiling data on the number of parties receiving seats in all eighteen Knesset elections. Because the Israeli party system is relatively unstable, the parties that are elected and seated at the beginning of a governmental cycle may not be the parties in the Knesset at the end of a governmental cycle. To control for this, only the raw number of parties in the Knesset at the beginning of a governmental cycle were examined. Again, the goal in examining the raw number of parties is to attempt to establish some sort of correlation between the raw number of parties and the power of the smaller parties.

The dependent variable in this research was the strength of small parties. This was measured through various benefits accumulating to these small parties. These benefits were measured in two ways: concessions of portfolios and concessions of policy. I studied portfolio concessions by examining the number of ministry portfolios in a given government. I then considered how many portfolios each small party received, as well as the nature or importance of that portfolio. This study will rely on data accumulated by Nachmias and Sened in their 1999 article. Their article contains budget-weighted portfolio data through the 1996 election. While this does not help in gaining a better sense of budget allocation by portfolio since the return to the original electoral system, it does help in establishing the nature of the trend.

The second way this article attempts to measure the strength of smaller parties is through policy concessions made by the larger party in the coalition. The problem inherent in such a study is that policy concessions are not easily quantifiable. One could look at the number of times the largest party stayed the course with its policy versus the number of times it defected, but this is nearly impossible to calculate given the all-encompassing nature of governmental policy as well as the number of opportunities for a government to generate a policy output. Thus, one must rely on qualitative evidence rather than quantitative evidence. In other words, this study will look at specific instances where the largest party in the government defected from its policy platform, both before and after 1996, and will try to determine whether this was due to the influence of a small party, based on the specific platforms of the small parties in question.

A final dependent variable in this research was size of the governing coalition. This was calculated by tracking the number of MKs in a given coalition. Averages were then calculated for two time periods: 1948-1995 and 1996-2009. The goal here was to establish a positive,
negative, or lack of, correlation between the size of a governing coalition and the strength of smaller parties.

V. **Data**

The first piece of data I scrutinized was information about the size of the largest party in a coalition, relative to the rest of that coalition. Overall, the period of 1948-1977 is fairly static, as would be expected. Seventeen governments convened during this time period, and on average, the coalition was made up of around 6.53 parties. The average strength of the largest party in the coalition, measured as a percentage of seats, was 62.40%. For the most part, the size of the largest party fluctuated between 55 and 65 seats. If we take the number of 6.53 and assume that 5.53 of those parties were small parties (as was the case for the first seventeen governments), then we can determine the average amount of power a small party held by dividing the share of seats accorded to small parties between 1948 and 1977 (since the large party controlled 62.40% of coalition seats on average, small parties controlled the other 37.60%). The number comes out to 6.80%, meaning that each smaller party in the coalition controlled 6.80% of party seats on average. One point of note is that the fourteenth and fifteenth governments that lasted from March of 1969 to December of 1969 and from December of 1969 to December of 1973, respectively, were both national “unity” governments since the opposition parties chose to join the government in the wake of the Six Days War (the thirteenth government became a unity government in the middle of its cycle). This is an issue that will come up multiple times as the research moves forward chronologically. Controlling for the preceding fact in this specific instance, the average number of parties in coalition during this time period was 6.47, with the largest party controlling 63.02% of the coalition, on average. Small parties thus accounted for 36.98% of the coalitions, with each party averaging 6.76% control of the coalition.

Electoral data between 1977 and 1996 yield interesting results on the front of coalition control. Nine governments (eighteenth government through the twenty-sixth government) were in power during this nineteen-year period. The average number of parties in the governmental coalition was 6.00. During this period, the largest party controlled 62.56% of the coalition; however, this is relatively deceptive because the twenty-first, twenty-second, and twenty-third governments were all unity governments—this time in a system where the opposition party was almost
as large as the most dominant party. Therefore, it would be useful to recalculate the averages for this period, ignoring the three unity governments that were each made up 80.83% of all Knesset seats. If one looks at the period of 1977-1996, but only governments eighteen through twenty and twenty-four through twenty-six, one finds that the average number of parties in coalition was 5.34, and that the average strength of the largest party in the coalition was 72.37%. We can thus determine that small parties accounted for an average of 27.63% of the seats, or 6.37% each.

Finally, the research looked at the period between 1996 and 2009. There have been six governments during this thirteen-year period (as well as six elections). The twenty-ninth government is not included in this analysis because it was a unity government comprising every MK (this occurred in the wake of the Al Aqsa Intifada). Therefore, the average number of parties included in each of the five coalition governments during this time period is 5.60 and the average strength of the largest party in the coalition 42.95%. The smaller parties have controlled an average of 57.05% of the seats in the coalition, giving each party around 12.40% control of the coalition.

The second benchmark used in this analysis was a comparison of small parties’ electoral strength with their coalition strength. In the first period (1948-1977), small parties in coalitions were responsible for an average of 22.94% of the Israeli vote. As stated earlier, they controlled an average of 37.60% of a given governing coalition. This means their
representation in the coalition was amplified, on average, by a factor of 1.64. During the second period (1977-1996, and not including the unity government periods), small parties averaged a popular vote percentage of 20.48%, while controlling an average of 27.63% of the seats in governing coalitions. Small parties’ representation in government was thus amplified by a factor of 1.35 for this period. If one combines the two periods (1948-1996), the amplification factor is 1.50. Finally, small parties in government garnered an average of 32.66% of the vote between 1996 and 2009 (not including the twenty-ninth government), while they represented an average of 57.05% of the seats in a coalition; small parties’ representation in government during this period has thus been amplified by a factor of 1.75.

![Graph 1.2: Small Parties Size as a % of Coalition vs. % of Vote allocated by Small Parties](image)

Finally, the raw number of parties in the Knesset was calculated. For the period of the first eight Knessets (1948-1977), the average number of raw parties was 12.25; during the second period (1977-1996), the average was 12.60 parties; and during the latest period (1996-2009), the average number of parties in the Knesset has been 12.60.

With regard to the dependent variable, the first set of data concerned the number of portfolio procurements by smaller parties in government. For the period 1948-1977, small parties received an average of 6.18 portfolios; for the period from 1977-1996, small parties received an average of 6.34 portfolios; finally, small parties in government have received an average of 11.00 portfolios during the 1996-2009 period. The budget data through the 1996 election (as presented by Nachmias and Sened) is reprinted below.
### Table 1.1: Reproduced Table from Nachmias and Sened: Budget-Weighted Portfolio Allocations by Period

<table>
<thead>
<tr>
<th>Periods</th>
<th>Big Parties a</th>
<th>Small Parties</th>
<th>Non-Religious Parties</th>
<th>Religious Parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950-1976; 1992-1995 (n=19)</td>
<td>0.962 (.118)</td>
<td>0.551 (.174)</td>
<td>0.822 (.069)</td>
<td>0.703 (0.324)</td>
</tr>
<tr>
<td>1977-1992 (n=14)</td>
<td>0.657 (.280)</td>
<td>1.494 (.813)</td>
<td>0.568 (.182)</td>
<td>2.895 (1.540)</td>
</tr>
<tr>
<td>1950-1995 (n=33)</td>
<td>0.833 (.252)</td>
<td>0.951 (.714)</td>
<td>0.714 (.180)</td>
<td>1.633 (1.49)</td>
</tr>
<tr>
<td>1996</td>
<td>0.647</td>
<td>2.298</td>
<td>0.779</td>
<td>2.841</td>
</tr>
</tbody>
</table>

Table 1.1: Reproduced Table from Nachmias and Sened: Budget-Weighted Portfolio Allocations by Period

Measure: % of the Budget-Weighted Portfolios divided by Number of Seats Held (Standard Errors in Parentheses)

a. Parties with more than fourteen seats in Parliament

Another dependent variable statistic explored was coalition size. For the period from 1948-1977 (not including the fourteenth and fifteenth governments), the average coalition size was 72.47 MKs. From 1977-1996 (again, not including unity governments), the coalition size was around 63.17 MKs. Averaged together, the size of the governing coalition was 67.82 MKs for the period from 1948-1996. From 1996-2009 (excluding the unity government), the average size of the governing coalitions has been 71.8 MKs.

<table>
<thead>
<tr>
<th></th>
<th>1949-1995</th>
<th>1996-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of Governing Coalition</td>
<td>66.63 MKs</td>
<td>71.8 MKs</td>
</tr>
<tr>
<td>Strength of Largest Coalition Member</td>
<td>66.17% MKs</td>
<td>42.95% MKs</td>
</tr>
</tbody>
</table>

Table 1.2: Coalition Size and Change in Strength of Largest Coalition Member
Since there are no quantitative data available regarding policy concessions (as noted in the “Research Design and Method” section), this dependent variable will be reviewed anecdotaly in the “Analysis” section.

VI. **Analysis**

The picture painted by the data is very clear - the 1996 electoral law had the opposite effect from its intent, which was to reduce the occurrence of party fragmentation. Additionally, the data shows that these effects have persisted even after the return to the original law.

The most important data set looks at the growth in the size of smaller parties in government in two ways: relative to the size of the coalitions of which they are a part, and relative to the percentage of the popular vote they received. As was to be expected, the size of the largest party in governing coalitions for the first thirty years was above 60%. Interestingly, that number rises to over 70% during the beginning of the so-called “competitive” phase of the electoral history. The important statistic, however, covers the period from 1996 until the most recent elections: 42.95%. This is a drop of over 20% compared with the first forty-eight years of Israel’s existence. Essentially, this means that small parties, as a group, have increased their presence in the government by 20% in the last fourteen years; this presence has inevitably led to an increase in governmental sway. This data set is telling because it speaks not only to how much power small parties have, but how much power they have relative to the formerly dominant hegemons of the party system.

One piece of data that did not turn out as expected was the number of parties in the coalition. Whereas one might have expected this to rise in 1977 and again in 1996 given the increased necessity for small parties, the number falls both times. However, close examination of electoral data indicates that while the number of parties may have fallen, the size of small parties has risen—not for all, but for a substantial amount. This indicates that the small parties may not be so “small” any more. Further, one can sense the coming of yet another seismic shift in the Israeli electoral system: if these small parties are growing in popularity, and thus in power, Israel might be moving toward a system with even more competition than it currently has.
Similarly, a common problem in government is overrepresentation of small factions; whereas small parties saw their representation relative to their popularity amplified by a factor of 1.50 between 1948 and 1996, the amplification factor rose by 0.25 to 1.75 since the passage of the law. Considering that small parties were already overrepresented in government before the passage of this law, these numbers speak for themselves.

The other major independent variable studied was the raw number of parties in the Knesset. This statistic did not particularly help prove the argument of this article, as the average does not rise from the 1977-1996 data to the 1996-2009 data. The intent in studying this data was to determine whether the electoral law had led to an increase in popularity for small parties that were previously marginalized to the point where they were able to crack the threshold and gain seats in the Knesset; however, this was not the case. This may have to do with the increase in the popular vote for the existing smaller parties, as described above. Again, one might hypothesize that the lack of increase in the amount of parties in the Knesset indicates that Israel is moving away from a system with many small parties, and instead toward a system with multiple medium-sized parties.

The first dependent variable explored was portfolio allocation. I will examine portfolios allocation by amount, and include analysis of portfolio allocation by nature (i.e. the type of portfolio) below in my discussion on policy allocation. A slight increase after 1977 in the number of portfolios assigned to small-party leaders is followed by an almost doubling in this number during the 1996-2009 period. This demonstrates that the increase in size that small parties experience within the realm of the coalition has definitely translated to more power. Furthermore, small parties’ increase in power has essentially led to an expansion in the realm of government - more posts have been created to accommodate more representation of smaller parties. This means that policy areas have been “split;” whereas the first government had thirteen ministers of government, the current government has forty ministers. The specialization of each policy area gives the minister of that portfolio far more power than before. The implications of this swing will be explored momentarily. Additionally, as can be seen from the data provided by Nachmias and Sened, portfolio allocation weighted as a percentage of Israel’s budget has increased dramatically for small parties since the implementation of the electoral reform law.
The next metric used to gauge whether the fragmentation of the party system had affected coalition formation was by measuring coalition size. The results were not exactly as was to be expected - calculating averages of coalition size in the three different time periods yields mixed results. However, comparing the two time periods instead (1948-1996 and 1996-2009) does indicate a rise in coalition size. The intent of exploring this statistic was to see if the growth in the power of small parties might have forced large parties to take on more parties (or, possibly, “larger” small parties) in their coalitions in order to ensure that the government is still functional in the wake of a defection by a party.

The true power of small parties in Israel now lies in the nature of the portfolios they hold and the policy outcomes they can affect as a result. Take, for example, Israel’s Ministry of Housing and Construction. Currently, Israel’s Housing Minister is Ariel Atias, a member of the small, right-of-center, religious party Shas. According to an Israeli civic education website, Shas “[was] prepared [in the past] to relinquish land in return for peace, but [they are] uncomfortable with this policy given increased terror.”12 As holders of Israel’s Housing Portfolio, Shas has a fairly sizeable say in whether or not Israel will continue a freeze on building settlements in the West Bank and East Jerusalem, territories currently being negotiated over for the purposes of a Palestinian state. Evidently, negotiations for a two-state solution are contingent on a freeze of settlement building. While

Likud is “[o]pposed to [the] dismantling of settlements,”\(^\text{13}\) Prime Minister and Likud Party head Benjamin Netanyahu has publicly called on Shas to support (or at least not oppose) an extension of such a freeze. “Shas holds the balance of votes Netanyahu needs to approve the U.S. deal,” and has stated an intention to abstain from voting on the condition that “the final agreement specifically excludes East Jerusalem from the freeze.”\(^\text{14}\) Shas constituents are ultra-orthodox Sephardic Jews, and, as another Haaretz article headline reads, “government bodies have been promoting a preliminary plan over the past few weeks to build a neighborhood of 11,000 units for the ultra-Orthodox near the East Jerusalem airport.”\(^\text{15}\)

Evidently, Shas had its constituents in mind—rather than progress on a two state solution, which is supposed to be the policy of the government—when it pushed this policy outcome. Whereas beforehand the Israeli government could circumvent such an attempt at pushing alternative policy, Shas currently makes up eleven out of seventy-four seats in the coalition. They hold the fate of the Likud government in their hands, as their defection would likely cause the defection of other ultra-orthodox parties that right-wing Likud relies on to maintain power. The situation is further complicated because Shas holds the Housing Portfolio, which only adds more weight to Shas’ position. In past years, a party like Shas would have never come to hold such an important post; indeed, this is only the third time in the history of the Ministry of Housing and Construction that an ultra-orthodox party has held the portfolio. The other two instances occurred in 1999 and 2003, both after the passage of the electoral reform law.

The ultimate aim of a small party is to make its voice heard. The ultimate achievement of this goal is through affecting policy outcomes that benefit the constituents of the party. It seems that Israel’s small parties have moved from the periphery to the center of the political sphere. Their presence has been felt on many levels; most of all, and most importantly for the future of the State of Israel, parties representing small populations are shaping policy that affects Israel in big ways.

\(^{13}\) Ibid.

\(^{14}\) Rapoport, Meron. "Gov't promoting plan for new ultra-Orthodox East Jerusalem neighborhood" *Haaretz* (2007-02-28),

\(^{15}\) Ibid.
VII. Conclusion

It has been demonstrated in this paper that Israel’s small parties have made large gains in the arena of governance since 1996, particularly noteworthy for the continuance of such a phenomenon after Israel’s “failed experiment” with direct election of the Prime Minister was abandoned. The data shows that, because small parties are much more represented in coalition governments today, they have the power to control important ministerial posts as well as affect policy outcomes. Small parties have made gains relative to large parties within coalitions, and have become more represented relative to the percent of the popular vote they receive. These are all indicators of increased strength for small parties, and they are confirmed by the quantitative and anecdotal data provided on portfolio allocation and policy concession.

One interesting future research topic is the salience of the “multiple medium parties” hypothesis suggested earlier. Pandora’s proverbial box has been opened, and the consensus is that Israeli constituents are happier voting with their true feelings rather than in a strategic fashion. If the electoral system continues to follow current trends, there seems to be no intention of returning to the pre-1996 pattern of voting. What does this mean for the future of the Israeli party system? Will smaller parties disappear, giving rise to a new breed of “medium-sized” parties? Are the days of two parties wrestling for power behind us now, with the chance of a new party seizing power in the next election? Research into Israeli public opinion on the popularity of these various “small” parties would be telling, but only time will give the answers.

In the end, the Israeli political system has endured multiple changes of an extremely dynamic nature since 1977. While the system has been designed to prevent a tyranny of the majority, Israel may be moving toward a tyranny of the minority, as it is increasingly held hostage by its various small, fringe parties. Striking the balance between popular opinion and the protection of minority rights is one of the greatest challenges facing free democracy today; the question is, how will Israel respond?
**BIBLIOGRAPHY**


In addition, all information and data on Israeli electoral history, Knesset elections, and coalition and cabinet makeup were retrieved from the official Knesset website: http://www.knesset.gov.il/main/eng/home.asp