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Changes in Likud Party organization as an outcome of electoral victory in 1988 and electoral defeat in 1992: an Israeli case study

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This study examines the effect of electoral victory in 1988 and electoral defeat in 1992 on the party organization structure of Israel’s Likud Party. Until recently, most researchers on party organization claimed that electoral defeat causes organizational change, while other scholars found that victory, too, can generate change in party organization. The present article studies the effects of electoral defeat versus electoral victory on party organization. Findings reveal that, following victory, the Likud became more factional, with intra-party power struggles, leading to a more equal distribution of power. Electoral defeat changed the dominant coalition and leadership, resulting in a more oligarchic structure.

Keywords: political party; democratization; Israel; centralized structure; decentralized structure; electoral defeat; electoral victory

The historical background of the Likud

The Israeli Likud Party grew out of the Revisionist Party, which was founded in 1925 by the militant Zeev Jabotinsky. Jabotinsky opposed the conciliatory views of the dominant Labor Party – MAPAI – and called for fighting against the British and for driving them out of pre-State Israel. Menachem Begin, like Jabotinsky an ardent and charismatic speaker, continued along this path. Begin was the commander of the pre-state National Military Organization (ETZEL) and a member of the Revisionist Party.

In 1948, Begin founded a new party, Herut (‘freedom’ in Hebrew). Begin was often surrounded by his friends in arms and, at the time, enjoyed the support of most party members. Begin and Ariel Sharon founded the Likud (‘unity’ in Hebrew) in 1973, and included the Liberal Party, LA’A (Hebrew acronym for ‘Independent Liberals’) and the Free Center.

In 1977 Begin reached the pinnacle of his political career when he became Prime Minister, heading the first Likud government, and succeeded in being re-elected in 1981. However, following the death of his wife and, in particular, seeing the consequences of the Lebanon War (1982–85), he decided to relinquish all political activity and retired in 1983.

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After Begin retired, Yitzhak Shamir was chosen as his successor to lead the Likud Party from 1983 to 1984 until the general elections. However, election results forced Shamir to establish a ‘Unity government’ composed of the Likud Party and the Labor Party. Shimon Peres was Prime Minister from 1984 to 1986, when Shamir replaced him. In the 1988 elections, Shamir enjoyed a victory over the Labor Party, and served as Prime Minister until 1992.

Shamir initiated a merger of the Likud with the Liberals and the Independent Liberals, and with small right-wing parties such as Telem, Rafi-Ometz and Tamy (a small religious party). Together they formed a single organizational unit, which is the way the Likud functions to this day.

Shamir was not a leader supported by all party factions; he was principally opposed by David Levy and Ariel Sharon. They instituted factional activity within the Likud, to the extent that the party entered the 1992 elections divided. In the elections, the Likud Party suffered a crushing defeat, losing eight mandates, falling from 40 to 32 Members of the Knesset. Members of the party and its leaders blamed the factional structure of the party for this painful defeat. Following the election results, factional activity increased. New factions were formed within the Shamir–Arens camp — the Netanyahu faction and the Katzav faction. The Netanyahu faction enjoyed the support of Netanyahu’s patron, Defence Minister Moshe Arens, riding on the success of his role as Israeli Ambassador to the UN.

There was also the Katzav faction, which relied on a group of activists and mayors from southern Israel. Another group of leaders enjoyed special status within the party — the ‘Princes’ (the generation following the founding leaders of the Likud, whose parents filled senior positions within the party), most of whom were previously attached to the dominant Shamir–Arens camp. The split within the party reached its peak as the 1993 internal elections approached. Binyamin Netanyahu succeeded in overcoming his rivals and became the chairman of the party.1

**Literature review**

*Losing versus winning elections: external factors*

Most researchers into party organization agree that external, environmental stimuli are a key factor in party innovation and change. Political parties are essentially conservative organizations.2 Every political party consists of groups of people who benefit from the status quo, and who are keen to prevent any change that may harm their position within the organization. However, in their view, organizational changes stem from electoral defeat. ‘Electoral defeat and deterioration terms to exchange in the electoral arena are classic types of external challenges which exert very strong pressure on the party.’3

Deschouwer states: ‘Electoral defeat is the mother of change.’4 Janda and Harmel’s ‘primary goals’ in parties include vote maximizing and office maximizing, which can cause parties after defeat to change in order to return to power. According to Harmel and Janda, ‘The more pronounced is their electoral failures, the more likely they are to change.’5 For political parties in Germany and
Europe, according to them, losing an election is a threat to the party, causing external shock which leads to internal changes that include changes in leadership, financial resources and factional dominance. However, in the same article they also acknowledge the possibility of party change in response to electoral victory, albeit with specific reference to small and especially new parties.6

A measurement of a party’s success is whether it has won or lost the elections.7 When a party loses, its tactics change, and, as it strives to deal with the other parties in the political system, it becomes more competitive. Thus, for example, the socialist parties in Germany and in France, following defeats in the 1980s, changed their policies and their leaders. In the UK, losing the elections led the Labour Party to carry out changes in the party’s administration: a new National Policy Forum was set up that created a more moderate and liberal party image, placing Tony Blair as its head. These changes contributed to Labour’s victory in the following elections.8

A new mediating variable has been added in between losing the elections and organizational changes: this variable is expressed by on-going critique of the party’s way of operation that generates pressure on the party’s leadership to initiate changes. Under these circumstances, criticism is voiced both inside the party and in the mass media. Following an electoral defeat, far-reaching changes are carried out in a party’s leadership and within its major factions.9

Similar transformation took place in Worker’s Party ideology in Brazil after electoral defeats in 1994 and 1998. Formerly oriented towards the socialist left-wing, the party became more moderate. Constant defeats also caused internal changes in the party’s dominant coalition and leadership.10 The Dutch Christian Democrats is another example of a party that changed and adapted after a political earthquake in 1994, when the party leadership was transformed. A number of younger Christian Democrats entered parliament for the first time; party policy became more liberal and innovative on economic and social cultural issues.11

Transitions like those described above also took place within Israeli parties. The defeat of the Israeli Labour Party during 1996 caused Ehud Barak to change his partisan campaign, and address the need for national unity under the title of ‘One Israel’. His campaign strengthened the image of his party and helped him win the elections in 1999.12 Change in Labor’s leadership was initiated after Shimon Peres failed in the polls in 1988. His failure generated power struggles within the party between the Peres and Rabin factions that ended with Rabin being elected to lead the party.13 Similar events unfolded in the Likud Party after it was defeated in the 1992 general elections. Changes in leadership were a direct result of the fall in the polls, when Shamir decided to step down and Netanyahu was chosen as his successor.14

Other researchers claim that an electoral victory can also create changes in political parties. Parties respond to positive performance by organizational change, although the reaction to electoral crisis is more radical and more common.15 Examples of party change after electoral victory are found in European, American, Israeli and Canadian parties following electoral victory. With success came internal bargaining. Leaders were unable to meet the desires of all members and consequently some disappointed members resigned from the party.16
Similarly, conflicts emerged in the wake of electoral victory, both in the American Republican and the Democratic parties. American and Canadian political systems are highly competitive, as is apparent in both inter-party and intra-party relations, with the degree of competitiveness dependent on election results. The winning party becomes responsible for the administration offices, leading to power-based competition for appointments to the senior offices. This was the case in the Democratic Party in the 1970s, after it won both the Presidential and the Congressional elections and in the Canadian Liberal Party’s transition to power in 1993. Following these studies, I examined the Likud victory and posed a research question: How did election results affect party organization tendency toward democracy or oligarchy?

Democratic structure versus oligarchic structure
Michels was the first to question the impact of election results on party structure. In his essay ‘The Iron Law of Oligarchy’ he claimed that there was no rotation in the socialist parties, and that the leaders controlled the parties without sharing information and including other members of the party in decision-making. In contrast to Michels, Coleman et al. claim that in some unions there were conditions for democratic structure: the leadership changed frequently and the members of the unions were involved in decision-making, so that the internal opposition controlled the leaders of the unions. Internal opposition, which supervises leadership, is a key factor in creating a democratic structure.

Party regulations and constitution can affect its nature, as seen in the German, Swedish and French Green parties in which leadership rotates. The internal election system changed from a Nominating Committee to including all members of the central committee, and this change brought about democratic tendencies. Leaders also promote changes in party regulations, their goal being to strengthen their own position. The victories of Jorg Haider and his Freedom Party in the Austrian elections of 2002 enabled him to shape party profile and to make all important decisions. Similarly, in the New Labour Party Tony Blair instituted a constitutional revolution in which the leadership tried to establish more control over party decisions and activists. Change in Japan’s Liberal Democratic Party constitution was initiated by Prime Minister Koizumi, who succeeded in strengthening his status by centralizing the party system significantly.

Centralization versus decentralization
Most research into party organization in Europe has found that, beginning in 1970, parties became more elitist and centralized. Party organization turned into an ‘empty vessel’ which was replaced by the leadership. Parties in Western Europe, New Zealand and Israel tend to be centralized and leadership-controlled. The Labour parties of Britain and New Zealand were both controlled by their leaders, even when party activists tried to change the structure.
It is a different picture with the American parties which have a more decentralized structure with triple party components: a committee to elect the president, a committee to elect senators, and a committee to elect members of Congress. Each such unit operates autonomously and separately, employing independent activists and professionals. Similarly, party unit autonomy in the USA is reflected by the status of local branches, the ‘party on the ground’. The Green parties in Germany, Britain, Sweden and France are characterized by a diffusion of power in the centre, direct democracy involving grass-root members and influence of local branches. The more the party units are independent of party organization and the party in office, the more the party structure is decentralized.

Decentralization is affected by factionalism, also referred to as party wings, tendencies or cliques. A faction is an organized group that competes with rivals for power and leadership. Factional cliques have an adhoc structure, are based on personal issues, and serve as a mechanism of exchange for power resources, while institutionalized factions exhibit a higher degree of structure. Factionalism in a party creates disputes and conflicts, and can undermine cohesion and effective management when personal interests overtake collective advantages. Factional activity may cause intense conflicts, animosity and a split in the parties. Yet it is more democratic than a unified party and brings about dynamic party decentralization.

Intra-party democracy is most valued for its participatory aspects. Activists are desired for their influence on the party and union policies, and for the involvement, representation and participation of party members in decision-making or candidate selection. This goal is also reflected in small parties like the Greens in Europe that work to limit leadership control. The Australian Greens is an example of high-level participation by party members (on the ground). This tendency is directed by the elite’s policy, and is also common among Green parties in Europe, but different from most other Australian and European parties. Little party participation was found in Croatian parties after the Communist era there.

The question is who benefits from party resources and political privileges? According to Panebianco and Scarrow et al., parties offer incentives to attract and retain members. There are selective benefits that only few members or leaders enjoy, and collective benefits that include ideology, goals, solidarity and policy that every member of the party enjoys. Parties must provide reasons for supporters and members to remain loyal to their party, and are forced to rely more on selective incentives to attract members. A more equal distribution of selective benefits indicates that the party has a decentralized structure. Michels lists several criteria for a democratic versus oligarchic structure:

A. **Changes in leadership.** If party leaders are changed frequently, the organization will tend to develop in a democratic direction. However, if the leadership stays unchanged for a considerable period of time and other members of the party are unable to attain the position of leader, we can assume that the party is more oligarchic.
B. **ELECTING THE LEADERSHIP.** If party regulations forbid, or make it difficult for candidates to be elected to party positions, the party tends to be more oligarchic. If the opposite is the case then the tendency is democratic.

C. **CONTROL OF INFORMATION.** In every party there are bodies which control the dissemination of information on decisions, jobs, and nominations. If only one dominant coalition is exposed to the information, the party tends to be oligarchic, but if there is a free flow of information to different factions, the nature of the party is obviously more democratic.

D. **INTERNAL OPPOSITION.** If internal opposition is allowed to exist within the party and alternative leaders can compete for the chairmanship, the party is democratic. Denial of internal opposition and alternative leaders indicates that the party is oligarchic.

E. **CENTRALIZED/DECENTRALIZED PARTY STRUCTURE.** This element can be evaluated according to the following indicators:

1. **Elected positions in the party.** Does one dominant coalition enjoy access to jobs and positions (centralized), or are party benefits divided among several factions (decentralized)?

2. **Decision making process in the party.** Who takes part in decision making? Is it one dominant coalition (centralized), or are several factions involved in the process (decentralized)?

3. **The status of local branches.** If the local branch is independent and decides policy without interference from the central administration, then the party tends to be more decentralized. But if central party policy is dictated to the local branches, then the party is more centralized.

4. **Party factions.** If the party is divided into factions, it tends toward a decentralized structure, but if the party has few factions, or one dominant controlling faction, it tends to be more centralized and oligarchic.

**Research method**

This study was based on qualitative study. Data comparison was used during two research periods: the first from the Likud’s victory under Shamir in 1988 until 1992, the second after his electoral defeat in 1992 until 1996.

I chose these periods for my research because after the electoral victory the party initiated a lot of changes and after its defeat Netanyahu was chosen to lead the party. Netanyahu instigated radical change in the party constitution and regulations and I wanted to understand the process of party transformation.

The research was based on two methods of data collection: analysing documents and interviews.

**Documents**

Most documents were collected from the Jabotinsky Institute. They included party rules and regulations, and minutes from meetings of the Central Committee.
and the Secretariat, and from party conventions. For additional information, newspaper articles describing the events at the various conventions were also used.

**Interviews**

Some of the interviews were open – the interviewees were asked general questions, and a casual conversation ensued on the topic of the research. In most cases, however, the interview was planned, focused and followed a structured questionnaire adapted to each interviewee.

A total of 30 people were interviewed, together representing a wide variety of party members: these included Likud Party leaders, ministers from various governments, Knesset (Parliament) members, members of the party’s Central Committee, and spokesmen and assistants in Likud governments. All the interviewees had participated in or observed directly the events referred to. The key figures in the party whom I interviewed were: Yitzhak Shamir and Moshe Arens who was Minister of Defence.

The Knesset members were Yossi Ahimeir, who belonged to the dominant Shamir–Arens camp; Reuven Rivlin, who was a member of Levy’s camp; Meir Shitreet, former mayor of Yavne and a Minister in Shamir and Netanyahu’s governments; David Reem; former mayor of Kiriat Ata; Michael Kleiner, who belonged to Levy’s camp; Israel Katz, who built the Sharon camp but later became identified with Netanyahu’s faction; Yoram Aridor, Minister of Finance during Shamir’s government; and Uzi Landau, who belonged to the Shamir–Arens faction.

All those mentioned above by name gave permission to be quoted, however most interviewees wished to remain anonymous and therefore their names are not mentioned in the article.

The method of operationalization and measurement (i.e. evidence) was based on establishing criteria for democratic versus oligarchic structure. These criteria, which are based on sociological and political science literature, helped me determine the nature of the Likud Party. The criteria include a mixture of behavioural, functional features and structural indicators (e.g., changes in leadership, control of information, internal opposition can be intended to tap the actual situation, behaviourally and functionally). However, electing the leadership and party faction can be defined as an ‘official situation’, as reflected in structures/rules. The criteria are presented as an ideal type. The nature of party was determined by the summary and analysis of all the criteria together.

**Findings**

The findings were analysed using criteria for democratic or oligarchic party structure and comparing two periods: the first 1988–92, the period following electoral victory, and the second 1992–96, following electoral defeat.
Changes in leadership

Shamir served as Likud chairman when he was elected Prime Minister. Shamir nominated his government, and it remained stable throughout his term in office.

Shamir led the government from his vantage point of head of the ruling faction within the party, and his ministers belonged to this group. Although this finding supports an oligarchic structure, other appointments indicate that Shamir’s leadership style tended to be more democratic. Shamir’s appointment of new young members of the Knesset, such as Milo, Olmert, Meridor and Magen, to cabinet ministers, reflects a tendency towards democratization, as these new members of the government brought influence to bear on the leadership.

In contrast, after Netanyahu was elected head of the party in 1993, he worked rapidly to overcome opposition to his leadership from Benny Begin, Moshe Katzav and David Levy. However, Netanyahu did not make new appointments, because his party was in opposition following defeat in the elections.44

Elected the leadership

During Shamir’s term in office, opponents within the party could compete with him for the leadership. According to party regulations 54 and 56 of the old constitution, all party positions from the chairman down were elected by the Central Committee.45 This can be described as democratic procedure.

After Netanyahu was appointed chairman of the party, he worked actively to change its charter. At a time when the Central Committee alone dealt with constitutional issues, Netanyahu proposed that the chairman be granted sweeping authority in these matters,46 and, to advance his position, he created two bodies under the chairman’s sole supervision: the Administration, an executive body enjoying broad authority, and the Bureau, a body focusing on handling economic and important social issues. Netanyahu also initiated change in the internal party election system. Although some members of the Central Committee were opposed to altering the party constitution, the Central Committee approved Netanyahu’s proposals by an overwhelming majority.

Disagreement voiced by Netanyahu’s opponents illustrates the power struggles within the party, as Sharon noted in his speech at the Likud Convention:

My comment regarding the constitution was [made] out of concern for the party. In a democratic political party, there must be genuine democratic balances of power. It cannot be that the party chairperson becomes the only body making all the decisions in the Likud, and that all other bodies turn into empty vessels.47

Some party members were angered by the fact that the Bureau had been established, as it was an organ whose members were appointed rather than elected. Dr. Zin, who was a member of the convention, said that ‘a Bureau which in fact is not elected is some kind of hybrid creature, which is not under the authority of the Central Committee’.

David Cohen, a member of the convention, spoke cynically about the same issue:
If the Chairperson wants someone, will he just appoint him? And if he doesn’t want him, he won’t? This is the ultimate in democracy, a Bureau that is not elected. Therefore, I demand that it be elected by members of the Central Committee.48

Netanyahu also initiated substantial changes in the internal party electoral system. Originally, the system was that candidates were listed in groups of seven, and seven such groups were voted for, resulting in a list of 50 candidates to the Knesset. Netanyahu changed this system to a primaries system, and this gave rise to opposition. Many of the party members who voiced opposition were supporters of Levy, Sharon and Begin. Note David Cohen’s words at the Convention: ‘It is a gross undermining of democracy and will lead to Americanization... The party is turning into an aristocracy of the rich. What are these Primaries?... nothing but lots of money.’

The effects of the primaries were complex: on the one hand they gave party members the power to determine the leader, but, on the other, they weakened the ability of Knesset candidates to be elected, as only candidates with sufficient financial resources could campaign, thus compromising the principle of equality before the law.

Attorney Motti Mishani also criticized the constitution sharply. Referring to the older, 1979 constitution, he said: ‘It’s an old wine, but it’s good.’49 Some of the interviewees who had attended the Convention claimed that Netanyahu did not relate to any of the issues they had raised, but pushed for a quick vote on the new constitution.

Netanyahu’s radical alteration of the internal election system led to erosion of the importance of the Central Committee. Netanyahu dismantled the power of Levy’s supporters and encouraged his main rival to leave the party. Some members of the Central Committee voted to approve Netanyahu’s proposals even when they threatened to undermine their very significant power. However, the majority of the members of the Central Committee supported Netanyahu’s moves because they believed that he had the ability to bring them back to power following the painful election defeat of 1992. Party members saw Netanyahu as their saviour – they believed that they had no choice if they did not wish to not remain in the opposition, and in fact Netanyahu was subsequently elected Prime Minister in 1996.

The change in the party structure is presented in Figures 1 and 2.

Control over information within the party
During the period of Shamir’s leadership, the most important body in the party, in terms of control of the flow and dissemination of information, was the small, 12-member Secretariat. The Secretariat made all the critical decisions, and most ministers and members of the Knesset wanted to belong to it. Those excluded from the Secretariat felt detached from intra-party information. Moshe Arens, a key figure in the party, headed the Secretariat along with Prime Minister Shamir, but members of Sharon’s and Levy’s factions were also present, and information was available to opposing camps.
In contrast, Netanyahu’s leadership saw a great reduction in the significance of this body. Netanyahu inflated the Secretariat to an unwieldy 60 members and opened it to the press, while significant decisions were taken in the newly created Administration. The Administration was headed by Netanyahu’s loyal friend and aide, Avigdor Lieberman, who worked hard to exclude Netanyahu’s opponents from all sections of party organization, including the Administration.

Figure 1. The formal structure of party bodies according to the old constitution of 1979.

Figure 2. Party bodies after the organizational change in 1993.
Internal opposition

Under Shamir, party opposition was an institutionalized common phenomenon. Shamir’s opponents controlled important committees in the party. For example, David Levy, along with Ruby Rivlin, dominated the very important sub-committee in charge of party organization.

The influence of opposing groups was also evident in the local branches: many in the northern and southern provinces of Israel were identified with Levy. He built his power base by dealing with the ethnic problem of immigrants from Asia and North Africa. These immigrants felt discriminated against by the dominant elite whose origins lay in Europe. David Levy’s leadership was strengthened by his role in assuming the fight for the lower classes in Israel.

Sharon’s camp, though smaller, wielded influence in local branches in the centre of the country. As a result of this support, Levy and Sharon were even able to challenge Shamir for the chairmanship of the party, although they failed to defeat him in the internal elections.

Netanyahu managed to destroy the factional structure of his party, essentially stripping his opponents of any real power. After he became party chairman, most members of other camps joined Netanyahu, seeing him as a saviour who would solve all their problems within the party.

Only David Levy remained a threat to Netanyahu’s leadership, and Netanyahu managed to effect his departure from the party. From 1993 on, power struggles within the Central Committee focused on the rivalry between Binyamin Netanyahu and David Levy. The hatred between them developed when Netanyahu served as Levy’s deputy at the Ministry of Foreign Affairs. According to Central Committee member Yitzhak Regev, David Levy never forgave Netanyahu for accusing him in the ‘Tape Affair’. (Prior to the election for Likud leadership, rumours were spread about a ‘sensational tape’, supposedly incriminating Netanyahu. Netanyahu accused David Levy of being the perpetrator of these rumours, although he never mentioned Levy’s name.)

Following this affair, Levy boycotted meetings of the Central Committee and threatened to resign from the party. According to one interviewee, the fact that Netanyahu turned out to be a talented diplomat and spokesman abroad – partly thanks to his command of English – cast a shadow over Levy as Foreign Minister, who was notorious for his ignorance of English. Levy finally resigned from the party after the Central Committee authorized Netanyahu’s changes regarding the election of delegates, as described below.

Party delegates were elected by the branches. The Likud delegates chosen to participate in the Convention were members of the party’s Central Committee, and had been elected as follows: all members of the branches and of the Central Committee were entitled to choose 60% of the branch members. This enabled minority groups to operate, and prevented any one branch, or the Central Committee, gaining total control. Netanyahu wanted to change the balance of
votes to 20–80, to guarantee that if he were elected party leader he would be able to introduce delegates and branch members who supported him.\textsuperscript{51}

According to some interviewees, this was the final straw for Levy, who had already been thinking about resigning from the party.\textsuperscript{52} Members of the Knesset, among them Meir Shitreet and Limor Livnat, tried to prevent Levy from leaving. Most members of the Central Committee voted in favour of Netanyahu’s proposal. The election results led to Levy’s resignation from the party and he went on to set up the new Gesher Party. After Levy’s departure, Netanyahu was left without any opposition from within.

**Centralized/decentralized party structure**

1. **Elected positions in the party**

In 1988–92, the most important positions in the government and the party were divided between opposing groups. Therefore opponents such as Sharon, Levy and Modai played important roles in Shamir’s government, and appointed their own people to influential positions.

One reason for political struggles was that in 1988–92 the Likud merged with the Liberal party, leading to much friction between the two parties. Consequently, many committees were formed which provided fora for conflicts to be aired and worked out. For example, a special committee in the Secretariat was created where all party factions were represented: Ruven Rivlin (from Levy’s camp), Ovadia Ely (from the Shamir–Arens camp) and Ben Porat (from Telem, another party which had merged with the Likud). Moreover, the Secretariat decided to create a new committee whose duty it would be to accept new members from the merged parties.\textsuperscript{53} The committee members were Gaby Kadosh (Shamir–Arens camp), Rivlin (Levy camp) and Uzy Landau (Sharon camp). Even later in this period, a move to create a new constitution was made in the Secretariat\textsuperscript{54} and as a result a Constitution Committee was formed, which included MKs Meridor, Arens and Kadosh (Shamir–Arens camp), Hanegby (Sharon camp) and Rivlin (Levy camp).

Thus it is clear that members of the Secretariat in this period represented all camps and parties which had been merged into the Likud Party. These included Rafi Lalkin and Igal Horovich from the former Rafi-Ometz party, Mordechai Ben Porat from the former Telem party, as well as Aharon Abu Hatzeria and Haim Azriel from the former Tami party. Leaders of the former Liberal party factions participated in this body – Izchak Modai, Moshe Nissim, Gidon Pat and Pesach Gruper, as did leaders of the main Likud Party factions (Shamir–Arens, Sharon and Levy). These were a few examples to demonstrate how key positions were decentralized during Shamir’s chairmanship. We will now see how it changed very drastically under Netanyahu’s leadership.

After Netanyahu’s election, the Secretariat was replaced by a new body called the Administration, headed by loyal members of Netanyahu’s faction. Avigdor Lieberman became chairman of the new body and also director of the party,
replacing Kadosh, a loyal party member of Shamir. Lieberman placed people loyal to Netanyahu in the party administration and its sub-committees, thus making the party more centralized.

2. Decision-making within the party

In Shamir’s time, all party factions participated in the decision-making process. As has been shown above in the discussion of previous criteria, all factions and former parties were involved in the process. The over-riding issue of the day was how to incorporate the Liberal and Likud Party representatives at the local branch level. It was agreed that candidates would be appointed according to the relative power of the two parties in each branch.

At the central level, too, many problems arose as a consequence of the merger of parties. In all discussions the members of the Secretariat were required to consider and relate to the many and varied points of view. Even the slightest issue could become a catalyst for conflict, such as determining a date for central convention meetings. Acceptance by all the factions was required, and sometimes a meeting was cancelled after having been agreed upon. As Rivlin reported in a meeting: ‘It is ridiculous to send out invitations and then cancel them. This is not a good situation.’

The existence of these lively power struggles between the factions necessarily brought about a democratization of procedures, in which agreement between all factions was needed before making any decision. This situation was a direct result of all the mergers that had taken place in the Likud, an outcome of which was that the Shamir–Arens camp lost dominance and control.

In Netanyahu’s period all decisions were made without consideration for the interests of Levy’s camp, as has been described above. Moreover, in the Administration – the decision-making body at this time – only members of Netanyahu’s camp participated in the process.

3. The status of the local branches

During both Shamir’s and Netanyahu’s time, local branches were dependent on the central party organization. An old regulation determined that internal elections and local candidates for municipalities would be controlled by the central party organization.

4. Party factions

In 1988–92, the first period research here, the party was divided between three camps: Shamir-Arens, Sharon and Levy. Party mergers brought new factions into the picture: Tami, Rafi-Ometz and Telem, and its numbers were further enlarged with the entrance of the Liberal Party and its members. Thus, based on this multi-factional composition, we can conclude that the party was decentralized.
However, under Netanyahu most members of the factions allied with him, with the exception of David Levy’s camp. As described earlier Levy subsequently left the party. With his departure, the Likud under Netanyahu can be seen as having become more oligarchic (see Table 1).

**Conclusions**

The findings show that the electoral victory of the Likud led to democratic structure, while electoral defeat initiated an oligarchic body. How can these findings be explained?

We can see that following the 1988 victory the structure of the party became factional. The merger between the Likud and the Independent Liberals, small right-wing parties such as Telem, Rafi-Ometz and Tamy (a small religious party), caused conflict and dispute among the participants, as the new members wanted to participate in every body to ensure benefits for themselves. In every committee there were representatives of all the dominant factions, and they all enjoyed some selected benefits.58

After the merger of the parties into the Likud, the distribution of power became more equal and decentralized, so that in the first research period, 1988–92, the party was more democratic with all factions participating in decision-making.59

Being in government also encouraged factional activity, which, in turn, increased bargaining. Bargaining was a means of selecting candidates for posts.
within the ministries which were headed by Likud ministers. Being in government meant that ministers created independent factions which generated power struggles, as each minister strived to increase his power. Conversely, being in the opposition following electoral defeat prevented bargaining and power struggles, as they were irrelevant.

This case study demonstrates the role of factionalism in creating a more decentralized and democratic structure. The intensity of factional rivalry caused internal conflicts. After the 1988 victory, the party organization was characterized by factional activity, as each leader nominated his supporters and gave them benefits. This individual activity enhanced competition among the ministers and reinforced the power struggles. The factional system created a more decentralized structure: the distribution of party power was more equal among the ministers than after the 1992 defeat when most of the power was centralized in the leader’s hands.

After the electoral defeat, Netanyahu succeeded in destroying the factional structure of his party and forced his rivals to leave. The process took Netanyahu a very long time to consolidate control, Levy split from Likud in March 1996. Likud members blamed the factional system for the painful defeat, and this gave Netanyahu the opportunity to fight against the heads of the camps by changing the party constitution.

This research relates factionalism and party structure organization to election results: defeat decreased factional activity within the Likud, leading to an oligarchic body, while victory created decentralized structure when it reinforced factionalism. Other researchers have not related centralization vs. decentralization of power to electoral results. 60

Factionalism in the party initiated control over the leader as described here during Shamir’s period, bringing about a democratic power structure. Shamir could not ignore his rivals within the party and internal opposition controlled his moves. Netanyahu, who headed the party following the 1992 electoral defeat, had the permission to destroy party factions. His rivals left the party, so the leader remained without effective opposition to check and control his action, resulting in an oligarchic power structure. 61

This case study demonstrates the importance of internal regulation in affecting the nature of party organization. 62 The electoral defeat and Netanyahu’s leadership created an elitist party organization. 63 The present study, then, demonstrates the contribution of the leader to form an oligarchic party organization.

To conclude, the factors behind the increase in democratic structure following electoral victory, and their weakening following an electoral defeat, are as follows:

1. Electoral victory leads to a process of bargaining regarding the division of the ‘plunder’. The various factions are interested in increasing their influence and getting favours in the form of positions and honours. A victory enables such favours to be delivered, while sitting in opposition strongly reduces the party’s resources.
2. Government formation increases factionalism and power struggles within the party; ministers strive to obtain senior and prestigious portfolios. This leads to conflicts of interest among them which, in turn, lead to competition and direct conflict. Government formation can lead to the rising of new factions. Because ministers are interested in increasing their political strength, the more political appointments a minister makes, the more potential supporters he gains. However, by compensating his associates, a minister creates a faction within the party. A factional structure within a party increases conflicts of interest and brings about bargaining, competition and rivalry. It should be noted, however, that there are cases of ad hoc cooperation between factions when needed, for example, to form a coalition. A factional structure causes a more equal distribution of power as well as a decentralized and democratic organization of the party. This option is practically non-existent following electoral defeat.

3. The leader of the party can influence the structure of party organization. Netanyahu deliberately made the party more oligarchic, and the result of the general election enabled him to implement a new constitution. Following defeat, the structure of the dominant factions changed, and a new faction ran for leadership. The findings support the views of scholars arguing that an electoral defeat leads to the disintegration of the dominant factions which are replaced by other factions that then become dominant. In accordance with this claim, we saw that the electoral defeat of the Likud led to the disintegration of the existing factions, and a new faction headed by Netanyahu took over party leadership. Following the appointment of a new party chairman, the power structure became more oligarchic.

The question does remain as to why the power structure changes in this direction? The desire to win the elections leads all factions to rally around the leader. Factional activity drops and oppositional activity within the party is perceived as being unacceptable, having the potential to jeopardize the party’s chances of winning the elections. A united party is one that can ‘provide the goods’. Party members watch for those who deviate from this path and push them out of the party. When factional activity ceases, it is followed by a significant drop in power struggles and, finally, the party becomes more centralized and oligarchic.

Therefore, we see how electoral defeat caused the Likud Party organization to become more centralized and controlled by the leader. Conversely, electoral victory created a more decentralized party as a result of heightened factional activity, thus producing a more balanced and democratic structure.

According to most researchers on party organization, electoral defeat is more likely to generate organizational change. In this case study it was found that the change created an oligarchic tendency in party organization. However, other researchers claim that electoral victory increases bargaining and power struggles
within a party. Accordingly, the intense power struggle creates a democratic party organization, while the decrease in factional activity enhances power struggles which initiate a centralized and oligarchic power structure.

Notes on contributor
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Notes
1. Y. Moskovich, *Disunity in Unity* (Tel Aviv: Chrikover, 2004) [in Hebrew].
10. Samuels, “From Socialism to Social Democracy.”
11. Duncan, “Lately, Things Just Don’t Seem the Same.”


22. The election procedure was conducted by the chairman of the Management, who consulted party factions and other leaders, and together they created a list of candidates for the Knesset. The chairman tried to establish an agreement with all the groups, and then the Center usually approved the candidates. G. Doron and G. Goldberg, “No Big Deal: Democratization of the Nominating Process,” in *Elections in Israel, 1988*, ed. A. Arian and M. Shamir (Boulder, CO: Westview, 1990), 155–71.


31. Burchell, “Evolving or Conforming?”
42. Michels, Political Parties, 45.
48. Ibid.
49. Y. Moshkovich, “Organizational Change in a Party following Changes in the Political System as a Whole: The Likud Party” (PhD diss., Bar-Ilan University, Ramat-Gan, 20001) [in Hebrew]; Moshkovich, *Disunity in Unity*.
52. Ibid.
56. Moshkovich, *Organizational Change in a Party Following Changes in the Political System as a Whole*; Moshkovich, *Disunity in Unity*.