

Election economics

By YITZHAK TAUB

ANYONE WHO feels some pity for our Likud-battered economy should pray for the election day date to be fixed for as soon as possible.

Politicians profess to be super-patriots, but it would be facetious to ask them to sacrifice during the forthcoming election campaign their direct political interests for a vague, future improvement in the economy. Elect *me* and *my* programmes will solve *our* economic problems after I assume power, says the politician. Of course the opposition is just as vague in its proposals and seldom speaks about hard times ahead should the ruling administration be defeated.

I, for one, have no system for forecasting the damage or cost to the national economy to be expected in the loose management of affairs during the next few months. Cost it will. How much depends on how much the government underestimates the public's intelligence. During the 1981 election campaign Menachem Begin and Yoram Aridor proved that you cannot underestimate enough the so-called masses. Those who chanted "Begin, Begin" in city squares and who bought TV and/or video sets reflected more the centre than the lunatic fringe. They voted for their momentary benefactors who, so to speak, delivered the good patriotic harangue and cheap durables.

It is wishful thinking to believe that the forthcoming election campaign will see a rigorous application

of the austerity budget proposed for fiscal 1984-85. Many Likud activists will tell Finance Minister Yigal Cohen-Orgad to stick with the election economic formula that worked before. If the minister votes for a short campaign, lets say before June, and does so against his party's wishes, I will believe that he puts the good of the economy above party interest. Lets watch him and see.

FORECASTING political and economic trends is an uncertain business at best. But one can be guided by past experience and by what has happened abroad. Several serious articles have appeared in learned Israeli journals about election economics (and many abroad).

Prof. Yoram Ben-Porath of the Hebrew University published almost ten years ago an article in *Kyklos*, whose title summarizes his views: "The Years of Plenty and the Years of Famine — a political business cycle."

In the U.S. it is taken for granted that presidential election years tend to be "good" upswing economic years. The dates, of course, are fixed and cannot be manipulated; thus the economy is. If not, incumbent presidents "tend" to lose office, the latest example being Jimmy Carter.

In the January issue of the Israeli *Economic Quarterly*, economist Daniel Levy argues that facts prove the discernable presence of election economics in Israel. As far as the layman is concerned, his article, "Business Cycles and Elections in

Israel," demonstrates beyond reasonable doubt that elections here do influence business cycles. His figures leave no doubts in my mind.

Yoram Aridor's now famous (and defunct) "correct economics" was the most wasteful and cynical example of election economics, a course carried to its tragic end by its author two years after the election of 1981.

IT GOES without saying that every government would like to have a pleasant economic climate prevailing when citizens go to the polls. This is the reason why Messrs. Shamir, Levy, Cohen-Orgad et al say they want a short, wasteless, election campaign, while what they really want is elections six months hence. They clearly want time for government policies to bear some positive fruit price-wise and to relax some recent measures for the coming summer. They envision a relatively content citizenry, returning from vacation (abroad) to find troops fully or partially withdrawn from Lebanon and the American presidential election near, with the candidates showering Israel with promises, promises. Then the government may find more favour in the public eye than at present, with the impasse that forced the Knesset's dissolution.

Therefore, dear reader, mark my words: the upcoming election won't detract from the learned conclusions of Dr. Daniel Levy about the existence of a political business cycle in Israel.

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Though it may not be advantageous for the incumbent government, an economist should advocate a short election campaign, i.e., an early date for balloting. Realistically I assume this advice won't be taken. In fact Interior Minister Yosef Burg has already hinted as to its impracticability.

Bribing the worker sounds vulgar — but realistic. It would be preferable if parties would try to in-

fluence our minds through debate, but realism dictates otherwise. They would rather line our pockets. Sadly or happily, it won't last for long; there is not enough money to go around.

Election economics are part and parcel of the democratic process in the Western world. Only its exaggerated intensity and wasteful longevity are to be regretted as a particularly Israeli aberration.