



## Charges against Prime Minister Netanyahu: Implications for Israeli Domestic and Foreign Policy

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*Israeli police, after investigations into corruption allegations, have recommended the country's Attorney General indict Prime Minister Benjamin Netanyahu. Netanyahu rejects the allegations. The leaders of the parties forming the government support the head of government and did not take any action that would lead to a breakdown of the coalition. However, the results of the investigations combined with public pressure may affect the government's stability and speed up Knesset elections. The political struggle between the parties may lead to stronger actions and rhetoric in Israeli foreign policy.*

**Background.** After two investigations, Netanyahu is alleged to have engaged in corruption and abuse of power. In codenamed *Case 1000*, police looked into accusations that the prime minister had received gifts (including cigars and champagne) worth several hundred thousand dollars from Israeli and foreign businessmen in exchange for favourable decisions. The *Case 2000* investigation focuses on talks between Netanyahu and Arnon Mozes, the publisher of the second-largest daily newspaper in Israel, *Yedioth Aheronot*. In exchange for a more favourable editorial line, Netanyahu offered actions meant to weaken that newspaper's main competitor, Israel's largest, *Israel Hayom*.

Moreover, there are investigations of former Netanyahu associates. *Case 3000* involves, among others, his lawyer David Shimron, who is alleged to have bribed officials of the Ministry of Defence in a submarine tender for the Israeli navy. *Case 4000* concerns issuing decisions that privileged the telecommunications company Bezeq. An additional investigation of Netanyahu's wife, Sara, in connection with the waste of public funds in the prime minister's residence is another hit to the PM's image.

Within a few months, the Attorney General, after an assessment of the evidence, will decide whether to charge and prosecute the prime minister. Even if he does, it will not automatically mean Netanyahu's removal from office, since formally it can only happen upon conviction. Netanyahu firmly rejects all the accusations and has said he will not resign. In numerous statements, he accused media, the opposition, and the police of trying to overthrow the government. The prime minister is supported by his party, Likud, and coalition party leaders, who announced they will not demand his resignation.

**Implications for Israeli Politics.** Netanyahu has managed to rally his deputies and the electorate from his political base. Likud remains atop some polls. The country's good economic situation and the continued popularity of its leader favour the party. In opinion polls, 33% of respondents, the largest group, say they believe Netanyahu to be the most suitable choice for PM. Still, his legal problems are an increasing challenge for Likud. The party's image is burdened by corruption investigations into other party members, including David Bitan (former coalition chairman) and Haim Katz (minister of labour and social affairs). Attempts to introduce legislation that could hinder or even prohibit conducting the investigations into Netanyahu were poorly received by the public. Meanwhile, inter-party criticism of the PM is growing. Knesset Speaker Yuli Edelstein has made negative remarks about Netanyahu that became public, and

relations between the prime minister and President Reuben Rivlin remain tense. Early elections (formally planned for November 2019) could be an opportunity for Likud to change leadership, which is why the political priority for the prime minister is to maintain the current government and coalition.

The Israeli government coalition includes, apart from Likud, Yisrael Beiteinu (led by Avigdor Lieberman), The Jewish House (headed by Naftali Bennett), Kulanu (led by Moshe Kahlon) and two religious parties, Shas and United Torah Judaism. Public opinion polls indicate that the coalition would remain in power after early elections, but most of its parties (including Likud) could lose seats. That is why the coalition parties strive to maintain the status quo and are working to cement support among their bases. This serves the adoption of controversial or very unpopular laws promoted by the parliamentary majority in the name of coalition stability, such as a law restricting the activities of shops on the Sabbath (submitted by Shas), or increasing the authority of military courts to adjudicate death penalty cases involving terrorists (promoted by Yisrael Beiteinu). Paradoxically for Likud, the radical proposals by the other parties may be beneficial by allowing it to position itself as a moderate political force, attractive to centrist voters.

The strength of the coalition is increased by the weakness of the main opposition parties: the liberal-centrist party Yesh Atid (led by Yair Lapid) and the political alliance Zionist Union, which includes the Labour Party (with new leader Avi Gabbay). Polls indicate that the centre-left coalition would not win the necessary number of seats to create a government. In addition, it has turned out that one of the witnesses in *Case 1000* is Lapid, which the government cites as evidence of bias in the investigation. Gabbay, for his part, was not previously associated with the Labour Party and is criticised for both his leadership style and discouraging its traditional electorate.

**Impact on Foreign Policy.** The possibility of early elections is a permanent part of the Israeli political reality. The rivalry over similar electorates between parties facilitates the unification and tightening of their message to voters. This is particularly evident in issues traditionally relevant to Israel such as security and identity. International activity in these aspects is particularly important for Netanyahu, which the opposition is trying to leverage. It enhances criticism of the government for—in the opposition’s view—insufficient action against Hamas and Hezbollah. Opposition politicians also have taken a very sharp stance on the Polish-Israeli dispute over the recent changes to Poland’s Institute of National Remembrance Act. A factor connecting most political forces is the positive assessment of Israel’s relations with the U.S. and the administration of President Donald Trump. All parties (except for the Arab parties and Meretz) strongly support Trump’s decision to move the U.S. embassy from Tel Aviv to Jerusalem and tightening the president’s position towards the Palestinian Authority. Another common denominator is the perception of the threat from Iran.

On the Palestinian issue, there is an increasing conviction among Israeli politicians and society that the peace process in its current form is ineffective. Israeli support for the two-state solution has recently fallen below 50%. At the same time, about 40% of the respondents favour extending Israeli sovereignty over the West Bank. This would mean the *de facto* annexation of territories with Jewish settlements and all “Type C” areas of the Palestinian Authority under Israeli control under the Oslo Accords. Declarations that to varying degrees coincide with the public opinion were declared by the central committee of Likud, the centrist Moshe Kahlon, and by Gabbay, arousing some protest in the Labour Party.

**Perspective.** The political struggle in Israel will continue. The increasing political cost of Netanyahu’s coalition will make it harder for him to preserve the government. Although early elections will not strengthen the coalition, they may be the only viable political option. The chances of the opposition taking power are not high, but it is possible there would be a new prime minister, for example, in a centre-right formation of a common electoral bloc. One of the conditions of such an arrangement may be Netanyahu’s resignation.

Until new elections are held, it is likely that the parties and its leaders will continue to raise issues that will allow them to expand their political base, especially on the right and the centre. The main topic will be the issues around which the electorate is most easily mobilised, primarily those regarding national security and identity issues (e.g., related to religion or history).

The need to maintain support may lead the Israeli government to intensify foreign policy actions that will be positively received at home. This may result in less involvement in dialogue with the Palestinian side, intensification of actions against Iran in Syria and Lebanon, continuation of the harsh policy towards African migrants, or providing support to the settlers, for example, by legalising some of the settlements in the West Bank. Such actions might also generate tensions in relations with EU countries.