



Netanyahu's April 2019 Election Victory: Implications for Israel's Leadership and U.S. Policy

Jim Zanotti

Specialist in Middle Eastern Affairs

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In elections held on April 9, 2019, the Likud party of Israeli Prime Minister Binyamin Netanyahu tied for the most Knesset (parliament) seats. Most observers assess that, in the context of Israel's political system, Netanyahu will begin a fifth term as prime minister (1996-1999, 2009-present) after assembling a coalition government [with his traditional right-leaning and ultra-Orthodox partners](#) (see **Figure 1**). Netanyahu's victory came despite a significant challenge from the new Blue and White party—led by former top general Benny Gantz and prominent politician Yair Lapid (a former finance minister)—and a [February announcement](#) that Israel's attorney general would probably indict Netanyahu for alleged corruption.

The Israeli election and government formation process has implications for Israeli leadership and issues relevant to U.S. policy. Whether the attorney general indicts Netanyahu could depend on potential legislation in the new Knesset, and if indictments come, Netanyahu's coalition partners may determine whether he continues as prime minister or is replaced. In turn, how Netanyahu responds to his partners' policy demands could affect Israeli decisions on key matters of U.S. interest, especially possible Israeli unilateral moves to annex settlements in the West Bank.

Government Formation and Israeli Leadership

In mid-April, Israeli President Reuven Rivlin concluded that Netanyahu was the Knesset member with the best chance of forming the next government, and assigned him that task. Based on [Israeli legal requirements](#), Netanyahu will have until mid-May to assemble a government representing a Knesset majority (at least 61 seats out of 120), or he could seek an extension until late May if necessary.

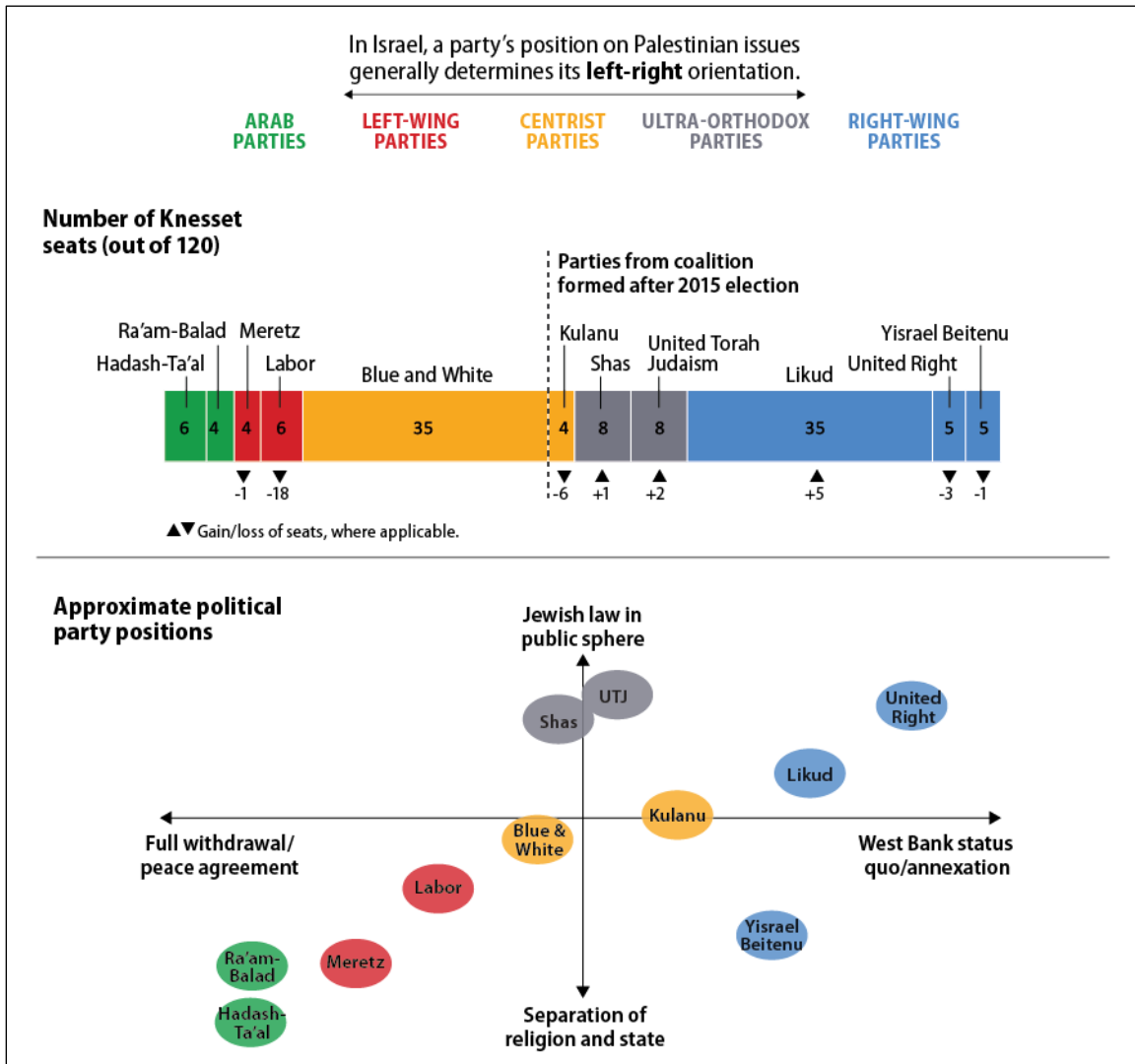
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Figure 1. 2019 Israeli Election Results and Approximate Positions on Issues
(for Israel’s main political parties)



Source: CRS, relying on original graphics and underlying data from Israel’s Central Election Committee and Reuters (on election results) and [British Israel Communications and Research Centre \(BICOM\)](#) (on approximate political party positions).

Many analysts expect that Netanyahu will consider how a new coalition can [protect him from the consequences](#) of the legal cases pending against him. A prominent member of the United Right faction is [reportedly working on restoring a previous law](#) that immunized Knesset members from prosecution during their time in office. Continuing support for Netanyahu from other probable partners and sometime rivals, such as Moshe Kahlon of Kulanu (currently finance minister) and Avigdor Lieberman of Yisrael Beitenu (formerly defense minister and foreign minister), may depend on a number of circumstances. During the campaign, [Kahlon referenced past cases](#) from Israeli politics to surmise that Netanyahu probably would not remain in office if indicted. However, in the election’s aftermath, Kahlon is reportedly [negotiating to merge Kulanu into Likud](#) and remain finance minister in a deal that would [probably secure his continued support](#) for Netanyahu even after an indictment.

Although the law would permit Netanyahu to continue as prime minister until the legal process completely runs its course—including appeals—subsequent developments in the cases against him might

affect public sentiment. With the elections over, [additional evidence](#) from the attorney general’s office that will be released to the parties in the cases may reach the public. A formal hearing will give Netanyahu the opportunity to oppose indictment, after which the attorney general is to make his final decision (see [Table 1](#) below). Also, during the campaign [new media allegations surfaced against Netanyahu](#), pointing to possible criminal investigation for misconduct connected with an ongoing effort by Israel to procure submarines from Germany.

Table 1. Suggested Indictments Against Netanyahu and Additional Steps of the Legal Process

Suggested Indictments

Case 1000: *Netanyahu received gifts from Hollywood mogul Arnon Milchan, in return for political favors*

The charge: Fraud and breach of trust

From the draft indictment: “There is enough evidence to prove that the gifts, given in large scale and in unusual ways, had been received in exchange for actions by Netanyahu.”

Netanyahu’s defense: It is acceptable to receive some gifts from friends, some decisions were against Milchan’s interests

Case 2000: *Netanyahu and Yedioth Ahronoth publisher Arnon Mozes struck a deal: Favorable coverage in return for legislation to damage Sheldon Adelson-owned newspaper Israel Hayom*

The charge: Fraud and breach of trust

From the draft indictment: “Evidence allegedly shows that Netanyahu, in his conversations with Mozes, violated the trust he owes to the public, and severely hurt the image of public service and public faith in it.”

Netanyahu’s defense: Mozes and I fooled each other; there was never any intention to follow through

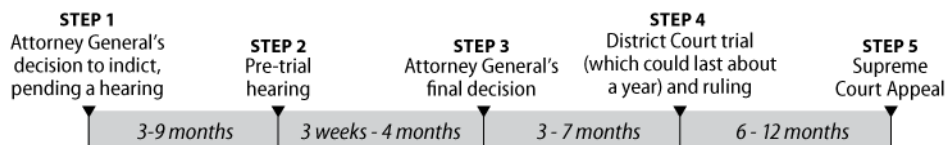
Case 4000: *As communication minister, Netanyahu took steps that benefited Shaul Elovitch who controlled Bezeq – in return for favorable coverage in Bezeq’s Walla News site*

The charge: Bribery, fraud and breach of trust

From the draft indictment: “Based on ... actions and circumstantial evidence, the attorney general has reached a clear conclusion, by which corrupt, improper motives were at the core of Netanyahu’s actions.”

Netanyahu’s defense: Favorable coverage isn’t bribery

Steps in the Legal Process, and the Estimated Time Between Them



Sources: CRS, based on underlying source material from [Ha’aretz](#) (description of suggested indictments taken verbatim) and [BICOM](#) (on estimated timeline).

It is unclear who might replace Netanyahu in case of his resignation or removal. The government could continue with the same coalition (presumably with a new Likud leader) or in a new coalition, depending on whether it receives majority support in the Knesset. Dissolving the government and holding early elections are also possibilities. In this context, Blue and White leaders Gantz and Lapid could go from

being in opposition to participating in or even leading a new government if a post-Netanyahu Likud is unable to maintain its sway with the parties from an initial coalition.

Prospects for West Bank Annexation and U.S. Policy

A new Netanyahu government would likely address a number of issues with significant implications for the United States. For a general discussion of these issues, including security matters involving Iran, the Gaza Strip, and Israel's northern border with Syria and Lebanon, see CRS Report R44245, *Israel: Background and U.S. Relations in Brief*, by Jim Zanotti.

The most prominent questions are whether a new Israeli government will seek to effectively annex West Bank settlements and how U.S. policy could affect these actions. In the final weekend of the campaign, Netanyahu said that [he would apply Israeli law to West Bank settlements](#), preferably [with U.S. recognition](#), if he were to lead the next government. Under past Administrations and in line with U.N. Security Council Resolutions [242](#) and [338](#), [U.S. policy](#) has supported resolving the final status of territories captured by Israel in its 1967 war with Arab states via negotiations. However, Netanyahu's campaign statement on possible annexation of the West Bank (a territory captured from Jordan in the 1967 war) came less than two weeks after [President Trump recognized the Golan Heights](#) (captured from Syria in the same war) as part of Israel. On the same day that [Secretary of State Michael Pompeo](#) said that the Golan situation was "incredibly unique" because its capture came from a defensive war of self-preservation, [Netanyahu reportedly said](#) that the U.S. decision on the Golan showed that Israel could hold onto occupied territory acquired in a defensive war.

How Netanyahu's remarks might translate into specific policy actions on annexation in the West Bank remains unclear. [One analyst has argued](#) that despite his rhetoric, Netanyahu has proved to be "a risk-averse proponent of the status quo." However, the Trump Administration's expressed intent [to present an Israeli-Palestinian peace proposal](#) after a new Israeli government is in place [could result in Palestinian rejection](#) of the U.S. plan—based on Palestinian claims that the plan unfairly favors Israel. If that happens, Netanyahu might [face increased pressure](#) to follow through on his campaign statement from figures within his government who may expect action on annexation if they shield him from indictment or prosecution.

Netanyahu may have difficulty withstanding this pressure from his coalition partners [unless U.S. officials clearly disapprove](#) of the action. However, in an interview a few days after the Israeli election, [Secretary Pompeo said](#) that he was not concerned about Netanyahu's statements regarding annexation. [On the same day](#), the Chairs of the House Appropriations Committee and House Foreign Affairs Committee, along with two other Representatives, issued a statement expressing great concern about the "possibility of Israel taking unilateral steps to annex the West Bank." Previously, a Senator and a Representative [had written an op-ed](#) calling for legislation to oppose "any effort to unilaterally annex any or all of the West Bank."

The consequences of any potential Israeli West Bank annexation are difficult to predict, and could depend on its timing, extent, and other circumstances. Possible negative responses to annexation from the Palestinians and other actors, such as European and Arab states, could affect Israeli calculations.

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