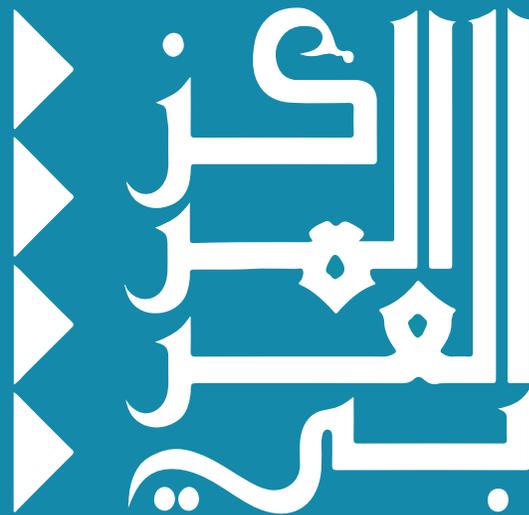


# Will Netanyahu's Legal Troubles Break the Stalemate?

Yousef Munayyer

August 31, 2017



Arab Center Washington DC  
المركز العربي واشنطن دي سي

Ever since his midnight surprise election victory against Shimon Peres in 1996, Benjamin Netanyahu has been a permanent fixture in Israeli politics. He served as prime minister from 1996 to 1999 and then won three more elections to lead Israeli governments in 2009, 2013, and 2015. Throughout, he stayed with the right-wing Likud Party even as the late Israeli Prime Minister Ariel Sharon broke away with a number of Likud figures to form the Kadima Party prior to rebalancing away from the Gaza Strip. Should he remain in office for the next two years, Benjamin Netanyahu would become the longest-serving Israeli Prime Minister in the state's history; surpassing the first Prime Minister David Ben-Gurion. There was little reason until now to believe that this would not happen.

Scandals in Israeli politics are not new or rare and have often resulted in the end of political careers for many high-ranking figures. In recent years, former Israeli Prime Minister Ehud Olmert (2006-2009) resigned in the wake of a bribery scandal and was ultimately indicted and convicted. He was only recently released from prison. Before him, former Israeli President Moshe Katsav (2000-2007) resigned amidst rape allegations and was ultimately sentenced to 7 years in prison on charges of rape and obstruction of justice. He was released on December 21, 2016 after serving five years.

### **Netanyahu's Troubles**

Benjamin Netanyahu and his wife have been embroiled in, and have otherwise survived, a

number of different political scandals over the years. However, there is no precedent for the scale and scope of the scandals which face the Israeli Prime Minister today. There are at least four concurrent significant scandals that could see him indicted for corruption or other crimes. One scandal, so-called file 3000, involves the purchase of German submarines beyond the requirements of the Israeli military and for enriching those involved. In this case, the state's attorney has reached a deal with a key witness who obviously can deliver information that would incriminate higher-ranking officials. It isn't now clear whether Netanyahu himself will be implicated in this scandal but it is likely to implicate people who are very close to him. Only time will tell.

A second scandal involves alleged corruption in the relationship between the Israeli Communications Ministry and Bezeq, a communications giant in the state which is a massive player in the telecommunications markets. The ministry's director general is the primary suspect in this investigation. Netanyahu was the minister of communications at the time, a portfolio that he held along with the premiership.

Another scandal dogging Netanyahu involves allegations of very large gifts that he has received from business tycoons which may have been bribes given for access or other advantages in business deals. This investigation, the so-called file 1000, could lead to charges of fraud or accepting a bribe.

A fourth concurrent scandal, referred to as file 2000, involves allegations that Netanyahu colluded with the publisher of a major Israeli daily tabloid, Yedioth Ahronoth, to limit the circulation of another newspaper, Israel Hayom, in exchange for more favorable coverage of the prime minister. Israel Hayom is owned by American casino magnate Sheldon Adelson, is distributed free daily, and has historically been seen as a Netanyahu mouthpiece routinely providing the most favorable coverage of him.

Of course, none of these scandals have real political significance unless they can be connected back to Netanyahu. While charges have yet to be filed against the prime minister himself in any of these investigations, law enforcement has increasingly crept closer to him and has either charged people associated with him or have successfully turned them into state witnesses in the process of doing so. While it is possible that Netanyahu could escape these scandals unscathed, it is becoming increasingly harder to envision how that will happen. If an indictment of him does ultimately materialize, the question becomes what happens next. Traditionally, Israeli leaders under indictment have resigned, and while Netanyahu may do the same thing he may also try to buck the trend and continue to serve as prime minister as the legal proceedings continue.

It is nevertheless important to ask the question: since it seems that an indictment of Netanyahu is at least a real possibility at this point, what could Netanyahu's departure mean for Israeli

politics? Having been in office for as long as he has, Israeli politics would enter a new era without him, its most central character over the last two decades. Over his years as prime minister, Netanyahu has governed from the right, building one right-wing coalition after another by taking advantage of Israel's dynamic multi-party electoral system and the fundamental lack of strong challengers.

### **What if Netanyahu Goes?**

If Netanyahu was to leave the scene, the reality is that the first of these reasons will remain unchanged. Israel's political system is largely shaped by the country's demographics. The 120-seat Knesset for whose seats the parties compete is really more of a 105-108-seat parliament. The balance is due to non-Zionist Arab political parties which almost never serve in Israeli government coalitions both because they do not wish to and because most coalition partners do not want to work with them. This means that a government would still need a 61-seat majority but would have to be able to put those numbers together with a narrower set of options.

But other demographics underpinning Israeli political party dynamics complicate the picture. Over the better part of two decades, several parties have received fairly consistent support from specific demographics. The Yisrael Beiteinu Party (Israel Our Home), led by Avigdor Lieberman, has traditionally attracted many Russian voters. The Orthodox parties for both European Orthodox Jews (United Torah Judaism) and Sephardic Orthodox Jews (Shas)

rely on their respective ethno-religious voting constituencies. The religious nationalist party, HaBayit HaYehudi (The Jewish Home), relies heavily on the vote of religious nationalists in the Israeli settlements. Together, these parties and the fairly static voting constituencies on which they rely count on routinely producing somewhere between 20 and 30 seats in an election. In the current Israeli government led by Benjamin Netanyahu, these parties together make up 27 seats. The religious and nationalist leanings of these four parties make them much more natural partners in right-wing government coalitions. This is not to say that any of these parties, with the exception of HaBayit HaYehudi, could not conceivably partner with non-right-wing parties. Given the right concessions, it is possible that one of these parties would join such a coalition but the political environment inside the coalition would be most uncomfortable and the price would likely be high and thus unlikely to be paid.

In recent elections two intermediate parties have emerged alongside Labor and Likud, the two major traditional parties of Israeli politics. These are the Yesh Atid Party (There is a Future), led by TV personality Yair Lapid, and the Kulanu Party (All Of Us), which spun off Likud, led by Moshe Kahlon. Lapid hoped to capture the energy of younger voters that was on display in protests in 2011 and he ended up doing so successfully in the elections of 2013, netting a total of 19 seats. But the shine quickly wore off this new party when its seat total dropped down to 11 in the elections two years later. Kahlon's party offered support for more

egalitarian economic positions that appealed to working class Israelis, and being a Mizrahi Jew himself (a descendant of eastern Jews), Kahlon's emergence presented something of a threat to the Likud party which had traditionally attracted much of the working-class Mizrahi vote. He ended up netting 10 seats and joined Netanyahu's coalition government. These are parties that could work with a right-wing government but could also swing in the other direction.

The remainder of the electorate is largely shared between the two traditionally largest parties of Labor and Likud. Under Netanyahu's leadership the Likud Party has seen a decade of stability which has translated into political dominance. Labor, on the other hand, has seen five different party chairmen during this period: Amir Peretz, Ehud Barak, Shelly Yachimovich, Isaac Herzog, and recently elected newcomer Avi Gabbay.

Gabbay, of Moroccan origin, provides an interesting new challenge to the Likud. The last time the Labor party was large enough to be in government without having to cooperate with Netanyahu was after the 2006 elections under the leadership of Amir Peretz who was also of Moroccan origin. If Labor is able to siphon off working class Mizrahi voters from Likud, as Kahlon proved was possible, the party might be able to create a natural alliance with the latter and win enough votes to try to form a government. Gabbay narrowly beat Peretz in recent party elections for the leadership. It is clear this is the strategy the party is hoping to

employ. Whether this turns out to be a winning strategy or a mere gimmick will depend on just how many seats Labor can win. The chances of a high seat total increase if Likud is in disarray and Netanyahu is out of the way; but labor would still have an uphill climb.

While the electoral system and these multi-party dynamics will be unaffected by Netanyahu's departure, the dynamics between the competing party heads will certainly change. Today, Israelis have a hard time picturing another politician becoming prime minister, even if they do not support Netanyahu. This is in large part a function of the fact that Netanyahu has been playing the role for so long. But an additional effect of Netanyahu's long stay has been that the second-tier figures who have risen in national prominence during this time have all been those who have served in his coalition. Avigdor Lieberman is now among the most experienced politicians on the national scene, having served in a variety of ministerial posts including those of foreign minister and defense minister, key positions voters will most likely associate with the ability to lead. Naftali Bennett of the religious nationalist HaBayit HaYehudi Party has also risen in prominence and his native English accent may entice voters to view him as the most effective communicator of Israel's position to the West—a mantle Netanyahu has monopolized in Israeli politics for decades and that has been unmatched since Abba Eban, Israel's late consummate diplomat and politician. If Netanyahu goes, the field will be wide open to a new set of competitors, with

some undoubtedly having a head-start over others although most were Netanyahu allies.

### **Changing Prospects for Peace with Palestinians?**

Given the Netanyahu record in peace negotiations, there is little doubt that the greatest obstacle to successful talks has been the Israeli government. Not even the United States can re-state its long-held policy of supporting a two-state solution because the Israeli government does not share the position and thus doing so would be "biased". So, would a post-Netanyahu Israeli government change any of this? The chances are slim to none. If Netanyahu goes, there is a chance that the present government will stay together; but perhaps a likely outcome would be that it falls and new elections are called. Would this mean that a better government will be formed to shepherd peace negotiations?

For the reasons discussed above, there is a chance that a new coalition that is not largely made up of right-wing parties is possible but such a coalition's path to power is narrow, even without competing with Netanyahu. But if that path is possible, it is likely to be a government with a slim majority. It could surely govern but it would not be in much of a position to make genuine policy changes vis-a-vis the Palestinians and will have to have run on a largely economic platform. There is no Israeli public consensus on ending the occupation or moving toward a genuine peace with the Palestinians. Instead, the current consensus is to

support the status quo: it is a consensus that Netanyahu and the right have helped shape for a long time and is unlikely to shift anytime soon. It is also a consensus that was shaped with the help of a US policy that treated peace as an option instead of an imperative: allowing the Israelis to take for granted American support even as they entrenched the occupation with settlement expansion.

Thus, even a non-right-wing coalition government would reflect this consensus and be extremely limited in what it could do. It would also be constantly vulnerable to attacks from the right and could collapse at any time. Unless US policy shifts to force a recalibration of this consensus that would compel Israelis to choose between the status quo and their relationship with Washington, then it is unlikely that any Israeli government--Netanyahu-led or not--would have the political will to make peace.