



Israel: Netanyahu's Return to Power and New Coalition Partners

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On December 29, 2022, Israel's Knesset voted to re-install Likud party leader Benjamin Netanyahu for a third stint as prime minister (his previous terms were 1996-1999 and 2009-2021). He heads a coalition government that includes ultra-nationalist and ultra-Orthodox parties (see Figure 1).



Figure 1. November 2022 Knesset Election Results

Source: Britain Israel Communications and Research Centre, with graphic adapted by CRS. The Religious Zionism slate consists of three separate parties: Religious Zionism (7 seats), Jewish Power (6), and Noam (1).

The 2022 election was the fifth held in Israel since a legal process regarding corruption allegations against Netanyahu began in December 2018; his criminal trial is ongoing and could last for months or years. Coalition partners who support legal measures to help Netanyahu avoid criminal punishment may have leverage to pursue their policy preferences. To date, Netanyahu has said that he will not allow legislation to influence his trial.

Given close U.S.-Israel relations and regular congressional involvement on issues related to Israel, the Palestinians, and regional security, Members of Congress may closely track the new Israeli government's actions.

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The New Government: Key Developments

Netanyahu's inclusion of ultra-nationalists Bezalel Smotrich and Itamar Ben Gvir within the new Israeli government (see **Table 1**) has triggered debate about the implications for Israel's democracy, its ability to manage tensions with its Arab citizens and with Palestinians, and its relations with the United States and other countries. Coalition agreements state that the Jewish people have an "exclusive right" to the land between the Mediterranean Sea and Jordan River, appearing to conflict with Palestinian statehood aspirations. Smotrich has devoted his career to expanding Jewish control in the West Bank and advocating for the application of Jewish religious law in Israeli society. Ben Gvir expresses many similar views and has been a fixture at contentious gatherings of Jews and Arabs in Jerusalem. An Israeli court convicted him in 2007 for incitement to racism and supporting terrorism.

Position	Name	Party
Prime Minister	Benjamin Netanyahu	Likud
Defense Minister	Yoav Galant	Likud
Foreign Minister	Eli Cohen	Likud
Finance Minister and Minister within Defense Ministry	Bezalel Smotrich	Religious Zionism
Justice Minister	Yariv Levin	Likud
National Security Minister	Itamar Ben Gvir	Jewish Power
Interior and Health Minister	Aryeh Deri	Shas
Transportation Minister	Miri Regev	Likud
Strategic Affairs Minister	Ron Dermer	No formal affiliation
Energy Minister	Israel Katz	Likud
Agriculture and Rural Development Minister	Avi Dichter	Likud

Table 1. Israeli Government: Key Positions

Smotrich and Ben Gvir are each in the process of assuming some security responsibilities. Smotrich has a defense ministry position with formal responsibility over civil affairs units administering West Bank and Gaza Strip issues, including the planning commission that oversees West Bank settlement construction and home demolitions. Ben Gvir heads a national security ministry with general authority over Israel's police—including personnel that patrol Jerusalem and its disputed holy sites. He also expects to oversee the border police, including units that have operated in the West Bank under Israel Defense Forces (IDF) authority. Ben Gvir supports easing open-fire conditions for security forces and increasing their legal immunity.

Defense Minister Yoav Galant apparently seeks to prevent changes to the defense ministry and border police from disrupting the chain of command. Based on media accounts of deliberations between Netanyahu, Galant, and outgoing IDF chief of staff Lieutenant General Aviv Kochavi, Kochavi has reportedly said that the IDF would not be answerable to Smotrich or Ben Gvir. Netanyahu and Galant have reportedly assured Kochavi that decisions on whether to practically implement any changes in command structure would occur only after the military apprises the government of the potential consequences.

Netanyahu has asserted that he will personally retain ultimate responsibility for policy. One Israeli journalist has argued that Netanyahu's efforts to act as a buffer between his coalition partners and Western countries concerned about their influence will eventually lead to him losing the support of one or the other.

The coalition agreements are not legally binding. The degree of their implementation could have significant consequences for issues like West Bank annexation or legalization of outposts, the rights of minorities (including Arabs, women, and LGBTQ people), and diaspora immigration to Israel. The part of the coalition agreement referring to the possible annexation of West Bank areas explicitly defers to Netanyahu's preferred timing and consideration of Israeli interests. Justice Minister Yariv Levin has proposed legislation to overhaul Israel's judicial system, including a provision that would authorize the Knesset to override at least some decisions of the High Court of Justice, amid a highly charged national debate over checks and balances.

Implications for U.S. Policy

The personnel and policies of Israel's new government may have implications for U.S. interests. Members of Congress regularly consider legislation on appropriations and other matters related to Israel and the Palestinians, and provide oversight of executive branch policies. President Joe Biden reportedly supports maintaining aid to Israel, and on December 29 signed P.L. 117-328, which includes several items of FY2023 funding for Israel and the Palestinians. The same day, Biden stated that his Administration would work with Israel's new government to jointly address many issues in the region, and "will continue to support the two state solution and oppose policies that endanger its viability or contradict our mutual interests and values." Earlier, Secretary of State Antony Blinken said that the Administration would support "core democratic principles, including respect for the rights of the LGBT community and the equal administration of justice for all citizens of Israel. We will gauge the government by the policies it pursues rather than individual personalities."

One media outlet reported that "a senior diplomatic source in Jerusalem", expressed worries that if this Israeli government expands its control over the West Bank or weakens Israel's judiciary, Israel could lose the "international legal credit" that has helped it largely avoid sanctions and boycotts, and face an escalation of Israeli-Palestinian violence. With violence in the West Bank at a point arguably higher than any time since the second Palestinian intifada (2000-2005), U.S. officials have encouraged de-escalation and greater Israel-Palestinian Authority (PA) security coordination alongside socioeconomic initiatives to help Palestinians. While PA President Mahmoud Abbas has said that Netanyahu is "not a man of peace," he also has stated that he has "no other choice but to deal with him."

In an early test of the new government's impact, Ben Gvir visited Jerusalem's Temple Mount/Haram al Sharif a few days after taking office, triggering statements of condemnation or concern from Palestinians and several governments both within the region and globally. Netanyahu has pledged to maintain the historic "status quo" that allows only Muslims to worship at the holy site. Expressing deep concern about the potentially provocative nature of Ben Gvir's visit, the State Department spokesperson also called on Netanyahu to keep his commitment on the status quo.

Netanyahu's return could affect U.S.-Israel dynamics on several regional security issues, particularly given his past forceful efforts to influence U.S. policy on Iran. Israeli-Palestinian developments (including on Jerusalem) and U.S.-Israel cooperation on Iran will likely influence Netanyahu's efforts to strengthen Israel's existing relations with Arab states and seek greater normalization with Saudi Arabia.

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