



Israel Report

David Levi-Faur, Sabine Hofmann,
Roy Karadag (Coordinator)

Sustainable Governance Indicators 2017

Executive Summary

As in previous years, Israel has attained highly impressive policy achievements in some spheres, but only demonstrated mediocre performance in others. Impressive successes can be noted particularly in innovation and technology as well as higher education. In contrast, Israel continues to present only mediocre growth per capita, a severely centralized economy, high levels of inequality, and a rising cost of living. Incongruities can be seen in nearly every policy area.

Regarding economic policies, Israel's social spending and taxation policies create a dissonance between overall moderate growth rates, on the one hand, and ongoing social polarization and inequality, on the other. High centralization in the banking and financial services sector and the rising cost of living could harm Israel's financial stability. Recently, Israel launched an independent Capital Market, Insurance and Savings Authority, tasked with overseeing financial services, such as insurance, pension, savings and provident funds.

Social policies in recent years have focused on reducing inequalities. Israel launched a comprehensive five-year program of economic and structural development in the Arab sector. Also, while the national strategy to ameliorate current performance in education remains vague, the Council for Higher Education has published a multi-year plan that emphasizes integrating minority groups into the higher education system. A new reform has also been launched in the pension system that aims to lower pension management fees for workers who do not have the backing of unions. Despite these promising new policies, the Israeli economy remains among the most unequal in the Western world.

As in previous years, several publicized events challenged core democratic principles, such as freedom of the press, freedom of assembly and electoral rules. The most worrisome was the 2016 adoption of the suspension law. This law allows for the suspension of any lawmaker by a supermajority vote of the Knesset. A new law governing NGOs also drew much criticism. Passed in July 2016, this law ("Transparency Requirements for Parties Supported by Foreign State Entities") has raised new concerns on the freedom of assembly. The law requires NGOs that receive a majority of their funding from foreign

governments to disclose this fact to the registrar of nonprofit associations and in all their official publications. Opponents of the law claim it unfairly targets left-wing organizations, as it applies almost exclusively to human rights and anti-occupation activist groups.

Since many of the Supreme Court's judicial reviews have focused on the right-of-center coalition government, ministers, Knesset members and even the prime minister, Benjamin Netanyahu, have raised unrestrained criticisms of the high court's decisions. While the court is among the most trusted democratic institutions and a pillar of Israeli democracy and society, it could lose public trust under this constant barrage of criticism.

Concerns have also been raised about the media's independence. The decision of PM Netanyahu to retain direct control of the ministry of communication appears to have been personally motivated. Currently, Netanyahu and other senior members of the government and coalition are attempting to block the launch of a new independent public broadcasting corporation. Coalition chairperson, David Bitan, claimed that the corporation was "hijacked by people with a left-wing, antigovernment agenda."

The authors of the Israeli Democracy Index 2016 justly summarize the current state of democracy in Israeli by noting that "there are indications of a gradual shift from a liberal-democratic ethos (...) to a republican-democratic ethos."

Citation:

"OECD Economic Surveys Israel.", OECD Website.

<https://www.oecd.org/eco/surveys/Israel-Overview-OECD-Economic-Survey-2016.pdf>

Hermann, Tamar et.al., The Israeli Democracy Index 2016, The Israel Democracy Institute, Jerusalem 2016.

<https://en.idi.org.il/media/7811/democracy-index-2016-eng.pdf>

Key Challenges

Policymaking in Israel is unreliable. In many cases, new decisions, laws and regulations are not implemented. Consequently, even if policymakers successfully overcome the fragmented and often politicized bureaucracy, there is no assurance that decisions taken will eventually be implemented. One of the main reasons for this incongruity is inadequate interministerial cooperation. Though the government has taken action to improve coordination between ministries, they remain essentially territorial. A more coherent governmental strategy reinforced by cooperation between line ministries is needed.

The government must also aggressively reduce the level of inequality in Israeli society. Considerable inequalities in income, education and social opportunities continue to adversely affect labor and economic prospects. While a reform agenda has been agreed upon, implementation of welfare and environmental policy reforms have lagged due to budget cuts. In addition, social policies that tackle the rising cost of living should be at center of the political and bureaucratic agenda. These should aim to lower inequality, while also strengthening financial stability.

Whereas many countries undergo a process of agencification, Israel has retained deep political penetration in its bureaucracy. The new Capital Market, Insurance and Savings Authority, an independent regulatory agency, is an exception that Israel should replicate more frequently. Assuring the independence of the bureaucratic system must be part of institutional reforms to improve government planning, regulation, innovation, information sharing and performance evaluation. Such a reform agenda should be based on the principles of decentralization, privatization and regulation.

In recent years, there has been a shift toward creating a more “open” government. This has included improving communication with the third sector and public as well as within the government itself. The creation of the Special Committee for the Transparency and Accessibility of Government Information in 2015 and launching of a program designed to open all governmental databases to public viewing in 2016 are steps in the right direction. Also, the government has expressed a willingness to allow the third sector and other stakeholders to gain a stronger voice in policy debates. Such openness must ensure equal access to the diverse stakeholder groups. Additional reforms are also needed to reduce corruption, especially in the public sector, strengthen the oversight capabilities of the Knesset and protect the media’s role as watchdog.

Also consequential, the Netanyahu government articulated no new strategy for constructively dealing with the pressing challenges emanating from the ongoing Israeli-Palestinian conflict.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 7

The economy is solidly growing and early estimates expect 3.8% growth in 2016. The inflation rate has declined by 0.6%. A general employment rate of 62% in 2010 (among those aged 15 to 64) has steadily grown to 64.23% in the first nine months of 2016. Also, the unemployment rate dropped to 4.3% at the end of 2016. Regarding Israel's deficit, it remains a concern. Although fiscal stability was a key factor in the country's ability to withstand the global financial crisis, it suffered from a high deficit of around 3% between 2010 and 2015; this may increase by another percentage point in 2016.

While Israel's growth rate has improved over the last decade, a 2016 OECD assessment notes several longstanding major challenges that may harm financial stability. First, many sectors, including banking, suffer from high centralization and remain inefficient. To address this weakness, an expert committee was created in 2015 to increase competitiveness in the banking and financial services sector. The committee recommended that, among other changes, the major banks sell their credit card businesses. The committee also recommended easing regulations on the entrance of new banks to the retail field.

Second, the OECD assessment determined that current regulations on food and apartment market prices (among the highest in the OECD) are inefficient and to blame for the high cost of living, which has deepened the burden on the middle and lower classes. In recent years, the housing market has shown a clear propensity to increase home and rental prices. This increase disproportionately impacts the middle and lower classes, and was one of the main causes of protests in 2011.

Also, there is a significant gap between socioeconomic classes in Israel. Roughly 20 families control companies accounting for half of the total value of

Israel's stock market. According to research by the Taub Center in 2014, there is also a significant variance in average income among the middle class. This variance divides the Israeli middle class into two distinct groups: "middle lower" and "middle higher". The Taub Center's research finds that one of the main causes for this gap is cuts to social services.

In general, while Israel's economic policy has shortcomings, it retains strong fundamentals and largely provides for a reliable economic environment, fostering the country's competitive capabilities and preserving its attractiveness as a location for economic activity.

Citation:

Ben-David, Dan (ed.), "State of the nation report, society, economy and policy in Israel 2014", Taub Center, Jerusalem 2014: http://taubcenter.org.il/wp-content/files_mf/stateofthenationreport2014english57.pdf

"A deficit of 3.5 billion NIS for the government activity in October", Globes Website, 4.11.2015

Milman, O. and Zinger, R., "2015 budget: A high deficit and no growth engines", Calcalist website, 28.9.2014: <http://www.calcalist.co.il/local/articles/0,7340,L-3641611,00.html> (Hebrew).

<http://www.globes.co.il/news/article.aspx?did=1001078554> (Hebrew)

"Economic and budgetary policy for fiscal years 2013-2014", Bank of Israel policy paper (Hebrew).

"Economic indicators: Israeli Economic Data," Bank of Israel Website.

<http://www.boi.org.il/en/DataAndStatistics/Pages/Indicators.aspx?Level=1&IndicatorId=1&sid=0>

"Economic indicators: Labor Force and Demographics," Bank of Israel Website.

<http://www.boi.org.il/en/DataAndStatistics/Pages/Indicators.aspx?Level=2&IndicatorId=1&sid=5>

"Historical Inflation Israel – CPI inflation," Worldwide Inflation Data Website.

<http://www.inflation.eu/inflation-rates/israel/historic-inflation/cpi-inflation-israel.aspx>

"Economic Survey of Israel 2016.", OECD Website.

<http://www.oecd.org/eco/surveys/economic-survey-israel.htm>

"Fiscal stability report", Bank of Israel, July 2016 (Hebrew)

IMF: Israel. Staff Concluding Statement, February 8, 2017, <http://www.imf.org/en/News/Articles/2017/02/08/mcs02082017-Israel-Staff-Concluding-Statement-Of-The-2017-Article-IV-Mission>

Israel's unemployment rate drops to 4.3% in December, February 7, 2017. <http://www.ynetnews.com/articles/0,7340,L-4919068,00.html>

Labor Markets

Labor Market
Policy
Score: 7

Israel's labor policy focuses on incentivizing two income households and expanding job training services for low-skilled workers. Government actions include reforming the "earning potential" scale used for taxes and daycare subsidies, increasing funding for working mothers and labor training programs, and introducing a negative tax for low-paid workers. However, the OECD maintains that implementation has been slow and underfunded. The thirty-third government passed landmark legislation in 2014 which aims to reduce the number of ultra-Orthodox men exempted from military service. However, this legislation was amended in 2015, returning government policy back to what it had been prior to the 2014 legislation.

The Ministry of Economy is promoting programs that encourage and assist ultra-Orthodox communities to acquire academic education, supporting their

entry into the larger labor market. Regarding employment rates, 65.8% of ultra-Orthodox take part in the formal labor force, 59% are women and 41% men. However, in 2016, a law requiring ultra-Orthodox educational institutions to teach core curriculum subjects (math, English, natural science and computer science) as a condition for state funding was cancelled.

The Israeli government largely supports a free market, with labor protection laws deemed by the OECD as reasonably flexible. Instead of the classic labor union and employer model, the government adopted the Danish “flexicurity model” of labor-market regulation. Based on trilateral agreements between the government, employers, and unions, it aims to improve the economic status of both unionized workers and the unemployed by ensuring that they receive severance packages and unemployment benefits while allowing employers more flexibility.

In 2014, an agreement was struck between the Histadrut Labor Federation and business leaders on a plan to increase the monthly minimum from NIS 4,300 to NIS 5,000 over two years. In November 2015, it approved another increase to NIS 5,300 by December 2017.

After many years of increasing numbers of foreign workers in Israel, particularly in nursing, agriculture, and construction, the Israeli government shifted toward diminishing foreign work and even abolishing it all together. This process is ongoing, but proceeding slowly due to pressure from the industrial sectors; from 2011 to 2012 the government still had not reduced quotas as intended. In 2011, however, new agreements were reached with foreign countries such as Bulgaria and Thailand to limit the country of origin of foreign workers for a given business sector in order to improve the monitoring of labor laws and prevent cases of exploitation by recruiting agencies. These efforts have been fruitful, with the number of foreign workers declining over the last two years; they now account to just 2.8% of the total workforce in Israel. However, a huge number of undocumented foreign workers are still in Israel.

Citation:

“Data on Ultraorthodox Employment”, The Knesset’s Research Center, March 2016.

“Data on Foreign Workers in Israel”, The Knesset’s Research Center, June 2016

Azolai, Moran, “The requirement to teach core curriculum was canceled”, 2.8.16, Ynet (Hebrew):

<http://www.ynet.co.il/articles/0,7340,L-4836161,00.html>

Averbukh, Lidia: Foreign Workers in Israel. How Ethno-Nationalism prevents Structures of Representation.

In: Journal for Societal Progress, vol 5 (2), p. 88-96. www.momentum-quarterly.org

Taxes

Until recently, Israel followed a consistent policy of low income tax and small government. Accordingly, it initiated cuts on direct taxes for individuals and

companies and reduced public spending. According to a 2016 OECD report, Israel's budget depends heavily on taxes. In the last two years, Israel has collected more taxes than originally planned. This has created a gap between GDP growth – which increased 34% over the last decade – and income growth – which only increased 5% over the last decade.

Israeli taxation policy is somewhat regressive. It includes raising indirect taxes such as VAT, which is applied equally to all products. Furthermore, although the direct income tax is progressively structured and a large share of the population makes too little to pay any income tax at all, the system creates a curve so that middle-income individuals pay more taxes than their high-income counterparts. The VAT rate is 17%, reflecting a one percentage point decrease that took effect in 2015. This decrease, decided upon by the PM and finance minister, was possible because of extra tax collection and meant to encourage economic growth. Officials with the Bank of Israel worried, however, that this VAT decrease would increase the government's budget deficit. On the whole, the current tax system lacks vertical equality. The distortion is an intentional economic strategy meant to induce growth by reducing the tax burden associated with investments and running a business. While controversial, it is not necessarily unfair.

Israel's taxation system is also not characterized by horizontal equity. For example, unlike in other OECD countries, parental tax reductions are provided to mothers but not fathers. Like most other countries, Israel utilizes its tax system as a political instrument. For instance, it offers tax reductions to army veterans. In 2014, the Knesset proposed a law that aimed to assist first time home buyers and young families by offering a VAT exemption on the purchase, with preference given to veterans. Since Israeli Arabs, ultra-Orthodox citizens, new immigrants and others do not serve in the military, this law could be construed as an unequal tax benefit. Supporters of this and similar legislation argue that soldiers lose income while serving and thus deserve special assistance. From this perspective, the tax reduction serves as a restorative tool. After the law was approved in the beginning of 2014, a stagnation developed in the housing market, mostly among first time buyers who were eligible for the exemption. As a result, the law was withdrawn at the end of that year.

As a part of a general review of the state budget for 2017 and 2018, the government advanced a proposal from the current finance minister, Mosha Kahlon, that would impose an additional tax on citizens who own more than three apartments. However, it is unclear whether the proposal will be eventually approved, since many coalition members remain critical of it.

In most instances, the Israeli tax system has a valid rationale for tax reductions

that appear to violate the principles of horizontal and vertical equality. Due to Israel's commitment to OECD guidelines and the influence of its powerful central bank, it seems likely that the state will continue to manage tax policy responsibly.

Citation:

"Tax reduction guide and tax coordination," Israel government portal:

[http://www.first.gov.il/FirstGov/TopNav/Situations/SPopulationsGuides/SPTaxCoordination/SPTGeneralInformation/\(Hebrew\)](http://www.first.gov.il/FirstGov/TopNav/Situations/SPopulationsGuides/SPTaxCoordination/SPTGeneralInformation/(Hebrew))

Barket, Amiram. "Israel thinks it's an open economy. It isn't.", Globes, 14.02.16 (English):

<http://www.globes.co.il/en/article-israel-thinks-its-an-open-economy-it-isnt-1001102598>

Siklor, Naama. "How Israel became a rich country with poor citizens", Calcalist, 11.10.16 (Hebrew):

<http://www.calcalist.co.il/local/articles/0,7340,L-3699639,00.html>

Naaman, Eibi. "The apartment tax of Kahlon and his communist reason", NRG, 28.8.16 (Hebrew):

<http://www.nrg.co.il/online/1/ART2/819/029.html>

Mirkovski, Eric and Smolski, Raz. "The cancellation of 0 VAT and the taxation of investors contributed to a record in real estate for housing in 2015", The Marker, 2.11.15 (Hebrew):

<http://www.themarket.com/realestate/1.2766073>

Budgets

Budgetary Policy
Score: 7

After the economic crises of the mid-1980s, key steps were taken to reduce Israel's budgetary deficit and to build a set of objectives and guidelines enabling sustainable budgetary planning. Strict budgetary-discipline laws were enacted: The Budget Foundations Law set scrupulous spending procedure regulations and implemented deficit-reporting requirements, and another law prohibited the central bank from providing loans to the government, ensuring that future deficits would be financed by borrowing from the public and abroad rather than through direct monetary injections. Consequently, fiscal power was centralized, giving the Ministry of Finance's budget department the power to impose a policy of budgetary discipline.

Two crucial additional tools, the Arrangements Law (Hok Ha-Hesderim) and the Budget Deficit Reduction Law, redefined the financial and economic structure of the Israeli government. The Arrangements Law is an omnibus law passed together with each budget, consisting of numerous restrictions and amendments designed to secure the state's financial goals. In the last few years, the budget was converted to a biennial budget plan, which many regard has having a positive influence on planning capabilities.

This history of successful budgetary reform continues to contribute to the stabilization of the Israeli economy. Along with a prudent monetary policy, these measures helped the country weather the recent global economic crisis relatively successfully. The central government deficit came in at 2.1% of GDP and is well below the 2.9% target. Despite expansion of public spending in recent years and a rising deficit, it seems that the Israeli budget is still managed to insure fiscal stability.

Citation:

<http://www.imf.org/en/News/Articles/2017/02/08/mcs02082017-Israel-Staff-Concluding-Statement-Of-The-2017-Article-IV-Mission>.

Research and Innovation

R&I Policy
Score: 9

Israel's R&D sector is based on three pillars: scientific research performed primarily in academia, research conducted in government institutes, and research carried out by civil-industrial partnerships led by the Ministry of Finance.

In 2013, the Ministry of Science and Technology submitted a report that urges the government to allocate more public funds to R&D, arguing that private funding dominance prevents long-term and high-risk exploration. The report also pointed to the continued erosion in funding of R&D at universities. This decline is exhibited both in the declining share of contributions by universities to R&D activity over the years as well as in the reduced number of scientific publications per person compared to the 1990s. In 2014, the cabinet approved the establishment of an authority aimed to encourage technological innovation. Since the beginning 2016, the Ministry of Economy and Industry has provided financial support for technological innovation to private companies through a special fund. The fund prioritizes research carried out in underdeveloped areas in Israel as well as research in the field of biotechnology. However, recent budget cuts (of \$300 million) to the Israel Innovation Authority, part of the Ministry of Science and Technology, may harm this effort at promoting innovation. In its 2016 report, the Israeli Innovation Authority highlights the shortage of skilled workers as well as the long-term infrastructure reforms necessary for the continued development of the Israeli innovation industry.

A large portion of Israeli R&D policy is directed toward international cooperation. In 2011, Israel was engaged in 30 different international cooperative research ventures with a variety of European countries and organizations. These resulted in 250 grant applications and projects with a total budget of €250 million. Israel is also a signatory to some 29 bilateral R&D agreements and involved in five EU programs, including Eureka, Eurostars, the Competitive and Innovation Program – Enterprise Europe Network (CIP-EEN), Galileo, and Sesar. In terms of both policy and budgets, the most significant international involvement is in the Framework Programs, such as Horizon 2020, which are managed by the Israel-Europe R&D Directorate (ISERD).

Israel is also one of the main countries that develop and patent important new innovations, especially in the fields of science and technology. When Israel signed the Patent Cooperation Treaty, it also established a domestic patent

office. In 2015, 1,075 patent request were submitted to this patent authority as well as checked by international authorities; of these, more than 50% were approved. Since it was established, the patent office has signed numerous cooperation agreements with foreign patent authorities.

Citation:

“The CEO of the social-economic cabinet approved the establishment of an authority for technological innovation”, Minister of the Economy website 15.9.2014:
<http://economy.gov.il/Publications/PressReleases/Pages/CabinetForTechnologicalInnovation.aspx> (Hebrew)

“World Economic Forum: The global Competitiveness Report 2014-2015”, Geneva 2014:

http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2014-15.pdf.

“The R&D fund – Support to Research and Technological Innovations,”, The Ministry of Economy and Industry website (Hebrew)

Robin, Aliran, “The Budget of the Israel Innovation Authority will be cut in 100 Million Shekels”, The Marker, 11.8.16 (Hebrew)

<http://www.themarket.com/technation/1.3036681>

“Aboutus”, Israel Patent Office Website (Hebrew):

<http://www.justice.gov.il/Units/RashamHaptentim/about/Pages/annualreport.aspx>

“Annual Patent Report of 2015”, Israel Patent Office

“2016 Israel Innovation Authority Report Presented to Prime Minister”, 29.6.2016,

<http://www.imra.org.il/story.php3?id=70918>

Global Financial System

Stabilizing Global
Financial Markets
Score: 8

During Israel’s process of OECD accession its financial regulation was assessed against a number of suitability criteria. Related reports note that Israel signed the convention on combating bribery and successfully passed the three-stages review required by the convention. It also took steps to impose criminal penalties and apply the law to transactions made by Israeli companies abroad. In accordance with OECD standards, Israel also established an authority tasked with increasing the accessibility of financial information. The authority works with corporate experts and publishes materials in Hebrew, Arabic and English. It also operates a public inquiries office for public complaints.

Israel has several regulatory institutions tasked with supervising financial markets. The most prominent include the Israel Securities Authority (ISA) and the Israel Antitrust Authority (IAA). These institutions are responsible for insuring market stability and fair competition. In the aftermath of the global financial crisis, different government organizations worked to limit the risk in the banking and insurance industry. Actions include tightening the rules on mortgages, adopting Basel III regulation and raising minimum capital ratios. Several committees were formed to investigate structural reforms and submitted their recommendations. Both OECD and Israeli central bank assessments are cautiously optimistic, with the latter pointing to important regulatory tools that are currently being developed for future implementation.

During 2016, following the OECD’s recommendation, the government approved the creation of a new capital authority. As a result, the Department of Capital

within the Finance Ministry was shuttered. The new capital authority is independent, although the finance minister oversees it. Among the new authority's responsibilities, it is charged with ensuring the stability of the regulated financial institutions and ensuring they fulfil their obligations to their customers.

Citation:

"Financial stability report", Bank of Israel 2014 (Hebrew).

"Israel - Economic forecast summary", November 2014.

<http://www.oecd.org/economy/israel-economic-forecast-summary.htm>.

Sasson, Asa. "The government approved the creation of the new finance authority", The Marker 13.03,16.

<http://www.themarket.com/markets/1.2881163>

II. Social Policies

Education

Education Policy
Score: 6

Israel's education policy is adversely affected by political and cultural divisions, making it hard to estimate the degree to which it provides equitable treatment. Funding allocation favors Jewish citizens. However, educational achievement in the partially state-funded Jewish-orthodox formal education (in mathematics, English, etc.) is considerably less advanced than in the general system. Despite a constant overall rise in Israel's PISA ranking in recent years, the variation in its results was 40% higher than in other OECD countries. An OECD working report concluded that this "broadly suggests that Israel's poor overall performance in PISA is largely linked to issues in the education system itself and not due to other drivers of educational attainment." Orthodox boys were not tested in the program, as they do not study relevant material.

Even after accounting for specific problems with the Arab and Jewish-orthodox communities, Israeli students' marks have deteriorated compared to previous generations; Israel showed high levels of attainment in the past, and the value of education is well established in the community as a whole. Surveys shows that "42% of 25- to 34-year-olds have either tertiary type A or B qualifications compared with an OECD average of 34%." However, a Taub Center research paper suggests that Israeli education system is ill prepared for the world's increasingly competitive and dynamic working environment. Israeli education spending as a share of GDP is relatively high in comparison to other OECD countries. However, the education system has various allocation problems, and in the last decade has been going through consecutive reforms aiming to improve the quality of education and raise teachers' salaries.

In higher education, Israel performs significantly better as a result of having taken important steps. This year, the Council for Higher Education has published a multi-year plan allocating an additional NIS 6.8 billion, placing emphasis on integrating minority groups (such as Arabs, Ethiopian immigrants and ultra-Orthodox Jews) into higher education. Even so, budget cuts in university programs have had a negative effect on the quality of education as well as on the future opportunities for researchers and staff. Israeli universities rank high in various ranking, with two universities in the top 100 according to ARWU Shanghai Ranking (the Hebrew University of Jerusalem and the Technion-Israel Institute of Technology). Regarding gender equity, unlike most countries, Israel has almost no gender gap in the completion rate of bachelors or equivalent programs (nevertheless, the overall number of women in high academic-level positions is only around 30%). In addition, almost half (49%) of Israel's adult population have attained tertiary education, well above the OECD average of 35%, and the third highest rate of all OECD countries.

Some positive achievements in the Israeli school system can also be found. Access to education has been increased by introducing free, compulsory early childhood education for ages 3 and 4 and by extending compulsory education from 15 to 17 years of age.

Citation:

<https://www.knesset.gov.il/mmm/data/pdf/m03271.pdf>

"The connection between quality of education and growth: Israel compared to the world", Bank of Israel, 3.6.2015 (Hebrew):

<http://www.boi.org.il/he/NewsAndPublications/PressReleases/Pages/03-06-2015-ResearchEducationQ.aspx>

Grave-Lazi, Lidar, "New multi-year plan for higher education: Investment, internationalization", The Jerusalem Post, 9.4.2016, <http://www.jpost.com/Israel-News/New-multi-year-plan-for-higher-education-Investment-internationalization-467714>

OECD, "Education Policy Outlook: Israel" Education Policy Outlook Series, April 2016: <http://www.oecd.org/israel/Education-Policy-Outlook-Country-Profile-Israel.pdf>

"Education at a Glance 2016: OECD Indicators". OECD website

http://www.keepeek.com/Digital-Asset-Management/oecd/education/education-at-a-glance-2016/israel_eag-2016-63-en#page1

Social Inclusion

Social Inclusion
Policy
Score: 3

After showing disturbing trends in recent years, including a rise in inequality and exclusion, the National Insurance Institute (NII) published findings indicating slight improvement in poverty rates based on data from 2014. However, inequality levels in Israel are still among the OECD's highest; measured by the Gini coefficient, Israel ranks fourth most unequal of 32 countries surveyed. It also has the second highest relative income poverty rate in the OECD countries (18.8%).

Israel's social spending and tax policies create a dissonance between overall moderate growth rates, on the one hand, and ongoing social polarization, on the other. This polarization is reflected in several dimensions: a persistent gender gap in pay, significant average wage differences between the Jewish and Arab population as well as between the Ashkenazi (Jews of Eastern European and Western origin) and Mizrahi (Jews of Middle Eastern and African origin) communities, and significant inequality within the elderly population relative to their state before retirement. Overall, gender and ethnic disparities are somewhat narrowing but persist.

Based on this persistent polarization, it is difficult to identify significant social-policy successes in Israel in recent years. According to the NII the slight improvement in social indicators is due to improved participation rates in the workforce, although higher participation rates did not translate into reduced poverty in the ultra-Orthodox and Arab populations. This is aggravated by policies such as reducing the social transfers for children and offering a low guaranteed minimum income; Israel currently has one of the lowest spending rates on social issues among OECD countries (15.8% of GDP compared to the 21.9% OECD average, 2014). In December 2015, the government launched a five-year comprehensive program of economic and structural development in the Arab sector. However, the original budget allocation of NIS 15.5 billion has been reduced to 9.7 billion, excluding the education department.

Citation:

Dattel, L. & D. Maor, "Income inequality in Israel among highest in OECD", Haaretz, 22.5.2015: <http://www.haaretz.com/israel-news/1.657611>
 Endeweld, M., Heller, O., Barkali, N. and Gottlieb, D., "Poverty and Social Gaps Report - Poverty and Social Gaps in 2014, annual report", National Insurance Institute (NII), Jerusalem, January 2016: https://www.btl.gov.il/English%20Homepage/Publications/Poverty_Report/Documents/oni2014-e.pdf
 Swirsky, S., E. Konor-Atias and R. Zelinger, "Social status report 2015", December 2015. (Hebrew) <http://adva.org/wp-content/uploads/2016/01/social-2015-1.pdf>
 Ben Solomon, Ariel, "Israeli government reaches historic budget deal for Arab sector after tough negotiations", Jerusalem Post Online, 30/12/2015, <http://www.jpost.com/Israel-News/Israeli-government-reaches-historic-budget-deal-for-Arab-sector-after-tough-negotiations-438889>
 Ilan, Shahar, "The Five Year Plan To The Arab Sector: You Cannot do anything with a List of Confessions" Calcalist, 16.10.2016, <http://www.calcalist.co.il/local/articles/0,7340,L-3699823,00.html>

Health

Health Policy
Score: 8

Under the 1995 National Insurance Act, all citizens in Israel are entitled to medical attention through a health maintenance organization (HMO). This is a universal and egalitarian law, allowing for broad access to subsidized primary care, medical specialists and medicines. A 2012 OECD survey identified the Israeli health care system as one of the best in the developed world, ranking fifth with a score of 8.5 out of 10. In 2016, Israel's health system remained successful thanks to good health outcomes and a strong primary healthcare system.

Nonetheless, there are specific challenges, such as a high percentage of private spending for health, overcrowded hospitals and nursing shortage, that require improvement.

The OECD also acknowledged the Israeli system's efficiency, characterized by a unique auditing and regulatory system for HMOs, which offers constructive criticism and guidance as opposed to monetary inducements. However, it criticizes a lack of communications between HMOs and hospitals. Similar concerns are raised by NGOs arguing that recent privatization campaigns have led to a deterioration in efficiency, with Israeli facilities suffering from long waiting periods and overworked personnel. Health professionals have publicly stated that the OECD survey was premature, as the deterioration in services has not yet become evident.

Despite widespread healthcare coverage, inequalities in health outcomes and access to health services have persisted. Low-income families still have poor access to dental care and nursing. Israeli health services also experience privatization pressures. An increase in supplemental and private medical-insurance and health care plans has resulted in reduced equality within the system. Furthermore, the quality of health services and facilities varies based on geographic location, with periphery facilities often struggling to attract skilled personnel. Still, the Israeli system is fairly equitable in international comparison.

Recently, the minister of health stated that he highly recommends increasing the "health tax" by 0.6%, reform "elderly nursing" services, reduce waiting periods and improve the overall quality healthcare provision by increasing the number of medical staff in hospitals.

Linder-Gantz, R., "Litzman: The mental health reform will go ahead without delay", TheMarker, 8.6.2015 (Hebrew):

<http://www.themarker.com/news/health/1.2655273>

OECD, "Health Policy in Israel", OECD Health Policy Overview, April 2016, <https://www.oecd.org/israel/Health-Policy-in-Israel-April-2016.pdf>

Linder-Gantz, R. "It is time to increase the health tax", TheMarker, 21.8.2016, <http://www.themarker.com/news/health/1.3045231>

Guter, Aviv, "Litzman: Netanyahu has Promised me that the Elderly Nursing Reform will Pass" Calcalist, 14.9.2016, <http://www.calcalist.co.il/local/articles/0,7340,L-3697946,00.html>

Swirsky, S., E. Konor-Atias and R. Zelinger, "Social status report 2015", December 2015. (Hebrew) <http://adva.org/wp-content/uploads/2016/01/social-2015-1.pdf>

OECD Health Policy Overview. Health Policy in Israel. March 2016,

<https://www.oecd.org/health/health-systems/Health-Policy-in-Israel-March-2016.pdf>

Families

Family Policy
Score: 7

Israel has a mixed family policy that is pro-family while supporting the integration of mothers in the labor force. Its pro-family policy includes essentially free coverage of in-vitro fertilization (IVF) procedures for women

under the age of 45 and child allowances for all Israeli families with children under the age of 17 (without limitations based on income). Its integration policy includes parental leave arrangements, robust child-care policies and protection of job and benefits during maternity leave.

Israeli women's share in the workforce increased substantially during the past 30 years. From just a third of the workforce, women currently make up 47% of all employees. A 2014 study shows that employment rates for women ages 25 to 44 are almost entirely unaffected by motherhood. The gap was even smaller for women with higher education, as education offers more access and financial reward for working mothers. This positive trend is more prevalent among Jewish working women, who are almost equal in share to Jewish working men. In 2014, Arab women still accounted for only 27.6% of the Israeli Arab workforce and ultra-Orthodox Jewish women also continued to lag behind, although both groups show gradual improvement and receive attention as part of a general economic policy that aims to expand social inclusion in the labor market.

Wage gaps are still salient between men and women. Since many women work part-time or hold temporary jobs in order to sustain their traditional role as the main caregivers in the household, the average monthly wage for women in 2014 was 67% of the average monthly wage of men. This gender gap is smaller for hourly wages but still prevalent with women making 83.7% that of men. Studies continue to point to ongoing discrimination against women in business and public sectors.

In 2010, a law was introduced to elongate maternity leave to 14 paid weeks and 26 weeks total. In 2016, a similar law was introduced to allow fathers to use an additional six days of paternity leave. The total weeks of leave at full pay that the average woman receives over her lifetime in Israel is similar to the OECD average. However, other OECD countries offer more flexibility in terms of using parental leave benefits and returning to work on a part-time basis.

In recent years the need for further subsidies for daycare and after school activities gained prominence as a middle-class issue. Consequently, a plan to introduce subsidized care for children 5 and younger was launched. Compulsory education has been expanded, introducing free early childhood education for ages 3 and 4. However, reports claim that this effort remains largely underfunded and does not offer sustainable relief for working mothers and young families.

Citation:

Karcher-Tzameret, H., "The gender index", Shavot - the center for women advancement in the public sphere 2014 (Hebrew).

Swirsky, S., E. Konor-Atias and E. Rapaport, "Social status report 2014", January 2015. (Hebrew)

<http://adva.org/wp-content/uploads/2015/02/social-2014-11.pdf>

Taub Center Staff, "Work-life balance: parental leave policies in Israel" Taub Center Bulletin Articles, 27.7.2016, <http://taubcenter.org.il/work-life-balance-parental-leave-policies-in-israel/>

Swirsky, S., E. Konor-Atias and R. Zelinger, "Social status report 2015", December 2015. (Hebrew)

<http://adva.org/wp-content/uploads/2016/01/social-2015-1.pdf>

Central Bureau of Statistics, "Labour Force Survey Data, December, 4th Quarter and Annual data of 2014", 29/1/2015, http://www.cbs.gov.il/reader/newhodaot/hodaa_template.html?hodaa=201520024

Pensions

Pension Policy
Score: 7

Over the past two decades, Israel initiated several reforms of its pension policy, profoundly changing the system with respect to employer-based pensions and national insurance. The reforms introduced a new defined-benefit (DC) pension plan, with contributions invested in the market instead of government bonds. In so doing, it transformed an underfunded system driven by collective bargaining into a system of mainly individually defined-contribution accounts with varied levels of collective risk sharing. In the last two years, Israel also increased the legal maximum for insurance contributions (including that for pension insurance), with the aim of improving fiscal stability and the system's overall sustainability.

One of its main consequences was shifting more responsibility to individuals. This risk was partly resolved by an agreement that was struck between the "New Histadrut" trade union, the Coordination Office of the Economic Organizations and the government. Once approved by the government in 2008, it insured a steady pension contribution to every salaried employee with two-thirds of the fund financed by his or her employer. In 2016, the contribution was raised to a minimum of 18.5% of the monthly salary and is expected to yield high turnovers in the future. Thus, it is meant to secure the future of Israel's moderately aging population. However, it also reduced available income for poor households and does not fund supplementary income that is critical for the extremely poor.

At the end of 2008, the Israeli government implemented a reform that introduced a requirement for life-cycle strategies in pension savings products. The reform initiated the establishment of different investment tracks with age-based investment profiles, serving as default options for savers who failed to make an investment choice by themselves. Since the new system is regulated rather than operated by the state, it is subjected to the rules of the free-market; even though legally every worker is entitled to a pension, private pensions have discretion over client selection.

In 2016, a new reform to the pension system was launched by the finance minister, Moshe Kahlon. The reform is expected to help the weakest workers by lowering the pension fees. In addition, two "default" pension funds have

committed to charging lower management fees, resulting in an expected increase of monthly pension payments after retirement of 18%. Minister Kahlon also approved recommendations from his team to explore pension plans for the self-employed, who are currently not included in the mandatory pension scheme.

Citation:

Swirsky, S., E. Konor-Atias and E. Rapaport, "Social status report 2014", January 2015. (Hebrew)

<http://adva.org/wp-content/uploads/2015/02/social-2014-11.pdf>

Sasson, Assa and Zarhia, Zvi "starting on July 1st: Thousands more added to the pension" TheMarker, 23.2.2016

<http://www.themarket.com/markets/1.2860665>

JPOST, "Pension Reform", The Jerusalem Post, 8.2.2016, <http://www.jpost.com/Opinion/Pension-reform-463059>

"Kahlon unveils pension plan for self-employed Israel", Globes, 21.4.2016,

<http://www.globes.co.il/en/article-kahlon-unveils-pension-plan-for-self-employed-israelis-1001119587>

Integration

Integration Policy
Score: 5

The legal status of immigrants in Israel is based on the Law of Return (1950), the Law of Citizenship (1952) and the Law of Entrance to Israel (1952). These laws constitute strict conditions for gaining citizenship, allowing Jewish immigrants to receive a permanent legal status as part of the Zionist vision. While still relevant, these laws are unable to offer a constructive framework for dealing with current global immigration challenges, including Palestinian and African immigration to Israel. In the absence of a coherent framework for general immigration, a de-facto immigration policy has been established by ad-hoc ministerial decisions, with impairments for the state and immigrants alike.

A 2014 state comptroller report exposed the potentially dangerous consequences of this lack of policy. These include illegal construction and infrastructure that pose security risks in dense urban areas and a lack of access to proper health and housing for immigrants. Policy solutions so far, including the "law of illegal migrants," focusing on barriers, detention centers and transfer agreements, deal with a small portion of the total immigrant population and neglect its weakest members such as battered women, victims of human trafficking and children. Furthermore, since these non-Jewish immigrants are not officially recognized, it is unlikely that a policy for monitoring and facilitating their inclusion will be developed.

In February 2016, the Knesset passed the government's fourth policy in recent years to address the illegal arrival of African migrants. The policy permits the placement of these migrants in a combination of closed and open detention centers for up to 12 months. Currently, there is a pending Supreme Court appeal challenging the legality of an agreement to transfer illegal migrants to unnamed third countries.

In the last significant wave of Jewish immigration during the 1990s, the vast majority of immigrants came from the former USSR and Ethiopia. Since cultural barriers create challenges for integration into Israeli society, the state offers a wide support infrastructure through education and employment programs, legal aid and so forth. The Jewish Agency, a statutory authority, is responsible for Jewish immigrants' welfare as they arrive, providing them with financial aid while the implementation of immigrant policies is the responsibility of the Ministry of Immigrant Absorption.

Policies over recent years have mainly included tax breaks and subsidies. Individual committees have been formed to study the social aspects of immigration, with the aim of improving working methods. However, as noted by the Knesset's Committee for Immigration, Absorption and Diaspora Affairs, a relatively small proportion of these committees' recommendations have been implemented.

Since the major wave of immigration in the 1990s, the majority of new immigrants are integrated through a "direct integration track" into the community. More than one million immigrants have been dealt with this way. This policy represented a privatization of immigrant absorption and a major change in the policies relating to immigrant rights.

Citation:

"Enlarged assistance to native Ethiopians," The Ministry of Construction and Housing website (Hebrew)

"Foreigners who cannot be deported from Israel", State comptroller, 2014 (Hebrew):

http://www.mevaker.gov.il/he/Reports/Report_248/af07752c-7845-4f1d-ae97-23c45c702624/102-ver-5.pdf

Leshem, Elazar, "The Reform in the Absorption Policy" 16.8.2007, http://taubcenter.org.il/wp-content/files_mf/h2007_immigrant_integration32.pdf

Safe Living

Safe Living
Conditions
Score: 6

The Ministry of Public Security (MPS) manages internal security in conjunction with the armed forces and other government agencies such as "Rachel" (emergency) and "Malal" (terrorism prevention). After changing its name (previously, the Ministry of the Police), the MPS broadened its scope, and is now in charge of crime prevention, the prison system, gun control, the prevention of terrorist acts, and fire prevention policies. Reforms aim to integrate the country's dispersed agencies dealing with security issues and in 2013 the ministry reported some accomplishments. For example, the Firearm Licensing Department (2011), the Israel Fire and Rescue Services (2011) and the Israel Anti-Drug Authority have been successfully integrated into the ministry, improving coordination capabilities. In 2016, the government accepted an MPS recommendation to establish a national program to prevent cybercrime and internet violence against children (MA'OR).

A number of gun related murders and attacks in Israeli Arab cities in 2014 were followed by public outrage and protest, voicing public frustration over escalating violence and the poor security conditions in Israel's periphery. A new surge of violence in 2015 and 2016, characterized by a series of street attacks on Jewish and Arab citizens attributed to nationalist and religious motivations, threaten the general perception of security.

Since Israel's internal-security budget is divided between different agencies, and cannot be separated from the defense budget managed by the Ministry of Defense, it is hard to estimate the country's overall internal-security expenditure. Although the Ministry of Public Security's budget increased in recent years, it is at least partly the result of expanding the ministry's responsibilities and not increased investment or policy implementation.

Citation:

Kubovich, Y., "98% of sexual harassment victims in Israel don't complain to police according to Gov't poll", 5.5.2015, Haartz:

<http://www.haaretz.com/israel-news/.premium-1.654825>

"National violence index 2014", the Ministry of Public Security publication February 2014 (Hebrew).

"Safety: Better life index Israel," OECD.

<http://www.oecdbetterlifeindex.org/countries/israel/>

"A View on MPS 2016" , <http://mops.gov.il/Documents/Publications/HofeshHamaida/summeryreport2016.pdf>

Global Inequalities

Global Social
Policy
Score: 4

Israeli policy regarding global inequalities mainly consists of offering humanitarian assistance, medical and financial aid to developing countries during emergencies. In recent decades, this aid has been expanded to technological and agricultural knowledge-sharing. For example, in May 2016, the Ministry of Economy and Israel National Cyber Bureau organized a workshop to teach and share its cybersecurity expertise with developing countries (e.g., Argentina, Mexico, Colombia, India, Zambia, Kenya, Côte d'Ivoire and Montenegro) who had been targeted and unable to effectively deal with such threats. The government's Center for International Cooperation (MASHAV) oversees cooperation with other developed countries, and is responsible for launching emergency-assistance missions.

Although Israel signed a number of international cooperation agreements with parties such as the United Nations Industrial Development Organization (UNIDO), it is not considered to be a leader or an agenda setter in global fair trade policies. It is however improving its regulatory structure according to international trade agreements and WTO standards. In response to the 2011 social protests it dismantled some import barriers and has begun to eliminate or

reduce import duties on items, including electrical appliances, textiles and apparel, and more recently, many food items.

Citation:

<http://www.mfa.gov.il/MFAHeb/General+info/departments+and+sections/mashav+Israels+Agency+for+International+Development+Cooperation.htm>

“Israel and World Bank Group sign agreement to share innovative best practices in water”, The World Bank website 17.6.2015:

<http://www.worldbank.org/en/news/press-release/2015/06/17/israel-world-bank-group-agreement-innovative-best-practices-water>

“Israel shares cybersecurity expertise with World Bank client countries”, The World Bank Website, 22.6.2016, <http://www.worldbank.org/en/news/feature/2016/06/22/israel-shares-cybersecurity-expertise-with-world-bank-client-countries>

Hayut, Ilanit, “Israeli gov’t expands meat imports to spur competition” Globes, 24/03/2016, <http://www.globes.co.il/en/article-israeli-govt-expands-meat-imports-to-spur-competition-1001112370>

III. Environmental Policies

Environment

Environmental
Policy
Score: 6

Israel faces significant environmental challenges due to its small territory, high population growth and poor natural water resources. Its geopolitical climate adds another challenge since unlike many OECD countries, Israel’s poor relationship with its neighboring countries prevents it from sharing power facilities, which would reduce environmental costs. Security and political considerations also overshadow environmental issues, resulting in long-term neglect of environmental policy while OECD accession binds Israel to conform with western standards and goals.

Since Israel received a status as a developing country with regards to climate policy, it is not bound to international climate treaties and has discretion over greenhouse-gas emissions and pollution targets. In 2009, it stated its aim to reduce emissions by a modest 20% by the year 2020 and subsequently launched a policy package of NIS 2.2 billion. However, the treasury halted the transfer in 2013 and again in 2015 as well as reduced the policy goals. Similarly, the Clean Air Act (2008) that set standards for industrial pollutant emissions and waste dumping underwent severe budget cuts. Although the government has sought to use taxation and price mechanisms to provide incentives for energy use reductions, it has not done enough to offer viable alternatives. This past year, the government approved a NIS 500 million national program to reduce greenhouse gas (GHG) emissions and increase energy efficiency; this was about four months after Israel committed to reducing its GHG emissions by 26% from its 2005 level at the Paris Climate Conference in 2015. In addition, NIS 260 million

were allocated this year to a two-year program focused on reducing air pollution.

Years of drought and rising water prices motivated Israeli scientists to develop new innovative technologies such as desalination facilities, sewage treatment procedures and infrastructure, and efficient irrigation techniques. These have become front-line technologies recognized around the world, used to a somewhat lower (but sufficient) degree in Israel itself. However, Israel has considerable room for improvement with respect to regulation and water pollution prevention.

Israel's approach to preserving forest areas is systematic and effective, but could be improved. According to 2010 report, Israel's wooded area makes up 8.9% of its total land, and some 10% of its open rural area. Most of this land is declared as preserved, and is supervised by governmental authorities such as the KKL-JNF.

Israel's geographical diversity supports impressive biodiversity. Yet, in 2010 8% of plants were under threat or severe threat and 2% were already extinct, while the percentage of endangered vertebrates in Israel is one of the highest in the OECD. It was in that same year that Israel joined other parties to the Convention on Biological Diversity in adopting an updated Strategic Plan for Biodiversity for 2011 through 2020. In 2006, Israel established a communal program which promotes cooperation between the government's main environmental bodies.

Citation:

Begano, Y., "The state comptroller's report: Did the gatekeepers of air pollution fall asleep?", Maariv online 5.5.2015 (Hebrew):

<http://www.maariv.co.il/news/israel/Article-475976>

Drukman, Y., "The controversy over reduce gas emissions is resolved", Ynet 17.9.2015 (Hebrew):

<http://www.ynet.co.il/articles/0,7340,L-4701280,00.html>

Tzafrir, R., "Despite the approaching climat summit: The government cancels the national plan to reduce greenhouse emissions", Haaretz.

"The state of nature 2015", HaMarag publication June 2015 (Hebrew):

http://www.hamaarag.org.il/sites/default/files/media/file/report/field_report_report_file/%D7%93%D7%95%D7%97%20%D7%9E%D7%A6%D7%91%20%D7%94%D7%98%D7%91%D7%A2%202015.pdf

"Vehicle emissions", State Comptroller annual report 64c (2014), 1055-1115 (Hebrew).

[http://www.mevaker.gov.il/he/Pages/search.aspx?k="קו"20ווא"20ק"](http://www.mevaker.gov.il/he/Pages/search.aspx?k=)

"Environmental performances report: Israel 2011 - Main findings," OECD (Hebrew)

"HaMarag - National plan for monitoring the status of nature and biodiversity in open territories in Israel," HaMarag website (Hebrew)

"The Forest Law: current form" (hebrew)

"What is the Forest Law?," Kakal website (Hebrew)

"Govt. OKs Program to Reduce Greenhouse Gas Emissions, Increase Energy Efficiency", Israel Ministry of Environmental Protection, online website, 10/04/2016, <http://www.sviva.gov.il/English/ResourcesandServices/NewsAndEvents/NewsAndMessageDover/Pages/2016/04-April/Govt-OKs-Program-to-Reduce-Greenhouse-Gas-Emissions,-Increase-Energy-Efficiency.aspx>

Israel Ministry of Environmental Protection

http://www.sviva.gov.il/English/env_topics/InternationalCooperation/OnTheIntlFront/Pages/OTIFdefault.aspx

Global Environmental Protection

Global
Environmental
Policy
Score: 5

Israel is starting its involvement in advancing global environmental projects. In recent years it has taken a larger role in environmental concerns, partly due to joining the OECD in 2010, and partly due to a rise in public awareness surrounding these issues.

Israel has been forced to find technological and ecological solutions because of the unique and diverse nature of the Israeli climate and the country's scarcity of natural drinking water. Thus, it launched green technology projects that aimed to show off its achievements in desalination and recycled water and share information and technologies with other countries. Israel is also involved in international efforts aiming to fight desertification since it is an important exporter of new methods and technologies developed specifically for arid regions. However, it demonstrated lower levels of commitment to other important global issues such as air-pollution standards and the global strategy for reducing greenhouse-gas emissions.

Citation:

Lorenz, J., "Israel Climate Change: What's Jewish Nation's Stance and Policies on Global Warming?" Newsmax, 16.12.2014, <http://www.newsmax.com/FastFeatures/israel-climate-change-policies/2014/12/16/id/610892/>.

Shamah, D., "Israel flaunts green tech, but lags behind in alternative energy," The Times of Israel 26.6.2012

"A worldwide campaign: Israel front liner in the Green Tech industry," Agrisupport online website 21.6.2012 (Hebrew)

"Israel," OECD better life index

"Israel and World Bank Group sign agreement to share innovative best practices in water", The World Bank website 17.6.2015:

<http://www.worldbank.org/en/news/press-release/2015/06/17/israel-world-bank-group-agreement-innovative-best-practices-water>

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 8

Israel is an electoral democracy. While it does not have an official constitution, one of its basic laws (“The Knesset,” 1958), which holds special standing in the Israeli legal framework, provides for a general, free, equal, discrete, direct and proportional elections, to be held every four years. The basic law promises equal opportunity for each Israeli citizen (as well as Jewish settlers in the Israeli-occupied territories) to elect and to be elected under certain reasonable restraints. To be elected for the Knesset, a candidate must be a citizen over the age of 21, with no criminal incarceration over three months in the seven years prior to his/her nomination (unless authorized by the head of the central elections committee). If the nominee held a prominent public office (as specified in law), he or she is subject to a waiting period. Under the party law of 1992, general elections are led by the central election committee, which is in charge of organizing the actual elections procedurally and tallying the final votes. The committee is also authorized to reject a nominee or a list based on three conditions: First, if they reject Israel’s Jewish and democratic identity. Second, if they support another country’s armed battle against Israel and/or support a terror organization. Third, if they incite racism.

Due to its significant influence over the electoral process, the committee is chaired by a supreme court judge and is constituted according to a proportional system. This allows each faction in the Knesset to be represented. In addition, the formation of the group is meant to balance the political nature of the committee with a judicial emphasis on proper conduct. In order to disqualify a nominee, the committee must receive authorization from the Supreme Court. In the 2015 elections, the committee disqualified the nomination of parliament member Hanin Zohaby (Balad), and the extreme right-wing activist Baruch Marzel (Yachad), claiming that they were in breach of article 2 and 3 respectively of the Knesset basic law. Both decisions were reversed by the Supreme Court. Out of 12 disqualifications made by the central committee the Supreme Court only upheld three: the socialist list (1964), kah (1988, 1992) and Kahana (1988).

Also, the suspension law, which was enacted in 2016, allows the suspension of a Knesset member, if a supermajority of the Knesset vote that this member has deviated from expected behavior. The law drew much criticism, mostly from opposition members, but also from some members of the coalition. Most of the criticism revolved around the claim that the Knesset does not have the power to suspend a member and that this authority should be held by the courts. In addition, some critics raised concerns that the vote to suspend a member will mostly be influenced by political considerations and, thereby, severely weaken Israel's democratic character.

Citation:

"Summary of laws relating to the general elections," from the Knesset official website (Hebrew)

Shamir, Michal and Margal, Keren, "Notions on threat and disqualification of lists and nominees for the Knesset: from Yardur to the 2003 election, Mishpat & Mimshal 8, tashsa, pp. 119-154 (Hebrew).

"Basic Laws: 'The Knesset'" Knesset official website: www.knesset.gov.il/description/eng/eng-mimshal_yesod1.htm (English)

Hobal, Ravital, "The majority of the judges rejected the petition regarding the election threshold", 14.1.15, Haaraz (Hebrew):

<http://www.haaretz.co.il/news/elections/.premium-1.2538960>

Azolai, Moran. "The Suspension Law was approved in the Knesset", 29.03.16, Ynet (Hebrew):

<http://www.ynet.co.il/articles/0,7340,L-4784299,00.html>

Htoka, Shusi. "Rivlin: the Suspension Law – an example of problematic understanding of the democracy", 15.02.16:

http://www.mako.co.il/news-military/politics-q1_2016/Article-5450e808bd5e251004.htm

Fuchs, Amir. "MK Suspension Bill: Anti-Democratic to the Core", 06.06.2016

<https://en.idi.org.il/articles/2357>

Media Access
Score: 8

One of the cornerstones of Israeli democracy is its free press and other media. Laws have been enacted to ensure equality in media access for all candidates and parties. Moreover, the criteria for the allocation of airtime during election campaigning are impartial (i.e., not subject to arbitrary considerations) and determined by the chairperson of the central election committee. More specifically, the Election Law (Propaganda Means) states that the chairperson determines the radio broadcasting time provided to each list of candidates (currently, each list is entitled to 25 minutes, plus another six minutes for every member of the departing Knesset). All campaign-related broadcasts must be funded by the parties themselves and approved in advance by the chairperson. Recently, the elections law examination committee recommended withdrawing the radio and television broadcasting time reserved for each party and the prohibition on broadcasting election propaganda during the last 60 days before an election as well as applying current laws to internet media.

While election broadcasting rights are fair and balanced, everyday equal access to media is challenged by the increasing popularity of the free daily "Israel Ha'yom," owned by a prominent Likud party contributor. However, the Yediot Aharonot and Ynet news websites were accused of being anti-Netanyahu during the 2015 election campaign. A recent review by the state comptroller concluded that no such bias exists in these newspapers.

Citation:

Hattis Rolef, Susan, Ben Meir, Liat and Zwebner, Sarah, "Party financing and election financing in Israel", Knesset Research Institute, 21.7.2003 (Hebrew).

Shwartz-Altshuler and Lurie, Guy, "Redesign the Israeli Election Propaganda Arrangements", Israel democracy institute website 6.4.2015:

http://www.idi.org.il/%D7%A1%D7%A4%D7%A8%D7%99%D7%9D-%D7%95%D7%9E%D7%90%D7%9E%D7%A8%D7%99%D7%9D/%D7%9E%D7%90%D7%9E%D7%A8%D7%99%D7%9D/redesigning_propaganda_regulations/ (Hebrew)

Tucker, Nati, "Following Gideon Sahar's announcement: Geula Even will be reinstated to channel 1", theMarker 17.9.2014: <http://www.themarker.com/advertising/1.2437045> (Hebrew)

Tucker, Nati, "Israeli Media Asking Itself How It Got the Election So Wrong", Haaretz 22.3.2015: read more: <http://www.haaretz.com/israel-news/elections/.premium-1.647959>

"Report to the Public"- The Elections Law Examination Committee, September, 2016, <http://bechirov.gov.il/election/vadattaamula/Documents/Interim-Report.pdf>

Persico, Oren, "Decided Not to Decide" The Seventh Eye Online Magazine, 19.10.2016, <http://www.the7eye.org.il/222015>

Tucker, Nati, "Following Gideon Sahar's announcement: Geula Even will be reinstated to channel 1", theMarker, 17.9.2014: <http://www.themarker.com/advertising/1.2437045> (Hebrew).

Tucker, Nati, "Israeli Media Asking Itself How It Got the Election So Wrong", Haaretz, 22.3.2015: <http://www.haaretz.com/israel-news/elections/.premium-1.647959> (English).

Voting and
Registrations
Rights
Score: 9

According to the Israeli basic law "The Knesset" (1958), every Israeli citizen above 18 is eligible to vote in the general elections. This right is guaranteed under the principle of equality. It is only restricted by the requirement to exhibit a valid government identification, which must include the voter's name and picture. If the ID-holder refused to have their photo taken (as is the case among some religious women), the ID will be considered valid if she or he received authorization from the Ministry of the Interior. Article 10 of the basic law states that the day of the national elections is a national holiday, but that public transportation and public services will remain open, thus giving voters a positive (or, at least, not a negative) incentive to vote. Recently, a bill was presented that would allow voters to choose a polling location different from the one they are registered at, further easing the voting process for citizens.

Up until 1988, the issue of prisoners' right to vote was not much debated. However, after a number of petitions were submitted to the Supreme Court ("Bagatz"), the Knesset revised the law to state that a voting box must be stationed in every prison. Handicapped citizens are also entitled to specially equipped voting stations, simplifying their voting process by using double envelopes. The state is obligated to offer at least one such station in every city council, and at least two in a city council with more than 20 standard voting stations. During the voting process, if the voter struggles with the voting procedure for any reason (such as ill health), he or she has the right to ask for assistance from an escort. Soldiers on active duty are also entitled to vote in special voting stations using double envelopes. Although the mentally ill are usually unable to access voting stations (due to hospitalization or personal constraints), they are not restrained by any specific law.

In contrast to some countries, Israel does not allow citizens that are out of the country (the Israeli-occupied territories excluded) at the time of the election to vote unless they are members of a distinct category eligible by law (e.g., embassy employees stationed abroad). However, every citizen has the right to vote without a minimum period of residency in the country.

Information on the voting procedure is available through special government-funded information centers. These can be accessed by telephone and online. Information on voting is also disseminated by the media. Problems and complaints are dealt with by the central election committee, each branch assigned a particular severity of complaint.

Citation:

“Basic Laws: The Knesset,” Knesset official website: www.knesset.gov.il/description/eng/eng-mimshal_yesod1.htm

“The 19th election for the Knesset: Information for the voter Q&A,” National election supervisor website (Hebrew)

“Who is allowed to vote?,” Israel Democracy Institute website, November 2002 (Hebrew)

Bander, Arik, “The Election Committee Suggests: Voters Could Vote in A Different Address Than Registered”, Maariv Online, 22.6.2016, <http://www.maariv.co.il/news/politics/Article-546545>

Party Financing
Score: 9

Israel has strict rules concerning party financing and electoral campaigns. The most important are the Parties Law (1992) and the Party Financing Law (1992). The two laws require all parties to document their finances and report them to the state comptroller. These laws also stipulate the means by which parties can receive income. No party is allowed to earn income from outside the following:

- (1) Party membership dues and fundraising appeals among members, within limits established in the Party Financing Law;
- (2) Public funds received in accordance with the Party Financing Law;
- (3) Private contributions received in accordance with the Party Financing Law.
- (4) Funds received for the purpose of elections in the New Histadrut trade union association, as approved by the New Histadrut.
- (5) Funds obtained from party activities, directly or by means of party associations, involving the management of party property and funds under article 21 of the law.

Furthermore, in order to ensure the observance of these two laws in the regulation of party financing, all of the financial activities during the election period are subject to the supervision and monitoring of the state comptroller, who issues instructions that have the status of subsidiary legislation. The state comptroller publishes regular reports on the parties’ finances, and is in charge of determining whether there has been a breach of the law. Moreover, it is the state comptroller who can rule that a party must return funds to the state because of discrepancies in the receipt of private contributions.

In the state comptroller's report reviewing the 2015 election campaign, it was revealed that several parties were fined for violating the Party Financing Law. This includes a NIS 1.8 million fine of the "Bait Hayeudy" party and NIS 850 thousand fine of the Likud party. Several other parties' funding activities were also deemed unlawful. A controversial bill being debated in the Knesset, sponsored by MK Yoav Kish (Likud), would limit NGO funding of political campaigns. The bill has been called the "V15 Law" after the NGO that waged an extensive electoral campaign against PM Benjamin Netanyahu in 2015. The bill includes a long list of restrictions on nonprofits, and, fueled by the state comptroller's report, several members of the Likud party have endorsed this measure.

Citation:

Hattis Rolef, Susan, Ben Meir, Liat and Zwebner, Sarah, "Party financing and elections financing in Israel, Knesset Research Institute, 21.7.2003 (Hebrew).

Drukman, Yaron, "The State Comptroller Report: High Fines to the "Bait Hayeudy", the Likud, and Hadash", Ynet, 18.10.2016, <http://www.ynet.co.il/articles/0,7340,L-4867070,00.html>

Shalev, Tal, "Following the State Comptroller's Report: the Likud is decisive in advancing the V15 Law", Walla News, 18.10.2016, <http://news.walla.co.il/item/3006003Search&cof=FORID%3A9>

"Knesset passes controversial 'transparency' law on NGO funding", Jewish Telegraph Agency, 12.07.2016 <http://www.jta.org/2016/07/12/news-opinion/israel-middle-east/knesset-passes-controversial-transparency-law-on-ngo-funding>

ACRI. "Anti-NGO Legislation in the Israeli Knesset". February 2016

<http://www.acri.org.il/en/wp-content/uploads/2016/02/Anti-NGO-Bills-Overview-Updated-February-2016.pdf>

Popular Decision-Making
Score: 2

Israel's government and parliament have traditionally given little support to popular decision-making mechanisms. However, in March 2014 the Knesset approved a basic law on referenda. This law will apply in the event of an agreement or unilateral decision that involves withdrawal from certain geographical areas. This law has never been applied and one should realize that the use of referenda is limited to this particular issue.

Attempts at encouraging popular decision-making mechanisms tend to take the form either of (1) open information projects or websites addressing national interest investigation committees; or (2) special legal provisions allowing citizen appeals on issues such as urban planning and addressing parliamentary committees on issues that directly concern them. These sorts of initiatives, while important, reflect a top-down strategy for civil participation instead of encouraging independent initiative.

These initiatives, however, remained largely in the early stages. We were unable to find any meaningful ways through which Israeli citizens can affect the decision-making process directly (i.e., without media pressure, persuasion via lobbying firms or appeal to the courts). Something of the sort can, however, be found on the municipal level. A local community-administration structure has existed since the 1980s, which enables local residents of Jerusalem to take part

voluntarily in political decision-making that affects their neighborhoods. These programs were created in an effort to develop local leadership and enhance citizens' political efficacy. However, observers question the real value of such initiatives.

Citation:

Altshuler-Shwartz, Tehila, "Open government policy in Israel in the digital age," Israel democracy institute, 2012. (Hebrew)

Gefen, Haaron, "The effect of institutionalizing participatory democracy on the level of sharing by public organization employees", Israel Democracy Institute, 2011 (Hebrew)

Karmon, Yoav "Re-inventing Israel's Democracy",

Vaksman, Efrat and Blander, Dana, "Models for sharing," Israel Democracy Institute website 2012 (Hebrew)

"Future recommendations", sharing: committee for social and economical transformation website. (Hebrew)

"Sharing on governmental issues", Israeli government website (Hebrew)

Access to Information

Media Freedom
Score: 6

Israel's media environment is considered lively and pluralistic. Freedom of the press is generally respected, and neither the government nor its military abuse their power in order to restrict information. Israelis have wide access to free and largely uncensored Internet and the usage rate marked a high 72% in 2016. Even though the country's basic laws do not offer direct protection and censorship agreements accord the military wide discretion over issues of national security, legal protections for the press are robust: the Supreme Court has ruled that freedom of expression is an essential component of human dignity and has continuously defended it, soundly assimilating this principle into the Israeli political culture.

According to the latest Freedom House rating, the media in Israel is "Partly Free" (32 out of 100 points). The country's rating has gone down from "Fully Free" to "Partly Free" mainly because of the economic threat posed by the newspaper "Israel Hiom," which is handed out for free, to the other newspapers. Another reason for the current rating is the marketing content of private companies and ministries in some newspapers such as Ynet.

Several affairs in recent years call into question the media's independence. First, with growing public concern about government transparency, apprehensions about the ownership of media (television, newspapers, news websites, etc.) and the politicization of the main media systems have intensified. Several reports exposed the ownership structure of the media market in Israel, noting cross ownership, crony capitalism and centralization. These reports also pointed out the influence this structure has had on the coverage of political and economic issues. On the political level, they exposed the increasing involvement of the government in public and private media and that this derives partially from PM Netanyahu's decision to keep the Ministry of Communication under his authority.

Second, a recent bill proposes merging the two public authorities that are currently responsible for commercial television and radio broadcasting. The proposal was criticized as a threat to media freedom, as it would replace the independent authorities with one under the Ministry of Communication. Critics charge that the proposal would give the communications minister permission to appoint media supervisors and control their actions.

Third, the Israel Broadcasting Authority (“Rashut Hashidur”) underwent extensive reform deliberations in 2014 and was expected to be replaced by a new service, the Israeli Public Broadcasting Corporation (“Taagid Hashdiur”). However, the process has stalled. PM Netanyahu and other senior members of the government are trying to prevent the launch of the new service by canceling the 2014 reform. Many coalition and opposition members oppose this effort, claiming that shutting down the service will harm media freedom. Also, the Ministry of Finance claimed that this effort would cause the loss of money invested in the service. Consequently, it is unclear whether the new broadcasting service will start be on-air in 2017.

Furthermore, when examining the extent to which the media in Israel is independent one should also note the immense censorship power provided by law. Under a 1996 Censorship Agreement between the media and military, the censor has the power – on national security grounds – to penalize, shut down, or stop the printing of a newspaper, or to confiscate its printing machines. In practice, however, the censor’s role is quite limited, and journalists often evade restrictions by leaking a story to a foreign outlet and then republishing it. Since the beginning of 2016, the military censors have toughened their policies, supervising content in newspapers, on blogs and other social media channels. Some bloggers have claimed that censors sent ordered them to submit every text on security issues for approval.

Citation:

Caspi, Dan, “Media and politics in Israel,” Van Lear and the Kibutz Hameuhad, 2007 (Hebrew).

Lubbel, Maayan, “ Benjamin Netanyahu’s Tangled Relationship With Israel’s Media“, Forward 27.11.2015:

<http://forward.com/news/israel/325459/bibi-times-netanyahus-tangled-relationship-with-israels-media/>

(Hebrew)

Taig, Amir, “Chaos returns to the communication’s market”, theMarker 21.9.2104:

<http://www.themarket.com/advertising/1.2440269> (Hebrew).

Tucker, Nati, “Temporary Solution to Channel 10: Ministry of Finance will Establish a team to Examine Debt Rescheduling”, theMarker 30.8.2012:

<http://www.themarket.com/advertising/1.1813199> (Hebrew)

Weitz, Gidi, “Not only Israel Hayom: The Popular News Website ‘Walla’ Serve Netanyahu”, theMarker 29.10.2015:

<http://www.haaretz.co.il/magazine/1.2763613>

“Freedom of the Press: Israel 2014”, Freedom House, 2014

https://www.freedomhouse.org/report/freedom-press/2014/israel#.VKRbWcl_eOE

“Israeli Media Is Another Example of Crony Capitalism”, Haaretz 2.11.2015:

<http://www.haaretz.com/opinion/1.683677>

“Map of Media Ownership of the Israeli Media“, The seventh eye website 2.12.2014: <http://www.the7eye.org.il/50534> (Hebrew)

The World Bank Internet Users Data <http://data.worldbank.org/indicator/IT.NET.USER.P2>

“Israel Freedom of the Press Country Report 2016” , Freedom House website: <https://freedomhouse.org/report/freedom-press/2016/israel> (English)

Tucker, Nati, ” Kahlon Reverses Course, Agrees to Delay New Israeli Broadcaster”, Haarezt, 25.7.16 (Hebrew) <http://www.haaretz.com/israel-news/1.733157>

Tucker, Nati, “The Prime Minister Will Try to Rearrange the Media Market – In His Own Favor,” The Marker, 21.10.16 (Hebrew): <http://www.themarker.com/markerweek/1.3100036>

Mana, Maya. “Miri Regev is Suing 10 million Shakels from Channel 10,” Walla!, 20.10.16 (Hebrew): <http://b.walla.co.il/item/2899045>

Frisco, Oren. “Control Through Prevision,” The seventh eye website, 4.10.16 (Hebrew) <http://www.the7eye.org.il/191753>

Verter, Yossi. “Senior Government Official Promotes Initiative to Take Down New Israeli Public Broadcaster,” Haaretz, 30.10.16 (English): <http://www.haaretz.com/israel-news/.premium-1.748224>

Tucker, Nati, “‘Israel Hayom’ and marketing content caused a deteriorate in ranking of media freedom in Israel”, 27.04.16 (English): <http://www.haaretz.co.il/news/education/.premium-1.2928144>

Media Pluralism
Score: 6

Israeli policy toward media pluralism is taking a “multivalued approach,” in the sense that it views an open media field as a part of the democratic order, and thus values it not only for economic purposes but for normative ones as well. This view justifies utilizing special regulatory tools (as opposed to exclusive antitrust regulation) in order to prevent concentration of ownership and cross-ownership in the media sector. In this spirit, media regulation in Israel also oversees issues of content (specifically regarding issues of local production and censorship).

In practice, the regulation in Israel is a structural one, controlling ownership in media channels (e.g., radio, public and private television via cable and satellite). Regulators are in charge of authorizing licenses and enforcing regulations on ownership concentration, cross-ownership and foreign ownership. Print media is not governed by the same restraints. Instead, it is controlled through antitrust regulation and voluntary self-regulation. Most of the news websites in Israel are operated by the print media companies. There are attempts to expand regulation to the digital sphere, but no change has been legislated by parliament as of yet. According to Freedom House’s 2016 report, ownership concentration among private stations is a growing concern, although a diverse selection of broadcast media remains available in Israel. A comprehensive map of media ownership, that tracks the identities of tycoons, corporations and other entities that hold Israel’s media companies and outlets was recently published presenting several shifts since the 2014 map (reflecting an ownership change of Channel 10 and several radio stations).

In general, Israel’s media sector shows diversified ownership structures both in the electronic and print markets. The public and regulated private media compensate for deficiencies or biases in private media reporting by ensuring

representation of a wide range of opinions. Recent years brought about ideological and financial centralism along with government efforts to improve regulation and competition in the communications market. Israel's diverse newspaper industry was joined in 2007 by "Israel Hayom," a free daily newspaper owned by Sheldon Adelson, an American businessman who is openly aligned with the PM and Likud party. It quickly gained power, capturing 40% of the market. This has raised concerns, both to its partisan coverage and its negative affect on competing commercial newspapers. In 2012, the owner of the religious right's prominent paper "Makor Rishon" purchased the long standing, but financially troubled, "Ma'ariv" daily newspaper, increasing market centralization. However, mounting debt ultimately resulted in the newspaper's closure.

Citation:

Agmon, Tamir and Tsadik, Ami, "Analyzing economic ramifications of centralization and cross ownerships in the Media," Knesset Research and Information Center, 2.11.2011 (Hebrew)

Tal, Yizhar and Ivry-Omer, Dina, "Regulation of electronic communications services in Israel: The need to establish a communications Authority," Policy research 76 IDI, November 2009:

http://en.idi.org.il/media/277043/pp_76.pdf (Hebrew)

Tucker, Nati, "Why did Shlom Ben Tzvi disappear?"; theMarker 3.10.2014:

<http://www.themarker.com/markerweek/1.2449472> (Hebrew).

Zrahiya, Zvi, "Israel's media is riddled with alien interests," 15.11.2011

<http://www.haaretz.com/business/israel-s-media-is-riddled-with-alien-interests-1.395639?localLinksEnabled=false>

"Israel: Freedom of the Press: 2014," FreedomHouse website:

<http://www.freedomhouse.org/report/freedom-press/2014/israel#.VDQ5CTYg1Ko>

"Israel: Freedom of the Press: 2016", Freedom House website: <https://freedomhouse.org/report/freedom-press/2016/israel>

"The Map of Media Ownership in Israel 2016", The Seventh Eye website:

<http://www.the7eye.org.il/wp-content/uploads/2016/04/the-7th-eye-israel-media-ownership-map2016-english.pdf>

Access to
Government
Information
Score: 8

Israel has a freedom of information law (1998) allowing each citizen or resident to apply for information regarding a government authority's activity, whether written, filmed, recorded or digitized. This legal standing has been the basis of considerable activity by NGOs and private individuals. For instance, municipal authorities and government offices issue online reports detailing their progress in various areas. Naturally, the right to freedom of information is not absolute, with reasonable restrictions on the basis of national security or privacy issues. However, a 2008 analysis by the Israel Democracy Institute stated that the restrictions are within reason and do not prevent the law from reaching its main goal: to assist in creating a more transparent and accountable government. In addition, the right-to-privacy law (1998) grants individuals the right to access their personal information held in government or private databases. The implementation of this law is enforced by the registrar of databases in the Ministry of Justice, and petitioners can appeal to the courts if they find that government practice does not accord with the law.

In 2011, government decision no. 2950 established a designated unit for freedom of information within the Ministry of Justice. The unit is also charged with implementing OECD guidelines for information management and sharing. As part of its mandate it publishes a yearly progress report. According to the unit, in 2015, 85% of requests were replied to within the legal 30-day period; the most common reason for rejection being lack of proper documentation (17.9%). In 2015, there was a 15% increase in the number of requests. According to the unit, progress is often impeded by the party responsible for freedom of information in subordinate authorities (as a result of budget constraints, conflicts of interest, time and manpower constraints, etc.). For example, the Ministry of Health has not designated a person responsible for freedom of information requests for more than 6 months.

In 2016, the government announced the launching of a program designed to open all governmental databases to public viewing. This continues the policy of gradually increasing transparency by expanding the authority of the Governmental Unit for Freedom of Information and financing its projects.

Citation:

Arbel, Jonathan and Swartz-Altshuler, Tehila, "Information wants to be free," IDI website, December 2008 (Hebrew)

Banisar, David, "Israel," in Freedom of Information around the World. A Global Survey of Access to Government Information Laws, 2006, pp. 90-91, <http://www.privacyinternational.org/foi/foisurvey2006.pdf>

Baum, Ido, "A third of all bodies subordinate to the freedom of information law - ignore it", theMarker 13.8.2014:

<http://www.themarker.com/law/1.2404461> (Hebrew).

"About the unit for freedom of information", The Ministry of Justice website:

<http://index.justice.gov.il/Units/YechidatChofeshHameyda/About/Pages/OdotHayechida.aspx> (Hebrew)

"Freedom of Information Law," 1998: <http://www.freedominfo.org/documents/Israel-FOIL1998.pdf>

"Protection of privacy law," 1981: <http://www.justice.gov.il/NR/rdonlyres/C5205E15-3FE9-4037-BA0F-62212B40773A/18334/ProtectionofPrivacyLaw57411981unofficialtranslatio.pdf>

"The movement for freedom of information": <http://www.meida.org.il/>

"Annual Report of the unit for freedom of information: 2015", The Ministry of Justice website: <http://www.justice.gov.il/Units/YechidatChofeshHameyda/Report2015/index.html>

"The Government approved today the publication of all governmental databases" <http://www.themarker.com/news/politics/1.3053541> (Hebrew)

Civil Rights and Political Liberties

Civil Rights
Score: 5

By law, the effort to safeguard civil rights is constituted in the basic law "Human Dignity and Liberty," which protects the right of each citizen to privacy, property, dignity and life. This basic law is designed to establish legally binding norms and is procedurally protected from nullification. However, its provisions can be overruled in cases of specific urgency as determined by the government and courts. Much of the work of protecting civil rights in Israel is done through acts of judicial review, which operate independently from the legislator and the executive branches. Civil-rights claims are expressed through

media pressure, NGO activities, appeals to the Supreme Court, legislative amendments, and appeals to government bodies that investigate public complaints.

Nevertheless, there is a gap between the formal guarantees of equal civil rights and the reality of unequal opportunities experienced mainly by the Arab minority, primarily due to the conflict between civil rights and other core social values such as religious identity, security and communal rights. In reaction to a surge in violence by Palestinians and Arabs against Israelis since September 2015, a December 2015 report issued by the Association for Civil Rights in Israel (ACRI), found that Israeli authorities had taken extreme measures against the perpetrators. The report also noted the complicated situation in Israel, where fear and concern has dominated as a consequence of the many terror attacks by Palestinians; this has led to discrimination against innocent Arab citizens.

Citation:

Ben Solomon, Ariel, "FM Liberman calls for boycott of Israeli Arab businesses who strike for Gaza", Jerusalem Post 21.07.2014:

<http://www.jpost.com/Operation-Protective-Edge/FM-Liberman-calls-for-boycott-of-Israeli-Arab-businesses-who-strike-for-Gaza-368360>

Dahan, Tal, "Situation report: The state of human rights in Israel and the OPT 2012," The Association for Civil Rights in Israel:

<http://www.acri.org.il/en/wp-content/uploads/2012/12/ACRI-Situation-Report-2012-ENG.pdf>

Dahan, Tal, "Situation report: The state of human rights in Israel and the OPT 2014", The Association for Civil Rights in Israel:

<http://www.acri.org.il/en/wp-content/uploads/2014/12/Situation-Report-2014.pdf>

Dahan, Tal, "Situation report: The state of human rights in Israel and the OPT 2015", The Association for Civil Rights in Israel:

<http://www.acri.org.il/en/wp-content/uploads/2015/12/ACRI-HR-REPORT-2015.pdf>

"Basic Law: Human Dignity and Liberty":

http://www.knesset.gov.il/laws/special/eng/basic3_eng.htm

Hasson, Nir and Kubovich, Yaniv, "Israel Police's war against Arab protesters", Haaretz 16.08.2014:

<http://www.haaretz.com/news/national/.premium-1.610828> (Hebrew)

Hovel, Revital, "Gaza War Led to Surge in Human Rights Violations in Israel, Rights Group Finds", Haaretz 10.12.2014:

<http://www.haaretz.com/israel-news/1.630977>

Hermann, Tamar et al., The Israeli Democracy Index 2016, The Israel Democracy Institute, Jerusalem 2016.

<https://en.idi.org.il/media/7811/democracy-index-2016-eng.pdf>

Political Liberties
Score: 5

Israel's lack of a constitution means that the guarantee of political rights is confided to the basic laws. Thus, they are not constitutional as such. For these and other reasons, the responsibility to protect political liberties still lies with the Israeli parliament. However, parliamentary activity has not been conducive to this task. Several pieces of proposed legislation appear to undermine aspects of democracy and due process. A law passed in March 2011 requires the state to fine or withdraw funds from local authorities and other state-funded groups that hold events marking Al-Nakba (the 1948 displacement of the Palestinian population) on Israeli Independence Day, that support armed resistance or "racism" against Israel, or that desecrate the state flag or national symbols.

Another controversial measure is the so-called “Boycott Law,” passed in July 2011, which exposes Israeli individuals and groups to civil lawsuits if they advocate an economic, cultural or academic boycott on Israel or the West Bank settlements. However, many problematic proposals did not win parliamentary passage, or were eventually softened in part due to public opposition. For example, PM Netanyahu refrained from presenting a new bill before the new elections in March 2015 meant to elevate the Jewish identity of the state over its democratic identity. Similar proposals have in the past been ruled unconstitutional by the judiciary.

A third controversial proposal, sponsored by MK Yoav Kish (Likud), seeks to limit NGO funding of political campaigns. The bill has been called the “V15 Law” after the NGO that waged an extensive electoral campaign against PM Benjamin Netanyahu in 2015. The bill includes a long list of restrictions on nonprofits, and, fueled by the state comptroller’s report, several members of the Likud party have endorsed this measure.

Though such measures have been rejected to date, they have intensified Arab Israelis’ political marginalization. Another example for this political marginalization can be taken from the 2015 election day. PM Netanyahu warned of “Arab voters (...) coming out in droves to the polls. Left-wing organizations are busing them out.” In this election, Arab Israelis won 14 out of 120 seats in the Knesset, the highest number ever reached; however, Arab Israelis constitute some 20% of the population. In recent elections, many have opted to boycott the polls in protest, but this time an alliance of Arab parties opted to run on a joint ticket and, as a result, became the third largest faction in the Knesset.

In July 2016, the Knesset enacted the “Transparency Requirements for Parties Supported by Foreign State Entities Bill,” which requires NGOs that receive a majority of their funding from foreign governments to disclose this fact to the registrar of nonprofit associations in the Justice Ministry. Opponents of the law claim it unfairly targets left-wing organizations, as it applies almost exclusively to human rights and anti-occupation activist groups. Based on Justice Ministry reporting, there are only 27 organizations in Israel that get more than half their funding from foreign governments. Of these, 25 are human rights organizations identified with the left.

Citation:

Newman, Marissa, “Peres reviles ‘Jewish state’ bill as political ploy”, Times of Israel, 27.11.2014, <http://www.timesofisrael.com/peres-reviles-jewish-state-bill-as-political-ploy/#ixzz3KMzB3rFZ>

Newman, Marissa, “Rivlin comes out against Netanyahu’s ‘Jewish state’ bill”, 25.11.2014, Times of Israel, <http://www.timesofisrael.com/president-comes-out-against-netanyahus-jewish-state-bill/>

Yishai, Yael, “Civil Society in Israel”, Carmel, Jerusalem, 2003.

Tharoor, Ishaan, “On Israeli election day, Netanyahu warns of Arabs voting ‘in droves’”, The Washington Post 17.3.2015:

<https://www.washingtonpost.com/news/worldviews/wp/2015/03/17/on-israeli-election-day-netanyahu-warns-of-arabs-voting-in-droves/>
 “Freedom in the world 2013,” Freedomhouse website:
<http://www.freedomhouse.org/sites/default/files/FIW%202013%20Booklet.pdf>
 “Israel 2014”, Freedomhouse website:
<http://www.freedomhouse.org/report/freedom-world/2014/israel-0#.VEOZwCueWro>.
 “Freedom in the world 2016,” Freedomhouse website:
<https://freedomhouse.org/report/freedom-world/freedom-world-2016>
 “Project Democracy: The Arab minority,” The Association for Civil Rights in Israel (October 2010).
<http://democracy-project.org.il/he/wp-content/uploads/2010/08/democracy-minorities.pdf>
 Knesset Press Release “Knesset passes NGO transparency law”, 12.07.2016,
<http://main.knesset.gov.il/News/PressReleases/pages/press120716.aspx> (Hebrew)
 Ben Shitrit, Lihi, “Israel’s Shrinking Democracy”. Carnegie Endowment for International Peace, 10.03.2016
<http://carnegieendowment.org/sada/63006>

Non-discrimination
 Score: 5

Israel’s main venue for dealing with cases of discrimination is the court system, particularly the Supreme Court, which address cases of discrimination against women and minorities in professional, public and state spheres. The country has longstanding institutional mechanisms intended to promote equality, such as the Authority for the Advancement of the Status of Women in the Prime Minister’s Office and the Equal Employment Opportunities Commission in the Ministry of the Economy. However, these tend to offer ad hoc solutions instead of comprehensive and long term plans. Attempts to pass a basic law protecting equality to join existing legislation protecting human dignity and liberty did not yield results. Instead, the struggle against discrimination is usually fought through Israel’s media and by vigorous NGO activity.

Progress was achieved in recent years regarding women and gay rights. The government addressed the expanding industry trafficking women and prostitution by opening designated shelters for victims and legislating (2006) prison terms of up to 20 years for perpetrators. The gay community also marked prominent victories: non-biological same-sex parents have been made eligible for guardianship rights and same-sex marriages conducted in foreign countries are recognized by the state; the first divorce of a same-sex couple was granted in 2012.

Discrimination is prevalent and systematic regarding Palestinians’ rights. Following Israel’s annexation of East Jerusalem in 1967, Arab residents were issued Israeli identity cards and given the option of obtaining Israeli citizenship, though most choose not to seek citizenship for political reasons. These non-citizens have many of the same rights as Israeli citizens, except the right to vote in national elections. They can vote in municipal as well as Palestinian Authority elections, and remain eligible to apply for Israeli citizenship. However, Israeli law strips non-citizens of their local residency if they stay outside the city for more than three months.

A 2003 law denies citizenship and residency status to Palestinian residents of

the West Bank or Gaza that marry Israeli citizens. This measure affects about 15,000 couples and has been criticized as blatantly discriminatory. In 2011, the Knesset passed a law allowing the courts to revoke the citizenship of any Israeli convicted of spying, treason or aiding the enemy. A number of civil rights groups and the Shin Bet security service criticized the legislation as unnecessary and overly burdensome.

Regarding protecting the rights of disabled persons, Israel has demonstrated major advances. The Commission for Equal Rights of Persons with Disabilities has stated that the gap between the general employed population (57% in 2016) and the disabled employed population (78% in 2016) continues to close. The commission's work is based on the Equal Rights Law for Persons with Disabilities (1998) that sets a goal for Israel to "protect the dignity and liberty of persons with disabilities and anchor their right to equal and active participation in society in all fields of life, as well as properly provide for their special needs in a manner enabling them to spend their lives in maximum independence, privacy and dignity, while making the most of their capabilities."

In the area of gender equality, however, Israel continues to demonstrate significant discrimination. Women still earn less than men (32.5% of women earn minimum wage in contrast to only 18.1% of men), despite the fact that more women have completed higher education than men.

Citation:

"Back to basics: Israel's Arab minority and the Israeli-Palestinian conflict," Middle East Report N°119- 14 March 2012,

<http://www.crisisgroup.org/en/regions/middle-east-north-africa/israel-palestine/119-back-to-basics-israels-arab-minority-and-the-israeli-palestinian-conflict.aspx>

"Equal employment for women," Women's lobby in Israel website 5.3.2013 (Hebrew)

"Israel: 2013," Freedom house website.

<http://www.freedomhouse.org/report/freedom-world/2013/israel>

"Israel: 2014", Freedomhouse website.

<http://www.freedomhouse.org/report/freedom-world/2014/israel-0#.VEOZwCueWro>.

"Selected verdicts of Tmura center," Tmura website (Hebrew)

Feldman, Dina, "Shaping Vision into Policy and its Implementation - People with Disabilities in Israel", Bridges, <http://www.justice.gov.il/Units/NetzivutShivyon/sitedocs/mamrbridgesdina.pdf>

Swirsky, S., E. Konor-Atias and R. Zelinger, "Social status report 2015", December 2015. (Hebrew)

<http://adva.org/wp-content/uploads/2016/01/social-2015-1.pdf>

Tzameret-Kertcher, Hagar, "The Gender Index, Gender Inequality in Israel 2015", The Van-Leer Jerusalem Institute, http://www.vanleer.org.il/sites/files/product-pdf/%D7%9E%D7%93%D7%93%20%D7%94%D7%9E%D7%92%D7%93%D7%A8%202015%20-%20%D7%98%D7%A7%D7%A1%D7%98%20%D7%9E%D7%9C%D7%90_0.pdf

Rule of Law

Legal Certainty
Score: 5

Several institutions have been established during the short history of Israel to ensure the legal review of the government and administration. The State Comptroller, the Attorney General of Israel and the Supreme Court (ruling as

the High Court of Justice) conduct legal reviews of the actions of the government and administration. The Attorney General represents the state in courts. The officeholder participates regularly in government meetings and is in charge of protecting the rule of law in the public's interest. His or her legal opinion is critical, and even mandatory in some cases. The Supreme Court hears appeals from citizens and Palestinian residents of the West Bank and Gaza Strip (even though Israeli law is not officially applied in the latter). These petitions, as filed by individuals or civic organizations, constitute an important instrument by which to force the state to explain and justify its actions.

The judiciary in Israel is independent and regularly rules against the government. In 2016, the court overturned several components of a Knesset bill that imposed a pay cap on executives in the financial services industry (the "Banker Salary Limitation Law"). Although the state generally adheres to court rulings, the Association for Civil Rights in Israel (ACRI) reported in 2009 that the state was in contempt of eight rulings handed down by the Supreme Court since 2006, including a 2006 rerouting of the West Bank security and separation barrier in the Israeli-occupied territories.

Several legal arrangements provide for ad hoc state action when facing security threats. The Emergency Powers (Detention) Law of 1979 provides for indefinite administrative detention without trial. According to a human rights group, in 2014 there were 473 Palestinians incarcerated under such charges. A temporary order in effect since 2006 permits the detention of suspects accused of security offenses for 96 hours without judicial oversight, compared with 24 hours for other detainees. Israel outlawed the use of torture to extract security information in 2000, but milder forms of coercion are permissible when the prisoner is believed to have vital information about impending terrorist attacks.

Citation:

Barzilay, Gad and David Nachmias," The Attorney General to the government: Authority and responsibility," IDI website September 1997 (Hebrew)

"Administrative detention", B'tselem 7.10.2014:

http://www.btselem.org/hebrew/administrative_detention/20141007_spike_in_number_of_administrative_detainees (Hebrew).

"Israel: 2014," Freedom house website.

<http://www.freedomhouse.org/report/freedom-world/2014/israel>

"B'tselem's 2011 annual report on human rights in the Occupied Territories," 21.3.2012.

http://www.btselem.org/download/2011_annual_report_eng.pdf

Avishar, Irit, "Supreme Court: The Banker Salary Limitation Law will not apply on Past Privileges":<http://www.globes.co.il/news/article.aspx?did=1001155087>

Judicial Review
Score: 9

The Supreme Court is generally viewed as a highly influential institution. It has repeatedly intervened in the political domain to review the legality of political agreements, decisions and allocations. Since a large part of the Supreme Court's judicial review in recent years is over the activities of a rightist coalition and

parliament, it is often criticized for being biased toward the political left. In 2013 and 2014, the Supreme Court was similarly criticized for overturning an “infiltration law” set up to implement policy regarding illegal immigration. Nevertheless, it was ranked among the four most trustworthy governmental institutions in a 2015 survey conducted by the Israeli Democracy Institute. The same survey reported that a majority of respondents disagreed with the statement: “The Supreme Court’s authority to rescind laws passed in the Knesset by the elected representatives of the people should be revoked.”

The independence of the judiciary system is established in the basic law on the judiciary (1984), various individual laws, the ethical guidelines for judges (2007), numerous Supreme Court rulings, and in the Israeli legal tradition more broadly. These instruct governing judicial activity by requiring judgments to be made without prejudice, ensuring that judges receive full immunity, generally banning judges from serving in supplementary public or private positions, and more. Judges are regarded as public trustees, with an independent and impartial judicial authority considered as a critical part of the democratic order.

Citation:

Azulai, Moran and Ephraim, Omri, “Overruling the infiltration law: The Knesset goes into battle”, Ynet 23.9.2014:

<http://ynet.co.il.d4p.net/articles/0,7340,L-4574094,00.html> (Hebrew).

Kremnitzer, Mordechai, “Judicial Responsibility at its Best,” IDI website 31.5.2012 (Hebrew).

Svorai, Moran, “Judicial independence as a main feature in judicial ethics” (2010), . (Hebrew)

<http://www.mishpat.ac.il/files/650/3168/3185/3186.pdf>

Herman, Tamar, Atmore, Nir, Heller, Ella and Yuval Lebel, “Israeli Democracy index 2012,” The Israel Democracy Institute 2012. (Hebrew)

<http://www.idi.org.il/media/1112579/%D7%9E%D7%93%D7%93%20%D7%94%D7%93%D7%9E%D7%95%D7%A7%D7%A8%D7%98%D7%99%D7%94%20%D7%94%D7%99%D7%A9%D7%A8%D7%90%D7%9C%D7%99%D7%AA%202012.pdf>

Herman, Tamar, Ella Heller, Nir Atmore, and Yuval Lebel, “Israeli Democracy index 2013,” The Israel Democracy Institute 2013:

<http://www.idi.org.il/media/2720078/Democracy%20Index%202013.pdf> (Hebrew)

“Israel 2014”, Freedomhouse website:

<http://www.freedomhouse.org/report/freedom-world/2014/israel-0#.VEOZwCueWro>

Herman, Tamar, Ella Heller, Chanan Cohen and Dana Bublil, “Israeli Democracy index 2015,” The Israel Democracy Institute 2015:

http://www.idi.org.il/media/4254068/democracy_index_2015.pdf

Hermann, Tamar et al., The Israeli Democracy Index 2016, The Israel Democracy Institute, Jerusalem 2016.

<https://en.idi.org.il/media/7811/democracy-index-2016-eng.pdf>

Appointment of
Justices
Score: 9

According to Israel’s basic laws, all judges are to be appointed by the president after having been elected by a special committee. This committee consists of nine members, including the president of the Supreme Court, two other Supreme Court judges, the Minister of Justice (who also serves as the chairman) and another government-designated minister, two Knesset members, and two representatives of the Chamber of Advocates that have been elected by the National Council of the Chamber.

The cooperative procedure balances various interests and institutions within the government in order to insure pluralism and protect the legitimacy of appointments. The process receives considerable media coverage and is subjected to public criticism, which is usually concerned with whether justices' professional record or other considerations (social views, loyalties and political affiliation) should figure into their appointment.

The spirit of judicial independence is also evident in the procedure for nominating judges and in the establishment of the Ombudsman on the Israeli judiciary. This latter was created in 2003, with the aim of addressing issues of accountability inside the judicial system. It is an independent institution that investigates public complaints or special requests for review from the president of the Supreme Court or the secretary of justice. The Ombudsman issues an annual report of its work, investigations and findings from all judicial levels, including the rabbinic courts.

Recently, the Ministry of Justice approved the participation of a lawyer from the Bar Association in the more advanced judge nomination process.

Citation:

Rubinstein, Amnon, "The constitutional law of the state of Israel", Shoken, 2005.

"The Ombudsman on judges office: Annual report 2011," 2012. (Hebrew)

<http://index.justice.gov.il/Units/NezivutShoftim/pirsomeyhanaziv/Doch/Documents/2012.pdf>

"The Ombudsman of judges office: Annual report 2013", Jerusalem 2014 (Hebrew),

<http://index.justice.gov.il/Units/NezivutShoftim/MainDocs/Report2013.pdf>.

Gueta, Yasmin and Efrat Newman, "Like the 'Big Brother': The Procedure to Judge Nomination", The Marker, 15.2.2016: <http://www.themarker.com/law/1.2851297>

Corruption
Prevention
Score: 6

A survey of the Israeli legal framework identifies three primary channels of a corruption-prevention strategy: 1) maintaining popular trust in public management (including bank managers and large public-oriented corporations' owners), 2) ensuring the proper conduct of public servants and 3) ensuring accountability within the civil service. Israel pursues these goals by various means: It established a legal and ethical framework to guide civil servants and the courts, reinforced the position of the State Comptroller through the passage of a basic law (1988) in order insure government accountability, adapted the civil-service commission's authority to manage human resources (e.g., appointments, salaries) and so forth. In 2005, Israel was one of 140 states to sign a national anti-corruption treaty and began implementing it in 2009, issuing annual progress reports.

Annual opinion surveys demonstrate that Israeli citizens are concerned about high levels of corruption in their country. Criticism of Israel's centralized public-service structure has been mounting, in part because it is characterized by several very powerful ministries with broad ability to engage in discretionary

spending. These powers detract from accountability, leaving room for corruption.

Criminal inquiries into politicians are common. Former Foreign Minister Avigdor Liberman was on trial for fraud, money laundering and breach of trust. Former Finance Minister Avraham Hirschson was indicted for a number of crimes including aggravated fraud, theft, breach of trust and money laundering. In 2014, the court issued an historic ruling, sentencing former PM Ehud Olmert to six years in prison for accepting bribes while serving as mayor of Jerusalem. Recently, Natanya's Maor, Miriam Fireberg, was arrested on suspicion of receiving bribes and several top Yisrael Beytenu leaders will face indictments for bribery, fraud, money-laundering and, in one case, drug offenses.

One aspect of institutional corruption lies in bureaucracy. Studies have shown that corruption gets an extra institutional incentive where private businesses face the difficulties that bureaucracy raises. Where bureaucracy is complicated corruption can thrive. In 2016, PM Netanyahu and several other politicians are in the center of an ongoing investigation, accused of corruption and bribery attempts. According to the head of the police's fraud investigations task force, General Meni Yitzhaki, Israel does not suffer from widespread corruption but rather "islands of corruption." General Yitzhaki claimed that the Israeli police "treat corruption as a criminal organization."

Aliasuf, Itzak, "Ethics of public servants in Israel," 1991 (Hebrew)

<http://mishkenot.org.il/Hebrew/docs/ethics/%D7%9E%D7%90%D7%9E%D7%A8%D7%99%D7%9D-D7%90%D7%A8%D7%92%D7%95%D7%A0%D7%99%D7%9D%20%D7%A6%D7%99%D7%91%D7%95%D7%A8%D7%99%D7%99%D7%9D/%D7%90%D7%AA%D7%99%D7%A7%D7%94%20%D7%A9%D7%9C%20%D7%A2%D7%95%D7%91%D7%93%D7%99%20%D7%A6%D7%99%D7%91%D7%95%D7%A8%20%D7%91%D7%99%D7%A9%D7%A8%D7%90%D7%9C.pdf>

Hovel, Revital, "Former Israeli Prime Minister Ehud Olmert sentenced to 6 years in prison", haaretz 13.5.2014:

<http://www.haaretz.com/news/national/1.590298>

Knalfman, Ana, "Political corruption in Israel," IDI website 13.11.2010 (Hebrew).

Shahar Levi, Zohar, "The head of the Israel Police fraud investigations task force: We have number corruption affairs in line", Calcalist 19.5.2015:

<http://www.calcalist.co.il/local/articles/0,7340,L-3659694,00.html> (Hebrew).

"Israel-phase 2," Ministry of Justice, December 2009

"85% of Israelis think corruption is widespread in business," The Times of Israel, 12.5.2012.

<http://www.timesofisrael.com/85-of-israelis-think-corruption-widespread-in-business/>

"Massive scope of Yisrael Beiteinu corruption scandal revealed", Ynet 25.12.2014:

<http://www.ynetnews.com/articles/0,7340,L-4607728,00.html>

"Corruption investigation explores bribe attempts from Netanyahu", The Jerusalem Post, 9/9/2016,

<http://www.jpost.com/Israel-News/Benjamin-Netanyahu/Corruption-investigation-explores-bribe-attempts-from-Netanyahu-467347>

Transparency International: Corruption Perception Index 2016.

http://www.transparency.org/news/feature/corruption_perceptions_index_2016

Ariel, Omri, New poll shows 72% view Israel as a corrupt country, 08.01.2016,

<http://www.jerusalemonline.com/news/in-israel/local/poll-72-see-israel-as-corrupt-18361>

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning
Score: 6

Israel's government adopted the practice of strategic planning only in the 1990s. Previously, government actions were based on practical experience rather than theory, with much improvisation and a policy framework driven by short-term incentives. As a result, the Israeli government did not develop strategic planning units early on, even though a planning division was developed in the Israeli Defense Forces in the early 1970s.

Today, the director general of the Prime Minister's Office oversees the body's administrative and policy work. He or she supervises three main planning agencies: the National Economic Council, the National Security Council, and the Policy Planning Department. In 2010, the government formed a committee to investigate internal strategic planning capacities; the results, published in late 2012, identified many structural deficiencies.

In 2011, a government planning guide became a compulsory tool for government offices and agencies to consolidate their strategic planning and workplans. In recent years, ministries have tended to rely more on private consultation companies than design strategic planning policies themselves. Today, a large share of a ministry's budget is spent on hiring private consults. The Prime Minister's Office also did not formulate detailed workplans, in accordance with the new guidelines, in 2012, 2013 or 2014. Instead, the main planning agencies and units within the Prime Minister's Office either prepared only partial workplans or no workplans at all. While it is unclear whether government planning agencies have access to or can advise the PM directly, such agencies do have access to ministries and other government departments as well as to the director general of the Prime Minister's Office. Government strategic planning bodies take a long-term view when addressing policy challenges and solutions. The influence of government planning agencies on

government decision-making, while systematic, remains limited in scope and depth.

Citation:

Akerman, Lior, "Does Israel have a long-term strategic plan?" Jerusalem Post, 23.6.2013, <http://www.jpost.com/Opinion/Op-Ed-Contributors/Does-Israel-have-a-long-term-strategic-plan-314207>

Arlozerov, Meirav, "A strategic planning headquarter will be established in the prime minister's office; will be in charge of reforms," TheMarker website 13.10.2012 (Hebrew)

"A guide for government planning," The department for policy planning, September 2010 (Hebrew)

"Policy departments - auxiliary tool for navigation," the Reut institute 11.6.2008. (Hebrew)

Scholarly Advice
Score: 7

The government has several interfaces with experts and representatives from academia. Experts can sit on independent public committees to examine the causes and consequences of a specific event or incident (e.g., the Trajtenberg Committee that was formed following the 2011 social justice protests). They can also serve in permanent committees that consult with the government on a regular basis (e.g., the National Economic Council in the PMO) or be summoned by parliamentary committees to present opinions or to offer a different perspective on a particular issue. Finally, think tanks and research institutes act as brokers between the academic world and politics, advocating and offering information on current events and policy issues. On security, foreign policy and other issues, the government tends to consult with experts from the military rather than academia.

Ministers often appoint an external advisory committee to assist with specific issues. One significant example is the Shashinsky Committee, appointed by the finance minister to examine government fiscal policy on oil and gas. Israeli ministers also often consult informally with academic experts, primarily to receive guidance that is distant from political interests.

Citation:

"Conclusions of the committee for the examination of the fiscal policy with respect to oil and gas resources in Israel", State of Israel official publication, January 2011: http://www.financeisrael.mof.gov.il/FinanceIsrael/Docs/En/publications/02_Full_Report_Nonincluding_Appendixes.pdf

The Privatization of Security – Shir Hever, Van Leer Institute, February 2012.

Interministerial Coordination

GO Expertise
Score: 5

The Prime Minister's Office (PMO) relies on sectoral policy expertise. In recent years, it adopted a principle that it should maintain a staff of independent and professional analysts; this led to the establishment of the National Security Council and the Economics Committee, which directly advise the PMO. The 2012 Kochik Committee viewed these as positive but insufficient steps and advised strengthening the PMOs consulting mechanism.

Citation:

Arian, Asher, "Politics In Israel: The Second Republic", 2nd Edition 2005 (Hebrew).

Arlozerov, Merav, "To be a minister in the government? I wouldn't touch that job with a stick, the Treasury castrates them all", theMarker 1.8.2012:

<http://www.themarker.com/career/civil-service/1.1790839> (Hebrew).

"The committee to investigate the Prime Minister's headquarter", Official report (April 2012).

GO Gatekeeping
Score: 7

Traditionally, the PM did not have the power to return items to the Israeli general cabinet meetings. However, in 2012 it filed to amend this standard practice; this was later ratified by the government. It included expanding the PM's authority to delay the implementation of government decisions by resubmitting an issue to a vote after it was rejected as well as authorizing him or her to cancel, postpone or summon meetings on government decisions. Since the amendment has only recently been enacted, it could be argued that it has not been de-facto enforced for purposes of resubmitting an issue. Some legal experts claim that the amendment was mainly designated for rare or critical matters.

Citation:

Barnea, Shlomit and Ofer Kenig, "Political nominations in the executive branch," IDI website June 2011 (Hebrew)

Weisman, Lilach, "Expansion of the Prime Minister's authorities was approved; We must stop the madness", Globes website 12.8.2012: <http://www.globes.co.il/news/article.aspx?did=1000773448> (Hebrew)

"Government bill amendment 868 from 12.8.2012," PMO official website:

<http://www.pmo.gov.il/Secretary/sederyom/Pages/seder120812.aspx> (Hebrew)

Line Ministries
Score: 7

The PMO has been under continuous structural reforms since the mid 2000s. Several committees, including Trajtenberg and Kuchik (both established in 2011) issued recommendations regarding its working dynamics with other line ministries, taking into account the country's highly fragmented party system (where ministers are nominated according to political alliances) and the overly centralized budgeting process.

In recent years the PMO became more involved in the preparation of policy proposals in the ministries through various channels. For example, the PMO's chief of staff heads a forum for the CEOs of all line ministries, advancing policy agendas and interministerial cooperation. The PMO is also involved with policy proposals through its professional councils and roundtable initiatives. Its oversight capabilities, demonstrated by its yearly publication of the government working plans, stimulates further involvement. However, the Kuchnik Committee noted that facing weaker ministries the PMO tends to overreach and control policy formation more than is advisable.

Citation:

Koren, Ora, "Line ministries will submit budget drafts - and will not be able to blame the treasury," TheMarker website 13.11.2012 (Hebrew)

"About: The governance committee," PMO website (Hebrew)

"Book of working plans 2012," PMO website (March 2012) (Hebrew)

"Failures of the public sector and directions for change," Public sharing - The committee for economic and

social change (2011) (Hebrew)

“Governmental planning guide,” PMO website (september 2010) (Hebrew)

“Strengthening government’s governability, planning and execution - Continue discussion,” PMO website 25.12.2011 (Hebrew)

“The committee for reviewing the PMO”, official state publication (2012):

<http://www.kucik.co.il/uploads/sofi.pdf> (Hebrew).

“The system,” Policy planning PMO website (Hebrew)

Cabinet
Committees
Score: 6

According to the basic law “The Government” and standards of practice, the government is authorized to appoint cabinet committees (i.e., Ministerial Committees) for various policy issues and is obligated to appoint a security- and state-focused cabinet that includes the PM and ministers of defense, justice, foreign affairs, state security, and finance. The 34th government of the state of Israel established 29 committees during 2015, dealing with policy issues including housing and education.

While most ministerial committees receive little attention in the media, an exception is the ministerial committee for legislation, which handles the preparation and first approval of new legislation. The committee’s decisions on proposed legislation largely determine how coalition members will vote on in the Knesset. The committee does not detail meeting discussions in its protocol nor the ministries’ stances on proposed legislation. NGOs and opposition members have called on the committee to publish protocols that clarify the government’s stance on new legislation. In 2015, opposition members proposed an amendment to the basic law “The Government” to ensure that the committee’s protocols are published on the PMO’s website. In 2016, the proposal passed the parliamentary debate stage. However, the committee itself did not approve this amendment.

Chudi, Ori, “The minister of housing boycotted the housing cabinet over dispute with Lapid”, Globes 23.6.2014:

<http://www.globes.co.il/news/article.aspx?did=1000948352> (Hebrew)

Ravid, Barak, “Ministers in the cabinet: There was no real discussion during the cease fire negotiations”, haaretz 11.8.2014: <http://www.haaretz.co.il/news/politics/.premium-1.2402635> (Hebrew)

Cabinet committees and their authorities,” the ministry of Justice website 24.6.1996 (Hebrew)

“The guidelines for government work,” PMO’s website 12.8.2012 (Hebrew)

“Ministerial Committees”. PMO’s website (12.11.2015),

<http://www.pmo.gov.il/English/GovernmentSecretariat/Pages/MinisterialCommittees.aspx>

Law Proposal –Amendments of ‘Basic Law: The Government’, 2015

‘Decade of Ministerial Committees – comparative study’ – January 2016, Citizens’ Empowerment in Israel (Hebrew):

<http://www.ceci.org.il/sites/citizens/UserContent/files/knowledge/govfunction/MinisterCommittees.pdf>

‘Transparency in the Ministerial Committee for Legislation’ – February 2016, The Social Guard (Hebrew):

http://fs.knesset.gov.il/%5C20%5CCommittees%5C20_cs_bg_325109.pdf

Friedberg, Chen, “The Knesset’s Committees – Foretold Failure?,” The Ben-Gurion Research Institute for the Study of Israel & Zionism (January 2010) (Hebrew)

Ministerial
Bureaucracy
Score: 5

The government initiated actions to improve interministerial cooperation over the past decade in order to overcome its bureaucratic entanglements and political power struggles. Among others, it introduced roundtable meetings, CEOs

policy formation process. Civil protests in 2011 brought the issue of social dialogue to the forefront once more, with public complaints over obscure government budgetary procedures as well as internal pressure from parliament members to increase information sharing and transparency. This trend was only partially implemented, mainly by the establishment of a yearly roundtable event in which invited representatives discuss current and future government policies, the launch of designated “open” governmental websites and increased participation of non-governmental organizations (NGOs) in policy debates. In April 2015, the PMO advertised a tender for a new position: Public Sharing and Collaborations Director. As the third sector and alternative media outlets gain a stronger voice in Israeli society, consultations could gain more clout than they currently hold.

Citation:

Limor, Nissan and Avishai, Libat, “Separately and together: Structuring a relationship of cooperation between government and civil society organizations”, JDC publication 2013 (Hebrew).

“Round table interface: Three years summary,” PMO official brochure (August 2011) (Hebrew)

“Israeli government, civil society and business community”, PMO policy paper (February 2008) (Hebrew)

Shapira, Asaf, “Who privatized my country?,” IDI website (March 2010) (Hebrew)

Trachtenberg report website (Hebrew)

“The round table and the tri-sectoral discourse,” Civil leadership website (Hebrew)

“Tender 34067”, Ejobs Website 2015:

[https://ejobs.gov.il/gius\(bD1oZSZjPTI4MA==\)/tender/application.do?PARAM=cmNmdHlwZT1waW5zdCZwaW5zdD0wMDUwNTZCRjAwMTEeRUU0QjhCOTIGNUEzNjExQ0IzRg%3D%3D](https://ejobs.gov.il/gius(bD1oZSZjPTI4MA==)/tender/application.do?PARAM=cmNmdHlwZT1waW5zdCZwaW5zdD0wMDUwNTZCRjAwMTEeRUU0QjhCOTIGNUEzNjExQ0IzRg%3D%3D)

Policy Communication

Coherent
Communication
Score: 7

By law, the PMO supervises and coordinates activity between government ministries through a designated division. In 2013, representatives from several ministries wrote the “Governmental Cooperation Guide” in which they suggest guidelines for ensuring cooperation between ministries.

However, annual reports from the state comptroller reveal major shortcomings in ministerial coordination, emphasizing the mutual tension and recrimination between ministries. Contradictory proclamations from different ministries are not uncommon, resulting from political power struggles within the coalition as well as from the treasury’s stronghold on ministerial budgets and practices. In recent years, there has been a shift toward creating a more “open” government and improving the government’s communications vis-a-vis the third sector and the public as well as within the government itself. The new emphasis on sharing and transparency has somewhat ameliorated the technical aspect of the divides, but its influence over communicating policy is still uncertain.

Citation:

Ravid, Barak and Lis, Jonathan, “After criticizing the government: Netanyahu fires deputy minister of security Danon”, Haaretz 15.7.2014: <http://www.haaretz.co.il/news/politi/1.2377994> (Hebrew).

“Open government partnership: Progress report on action goals”, Official state publication (October 2013) (Hebrew).

“Special report regarding the Mount Carmel Forest fire – December 2010 oversights, failures and conclusions,” the state comptroller website 20.6.2012 (Hebrew)

“The governmental guide for sharing: A model for inter ministerial cooperation”, Official state publication September 2013 (Hebrew).

“The Prime Ministers Division for Coordination follow up and Control,” PMO’s website
The Governmental Cooperation Guild – September 2013:

<http://ihaklai.org.il/Portals/0/Documents/articles/%D7%9E%D7%95%D7%93%D7%9C%20%D7%9C%D7%A9%D7%99%D7%AA%D7%95%D7%A3%20%D7%A4%D7%A2%D7%95%D7%9C%D7%94%20%D7%91%D7%99%D7%9F%20%D7%9E%D7%A9%D7%A8%D7%93%D7%99%20%D7%94%D7%9E%D7%9E%D7%A9%D7%9C%D7%94.pdf>

Implementation

Government
Efficiency
Score: 6

In accordance with government decision 4085, the PMO publishes yearly working plans for line ministries. The yearly plan for 2014 was the first to also publish detailed benchmarks for policy goals. However, as it does not show progress for previous years, it is difficult to track long term progress. Prominent topics on the government’s agenda in recent years such as the housing supply, the cost of living, the unrecognized settlements for the Bedouin population and illegal immigration did not reach visible resolutions or substantial achievements. In fact, a large share of government decisions are never implemented. According to several sources in the PMO, in the recent years the PMO has outright rejected calls for monitoring the implementation of government decisions. Some of these sources claim that the government avoids monitoring its implementation of policy decisions because it expects the outcome would be unflattering. In response to these concerns, the PMO’s director general created a mechanism for monitoring the implementation of approved legislation and new government decisions. Through this mechanism, the director general ordered ministries to report on the implementation process. As a result, the PMO discovered that, in many cases, orders regarding the implementation of government decisions did not direct which ministry would oversee their execution. In response, the PMO suggested that those orders be written more clearly. There were also other attempts to follow the implementation of government decisions, such as an effort by the Citizens’ Empowerment Center.

The Israeli central bank’s periodic evaluations show that the Israeli government performs fairly well in most economic criteria such as inflation, unemployment and crisis aversion. However, the growing deficit is seen as a cause for concern, especially considering the high cost of the “Protective Edge” military operation and further political commitments for social expenditures in 2015. While the Israeli government has been modestly efficient in achieving its policy goals, it has done so by resorting to a highly disputed emergency law (the Arrangements Law) instead of through regular legislation.

Citation:

Kashti, Or, "The government made decisions, but no one monitors its compliance", Haaretz 6.2.2015: <http://www.haaretz.co.il/news/politics/.premium-1.2558823> (Hebrew).

Robinson, Eyal, "Implementation of policy as a key in planning cycle and decision-making at the national level", Citizens Empowerment Center in Israel, July 2014 (Hebrew).

"Aspects of planning, measurements and control in government proposals brought to government's discussion", September 2008 (Hebrew)

"Book of working plans 2014," PMO website (March 2014) (Hebrew)

"Deputy chancellor of the Bank of Israel, Dr. Karnit Flug, in the agenda forum meeting: where are we in achieving social-economic government goals?", Bank of Israel website 16.4.2012 (Hebrew)

"Financial stability report", Bank of Israel, June 2014 (Hebrew).

"Hok Ha-Hesderim," The Knesset website (Hebrew)

"Monitory policy report 2014 - first half", Bank of Israel website 4.8.2014: <http://www.boi.org.il/he/NewsAndPublications/RegularPublications/Pages/doch-mm/IMF201401h.aspx> (Hebrew)

"Yearly report 64a", State Comptroller official publication 15.10.2013: <http://www.mevaker.gov.il/he/Reports/Pages/113.aspx> (Hebrew)

Arlozrov, Merav. 'Natanyhu's Government: The Tale – And The Surprising Numbers' – The Marker, 9.6.16 (Hebrew): <http://www.themarker.com/news/1.2970895>

Zachria, Zvi. 'New Application Will Allow The Public to Follow the Pace of Laws and Government Decision's Implementations' - The Marker, 15.7.15 (Hebrew): <http://www.themarker.com/news/1.2684691>

Ministerial
Compliance
Score: 7

Influences from the OECD and global best practice methods have altered Israel's organization of government in recent years. Values of transparency, planning, comparability and supervision from a designated unit in the PMO were introduced, arguably improving implementation to the overall government program by increasing ministerial accountability vis-a-vis the government and the public. These new actions accompany more traditional pathways to better compliance such as weekly cabinet sessions and interministerial roundtable events.

Structural elements contradict this trend by imposing centralization. The government's budget process essentially undermines the authority of individual ministers by creating a negative incentive for cooperation and forcing ministers into a more combative stance against each other. The Arrangements Law (an omnibus law which includes bills and amendments specifically aimed at restricting expenditures and achieving economic goals) is another bold expression of the additional power given to the budget department of the Ministry of Finance. This bill is often used to cancel or negate reforms or legislation already passed by other ministries, thus undermining their commitment to the government's program.

Citation:

Blander, Dana, "Hok Ha-Hesderim: Necessary evil or necessarily evil?," IDI website 14.1.2007 (Hebrew)

Salonim, Ori, "Measuring performance in the public service," The eleventh annual Hertzliya conference official publication (Hebrew)

"Book of working plans 2014," PMO website (March 2014) (Hebrew)

Monitoring
Ministries
Score: 7

The basic law “The Government” establishes the prime minister’s responsibility over the government’s advancement of policy goals. This includes monitoring and guiding the work of appointed line ministers and directing their respective offices. In recent years, the PMO introduced best practice reform elements of transparency, sharing and benchmarking, which have improved systematic monitoring of ministries. A special committee formed to review the PMO noted the office’s professional weakness when faced with recommendations from the finance and defense ministries. This is aggravated by the PMO’s tendency to take on executing responsibility of weaker ministries (e.g., welfare and health), thus expanding its workload. Gradual change commenced with the establishment of three new professional units in the PMO, each in charge of monitoring related ministries, but future steps are uncertain.

Citation:

“The committee to review the PMO’s”, Official state publication, February 2012, (Hebrew).

“Reorganization of structure”, Civil Service Commissioner information booklet No. 2, October 2012:

<http://www.csc.gov.il/DataBases/NewsLetters/newsletter2/Pages/MattePMO.aspx> (Hebrew).

Monitoring
Agencies,
Bureaucracies
Score: 6

As many other westernized countries, the Israeli government is undergoing a process of agencification and outsourcing in recent decades in order to enhance its regulatory functions and retract its role in direct public provision. While ministries connections with agencies and NGOs are restrained by contractual agreements as well as by financial and legal oversight on conduct, the content and quality of services are not under similar appraisal. Thus, while most ministries sufficiently monitor their respective agencies, some ministries – notably education and welfare – are criticized for failing to implement government policies by effective monitoring of services. The Movement for Quality Government in Israel claims this phenomenon is harming efficiency within public services, while others claim that state-owned enterprises are unnecessary and should be privatized. Various government committees and reports issued recommendations to improve professional and organizational capabilities of ministries but as of yet there is no clear comprehensive plan to deal with such failures.

Israel also suffers from “politicization” of its public service and state-owned enterprises. For example, the electricity authority is subordinate to the minister of energy following a 2015 reform. This has raised concerns that appointments of senior officials will be made based on political considerations, rather than professional competence. Such concerns were validated when the current energy minister, Yuvel Stieniz, sought to appoint his close associate to the position of CEO, even though he did not have the required experience and without holding a public tender. This appointment was later reversed by a committee tasked with inspecting appointments to state-owned enterprises.

Citation:

Dagan-Buzaglo, Noga, "Aspects in privatization in the education system", Adva center 2010. (Hebrew)
 Detal, Lior, "The Ministry of Education inc.: This is how hundreds of private bodies receive some 11 billion shekels", theMarker 5.10.2014:
<http://www.themarker.com/news/education/1.2450395> (Hebrew).
 Haber, Carmit, "Managerial culture blocks to implementing open government policy," The Israel democracy institute (March 2013) (Hebrew)
 Limor, Nissan, "Regulation and oversight over third sector organizations", Social security no. 70 (2005),159-187.
 Koren, Ora, "Reform in the public sector: The ministry of Treasury's authorities will be restrained, employees will receive incentives," TheMarker website 9.8.2012 (Hebrew)
 "Public service provisions using outsourcing", JDC publication. (Hebrew)
 "The Ministry of Health", in Annual report 63c for 2012, the State Comptroller publication 8.5.2013:
<http://www.mevaker.gov.il/he/Reports/Pages/114.aspx?AspxAutoDetectCookieSupport=1> (Hebrew)
 Bar-Ali, Avi. 'The Warning Regarding the Politicization of The Electricity Company Are Coming True' – The Marker, 28.8.16 (Hebrew):
<http://www.themarker.com/dynamo/1.3050563>
 Ben Aeter, Moshe. 'Who needs the state-own enterprises?' – Haaretz, 13.04.16 (Hebrew):
<http://www.haaretz.co.il/blogs/mosheatar/1.2914354>

Task Funding
 Score: 6

Local authorities have three main types of income: local taxes (property tax, fines, tolls) earmarked to finance local services, government funds designated for social and educational services, and governmental balancing grants for basic services that weak local authorities are unable to fund. The government's budgeting procedure for local government is clearly articulated, and includes progressive budgetary support. One major problem in the government's budgeting procedure was highlighted in the state comptroller's 2015 report: there is no regular procedure in the interior ministry for managing the development budget for local authorities.

In 2015, the heads of more than ten local authorities championed a plan to redistribute education budget allocations according to cities' socioeconomic ranking. This group, headed by Jerusalem mayor, Nir Barkat, asserts that the current method of education budget allocation does not take the economic and social situation of the local authorities into account, and perpetuates social gaps. However, this plan provoked resistance among rich municipalities, and has not been accepted by the Finance Ministry. Similar plans and legislative proposals regarding alternative distributions of the budget were rejected by the Finance Ministry in 2015. In June 2016, heads of local authorities decided to protest, calling for the education budget to be distributed more equitably. In response, in August 2016, during discussions in the Committee of Social Justice about the protest, the head of the committee promised that the subject of education budget distribution would be dealt with as a part of the Arrangements Laws.

Over the years, the Ministry of the Interior expanded its oversight over local authorities, as issues of politicization, corruption and management failures resulted in unwieldy deficits or even municipal bankruptcies. Research focusing

on social services show that although Israel funding levels are comparable to other OECD countries, its local authorities receive less government funds when taking into account the proportion of responsibilities the government delegates to the local level.

Citation:

Ben Basat, Avi and Dahan, Momi, "The political economy of local authorities," IDI website 2009 (Hebrew)
 Saada, Aria, "Ombudsman's report 572: Budgeting social services for local authorities equality lacking," Abiliko website 9.7.2010 (Hebrew)
 Ben Basat, Avi and Dahan, Momi, "Strike in local authorities," IDI website 15.1.2012 (Hebrew)
 Dahan, Momi, "Why do local authorities hold back pay?," IDI website 15.11.2009 (Hebrew)
 Ben-Bassat, Avi, Dahan, Momi, and Klor, Esteban F., "Representativeness and efficiency in local government", Jerusalem: IDI 2013, introduction summary in English: <http://en.idi.org.il/media/2464644/Representativeness-Abstract.pdf>
 "Instructions for local authorities' budget frame proposal for the year 2012," Ministry of Interior website (Hebrew)

Constitutional
 Discretion
 Score: 5

The legal framework for local government is based on the "ultra vires" principle, according to which local government is only authorized to act within the parameters designated by law. While local government is elected, and some stronger municipalities are able to expand their influence of policy, often times it acts merely as a local branch for implementing central government policy. In light of frequent problems of corruption, management failures and over politicization during the 1990s, the Ministry of the Interior expanded its oversight over municipalities, allowing the ministry to appoint permanent outside accountants, cancel an approved budget and even dissolve the council and nominate a professional alternative. As part of the government's effort to address corruption, the attorney general formed a special committee in 2015. The committee recommended that heads of local authorities increase financial transparency, such as through an annual declaration of the earnings of senior staff of local authorities. However, this recommendation has not been implemented yet.

These steps of centralization are intentional and constitutional, but often prevent local autonomy. However, in 2014 the Knesset approved an amendment to the municipalities law, which defined standards for the recognition of "Strong Municipalities." Strong municipalities, according to this new amendment, would gain some concessions to lessen their dependence on the central government, enhancing decentralization of authorities between the central government and local government.

Benita, Rinat, "Local Authorities in Israel", The Knesset Research Center 17.5.2015: <http://main.knesset.gov.il/Activity/committees/InternalAffairs/Documents/rashpnm.pdf> (Hebrew).
 Hayman-rysh, Naomi, "Changes in the status of local government," IDI website, October 2008 (Hebrew)
 "Municipalities law: Position paper," IDC, December 2011 (Hebrew)
 "Government legal proposal 292," Official legal records 1997 (Hebrew)
 Lichtman, Moshe. "It's not necessary to recommend to reduce mayors term", 19.9.16 (Hebrew): <http://www.globes.co.il/news/article.aspx?did=1001152963>

National Standards
Score: 7

The provision of local services in Israel is dispersed between many agents, including local authorities, NGOs, government and municipal corporations and institutions such as public and private hospitals. The bulk of social services is provided by local authorities proportionally funded according to their revenues and share of dependents. While some local authorities fair well and offer supplementary social support, weaker local authorities such as largely Arab or Jewish orthodox municipalities struggle to maintain government standards. This incited the expansion of the central government's authorities during the 2000s, authorizing the Ministry of the Interior to closely supervise and even to dissolve councils that fail to deliver proper services, at the cost of local democratic representation.

Another solution is the advancement of service treaties in local authorities which aim to standardize local services used by residents while informing residents of their rights and the level of general services in their city or town. A branch of the Ministry of the Interior reviews this process with pilot cities showing positive results. In recent years, many local authorities have taken part in this process and published information on local services on their websites. The privatization of social services continues to exhibit problems as weak social ministries struggle to regulate the quality and content of care. Several reports on education services point to ideological conflicts and poor management as well as an increase in the share of privately financed activities and consequent inequality. In 2014, following the recommendations of a special committee on the state of health services, the regulation of hospitals was transferred to a new authority in order to prevent conflicts of interest in the management of government hospitals. Like health services, other policy arenas are expected to undergo restructuring in order to strengthen regulation and ensure standards are met. However, the establishment of this authority was cancelled by the 34th government.

Citation:

Arlozerov, Meirav, "First achievement for the German committee: The government will approve the establishment of a regulatory authority over hospitals", *TheMarker* 25.5.2014: <http://www.themarker.com/news/health/1.2330341> (Hebrew).

Bersler-Gonen, Rotem, "Service treaty in local government in Israel - review," Ministry of the interior website (December 2011) (Hebrew)

Dagan-Buzaglo, Noga, "Aspects in privatization in the education system", *Adva Center* 2010. (Hebrew)

Detal, Lior, "The Ministry of Education inc.: This is how hundreds of private bodies receive some 11 billion shekels", *TheMarker* 5.10.2014: <http://www.themarker.com/news/education/1.2450395> (Hebrew).

Paz-Fuchs, Amir and Bensimhon-Peleg, Sarit, "On the seam between the public and the private: privatization and nationalization in Israel: Annual report 2013", *The Van Leer Jerusalem Institute*, 2014 (Hebrew)

Specktor, Shiri, "Social rights and personal social services in Israel", *The Knesset Research Center* 21.10.2010:

<http://www.knesset.gov.il/mmm/data/pdf/m03158.pdf> (Hebrew)

"Local government in Israel," Knesset website (Hebrew)

"On nominated councils and democracy," *Hithabrut website (NGO)* (Hebrew)

Local government in Israel, Knesset website:

http://www.knesset.gov.il/lexicon/eng/LocalAuthorities_eng.htm

The citizen's empowerment center in Israel: the implantation of the movement's decision to establish a regulatory authority over hospitals – review – April 2016:

<http://www.ceci.org.il/sites/citizens/UserContent/files/monitorreport/monitor%201622.pdf>

Adaptability

Domestic
Adaptability
Score: 7

Following OECD and academic recommendations, the Israeli government advances various administrative reforms regarding regulatory burdens, decision making and long term planning. Periodic progress reports show gradual improvement in the dissemination of information as well as in decision-making. The government continues to adapt its domestic structures to international and supranational developments in an ongoing and constructive process. The Ministry of Economy and Industry produces an annual report reviewing progress on the implementation of the OECD's recommendations. For example, the 2015 report presented progress made on effectively regulating labor laws. In 2016, the chief economist in the Ministry of Finance announced that Israel intends to sign the OECD's Convention on Mutual Administrative Assistance in Tax Matters.

Citation:

"OECD economic surveys: Israel", OECD publication (December 2013).

"Progress report on the implementation of the OECD recommendations: Labor market and social policies," Ministry of industry, trade and labor official report (June 2012)

"Working plans book for 2014", official state publication (March 2014) (Hebrew).

Ministry of economy report - Review on the progression on OECD's recommendation implementation - 2015 (Hebrew):

http://brookdaleheb.jdc.org.il/_Uploads/PublicationsFiles/OECD2015_SocialPolicies_HEB.pdf

Slosbarg, Itay. 'Israel is joining on Mutual Administrative Assistance in Tax Matters of the OECD' – Funder website, 7.9.16 (Hebrew):

<http://www.funder.co.il/article.aspx?id=70633>

International
Coordination
Score: 5

As part of OECD accession in 2010, Israel pursued the creation of government agencies designed to coordinate, enforce and monitor administrative changes. Reforms aiming to improve interministerial cooperation and reinforce policy monitoring are still in the early stages of implementation, and have not yet stood the test of an international policy aimed at a global public good. In 2015, an OECD report examined Israel's global cooperation in research and development (R&D), looking at the country's administrative and economic capabilities. It found that while Israel is considered to be a leading R&D actor worldwide, advancement of coordination, accessible information and standardization capabilities is warranted. In 2016, despite the high investments Israel has made in R&D, the Israel Innovation Authority announced that it would stop providing grants to high-tech companies due to budget cuts.

Citation:

Avital, Yanicm, "Which country spend the most on research and development among OECD countries?", GeekTime, 15.7.2015.

<http://www.geektime.co.il/israel-leads-spending-on-rd-in-oecd-countries/> (Hebrew).

Kaufman, Dan and Marom, Yael, "Evaluation of international cooperation programs in R&D in Israel," The Jerusalem Institute for Israel Studies (May 2011) (Hebrew).

"Israel in the OECD," Minister of Treasury formal report (2010) (Hebrew).

"Progress report on the implementation of the OECD recommendations: Labor market and social policies," Ministry of Industry, trade and labor official report (June 2012).

Orbah, Mair. "The Ministry of Economy has stopped giving grants to High-Tech companies", Calcalst, 11.8.16.

<http://www.calcalist.co.il/internet/articles/0,7340,L-3695401,00.html>

Organizational Reform

Self-monitoring
Score: 7

The Israeli government installed various institutions, both internal and external, to the executive branch, in order to monitor its activities and performance regarding issues such as procedures, financial transfers and human resources. For example, the Accountant General regularly audits financial decisions in ministries and the Civil Service Commission ensures internal due process and oversees human resources. The PMO monitors the implementation of the State Comptroller's recommendations as well as the internal accounting units in each ministry. Supplementary mechanisms for self-regulation include protocols and guidelines governing daily practice.

Citation:

"Notice number 3", Civil service commission website (Hebrew)

"About: Civil Service Commission", Civil service commission website (Hebrew):

<http://www.csc.gov.il/About/Pages/Roles.aspx>

"About: the Accountant General", Ministry of finance website (Hebrew):

<http://mof.gov.il/AG/About/Pages/About.aspx>

"About the Inspection General for State Comptroller Affairs", PMO website(Hebrew):

<http://www.pmo.gov.il/BikoretHamedina/Pages/Default.aspx>

"Information security management and survivability of Internet and computer infrastructure for government offices", state comptroller yearly publication 63b 2013:

http://www.mevaker.gov.il/he/Reports/Report_95/8e003e9a-3404-4626-a2ab-eddb638549ed/8254.pdf

(Hebrew)

"Rules, procedures and guidelines for CEOs in the civil service", Civil service commission 2013:

<http://www.csc.gov.il/DataBases/Rules/Documents/BrochureCEOs.pdf> (Hebrew)

"The internal audit law 1992", Official legislation (Hebrew)

Protocol – The Special Committee – Reforms in the Civil Service Commission:

<https://okneset.org/committee/meeting/11826/>

Institutional
Reform
Score: 7

Reforms regarding government planning, regulations, innovation, information sharing and performance evaluation are based on principles of decentralization, privatization and regulation. While various structural reforms are pursued in order to improve decision-making in the interest of the common good, some elements of government administration still preform insufficiently, including overly complex bureaucratic arrangements. As seen in the case of local

municipalities, modern management tools and monitoring agencies are still unable to effectively tackle entrenched political attitudes or centralist organizational culture, while designated authorities and cabinets bypass the formal structure in order to accelerate the planning process.

Citation:

Arlozerov, Merav, "Israeli government; The reform that will end the Treasury's single rule; Will lose a major part of its authorities," *TheMarker* 13.2.2013 (Hebrew)

Vigoda, Eran and Penny, Yuval, "Public sector performance in Israel" (October 2001), (Hebrew)

"Employing and management in the public service", Conference in the name of Eli Horovitz 2013: <https://www.idi.org.il/media/2803303/public%20service%20b.pdf> (Hebrew)

"The CEO of the social-economic cabinet approved the establishment of an authority for technological innovation", Minister of the Economy website 15.9.2014: <http://economy.gov.il/Publications/PressReleases/Pages/CabinetForTechnologicalInnovation.aspx> (Hebrew)

Dahan, Momi, "Why do local authorities hold back pay?," IDI website 15.11.2009 (Hebrew)

Milman, Omri, "Mayors to Kahlon: 'If you would promote the differential allocation we won't build in our territory'", *Calcalist* 2.9.2015:

II. Executive Accountability

Citizens' Participatory Competence

Policy Knowledge
Score: 8

Compared to other countries, Israeli citizens show high levels of interest in politics. In a 2014 survey, 61.5% of respondents characterized themselves as "very interested" or "somewhat interested." Israel also has one of the region's highest rates of Internet usage with 71.5% in 2014 and a lively, pluralistic and independent news media.

Nevertheless, while Israeli citizens continue to exhibit high levels of political engagement, this does not automatically translate to knowledge and information regarding policymaking. In recent years, the government expanded its efforts on policy transparency. In 2011, Israel joined the Open Government Partnership and was recognized the following year by a United Nations survey for making outstanding progress in the area of e-government. In 2016, the government announced the launching of a program designed to open all government databases to public viewing. This continues the policy of gradually increasing transparency by expanding the authority of the Governmental Unit for Freedom of Information and financing its projects. In 2015, the Knesset approved the creation of the Special Committee for the Transparency and Accessibility of Government Information, functioning as the parliamentary auxiliary for the implementation of the Freedom of Information Law. This special committee resolved to place all Knesset committee protocols and decisions online as well as enable direct contact to committee directors.

A significant effort to inform the public about government policy has been undertaken by the Public Knowledge Workshop (“Hasadna”), an NGO that releases public information to “enhance democracy and to empower citizens.” Equally contributive to public discourse has been the work of other NGOs and academia, offering their insights on policy initiatives and implementation through official reports, conferences and debates on social networks.

Citation:

Ahren, Rephael, “Israel wins UN prize for ‘outstanding progress’ in E-government,” The Times of Israel 2012 (Hebrew)

Herman, Tamar et al. “The Israeli Democracy Index 2014,” Israel Democracy Institute (2014):

http://en.idi.org.il/media/3823043/democracy_index_2014_Eng.pdf

“Israel: Freedom of the press 2014”, Freedom house: <http://www.freedomhouse.org/report/freedom-press/2014/israel#.VEjqKiueWro>.

“Joining the Open Government Partnership and the nomination of the ‘Open Government Israeli Forum’”, Prime Minister Office website 2012 (Hebrew)

“The media and public trust in the political system,” Israel Democracy Institute (2010) (Hebrew)

“2014 work plans,” Prime Minister Office website (Hebrew)

“Yearly Report on the Implementation of the Law of Freedom of Information 2014” Ministry of Justice website – The Governmental Unit for Freedom of Information (Hebrew):

<http://index.justice.gov.il/Units/YechidatChofeshHameyda/Report2014/index.html>

“The Special Committee for the Transparency and Accessibility of Government Information”, The Knesset Website (Hebrew):

<http://main.knesset.gov.il/Activity/Committees/GovInfo/Pages/default.aspx>

The World Bank Internet Users Data <http://data.worldbank.org/indicator/IT.NET.USER.P2>

“The Knesset Presents: Advanced Committee Web Portals Now Available” <http://www.ch10.co.il/news/110674/#.V8R-rv19670> (Hebrew)

“We live in the 21th Century, The Publics demand for information is legitimate” <http://www.themarket.com/news/1.3045001> (Hebrew)

“The Government approved today the publication of all governmental databases” <http://www.themarket.com/news/politics/1.3053541> (Hebrew)

Hermann, Tamar et al., The Israeli Democracy Index 2016, The Israel Democracy Institute, Jerusalem 2016.

<https://en.idi.org.il/media/7811/democracy-index-2016-eng.pdf>

Legislative Actors’ Resources

Parliamentary
Resources
Score: 8

Two major departments are meant to strengthen the Knesset’s position relative to the executive branch: the Knesset’s Legal Advisory department and the Knesset Research Center. The Research Center is tasked with equipping the Knesset’s members, committees and various departments with information and analysis to meet the requirements of their parliamentary work. The Research Center is a massive producer of documents, providing over 300 documents in 2015, 88% specifically requested by MKs or committees. The Legal Advisory department also provides research services to MKs. In 2016, the department researched various policy issues at the request of MKs, producing, for example, an international comparison of protections for domestic violence victims as well as a assessment promoting “green roofs.” The Knesset’s archive and library are also used to monitor the government’s major activities. Since 2015, each MK is

entitled to employ three assistants. These assistants often engage in independent research on behalf of their MK. The legislators' oversight capabilities have also been aided by recent government reforms making information more accessible, and by information provided by outside experts and lobbyists. In addition, MKs may demand that government employees provide information directly, within the framework of the committee system, in parliamentary questions, or other established frameworks.

However, the Israeli executive still tends to operate in a centralist and nontransparent manner, especially regarding budget and finance. The Arrangements Law is a prime example of this problem, as it is widely agreed that this legislative package is too complex to allow Knesset members to develop an understanding of its ramifications in the time and conditions provided for the vote.

Citation:

Ben-David, Lior, "A comparative survey on the status, function and employment conditions of parliamentary assistants," Knesset research institute 4.11.2004 (Hebrew)

Shapira, Asaf, "A decade to the Knesset's research and information center," IDI website (September 2010) (Hebrew)

Zerahia, Zvi, "The treasury is deliberately holding out information from PMs so we can't supervise it", The Marker 7.1.2014: <http://www.themarker.com/news/1.2210843> (Hebrew)

"Correction: Debate on 'Hok Ha-Hesderim 2013,'" Open Knesset website (Hebrew)

"Information and research in the Knesset," Knesset website (Hebrew)

"In the Knesset corridors," IDI website (September 2010) (Hebrew)

"Is Bagatz mocking the petition against the treasury?," Globes website 18.6.2014:

<http://www.globes.co.il/news/article.aspx?did=1000947260> (Hebrew).

"The MK's will get a third Parliamentary Assistant. How much will that cost us?" The Marker 28/10/2015: <http://www.themarker.com/news/1.2761401> (Hebrew)

Knesset Research Center Summary of 2015 <http://www.knesset.gov.il/mmm/data/pdf/m03718.pdf> (Hebrew)

Knesset Legal advisory department (list of legal research) <http://main.knesset.gov.il/Activity/Info/Pages/LegalDeptSurveys.aspx>

Obtaining
Documents
Score: 7

According to Israel's basic laws the executive must attend and provide information to Knesset committees upon request, unless such information is deemed confidential. However, the law contains no specific provisions for enforcement in cases of disobedience nor for insufficient or inaccurate information. Thus, the parliament has only general or disproportionate means of response, such as passing a motion of no confidence or reporting to the Civil Service Commission. These options do not provide a solution to more mundane problems, such as receiving unreliable information from the government.

Citation:

Fridberg, Chen, "The Knesset committees from an oversight perspective: Chronicle of a failure foretold?", Studies in Israel's revival 20 (2010) 49-79: <http://in.bgu.ac.il/bgi/iyunim/20/a3.pdf> (Hebrew) Zerahia, Zvi,

"The treasury is deliberately holding out information from PMs so we can't supervise it", TheMarker 7.1.2014: <http://www.themarker.com/news/1.2210843> (Hebrew)

Knesset Rules of Procedure, Section H, Chapter 7

Summoning
Ministers
Score: 7

Parliamentary committees are able to summon ministers. According to the basic law “The Knesset,” every committee may require a minister to appear before it, and the minister is obliged to attend the meeting or send a representative to provide the required information. Officials that are invited by committees generally attend meetings as requested. However, ministers and other public figures do occasionally refuse requests or provide insufficient information, causing conflicts between the Knesset and government. Committees have no real power to enforce sanctions in these cases. Moreover, they lack the authority to force a minister to provide information at a set date. As a result, some MKs have called for increasing the authority of committees. For example, MK David Bitan from the Likud party, announced having taken the first steps in drafting a policy that would enable the Knesset to sanction public servants if they refuse to appear as requested.

Citation:

Lis, Jonathan, “Instead of an investigation committee, a decoration committee: In the Knesset they are jealous of American congress”, Haaretz 7.9.2014: <http://www.haaretz.co.il/news/politi/premium-1.2426295> (Hebrew)
 “The Legislature’s Authority to Inquire Information, and the Obligation to Provide True Information,” Knesset Research and Information Center (December 2002). (Hebrew)
 Ataeli, Amichai, “The Evasion and its Punishment”, Yedioth Aharonot, 07.07.2016, <http://www.yediot.co.il/articles/0,7340,L-4825644,00.html> (Hebrew)

Summoning
Experts
Score: 9

Parliamentary committees are entitled to invite experts or any interested civilian to meetings, as described in Section 6 of the Knesset regulations. However, these figures are not obligated to attend, as opposed to civil servants or representatives of the executive. In addition, independent experts are not compelled to answer committee members’ questions. Their testimony does not hold as evidence and has no official status. A bill presented in 2016 by MK Yoav Kish (Likud party), would enable committees to punish those who fail to appear after being summoned. Nevertheless, citizens who appear before Knesset committees are generally interested in voicing their opinions in order to transmit their viewpoints to decision-makers and the public.

Citation:

Freidberg, Chen and Atmor, Nir, “How to improve the Knesset’s position as a legislator and a supervisory body?” The Israel Democracy Institute 2013: <http://www.idi.org.il/media/2438022/00321913.pdf> (Hebrew).
 Shapira, Asaf, “Citizens in the Parliamentary Committees,” The Israel Democracy Institute, (September 2010). (Hebrew).
 “The authority of the legislature to inquire information, and the obligation to provide true information,” Knesset Research and Information Center (December 2002). (Hebrew).
 Kam, Zeev, “Refused to show up in a Knesset committee after summoning? A punishment will follow” NRG 19.4.2016 <http://www.nrg.co.il/online/1/ART2/770/601.html> (Hebrew)

Task Area
Congruence
Score: 5

Knesset committees are currently ill-structured to efficiently monitor the government. The structure of the ministries and the parliament’s committees diverges significantly: The Knesset has 12 permanent committees, while the number of ministries shifts according to political agreement and currently holds

29 ministries (headed by 20 ministers). Since parliamentary committees are divided by themes and not by ministerial responsibilities they often struggle to gather and coordinate information. High turnover of representatives also makes it difficult to control professional and bureaucratic information. Although the number of committees is average by international comparison, the combination of a small number of MKs (120) and usually wide coalitions results in only two-thirds of all MKs available to regularly sit on committees. Some MKs may find themselves sitting on 5 to 6 committees, inevitably impairing the committees' supervisory capabilities.

Citation:

Freidberg, Chen, "Monitoring of the executive by the parliament in Israel - potential and function," Doctoral Dissertation (2008) (Hebrew).

Freidberg, Chen and Atmor, Ronen, "How to improve the Knesset's position as a legislator and a supervisory body?" The Israel Democracy Institute 2013: <http://www.idi.org.il/media/2438022/00321913.pdf> (Hebrew).

Kenig, Ofer, "The new Israeli cabinet: An overview of the 33rd government of Israel," Israel Democracy Institute. (March 2013).

Kenig, Ofer, "Coalition building in Israel: A guide for the perplexed," Israel Democracy Institute. (February 2013).

"Knesset Committees", The Knesset Website:

https://www.knesset.gov.il/deSCRIPTION/eng/eng_work_vaada.htm

"Ministries", Prime Minister's Office Website (Hebrew):

<http://www.pmo.gov.il/IsraelGov/Pages/GovMinistries.aspx>

Audit Office
Score: 9

The Knesset's auditing functions are divided between three main institutions: the state comptroller, the state auditing committee and the Knesset internal auditing department. The state comptroller is independent and legally anchored in a basic law that acknowledges its importance. The Knesset committee for state auditing is in charge of following up on reports issued by the state comptroller. While the state comptroller enjoys independence and adequate resources, it does not hold sanctioning power. Instead, its mandate ends with submitting its findings and the establishment of an advisory committee for implementing its recommendations in the audited office. However, its responsibility to audit financial contributions during elections is accompanied by external judicial sanctioning.

The law establishes the state comptroller as exclusively accountable to the Knesset. Accordingly, while the Judiciary's budget is determined by the treasury and the Ministry of Justice, the state comptroller's budget is allocated by the Knesset's finance committee. Some argue that the state comptroller could benefit from further institutional independence since, for example, current arrangements allow the Knesset to request an investigation into a specific area. While understandable, this may undermine the office's ability to set an independent agenda and strategic yearly plans.

Citation:

Avital, Tomer, "The State Comptroller: In recent years there has not been actual auditing of the Knesset's administration", Calcalist 11.5.2010: <http://www.calcalist.co.il/local/articles/0,7340,L-3404250,00.html>

(Hebrew).

Tamir, Michal, "The State Comptroller: A critical look," Israel Democracy Institute. (2009). (Hebrew).

The State Control committee, The Knesset website

The State Comptroller and ombudsman's speech, Herzliya Conference website, (February 2012). (Hebrew).

Text of the basic law: State Comptroller (English)

Ombuds Office
Score: 8

The State Comptroller also serves as the state ombudsman. Under this role, the office is authorized to investigate complaints raised by the public regarding ministries, local authorities, state institutions and government corporations. Citizens may file a complaint free of charge if they believe that they were directly or indirectly harmed by an act or an activity of the government; if an act is against the law, without lawful authority, or violates principles of good governance; or if an act is unduly strict or clearly unjust. The number of complaints submitted under this provision has risen every year. Their volume doubled between 2005 and 2015. In 2015, more than 15,000 complaints were submitted, with 33.4% deemed justified. The office is internally audited on a yearly basis with the results accessible online.

Citation:

Comptroller and the Ombudsman official website

<http://www.mevaker.gov.il/sites/Ombudsman/Pages/default.aspx?AspxAutoDetectCookieSupport=1>

(Hebrew).

"The Ombudsman yearly review number 42 for 2015", The State comptroller Website (Hebrew):

[http://www.mevaker.gov.il/he/Reports/Report_542/da3f72c1-a5b1-4c41-9bf6-](http://www.mevaker.gov.il/he/Reports/Report_542/da3f72c1-a5b1-4c41-9bf6-5e0519b06ade/Report2016_Final_LR_double.pdf)

[5e0519b06ade/Report2016_Final_LR_double.pdf](http://www.mevaker.gov.il/he/Reports/Report_542/da3f72c1-a5b1-4c41-9bf6-5e0519b06ade/Report2016_Final_LR_double.pdf)

The State comptroller and Ombudsman of Israel. Website (English):

State

[http://www.mevaker.gov.il/\(X\(1\)S\(5rxc1pa0jpc1qkpdphpupj5p\)\)/En/Pages/default.aspx?AspxAutoDetectCookieSupport=1](http://www.mevaker.gov.il/(X(1)S(5rxc1pa0jpc1qkpdphpupj5p))/En/Pages/default.aspx?AspxAutoDetectCookieSupport=1)

Media

Media Reporting
Score: 7

The Israeli media industry is adapting to the global trend of decreased consumption of print and radio news media, and increased dominance of television, Internet and social media websites. While the media landscape was joined in recent years by strong independent investigatory websites and blogs, which gained considerable attention in professional circles and among the public, new popular outlets such as the free daily "Israel ha'yom" often fail to deliver in-depth news coverage.

Despite common tendencies to focus on prominent and popular topics of the hour, the Israeli press, public television channels and radio shows do offer interpretation and investigatory journalism that inform the public regarding policy decisions and long term strategies. Nonetheless, the growing rates of news consumption through social media websites (68% of 13 to 34 year olds and 50% of those 35 and over), with its shallow coverage, significantly reduce the percentage of Israelis exposed to in-depth journalism.

In 2011, a law dramatically increasing the amount of damages for libel suits raised concerns about the future of the free press as an investigatory arena. A year later a legislative proposal sought to respond to this danger by establishing a national fund to cover legal expenses for journalistic work. The bill passed first call in the parliament, but never became a law. According to Freedom House, Israel's press is only partly free. This is attributed to the owner-subsidized business model of "Israel ha'yom" and the unchecked expansion of paid content common in several media outlets. Some of the other factors contributing to lapses in Israel's freedom of the press, according to Freedom House, can be found in PM Netanyahu's decision to hold the position of communications minister himself. This has granted him exclusive control over media regulation. In addition, the government decided in October 2015 to outlaw the Northern Branch of the Islamic Movement, shutting down its media channels. It also shut down the Israeli Broadcast Authority, threatening public broadcasting.

Citation:

Goldenberg, Roi, "'the seventh eye' website won the Israeli prize for critical media", Globes 28.1.2013: <http://www.globes.co.il/news/article.aspx?did=1000817765> (Hebrew)

Mann, Rafi and Lev-on, Azi, "Annual report: Media in Israel 2012 - agendas, uses and trends", Ariel University

School of Communication The Institute for the Study of New Media, Politics and Society In cooperation with IFAT and Kantar Media (June 2013): <http://aunmedia.org/sites/default/files/research/mediareport2012.pdf> (Hebrew).

Mann, Rafi and Lev-on, Azi, "Annual report: Media in Israel 2015 - agendas, uses and trends", Ariel University

School of Communication The Institute for the Study of New Media, Politics and Society In cooperation with IFAT and Kantar Media (March 2016):

<http://aunmedia.org/sites/default/files/research/MediaReport2015%20FULL.pdf> (Hebrew)

Persisco, Oren, "Restraint and prudence", The seventh eye website: <http://www.the7eye.org.il/9774> (Hebrew).

"Israel Freedom of the Press Country Report 2016", Freedom House website:

<https://freedomhouse.org/report/freedom-press/2016/israel> (English)

Tucker, Nati, "Israel Hayom and Ynet are to blame: the Freedom of the Press in Israel is going downhill"

TheMarker, 27.4.2016, <http://www.themarker.com/advertisiang/1.2928127> (Hebrew)

Lubell, Maayan, "Israel PM Netanyahu is accusing an investigative journalist of trying to bring down his government", 08.11.2016

<http://www.businessinsider.com/r-netanyahu-attacks-israeli-media-singles-out-investigative-journalist-2016-11?IR=T>

Parties and Interest Associations

Intra-party
Democracy
Score: 7

The eleven parties with Knesset seats since the 2015 elections demonstrate varying levels of intra-party democracy. The Israel Democracy Institute (IDI) issued a Party Democracy Index, a mechanism that allows voters to evaluate the degree of internal democracy practiced by political parties. In their assessment on the eve of the 2015 elections, the longstanding rightist Likud party and the Labor party were ranked on top. In fact, the three topmost parties, Likud, Labor

and the Arab Joint List (AJL), all showed above average intra-party democracy. However, other parties demonstrated very low intra-party democracy, especially ultra-Orthodox parties and right-wing parties. New parties, mostly centrist parties, such as Yesh Atid (YA), Kulanu and Hatnua, displayed mid-range scores on intra-party democracy. Recently, a bill was presented in the Knesset that calls for financial compensation to parties whose leaders are elected through primary elections. The bill has been discussed in a Knesset committee.

The Likud, Labor and the Jewish Home (JH) parties all choose their candidates through primary elections. In this internal election process, registered party members are given the right to choose Knesset candidates. However, the parties that use this method condition primary participation by a minimum timeframe of membership. The Labor, Likud and JH parties also have elective representative institutions that take part in decision making such as selecting the parties' representatives in the government, voting whether their parties will join or leave a governing coalition, and conduct debates over policy matters.

In other parties, such as YA, Kolanu and Israel Beytenu, some consultation with party members is conducted, but important decisions are taken by top ranking members. For example, according to the YA party's regulations, the party's leader and founder, will remain leader until the end of the 20th Knesset. Moreover, in all three parties, the regulations authorize the party's leader to decide the most important personnel issues (e.g., the list of electoral candidates). He or she also holds considerable power within the party's institutions, thus retaining significant influence on party policy.

The exceptions are nondemocratic parties, such as Agudat Israel, Degel Hatora, Shas and Ra'am. While the former three are ultra-Orthodox parties, the latter is an Arab party (which ran in the 2015 election in alliance with three other parties: Hadash, Balad and the Ta'al).

Citation:

Kenig, Ofer and Shapira, Assaf, "Primary Season in Israel," Israel Democracy Institute, 2012. "Likud's Constitution," Likud Website (Hebrew). "The Party Democracy Index," Israel Democracy Institute, 2013. <http://en.idi.org.il/projects/government-structure/political-reform/the-party-democracy-index/> "The Party's Institutions," Labor website (Hebrew). "Yesh Atid Party's Regulation," Yesh Atid Website (Hebrew). "Our principles", Habayit Hayehudi Party website, <http://www.baityehudi.org.il/our-principles/> (Hebrew), <http://baityehudi.org.il/englp/our.htm> (English). "The Party Democracy Index," Israel Democracy Institute, 2015. http://www.idi.org.il/%D7%A1%D7%A4%D7%A8%D7%99%D7%9D-%D7%95%D7%9E%D7%90%D7%9E%D7%A8%D7%99%D7%9D/%D7%9E%D7%90%D7%9E%D7%A8%D7%99%D7%9D/the_party_democracy_index_2015/ "The Kulanu Party Regulation: Wide authority to the Chairman, Will decide on his own if to join the coalition." Haaretz Newspaper website: <http://www.haaretz.co.il/news/elections/.premium-1.2510097> (Hebrew)

Kenig, Ofer and Rahat, Gideon, (2016), "Additional Budget allocation for Parties who Practice Primary Elections", IDI online magazine, 19.6.2016. http://www.idi.org.il/%D7%A1%D7%A4%D7%A8%D7%99%D7%9D-%D7%95%D7%9E%D7%90%D7%9E%D7%A8%D7%99%D7%9D/%D7%9E%D7%90%D7%9E%D7%A8%D7%99%D7%9D/democracy_incentivisation/ (Hebrew)

Association
Competence
(Business)
Score: 8

Israel has a vibrant business community that often interacts with government departments and Knesset representatives in order to advance its agenda in Israel and abroad. At least three major business groups – the Federation of Israeli Chambers of Commerce, the Manufacturers’ Association of Israel and the Chamber for Coordination Between Financial Organizations – actively pursue policy goals through legal, regulatory or project-based perspectives. All three take part in conferences, perform independent research and publish their agendas. Recent publications include a plan to induce business growth and create more jobs, an analysis of annual Israeli industry trends and recommendations for government financial policy. Business organizations also cooperate with academics and research institutions to produce research, and some business-oriented think tanks exist. In general, Israeli businesses are well represented in the political sphere, and most economic interest associations are highly capable of formulating relevant policy proposals. Social inequalities affect the minority population, with the Arab business sector seldom enjoying such close and productive ties with the government.

Citation:

Bassok, Moti, “Heads of business sector presented Fisher with a plan to up product by 3%,” TheMarker website, 18.2.2013 (Hebrew)

Magar, Oren, “The small business sector to the Minister of the economy: These are the solution we need,” TheMarker website 10.4.2013 (Hebrew)

Miller, Elhanan, “Finance minister says government has failed Arabs”, Times of Israel, 24.02. 2014, <http://www.timesofisrael.com/finance-minister-says-government-has-failed-arabs/>.

“Gov’t failing Israel’s Arabs on high tech jobs”, The Israeli Chamber of Commerce website, Globes, 10.12.2014:

<http://www.globes.co.il/en/article-govt-failing-israels-arabs-on-high-tech-jobs-1000992586>.

“Israeli industry status report, trends and predictions 2012-2013,” The Manufacturers Association of Israel website, March 2013 (Hebrew)

“The chamber for coordination between financial organizations,” Maot website (Hebrew)

Solomon, Shoshanna, “Netanyahu to head panel to tackle high-tech workers pinch,” The Times of Israel, 28.12.2016

<http://www.timesofisrael.com/netanyahu-to-head-panel-to-tackle-high-tech-workers-pinch/>

Association
Competence
(Others)
Score: 7

Noneconomic associations and NGOs have become increasingly influential in recent years, with over 39,000 non-profit organizations registered with the Ministry of Justice. Along with professional consultancy firms, they fill the gap left by state’s privatization policies. Both social and environmental interest groups often formulate relevant policies and cooperate with government and academic bodies. Recent projects include the “Alaluf Committee” on poverty, as well as numerous conferences, roundtable events and publications. In 2014, the Ministry of the Interior advocated the removal of four representatives of civic and environmental bodies that traditionally sit on a supreme national planning committee. In light of widespread protest, two representatives were reinstated, including one from the environmental lobby. While social and environmental organizations tend to advocate policy by publishing reports and policy papers,

religious organizations are less prone to formulate policy recommendations regularly on arenas accessible to the public at large.

The Knesset passed a highly controversial bill that requires nongovernmental organizations to publicly declare their foreign government funding. The so-called NGO transparency bill targets left-wing and civil right groups. The bill is regarded as part of a growing trend of legislative measures to erode the strength of democratic institutions in Israel.

Citation:

Nisan, Limor, "Civil society and the third sector in Israel," IDI paper for the 10th Caesarea conference, June 2010:

<http://www.idi.org.il/media/526545/%D7%97%D7%91%D7%A8%D7%94%20%D7%90%D7%96%D7%A8%D7%97%D7%99%D7%AA%20%D7%95%D7%9E%D7%92%D7%96%D7%A8%20%D7%A9%D7%9C%D7%99%D7%A9%D7%99%20%D7%91%D7%99%D7%A9%D7%A8%D7%90%D7%9C.pdf> (Hebrew)

Vigoda-Gadot, Eran and Chaim Cohen, "Privatization of policy making: One step too far?," Van Leer Institute, August 2011: http://www.vanleer.org.il/sites/files/product-pdf/niir_emda_eitzob_mdiniot.pdf (Hebrew)

„Shaked has publicized a Governmental law Proposal that will forced NGO Representatives to wear a special Badge in the Knesset” Haartz Website:

<http://www.haaretz.co.il/news/politi/premium-1.2765489> (Hebrew)

Kalian, Gil "The non-profit sector in Israel is smaller than thought", Calcalist 16/3/2016, <http://www.calcalist.co.il/local/articles/0,7340,L-3683649,00.html> (Hebrew)

"The transparency law has passed finally" Knesset website 12/6/2016 <http://main.knesset.gov.il/News/PressReleases/pages/press120716.aspx> (Hebrew)

ACRI. Anti-NGO Legislation in the Israeli Knesset. February2016

<http://www.acri.org.il/en/wp-content/uploads/2016/02/Anti-NGO-Bills-Overview-Updated-February-2016.pdf>

Address | Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Daniel Schraad-Tischler
Phone +49 5241 81-81240
daniel.schraad-tischler@bertelsmann-stiftung.de

Dr. Christian Kroll
Phone +49 5241 81-81471
christian.kroll@bertelsmann-stiftung.de

Dr. Christof Schiller
Phone +49 5241 81-81470
christof.schiller@bertelsmann-stiftung.de

Pia Paulini
Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de

www.bertelsmann-stiftung.de
www.sgi-network.org