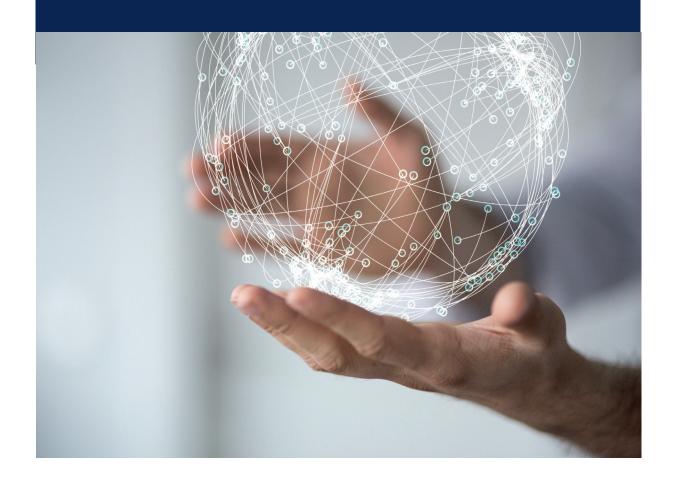# SGI

Sustainable Governance Indicators

2014 Israel Report

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Bertelsmann Stiftung

Executive Summary

Taken together, the vigorous summer 2011 protests in Israel and the change of government in 2013 seem to indicate a positive change in the country's mood and direction. Naturally, much will depend on developments in the peace process, and on whether the Israeli establishment makes a clear decision to pursue peace. In this overview, we focus our discussion around the three major themes of democratic quality, economic planning and policymaking, and governance capacity.

In the wake of protests in 2011 calling for greater social justice, the level of public transparency in Israel has increased. The people have expressed a desire to take part in policymaking, particularly in shaping their state's social and economic policies. And indeed, a number of governmental and parliamentary programs were implemented following the protests to realize this very goal. The rise in the number of complaints filed with the ombudsman's office offers additional proof of this increasing popular awareness.

However, on the institutional level, the period under review saw a very disturbing increase in the number of undemocratic legislative initiatives targeting minorities and human rights organizations.

Echoing this latter trend, several key Israeli democratic institutions, especially the Attorney General and State Comptroller offices, showed a diminished level of activity during the review period. Both offices had until recent years expressed a healthy level of criticism toward the Israeli government.

In assessing Israel's economic planning and policymaking performance, this report draws primarily on the findings of the Trajtenberg Committee, which was appointed by Prime Minister Benjamin Netanyahu in 2011 to examine socioeconomic issues and offer policy recommendations. Though most of the Trajtenberg Committee's recommended changes have not been yet realized, it nonetheless sparked considerable debate within Israel. This, along with other factors such as the public debate over the problematic aspects of the

Arrangements Law (Hok Ha-Hesderim; an omnibus budget-support act) and the appointment of a special committee tasked with improving competitiveness, have fueled expectations that economic policy will prove more effective in the future.

In terms of policy planning, the government's increased environmental-protection activity is in part attributable to the process of becoming an OECD member state.

In terms of overall governance performance, several important fields such as coordination, regulation and government-office monitoring of ministries have been neglected in recent years, a problem described in State Comptroller reports. However, in the wake of measures such as the Open Governance initiative, improvements were noted in many of these areas over the last two years. Significant actions were taken to strengthen government ministries, increase accountability and improve the quality of ministry supervision. The Prime Minister's Office (PMO) office shared this goal of improvement, for instance by establishing the National Economic Council. However, though it seems some lessons have clearly been learned, there remains considerable room for improvement in terms of governance capacities. A long reform path remains ahead, in this aspect as in so many others of the current-day Israeli reality.

Key Challenges

Three main trends were evident in Israeli governance during the 2011 – 2013 period. The first is the struggle over the boundaries to and the nature of the public sphere (as, for example, with the issues of judicial review and media freedom). Second, a lack of genuine long-term and efficient planning is evident, for example in the areas of labor policy, education, local governance and family policy. Third, the government is actively pursuing a number of unfinished reform initiatives, a trend mainly exhibited inside the public administration and government structure, and in the development of regulation and R&D support programs.

In general, Israeli policymakers are making efforts to decentralize the budgetary and decision-making process, increasingly delegating responsibilities to line ministers in conjunction with stronger oversight by the Prime Minister's Office (PMO). This trend could be improved by bolstering information sharing, particularly by strengthening existing relationships with private-sector groups

focused on making information more accessible. As shown in measures targeting transparency such as the so-called services treaty in the country's municipalities, whereby local authorities specify the services citizens can expect and are entitled to, both the civil and government spheres benefit as more information is made available. Separately, although the Arrangements Law (Hok Ha-Hesderim) mechanism has begun to set the stage for long-term economic planning, it fails as yet to create a credible, institutionalized and accountable structure for decision-making. A supplementary tool will have to take into account the importance of budgetary responsibility in long-term planning, while assuring sustainability in the decision-making process. Lastly, Israel would benefit from eliminating the bureaucratic red tape that today hinders intergovernmental and public-private collaborations.

From an economic perspective, considerable inequalities in income, education and opportunities continue to act as a drag on the economy. Addressing this is a critical challenge, particularly given that macroeconomic and demographic trends (including the high number of young orthodox Jews) make it likely that youth unemployment rates will climb in the years ahead.

The country's governance system has proved unable to engage in effective long-term planning in areas of political controversy, such as education and the labor market. Instead, ad-hoc solutions and unstable compromises have been the rule. Ongoing discussions over obligatory core educational standards for orthodox Jews and elements of a broader anti-discrimination policy may help to break this deadlock. In the case of education, a number of reforms have been proposed and implemented over the years. The failures of such experiments appear to be at least partially the result of a lack of long-term implementation capacities and poor project oversight. It is possible that strengthening the relationship between the PMO's new planning departments and the various line ministries will ameliorate this situation.

Discrimination remains a serious issue. The Israeli settlement policy in the West Bank has significant costs both financial and otherwise, including international economic, trade and cultural boycotts against Israel. However, the political will to address the status of minorities or women will inevitably depend on the current composition and ideology of the Knesset, Israel's parliament. The most recent elections resulted in a decline in the political presence of Israeli Arabs in the Knesset. The leading political parties today are not focused on preventing ethno-religious discrimination or safeguarding civil rights. In the years ahead, this could lead both to a decline of power within the Arab sector and to an increase in illiberal tendencies in the political system.

The country's media and judiciary, along with its basic electoral system, performed more positively during the period under the review. During the previous and current Knessets, various proposals have been have offered that would change the institutional design in these areas in ways that risk damaging liberal values and institutions. The media is a case in point. Israel's media freedoms derive more from a lack of negative legislation than from positive regulation encouraging free media and pluralism. Despite challenges such as the global decline of the print media, the influence of business interests and various governmental relationships, Israel's media sector continues to offer a free and viable venue for public discussion and the investigation of injustices. These are goals that the government itself does not actively pursue, either through regulatory capacities or vigilant enforcement. If there is to be new media regulation, the legislature should actively seek to protect these elements that serve to improve Israeli governance, as they do not enjoy the protection of a formal and written constitution. This would strengthen the already stable foundations for future Israeli innovation.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 7

The Israeli economy was affected by the aftereffects of the world economic and financial crisis. However, it achieved a growth rate of more than 3% in 2010, higher than that of most industrialized countries. In 2012, economic growth slowed to 3.1%, the inflation rate was 1.6%, the current account was close to balanced, the unemployment rate remained stable at its lowest level in the past 30 years, and the government deficit widened to 4.2% of GDP.

A policy paper issued by the Taub Center in 2012 differentiates between structural and cyclical/temporary economic difficulties in Israel in order to examine the economy's efficiency outside the influence of short-term disturbances. This enables a review Israel's overall policy pattern instead of looking at short-term solutions to external or geopolitical pressures. Overall, Israel dealt well with the 2008 – 2009 global crisis and the various related economic challenges. However, it does show structural problems with respect to core issues such as government spending, housing, health and education, among others. These issues were among the main subjects of middle-class concerns during the demonstration of 2011 – 2012, and were also key issues in the 2013 elections.

A 2011 report prepared by Israel's central bank identified financial-market centralization, with a concomitant amplification of risk, as one of Israel's primary problems. This issue has also been identified by the government, which has reduced the amount of risk that banks are allowed to take on for large borrowers. It also established a special committee to investigate options for increasing market competitiveness. This committee published its

recommendations in 2012, which were approved by the government shortly afterward. However, these reforms have not been in effect long enough to accurately evaluate their consequences.

Like many countries engaging in privatization, Israel is adapting by expanding its regulatory structures. However, both the IDI and the Van Leer Institute have recently published papers criticizing the underdevelopment of the country's regulatory framework. For example, research on water and power services shows an unorganized and inefficient regulatory system that is full conflicts of interests. Media, political and public debate are focusing on these issues to various extents.

In general, while Israel's economic policy has shortcomings, it largely does provide for a reliable economic environment and supports the objectives of fostering the country's competitive capabilities and preserving attractiveness as a location for economic activity.

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Labor Markets

Labor Market Policy
Score: 6

With a working-age labor-force participation rate of 66% compared to the OECD average of 77%, Israel has a relatively large number of people outside the labor market. This situation is especially prevalent among Arab-Israeli women and ultra-orthodox male Jews. Many of the relatively well-educated Jewish immigrants who arrived from Russia in the 1990s (today accounting for 8% of Israel's population), who provided the country's industrial sector with a significant proportion of its high-level technical and engineering skills, are now approaching retirement age. This phenomenon, along with the fact of an increasingly technology-driven economy, will fuel increased demand for workers with good technical and engineering skills in the future.

While the Israeli government supports the free market, it acknowledges that state interference is necessary, whether through regulation or in the form of fiscal transfers. Indeed, following the 2008 economic crisis, the importance of regulation as a policy instrument was recognized in a broader sense. Over the past few years, the labor market has witnessed an expansion in labor regulation and labor laws. However, budgetary outlay related to this trend, largely in the form of negative income-tax payments and professional training costs, have been well under the average OECD outlay for labor-market policy.

The government has also 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 when they find themselves out of work.

The government has sought to cultivate labor-market mobility by expanding the quantity of work permits provided. Nevertheless, despite the relatively low unemployment rate, it remains difficult to identify a clearly long-term strategic component in the state's policymaking in this area.

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Taxes

Tax Policy
Score: 6

A study executed by the Knesset's research institute in 2010, analyzing budget plans for 2011 – 2012, showed Israel's direct tax burden for companies and individuals to be among the OECD's lowest. This is part of an ongoing policy aiming to reduce direct taxes. The top income tax rate has been lowered from 47% in 2008 to 45% in 2010, and the corporate tax rate was lowered from 27% in 2008 to 25% in 2010.

However, Israel's taxation strategy, Israel's taxation strategy of elevating indirect taxes such as VAT, which in Israel is distributed equally on all products, makes its overall taxation system less progressive than some. In addition, although the direct income tax is progressively structured, and a large

part of the population makes too little to pay any tax at all, the system is constructed in such a way that instead of being progressive throughout, it creates a curve, which means that middle-income individuals pay more tax than do high-income individuals. The current system thus lacks a certain degree of vertical equality. However, the apparent distortion is in fact an intentional economic strategy meant to induce growth by reducing the tax burden associated with investments and companies. While controversial, it is not necessarily unfair as such.

Nor is Israel's taxation system entirely characterized by horizontal equity. For example, unlike some other OECD countries, parental tax reductions are provided to mothers but not to fathers. However, many women with children often fail to earn enough money to pay income tax in the first place.

Like most other countries, Israel utilizes its tax system as a political instrument. For instance, it offers tax reductions to veterans. Since Arab citizens do not serve in the army, this could be construed as an unequal opportunity. However, defenders of the system argue that soldiers lose income while serving. From this standpoint, the tax reduction serves as a restorative tool. In most instances the Israeli tax system has a valid rationale for tax reductions that otherwise appear to violate the principle of horizontal equality. Some argue that lowering the overall direct tax burden in favor of indirect taxes produces the highest degree of equity; however, an analysis of the tax burden produced by indirect taxes, at least as viewed as a percentage of household expenditure, finds that this too poses a problem for vertical equality.

Israel's strategy of lowering direct taxation on companies and individuals led to an expected decrease in income. Initially, the extra growth produced by the tax cuts covered the gaps left by reductions in income. However, this has changed due to local and international economic fluctuations, as well as by political guarantees to the 2011 protestors and other social groups. In 2013, Israel's central bank announced a need to increase tax revenue by ILS 6 billion. As of the time of writing, this matter had come under heated debate. However, due to Israel's commitment to OECD guidelines, as well the influence of its powerful central bank, it seems likely that the state will again reach a point of revenue sufficiency in the near future.

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Budgets

Budgetary Policy
Score: 7

After the deep 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.

As part of this effort, strict budgetary-discipline laws were enacted. The Budget Foundations Law, for example, set strict spending procedure regulations and implemented deficit-reporting requirements. 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. The consequence of these laws was to centralize fiscal power, giving the Ministry of Finance's Budget Department the power to impose a policy of budgetary discipline.

Two crucial additional laws, the Arrangements Law (Hok Ha-Hesderim), and the Budget Deficit Reduction Law, helped redefine the financial and economic structure of Israel. The latter law restricted the government's flexibility by setting out a future path of deficit reduction. For its part, the Arrangements Law is actually an omnibus law passed with each budget, consisting of a number of reforms and amendments designed to enable the spending document to achieve the state's financial goals. In the last few years, the budget has been shifted to a biennial basis, which many regard as having had a positive influence on the ability to reach these goals.

This history of successful reform continues to contribute to the stabilization of the Israeli economy. Along with a skillful monetary policy, these measures helped the country weather the last economic crisis relatively successfully.

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Research and Innovation

In a research paper submitted to the Knesset in 2011, the Knesset's research institute analyzed Israel's R&D sector on the basis of three pillars, including scientific research performed primarily in academia, research conducted in government institutes, and research conducted by civil-industrial partnerships governed by the Ministry of Industry, Trade and Labor (since renamed as the Ministry of Economy). In various EU and OECD surveys, Israel has demonstrated high performance in the field of research and innovation. For example, in a recent publication, Israel was mentioned as having increased "its (European Patent Office) EPO patenting activity between 2000 and 2007, to reach the highest share of EPO patent applications per billion GDP." Israel was also singled out as one of the leading start-up and information exporters.

Israel's good rating is not a result of extraordinary government funding over the years. Its R&D is very much private-sector oriented. In 2000, government funds accounted for 24% of total spending on civil-industrial R&D development. In 2006, government funds accounted for only 15.9%, and in 2009 further reductions brought this figure down to 14.5%, below the European median of 37.3%. In 2006, however, private-sector investments were above the European median by more than 20%. Although government funding has declined over the years, reaching 0.67% of GDP in 2012 (Eurostat), total R&D investment as a percentage of GDP is high in comparison to many European countries because of the high levels of non-public R&D spending, which were at 3.83% in 2012 (Eurostat).

A large portion of Israeli R&D policy is directed toward international cooperation. Indeed, 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. As of 2005, the government office responsible for overseeing Israel's scientific relationships and capabilities had secured 14 binational agreements with various countries including Russia.

Internationalization has long been a priority of innovation-minded policymakers. The country is signatory to 29 bilateral R&D agreements and is 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, which are managed by the Israel-Europe R&D Directorate (ISERD).

A 2011 OECD report acknowledging these accomplishments also noted that Israeli bureaucracy in this field is still overly complex and burdensome. These issues are currently being re-evaluated, and are widely discussed in the public administration discourse.

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Global Financial System

Stabilizing Global
Financial Markets
Score: 8

During Israel's process of OECD accession in 2007, the country was assessed against a number of suitability criteria. An Israel Democracy Institute (IDI) study group explored the amount and scope of changes Israel would have to undergo as a result. Its report, which in part explored international financial

regulatory activities, emphasized Israel's commitment in several important aspects:

• Bribery. Israel signed the convention on combating bribery, and successfully passed out of the three-stages review required by the convention. The report noted the imposition of criminal penalties for this crime, as stated in the criminal code, as well as efforts to apply the law to transactions made by Israeli companies abroad.

• Transparency promotion. In accordance with the OECD standards, Israel has established an entity tasked with increasing the accessibility of financial information. This entity works with corporate experts and has published materials in Hebrew, Arabic and English. It also has a public inquiries office for public complaints.

In addition, 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 ensuring market stability and fair competition, although the ultimate goal in both cases is to ensure consumer protection.

But while these regulatory institutions have policymaking power, they lack the ability to impose penalties of sufficient strength. Moreover, the country's supervisory model has been criticized for being excessively fragmented.

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II. Social Policies

Education

Israel's education policy is deeply influenced by political divides, thus making it hard to estimate the degree to which it provides equitable treatment. As in other socioeconomic fields, funding allocation favors Jewish citizens. In addition, educational achievement in the partially state-funded Jewish-orthodox educational system are considerably lower – by standard measures – than in the regular system. These problems have been evident in recent Program for International Student Assessment (PISA) test results, where the variation in Israeli results was 40% higher than was the case for 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." However, Orthodox boys were not tested in the program, as they do not study relevant material. Arab-Israeli students that were tested fared worse than students in third-world countries such as Kazakhstan, as well asTennessee. However, in the last few years, there has been an increasing level of matriculation to primary and secondary schools as well as to higher education institutes among Arab and Jewish orthodox communities.

Israeli education spending as a share of GDP is relatively high in comparison to other OECD countries. However, the education system has many allocation problems, and in the last decade has been going through various reforms aiming at improving quality. Although Israel is in line with OECD educational levels overall, it does not fare well in international surveys testing secondary-school students' knowledge. Indeed, even after accounting for specific problems with the Arab and orthodox Jewish communities, Israeli students' marks have deteriorated in recent PISA tests. Israel showed high levels of attainment in past generations, 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 recent Taub Center research paper suggests that Israeli education system is ill prepared for the world's increasingly competitive and dynamic working environment.

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Social Inclusion

Social Inclusion
Policy
Score: 4

Israel's social system has shown disturbing trends in recent years, including a
rise in inequality and exclusion.

According to a 2012 report, the socioeconomic gap between the five highest
income deciles and the five lowest deciles had grown in the foregoing year,
contributing to an ongoing reduction in the middle class. In fact, Israel's middle
class is among the smallest in the Western world, and inequality levels in Israel
are among the OECD's highest. Measured by the Gini coefficient, Israel ranks
fifth out of 27 countries in the area of income inequality.

The report points out the dissonance between moderate growth rates on the one
hand and ongoing social polarization on the other. This polarization is reflected
in several dimensions, including:

• A persistent gender-based pay gap, with average differences between
woman's and men's wages remaining constant over the past few years.

• Significant average wage differences between the Jewish and Arab
communities, and between the Ashkenazi (East European or Western origin)
and Mizrahi (Middle Eastern origin) Jewish communities.

• Significant inequality within the elderly population relative to their pre-
pension state.

• Access to higher education. According to a Adva Center report, only 28.8%
of Israelis who were 17 years old in 2002 had enrolled in universities or
academic colleges by 2010. This rate was 33.5% among Jews and just 17.6%
among Arabs.

On the basis of this persistent polarization, it is difficult to identify significant
social-policy successes in Israel in recent years, other than unplanned fiscal
transfers such as those made recently to holocaust survivors organizations.

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Health

Health Policy
Score: 8

The Israeli Ministry of Health is in charge of health care policy, medical services and mental health services. Under the 1995 National Insurance Act, each citizen in Israel is entitled to medical attention through a health maintenance organization (HMO). This is a highly universal and egalitarian law, allowing for broad access to subsidized primary care, medical specialists and medicines. Although there are active efforts to expand the current basket of covered health services to include items such as nursing and dental care, budgetary considerations has prevented these additions. This means that low-income families have poor access to dental care.

As are other fields, Israeli health services are experiencing privatization pressure. There has been a rise in supplemental private medical-insurance and health care plans, which has reduced equity within the health care system overall. This process has been accompanied by a decrease in the amount of public financing provided. Furthermore, the quality of health services and facilities varies on the basis of geographical location, with periphery facilities often struggling to attract highly skilled personnel. However, in general, the Israeli system is fairly equitable in international comparison.

A 2012 OECD survey conducted in Israel identified it as one of the best health care systems n the developed world. The level of health care was ranked fifth in the survey group, with a score of 8.5 out of 10, exceeded only by Switzerland, New Zealand, Australia and Canada. Although the OECD noted Israel's low average level of public funding, nursing shortage and overcrowded hospitals, it cited decreasing mortality rates and high doctors/population ratios. Israeli public and political debate over this survey is more skeptical. Health

professionals have publicly stated that the OECD survey was premature, as the deterioration in services has not yet become widely evident, but is starting to make a dent in the quality of public care.

The OECD also gave Israel high marks in terms of system efficiency. For example, it noted Israel's unique auditing and regulatory system for HMOs, which offers constructive criticism and guidance as opposed to monetary inducements. However, the report is more critical of a lack of communications between HMOs and hospitals. Similar criticisms have been made by NGOs, which note that recent privatization campaigns have led to a deterioration in efficiency, with Israeli facilities suffering from long waiting times and exhausted personnel.

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Families

Family Policy
Score: 6

Israel has in the past few years undertaken some significant measures addressing the participation of women in the labor market. Among the most important measures, the government has established an equality of opportunity commission, increased subsidies for day care facilities, passed women-friendly legislation (including an extension of the maternity leave periods) and introduced budgetary regulations that require gender disparities to be considered for each item in the budget.

Nevertheless, studies continue to point to ongoing discrimination against women in the business and public sectors (e.g., the military). A pioneering report published in 2013 showed that working mothers in Israel lose 5% of their income for each child born, while male income grows.

Several studies have also pointed to the lack of minority-oriented social-policy tools, which are needed to address the unique problems of ultra-orthodox and Arab women (though the labor-market participation rate among these two groups is gradually increasing).

Thus, despite the improvements made in the past few years, Israel's policymaking process is still far from creating full equality for working mothers in the labor market.

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http://www.adva.org/uploaded/%D7%94%D7%AA%D7%A7%D7%93%D7%9E%D7%95%D7%AA_%D7
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Pensions

Over the past two decades, Israel has embarked on several reforms to its pension policy, profoundly changing the pension system with respect to employer-based pensions and the national insurance. These changes have had great influence, across all relevant dimensions.

With respect to poverty prevention, the reforms introduced a new defined-benefit (DC) pension plan, with contributions invested in the capital market instead of in government bonds. In so doing, the comprehensive reform transformed a system of significantly underfunded pension funds driven by collective bargaining into a system of mainly individual defined-contribution accounts with various levels of collective risk sharing. However, these actions in large part saw the government renounce responsibility by imposing transferring liability to the individual level.

Beginning in 2008, according to an agreement signed by the New Histadrut trade union and the Coordination Office of the Economic Organizations, the Pension for Every Worker process went into effect. Once approved by the government, every salaried worker in the economy became entitled to participate in pension set-asides jointly carried out by employees and employers.

Moreover, at the end of 2008, the Israeli government implemented a reform that introduced a requirement for life-cycle strategies in pension savings products. According to the reform, various investment tracks with age-based

investment profiles would be established, serving as default options for savers who failed to make an investment choice on their own initiative. However, under the reforms, the new pension system is regulated rather than operated by the state. The system is therefore subjected to free-market rules; though by law, every worker is entitled to a pension, private pension funds can decide who to accept.

As pension assets are now held by external management entities, they are supervised and regulated by not managed by the state itself. Furthermore, in the last two years, Israel has increased the legal maximum for insurance contributions (including that for pension insurance), with the aim of improving fiscal stability. Thus, it appears that the system as it stands today is fiscally sustainable.

Citation:
Achdut, Leah and Avia Spivak, "The Pension System in Israel After 15 Years of Reforms," Policy studies 8 (2009), Hebrew,
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Integration

Integration Policy
Score: 6

The legal status of immigrants in Israel is influenced by the Law of Return (Hok Ha-Shvut). This law has strict rules governing who is entitled to citizenship and who is not. The law states that only Jews have a right to come to Israel as a so-called Oleh, or Jew immigrating to Israel. Oleh are given

automatic citizenship as part of the state's national objective of maintaining a Jewish majority. Other people seeking Israeli citizenship are subjected to various legal restrictions. Therefore there are three types of immigration groups, each assigned a different position: Jewish immigrants, economic immigrants and refugees. The remainder of this item will focus on Jewish immigrants, as this is the only formally and legally authorized group of immigrants, and is the main subject of Israeli immigration policy.

In recent years, the vast majority of Jewish immigrants to Israel have come from the former USSR and Ethiopia. While cultural barriers do create problems of integration in Israeli society, the state has expended considerable effort to bring these individuals to Israel, and has further expressed its support through education and employment programs. Various models of integration have been pursued. The Jewish Agency, a statutory authority, is responsible for Jewish immigrants' welfare as they arrive, providing them with financial aid and accommodation. Subsequently, the implementation of immigrant policies are the responsibility of the Ministry of Immigrant Absorption. Policies over the past two years have included tax breaks and subsidies.

Individual committees have been formed to study aspects of immigrants' lives, with the aim of improving conditions. However, as recently noted by the Knesset's Committee for Immigration, Absorption and Diaspora Affairs, a relatively small proportion of these committees' recommendations are implemented.

Citation:
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Safe Living

Safe Living
Conditions
Score: 7

The Ministry of Public Security (MPS) manages the internal security field in conjunction with the armed forces and other specific government agencies such as Rachel and Malal. The MPS itself is in charge of crime prevention, the prison system, gun control, prevention of terrorist acts, fire prevention, and other such issues. Increasingly focused on dealing with internal security in general (expanding on duties served in its previous incarnation as the Ministry of Police), the MPS continues to be reformed with the aim of integrating the country's various agencies dealing with security issues. In a paper published in

2013, the ministry reported on progress in integrating and improving communications between civil, governmental and military groups. For example, previously dispersed authorities such as the Firearm Licensing Department (2011), the Israel Fire and Rescue Services (2011) and the Israel Anti-Drug Authority have been integrated under the Ministry of Public Security's bureaucratic umbrella.

The OECD's Better Life Index gives Israel a moderate mark on security. Israel's murder rate is average among the OECD countries (2.1 persons killed annually per 100,000 inhabitants). A total of 70% of citizens questioned stated that they felt safe walking alone at night (OECD average: 67%). Inequality between social groups is moderate in this respect, with Israel ranking 15th out of 35 countries surveyed by the OECD on this measure. 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, difficulties in estimation also arise from the previously noted reforms, which substantially expanded the ministry's responsibilities. Some of these changes have come as a result of perceived failures of previous institutional arrangements; for instance, the 2010 Mount Carmel forest fire, which resulted in more than 30 police casualties, resulted in significant public criticism and prompted institutional change.

Citation:
"Policy of the minister of public security 2013," MPS August 2012. (Hebrew)
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Global Inequalities

Global Social Policy
Score: 6

Over the years Israel has provided humanitarian, medical and financial aid to developing countries. In recent decades, this aid has been expanded to technological and agriculture knowledge-sharing as well. The government's Center for International Cooperation (MASHAV) oversees cooperation with other developed countries, and is responsible for launching emergency-assistance missions.

Although the country does continue to provide aid, and has signed a number of international cooperation agreements with entities such as the United Nations Industrial Development Organization, it has not been a leader in seeking or promoting fair global trade policies.

Citation:
Ben Horin, Yitzhak, 'Israel to aid developing countries," ynet website 18.12.2008
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ashav+Israels+Agency+for+Internatio nal+Development+Cooperation.htm

III. Enviromental Policies

Environment

Environmental
Policy
Score: 7

Israel faces significant environmental challenges due to its small territory, high population density and poor water resources. This situation has been aggravated by geopolitical developments. For one thing, unlike many OECD countries, Israel's complicated relationship with its neighboring countries prevents it from sharing power facilities and thus reducing environmental costs. Security and political considerations have overshadowed environmental issues, resulting in long-term neglect of environmental policy. However, since 2003, the country has increased its attention to the area, with some positive results. A 2011 OECD report surveyed the country's achievements and shortcomings, with the following conclusions:

• Climate policy represents Israel's main challenge. Since Israel has not been bound to international climate treaties, it has not done enough to decrease greenhouse-gas emissions and pollution. In 2009, it established its own goal of reducing emissions by 20% by the year 2020; however, the OECD deems this goal to be too modest, with plans insufficiently developed, and with details too hazy to allow for efficient regulation and enforcement. Another positive initiative has been the Clean Air Act passed in 2008 and implemented in 2011, which sets standards for industrial pollutant emissions, waste dumping, and other such issues. Although the government has sought to use taxation and price mechanisms to provide incentives for energy use reductions, the state has not done enough to offer viable alternatives. This is especially evident

regarding transportation. Although Israel taxes private-car owners at the time of purchase and through highway tolls, it has done little to create a viable and stable public transportation system.

• Access to sufficient water resources are a key issue underlying long-term environmental sustainability. Scientists and politicians alike note that Israel's natural fresh-water reserves will ultimately be unable to support Israel's growing population. Driven additionally by years of drought and rising water prices, Israeli scientists has been driven to develop new solutions to this problem. In the last decade, Israel has developed desalination facilities, sewage treatment procedures and infrastructure, and efficient irrigation techniques, among other innovations. 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 prevention of water pollution. Over the last six years, an increasing number of waterway rehabilitation programs have been implemented, and this remains an active and hotly debated issue.

• Israel's approach to preserving forest areas is systematic and effective, but could be improved by more systematic and transparent information gathering. 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 largely supervised by governmental authorities such as the Keren Kayemeth LeIsrael – Jewish National Fund (KKL-JNF). Wooded areas in Israel receive various degrees of protection, the highest being achieved when a design plan has been legally approved. In 2010, the KKL-JNF submitted some 197 plans, which as of the time of writing were in different stages of approval. The country's forest law (1926) is the legislative mechanism governing forest management, and has been updated as recently as January 2012.

• Although Israel has a relatively small territory, its geographical diversity supports impressive biodiversity. In 2006, Israel established a communal program called HaMarag which promotes cooperation between the government's main environmental bodies, including the KKL-JNF, the Ministry of Environmental Protection and the Israel Nature and Parks Authority. This program helps promote biodiversity, gather information and develop policy solutions. In 2010, it launched a monitoring system for dealing with biodiversity issues, aiming to utilize economic incentives to promote biodiversity protection and advancement. This represented a change from the older model of protecting specific species or lands. Instead, the aim is to take a larger view, and propose comprehensive actions with greater ability to protect

wildlife and plants. In 2012, the program launched its new national plan for monitoring biodiversity in Israel.

Citation:
Berg, Naama, Orit Ginzburg & Avi Provolotzky, "National plan for monitoring the status of nature and biodiversity in open territories in Israel," Ecology and environment 3.3 (2012), 256-262 (Hebrew)
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Global Environmental Protection

Global
Environmental
Policy
Score: 5

Until recent years, Israel was not involved intensively in advancing global environmental projects. However, in the few years, Israel has taken a larger role in environmental concerns, in part due to joining the OECD, and in part due to a rise in domestic public awareness regarding these issues.

Because of the unique and diverse nature of the Israeli climate and country's scarcity of drinking water, the country has been forced to find technological and ecological solutions for many problems. Thus, leading up to the Rio Earth Summit in 2012, Israel launched a green technology project that aimed to show off Israel's achievements in use of this non-renewable resource. The campaign presented Israel as a global leader in desalination, with 40% of its drinking water coming from this source. Israel is also a global leader in the use of recycled water; 70% of Israeli wastewater is recycled and used in agriculture after undergoing a special purification process. The global concern was expressed when Israel declared its will to share its technological developments among all developed countries and its neighboring countries, citing shared interests and a global environmental commitment.

Israel is also involved in international efforts in fighting desertification. It is an important exporter of new methods and technologies developed specifically for arid regions. However, the country has failed to demonstrate commitment to many important global issues that are not directly associated with what it sees as its own environmental interests. For instance, Israel does not follow OECD air-pollution standards, and it has not done enough to decrease greenhouse-gas emissions.

Citation:
Shamah, David, "Israel flaunts green tech, but lags behind in alternative energy," The Times of Israel 26.6.2012
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Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 9

Israel is an electoral democracy. While it does not have an official constitution, one of the basic laws (The Knesset, passed in 1958) that hold special standing in the Israeli legal framework provides for general, free, equal, discrete, direct and proportional elections, to be held every four years. This basic law promises equal opportunity for each Israeli citizen (as well as Jewish settlers in the territories) to vote and to be elected, with certain reasonable restraints.

To be elected to the Knesset, a candidate must be a citizen over the age of 21 who has not been incarcerated for any three-month period in the seven years prior to the nomination (unless authorized by the head of the Central Elections Committee). If the nominee has previously held a prominent public office (as specified in the law), he or she must wait expires specified amount of time before again standing for election.

Under the country's 1992 law on political parties, the Central Elections Committee is in charge of organizing elections and tallying votes. The committee is also authorized to reject a nominee or a party list based on any of three conditions:

• If it rejects Israel's Jewish and democratic identity;
• If it supports another country's armed battle against Israel and/or supports a terror organization; or
• If it incites racism.

Due to its significant weight in the electoral process the committee is chaired by a Supreme Court judge and is constituted on the basis of a proportional-representation system that allows each faction in the Knesset a voice. The group's membership, which has both a political and judicial component, ensures proper conduct.

The committee must receive authorization from the Supreme Court in order to disqualify a nominee. In the 2013 elections, the committee disqualified the

nomination of parliamentary member Hanin Zohabi, a Balad party representative, claiming that she was in breach of Article 2 of the Knesset basic law. The decision was reversed by the Supreme Court. Of the 10 disqualifications made by the elections committee over time, the Supreme Court has upheld only three: the Arab Socialist List (1964), the far-right extremist Kach party (1988, 1992) and its splinter group Kahana Chai (1992). The latter two were banned for racism.

Citation:
"Summary of laws relating to the general elections," from the Knesset official website (Hebrew)
Shamir, Michal & Keren Margal, "Notions on threat and disqualification of lists and nominees for the Knesset: from Yardur to the 2003 election (Hebrew), Mishpat & Mimshal 8, tashsa, pp. 119-154.
Basic Laws: "The Knesset." Knesset official website, accessed: 27.8.2013.
www.knesset.gov.il/description/eng/ eng-mimshal_yesod1.htm (English)

Media Access
Score: 8

One of the foundations of Israel's democracy is its free press and media. Laws ensure equality in access for all candidates and parties. Criteria for the allocation of airtime during electoral campaign are impartial, and are determined by the chairman of the central election committee. More specifically, the 1959 law on elections states that the chairman of the Central Elections Committee determines how much radio broadcasting time is provided to each list of candidates (currently, each list is entitled to 25 minutes of air time, plus another six minutes for every member of the Knesset it had in the last session). All campaign-related broadcasts must be funded by the parties themselves, and must be approved in advance by the chairman of the Central Elections Committee.

Since Israel does not have a formal constitution, its legislation regarding human rights is incomplete. However, throughout the 1990s several basic laws on the issue were passed. The basic law governing the parliament states that "(t)he Knesset shall be elected by general, national, direct, equal, secret and proportional elections." The Supreme Court has heard a number of cases arguing that particular laws were in breach of the principle of equality. The court has ruled that variation in size makes it impractical to place all parties on a precisely equal footing, and that the system should therefore continue to favor experienced parties that have proven their electoral clout.

Citation:
Hattis Rolef, Susan, Ben Meir, Liat and Sarah Zwebner, Party Financing and Election Financing in Israel, Knesset Research Institute, 21 July 2003 (Hebrew).

Voting and Registrations Rights
Score: 9

According to the Israeli basic law (Knesset 1958), every Israeli citizen 18 years or older is eligible to vote in general elections. This right is guaranteed under

the principle of equality and is considered a fundamental democratic principle. It is restricted only by the requirement to exhibit a valid government identification, which contains the voter's name and picture. If the voter has refused to take an ID photo (as some religious women do), the identification will be considered valid if it has received previous authorization from the Ministry of the Interior. Article 10 of the same 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, it gives voters a positive incentive to vote.

The issue of prisoners' right to vote was not much debated until 1988. However, after a number of petitions on the issue were submitted to the Supreme Court (the Bagatz), the Knesset revised the law to state that a voting box must be placed in every prison. Handicapped citizens are also entitled to special voting stations that are adequately equipped for their particular needs. The state is obligated to offer at least one such station in every city council district, and at least two in any district with more than 20 regular voting stations. The mentally ill are not prevented by any specific law from voting. If the voter finds the voting procedure difficult for any reason (such as ill health), he or she is entitled to ask for assistance from an escort. Soldiers on active duty are also entitled to vote in special voting stations.

Israel does not allow citizens absent at the time of the elections to vote unless they are members of a distinct category such as embassy employees stationed abroad. However, every citizen has the right to vote without a minimum period of residency in the country.

Information on voting procedures is available through special government-funded information centers. These can be accessed online or through call-in services. Problems and complaints are dealt through the Central Elections Committee.

Citation:
"The 19th election for the Knesset: Information for the voter Q&A," National election supervisor website (Hebrew)
"Basic Laws: The Knesset," Knesset official website, Accessed: 27.8.2013.
www.knesset.gov.il/description/eng/ eng-mimshal_yesod1.htm
"Who is allowed to vote?," Israel Democracy Institute website, November 2002 (Hebrew)

Party Financing
Score: 9

The state of Israel has strict rules concerning party financing and electoral campaigns. The most important are the Parties Law (1992) and the Party Financing Law (1992). These two laws require all parties to document their finances and provide financial reports in accordance with the instructions of the

State Comptroller. These laws also stipulate the means by which parties can receive income. These include:

• Party membership dues and fundraising from members, within limits allowed by the Party Financing Law;
• Funds received from the state in accordance with the Party Financing Law;
• Private contributions received in accordance with the Party Financing Law;
• Funds received for the purpose of elections in the New Histadrut trade union association (as approved by the New Histadrut); and
• Funds obtained from party activities, directly or by means of party associations, involving the management of party property.

In addition, throughout the electoral period, all financial activities are subject to the supervision and monitoring of the State Comptroller, which has on several occasions issued instructions that have the status of subsidiary legislation. This office publishes regular reports regarding party finances, and is in charge of determining whether parties have followed the law on these issues. The comptroller also has the right to require a party to return funds to the state if there are discrepancies regarding its private contributions.

Citation:
Hattis Rolef, Susan, Ben Meir, Liat and Sarah Zwebner, Party Financing and Elections Financing in Israel, Knesset Research Institute, 21 July 2003 (Hebrew).

Popular Decision-
Making
Score: 2

Israel's government and parliament have traditionally given little support to popular decision-making mechanisms. When attempts are made to encourage this area, they tend to take the form either of 1) open-information projects or websites, or 2) special legal provisions allowing citizens to make appeals on issues such as urban planning, or which allow them to address parliament committees on issues of direct concern. While important, these types of initiatives support a top-down model of civic participation rather than encouraging independent initiative.

However, the large–scale protests during the summer of 2011 served to repoliticize the civic sphere. Thus, some new initiatives have aimed at strengthening citizens' role in the decision-making process. Among these, efforts have been made to improve online access to records of regulatory, statutory and political rule-making, and legal mechanisms designed to give citizens a stronger voice in political decision-making processes have been developed. However, these initiatives remained largely in the early stages as of the close of the review period. Consequently, there were few if any ways by which Israeli citizens could directly participate in the decision-making process,

at least without resorting to media pressure, persuasion via lobbying firms or making an appeal to the courts.

A bit more flexibility is evident on the municipal level. In cities including Jerusalem, for example, a local community-administration structure (Minhal Kehilaty) has existed since the 1980s, which enables local residents to take part freely and 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 whether the project has made a real contribution in this regard.

Citation:
"future recommendations," sharing: committee for social and economical transformation website. (Hebrew)
Sharing on governmental issues, Israeli government website (Hebrew)
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," Israel democracy institute website (Hebrew)
Vaksman, Efrat & Dana Blander, "Models for sharing," Israel Democracy Institute website 2012 (Hebrew)

Access to Information

Media Freedom
Score: 7

Israel's media environment is lively and pluralistic. The freedom of the press is generally respected, and the government does not generally seek to influence the media. Legal protections for press freedom are robust, and though the country's basic laws do not contain a specific reference to the issue, the Supreme Court has ruled that freedom of expression is an essential component of human dignity.

This said, several cases over the last three years have called significant aspects of media independence into question:

• The creation of a new newspaper, Israel Hayom, served to broaden the range of available opinions, helping to create a more pluralistic climate. However, Israel Hayom is owned by Sheldon Adelson, a prominent American businessman who is openly aligned with Prime Minister Benjamin Netanyahu and the conservative Likud Party. Critics have called this a problematic example of crony capitalism.

• In 2011, financially troubled private television broadcaster Channel 10, which has often been critical of the government, came under significant political and economic pressure. In September, station executives were allegedly pressured

by investors into apologizing for a story about Adelson. Moreover, both the prime minister and his wife initiated libel suits against the station that year. In December, the Knesset Finance Committee rejected the station's request to postpone its debt payment by a year, meaning the station faced the prospect of paying the government ILS 60 million (million) at year's end to avoid being shut down. At the same time, the publicly owned Channel 1 was relieved of a much larger debt. It was only after long negotiations and a public uproar that the government agreed to provide financial assistance to Channel 10.

Also worrying is the immense power given under the law to the censorship authorities. Under a 1996 censorship agreement between the media and the military, the censor has the power –on the grounds of national security – to penalize, shut down or stop the printing of a newspaper, or even to confiscate its printing machines.

Major sources of concern within the Israeli media sector are ownership concentration, increasing economic vulnerability and the commercialization of the media in general. Also problematic is an evident increase in political interference with and pressure on the Israel Broadcasting Authority (Rashut Hashidor), the country's state broadcasting network, which has in the past been a bastion of liberal criticism of governments. In Freedom House's Freedom of the Press 2013 report, Israel's press status fell from free to partly free.

Citation:
Dan Caspi, "Media and Politics in Israel," Van Lear and the Kibutz Hameuhad, 2007 (Hebrew).
"Israel: Freedom of the Press: 2013," FreedomHouse website.
http://www.freedomhouse.org/report/freedom-press/2013/israel

Media Pluralism
Score: 7

Ensuring a diversity of opinions in the media through regulation of ownership has been a much-discussed topic in Israeli politics. It was also the subject of a detailed study issued by the Knesset research institute. The study defines Israeli policy toward media pluralism as 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 simply 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, media regulation in Israel is structural, regulating ownership in media organizations (radio, public and private television, including cable and satellite). Regulators are charged with authorizing licensees and enforcing

regulation in matters of ownership concentration, cross-ownership and foreign ownership. The printed media is not under the same restraints as the broadcast media, and is dealt with through antitrust regulation or voluntary self-regulation. Most news websites in Israel are operated by print-media companies. Ownership of Internet content providers is not regulated, although some proposals have been made to expand offline regulations to the digital sphere.

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. Structural mechanisms prevent the predominance of certain opinions. However, there is room for improvement. The International Data Corporation (IDC) issued a research paper in 2003, claiming that Israeli regulation was outdated, overcomplicated interfered too strongly with the market. Broadcasting is also regulated in an inconsistent manner, the paper said. For example, some TV channels can post shows online that were deemed by regulatory authorities to be impermissible to broadcast. Finally, the IDC report said that ownership regulation does not adequately address subjects such as interlocking directorates or cross-business relationships that are not directly related to ownership. These issues, though hidden, could create effects similar to the ownership issues addressed by regulations.

Citation:
Agmon, Tamir & Ami Tsadik,"Analysing economic ramifications of centralization and cross ownerships in the Media," Knesset research and information center, 2.11.2011 (Hebrew)
Tal, Yizhar and Dina Ivry-Omer, "Regulation of Electronic Communications Services in Israel: The Need to Establish a Communications Authority," Policy research 76 IDI (November 2009), Hebrew.
http://en.idi.org.il/media/277043/pp_76.pdf
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-i nterests-1.395639?localLinksEnabled =false

Access to
Government.
Information
Score: 8

Israel has a freedom of information law (1998) allowing each citizen or resident to ask and receive 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 government bodies 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 restrictions allowable on the basis of national security or privacy issues. However, an analysis issued by the Israel Democracy Institute (IDI) in 2008 stated that the restrictions are reasonable,

and they do not prevent the law from accomplishing its main goal, which is to assist in bringing about a more accountable and transparent government. In addition, the right-to-privacy law (1998) grants individuals the right to access their personal information held in government or private-entity databases. The implementation of this law is enforced by the registrar of databases within the Ministry of Justice, and petitioners can appeal to the courts if they find that government practice does not accord with the law. For some years, Israel has been engaging in reforms aiming to make information more accessible to the general public, focusing on the Internet as a means of distribution. A 2006 Freedominfo.com report states that implementation of the law has been somewhat slow and inefficient, doing little to improve accessibility and lacking in the development of complementary institutions. A 2008 IDI report struck a similar note, proposing that freedom of information be included in the country's constitutional framework, that a special commission be created, and that testable standards for east of access be developed.

Citation:
Arbel, Jonathan and Tehila Swartz-Altshuler,"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
"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/

Civil Rights and Political Liberties

Civil Rights
Score: 5

Rules safeguarding civil rights are contained in the basic law on human dignity and liberty, which protects the right of each citizen to privacy, property, dignity, life and other basic goods. This basic law is intended to establish legally binding norms and is procedurally protected from nullification. However, its provisions can be overruled in cases of specific urgency as stated by the government and the courts. Thus, much of the work of protecting civil rights in Israel is done through acts of judicial review. In this regard, the judicial system in Israel acts in an independent and professional manner.

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.

This evaluation will focus on are generally termed negative civil rights, as opposed to the various positive rights that can be debated in this context (for instance, the right to public housing). Similarly, the issue of human rights in the occupied territories will not be addressed here, since this is a human-rights and not a civil-rights matter, and is too complex to summarize in this short survey. Many of Israel's civil-rights shortcomings relate to minority rights such as those accorded non-Jewish citizens, particularly Arab citizens, women's rights, and regarding civil protest. In a recent report issued by the Association for Civil Rights in Israel (ACRI), the group addressed a myriad of civil rights infractions stemming from police misconduct and discriminatory public policy. In this regard, civil rights in Israel conflict with other core values and public goods such as religion, security and communal rights.

The detailed document also noted the different ways by which some civil-rights claims were ultimately addressed, including through media pressure, NGO activities, appeals to the Supreme Court, legislative amendments, and appeals to government bodies that investigate public complaints.

Citation:
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-conten t/uploads/2012/12/ACRI-Situation-Re port-2012-ENG.pdf
"Basic Law: Human Dignity and Liberty,"
http://www.knesset.gov.il/laws/spec ial/eng/basic3_eng.htm

Political Liberties
Score: 7

Israel's lack of a constitution means that the guarantee of political rights and liberties does not have a status superior to the remainder of the legal framework. Thus, although many of these rights were given the status of basic laws in the 1990s, they are not constitutional in nature.

A major issue here concerns Israel's Arab population and the recognition of its ethno-political minority rights. In 2013, Arab Israelis held 12 out of 120 seats in the Knesset, but constituted some 20% of the population overall. Voices on the political right have increasingly called for the imposition of a loyalty oath, and have insisted that Arab public officials publicly support Israel's status as "a Jewish Zionist and democratic country." Though such measures have been rejected to date, they have intensified Arab Israelis' political marginalization. This overall climate affects Arab trust in parliament and government, resulting partially in low numbers of Arab Knesset members and other public officials.

For these and other reasons, the responsibility to protect political liberties lies with the Israeli parliament. However, as has been pointed out in detailed reports on the state of human rights in Israel, parliamentary activity has not

been conducive to this task. Several pieces of legislation drafted during the period under review appeared to undermine aspects of democracy and due process. Among these was a law passed in March 2011 that 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, which exposes Israeli individuals and groups to civil lawsuits if they advocate an economic, cultural or academic boycott of the state of Israel or West Bank settlements.

However, many of the problematic proposals made during the period under review did not win parliamentary passage, or were eventually softened in part due to public opposition. Similar proposals have in the past been ruled unconstitutional by the judiciary.

Human-rights reports have also criticized municipal authorities and the police for violating the freedom to demonstrate, especially after the wave of protests in summer 2011.

Citation:
Yishai, Yael, Civil Society in Israel, Carmel, Jerusalem, 2003.
Israel
"Freedom in the world 2013," Freedom house .
http://www.freedomhouse.org/sites/default/files/FIW%202013%20Booklet.pdf
"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

Non-discrimination
Score: 5

Israel's main venue for dealing with cases of discrimination is the court system, particularly the Supreme Court (Bagatz. The period under review saw the Supreme Court address cases dealing with discrimination against women and minorities in professional, public and state spheres. The country has long-standing institutional mechanisms intended to promote equality, such as the Authority for the Advancement of the Status of Women in the Prime Minister's Office, the Equal Employment Opportunities Commission in the Ministry of Trade and Industry, and more. However, solutions given to various problems of non-discrimination tend to be ad hoc. Attempts have been made to pass a basic law on the issue of equality to join that on human dignity and liberty. However, these have been blocked by political opponents. There is no anti-discrimination law per se. The struggle against discrimination is usually fought through Israel's media and by vigorous NGO activity seeking to enforce existing provisions through the legal system.

These efforts have achieved some substantial victories with respect to freedom and equality. For example, the government has opened shelters for women victims of trafficking, and a 2006 law mandates prison terms of up to 20 years for perpetrators of this crime. In addition, nonbiological same-sex parents have been made eligible for guardianship rights, and openly gay Israelis are today permitted to serve in the armed forces.

However, trafficking of women for prostitution has become an increasing problem in recent years. Both the United Nations and the U.S. State Department have identified Israel as a top destination for trafficked women.

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 Jerusalem 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 who are married to Israeli citizens. This measure affects about 15,000 couples and has been criticized as blatantly discriminatory. In March 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 broad.

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

Rule of Law

Legal Certainty
Score: 6

The State Comptroller, the Attorney General of Israel and the Supreme Court (ruling as the High Court of Justice when reviewing issues of this nature) are empowered to conduct legal reviews of the actions of the government and

administration. The role, authority and responsibilities of these institutions are defined by law.

Though the Attorney General's exact job specifications are not delineated, he or she is the head of the state prosecution service, and represents the state in courts. The officeholder participates regularly in government meetings, and in charge of protecting the rule of law and the public interest. Therefore this office's legal opinion is critical, and even mandatory in many cases.

Every Israeli citizen has standing to file legal petitions. Thus, the Supreme Court hears direct petitions from citizens and Palestinian residents of the West Bank and Gaza Strip (even though Israeli law has not been applied in these latter areas). These petitions, as filed by individuals or civic organizations, constitute an important instrument by which to force the state to explain and to justify its actions legally. Due to the large number of petitions filed to the High Court of Justice concerning the legal status of the territories occupied in 1967, the state has over the years released several legal opinions dealing with the problematic legal aspects of this issue.

The judiciary in Israel is independent and regularly rules against the government. 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 occupied Palestinian territories.

The Emergency Powers (Detention) Law of 1979 provides for indefinite administrative detention without trial. According to the human rights group B'Tselem, at the end of 2011 there were 4,281 Palestinians in Israeli jails. 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)
"Israel: 2013," Freedom house website.
http://www.freedomhouse.org/report/freedom-world/2013/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

Judicial Review
Score: 8

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 work has in recent years been devoted to exercising judicial review over the activities of a right-leaning government and parliament, it is often criticized for being biased toward the political left. However, the high court was ranked by Jewish citizens as among the top four most trustworthy governmental institutions, and as the most trustworthy institution according to Arab-Israeli citizens in an annual survey conducted by the IDC (2012).

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 various sources of authority provide instructions governing judicial activity, require judgments to be made without prejudice, ensure that judges receive full immunity, bar judges from holding most other public or private positions, and more. Judges are regarded as public trustees, with an independent and impartial judicial authority regarded as a critical part of the democratic order. 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 office 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 Supreme Court president 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.

Citation:
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, Nir Atmore, Ella Heller 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
"The Ombudsman on judges office:Annual Report 2011," 2012. (Hebrew)
http://index.justice.gov.il/Units/NezivutShoftim/pirsomeyhanaziv/Doch/Documents/2012.pdf

Appointment of
Justices
Score: 9

The appointment process for judges is a crucial factor contributing to the judiciary's independence. According to Israel's basic laws, all judges are to be appointed by the president after having been elected by a judges' election

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.

This arrangement balances various interests and institutions within the government in the interest of promoting pluralism. The procedure effectively ensures cooperation and therefore the legitimacy of the appointment. Appointment processes receive considerable media coverage and are 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.

Citation:
Rubinstein, Amnon, The Constitutional Law of the State of Israel, Shoken, 2005.

Corruption
Prevention
Score: 6

In a paper discussing a proposed penal code amendment on the issue of bribery, itself part of the implementation of the OCED corruption-prevention plan (2005), a survey of the Israeli legal framework identified three primary channels of a corruption-prevention strategy: 1) maintaining popular trust in public management (including bank managers and large public-oriented corporation owners), 2) ensuring the proper conduct of public servants and 3) ensuring accountability within the civil service. Through 2005, Israel pursued these goals independently by a variety 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, and adapted the civil-service commission's authority to manage human resources (e.g., appointments, salaries), among other activities. During the 1990s, Israel initiated an overall reform of professional nomination procedures, as well as standards of professionalism, accountability and efficiency. In 2005, Israel was one of 140 states to sign a national treaty on the issue of controlling corruption. It began implementing this treaty in 2009, and has issued annual progress reports since. Reforms to date have largely been judiciary, although a few structural changes have been made as well.

Annual opinion surveys demonstrate that Israeli citizens are concerned about high levels of corruption in their country, but this belief is not empirically supported. Nevertheless, criticism of Israel's centralized public-service structure have been mounting, in part because it is characterized by a very powerful Finance Ministry and a Ministry of Defense with broad ability to

engage in discretionary spending. These powers detract from accountability, and thus leave room for corruption.

In Transparency International's Corruption Perceptions Index 2012, Israel was ranked at 39th place out of 176 countries, dropping six spots in the index compared to the previous year. As Transparency International reports, Israel has made little progress in reducing the problem of corruption and performed poorly against the world's most developed economies. Israel's score of 60 gave it a rank of 24th among the 34 OECD countries.

The Israeli public is becoming increasingly frustrated with what they regard to be shady dealings on the part of their elected officials. As of the time of writing, 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.

Citation:
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
Knalfman, Ana ,"Political corruption in Israel," IDC website 13.11.2010 (Hebrew)
"Israel," Transparency International, http://www.transparency.org/country #ISR
"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/

Governance

I. Executive Capacity

Strategic Capacity

It was only in the 1990s when Israel's government adopted in earnest the practice of strategic planning. Previously government actions were based more on practice rather than theory, with much improvisation and policy driven by short-term incentives. As a result, the Israeli government did not develop strategic planning units early on, even though the Israel Defense Forces had already developed a planning division in the early 1970s (AGAT). When long-term planning was called for in government policy, the Ministry of Finance typically took the lead – yet other ministries resented this, and the resulting antagonism also tempered the actions of the Prime Minister's Office with regard to proposed policies.

The director general of the Prime Minister's Office oversees the body's administrative and policy work. He 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 its own strategic planning capacities; the results, published in late 2012, identified many structural deficiencies.

While it is unclear whether government planning agencies have access to or can advise the prime minister 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. In general, government strategic planning bodies take a long-term view when addressing policy challenges and solutions, and their influence on government decision-making, while systematic, is still limited in scope and depth.

Citation:

Arlozerov, Meirav,"A strategic planning headquarter will be established in the prime minister's office; will be incharge of reforms," TheMarker website 13.10.2012 (Hebrew)
"Policy departments - auxiliary tool for navigation," the Reut institute 11.6.2008. (Hebrew)
"A guide for government planning," The department for policy planning, September 2010 (Hebrew)
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-lon g-term-strategic-plan-314207

Scholarly Advice
Score: 7

Non-governmental academic experts held special status during the early days of Israel's statehood, and were frequently consulted by the prime minister on core issues. The government as of the time of writing consults with experts in a number of ways. Experts can sit on independent public committees that are appointed by the government (but can also be summoned by the Knesset) to examine the causes and consequences of a specific event or incident. The Trajtenberg Committee, for example, was formed after the 2011 social justice protests. Permanent committees that consult with the government on a regular basis, such as the National Economic Council headed by Eugene Kandel, are mainly (but not exclusively) staffed by academic experts. Finally, think tanks and research institutes act as a bridge between the academic world and politics, publishing opinions and position papers on current events and government issues.

Private academic experts can also be summoned by parliament committees to present opinions or to offer a different perspective on a certain issue.

Any government minister can appoint an external advisory committee to assist with specific issues, and ministers often use this consultation tool. (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 free from ministerial or political interests. Finance Minister Yair Lapid for example sought the advice of academic experts during his first few months at the ministry.

Interministerial Coordination

GO Expertise
Score: 5

The Prime Minister's Office relies on sectoral policy expertise (primarily on issues of security) but does not evaluate draft bills.

Citation:
Asher Arian, Politics In Israel: The Second Republic, 2nd Edition 2005.

GO Gatekeeping
Score: 7

The Prime Minister's Office (PMO) previously did not have the ability to return items to Cabinet meetings. This was changed in 2012 when the prime minister filed for an amendment to standard practice, which was then ratified by the government. This amendment included giving the PMO more authority, among which was the power to delay the implementation of a government decision by returning an issue to the Cabinet and requesting a re-vote.

As the amendment has been relatively recently enacted, and although it was legally approved, it could be argued that the amendment has not been de facto enforced. Some legal experts have put forward that the amendment was designated mainly for rare or critical matters.

Citation:
"Government bill proposal 868," Official government papers 5.4.2009 (Hebrew)
Barnea, Shlomit and Ofer Kenig, "Political nominations in the executive branch," IDI website June 2011 (Hebrew)

Line Ministries
Score: 7

The 2011 report of the Trajtenberg Committee identified administrative problems within the planning and allocation departments (mainly within the Prime Minister's Office (PMO) and the Ministry of Finance) and within other executive line ministries. The source of these problems were pointed out to be the country's highly fragmented party system, in which ministers are nominated according to political alliances; and the overly centralized budgeting process, which forces line ministries into complicated relationships to secure their strategic interests.

The Trajtenberg Committee report helped to highlight and reinforce reforms that were already in the works. To wit, the Prime Minister's Office in 2006 had issued a planning guide for the government budget, highlighting long-term policy planning as well as financial considerations. The report also clarified the need for regular contact between the PMO and line ministries to reach approval for decisions in the different stages of the budgetary process.

The PMO also makes a point of making information accessible, and welcomes questions and consultation to ensure line ministry plans agree with the government's vision. More than just a formal gesture, this process has borne fruit, since as of 2012 the PMO has collected annual plans from each ministry; and each plan has been published on the Internet. In late 2012, the governance committee recommended that the budget process should change so that more budgeting authority would be assumed by line ministries. Thus overall the relationship between line ministries and the government has moved toward more inclusiveness, corporation and transparency.

Citation:
Koren, Ora, "Line ministries will submit budget drafts - and will not be able to blame the treasury,"
TheMarker website 13.11.2012 (Hebrew)
"The system," Policy planning PMO website (Hebrew)
"Governmental planning guide," PMO website (september 2010) (Hebrew)
"Book of working plans 2012," PMO website (March 2012) (Hebrew)
"About: The governance committee," PMO website (Hebrew)
"Failures of the public sector and directions for change," Public sharing - The committee for economic and
social change (2011) (Hebrew)
"Strengthening government's governability, planning and execution - Continue discussion," PMO website
25.12.2011 (Hebrew)

Cabinet Committees
Score: 6

According to Basic Law: The Government as well as government standards, the government can appoint cabinet committees (though it does not have to do so). Cabinet committees can be permanent and statutory committees, but can also be appointed ad hoc to examine a specific issue.

Cabinet committees are authorized to make decisions on behalf of government. Specifically, if no Cabinet member has filed a petition within two weeks of the issuing of a committee recommendation, the findings formally become a government decision.

Ministers can file proposals without having the proposal reviewed prior to a Cabinet meeting. However, all Cabinet proposals, whether filed by ministers or by committees, must be reviewed by the ministerial committee for legislative affairs.

Citation:
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 Bureaucracy
Score: 5

Israel has over the past decade explored projects to improve the sharing of information electronically, such as through the "Sharing Project" led by Minister Michal Eitan, the applications of digital education company Mercava and other similar efforts. Yet despite such projects experts have found that government administration is still essentially territorial in nature, and the open sharing of information between ministries is difficult at best. This lack of communication can be seen as a power struggle resulting from the government's highly centralized budget process, which gives the Ministry of Finance substantial power over other ministries. Thus public servants and government departments feel often that they are pitted against each other and that by sharing or cooperating, they may ultimately lose resources. This does not mean however that there are no venues for intergovernmental cooperation. Discussion formats such as "roundtables" do exist, but seem to be less productive in Israel than in other countries.

The Israeli government has been trying to improve communications by strengthening non-sectoral ministries such as the Prime Minister's Office and establishing special inter-departmental committees. The situation has improved but there is still much work to be done.

Citation:
Haber, Carmit, "Managerial culture blocks to implementing open government policy," The Israel democracy institute (March 2013) (Hebrew)
"The division of electronics and technologies," Accountant general website (Hebrew)
"Failures of the public sector and directions for change," The committee for social and economical change website (Hebrew)
"About: Public sharing," Sharing official website (Hebrew)

Informal
Coordination
Score: 5

The communication issues and general tensions among government ministries are well established and the government has for some time attempted to ameliorate the issue. The situation stems from the government's highly centralized budget process in which ministries and other government administration feel they must fight to secure budget allocations. The government's informal coordination should be viewed in this context. Despite several important reports (such as the Kuverski Report and the Gal-Nur Report) that have recommended serious changes to the government's coordination capacities, the quality of government coordination is still mostly motivated through power struggles.

Indeed, the annual reports of the state comptroller have pointed out that long-term interministerial disagreements have had a negative financial effect not only on the ministries but also on the public. Thus in general, a high level of informal coordination is not practiced among government ministries.

Citation:
"Annual report 61 for the year 2010: Treatment of prolonged inter-ministerial disagreements," The state comptroller office website (Hebrew)

Evidence-based Instruments

RIA Application
Score: 2

The government does not conduct regulatory impact assessments.

Quality of RIA
Process
Score: 2

The government does not conduct regulatory impact assessments.

Sustainability
Check
Score: 2

The government does not conduct regulatory impact assessments.

Societal Consultation

A significant advancement in the government's ability to negotiate public support for policy and other actions was achieved through the passing of government decision 3190 in February 2008. Inspired by the critical role of civil society during the Oferet Yetzuka (Gaza War) military operation in 2008 as well as the growing non-profit (third) sector, the government declared its involvement in pursuing more societal consultation and inter-sectoral cooperation. This was institutionalized with the establishment of roundtable discussions, in the form of a yearly conference in which different representatives could discuss current and future government policy. These conferences have produced positive effects for both government and society. Meeting summaries are made accessible online.

The 2011 civil protests again brought the issue of social dialog to the forefront. Public complaints over the government's budgetary procedures as well as internal pressure from parliamentary members pushed the government to consider closer cooperation with civil organizations in a generalized spirit of public information sharing.

This movement has resulted in more "open" communication on behalf of the government, through websites that share information publically as well as the increased participation of non-governmental organizations (NGOs) in government work. As the NGO sector and alternative media outlets gain a stronger voice in Israeli society, this sort of consultation will probably gain more clout. This does not mean however that the government has been largely successful in motivating societal actors to endorse government policy; it does mean that both the government and societal groups are engaging productively in conversations before policy is put forward.

Citation:
"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)

Policy Communication

By law, the Prime Minister's Office supervises and coordinates activity between government ministries through a special division within the PMO. Yet

Score: 7

annual reports from the state comptroller (in addition to a special report regarding the 2010 Mount Carmel forest fire) revealed major shortcomings in ministerial coordination, emphasizing the mutual tension and recrimination between ministries.

The power of the Ministry of Finance over other ministries with regard to budgetary issues can and has inspired arbitrary action; struggles over economic issues as part of the Arrangements Law have indeed damaged communications and work that was coordinated with government plans.

Pioneering work during the period toward creating more "open" government and improving government communications has also spilled over to improving interministerial communications, if not only because of the transparency that such a program promotes; yet as the initiative is just begun its effects are not yet apparent.

Citation:
"The Prime Ministers Division for Coordination follow up and Control," PMO's website

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

Implementation

Government
Efficiency
Score: 7

As part of administrative reforms during the period and in accordance with government decision 4085, the Israeli government launched a new website to publish information regarding measurable policy goals for government line ministries. However as previous audits are not published, it is difficult to determine whether goals have indeed been achieved. The independent group HaSadna Le-Yeda Tziburi also looked into whether progress toward goals was indeed being made, yet the government did not provide the group with complete information to assist in its assessment. A similar situation exists for the main policy goals as outlined in the Trajtenberg Committee report.

The Israeli central bank published a positive report that reviewed government policy achievements in 2012, based on a detailed plan for 2008 – 2010. The report said the Israeli government performed fairly well in most economic criteria such as inflation, unemployment and crisis aversion; yet it was not able to control the growing state deficit, which resulted in an increase in taxes. Furthermore, the report stated that progress has been made regarding social economic problems that were outlined as part of the Trajtenberg Committee,

including diminishing the gaps in income along social lines. The goal of bringing more Arab women into the workforce however has not yet been achieved.

While the Israeli government has been modestly efficient in achieving its policy goals, it has done so through resorting to a highly disputed emergency practice that was originally crafted to help achieve economic goals (Hok Ha-Hesderim, or the Arrangements Law) instead of through regular legislation.

Citation:
"Book of working plans 2012," PMO website (March 2012) (Hebrew)
"Hok Ha-Hesderim," The Knesset website (Hebrew)
"aspects of planning, measurements and control in government proposals brought to government's discussion, September 2008 (Hebrew)
Ozry, Ram,"Government achieves its goals in the social-economic field - aside from employment of arab women," TheMarker website 16.4.2012 (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)
"Bank of Israel: 2012 report" (March 2013), Bank of Israel website (Hebrew)
Trachtenberg report website (Hebrew)

Ministerial
Compliance
Score: 7

Israel has embarked in recent years on a comprehensive reform platform which aims to create objective measurement tools to assess government performance, including a strong incentive system for government ministers. Yet it is still too early to adequately assess the platform's effectiveness. There are however still some crucial structural issues preventing government ministers from implementing the government's program. The government's highly centralized budget process essentially undermines the authority of individual ministers, creating a negative incentive for cooperation and forcing ministers into a more combative stance against each other.

Importantly, the Arrangements Law (which includes bills and amendments needed for the government to fulfill its economic policy goals) is a bold expression of the additional power given to the budget department of the Ministry of Finance. This bill, which is regularly filed along with the government's annual budget proposal, is often used to cancel or negate reforms or legislation already passed by other ministries. Typically the final draft of Arrangements Law bill is handed to the ministries just days before the budget vote, so that frequently ministers do not have an opportunity to properly defend their own policies.

While the government declares that it is fulfilling all its stated plans and ministers are provided with incentives typical of parliamentary systems (such as weekly cabinet meetings where accomplishments are presented through

ministerial reports) there are still structural disincentives that stand in the way of proper government functioning.

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 2012," PMO website (March 2012) (Hebrew)

Monitoring Ministries
Score: 7

Monitoring Agencies, Bureaucracies
Score: 7

The practice of monitoring ministry work is as of the review period being reformed by government, with the goal of replacing traditionally centralized administrative procedures.

One of the main problems of Israeli public administration is a lack of ministerial supervision over policy implementation.

After the 2012 social justice protests however this issue was addressed by the Trajtenberg Committee, appointed by the government to examine Israel's socioeconomic problems. The committee emphasized the need for an enforcement authority over the ministries and stressed the importance of interministerial cooperation.

A special committee appointed by the prime minister and headed by the director general of the Prime Minister's Office recommended giving more executive authority to ministry directors general, limiting the Ministry of Finance's general level of involvement in all ministerial affairs and strengthening fiscal discipline among directors general so they become more involved in what is to be done under their authority.

In addition, in 2011 the government appointed another committee to examine ways of improving human resources in ministries. Its findings included investing more in professional development, decentralizing ministry authority and increasing the effectiveness of ministry supervision over government bureaucracy.

Citation:
Koren, Ora, "Reform in the public sector: The ministry of finance authorities will be restrained, employees will receive incentives," TheMarker website 9.8.2012 (Hebrew)
Haber, Carmit, "Managerial culture blocks to implementing open government policy," The Israel democracy institute (March 2013) (Hebrew)

Task Funding
Score: 6

Local authorities are largely funded through three main methods: local taxes are earmarked to finance local services; government funds are designated for social and educational services; and balancing grants help cover guaranteed

services that local authorities are unable to finance through local revenues.

The government's budgeting procedure for local authorities is clearly articulated, and includes special budgetary support for poorer municipalities. The government as well has reformed its oversight of local authorities, as issues of politicization, corruption or general poor management had resulted in unwieldy deficits or even municipal bankruptcies, with which the central authorities would have to financially address.

Studies conducted by the Ombudsman's Office in 2010 and the Israel Democracy Institute (IDI) in 2012 showed that local authorities were not the only ones to blame for their poor record in achieving policy goals. Although Israel funding levels are comparable to other OECD countries, its local authorities actually receive less government funds than is needed given the financial burden of services the government requires local government to provide. This situation was empirically tested in studies with regard to local social services. Although the government did raise distributions in 2011 in light of the severe measures to which some municipalities had to resort (for example, the Shlomi municipality was holding back wages from city workers), the IDI reported that local authorities still struggle to cover costs under current government financing levels.

Citation:
Ben Basat, Avi & Momi Dahan,"The political economy of local authorities," IDI website 2009 (Hebrew)
Saada, Aria,"Ombudsman's report 57ב: Budgeting social services for local authorities equality lacking," Abiliko website 9.7.2010 (Hebrew)
Ben Basat, Avi & Momi Dahan,"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, Momi Dahan, Esteban F. Klor, 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 government since 2007 has sought as part of its agenda a reform of the legal framework and management of local government. During the review period new legislation was submitted for a vote, but was returned for further work and has at the time of writing still not been approved. At a conference held by the Interdisciplinary Center (IDC) Herzliya in December 2011, a wide consensus was reached in supporting Israel's adoption of European normative approaches to local governance. Thus Israel should offer local governance a clear legal framework in basic law, allowing local authorities more autonomy and leeway.

Israeli local governance as of the review period lacks a clear legal framework, and is legally enshrined in two main pieces of legislation and a few government injunctions. Local government is granted some specific authority and is allowed determine its own course in issues not under its direct authority when the central government has not offered clear guidance – yet it can be forced into changing its stance by the courts. The Ministry of the Interior is the body that manages local authorities, and often intervenes in cases of municipal deficit or poor government management.

Citation:
Hayman-rysh, Noami, "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)

National Standards
Score: 7

Israel has pursued administrative reform in local governance, aiming for higher accessibility, transparency and better local services based on an economic point of view, as local residents are seen as "clients" who are entitled to agreed-upon social commodities. In addition to better access to information (via websites and telephone connections), Israel has began to implement a so-called services treaty. This treaty aims to standardize local services used by residents while at the same time informing residents of their rights and the general services situation of their city or town. This is also a useful tool for the central government, as it enables authorities to keep track of the actions of local authorities in non-economic arenas, usually the purview of the Ministry of Finance and the Ministry of the Interior. Under the logic of decentralization, tools such as this allow the central government to loosen its grip on local authorities and rely on local government to offer better local solutions. A branch of the Ministry of the Interior has been reviewing this process and good results have emerged from pilot cities.

Still, Israel's central administration maintains its leverage over local authorities, which often stray with regard to spending and service provisions. If it is shown that a local authority has failed to provide critical services to its residents or has fallen into debt because of management failures, the interior minister is authorized to remove the elected local council and nominate a professional council to take over. Such a move can cause political discontent (for instance, the nomination of a mayor from outside a community to serve in largely Arab municipalities). Since the number of professional committees has grown in recent years, some argue that a different solution is needed.

Citation:
Bersler-Gonen, Rotem,"Service treaty in local government in Israel - review," Ministry of the interior website (December 2011) (Hebrew)
"Local government in Israel," Knesset website (Hebrew)
"On nominated councils and democracy," Hithabrut website (NGO) (Hebrew)
Local Government in Israel, Knesset website (English)
http://www.knesset.gov.i l/lexicon/eng/LocalAuthorities_eng. htm

Adaptablility

Domestic
Adaptability
Score: 7

Following OECD recommendations and external academic recommendations, the Israeli government has embarked on a series of wide-ranging administrative reforms. A 2012 progress report revealed that social and labor market reforms are progressing according to plans, and in general an improvement in regulations and labor policies have been received positively. The report pointed to an improvement in the dissemination of information as well as in government decision-making. In sum, the Israeli government has adapted its domestic government structures to international and supranational developments in many cases, and as of the end of the review period is following this course.

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

International
Coordination
Score: 7

In 2010 the Ministry of Finance released a report reviewing Israel's process toward becoming a member of the Organization for Economic Cooperation and Development (OECD). The path to membership was long and complicated, and presents many policy implications at the time of writing. Becoming an OECD member state provided a useful process of evaluating Israel's government makeup. The state, as part of its preparations, pursued the creation of government agencies designed to coordinate and enforce needed changes to government administration. Additionally, these changes had to be coordinated and monitored across all government departments. As such systemic changes do not happen immediately, the ministry report points out the need for continued monitoring as well as further reforms. Thus Israel's membership in the OECD should not be seen as exactly the equivalent of successful international coordination.

A 2011 report examined Israel's global cooperation in research and development (R&D), looking at the country's administrative and economic capabilities. The report found that while Israel is considered to be a leading R&D actor worldwide, more coordination, accessible information and

standardization is needed. This is largely achieved through long-term, gradual reforms, but is also partly realized by the central government acting more decisively.

Citation:
Kaufman, Dan & Yael Marom, "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)

Organizational Reform

Self-monitoring
Score: 7

The Israeli government has a variety of institutions, both internal and external to the executive branch, that are installed to monitor its activities and performance. Examples of external institutions include: the Knesset committees, the media, the institution of judicial review and the state comptroller. The institutional design of mechanisms within the executive allows for internal monitoring capable of identifying the flow of funds and, where necessary, resolving problems. For example, the accountant general within the treasury department is a very powerful unit and audits finance decisions made in each government department. The civil service commission, in addition to ensuring internal due process, oversees human resources within the civil service and issues related to civil servants' work environment. The civil service commission was tasked in 2011 with implementing civil service reforms that have been underway since 2013. The PMO is tasked with monitoring the implementation of the state comptroller's recommendations as well as the internal accounting units in each government office. In sum, the institutional arrangements of governing are monitored regularly and effectively.

Citation:
"Notice number 3", Civil service commission website (Hebrew)
"About: Civil service commission", Civil service commission website (Hebrew)
"The internal audit law 1992", Official legislation (Hebrew)
"About: the Accountant general", Ministry of finance website (Hebrew)
"About the inspection general for state comptroller affairs", PMO website (Hebrew)

Institutional Reform
Score: 7

Reforms regarding government planning, regulations, new technology, public information sharing and performance evaluation are based on two main principles: decentralization (the delegation of power and responsibilities in exchange for better monitoring, as with municipalities), and privatization of services.

While the government has shown itself willing to pursue reforms to improve decision-making in the interest of the common good, some elements of government administration are still in need of change. Specifically, reformers have struggled in introducing new managerial standards and reducing bureaucratic complexity. 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 powers.

Citation:
Vigoda, Eran & Penny Yuval, "Public sector performance in Israel" (October 2001), (Hebrew)
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)
"Hello Government" website, official website for reforming the public service (Hebrew)

II. Executive Accountability

Citizens' Participatory Competence

Policy Knowledge
Score: 8

Israel's citizens, as compared to those of other countries, are highly interested in policy but are in fact informed to a somewhat lesser extent. For example, in a 2012 survey, approximately 67% of respondents in the country agreed that they were interested in politics. Consumption of television and print-media news is very high compared to other countries. In 2004, the Knesset Channel was established to broadcast parliamentary sessions. It is also available online today.

In the last few years, Israel's government has done a great deal of additional work to allow citizens to follow ministries' work over the Internet. In 2011, Israel joined the Open Government Partnership; the following year, it was recognized by a United Nations survey for making outstanding progress in the area of e-government.

The government has officially committed itself to "promote transparency and accountability and to provide the citizens information with public value." Since 2006, the government has made the annual agenda of each ministerial office publically available, including goals and deadlines.

Citation:
Ahren, Rephael, "Israel Wins UN Prize for 'Outstanding Progress' in e-government," The Times Of Israel (2012)

"The Media and Public Trust in the Political System," Israel Democracy Institute (2010)
"2012 Work Plans," Prime Minister Office website
Herman, Tamar. "The Israeli Democracy Index 2012," Israel Democracy Institute (2012)
"Joining the Open Government Partnership and the Nomination of the 'Open Government Israeli Forum'," Prime Minister Office website (2012)

Legislative Actors' Resources

**Parliamentary
Resources
Score: 8**

In the year 2000, two major steps – the anchoring of the Knesset's legal advisory department and the establishment of the Knesset research center – strengthened the Knesset's position relative to the executive branch. These institutions quickly joined the Knesset's committees, archive and library as primary tools in monitoring the government's major activities. In particular, the research center supplies Knesset members with current and detailed reports on various topics, aiding Knesset members' ability to represent their constituencies' agendas and critically review the executive's policy. Along with these institutional features, each Knesset member is entitled to employ two assistants, who often engage in independent research on behalf of their parliamentarian employer. Legislators' oversight role has also been aided by recent government reforms making information more accessible, and by information provided by outside experts and lobbyists.

However, the Israeli executive still tends to operate in a centralist and nontransparent manner, interfering with the Knesset's oversight role. The Arrangements Law is a prime example of this problem, as it is widely agreed that this legislative package is too complex to allow the Knesset to develop a understanding of its ramifications in the time provided for the vote. Various reform proposals have been submitted on this issue, but a solution has yet to be accepted.

Citation:
"Information and research in the Knesset," Knesset website (Hebrew)
Parliament editorial staff,"In the Knesset corridors," IDI website (September 2010) (Hebrew)
Shapira, Asaf,"A decade to the Knesset's research and information center," IDI website (September 2010) (Hebrew)
"Correction: Debate on'Hok Ha-Hesderim 2013," Open Knesset website (Hebrew)
Ben-David, Lior,"A comparative survey on the status, function and employment conditions of parliamentary assistants," Knesset research institute 4.11.2004 (Hebrew)

**Obtaining
Documents
Score: 7**

Legally, the executive must provide information to Knesset committees upon request, unless this information is confidential. De facto, the law contains no specific provision concerning the provision of false information.

The parliament has only general means of addressing this issue, such as seeking to pass a motion of no confidence. However, this option does not provide a solution to the daily problem of receiving reliable information from the government.

Summoning Ministers
Score: 7

Parliamentary committees are able to summon ministers. According to the basic law on the Knesset, every committee may require a minister to appear. The minister is obliged to attend the meeting or send a representative in his or her stead, and must provide the required information.

In general, officials invited by committees tend to attend meetings as requested, and provide information as needed. However, ministers and other public figures do occasionally refuse requests, or even provide false information. Committees have no real power to exact sanctions in these cases. Moreover, committees have no power to force a minister to provide information at a specific time, so as to enable the preparation of a committee meeting. Periodic clashes between the Knesset and the executive have emerged over these issues.

Citation:
"The Legislature's Authority to Inquire Information, and the Obligation to Provide True Information," Knesset Research and Information Center (December 2002). (Hebrew)

Summoning Experts
Score: 9

Parliamentary committees have the power to invite experts or any interested party to meetings, as described in Section 6 of the Knesset regulations. However, these figures are not obliged to attended, as opposed to civil servants or representatives of the executive. In addition, outside experts are not obliged to answer committee members' questions. Their testimony does not take the form of evidence, and has no official status. Nevertheless, parties who appear before Knesset committees are generally interested in voicing their opinions so as to persuade committee members of the validity of their viewpoints. Thus, they usually cooperate.

Citation:
Shapira, Asaf, "Citizens in the Parliamentary Committees," Israeli 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).

Task Area Congruence
Score: 6

The structure of the ministries and the parliament's committees diverges significantly. The Knesset has 12 committees, while the number of ministries has shifted over time. In addition, three parliamentary committees – the Committee on the Status of Women and Gender Equality, the House Committee and the State Control Committee – deal with issues not explicitly related to ministerial work.

This lack of correspondence undermines the ability of the Knesset to monitor the executive. Committee members are unable to examine their assigned subjects in as deep and comprehensive a manner as might be possible if they were focused on a single ministry.

As an example, the government in power during the 2009 – 2013 period had the largest number of ministers in Israel's history: 30 ministers and nine deputy ministers were appointed by Prime Minister Benjamin Netanyahu. The government that took office in March 2013 dramatically reduced the size of the cabinet to 22 ministers and eight deputy ministers.

According to the coalition agreement, the new government will ultimately change the law to limit the number of ministers to 18, prohibit the appointment of ministers without portfolio, and limit the number of deputy ministers to a maximum of four. This may help create more congruence between ministerial and parliamentary-committee structures.

Citation:
Freidberg, Chen, "Monitoring of the Executive by the Parliament in Israel - Potential and Function," Doctoral Dissertation (2008) (Hebrew).
Kenig, Ofer, "The New Israeli Cabinet: An Overview of the 33rd Government of Israel," Israeli Democracy Institute. (March 2013).
Kenig, Ofer, "Coalition Building in Israel: A Guide for the Perplexed," Israeli Democracy Institute. (February 2013).
Knesset Committees, The Knesset Site

Audit Office
Score: 9

Israel's State Comptroller position is defined by a basic law; section 6 of this law specifies that this entity is responsible only to the Knesset and is independent from the executive. In terms of funding, the comptroller has a greater degree of independence from the executive than the judiciary, since the comptroller's budget is determined by the Knesset's Finance Committee, and the judiciary's budget by the finance minister and the minister of justice.

The Knesset appoints the comptroller and can dismiss officeholders. The parliament's State Control Committee deals with the comptroller's reports, and works alongside the comptroller. However, some comptrollers, including former officeholder Micha Lindenstrauss, have argued that the audit office should instead act as an independent authority, parallel to the executive, the legislature and the judiciary.

One of the main issues bearing on the question of the State Comptroller's independence is the distinction between reports and opinions. Reports are

procedures initiated by the comptroller's office itself, according the office's goals and missions and responding to the office's evaluation of current needs. Opinions are commissioned by the Knesset, the Knesset Audit Committee or the executive. By law, the comptroller is required to issue opinions when requested to do so by these bodies.

Citation:
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

In Israel, the State Comptroller also serves an ombudsman role. In 1971, the Knesset made an amendment in the basic law on the State Comptroller, which authorized this office to investigate complaints from the public, enable it to examine the public administration more closely.

Under existing law, any citizen may file a complaint free of charge if he or she believes she has been directly or indirectly harmed by an act or an activity; 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. Complaint volume nearly doubled between 2005 and 2011. In 2012, more than 15,000 complaints were submitted, with 29% deemed justified after review.

Citation:
The State Comptroller and the Ombudsman site
Adato, Edna & Alon Gideon, "A Record Number of Complaints to the Ombudsman Office; 29 percents were justified," Israel Hayom. (March 2012). (Hebrew).

Media

Media Reporting
Score: 7

Media coverage has become more aggressive and fearless toward the government in recent years (examples include coverage of government decision-making after the abduction of Israeli soldier Gilad Shalit). This has created an atmosphere in which decision-making is increasingly subject to critical inquiry. However, media coverage is also becoming more personalized, focusing on marginalia instead of the main aspects of important issues.

Citation:
http://cdn.www.inss.org.il.reblazec dn.net/upload/(FILE)1329746053.pdf

Parties and Interest Associations

During the Israeli legislative elections in 2013, the 12 parties that won seats in the Knesset demonstrated varying levels of intra-party democracy. Three of the major four elected parties exhibited a high level of inclusiveness and openness in their internal decision-making processes.

A week before the elections, the Israel Democracy Institute unveiled its 2013 Party Democracy Index, a mechanism that allows voters to evaluate the degree of internal democracy practiced by the country's political parties. In this assessment, the Likud party and the Israel Labor Party (Havoda) were ranked at the top of the index, the Ha'Bayit Ha'Yehudi party was ranked fourth, and the Yesh Atid party, which placed second in the general elections, was ranked 10th out of 18 parties.

The Likud, Labor and Ha'Bayit Ha'Yehudi parties all chose their candidates through primary elections. In this internal election process, registered party members were given the right to choose the parties' Knesset candidates. However, the parties that use this method limit primary participation to those who have been party members for a certain amount of time.

The Labor, Likud and Ha'Bayit Ha'Yehudi parties also have elected representative institutions that take part in selecting the parties' representatives in the government, decide whether their parties will join or leave a governing coalition, and conduct debates over policy matters.

The Yesh Atid party restricts decision-making to party members, but important decisions are centralized. According to the party's regulations, the party's leader and founder, Yair Lapid, will remain leader until the end of the 20th Knesset. Moreover, the regulations authorize the party's leader to decide on most important personnel issues, such as the list of electoral candidates. In addition, the leader has considerable power within the party's institutions, and thus significant influence on its policy.

Citation:
"The Party Democracy Index," Israel Democracy Institute, 2013.
Kenig, Ofer&Assaf Shapira,"Primary Season in Israel," Israel Democracy Institute, 2012.
"The Party's Institutions," Labor website (Hebrew).
"Likud's Constitution," Likud Website (Hebrew).
"Yesh Atid Party's Regulation," Yesh Atid Website (Hebrew).
The Party Democracy Index, IDI (English)
http://en.idi.org.il/projects/government-structure/political-reform/the-party-democracy-index/

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. 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, whether legal, regulatory or project-focused. All three take part in conferences, issue 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, recommendations for government financial policy, and more. Business organizations also worth with academics 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.

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)
"The chamber for coordination between financial organizations," Maot website (Hebrew)
The Chamber of Commerce website
The Manufacturers Association of Israel website
"Israeli industry status report, trends and predictions 2012-2013," The Manufacturers Association of Israel website, March 2013 (Hebrew)

Association
Compentence
(Others)
Score: 7

Noneconomic associations and civic-sector organizations have become increasingly influential in recent years. These organizations, along with professional consultancy firms, are filling the gap left by a state whose privatization policies has led it to renounce previously held responsibilities, making interest-based organizations important actors in the decision-making process. These include:

• Social interest groups. Research has identified a number of ways in which social organizations have become more involved in shaping social policy. However, most studies have also emphasized that social-interest associations are still far from being an integral part of Israel's decision-making process.

• Environmental organizations. Though most environmental organizations in Israel enjoy considerable public and government support, they usually lack a say in the final stage of the policymaking. Their influence is manifested mainly through petitions filed to the High Court of Justice (usually after a policy has

been issued).

• Religious organizations. Since Israel does not have a clear separation between church and state, religious groups in Israel are naturally much more powerful than the two other types of associations mentioned here with regard to agenda-setting. As a highly influential factor in shaping policy, the agenda they promote is often prioritized even over economic considerations.

Citation:

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

http://www.idi.org.il.

Vigoda-Gadot, Eran and chaim cohen, "Privatization of policy making: One step too far?," Van Leer Institute (August 2011), Hebrew.

http://www.vanleer.org.il/sites/files/product-pdf/niir_emda_eitzob_mdiniot.pdf