



Israel Report

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Sustainable Governance Indicators 2020

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Executive Summary

In the past year or so, the entire political system in Israel has been in a state of instability, mainly due to two rounds of national elections in 2019. After elections to the 21st Knesset on 9 April 2019, the Knesset voted to dissolve itself before a government had been formed for the first time in the history of Israel. The elections to the 22nd Knesset were held on 17 September 2019, but none of the parties have so far been able to form a coalition government.

Israel's political crisis deepened in November 2019, as Prime Minister Benjamin Netanyahu, who has been prime minister of Israel since 2009, was indicted on charges of bribery, fraud and breach of trust in three corruption cases. Netanyahu's unwillingness to resign has sharpened the already deadlocked political system, as Israeli law does not oblige the resignation of a sitting prime minister when charged with a crime, only if he is convicted.

As of November 2019, Netanyahu still heads a transitional government, and Israel is headed toward a third round of elections in a calendar year on 2 March 2020. Netanyahu's attacks on the legal system, in response to his indictment and the associated investigations, raise concerns about his ability to serve in office, while continuously delegitimizing the legal system. In fact, public trust in the Supreme Court and the police has been in decline since 2013 (although trust in the police increased slightly between 2017 and 2018). While more recent data does not exist, there are concerns regarding Netanyahu continuing to serve in office while under the shadow of indictments, which also undermines public trust in Israel's political institutions.

As the political deadlock persists, Israel's government has been unable to initiate any fundamental reforms this year. The delay in the passing of the budget makes it difficult to create any important policies. In general, Israel's government has continued to show a mix of improvements and deteriorations in its performance.

Economic policies have been successful over the last decade, as Israel's economic environment continued to perform strongly. The inflation rate, as well as the unemployment rate, remains one of the lowest in the Western world. Yet, the OECD estimated that Israel's economic growth over the next two years will be slow – 2.9% in 2020 and 2021, which is a very low rate in

historical terms. In addition, the cost of living is still higher than the average for OECD countries and poverty rates are relatively high.

In social policies, as of 2019, Israel ranks 12th among OECD countries based on its inequality level as measured by the Gini coefficient. Government spending on social issues in Israel is one of the lowest in the OECD. In some domains, Israel shows high levels of performance, such as in higher education. Yet, in primary and secondary education, Israel has continued to perform poorly. Israel has one of the widest gaps between the highest and lowest achieving primary-school students in the OECD. There are still wage gaps between women and men, and among subgroups of the population, such as minority and marginalized groups.

Regarding Israel's democratic quality, Israel's government continues to propose pieces of legislation that appear to undermine aspects of democracy and due process. While many controversial proposals did not win parliamentary passage or were eventually softened in part due to public opposition, they still influenced the public debate and perceptions of democracy.

In the area of executive capacity, Israel has continued to reduce regulatory burdens and showed significant progress in RIA processes. Concerning executive accountability, a notable event in 2019 was the appointment of Matanyahu Englman as the ninth comptroller of the State of Israel. Englman, the first non-judge to be appointed to the position, initiated several reforms that called the effectiveness of the audit office into question. Among others, Englman announced that the Wing of Special Missions (also known as the Division of the War on Corruption) – a unit that was charged with tackling corruption and white-collar crime, and which had brought to court several prominent figures – would be abolished or restricted to merely checking the implications of the office's various reports.

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Key Challenges

Israel is suffering due to a prolonged period of political deadlock. Following two elections in which Israel's political parties have so far failed to form a government, Israel is heading toward its third election in a calendar year. The current transitional government is not allowed to initiate reforms or take any action that is not defined as urgent or essential. Consequently, Israel's political situation largely affects the government's ability to tackle fundamental problems. To advance sustainable governance outcomes, Israel must form a new government and retain its political stability.

The current political crisis and the inability to form a government raises the need to reform Israel's electoral system. The current electoral system encourages partitioning and multiplicity on both the right and the left of politics, affecting long-term governance. According to the Israel Democracy

Institute, imposing the task of forming a government to the leader of the largest faction will contribute to the concentration of the party system into two major blocs, increasing the ability to form a government and govern.

Israel also suffers from frequent attacks by politicians on law enforcement. In October 2017, President Reuven Rivlin said that government attempts to undermine the judicial system and the media could be considered a coup against the pillars of Israeli democracy. Almost two years later, Prime Minister Benjamin Netanyahu was indicted on charges of bribery, fraud and breach of trust in three corruption cases, and has described corruption charges against him as an “attempted coup.” In general, in 2019, the harsh and personalized attacks against the gatekeepers of Israel’s democracy (e.g., the Supreme Court, the police and the Office of the State Attorney) have continued to mark a real democratic danger. Today, more than ever before, a key challenge will be strengthening Israel’s commitment to core democratic values. A more constructive debate, which recognizes legitimacy and public trust, will be crucial to progressing institutional changes.

Beyond this, the OECD stated recently that Israel’s general government budget deficit increased from 1.1% of GDP in 2017 to an estimated 4.1% of GDP in 2019. Despite that, the finance minister of Israel, Moshe Kahlon, refuses to raise taxes. In 2018, tax revenues in Israel were ILS 4.5 billion lower than in 2017, while government ministry spending increased ILS 18 billion. Kahlon’s taxation policy must be reconsidered.

Israel also continues to suffer from a high cost of living. The rising cost of living ranks consistently high on public and political agendas, as house prices and rents remain high relative to the OECD average. According to a 2018 OECD report, public transport deficiencies also play a role in worsening the cost of living.

Improving public transportation is a key challenge to promoting positive economic and social outcomes. The current public transportation system is the cause of an annual loss of billions of shekels for the economy. Israel’s transportation crisis, Minister of Transport Bezalel Smotrich claimed lately, “is one of the most urgent problems in Israel.” Israel currently has the most congested roads among OECD countries. According to a report published by the State Comptroller, traffic jams and road congestion are due to systemic failures in transport policy planning, implementation and regulation in Israel. Improving the effectiveness of public transportation is fundamental to boosting the economy and improving citizens’ quality of life.

Furthermore, poverty in Israel is still widely evident and a key challenge for any future government. In December 2018, 21.2% of Israelis lived in relative

poverty. Regardless of high employment rates and an increase in the minimum wage, Israel continues to have one of the highest rates of poverty in the OECD. However, while the number of families and elderly citizens living in poverty increased over the year prior, the number of children and total number of people living in poverty decreased.

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Party Polarization

According to SGI data on ideological polarization in party systems, left-right polarization within the Israel party system has decreased over the last decade. However, in the last year, polarization has increased substantially.

The September 2019 elections exemplify this point. After the elections, Prime Minister Benjamin Netanyahu established a right-wing bloc with the leaders of Shas, Union Torah Judaism and Yamina, and agreed to negotiate to form a government as a group. However, the bloc's combined 56 seats is five seats less than the minimum needed to form a coalition. The centrist alliance, Blue and White, which includes some left-wing parties, holds 44 seats. Israel Beytenu, a right-wing party, did not join the right-wing bloc and has repeatedly stated its commitment to form a national unity government, which would include both Likud, and Blue and White. However, at the time of this writing (January 2020), national unity government is yet to be formed, demonstrating the large degree of party polarization that impedes the ability to build compromises within Israel's paralyzed political system.

The failures to form a government following both the April 2019 and September 2019 elections have been exacerbated by the various changes that the Israeli party system has recently undergone, which the Israel Democracy Institute (IDI) has called "the evolution of the party map over the last decade." The trend prior to 2015 was that the number of parties represented in the Israeli Knesset was increasing, while the share of seats held by the larger parties was decreasing. In the April 2019 and September 2019 elections, however, the two largest parties – Likud, and Blue and White –increased their power, winning more than 50% of votes together.

In addition, in 2019, traditional parties (e.g., the Labor Party and the National Religious Party) lost political power, while new parties and alliances have emerged. Among these new alliances, Yesh Atid, Telem and Israel Resilience Party formed the Blue and White list; the Labor Party and Gesher formed the Labor-Gesher list; Balad, Hadash, Ta'al and the United Arab List formed the Joint List; Israel Democratic Party and Meretz formed the Democratic Union; Hayamin Hehadash, Habayit Hayehudi and National Union formed the Yamina list.

Overall, the number of parties entering the Knesset decreased between the April 2019 and September 2019 elections. Only nine parties entered the 22nd Knesset following the September 2019 elections – two less than the 21st Knesset, which followed the April 2019 elections. While this may indicate ideological convergence, convergence can be seen only on intra-party levels rather than inter-party. In other words, while several parties agreed to join political alliances, those alliances remain unable to form a government.

According to the IDI, only 14% of Jewish Israelis and 20% of Arab Israelis say that they trust Israel's political parties. (Score: 2)

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Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 8

As in previous years, while Israel's economic policy has some shortcomings, it is fundamentally strong. It largely provides for a reliable economic environment, renders the country internationally competitive and ensures it remains attractive as a location for economic activity.

According to the Bank of Israel's monetary policy report for the first half of 2019, Israel's economic growth rate is expected to be relatively low at 3%, following a period of deceleration during the second and third quarters of 2018. The report also highlights the large degree of uncertainty regarding fiscal policy, as the coalitional negotiations remain ongoing. And yet, the Bank of Israel is positive about Israel's economic performance, and predicts that Israel's economic growth will be 3.1% in 2019 and 3.5% in 2020. Though the inflation rate is projected to be slightly higher than what had been assumed in previous reports (1.6% in 2019 and 2020). For the past year (September 2018 to September 2019), the Bank of Israel calculated the inflation rate to be 0.3%.

The cost of living remains high relative to the OECD average, particularly for housing. Housing prices have increased in recent years, making home ownership hard to attain for young and middle-class people. Yet, the rate of growth declined in 2017, which might have been as a result of aggressive government housing subsidies for middle-class buyers. In addition, rent costs also increased, though not as sharply as ownership costs. This trend mostly affects the middle and lower classes, and was one of the main causes of the 2011 social-justice protest. According to a 2018 OECD report, public transport deficiencies also play a role in worsening the cost of living, as residents of Israel's peripheral areas cannot easily commute to central regions for work despite Israel being a relatively small country.

Regarding international competitiveness, Israel appears to be relatively attractive to foreign investors. According to the latest annual report of Israel's Central Bureau of Statistics, Israel's balance of payments has been positive for over a decade (though with a small decrease since 2015), while the number of foreign investments in Israel has been rising every year. The report also shows that unemployed workers as a percentage of the labor force decreased over the past five years to 4% in 2018. Though the labor force participation rate also decreased over the same period, to 63.9% in 2018.

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Labor Markets

Labor Market
Policy
Score: 8

Labor market indicators are still strong, as the economy is hovering around full employment. According to the Central Bureau of Statistics' latest annual report, unemployment has been decreasing over the past five years. In 2018, the unemployment rate was 4%. On the other hand, Israel's labor force participation rate has shrunk over the past five years and, in 2018, it stood at 63.9%.

Israel's labor policy focuses on providing incentives for both members of two-adult households to work, and on expanding job-training services for low-skilled workers. The government has recently reformed the "earning potential" scale used for purposes such as calculating taxes and daycare subsidies; increased funding for working mothers and labor-training programs; and introduced a negative tax for low-income workers. However, the OECD maintains that the implementation of policies in this area is slow and underfunded.

The Shores Institution for Socioeconomic Research reports a strong correlation between economic growth and the quality of schooling in Israel, including for ultra-Orthodox Jews and Arab Israelis. The Ministry of Economy is currently promoting several programs to encourage and assist members of

ultra-Orthodox Jewish communities to obtain academic qualifications, which will help them fit into modern workplaces. On the other hand, ultra-Orthodox Jewish political parties have been consistent partners in government coalitions, with recent governments paradoxically promoting incentives for not participating in the labor market (e.g., higher childcare subsidies, and bigger budgets for “Kollels” and “Yeshivas”). Indeed, the government has targeted a 63% employment rate for ultra-Orthodox Jewish men in 2020. However, the rise in the employment rate of ultra-Orthodox Jewish men since 2015 plateaued at 51% and, in 2018, decreased to 50%. The employment rate of ultra-Orthodox Jewish women, on the other hand, increased over the same period and in 2018 stood at 76%. Among the non-ultra-Orthodox Jewish population, the employment rate for men and women in 2018 stood at 87.5% and 83.1%, respectively. In addition, a recent study showed that educational achievement is lower among the ultra-Orthodox Jewish population than for the general population, as fewer ultra-Orthodox Jewish students are eligible for a matriculation certificate – 12% of ultra-Orthodox Jewish students are eligible, compared to 77% in the general not ultra-Orthodox Jewish population. In 2017, only 3.5% of all the university students in Israel were ultra-Orthodox Jews. Still, in both areas, there is a careful increasing trend.

The employment rate of Arab Israelis is also relatively low. According to the Central Bureau of Statistics, while the general population’s employment rate in 2018 (including Arab Israelis) stood at 63.9%, the employment rate of Arab Israeli workers stood at 45.9%. The employment rate for men is also significantly higher than that for women, being 61.3% and 30.4% respectively. On the other hand, women tend to work in more academic professions than men, rates were 31% and 10% respectively. According to a 2018 study (that relied on data from 2017), educational attainment among Arab Israelis is on average lower than in the general population. In the Arab education stream, 64.2% of students are eligible for matriculation compared to 79.5% of students in the Hebrew education stream. Meanwhile, Arab Israeli university students constitute only about 13% of the entire university student body. Nevertheless, the proportion of Arab Israeli students is increasing gradually. On 30 December 2015, the government of Israel announced Decision 922, a development to be implemented between 2016 and 2020. The plan commits to vastly increasing funding for Arab Israeli development projects, including budgets for education. Two years into its implementation, the plan is being implemented and developments are being made although at a slightly slower pace than anticipated.

Israeli government largely supports the free market and its labor-protection laws are seen by the OECD as reasonably flexible. The government has adopted the Danish “flexicurity model” of labor-market regulation. Based on

trilateral agreements between the government, employers and unions, the model aims to improve the economic status of both unionized and unemployed workers by ensuring that workers receive severance packages and unemployment benefits when they lose jobs, while allowing employers considerable hiring-and-firing flexibility. From 2014 to 2017, the monthly minimum wage in Israel was raised from ILS 4,300 to ILS 5,300 as part of an agreement between the Histadrut Labor Federation and business leaders.

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Taxes

Tax Policy
Score: 6

According to the Ministry of the Treasury, Israel's taxation policy appears to be quite effective. Over the past five years, Israeli authorities have collected more in tax revenue than had been projected in the government's budget proposals.

Israel's taxation policy is somewhat regressive. A large share of taxes in Israel are indirect. This includes VAT, which is levied equally on all products. Furthermore, although the direct income tax is progressively structured, and a large portion of the population makes too little money to pay any income tax at all, the system creates a curve that forces middle-income individuals to pay proportionately more tax than high-income individuals. This apparent distortion is 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.

Israel utilizes its tax system as a political instrument. For example, it offers tax reductions to army veterans. However, in most instances, the Israeli tax system has a valid rationale for tax reductions that appear to violate the principle of horizontal or vertical equality. The Encouragement of Capital Investments Law (ECIL) provides tax discounts for factories and businesses that invest in peripheral areas. This is done both to keep Israel's taxes competitive in the global market and to incentivize the creation of jobs in disenfranchised regions. The ECIL has been criticized in recent years, especially at the end of 2017 following the large layoff of Teva employees – an Israeli pharmaceutical

company that received large tax benefits. In addition, the tax reductions and other benefits for army veterans were criticized at the time of their formulation, as most Arab Israelis don't serve in the Israel Defense Forces (IDF) and such policies would discriminate against them.

The current minister of finance, Moshe Kahlon, is opposed to rising taxes and has cut many taxes while simultaneously spending generously on plans to lower housing and living costs. Notably, his flagship Price for the House-Buyers Program (initiated in 2013) has so far cost the government more than ILS 5 billion. This policy was criticized for being short-sighted by the former governor of the central bank of Israel, Karnit Flug.

In September 2018, Israel signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit-Shifting ("Multilateral Instrument," MLI), a multilateral agreement that updates previous bilateral agreements between signatory countries in a way that will make tax evasion harder for global corporations.

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Budgets

Budgetary Policy
Score: 6

Israeli's history of successful budgetary reform continues to contribute to the stabilization of the Israeli economy. Along with prudent monetary policies, budgetary reform measures helped the country weather the recent global economic crisis relatively successfully.

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

Two crucial additional tools, the Arrangements Law (Hok Ha-Hesderim) and the Budget Deficit Reduction Law, redefined the financial and economic structure of the Israeli government. The Arrangements Law is an omnibus law passed in parallel with each budget, consisting of numerous restrictions and amendments designed to secure the state's financial goals.

According to figures released by the Ministry of Finance, Israel ended 2019 with a fiscal deficit amounting to 3.7% of GDP, which is above the level of 2.9% of GDP planned in the 2019 budget.

Regarding the budget deficit, according to recent preliminary reports (October

2018), the Israeli government has exceeded the deficit ceiling set by the Budget Deficit Reduction Law following a jump of more than one percentage point (from 2.5% to 3.8%) in the deficit. If Israel exceeds the deficit ceiling, Israel's credit rating might suffer, with serious repercussions on the interest rate of its external deficit. In 2019, the IMF published a report stating that – without reducing the deficit immediately – the deficit will increase and Israel's international credit rating will be affected. The report reinforces another OECD report, according to which Israel's deficit will increase in 2019. With Israel's political parties unable to form a government in 2019, it seems that any actions to reduce the deficit will wait for the next government.

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Research, Innovation and Infrastructure

R&I Policy
Score: 10

Israel's research and development (R&D) sector is based on three pillars: scientific research performed primarily in academia, research conducted in government institutes, and research conducted by civil-industrial partnerships overseen the by Ministry of Finance. For many years, Israel has led the world in research and development (R&D) investment, spending more on R&D as a share of GDP than any other developed country.

In 2014, the government cabinet approved proposals to encourage technological innovation. The Israel Innovation Authority began its activity in early 2017. The authority was established based on the model of the Office of the Chief Scientist in the Israeli Ministry of Economy and Industry, with the goal of implementing the R&D law, and providing high-quality and effective

services for the Israeli innovation ecosystem. The authority had a budget of close to ILS 200 million in 2017, but used only ILS 100 million of it. Nevertheless, in 2018, the authority's budget was increased by 6%. However, it has been reported that the authority is lacking around ILS 100 million, which Israeli companies, including startups, will need at the end of 2019.

A large portion of Israel's R&D policy is directed toward international cooperation. About ILS 104 million of the authority's budget is allocated to international cooperation. In 2019, Israel has engaged in around 70 different international cooperative research ventures with a variety of European countries and organizations. Overall, 90 Israeli companies have received grant or other financing to conduct R&D activities with companies from other countries. In 2017, 250 grant applications and projects had received €1.35 billion, while the return to Israeli entities in the form of grants reached €1.7 billion. Israel has also signed 29 bilateral R&D agreements, which fund around 100 new projects each year, and is a partner 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 through framework programs, such as Horizon 2020, which are managed by the Israel-Europe R&D Directorate.

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Global Financial System

Stabilizing
 Global Financial
 System
 Score: 8

Israel has several regulatory institutions tasked with supervising financial markets. The most prominent include the Israel Securities Authority (ISA) and the Israel Antitrust Authority. Recent challenges tackled by the ISA include banning binary options trading, the establishment of a committee to study the regulation of cryptocurrencies, and an investigation into a local telecommunications giant – Bezeq (known as “case 4,000”). These institutions are responsible for ensuring market stability and fair competition. In the aftermath of the global financial crisis, different government organizations worked to limit risk in the banking and insurance industry. Actions include tightening the rules on mortgages, adopting Basel III regulation and raising minimum capital ratios. Several committees have been formed to investigate structural reforms and submit policy recommendations. Both OECD and central bank assessments have been cautiously optimistic, with the latter pointing to important regulatory tools that are currently being developed for future implementation.

In 2016, following OECD recommendations, the government approved the creation of a new capital authority. The Department of Capital in the Ministry of Finance has been shuttered, and a new, independent authority put in its place, although the finance minister still oversees this body. Among its fields of responsibility, the new authority is in charge of ensuring the stability of regulated financial institutions and making sure they fulfill their obligations to their customers. According to the 2017 annual report of the authority, it supervises approximately ILS 1.5 trillion in funds and 2,000 finance services providers, and led to many changes in the financial regulatory regime, including the assignment of protected bonds to retired citizens, the return of surplus savings from the national car accident victims fund to insurance-holding car-owners, and tighter controls on money laundering and financing terrorism. In November 2019, Israel decided to establish a mechanism to oversee foreign investments, especially Chinese investments.

Israel's Consumer Protection and Fair Trade Authority participates in various international forums to enhance cooperation and information transparency between Israel and other countries or economic organizations. According to the authority, most countries share similar practices with Israel, which facilitates information sharing and cooperation. For example, Israel is a member of the OECD Committee on Consumer Policy, which publishes guidelines and recommendations on consumer policy in the OECD. Israel has adopted many of these recommendations. Israel is also one of 60 countries that participate in the International Consumer Protection and Enforcement Network (ICPEN). ICPEN is responsible for research and analysis on consumption, facilitates the exchange of information, develops guidelines, and is involved in economic law enforcement activities as part of this network.

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II. Social Policies

Education

Education Policy
Score: 7

Israel has a heterogeneous education system. From primary to upper-secondary level, students are generally sorted into one of four primary-school streams: three for the Hebrew-speaking community (secular, religious and ultra-Orthodox Jews), and one for the Arabic-speaking community (Arab, Druze, and Bedouin minorities together). Nevertheless, the different streams are not equal in educational achievement or budget. According to the 2018 UNICEF report on inner-country education gaps, Israel has one of the widest gaps between the highest and lowest achieving primary-school students among OECD countries.

Surveys indicate that 50.9% of adults (aged 25 to 64) have achieved a tertiary level of education, above the OECD average of 36.9%. Israel spends 6% of its GDP (nearly 11% of the government budget) on education, again higher than the OECD average of 5.2% of GDP. However, expenditure on tertiary education is below the OECD average, at less than 1% of GDP. Three Israeli universities – the Technion-Israel Institute of Technology, the Hebrew University of Jerusalem and the Weizman Institute of Technology – rank within the top 150 universities worldwide according to the Academic Ranking of World Universities list produced by the Shanghai Ranking Consultancy. Primary and secondary teachers' salaries have increased significantly in recent years, and are now well above the national average salary.

However, while the average primary-school class size within the OECD as a whole is 21, the average primary-school class size in Israel is 26.5. This is a much-discussed aspect of the education system, leading to frequent expressions of frustration in the local media, although local research has failed to find significant effects of class size on student achievement. PISA results are also deemed problematic. In the 2015 PISA tests, Israel scored under the OECD average in all fields (science, mathematics and reading), mainly because of low scoring in the Arab-speaking sub-group. Teachers in Israel also score low. In the recent PIAAC (OECD adult skill tests), Israeli teachers' average score was far below the OECD average. However, Israel is above the OECD average with regard to equity indicators in all fields (boys vs girls,

social background, and immigrant students). Moreover, Israel has almost no gender gap in the completion rate of bachelors or equivalent programs.

Despite all the positive progress, Israel still shows gaps in educational performance among subgroups of the student population. For example, average class sizes in the Hebrew-language school streams are lower than in the Arab stream, despite the 2007 policy reform designed to institute changes across all streams.

An additional problem that Israel faces in the field of education is the amount of money invested in preschool and school programs compared to other OECD countries. According to an OECD report published in the last quarter of 2018, Israel is ranked lowest for government investment in preschool and daycare services, equivalent to \$2,100 – \$5,000 per child per year. The rest of the money comes from the parents themselves. Government spending on students in elementary school is also 20% lower than the OECD average, although government spending has increased over the last few years. The average salary of Israeli teachers is also low, with salaries for new teachers among the lowest in the OECD.

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Social Inclusion

Social Inclusion
 Policy
 Score: 3

Between 2018 and 2019, there were no new major social welfare initiatives in Israel. Consequently, poverty and inequality have remained high.

Israel still faces high inequality relative to other OECD countries. As of 2019, Israel ranked 12 out of 35 OECD countries on the basis of inequality as measured by the Gini coefficient. It also has the second-highest relative-income poverty rate within the OECD (18.6%). Additionally, Israel currently has one of the lowest rates of spending on social issues among the OECD countries (16.1% of GDP compared to an OECD average of 21%, 2018).

According to the annual poverty report of Israel's National Insurance Institute for 2017, 1,780,500 Israelis, including 466,400 families and 814,000 children, some 21.2% of the population, live below the poverty line. These numbers show no change from the 2016 report. However, poverty is higher among the poorest groups in Israel, including Arab Israelis and ultra-Orthodox Jews. According to the report, the overall poverty rate was 18.4% in 2017, a decrease of 0.1% from 2016.

Israel's government launched a five-year program (2016 – 2020), which aims to promote the economic and structural development of Israel's Arab Israeli population. However, the program's original budget allocation of ILS 15.5 billion has been reduced to ILS 9.7 billion, excluding the education component. As of 2018, the program is progressing according to plan, with about one-third of the budget having been spent on projects related to housing, jurisdiction mapping, education, the representation of Arab Israelis in the public sector and the improvement in the quality of Arab Israeli local authority personnel. The percentage of Arab Israeli families living in poverty decreased from 49.2% in 2016 to 47.1% in 2017. However, between 2016 and 2017, the depth of poverty and the severity of poverty increased by 10% and 22%, respectively.

In 2017, the percentage of ultra-Orthodox Jews living in poverty decreased by 2 percentage points from 45.1% to 43.1%. As of 2017, ultra-Orthodox Jews comprise 15% of poor families in Israel.

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Health

Health Policy
Score: 8

Under the 1994 National Insurance Act, all citizens in Israel are entitled to medical attention through a health maintenance organization. This is a universal and egalitarian law, allowing for broad access to subsidized primary care, medical specialists and medicines. A 2012 OECD survey identified the Israeli healthcare system as one of the best in the developed world, ranking fifth with a score of 8.5 out of 10. In 2019, Israel ranked 10 out of 56 countries in the Bloomberg Health-Efficiency Index.

Health professionals have publicly stated that the OECD survey was premature, as a deterioration in services produced by recent policy reforms has simply not yet become evident. Despite broad health coverage, inequalities in health outcomes and access to health services have persisted. Low-income families still have poor access to dental care and nursing services. Non-Jewish Israelis from poor socioeconomic groups, as well as those living in the northern and south, experience worse health and have high health-risk factors. In fact, the quality of healthcare services and facilities varies significantly by location. Facilities in peripheral regions often struggle to attract skilled personnel, as exemplified by the looming closure of the emergency rooms in Kiryat Shmona. In peripheral regions, there are about 20% fewer beds per capita and 40% fewer surgery rooms per capita.

Comparing healthcare in Israel's peripheral regions with central parts of the country, the number of hospitals and medical staff per resident is low, medical staff on average are less skilled, waiting times for specialist care are longer, and medical facilities are poorly equipped. In addition, life expectancy in peripheral regions is 81, while in central regions it is 84. The difference between the number of doctors per person is also notable, with 2.3 doctors per 1,000 civilians in Israel's northern and southern regions compared to 5.1 in Tel Aviv. This image was echoed by the 2018 State Comptroller's report. According to the report, Israel lacks a long-term plan for addressing the shortage of hospital beds and medical staff, and a plan for a new hospital in southern Israel. However, the Israeli system is fairly equitable by international comparison, performing well across various health indices, such as life expectancy.

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Families

Family Policy
Score: 7

Israel has a mixed family policy that is pro-family while also supporting the integration of mothers into the labor force. In 2010, a law was introduced to extend maternity leave to 14 paid weeks and 26 weeks in total. In 2016, a similar law was implemented to allow fathers to use an additional six days of paternity leave. The total number of weeks of maternity leave at full pay received by the average mother in Israel is similar to the average across the OECD. However, other OECD countries offer more flexibility in terms of using parental-leave benefits or returning to work on a part-time basis.

The need for further subsidies for daycare and after-school activities has gained prominence as a middle-class issue, and a plan to subsidize care for children up to the age of five was announced. Compulsory education has been expanded, introducing free education for children aged three to four. However, reports claim that this program is still largely underfunded, and does not offer sustainable relief for working mothers and young families.

The share of women in Israel's workforce has increased substantially over the past 30 years. Previously comprising just one third of the workforce, women currently make up 47% of employees. A 2016 study indicates that becoming a mother has almost no effect on the employment rate of women aged between 25 and 44. The gap was even smaller for highly educated women since education offers greater access to prestigious jobs and financial rewards for working mothers. This positive trend is more prevalent among working Jewish women, who have an employment rate nearly equal to that of Jewish men. In relation to the employment rate of Arab Israeli women, it seems that there is a

steady increase in Arab Israeli women participating in the workforce. In 2015, the employment rate among Arab Israeli women was 31.5%. At the end of 2018, about 40% of all Arab Israeli women able to work were employed. Ultra-Orthodox Jewish women also lag behind, although there has been a gradual closing of this gap. In fact, these two populations have been the focus of a general economic policy that aims to promote social inclusion and expand labor market participation.

Wage gaps between men and women remain. Since many women work part-time or hold temporary jobs in order to sustain their traditional role as the main household caregivers, their average monthly wage is lower than the average for men. The gender gap is smaller but still significant for hourly wages, with women earning an average hourly rate of 15.8% lower than that of men. Taub Center's research "Division of Labor: Wage Gaps between Women and Men in Israel" shows that the wage gap is mainly driven by the position and scope of women's jobs, and differences in occupation, with a much smaller proportion of the gap attributable to direct discrimination.

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Pensions

Pension Policy
Score: 7

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

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

Israel's pensions framework has been changing and evolving to accommodate current needs. In 2016, a new pension-system reform was introduced, aiming to help workers by lowering pension fees and increasing competition between pension funds. In addition, two "default" pension funds committed to charging lower management fees were created. In 2018, two additional "default" pension funds were approved under a new tender. While some actors within the finance sector appealed to the courts against the conditions of the new tender, the appeal was quickly withdrawn. Journalists have speculated that the purpose of launching the appeal was to prevent the conditions of the new tender being applied to management fees paid by pensioners since these fees are a major source of revenue for the financial sector. As of 2017, not only employees (as was the case before the change), but also self-employed individuals are required to use Israeli-recognized pension plans.

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Integration

Integration Policy
Score: 4

The legal status of immigrants in Israel is based on the Law of Return (1950), the Law of Citizenship (1952) and the Law of Entrance to Israel (1952). These constitute strict conditions for gaining citizenship, allowing Jewish immigration to receive permanent legal status as part of the Zionist vision. While still relevant, it is unable to offer a constructive framework for dealing with current global immigration challenges including Palestinian or African immigration to Israel. In Israel, we need to distinguish between two general types of immigration. There is immigration of non-Israeli Jews, called Aliya, which is legally recognized, and encourages the immigration and integration of non-Israeli Jews into Israeli society. Second, there is immigration of non-Jews, who migrate as refugees or as illegal immigrants.

Legal immigration is supported by the government, which promotes and calls for Jews from all over the world to migrate to Israel. As part of such attempts, the government provides "immigration support funding" to Jews who migrate to Israel. The support also extends to financial support to employers who employ Jewish immigrants.

When it comes to illegal immigration, in the absence of a coherent framework for general immigration, immigration policy is de facto established by ad hoc decisions, harming the state and immigrants alike. For example, Israel's Supreme Court recently issued an order requiring all employers of illegal immigrants to pay a retroactive 20% tax, imposing a serious financial burden for many small businesses.

In February 2016, the Knesset passed the government's fourth policy in recent years addressing African migrants who arrive in Israel illegally. The policy permits the placement of migrants in a combination of closed and open

detention centers for up to 12 months. In May 2017, the Supreme Court rejected an appeal against the deportation of illegal immigrants to a third country, making further appeals against the practice unlikely to succeed despite its controversial nature.

There are approximately 40,000 illegal immigrants in Israel. In December 2017, the Knesset approved a program backed by the Netanyahu government, which would have paved the way for forced deportations to a third country to begin in April 2018. However, the program failed because the destination country denied that it had any agreement with Israel on the matter. Following this, Israel achieved a similar deportation agreement with the UNHCR. However, this agreement was also canceled because of internal coalition disputes based on a common perception that the UNHCR agreement was the result of pressure from left-wing organizations. In October 2018, a member of the coalition proposed an amendment to the Basic Law: Human Dignity and Liberty. The amendment would make laws on illegal immigration exempt from human rights-based judicial reviews. The proposal is currently stalled.

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Safe Living

Internal Security
Policy
Score: 6

The Ministry of Public Security (MPS) manages the internal-security field in conjunction with the armed forces and other government agencies such as "Rachel" (emergency) and "Malal" (terrorism prevention). Following an alteration in its title (from the Ministry of the Police), the MPS has broadened its scope and is now in charge of crime prevention, the prison system, gun control, prevention of terrorist acts and fire-prevention policies. Reforms have sought to integrate the country's various agencies dealing with security issues, and in 2013 the MPS reported some accomplishments. For example, the Firearm Licensing Department (2011), the Israel Fire and Rescue Services (2011) and the Israel Anti-Drug Authority have all been successfully integrated into this ministry, improving coordination capabilities. In 2016, the government accepted the MPS suggestion to establish a national program to prevent cybercrime and internet violence against children. As of 2018, the Israel National Cyber Directorate is responsible for cybercrime security. However, the directorate has been criticized for being inefficient and uninterested in cyber-threats that are not related to terrorism (for more information, see G13.3 section).

Notwithstanding occasional acts of terrorism, Israelis still report that they feel generally secure. According to the most recent crime-victimization survey, 70% of people claim that they feel safe walking alone at night. Israel's homicide rate (a more accurate indicator of safety in a country) is 1.8 per 100,000 inhabitants in contrast to 3.8 on average in OECD countries.

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 total expenditure on internal security. Although the Ministry of Public Security's budget has increased in recent years, this is at least partly due to the expansion of the ministry's responsibilities, and not due to increased investment or policy implementation.

Media headlines often focus on the level of crime and violence in Arab Israeli communities, and associated concerns about internal security. In 2018, the government's activities to reduce and prevent crime within the Arab Israeli population were widely criticized. According to the State Comptroller report

from 2018, about 45% of all murders in Israel take place in Arab Israeli communities. In addition, the prevalence of firearms and other weapons is relatively high. According to the State Comptroller, there are few police stations and security cameras in Arab Israeli communities.

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Global Inequalities

Global Social
Policy
Score: 4

Israeli policy regarding global inequalities mainly consists of offering assistance in humanitarian, medical and financial aid to developing countries during emergencies. In recent decades, this aid has been expanded to technological and agricultural knowledge-sharing. The government's Center for International Cooperation (MASHAV) oversees cooperation with other developed countries and is responsible for launching emergency-assistance missions.

Although Israel has signed a number of international cooperation agreements with parties such as the United Nations Industrial Development Organization, it is not considered to be a leader or an agenda-setter with regard to global fair-trade policies. However, it is improving its regulatory structure to reflect

international trade agreements and WTO standards.

In January 2019, Israel established a fund that aims to support environmental projects in developing countries. The fund is the responsibility of the Ministry of Environmental Protection, Ministry of Finance and Ministry of Economy, with the help of the European Bank for Reconstruction and Development (EBRD).

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III. Environmental Policies

Environment

Environmental
Policy
Score: 5

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

However, Israel has demonstrated significant recent advances with regard to environmental policy. At the end of 2016, the country ratified the Paris climate agreement. Earlier that year, the government approved an ILS 500 million national program aimed at reducing greenhouse gas (GHG) emissions and increasing energy efficiency; as a part of this policy, it has committed to reducing its GHG emissions by 26% from the 2005 emissions level. An

additional ILS 260 million has been allocated to a two-year program focused on reducing air pollution. A reduction in emissions intensity was reported in 2017, indicating some early success for the policy effort. In addition, a new solar-power station, one of the largest in the world, was launched in 2017 in the Negev desert. Israel also has a unique green-tax policy, created to encourage customers to purchase less pollution-intensive cars. This innovative policy has led to positive results and is regarded as a model within the OECD.

Recently, Israel launched the “Israel 2030 Energy Goals,” which includes various paths to increase the country’s use of natural gas and renewable energy sources. According to this new initiative, Israel plans to stop using coal as an energy source by 2030, and replace coal with natural gas and other less-polluting sources of energy (e.g., solar energy). These plans were criticized by the Ministry of Finance as well as the oil and gas industry, while some environmentalists expressed skepticism, describing the plan as ambitious.

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Global
Environmental
Policy
Score: 5

Global Environmental Protection

Israel is a relatively small participant in the international climate-policy network, but is constantly contributing innovative environmental technologies, and is demonstrating responsibility in its local policy. In recent years it has taken a larger role in environmental policy matters, partly due to a rise in public awareness of these issues, and partly due to its accession to international organizations and treaties. Israel has signed, ratified or acceded 20 environmental conventions, as well as several amendments and protocols to those conventions.

The country has been forced to develop technological and ecological solutions due to the unique and diverse nature of the Israeli climate, the country’s scarcity of natural drinking water, and its hostile neighboring countries. Thus, it has become a dominant actor in the “clean tech” field. The country has developed an industry of more than 400 companies dedicated exclusively to sustainable water, energy, and environmental technologies. It has launched green-technology projects aimed at demonstrating its achievements in the fields of desalination and water recycling, and actively shares information and technologies with other countries. Israel is also involved in international anti-desertification efforts since it is an important exporter of new methods and technologies developed specifically for arid regions.

The Israeli cabinet has approved a proposal to integrate the U.N. Sustainable Development Goals into Israeli programs in order to improve governance and strategic planning. The cabinet passed the resolution on 14 July 2019. The proposal had been led by the prime minister, as well as the ministers for environmental protection and foreign affairs.

As part of Agenda 2030, which Israel has adopted, each government ministry should set environmental protection goals and then report on what progress has been made in achieving these goals to the relevant international bodies.

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Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 8

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

Due to its significant weight in the electoral process, the committee is chaired by a High Court of Justice judge and is assembled according to a proportional system. This allows each faction in the Knesset to be represented. In addition, the formation of the group is meant to balance the political aspect of the committee with a judicial one to ensure proper conduct. In order to disqualify a nominee, the committee must receive authorization from the High Court of Justice. In the September 2019 elections, the committee disqualified the nomination of candidate Ofer Cassif (“Hadash”). The decision was reversed by the High Court of Justice. However, at the same time, the court barred the candidacy of another candidate, Michael Ben-Ari, from running in the elections. The banning of Ben-Ari, the leader of the far-right Otzma Yehudit party, marked the first time in Israel’s history that a candidate approved by the committee was banned from standing in an election.

The 2016 Suspension Law allows for the suspension of a Knesset member if a supermajority of the Knesset vote that the individual has deviated from the behavior expected of a member of the Knesset. The law drew much criticism, mostly from opposition members, but also from some members of the coalition. Most of the criticism revolved around the claim that the Knesset lacks the authority to suspend a member and that this authority should be given to the court. In addition, some raised concerns that the vote to suspend a member will be mostly influenced by political considerations and “will severely weaken Israel’s democratic character.” However, the law has never been used against any member of the Knesset.

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Media Access
Score: 7

One of the foundation stones of Israeli democracy is its free press and media. As part of this foundation, laws have been passed to ensure equal media access for all candidates and parties. Moreover, the criteria for allocating airtime during election campaigns is impartial: it is not subjected to any kind of arbitrary considerations or determined by the chairman of the Central Elections Committee.

More specifically, under the Election Law (Propaganda Means), it is stated that the chairman of the Central Elections Committee determines the television and radio broadcasting time provided to each list of candidates. On radio, each list is entitled to 15 minutes plus a further four minutes for every member of the departing Knesset. On TV, each list is entitled to seven minutes plus a further two minutes for every member of the departing Knesset. All propaganda broadcasts must be at the parties' own expense and must be approved in advance by the Chairman of the Central Elections Committee.

While election broadcasting rights are fair and balanced, achieving equal media representation is a routine challenge. Most notably, minorities often remain under-represented. For example, Arab Israeli interviewees are under-represented in broadcasts by Hebrew media outlets. According to the Representation Index – a collaboration between the Sikkuy Association for the Advancement of Civic Equality, the “Seventh Eye” media watchdog journal and the Ifat media research institute – Arab Israelis accounted for 2.7% of appearances on Israeli television and radio shows in the first half of 2019. Media coverage of the Joint List, its representatives to the Knesset and Arab Israeli candidates from other party lists was also relatively low during the two elections held in 2019. However, Arab Israelis as a percentage of all speakers in election bulletins increased significantly from 4.5% prior to the April 2019 elections to 7.5% by the September 2019 elections.

In recent years, the number of Jewish-only public opinion surveys has decreased, following criticism waged by the Seventh Eye media watchdog and changes made to the Israel Press Council's ethical rules. While those surveys sometimes presented as representing the Israeli public opinion, the fact that they exclude Arab Israeli citizens is usually not mentioned.

Citation:

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Voting and
Registration
Rights
Score: 9

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In Israel, the right to vote is almost comprehensive, with very few restrictions. According to the Israeli Basic Law, "the Knesset" (1958), every Israeli citizen above 18 is eligible to vote in general elections. This right is guaranteed under the principle of equality. Thus, it is only restrained by the need to exhibit valid government identifications with the voter's name and picture. If the voter refused to take an ID photo (as in the case of some religious women), the ID will be considered valid if it received authorization from the Ministry of the Interior. Article 10 of the Basic Law states that the day of the national elections is a national holiday, with public transportation and public services open, thus giving voters a positive (or, at least, not a negative) incentive to vote.

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

There are informal restrictions on voting, which reduce the ability of citizens belonging to certain groups to actually exercise the right to vote. In contrast to some countries, Israel does not allow citizens that are out of the country (the territories excluded) at the time of the elections to vote unless they are members of a distinct status, eligible by law (e.g., embassy employees stationed abroad). However, every citizen has the right to vote without a minimum period of residency in the country.

Information regarding the voting procedure is available via special government-funded information centers, and be accessed through the media,

online and by telephone. Problems and complaints are dealt through the Central Elections Committee, each branch assigned with different level complaints.

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Party Financing
Score: 8

Israel has strict rules concerning party financing and electoral campaigns. The most important are the Parties Law (1992) and the Party Financing Law (1992). The two require all parties to document their finances and report them to the State Comptroller. These two laws state that: party membership dues and fund raising from members remain within the limits allowed by the Party Financing Law; and party income can only come from five sources. These sources are: party membership dues and fund raising appeals among members, within limits allowed by the Parties Financing Law; funds received from the state in accordance with the Political Parties (financing) Law; non-public contributions received in accordance with the Political Parties (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 and funds under Article 21 of the law.

Furthermore, all financial activities during elections are subjected to the supervision of the State Comptroller, who has on several occasions issued instructions that have the status of subsidiary legislation. The State Comptroller publishes regular reports regarding party finances and is in charge of ruling whether there has been a breach of the law regarding party financing and election financing. Moreover, it is the State Comptroller who can also rule that a party group must return funds to the state because of divergences in the receipt of non-public contributions.

In 2018, an amendment to the party financing law was passed, limiting the funding that joint parties receive from the state budget. According to the law,

joint lists of three or four parties would be given the funding of only two parties. As the only faction with more than two parties is the Joint List, which is an alliance of four Arab parties, it was argued that the law was directly intended to break up the Joint List. A year before, another amendment of the party financing law, known as the V15 bill, aimed at limiting the activities of various non-party-political bodies that seek to influence the outcome of elections in Israel. It requires these bodies to report their funding sources to the State Comptroller. The amendment was named “V15 bill” after V15, an organization that was funded by organizations from the United States and Europe, and which funded efforts during the 2015 election campaign against the Likud party and Prime Minister Netanyahu.

Citation:

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Popular Decision-Making
Score: 2

Israel’s government and parliament have traditionally given little support to popular decision-making mechanisms. However, in March 2014 the Knesset approved Basic Law: Referendum. This law will apply in the event of an agreement or unilateral decision that involves withdrawal from certain geographical areas. The law has never been applied and the use of referendums is limited to this particular issue.

Attempts at encouraging popular decision-making mechanisms tend to take the form either of (1) open information projects or websites addressing national interest investigation committees, or (2) special legal provisions allowing citizens to appeal against decisions on certain issues (e.g., urban planning) or addressing parliament committees on issues that directly concern them. These sorts of initiatives, while important, align with a top-down strategy for civil participation instead of encouraging independent initiatives.

These initiatives, however, remained largely in early stages, and we were unable to find any meaningful ways through which Israeli citizens can affect the decision process directly (that is: without media pressure, persuasion via lobbying firms or appeal to the courts).

Citation:

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

Access to Information

Media Freedom
Score: 6

Israel's media environment is considered lively and pluralistic, and the media is able to criticize the government. Even though the country's basic laws do not offer direct protection and censorship, agreements accord the military wide discretion over issues of national security, legal protections for the press are robust: The Supreme Court has ruled that freedom of expression is an essential component of human dignity and has continuously defended it, soundly assimilating this principle in the Israeli political culture.

However, in recent years, Israeli media has been downgraded to partially free by Freedom House. Furthermore, the 2019 Reporters without Borders report stated that Israeli media is free but constrained by military censorship, with Israel ranked 88 out of 180 countries. When examining the extent to which the media in Israel is independent, one should also notice the immense power for censorship that the law facilitates. 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 to confiscate its printing machines. In practice, however, the censor's role is quite limited, and journalists often evade restrictions by leaking a story to a foreign outlet and then republishing.

Recent affairs also seem to call into question several important aspects of media independence. For example, Prime Minister Benjamin Netanyahu was investigated following allegations that his staff offered regulatory favors to the telecommunication company Bezeq in return for positive coverage by Walla, an Israeli web portal. As mentioned in Freedom House's Freedom and the

Media 2019: A Downward Spiral report (p.3), “although Netanyahu has resisted efforts to formally indict and try him on these charges, the evidence suggests that the prime minister was willing to sacrifice press freedom in order to maintain political power.” In light of the investigations, Netanyahu was forced to resign his position as communications minister.

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Media Pluralism
Score: 6

Israeli policy toward media pluralism is taking a “multivalued approach,” in the sense that an open media field is viewed as part of the democratic order and is thus valued not only for economic but for normative purposes as well. This view justifies utilizing special regulatory tools (as opposed to exclusive antitrust regulation) in order to prevent the 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 largely structural, controlling ownership of media outlets (radio, and public and private cable and satellite television). The regulators authorize concessionaires and enforce regulation in matters of ownership concentration, cross-ownership and foreign ownership. However, print media is not under the same restraints as broadcast media, and is regulated by antitrust legislation and voluntary self-regulation. Most news websites in Israel are operated by print media companies. There are ongoing efforts to expand regulation to the digital sphere, but no change has been legislated by parliament as of yet.

In recent years, ideological and financial centralism has increased, while the government has attempted to improve regulation of and competition in the communications market. Israel's diverse newspaper industry was joined in 2007 by Israel Hayom, a free daily newspaper owned by Sheldon Adelson, an American businessman who is openly aligned with the prime minister and the Likud party. Israel Hayom quickly gained power, capturing 40% of the market, raising concerns due to its partisan coverage and its negative effect on competing commercial newspapers.

In November 2017, after almost 25 years on the air, Channel 2's two broadcasters (Keshet and Reshet) split and began airing on separate channels (channels 12 and 13 respectively), while Channel 10 moved to channel 14. Since the split took effect last year, all three commercial stations (Keshet, Reshet and Channel 10) sustained losses of millions and sometimes tens of millions of shekels per month, which will amount to more than ILS 200 million over the year. In 2018, the Israeli Antitrust Commissioner approved the Reshet-Channel 10 merger. The commissioner stated that the merger would not significantly undermine competition in the media market.

Citation:

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Access to
Government
Information
Score: 8

Israel adopted the Freedom of Information Law in 1998, allowing each citizen or resident to apply for information regarding a government authority's activity, whether written, filmed, recorded or digitized. This legal standing has been the basis of considerable activity by NGOs and private individuals. Naturally, the right to freedom of information is not absolute, with reasonable restrictions on the basis of national security or privacy issues.

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 in the Ministry of Justice and petitioners can appeal to the courts if they find that government practice does not accord with the law.

In 2011, government decision No. 2950 established a designated unit for freedom of information in the Ministry of Justice. The unit is also charged with implementing OECD guidelines for managing and sharing information. As part of its mandate, the unit publishes a yearly progress report. According to the unit, 10,736 applications were received in 2018, almost 3,000 more applications than in 2016.

In 2018, the Freedom of Information Unit under the Ministry of Justice launched a digital system for managing freedom of information requests in government ministries. The unit introduced a new procedure to increase the transparency of public committees and launched a new campaign to increase public awareness of "Kol Zchut," a comprehensive database that provides information on the rights of Israeli residents and how to exercise these rights. The unit also managed to secure an agreement for the implementation of the Freedom of Information Law (1998) by public municipalities. In 2019, the unit announced that it would develop an index to assess the transparency of public bodies, upgrade the unit's website and reduce the time it takes to handle public complaints.

Citation:

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Civil Rights and Political Liberties

Civil Rights
Score: 5

By law, the effort to safeguard civil rights is constituted in the Basic Law: Human Dignity and Liberty, which protects the right of each citizen to privacy, property, dignity, life and so forth. This basic law is meant to carry the spirit of the law and is procedurally protected from nullification. However, provisions from the law can be overruled under specific urgencies stated by the government and the courts. Much of the work of protecting civil rights in Israel is done through judicial review, which operates independently from the legislator and the executive branches. Civil rights claims are voiced through the media, NGO activities, appeals to the Supreme Court, legislative amendments and appeals to government bodies that investigate public complaints.

Yet, there is a gap between the formal guarantees of equal civil rights and the reality of unequal opportunities. Such a gap exists mainly when there is a conflict between civil rights and other core social values (e.g., religious identity, security, and communal rights). According to the Association for Civil Rights in Israel (ACRI), the government and members of parliament have extensively promoted initiatives that infringe on basic democratic principles, such as minority rights, freedom of speech and the activity of civil society organizations. In particular, the ACRI has expressed concern about the central role played by the Knesset in these initiatives. While not all legislative proposals were adopted, those that were have influenced public discourse on and attitudes toward democracy, human rights, minority groups and the rule of law, among other things.

The ACRI published a list of 20 proposals for the new Knesset, which address problems in securing basic civil rights. The proposals include policies that aim to narrow socioeconomic gaps, ensure equal enforcement of the law, protect

disadvantaged communities and promote social justice, as well as a commitment to the rights of citizens and democratic values.

Furthermore, the enactment of The Basic Law: Israel as the Nation-State of the Jewish People in 2018 provoked protests from Jewish, Druze and Arab communities, who criticized the law for failing to ensure equality for all Israeli citizens. The law, it was argued, discriminates against minorities and especially the Arab Israeli minority, since it downgraded the Arab language from its former position as an official state language.

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Political Liberties
Score: 5

Israel’s lack of a constitution means that the guarantee of political rights is confided to status of basic laws. Thus, they are not constitutional as such. For these and other reasons, the responsibility to protect political liberties still lies with the Israeli parliament. However, parliamentary activity has not been conducive to this task. In the last few years, many pieces of legislation and proposed legislation appear to undermine aspects of democracy and due process.

For example, the Disclosure Requirements for Organizations Funded by Foreign Political Entities Law, legislated in 2016, requires NGOs that receive more than half of their income from foreign governments to submit an annual report to the registrar of non-profit associations in the Ministry of Justice. This law was criticized for applying almost exclusively to human rights and left-wing organizations. As the Ministry of Justice reported, there are only 27 organizations in Israel that get more than half their funding from foreign governments. Of these, 25 are human rights organizations identified with the left.

Other problematic legislation prohibited people who have supported a boycott of the state of Israel from entering Israel. In September 2018, authorities denied Lara Alqasem entrance to Israel, because she was accused of being a BDS supporter. Eventually, after pressure from the Hebrew University at which Alqasem had intended to study, the High Court struck down the state's decision. However, many problematic proposals did not win parliamentary passage or were eventually softened in part due to public opposition.

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Non-discrimination
Score: 5

Israel's main venue for dealing with cases of discrimination is the court system, particularly the Supreme Court, which addresses cases of discrimination against women and minorities in professional, public and state spheres. Israel 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 and the Equal Employment Opportunities Commission in the Ministry of the Economy. However, these tend to offer ad hoc solutions instead of comprehensive and long-term plans. Attempts to pass a basic law protecting equality to join existing legislation protecting human dignity and liberty did not yield results. Instead, the struggle against discrimination is usually fought through Israel's media and by vigorous NGO activity.

Progress was achieved in recent years regarding women's and gay rights. The government addressed the expanding industry of human trafficking and

prostitution by opening designated shelters for victims and legislating (2006) prison terms of up to 20 years for perpetrators. The gay community also marked prominent victories: non-biological same-sex parents have been made eligible for guardianship rights and same-sex marriages conducted in foreign countries are recognized by the state, with the first gay divorce granted in 2012. However, in 2018 the Surrogate Law was passed, which expands eligibility for state-supported surrogacy to include single women but excludes single men and gay couples from funded surrogacy services (see also G6.2a section).

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

A 2003 law denies citizenship and residency status to Palestinian residents of the West Bank or Gaza who marry Israeli citizens. This measure affects about 15,000 couples and has been criticized as blatantly discriminatory. In 2011, the Knesset passed a law allowing the courts to revoke the citizenship of any Israeli convicted of spying, treason or aiding the enemy. A number of civil rights groups and the Shin Bet security service criticized the legislation as unnecessary and overly burdensome.

However, there have been some advances in the field of discrimination. For example, regarding protecting the rights of disabled persons, Israel is introduced substantial measures. The Commission for Equal Rights of Persons with Disabilities has stated that the gap between the general employed population and the disabled employed population is constantly closing, and the rate of disabled employment is rising (a rise of 23% in 2017). The commission's work is based on the Equal Rights Law for Persons with Disabilities (1998) that sets a goal for Israel to "protect the dignity and liberty of persons with disabilities and anchor their right to equal and active participation in society in all fields of life, as well as properly provide for their special needs in a manner enabling them to spend their lives in maximum independence, privacy and dignity, while making the most of their capabilities." In addition, the Ministry for Social Equality, launched in 2015, is dedicated to reducing discrimination against and advancing equality for minorities, women, and older and younger citizens.

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Rule of Law

Legal Certainty
Score: 6

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

The judiciary in Israel is independent and regularly rules against the government. For example, in September 2018, the High Court struck down the state's decision to refuse Lara Alqasem, a BDS supporter, entrance into Israel. However, the Israeli Supreme Court has struck down only 18 laws since 1992, a relatively low number compared to other countries.

Some legal arrangements provide for ad hoc state action to deal with security threats. The Emergency Powers (Detention) Law of 1979 provides for indefinite administrative detention without trial. According to a human rights group, at the end of August 2018, there were 465 Palestinians incarcerated under such charges. A temporary order in effect since 2006 permits the detention of suspects accused of security offenses for 96 hours without judicial oversight, compared with 24 hours for other detainees. Israel outlawed the use of torture to extract security information in 2000, but milder forms of coercion are permissible when the prisoner is believed to have vital information about impending terrorist attacks.

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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 judicial review in recent years is over the activities of a rightist coalition and parliament, it is often criticized for being biased toward

the political left. In recent years, public trust in the judicial system has sharply declined.

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

Despite that, the current minister of justice, Amir Ohana, and the former minister of justice, Ayelet Shaked, have proposed substantial reforms of the judicial branch and especially the Supreme Court. These reforms are intended to weaken its powers of oversight over the political system.

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Appointment of
Justices
Score: 8

According to Israel's basic laws, all judges are to be appointed by the president after having been elected by a special committee. This committee consists of nine members, including the president of the Supreme Court, two other Supreme Court judges, the minister of justice (who also serves as the chairman) and another government-designated minister, two Knesset members, and two representatives of the Chamber of Advocates that have been elected by the National Council of the Chamber. Since the law was amended in 2008, it was held that in order to appoint a justice to the Supreme Court, the nominated candidate should have the support of a majority of seven committee

members. This amendment has since further intensified struggles between committee members.

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

Since the establishment of the Judicial Selection Committee in 1953, various initiatives have sought to change it. In 2019, the former minister of justice, Ayelet Shaked, presented a proposal to change the committee. According to her proposal, a justice of the Supreme Court will be nominated by the government and approved by the Knesset following a public hearing, similar to the U.S. system for choosing justices to the U.S. Supreme Court. This proposal aims to reduce the Supreme Court's judicial activism. Elected officials – including some ministers, such as Ayelet Shaked – have sought to appoint judges with a conservative judicial view who, they hope, would be less activist. In her term, however, Shaked pushed for the appointment of conservative judges. Her success on these grounds was attributed to her partnership with the former head of the Israeli Bar Association, Efi Naveh. In 2019, he was arrested under a sex-for-judgeship scandal, according to which he tried to appoint and promote judges in return for sexual favors.

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

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Corruption
Prevention
Score: 6

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

Criminal inquiries into politicians are common. In November 2019, Israel's attorney general charged Prime Minister Benjamin Netanyahu with bribery, fraud and breach of trust. It is the first time in Israel's history that a serving prime minister has faced a criminal indictment. Earlier in 2019, the attorney general indicted the minister for welfare and social services, Haim Katz, for fraud and breach of trust. Also in 2019, Israel's state attorney recommended to the attorney general that the minister of the interior, Aryeh Deri, be indicted for tax crimes, fraud and money laundering. These recent cases join an extensive list of past corruption cases. In 2014, the courts issued an historic ruling, sentencing former prime minister Ehud Olmert to six years in prison for accepting bribes while serving as mayor of Jerusalem. Former tourism minister Stas Misezhnikov, of the Yisrael Beytenu party, was also sentenced to 15 months in prison for fraud and breach of trust.

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Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 7

Strategic planning units are located under the Prime Minister's Office, and include the National Economic Council, the National Security Council and the Policy-Planning Department. The most prominent step taken by the Prime Minister's Office (PMO) has been the annual publication of the Governmental Plan Book.

The book offers a review of the Israeli government's strategic planning units. In 2019, the PMO described its updated version of the book as the continuation of the government's efforts to translate government policy into measurable and comparable goals across all policy fields and government offices. In previous years, the government consulted and connected with professionals via roundtables. The government adopted this system in 2008 and has since organized a series of policy-planning roundtables. This started as a PMO initiative to bring together experts from the public, private and third sectors. These meetings allow the government to ask for advice from different experts. However, since 2017, the government has reduced its use of roundtables, preferring instead to use online tools and systems, such as digital forums and Q&A platforms that link various government offices and professionals. These online services allow for faster day-to-day communication, with the final goal to phase out the use of roundtables in the near future.

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Expert Advice
 Score: 7

The government has several means of interacting with experts and academics. In 2017, the PMO published “Instructions for Public Participation Guide” to support government offices and public officials cooperate with external experts, and improve collaboration between government offices and the public. In 2019, this is still the main document that has been published in this field. It seems that no new information is currently available.

Overall, experts can sit on independent public committees to examine the causes and consequences of a specific event or incident, such as the Trajtenberg Committee that was formed following the 2011 social-justice protests. They can also serve in permanent committees that consult with the government on a regular basis, such as the National Economic Council in the PMO or be summoned by parliamentary committees to present opinions or to offer a different perspective on a certain issue. In addition, think tanks and research institutes act as a brokers between the academic world and politics, advocating and offering information on current events and policy issues. A more recent example from 2019 is the national plan for climate change adaptation. In 2018, the Israeli government started developing national climate change adaptation plans. As part of planning for the implementation of this

plan in 2019 – 2020, the government sought advice from various experts and NGOs.

On security and other issues such as foreign policy, the government tends to consult experts from the military rather than academics. Ministers often appoint an external advisory committee to assist with specific issues. One significant example is the Shashinsky Committee, appointed by the minister of finance to examine government fiscal policy on oil and gas. Israeli ministers also often consult informally with academic experts, primarily to receive guidance that is not influenced by political interests. In 2018, a new national program for climate control was introduced to bring the government together with environmental NGOs and ecological experts was formed.

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Interministerial Coordination

GO Expertise
Score: 6

The Prime Minister’s Office (PMO) relies on sectoral policy expertise. Its need for a staff of independent and professional analysts originally led to the establishment of the National Economic Council, the National Security Council and the Policy-Planning Department that advises the prime minister directly. The 2012 Kochik committee viewed these as positive but insufficient

steps and recommended that the PMO's consulting mechanism be strengthened.

Recent changes have shifted this system somewhat. The PMO's planning reforms have de facto given it the capacity to advise other ministries regarding their policy proposals and bills. This is practically done via collaboration with (and to some extent supervision of) the ministries' vice directors of strategic planning and economy, who are officially the heads of the ministerial planning units.

The PMO also has the expertise to evaluate ministerial draft bills through Regulatory Impact Assessments. This is a part of a broader policy to reduce the so-called regulatory burden. Following a 2014 government decision, the PMO has delegates in government ministries who manage regulations affecting each ministry. This book also allows for closer supervision of laws and the work of government offices.

Every government ministry has a team responsible for regulation. These teams are responsible for advising the government on regulations, including new law proposals. The teams are operated by PMO staff, although they are stationed in different government offices.

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Line Ministries
Score: 7

Traditionally, the prime minister did not hold the power to return items to Israeli general cabinet meetings. However, in 2012, it filed for an amendment to standard practice, which was then ratified by the government. This included expanding the prime minister's authority to delay the implementation of government decisions by resubmitting an issue to vote after it had been rejected, as well as authorizing the prime minister to cancel, postpone or summon meetings for government decisions. Since the passage of this amendment, the prime minister has returned several items and the prime ministerial position has been significantly strengthened.

In an indirect way, the PMO is involved in the preparation of policy proposals (see section G2.1). Each team is responsible for each government ministry's regulation. Those teams are responsible for advising on regulations across all policy fields, including new law proposals, and are operated by PMO staff, although they are stationed in different governmental ministries. These teams allow for the PMO to be kept informed of proposals and policy developments across different government offices.

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Cabinet
Committees
Score: 6

The government is authorized to appoint cabinet committees (called ministerial committees) to handle different policy issues. Moreover, it is obligated to appoint security- and state-focused cabinet that includes the prime minister, the minister of defense, the minister of justice, the foreign minister, the minister of state security and the minister of finance. Currently, 35 ministerial committees work to address a wide range of topics.

Most ministerial committees receive limited attention in the media. The ministerial committee for legislation handles the preparation and the first approval of legislative proposals. The committee's decisions regarding proposals determine how the coalition members will vote on the proposals in the Knesset. The committee has the right to control and delay legislation, and decide when a bill should proceed to a parliamentary vote. In 2016, about 40% of draft bills were delayed, some up to six to seven times. It should be mentioned that the committee does not publish its protocols, the order of votes is not listed and only the committee's final decisions are published without any explanation or elaboration. In 2019, under the current transitional government, the committee did not publish any decisions or legislative proposals.

Ministerial committees in Israel have become more relevant. Their decisions accounted for 54% of all governmental decisions during the 33rd government of Israel (2013 – 2015). Though the 34th government has not yet updated its information on this topic, committee decisions appear to have remained relevant through 2015 to 2018. However, there has not been any serious development in this field in 2019.

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Ministerial
Bureaucracy
Score: 5

Over the past decade, the government has sought to improve interministerial cooperation in order to overcome bureaucratic entanglements and political power struggles. In so doing, it has introduced roundtable meetings, director generals and vice-director generals of ministries coordination forums, guidelines, and digital information platforms. However, experts say that ministries are essentially territorial in nature, and information sharing between ministries is difficult at best.

This lack of communication results at least partially from the government’s highly centralized budget process, which makes public servants defensive of limited and strictly supervised resources. In 2016, a report by the State Comptroller suggested that the lack of communication regarding foreign affairs is a result of the transfer of duties from away from main ministries such as the Ministry of Foreign Affairs to other ministries. The report also asserted that interministerial disagreements are delaying the publication of regulations necessary for the implementation of laws. A report from 2017 shows that this trend had improved, with 148 laws having not been implemented. Regulations under these laws were rescheduled or returned to parliament for further revision and should be resubmitted by the end of 2019.

More so, it seems that in some cases various ministries are responsible for the same topic or field of expertise and that there is no coordination between them. This is somewhat deliberate as some of the reforms reflect the personal interests of the prime minister's agenda. For example, the Ministry of Strategic Affairs and Public Diplomacy and the Ministry of Foreign Affairs came into conflict regarding BDS movements and the question of which ministry was responsible given the lack of coordination between the ministries.

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Informal
Coordination
Score: 5

Israel's government system is greatly influenced by informal coordination mechanisms, such as coalition obligations and internal party politics. However, due to its highly fragmented party system, it is hard to determine

whether they support or undermine formal mechanisms of interministerial coordination. While coordination between like-minded parties may be made easier by the situation, fragmentation may result in stagnation over disputed policies.

Citation:

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Digitalization for
Interministerial
Coordination
Score: 6

The Israeli Government ICT Authority was created in 2012 and placed under the Prime Minister’s Office in 2015. In 2013, it introduced the Digital Israel program to assist government communication with the public by improving the digitalization of government offices. The initiative aims to strengthen public engagement through a series of websites and online forms, and improve coordination between public, domestic and international NGO, academic, and government actions.

The authority also plans to digitize all services provided by the government and interministerial services. For example, 880 out of 960 forms, which were previously unavailable online, are now available online for public and interministerial use. This in turn facilitates better cooperation and coordination between government offices, as it minimizes bureaucratic work and provides a widely accessible platform for government offices. Furthermore, 120 services have been moved to digital and online platforms.

Another new initiative from the authority, the Open Government Initiative, aims to enable public and government offices to access the various sources and information archives needed to improve coordination and accessibility.

Excluding the work of the authority, the Knesset Parliamentary Oversight Coordination Unit (KATEF) was established in 2017 to monitor government work and the application of laws passed by the parliament. While it is not a digital body, the unit does publish reports and articles online for public and government use. With this, the Israeli parliament hopes to better monitor and support government activities.

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Evidence-based Instruments

RIA Application
Score: 5

In 2014, Israel launched a five-year plan to reduce regulation. As part of the plan, the government aims to reduce the cost of bureaucratic processes by 25%. Regulators are required to formulate regulatory changes according to the RIA method defined by the government’s RIA guide. This could involve the creation, cancelation or revision of a regulation, and should help create a unified language within government and facilitate dialogue between ministries.

While the decision was not implemented immediately, and only six RIA reports were published in 2016, an improvement in the application of RIAs was made in 2017 and 2018. Nearly 70 reports were created by governmental ministries and bodies between 2017 and 2019. Each report details the RIA process conducted on a specific field or project that a ministry or governmental body was responsible for. As part of the RIA, regulators should publish RIA reports together with a draft copy of the regulation. Nevertheless, it seems that Israel is still lagging behind other countries when it comes to implementing RIA inside its own ministries. The OECD report from 2018 stated that offices inside the Israeli government have not used RIAs correctly and ignored it in some cases.

Citation:

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Quality of RIA
Process
Score: 4

Israel has recently improved its stakeholder engagement in the regulatory process. In 2017, an OECD report stated that Israel needed to improve its stakeholder engagement processes. However, in 2018, the OECD Regulatory Report Outlook ranked Israel as one of the top four countries with regards to regulatory improvements, with a particularly substantial improvement in public and stakeholder participation and collaboration in RIAs.

Most RIAs conducted between 2016 and 2019 provided an opportunity for the public and other stakeholders to participate in the regulatory process. Since 2016, 68 RIAs, ranging in length and depth, have been published by government ministries. In addition, RIA reports were published following the conclusion of the process, ensuring transparency. The government also initiated a new group, comprising the Israeli Democracy Institute (IDI) and public sector officials, which aims to improve the quality of regulation and better achieve regulatory policies on the basis of transparent criteria.

In 2018, the government established a new resolution that further emphasized the importance of RIAs and proposed some changes to the process. According to this, the Prime Minister's Office has access to all the RIAs submitted for review by each ministry and all RIAs are published online. In terms of parliament's involvement, the resolution stated that – for those regulations that must be approved by the Knesset or one of its committees – the proposals must be submitted to the parliament for approval with an RIA attached. In its acknowledgment that the parliament should supervise RIAs, the new resolution has established an oversight channel for the parliament and a method to further the regulatory policy process.

Citation:

“Improving regulation in Israel and easing the burden of bureaucracy Proposal for a multi-year program“, Israeli Democracy Institute (Hebrew):
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Sustainability
 Check
 Score: 6

In 2015, Israel adopted a long-term plan (2015 – 2030) to improve and advance a number of SDGs, as part of the U.N. Agenda 2030 Plan for Sustainable Development. The plan details 168 objectives and 230 indices, which cover a wide variety of fields, including reduction of poverty, hunger and inequality; improvement of health outcomes, life quality and educational quality; promotion of gender equality, smart consumption and innovation; and the development of infrastructure, energy and sustainable production.

Together with other members of the United Nations, Israel began reporting in 2016 on its efforts to realize the SDGs. In 2017, the United Nations lauded Israel for its quickly and effectively implemented measures in a broad range of

areas including clean water and sanitation (Goal 6), quality education (Goal 5), good health and well-being (Goal 3), and industry, innovation and infrastructure (Goal 9). According to the United Nations, the fact that both Israeli companies and ministries are on board with the quick and effective realization of SDGs explains in part the rapid progress made in the country.

In addition, since 2011, the government has published “workbooks” every year, detailing the quantitative measures used to compare policies and policy goals over time. In 2016, another quantitative measure was included examining government performance and goal achievement. In 2019, Israel published its first voluntary national review as part of a joint work conducted by the Ministry of Foreign Affairs, the Ministry of Environmental Protection and various other bodies. The report reviews the things Israel has done to advance Agenda 2030. The report presents Israeli’s many accomplishments in fields such as education, water, healthcare and the economy. However, the report also highlights areas that require further attention.

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Quality of Ex
 Post Evaluation
 Score: 6

In 2015, the OECD Regulatory Policy Outlook stated that Israel had made progress in improving regulatory policy across several fields, including ex post evaluations. Though the report also determined that Israel had no general policy on ex post evaluation and that government offices and ministries

operate without clear guidelines. Since then, Israel has invested in improving its ex post evaluations.

In 2018, an OECD report, “The Long View: Scenarios for the World Economy to 2060,” concluded that Israel had improved many regulatory fields, including ex post evaluations. This, to our understanding, is a continuation of the process mentioned in the OECD report from 2017, which highlighted the general improvement in regulatory processes. The report also concluded that Israel has improved its consultation processes by opening the processes up to the public and integrating them into the RIA system. While Israel still focuses on reducing the regulatory burden, it seems that it is working harder on providing a solid basis for a general government regulatory policy.

The 2018 OECD Regulatory Policy Outlook stated that while Israel continues to make significant progress in improving its regulatory policy, government ministries are conducting legislative planning in isolation with limited interministerial coordination. This is one of the key factors behind the inflation in regulatory activity. The government is working on reforming the planning system.

Citation:

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Societal Consultation

Public
Consultation
Score: 7

The issue of consulting with the public and third-sector organizations is well acknowledged by the Israeli government. Instructions for Public Participation were published in 2017, and the emphasis placed on consulting with the public, NGOs and professionals shows that Israel continues to consult with outside sources. The ICT authority, which is responsible for improving public

outreach, has conducted a series of consultations with business planning groups.

In addition, a range of NGOs is having more to do with the Israeli government. The government working plan book 2018 – 2019 mentions working with outside groups to improve coordination and collaboration across different fields. In 2018, the OECD commended the Israeli government for its achievements in the field of regulation, including its progress with stakeholder and public engagement. However, there is criticism, mainly from stakeholders themselves who argue that the idea of consulting the public is vague and in many cases is nothing more than a phrase. In this case, it seems that while Israel is scoring high on the OECD goals, there is still considerable work that needs to be done particularly with the public itself.

The Government and Society (Policy-Planning) Division under the PMO conducts plans and implements public consultation. The division's responsibilities include the updating the government's public participation guide and other tools, which are used to bring government, third party and public representatives together.

Citation:

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Policy Communication

Coherent
Communication
Score: 7

By law, the PMO supervises and coordinates activity between government ministries through a designated division. In 2013, representatives from several ministries wrote the Governmental Cooperation Guide in which they presented guidelines to ensure cooperation between ministries.

However, annual reports from the State Comptroller reveal major shortcomings in ministerial coordination, emphasizing the mutual tension and recrimination between ministries. Contradictory proclamations from different ministries are not uncommon, resulting from political power struggles within the coalition as well as from the treasury's stronghold on ministerial budgets and practices.

In recent years there has been a shift toward creating a more "open" government and improving the government's communications vis-a-vis the third sector and the public as well as within the government itself. The new emphasis on sharing and transparency has somewhat ameliorated the technical aspect of the divides, but its influence over communicating policy is still uncertain. This trend of "open" government continued through 2016 – 2019, with greater emphasis placed on connecting government offices and services via online and computer services. This work has allowed for better communication and greater coherency in government work.

An example of this trend is the Open Government Action Plan 2018 – 2019, which would increase government transparency, and provide greater access to information to the public and government offices. A similar example, the Open Government Partnership, which started in 2012, is also still active. As part of this partnership, Israel has implemented or will develop various technologies, which will facilitate access to information and enhance government services.

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Implementation

Government
Effectiveness
Score: 6

In accordance with government decision 4085, the PMO publishes yearly working plans for line ministries. The yearly plan for 2014 was the first to also publish detailed benchmarks for policy goals. However, as it does not show progress made over previous years, it is difficult to track long-term progress. Prominent topics on the government’s agenda in recent years (e.g., the housing supply, the cost of living, the unrecognized settlements for the Bedouin population and illegal immigration) have not been resolved or resulted in substantial achievements. In fact, a large proportion of government decisions are not implemented. Several initiatives for monitoring the implementation of government decisions were rejected. Therefore, the Prime Minister’s Office director general created a mechanism for monitoring the implementation of approved law proposals and government decisions. In addition, there were other attempts to follow the implementation of government decisions through NGOs, such as a Citizens’ Empowerment Center application.

In recent years, the government evaluates policy implementation in two ways. First, using its own reports, such as the government working plan. According to these reports, since 2017 and more so in 2018, policy objectives were achieved in accordance with the goals set during the previous year. In 2016, the Israeli PMO released, for the first time, a final report on the execution of government decisions, with another report published in 2017 and another for 2018. The reports include all the decisions made by the 34th government, their themes and statuses. According to the 2019 report, there was a steady increase in the number of government objectives achieved in 2018, with 79% of all objectives achieved. However, according to critics, this was due to changes to the methodology for measuring the governments’ objectives and specifically by lowering the standards of achievement. Second, the government uses reports made by NGOs, but these are often unsystematic and cover specific issues rather than provide a broad examination of policy implementation as a whole. Third, the establishment of KATEF (see section 2.6) represents another important step in improving policy implementation.

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Ministerial
Compliance
Score: 7

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The OECD and global best-practice methods have influenced Israel’s organization of government in recent years. Values of transparency, planning, comparability, and supervision are defined by a designated unit in the PMO, arguably improving the implementation of the overall government program by increasing ministerial accountability vis-a-vis the government and the public. These new actions accompany more traditional ways to improve compliance, such as weekly cabinet sessions and interministerial roundtable events.

Ministers’ accountability to the Knesset is anchored in Israeli law (Basic Law: the Government 1968). This means that ministries must support and follow government decisions. In addition, coalition agreements, created by the party system in Israel, can be considered a mechanism for the government to force its agenda on ministers. If a minister resists or fails to implement a part of the government program, the minister might be forced by their respective party leader to follow it.

For example, as part of the Surrogacy Law of 2018, only single women were permitted the right to surrogacy, single men and gay couples were excluded. The law was highly controversial and provoked massive protests. Some Knesset members, including Prime Minister Netanyahu, acknowledged that they supported surrogacy for mothers and fathers, but voted against their stated position for the sake of “collation discipline” and due to pressure from ultra-Orthodox Jewish parties.

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Monitoring
Ministries
Score: 7

The basic law on the issue of the government establishes the prime minister’s responsibility over the government’s advancement of policy goals. This includes monitoring and guiding the work of appointed line ministers. In recent years, the PMO has introduced best-practices reforms featuring elements of transparency, sharing and benchmarking that have improved the

systematic monitoring of ministries. A special committee formed to review the PMO identified its comparative weakness when dealing with recommendations from the ministries of Finance and Defense, aggravated by the PMO's tendency to take on the responsibility for executing policies from weaker ministries such as Welfare and Health, thus expending its workload. However, three new professional units have been established in the PMO, each in charge of monitoring related ministries. Moreover, the past two years has seen a major improvement in monitoring with the government's annual coordination of all ministerial reports on the implementation of governmental decisions. Currently, the PMO thus has strong ministerial oversight capacities.

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Monitoring
Agencies,
Bureaucracies
Score: 6

While connections between ministries, and government agencies and NGOs are defined by contractual agreements, and financial and legal oversight, the content and quality of services are not under similar appraisal. Most ministries sufficiently monitor their respective agencies, while some – notably education and welfare – are criticized for failing to implement government policies and effectively monitor service provision. Therefore, the movement for quality government in Israel claims this is harming the public service provision, while others claim the state-owned enterprises are unnecessary and should be privatized.

In 2017 and 2018, the tendency toward outsourcing governmental services has continued. According to media reports, government ministries still drag behind when it comes to monitoring and enforcing regulations on the service providers, including protecting the rights of customers and workers. Cabinet decision number 4398 from 23 December 2018, regarding smart regulation and the implementation of OECD suggestions, established some ground rules for regulatory policy in Israel. The decision aims to improve the monitoring and enforcement of regulations on service providers by using technological tools, improving coordination and collaboration between regulators, minimizing the bureaucratic burden, enhancing the implementation of regulatory goals, and encouraging greater responsiveness from regulated service providers.

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Task Funding
 Score: 7

Local authorities have three main types of income: local taxes (property tax, fines, tolls) earmarked to finance local services, government funds designated for social and educational services, and governmental balancing grants for basic services that poor local authorities are unable to fund. The government's budgeting procedure for local government is clearly articulated and includes progressive budgetary support. However, one major problem in the government's budgeting procedure, which was mentioned in the State Comptroller's report from 2015, is that there is no regular procedure in the Ministry of the Interior regarding the development of budgets for local authorities.

Over the past few years, local authorities have called for a redistribution of education budget allocations according to cities' socioeconomic ranking. A report made by Taub Center in 2017 argued that the budget system between local authorities leads to inequality between rich and poor authorities, perpetuating the situation in which poor authorities receive insufficient funds. While the redistribution plan was promoted by poor local authorities, it was resisted by rich municipalities and for a while was not approved by the Finance Ministry.

The plan was promoted again and approved as part of the 2017 – 2018 budget under the responsibility of the Ministry of the Interior. The plan consists of four points. First, providing a grant to balance and support poor local authorities that face an income shortage and experience difficulties in providing services. Second, providing recovery schemes for authorities that are facing a budget deficit. Third, supporting authorities with low tax income. Lastly, supporting local authorities with a special fund.

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Constitutional
Discretion
Score: 5

As a part of the government's effort to handle corruption problems, the attorney general formed a special committee in 2015. The committee recommended that the heads of local authorities increase transparency regarding finance, such as requiring senior local authority staff to provide annual declarations of capital. In 2016, a report made by the committee was

submitted to the attorney general. It appears likely that the reports' recommendations will be made law by parliament. However, in another report, published in 2018, the recommendations were shelved. Attempts to promote the legislation of the reports' recommendations face resistance from both political sides in parliament.

The tension between the national and local governments intensified after the legislation of the "Supermarket law" in 2017. The law prohibited the opening of supermarkets on "Shabbat" (Saturday). The law was heavily criticized by local authorities with small religious populations. Some local authorities tried to legislate a Municipal Bylaw, allowing the authority to act in disregard of the national law. However, as part of the centralization of local authorities in Israel, such bylaws must be approved by the minister of interior, who in this instance denied their approval. Another example of a clash between national and local governments regarding legislation concerns public transportation during Shabbat. In recent years, tensions over the construction of railways and bridges, and management of local public transport networks have increased between the national government and local authorities in specific areas. In October 2019, the Tel Aviv municipality announced that it would fund local weekend bus services, with weekend bus services starting at the end of November 2019.

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National
 Standards
 Score: 7

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

Another solution is the advancement of service treaties in local authorities which aim to standardize local services used by residents while informing residents of their rights and the level of general services in their city or town. A branch of the Ministry of the Interior reviews this process with pilot cities showing positive results. In recent years, many local authorities have taken part of this process and published information regarding local services on their website. Additionally, the privatization of social services continues to exhibit problems as weak social ministries struggle to regulate the quality and content of care. Several reports on education services point to ideological conflicts and poor management as well as an increase in the share of privately financed activities and consequent inequality.

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Effective
Regulatory
Enforcement
Score: 6

In general, Israel has a good record in dealing with powerful interest groups and enforcing regulation – the prime example being the Encouragement of Competition and Restriction of Centralism Act of 2013. The law was enacted after a public interministerial committee found that one of the most prevalent structural market failures was the presence of a small group of tycoons that used large pyramidal corporations to control the market. Therefore, it recommended several affirmative actions to regulate the corporative structure of large businesses and ensure the public interest. The government accepted the recommendations and legislated the aforementioned law.

The law itself differentiates between two main types of businesses – a financial company and a real corporation – and imposes limitations and regulations on the control and purchase of both. The law also dictates that pyramidal corporations are allowed to be only two layers tall (excluding taller corporations that existed at the time of the law's enactment, which are regulated by a different set of limitations), and defines when and under what conditions a company is considered a big corporation. Moreover, the law ordered the establishment of a professional interministerial committee whose role is to oversee the market and prevent the rising of centralist business structures. The committee is still active and in January 2018 it published two updates to the law.

Another example of the ability of the government to withstand interest groups can be found in the latest developments regarding the dairy products market. In Israel, the authorities monitor and dictate the pricing of basic milk products

while taking into account the costs of manufacture. In May 2018, a professional committee recommended that the Ministry of Agriculture and the Ministry of Finance raise the prices of monitored products due to the rise in the price of raw milk. However, the minister of finance, Moshe Kahlon, refused to approve the move, supposedly on grounds of public interest. After allegedly failing to reach an agreement, Tnuva, the largest dairy products company in Israel, appealed to the Supreme Court to enforce a raise. Despite the appeal, Kahlon remained adamant in his refusal and, in late October 2018, even secured an agreement with the farmers to gradually lower the price of raw milk. Nevertheless, on 4 March 2019, the Supreme Court ruled in favor of the petition and ordered that the price of raw milk should be increased according to the committee's recommendations.

On the other hand, there are many examples according to which the government does not operate with the public interest in mind. For example, in its report from 8 May 2018, the State Comptroller surveyed the Ministry of Health's policy on reducing smoking and tobacco consumption, and reproached the ministry for its policy discrepancies and close relationship with tobacco companies. One indicative example from that report is that the deputy minister for health, Ya'acov Litzman, and senior officials from his office met twice with representatives of tobacco companies in undisclosed and unreported meetings. Since then, several media reports about Litzman's favorable treatment of the tobacco companies have surfaced.

A separate example regarding the government's lack of resistance to vested interests concerns the Israel Securities Authority. In mid-2017, the authority started investigating Shaul Elovitch, owner of Bezeq, an Israeli telecom giant conglomerate, due to suspicions surrounding the company's purchase of Yes, a satellite TV company, in 2018. This led to the so-called Case 4000 grand investigation, which includes among its suspects the prime minister, Benjamin Netanyahu, and his family. According to the attorney general's document of suspicions, during Netanyahu's time as prime minister and minister for communications, Netanyahu led a favorable policy toward Bezeq, including the approval of the purchase of Yes; in return, Elovitch and his subordinates ensured that Walla, a news website owned by Bezeq, provided positive coverage about Netanyahu while discouraging negative coverage. The investigation is still ongoing.

Adaptability

Following OECD and academic recommendations, the Israeli government advances various administrative reforms regarding regulatory burdens, decision-making and long-term planning. Periodic progress reports show

gradual improvement in the dissemination of information as well as in decision-making. The government continues to adapt its domestic structures to international and supranational developments in an ongoing and constructive process. The Ministry of Economy and Industry produces an annual report that reviews progress with regard to implementation of the OECD's recommendations. For example, in 2015 the report presented the progress made in the ability to regulate the imposition of labor laws. Moreover, in 2015, Israel signed the Convention on Mutual Administrative Assistance in tax matters of the OECD and ratified it in 2016. Many other agreements, such as the enforcement of the anti-bribery convention, have been signed, with policies adapted in Israel in accordance with OECD standards.

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International
Coordination
Score: 4

Israel takes part in several international efforts to foster global public goods. Israel joined the OECD in 2010. Since its accession to the OECD, Israel is largely involved and engaged in shaping and implementing the OECD recommendation in several fields.

Israel has several ministerial committees in general, but very few, if at all, have specific responsibility for the implementation of OECD recommendations. An exception is the ministerial committee on regulatory affairs, which was launched in 2015 and has promoted many imitations (for

more information, see G3.1-G3.4)

Another fresh example of Israel's intention to be part of international collaboration to foster public goods is its involvement in the Eastern Mediterranean Gas Forum. This forum, which will transform to a regional organization, convenes the Energy Ministers of Egypt, Cyprus, Greece, Israel, Italy, Jordan and the Palestinian Authority to cooperate and maintain dialogue regarding gas resources in the region. Beyond its stated purpose, the forum is also conceived as an influential strategic gathering for Eastern Mediterranean countries.

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Organizational Reform

Self-monitoring
Score: 7

The Israeli government has installed various executive-branch institutions, both internally and externally, tasked with monitoring its activities and performance in areas such as procedures, financial transfers and human resources. For example, the Accountant General regularly audits financial decisions in ministries. The Civil Service Commission ensures that internal due processes are followed, and oversees human resources. However, in recent Knesset discussion regarding reforms to the Commission's work, critics have asserted that the Commission's work is inefficient. The PMO monitors implementation of the State Comptroller's recommendations as well as the internal accounting units in each ministry. Supplementary mechanisms for self-regulation include protocols and guidelines governing daily practice.

Occasionally, the media publishes a leaked government report detailing government discrepancies and mismanagement, which the respective government office has attempted to hide from the public. While there are some recent examples, this custom has been ongoing for years. According to a recent media report, a confidential report examining how Israel Electric Corporation manages its expenses was drafted a decade ago. The report listed in great detail numerous wasteful policies, decisions and instances of mismanagement that cost the government billions of shekels. Despite its

severity, the report was never published. Another recent media report states that the Ministry of Health's CEO dismissed a report drafted by the ministry, which found that grants that were given to medical doctors and interns who moved for work reasons to peripheral regions did not achieve their goal and failed to improve healthcare services in peripheral regions. In December 2018, it was reported that the chairman of the Jewish National Fund, Keren Kayemet LeIsrael, had hidden from the public a severe report about his own management of the fund, which includes also a suggestion that the fund should be closed.

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Institutional
Reform
Score: 6

In 2017, the State Comptroller published his first report about the operation (the second was published in March, 2018), in which he detailed several deficiencies, including that the cabinet's authorities and jurisdictions were not specified in any piece of law. Thus, it was unclear whether or not the cabinet was a consultative or an executive body, in addition to a lack of any normative obligation of proper information transfer to this body. The State Comptroller found serious deficiencies regarding the extent and the quality of information

being transferred, and even found instances when strategically important information was not transferred.

Furthermore, it is very much apparent from the report that there are serious concerns regarding the decision-making authority of the cabinet, namely whether it has the authority or not, even as a military operation was concurrent. In 2018, the Basic Law: the Government and the Government Act of 2001 were only slightly amended to formulate and delineate the cabinet's authorities, as they expressly mention that, in the very least and under certain conditions, the cabinet is authorized to declare war. And yet, at the time of writing, it is unclear if the lack of an obligation to transfer information to the cabinet, any other deficiencies related to this and other questions of decision-making authority had been resolved.

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II. Executive Accountability

Citizens' Participatory Competence

Political
Knowledge
Score: 8

Compared to other countries, Israeli citizens show high levels of interest in politics. In the Israeli Democracy Index 2018 and international comparative indices, Israeli citizens were found to participate widely and be highly interested in politics. Israel also has one of the region's highest internet-penetration rates (according one source, reaching 82% as of January 2019); a lively, pluralistic and independent news media market; and a politically heterogeneous and active civil society.

That being said, the Israeli public appears to be, to put mildly, "unimpressed" by the government's capabilities and its levels of transparency. According to two surveys conducted for the Eli Hurvitz Conventions in 2016 and 2018, the public views the functioning of government and its policies, and aspects of transparency and the government's contact (or connectiveness) with citizens rather critically, ranking these criteria as mostly mediocre at best. According to the Israeli Democracy Index, Israel's Knesset rarely receives a favorable grade for its overall functioning.

But one should not reach conclusions from this too hastily; while the government has made a significant effort to increase its overall transparency (and suffers many shortcomings in this field; see section 9.2), citizens usually rely on the media rather than official (government) information channels for information about public policies. Indeed, according to several surveys published in January 2019 prior to the first round of elections in April 2019, over 50% of all respondents use traditional news media outlets to access political information, while about 20% of all respondents use social media.

Israeli citizens can potentially be informed about public policy from a wide range of sources, with the specific source dependent largely on an individual's personal interests (how interested is he to learn and know about public policy) and personal involvement (does the policy affect him and to what extent, or alternatively how politically active is he and to what extent does his political activism target public policy).

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Open
Government
Score: 7

In recent years, the government has expanded its efforts with regard to policy transparency. In 2011, Israel joined the Open Government Partnership and, in 2016, the government announced the launch of a program designed to open all governmental databases to public access. This step is part of an ongoing policy of increasing transparency by expanding the authority of and funding for the Governmental Unit for Freedom of Information. Most (if not all) governmental authorities have an official website and social media presence, some of which are available in languages other than Hebrew (e.g., English and Arabic, as well as Persian in the case of the Ministry of Foreign Affairs). The websites offer a wide range of services, including information services (like press releases, law drafts for public commentary and policy explanations). One important example of this is the official website of the Ministry of Finance, which publishes the state budget (or more accurately its highlights) in a readable and keyword-searchable PDF format. The website also offers tools to observe changes in the budget and to compare it with the budgets from previous years.

The Knesset has a comprehensive website, offering the option to download all of the Knesset's press releases, general assembly and various committee protocols (although excluding protocols from confidential committees, such as the Committee for Foreign Affairs and National Security Matters, and its many sub-committees), draft and enacted laws, and even research papers that were handed to the various committees. The Knesset's TV channel, which started broadcasting in 2004, broadcasts through this website, and the Knesset's committee and general assembly meetings are usually recorded and made available to watch online. Since 2009, the Public Knowledge Workshop, a non-profit NGO, has been running the Open Knesset website, with the aim to make the information on the Knesset's website more accessible to the public. Currently, the Open Knesset website is not accessible, as an updated version being prepared. In addition, on 22 October 2018, the Knesset announced the launch of the National Legislation Database, with the purpose of making all legislation and legislative processes digitally accessible to the public.

Under the 20th Knesset, a special committee was charged with promoting initiatives to increase transparency and public access to government information. The committee was called the Special Committee for the Application of Governmental Information Accessibility and Its Transparency Principles to the Public, which has since been dubbed the Transparency Committee. Following the elections to the 21st Knesset, it was decided that the Transparency Committee would cease activity and would not convene during the current Knesset. According to media reports, the decision was made due to bitter relations between that committee's chairman and other members of parliament.

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Legislative Actors' Resources

Parliamentary
Resources
Score: 8

Two major Knesset departments, the Knesset research center, and the Knesset's legal advisory department serve as structural resources for acquiring information. The role of the research center is to equip Knesset members, committees and departments with information and research to meet the requirements of their parliamentary work, including reports on government activities. The research center is a massive document producer. According to information provided on the center's official website, the Knesset's research center receives on average 500 research requests and produces 300 documents annually, which amounts to a total of about 6,500 documents since its establishment in 2000. In addition, according to the same source, most of the research documents are produced by the center's staff, but – in cases that require specific expertise – the research center employs external research services. The research topics are highly diverse.

As of October 2019, the Knesset Parliamentary Oversight Coordination Unit (KATEF) has published several papers, which are available on its website and mostly comprise pamphlets. While the papers lack uniformity, a general direction is slowly and steadily emerging. One example of this is the series of pamphlets called Gate to the Government, which provide advice (including links) on how to access government information. There are three pamphlets, two published in October 2018 and one in May 2019. Following the elections to the 21st Knesset, the unit published a 12-page pamphlet explaining to new members of parliament the unit's activities and methods of government oversight, which the members of parliament can use. However, the unit is still

very new and recent instability in the political system has not contributed to its path-finding processes. Indeed, over the past year or so, the entire political system in Israel has been in a state of instability, mainly due to two rounds of national elections. Consequently, the Knesset's ability to monitor the government will have been disrupted, as well as its many other operations.

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Obtaining
Documents
Score: 7

According to Israel's basic laws and the Knesset's Rules of Procedure, the executive or appointed officials must attend and provide information to Knesset committees upon request, unless information is considered confidential. However, the law contains no specific provisions or sanctions for

enforcement in cases of disobedience and lack of compliance or the provision of insufficient or inaccurate information. Thus, the parliament has only general or disproportionate means of response, such as passing a motion of no confidence or reporting to the Civil Service Commission. These options do not provide a solution to mundane problems, such as receiving unreliable information from the government.

During the 33rd government of Israel, several members of parliament and the minister of justice have worked to draft a reform initiative involving two components: limiting the amount of private legislation and strengthening the Knesset's oversight capacity. The reform proposal would enhance Knesset committees' role in overseeing their corresponding ministries, expand their roles in approving ministry budgets, and give them greater power to summon civil service appointees to public hearings. However, it should be added that the minister of justice has been changed since then, which has – in addition to the current instability in the political system – presented a further obstacle to the initiative's realization.

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Summoning
Ministers
Score: 7

Parliamentary committees are able to summon ministers. According to the basic law's provisions on the Knesset, every committee may require a minister to appear before it, and the minister is obliged either to attend the meeting or send a representative to provide the required information. Officials invited by committees generally attend meetings as requested. However, ministers and other public figures do occasionally refuse requests or provide insufficient information, causing conflicts between the Knesset and the government. Committees have no real power to enforce sanctions in these cases. Moreover, they are not authorized to force a minister to provide information at a set date in order to better prepare for a meeting. This is part of the motivation behind the recent reform proposed by several Knesset members. The reform proposal

would enhance the Knesset committees' role in overseeing their corresponding ministries, expand their roles in approving ministry budgets, and give them greater power to summon civil service appointees to public hearings.

One exception to the rule detailed above is the Knesset's State Audit Committee. Since 1990, the audit committee is able to warrant the attendance of officials, and fine officials who failed to show up to the committee or sufficiently justify their lack of compliance (though the size of the fine is not specified).

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Summoning
Experts
Score: 9

Parliamentary committees are entitled to invite experts or any interested civilian to meetings, as described in Section 6 of the Knesset regulations. However, these figures are not obligated to attend, unlike civil servants or representatives of the executive. In addition, independent experts are not compelled to answer committee members' questions. Their testimony cannot serve as evidence and has no official status. A bill presented in 2016 by parliamentarian Yoav Kish (Likud party) proposed expansion of committee authority, including the ability to punish civilians who failed to appear after being summoned. At the time of writing, the bill is still waiting for its preliminary reading in the plenum and the committees have not yet been delegated an authority to sanction. Despite these issues, citizens who appear before Knesset committees are generally interested in voicing their opinions in order to reinforce their viewpoints in the eyes of decision-makers and the public.

Citation:

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Task Area
Congruence
Score: 3

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Knesset committees are currently not well structured for efficient government monitoring. The structure of the ministries and the parliament’s committees diverges significantly: The Knesset has 12 permanent committees, while the number of ministries shifts according to political agreements, totaling 29 at of the time of writing (headed by 22 ministers, excluding the prime minister). Since parliamentary committees are divided by themes and not by ministerial responsibilities, they often struggle to gather and coordinate information. High turnover rates among representatives also makes it difficult to control professional and bureaucratic information. Although the number of committees is average by global standards, the combination of a small number of parliamentarians (120) and the usually broad coalitions results in only two-thirds of all members being available to sit on committees regularly. Some members of the Knesset sit on as many as five or six committees, inevitably impairing their committees’ supervisory capabilities.

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Media

Media Reporting
Score: 7

Israel's media industry is adapting to the global trend of decreased consumption of print and radio news media and the increased dominance of television, the internet, and social media websites. While the Israeli media sector has been bolstered in recent years by the creation of strong independent investigatory websites and blogs that have gained considerable attention in professional and public circles, other new popular outlets such as the free daily Israel Ha'yom often fail to deliver in-depth news coverage.

Despite a frequent tendency to focus on prominent and popular topics of the hour, the Israeli press, public television channels, and radio shows do offer interpretative and investigatory journalism that informs the public regarding policy decisions and long-term strategies. Nonetheless, the growing rate of news consumption through social media websites, the decline in citizens' exposure to print media and TV, and the shallow nature of coverage in new media all significantly reduce the percentage of civilians exposed to in-depth journalistic information.

Nonetheless, according to several surveys published in January 2019 before the April 2019 elections, the public still appears to favor traditional media as a source of information over social media. On the other hand, according to the Israeli Democracy Index 2018, the public's relationship with the media appears to be more complicated. Indeed, it found that a large proportion of Jewish respondents view the media skeptically, believing that it presents the current state of affairs as being worse than it really is. On the other hand, Arab Israeli respondents reported being less skeptical of the media, and a comparison to results from the previous year found that skepticism among Arab Israeli respondents actually decreased significantly. Yet, public distrust of the media remains high overall and especially high among Arab Israelis.

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Intra-party
Decision-Making
Score: 7

Parties and Interest Associations

Prior to every round of elections, the Israel Democracy Institute (IDI) publishes a Party Democracy Index report. The report enables voters to evaluate the degree of internal democracy practiced by political parties. It should be mentioned that the terms “party” and “list” are differentiated here, as several parties can be conjoined to form a joint list (e.g., the Joint List, which is an alliance of four Arab parties). As such, parties are measured separately and not conjointly. During 2019, the IDI published two indices, as two rounds of elections were held in April 2019 and September 2019. This allows for comparative observations.

Following the second round of elections, only nine parties entered the Knesset. The Blue and White list (Kahol Lavan) entered the Knesset as the largest faction (winning 33 out of 120 seats). However, the parties that comprise the list (Yesh Atid, the Israel Resilience Party and Telem) received relatively low intra-party democracy scores in the two indices for 2019. Of these parties, Yesh Atid received the highest rating for intra-party democracy, scoring 24 and 23 points in the two indices, with most points received for transparency, and very few for representation and participation, and apparently nothing scored for competition and responsiveness. The Likud party finished second in the second round of elections, winning 32 seats in the Knesset. Overall, Likud ranked the fifth most internally democratic party in both indices, scoring 67 and 68. The Joint List polled third in the second round of elections, winning 13 seats. The list comprises two parties that scored relatively high (Balad scoring 69 and 72, and Hadash scoring 60 and 62) and two parties that scored low (Ta'al scoring 12 in both indices and Ra'am scoring eight in both indices).

The fifth-largest party in the Knesset is Israel Beitenu, which won eight seats in the second round of elections. In the first index, the party scored a modest 26, gaining points across all categories: participation, representation, competition, responsiveness and transparency. In the second index, the party's score dropped dramatically to 13, gaining points only for representation (10) and transparency (three). The fourth (nine seats) and sixth (seven seats) largest parties are the ultra-Orthodox Jewish Shas party and the United Torah Judaism list. Traditionally, these parties score lowest in the index. Though their scores rose slightly between the first and second index, with the parties gaining points for transparency. Shas scored five and six. Meanwhile, for the parties that comprise the United Torah Judaism list, Agudat Israel scored two and seven, and Degel Hatora scored two and seven.

The seventh-largest party is the Yamina list, which is comprised of parties that scored high (Habayt Hayehudi scored 55 overall in both indices) and low (the

New Right scored 18 and 22, and the National Union scored 15 in both indices) in the two indices. Though averaging across its constituent parties, the Yamina list scored around 30 in both indices. The eighth-largest party (six seats) is the alliance between the Labor Party and Gesher. The Labor Party ranked the most internally democratic party in both indices (scoring 85 and then 84), while Gesher ranked lowest in both indices (scoring 18 and then 19). The smallest party in the Knesset (five seats) is the Democratic Union list, which is an alliance between Meretz, the Israel Democratic Party and the Green Movement. The latter two parties were not measured in the first index. Meretz ranked the second most internally democratic party according to both indices, scoring 85 and then 84. Its partners, on the other hand, scored relatively low in the second index (the Green Movement scored 26 and Israel Democratic Party 13).

In 2018, the Parties Act 1992 was amended to allow candidates in a given (and large enough) party's primary elections to loan and (in accordance with many conditions) receive funds from the state treasury for their campaign, and to regulate how much a candidate can spend in a given campaign. The law also grants the State Comptroller supervisory powers over political parties' primary elections and party register in order to ensure the propriety of the overall procedure.

Likud, the Labor Party and the Jewish Home (JH) all choose their candidates through primary elections. In this internal election process, registered party members are given the right to choose Knesset candidates. The parties that use this method require a minimum membership duration in order to vote in the primary. The Labor Party, Likud and JH also have elective representative institutions that take part in decision-making processes such as the selection of the parties' representatives in the government, votes on whether their parties will join or leave a governing coalition, and debates over policy stances. In other parties such as the YA party and the Israel Beytenu party, some consultation with party members is conducted, but important decisions are made by top-ranking members. For example, according to the YA party's regulations, the party's leader and founder will remain leader until the end of the 20th Knesset. Moreover, in both parties, the regulations authorize the party's leader to decide on the most important personnel issues, such as the list of electoral candidates. These figures also hold considerable power within the party's institutions, thus retaining significant influence over policy decisions. In late 2018, Meretz decided to change its internal elections mechanism. Previously, the party's committee chose the party's composition prior to each national election. However, in February 2019, the party decided to adopt an open candidate selection, so that all those who subscribe to the party can vote for their candidates.

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Association
Competence
(Employers &
Unions)
Score: 8

Israel has a vibrant business community that often interacts with government departments and Knesset representatives in order to advance its agenda in Israel and abroad. At least three major business groups – the Federation of Israeli Chambers of Commerce, the Manufacturers' Association of Israel and a group for coordination between financial organizations – actively pursue policy goals through legal, regulatory or project-based perspectives. All three take part in conferences, perform independent research and publish their agendas. Business organizations also cooperate with academics and institutions to produce research, and some business-oriented think tanks exist. In general, Israeli businesses are well represented in the political sphere, and most economic-interest associations are highly capable of formulating relevant policy proposals. However, there is a significant degree of social inequality in this practice, as the Arab business sector seldom enjoys such close and productive ties with the government.

The past few months were also very instructive as to the extent businesses are capable of affecting policy. In June 2018, the Knesset's Economic Affairs Committee approved a first reading of a bill that would impose greater restrictions and limitations on the advertisement of tobacco products, despite immense pressure and lobbying from tobacco companies. At the time of writing, the bill is currently with the Economic Affairs Committee again, being prepared for its second and third reading in the plenum. The tobacco companies are trying to minimize the damage the bill may potentially cause them, should it be approved and enacted, through large amounts of advertisement and employing corps of lobbyists. Indeed, the first meeting of the committee to deliberate the bill's second and third reading was attended by many lobbyists, representing both the tobacco companies, and anti-smoking and pro-public health organizations. The meeting dealt with the proposed law's name and several definitions in it, all the votes on those issues were approved without opposition.

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Association
Competence
(Others)
Score: 6

Noneconomic associations and NGOs have become increasingly influential in recent years, with over 47,000 non-profit organizations registered with the Ministry of Justice. Along with professional consultancy firms, they fill the gap left by state’s privatization policies. Both social and environmental interest groups often formulate relevant policies and cooperate with government and academic bodies. According to official reports, the majority of organizations are focused on education and professional training (22%), religious matters (21.6%), and welfare (20.3%). According to a recent report by the Taub Center for Social Policy Studies in Israel, welfare NGOs account for 15% of all civil society organizations and their annual activity volume amounts to ILS 13.8 billion. The report also claims that donations made to these organizations increase Israeli welfare spending by ILS 3.45 billion, amounting to 28% of Israel’s total annual social welfare expenditure.

In 2016, the Knesset passed highly controversial legislation that requires NGOs to publicly declare all foreign funding sources (if the funds account for most of their budget), and the purpose and use of the funding. It should be elaborated that in the law, “foreign” (or, the more accurately, “foreign state entity”) is defined very widely, and includes foreign states, state authorities and international NGOs. Left-wing and civil rights groups have argued that the so-called NGO transparency bill harms organizations that promote democracy

and democratic worldviews. The bill is regarded as part of a growing trend of legislative attempts to erode the strength of democratic institutions in Israel.

In May 2018, new regulations regarding the submission of representative action came into force. The regulations dictate the payment of relatively high fees (with varying quantities according to the court's status) to be paid by a claimant to submit a suit and to cover the cost of the litigation process in its entirety (though payment of the latter fee is dependent on the ruling's result). The former minister of justice, Ayelet Shaked, explained in the regulations' memorandum (i.e., before these were enacted) that the purpose of the new rules is to limit the submissions of "pseudo representative actions," meaning lawsuits that are not meant to achieve any result or compensation but rather to deter the party being charged, thus wasting public funds. Nevertheless, the regulations were still criticized by legal experts and social activists and associations that use representative actions to fight social and consumer injustices. Recently, a lawsuit was presented to the Supreme Court demanding that the regulations be rescinded for the disproportional harm they cause to the right to access to courts. In January 2019, the lawsuit was eventually dismissed. In its ruling, the court ordered the minister of justice to present data to the Knesset's constitutional committee for deliberation in the committee's May 2019 meeting. However, national elections were held in the intervening period and the Knesset's records show that a discussion of the regulation never took place.

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Independent Supervisory Bodies

Audit Office
Score: 7

The Knesset’s audit functions are divided between three main institutions: the State Comptroller, the State Audit Committee and the Knesset Internal Audit Department. The State Comptroller is independent, and its mandate is legally anchored in a basic law acknowledging its importance. The Knesset audit committee is in charge of following up on reports issued by the State Comptroller. While the State Comptroller enjoys independence and adequate resources, it does not have the power to issue penalties. Instead, its mandate ends with the submission of its findings and the establishment of an advisory committee for implementing its recommendations in the audited office. However, its responsibility to audit financial contributions during elections is accompanied by external legal powers of penalization.

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

On 3 June 2019, Matanyahu Englman was approved by the Knesset as the ninth comptroller of the State of Israel. Since entering office, he has initiated several reforms that have been very poorly received by the media and civil servants in his own office. These reforms include ending real-time scrutiny, with the office only scrutinizing government actions in hindsight; reports will now be published only if they also include positive findings; the office’s work plans and foci of scrutiny will be determined through consultation with the scrutinized bodies and not independently; and the Department to Fight Corruption, a unit charged with tackling corruption and white-collar crime,

and which had brought to court several prominent figures, will be closed or limited to retrospectively checking the implications of the office's various reports. Indeed, as pointed out in various media commentary, Englman appears less driven than his predecessors to tackle corruption. On one occasion, Englman explicitly expressed his lack of enthusiasm. It has also been reported that Englman has delayed the publication of several reports (made mostly by his predecessor, Yosef Shapira), among them a report into Netanyahu's involvement in the media. Englman has stated that he wishes to review them in depth before publishing.

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Ombuds Office
 Score: 8

The state comptroller also serves as the state ombudsman. Under this role, the office is authorized to investigate complaints raised by the public regarding ministries, local authorities, state institutions and government corporations. Citizens may file a complaint free of charge if they believe that they were directly or indirectly harmed by an act or an activity of the government; if an act is against the law, without lawful authority, or violates principles of good governance; or if an act is unduly strict or clearly unjust. The office is not obliged to investigate complaints against the president of the state; the Knesset, its committees, or its members if the complaint refers to acts related to official duties; or a number of other similar issues.

According to the state ombudsman’s latest report in 2019, the number of complaints submitted has risen at a steady pace of 7% annually over the past three years. In 2019, a total of 14,461 complaints were submitted. Of these, 13,617 were within the state ombudsman’s authority to review (i.e., they were against public institutions). Of those, 35.24% were found justified and thus properly processed. The report also mentions that even in this regard there is a rising trend over the past three years. In 2018, the state ombudsman finished processing 15,267 complaints (some apparently were submitted in the year prior). Of these, 12,967 were within the state ombudsman’s authority to review of which 42.5% were rectified, 16.3% were complaints in which the submitter needed to provide more details or follow the complaint procedures of the respective institution before the ombudsman could handle the complaint, 12.3% were closed without a decision from the state ombudsman (e.g., the respective institution rectified the problem for the complainant, rendering the state ombudsman’s involvement in the issue unnecessary) and 28.9% were found unjustified. In his latest report, the state ombudsman also included demographics about the submitters of complaints.

The other body to be mentioned is the Commissioner for Soldiers' Complaints. Though authorized to handle complaints regarding the IDF only (specifically, complaints about injustices done to soldiers or soon-to-be-soldiers by the IDF), the authorization to submit a complaint is very wide and covers a variety of issues. In 2018, the institution expressed a degree of independence previously uncharacteristic of it by publishing Commissioner Isaac Brick's 2017 and last report. In it, Brick criticized the IDF's lack of readiness for a potential future armed conflict. However, Brick has since left the office and has been temporarily replaced by Eitan Dahan, the Security System's internal comptroller, until an official commissioner can be appointed. In his 2018 report, the commissioner received 6,749 complaints (compared to 7,002 in the previous year), of which 61.31% were found justified.

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Data Protection
Authority
Score: 6

There are several authorities that are accountable for handling technical issues of data protection and privacy. First, there is the State Comptroller, who can inspect and scrutinize all governmental bodies in the respect to data protection and privacy, and has powers to hold government bodies to account if necessary. Though these powers for scrutiny are only occasionally exercised. Second, civilian sector operations are initiated and regulated by the Management of Security in Public Corpora Act 1998, which introduced a strong cybersecurity apparatus.

As concerns over the protection of information (specifically, personal and private information) have grown, the Protection of Privacy Act 1981 was introduced detailing legal requirements and standards regarding information databases safety and security. Among other things, the act established the role of the Information Databases Registrar. The registrar is charged with officially registering and recording the different databases, and ensures that the owners of the databases comply with the law, and the relevant data and information security regulations. In 1986, the Public Council for the Protection of Privacy (also known as the Privacy Protection Council) was established. The council works with the registrar to publish an annual report on the activities and achievements of previous years, and consults on legislation. In 2006, the registrar's role was enhanced, and the registrar was made head of the newly established Legal Authority of Information Technologies and Privacy Protection (renamed the Authority for the Protection of Privacy, APP, in 2017). Administratively, the APP is located within the Ministry of Justice, and reports to the Ministry of Justice and the Knesset. According to the Protection of Privacy Act, one of the APP's roles is to monitor the compliance of public institutions with information security and privacy regulations.

As stated in the State Comptroller's latest report, the APP lacks the resources to properly accompany governmental projects. Since 2011, the APP has not been able to ensure the full compliance of public institutions with some of the Protection of Privacy Act's regulations concerning inter-institutional information transfers (i.e., public institutions must report to the APP if they transfer information between themselves). Consequently, the APP has limited authority to penalize non-compliance. In 2017, the Ministry of Justice proposed an amendment to the law to strengthen the APP. However, this initiative has been criticized by the National Cyber Directorate (NCD), which claims that the initiative would compromise the NCD's authority and undermine Israel's cyber defense operations. In addition, this initiative contradicts government policy, which is meant to make it the sole guiding national institution in the cyber defense field. While an amendment to the Protection of Privacy Act was passed following its first reading in the plenum

in 2018, the comptroller's report attests that there have been no significant developments since then.

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