

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

Sustainable Governance in the Context of the COVID-19 Crisis



SGI 2021 | 2 Israel Report

Executive Summary

Israel's response to some aspects of the crisis has been a huge failure, to others it was mediocre, and on vaccination policy, it has thus far been a considerable success. As of mid-January 2021, Israel was a world leader in two respects. While Israel led the globe in the number of COVID-19 vaccines administered per capita, it was also had one of the world's highest daily per capita coronavirus infection rates. In a nutshell, these figures reflected Israel's struggle to manage the coronavirus crisis. On the one hand, as the review period closed, Israel was far ahead of any other country in terms of its vaccination efforts, accelerating the end of the COVID-19 pandemic. On other hand, the combination of a high infection rate and a third lockdown, partially due to poor crisis management, makes it difficult to imagine a future without coronavirus.

Compared to many other developed countries, the number of people infected per capita in Israel after the first two months of the outbreak was low (Tzur & Cohen 2020). Similarly, Israel became a world leader in the race to roll out the COVID-19 vaccine (Huizen 2021), distributing vaccines effectively and rapidly. However, when it comes to long-term planning, Israel has shown very mediocre management capabilities throughout the crises. The evident inability to learn from wave to wave, and to act in a way that indicates improvement, points to poor decision-making processes.

Although Israel was in a relatively comfortable economic situation at the start of the crisis, its strategic and managerial capabilities were poor. Throughout the coronavirus crisis, Israel has demonstrated many shortcomings in its policy processes, resulting in an acute political crisis; intergovernmental hostility; a lack of trust between politicians and bureaucrats; a lack of collaboration and coordination among governmental offices; poor cooperation between the government and the business sector, academia and society; and very low levels of public trust, which was reflected in the public's lack of willingness to comply with physical distancing measures (Tzur & Cohen 2020).

SGI 2021 | 3 Israel Report

Prior to the coronavirus pandemic, Israel had undergone a three rounds of elections between April 2019 and March 2020. Due to severe disagreements within the coalition government, Israel was slated to hold a fourth round of elections in March 2021. The political crisis affected many aspects of epidemic management, including government policy enforcement, political parties' ability to reach agreement and the ability (or inability) to increase public trust. Yet another significant aspect of the political crisis is the fact that Israel has been managing the crisis without a state budget in place. The last time Israel passed a budget was on 11 April 2018. Since that time, Israel has been running on a continuous budget (Times of Israel 2020).

Additional aspects of policy implementation were problematic as well. Israel, like many other countries, was not prepared to respond to an epidemic, according to a State Comptroller report published in January 2020. The inability of the health system to deal with an epidemic of this magnitude led to the military's involvement in a number of areas, including epidemiological investigation, risk assessment and COVID-19 testing.

Beyond the problematic management and policy implementation, a relative violation of democratic freedoms was evident throughout the crisis. Two violations in particular stand out: the choice to use the ineffective Shin Bet surveillance system for contact tracing, and the rule forbidding residents from traveling more than one kilometer from their homes to attend demonstrations.

Crisis management in Israel is not a failure. But it could have been much better. Compared to many other countries, Israel has a relatively young population, and Israel is also a kind of island. Despite this, problematic management throughout the crisis, accompanied by a political crisis, public distrust and a lack of solidarity in the entire population led Israel into a much worse situation than was necessary.

Huizen, Jennifer. 2021. COVID-19 Vaccine Rollout in Israel: Successes, Lessons, and Caveats. Medical News Today. Retrieved from https://www.medicalnewstoday.com/articles/covid-19-vaccine-rollout-in-israel-successes-lessons-and-caveats, 21.01.2021.

Times of Israel. 2020. Knesset Approves Interim Financial Package in Absence of State Budget. Retrieved from https://www.timesofisrael.com/knesset-approves-interim-financial-package-in-absence-of-state-budget/, 29.12.2020.

Tzur, Ron & Nissim Cohen. 2020. A National Model for Evaluating Policy in Times of Crisis. Jerusalem: Israeli Democracy Institute. Retrieved from https://www.idi.org.il/media/15079/meshilut-during-crisis.pdf. October 2020 (Hebrew).

SGI 2021 | 4 Israel Report

Key Challenges

Israel has a long history of improvisation in policymaking processes (Sharkansky & Zalmanovitch 2000). Indeed, improvisation, in contrast to planning, is one of the main characters of its policy style. Regarding long-term processes, Israel usually shows weak policy performance. Therefore, in the future, special attention should be paid to the design and development of governmental bodies and units that can handle health crises, and indeed emergencies in general..

In this respect, the assistance of the military, a body that can be used relatively quickly for almost any civilian purpose, did not help to develop any civilian capabilities throughout the coronavirus crisis. Beyond this aspect, the government's centralization of crisis management, at the expense of strengthening and aiding the local municipalities, has had several advantages but also many disadvantages. As experience from other countries has shown, local municipalities have had a crucial role to play in managing the crisis.

When it comes to policy tools and legislation in general, Israel entered the epidemic crisis without updated disease-control legislation. Rather, it had an outdated ordinance dating back to the pre-independence British mandate. The sections relating to health emergencies had not been updated since the 1940s, which created a legislative vacuum and the need for an agile solution. This led to the use of ad hoc policy tools in a hasty, rapid manner, and in a way that did not allow effective policy discussion, and even led to policy decisions that were not based on public health rationales. Creating long-term policy tools may allow policymakers to be less dependent on such improvised solutions.

In this context, the fact that Israel is still relying on a budget from 2018 creates uncertainty for the citizens and for government ministries entrusted with implementing the policy, added to the uncertainty already entailed by the coronavirus crises. The lack of an updated budget has undermined crisismanagement capacities and policy planning, and may ultimately make Israel's budget deficit even worse.

Planning and focusing on long-term processes can enhance resilience to pressure from different political groups and interest groups. In this context, the Israeli government has preferred to implement general policy responses rather than targeted policy responses throughout the crisis. One reason for this has been the government's inability to implement restrictions on local

SGI 2021 | 5 Israel Report

municipalities with ultra-Orthodox or Arab majorities, which were major coronavirus hot spots throughout the coronavirus outbreak. Israel's minimal capacity to act in a more targeted manner creates disproportionate harm to the economy and impairs the government's ability to advance proportional and effective policy.

Nonetheless, the inability to look ahead is due both to the prevailing political culture and to "the worst political crisis ever" (Grinberg 2020) in Israel. As the political crisis deepens, Israel's poor ability to determine and implement its policies in the short and long term will continue.

Citation:

Sharkansky, Ira & Yair Zalmanovitch. 2000. Improvisation in Public Administration and Policy Making in Israel. Public Administration Review 60(4): 321-329.

Grinberg, Lev. 2000. NA Reports – Coronavirus as an X-Ray of Politics – The Case of Israel. European Sociologist 45(1). Retrieved from: https://www.europeansociologist.org/issue-45-pandemic-impossibilities-vol-1/na-reports-coronavirus-x-ray-politics-case-israel (5.2.2021)

SGI 2021 | 6 Israel Report

Resilience of Policies

I. Economic Preparedness

Economic Preparedness

Economic Policy Preparedness Score: 8 Israel's economy at the outset of the coronavirus crisis performed well both in terms of macroeconomic and fiscal outcomes. Israel's low deficit has been enabled by growth rates that had previously averaged 3.3% since 2000, higher than in many OECD countries (OECD 2018). This had enabled it to carry a sustainable level of debt relative to GDP and future economic stability (Echstein, Lifschitz, Menahem-Carmi 2020). Israel has made progress in improving its regulatory policy in recent years, following a series of regulatory changes. Bureaucratic burdens had been reduced through government decisions and the appointment of interministerial committees to deal with various issues (State Comptroller 2020). Despite some progress, the business environment remains affected by regulatory burdens, and competition in Israeli markets remains weak, as the economy is less open to foreign trade than most other OECD countries. The lack of competition and high non-tariff barriers in many sectors, notably electricity and the food industry, push up prices and contribute to dualities in productivity levels between open and sheltered sectors, resulting in turn in wage and income disparities (OECD 2018).

Israel has several regulatory institutions tasked with supervising financial markets. The most prominent include the Israel Securities Authority (ISA) and the Israel Antitrust Authority (IAA). These institutions are responsible for ensuring market stability and fair competition. IAA budgetary and staff resources have been increased significantly since 2011, and a competitiveness division was established in 2012 to track trends in selected markets. Additionally, the Knesset legislated two new competition laws in recent years, including the Promotion of Competition and Reduction of Concentration Law (2013) and the Promotion of Competition in the Food Sector Law (2014) (OECD 2020).

SGI 2021 | 7 Israel Report

In recent years, the ISA has banned binary options trading, established a committee to study the regulation of cryptocurrencies and pursued an investigation into a local telecommunications giant, Bezeq (known as "Case 4,000") (Levi-Faur et al., 2020).

Key future challenges for Israel will be to promote competition in a way that boosts productivity and improve the effectiveness of government regulations. Both are key ingredients for fostering inclusive growth.

In the World Economic Forum's (WEF) Global Competitiveness Report, Israel has slightly improved its position, from a rank of 24th place in 2016 – 2017 (Israel Democracy Institute 2017) to 20th in 2019 (WEF 2019). Israel stands out in areas such as innovation, the level of sophistication of the business sector and financial market development, but is less exemplary in the areas of macroeconomic performance, market size, institutions and the efficiency of its goods market. Israel underperformed in terms of regulatory burdens, which is a key determinant of national competitiveness and the investment environment for businesses. The WEF report indicated that the problem of "inefficiency of the government bureaucracy" was particularly serious in Israel.

Competition in the banking sector and in the electricity sector has been strengthened. In the former sector, the government separated two credit card companies from banks in 2018, established a central credit registry and granted a new license to an online bank in 2019. The electricity sector reform approved in 2018 requires the state-owned Israel Electric Corporation to sell part of its electricity generation capacity, which is expected to bring down its market share from 80% in 2017 to 40% in 2025. In 2018, exposure to parallel imports via the internet was increased and import tariffs reduced on several products, including foodstuffs (OECD 2020).

As of 2019, the IAA has identified 64 monopolies in Israel, among the most prominent of which are in the energy sector (specifically natural gas), the communications services sector and the food industry. Despite this, underenforcement of monopoly regulation is common. In the last 20 years, antitrust officials have ruled that a monopoly has abused its power in only five cases (Gedalya & Even-Chen 2018). On 21 July 2020, the IAA decided to change the definition of a monopoly to include companies that hold significant market power rather than just a significant market share (50% or more) (Ganun, 2019). The additional condition for monopolies allows supervision and regulation of entities whose market share is less than 50% and hold market power independently, but also of entities that hold joint market power resulting from similar behavior in a few competing markets, such as the banking market (Gedalya & Even-Chen 2018).

SGI 2021 | 8 Israel Report

Regulatory impact assessments (RIA) are obligatory for all legislative proposals initiated by the executive. This obligation, however, does not concern laws initiated by members of the Knesset; these latter comprise almost half of all laws passed by the parliament. Each ministry is also obligated to formulate a five-year plan to reduce regulatory burdens in its area of competence (OECD 2018).

The comptroller report published on 23 March 2020 found that many government ministries have not yet finalized plans to reduce regulation as required by the five-year plan for 2015 – 2019. Of the approximately 370 plans to be formulated by the end of the five-year period, only about 160 plans have been submitted, and some have been only partially implemented (State Comptroller 2020).

The overall tax burden, at 31% of GDP, is somewhat below the OECD average (34%). Israel's tax mix is reasonably growth- and employment-friendly, but there is ample room to simplify the tax system by removing inefficient tax expenditures and broadening the tax base. In particular, differences in tax rates across saving vehicles are large, and distort saving decisions. The business tax system provides large benefits to internationally competitive and high-tech firms. This may have attracted foreign direct investment, but also creates distortions and tax planning opportunities, and raises the costs of tax administration. Thus, better targeting schemes should be planned reduce distortion and ensure a net benefit to society. Better targeting could also create room for broader business and innovation support that aids the economy more widely (OECD 2020).

In terms of sustainable growth, the expansion of the labor market to include new populations in recent years has boosted economic growth, but signs indicate that this acceleration is not sustainable, and that growth is likely to slow. Long-term growth is also possible under these conditions, but this will depends on an active policy and the implementation of reforms. These reforms should include measures that improve competition in the local business environment, remove unnecessary regulatory barriers and increase investment in infrastructure to encourage research and development, all of which will help raise overall productivity in the long run and address the challenges facing the economy (Brand 2016).

Citation:

Brand, Gilad (2016), State of the Nation Report, Growth in the Israeli Economy, Taub Center, December 2016, retrieved from http://taubcenter.org.il/the-singer-series-state-of-the-nation-report-2016/
Ganon, Tomer (2019), "The Competition Authority is Making the bar for Declaring Monopolies More Flexible," Calcalist website (Hebrew), February 2, 2019, retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3755572,00.html

SGI 2021 | 9 Israel Report

Gedalya, Yosef & Nili Even-Chen (2018), "The monopolies in Israel are celebrated under the auspices of the regulator," The Marker website (Hebrew), December 16, 2018, retrieved from https://www.themarker.com/news/macro/.premium-1.6747673

Levi -Faur, David, Sabine Hofmann & Roy Karadag (2020), Israel Report, Sustainable Government Indicators 2020, https://www.sgi-network.org/docs/2020/country/SGI2020_Israel.pdf

OECD (2018), Economic Surveys: Israel, March 2018, retrieved from http://www.oecd.org/economy/surveys/Israel-2018-OECD-economic-survey-overview.pdf

OECD, (2018), Regulatory Policy Outlook. Country profiles. Israel, 2018, https://www.oecd.org/gov/regulatory-policy/israel-country-note-regulatory-policy-2018.pdf

OECD (2020), Economic Surveys: Israel 2020, retrieved from https://www.gov.il/BlobFolder/news/press_23092020_b/he/PressReleases_files_press_23092020_b_file.pdf State Comptroller (2020), Yearly Report, "Government actions to reduce the burden the bureaucracy imposed on businesses," March 2020, retrieved from https://www.mevaker.gov.il/sites/DigitalLibrary/Documents/2020/70a/103-Bureaucracy-

Nagish.pdf?AspxAutoDetectCookieSupport=1

World Economic Forum (2019), The Global Competitiveness Report, 2019. Retrieved from http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

Labor Market Preparedness

Labor Market Policy Preparedness Score: 7 Over the past decade, Israel's employment rate has increased. In 2019, this trend continued, with the unemployment rate decreasing from 4% in 2018 (CBS 2018) to 3.8%. The Ministry of Labor indicated that unemployment at this low level was "healthy" frictional unemployment (Frankle 2019). This increase in employment, along with the slow recovery in OECD countries from the 2008 financial crisis, created a positive gap between Israel's rate and the employment rates in many other developed countries. The labor-force participation rate in Israel is relatively high compared to other OECD countries. However, in 2019, it fell among people aged 15 and over to 61.1% as compared with 61.4% in the previous year. This decrease may be explained by 15- to 24-year-olds postponing their labor-market entry until after they have finished their education or obtained vocational training, whether for personal reasons or due to market necessities. In the main working-age group (25 – 64), the employment rate increased from 77.5% in 2018 to 77.7% in 2019 (Israeli Employment Services 2020).

The productivity rate of domestic firms fell by half a percent between 2014 and 2018, while in OECD countries it rose by an average of 2.5%. The increase in GDP per capita in Israel between 2014 and 2018 was only 1.33%, compared to an OECD average of almost 2.2%. This places Israel at the bottom of the chart in terms of productivity gains (Azulai 2019). Israel is characterized by a dual labor market and polarization, with highly productive high-tech and advanced industries, but a much larger share of the market that is characterized by low productivity and minimal growth. High-skilled workers have benefited from better job opportunities and higher wages, while low-skilled workers are increasingly employed in low-productivity and low-

SGI 2021 | 10 Israel Report

wage industries (Taub Center 2016). According to the CIPD's 2019 Good Work Index, employment security is not very strong, as only 47% of workers in Israel are convinced that they can keep their job or maintain a similar position until the age of 60. This is a low figure in comparison with the EU average of 73% (Bramly-Golan, 2019)

In recent years, Israel has used several labor-market policy tools to enhance labor-force mobility. For example, the minimum wage in Israel has risen steeply, from ILS 4,300 in 2015 to ILS 5,300 in 2020 (Ministry of Labor 2019).

However, about 429,550 workers, or 11% of Israel's workforce, in Israel do not receive the legally mandated minimum wage according to data collected between 2016 – 2019. The rate of noncompliance with the minimum wage rose from 9.5% in 2012 to 11% in 2019 (Bramly-Golan 2020). The groups that suffer particularly from employers' failure to pay the minimum wage are very young and very old people, women, people with low education levels, Arabs, ultra-Orthodox Jews and unskilled workers.

Arab women and ultra-Orthodox men have a greater challenge than the mainstream population in terms of integrating into the labor market. These two groups have experienced opposing trends in the last two years. The employment rate among Arab women has almost doubled since 2003, and reached about 40% in 2019, rising eight percentage points just since 2016. This was close to the 2020 target of 41% set by the Ministry of Economy before the coronavirus crisis. By contrast, the employment rate among ultra-Orthodox men rose until 2015, but stabilized in 2019 at about 49%, rendering the Ministry of Economy's target of 63% unrealistic. These rates are significantly lower than the general average in the economy. Thus, the integration of ultra-Orthodox men in the labor market remains one of the major challenges facing the Israeli economy (Weiss 2019). Several labormarket policy tools have been applied; for instance, vocational training programs operated by the Israeli Employment Service since 2014 have been successful, and have proved to be an important factor in raising the employment rate among these populations. They have increased the employment rate by 25% among all participants, and by 82% among Arab women. According to the Ministry of Labor, major wage gaps also exist among different groups in Israeli society; while non-ultra-Orthodox Jewish men make the highest earnings, making an of average ILS 15,327 per month, Arab women make the lowest, at an average of ILS 5,791 (Ministry of Labor 2019).

SGI 2021 | 11 Israel Report

Citation:

Azulai, Yuval. (2019), "Manufacturers searched for solutions to lower productivity in the economy and found the answer on Google." Globes website (Hebrew), June 23, 2019, retrieved from https://www.globes.co.il/news/article.aspx?did=1001290669

Bramly-Golan, Dafna. (2020). "11% of Israeli workers earn less than minimum wage." Globes website, May 3, 2020, retrieved from https://en.globes.co.il/en/article-11-of-israeli-workers-earn-less-than-minimum-wage-1001327247

CBS. (2018). Main Findings Diagram A/1. Labour Force Characteristics. retrieved from https://www.cbs.gov.il/he/publications/doclib/2020/lfs18_1782/intro1a_e.pdf

Frankle, Billy. (2019), "The decline in the unemployment rate continues: it stood at 3.6% in May," Calcalist website (Hebrew), June 24, 2019, retrieved from

https://www.calcalist.co.il/local/articles/0,7340,L-3764901,00.html

Israeli Employment Services. (2020). Summary report for 2019 - Trends in the labor market. Retrieved from

https://www.taasuka.gov.il/he/InfoAndPublications/ReasearchAndReviews/pages/datasummary1219.aspx Ministry of Labour Social Security and Services. (2019). "The Labor Market in Israel: Situation Overview and Activity of the Administrative Branch." (Hebrew) retrieved from http://graphics-lapam.org.il/clients/avoda/doh2018/3/%D7%93%D7%95%D7%97%20%D7%AA%D7%A2%D7%A1%D7%95%D7%A7%D7%94%20%D7%93%D7%99%D7%92%D7%99%D7%98%D7%9C.pdf

Taub Center staff. (2016), "The Freedom of Labor Mobility: Israel's Dual Labor Market." (Bulletin Articles), April 19, 2016. Retrieved from the Taub Center website: http://taubcenter.org.il/the-freedom-of-labor-mobility-israels-dual-labor-market.

Waksman, Avi (2019), "Unemployment has fallen – but so has labor-force participation," The Marker Website (Hebrew), May 27, 2019. Retrieved from https://www.themarker.com/news/macro/1.7288146 Weiss, Avi (2019), "State of the Country: Charts on Social and Economic Issues in Israel." p. 54. (Hebrew) Retrieved from the Taub Center website: http://taubcenter.org.il/wp-content/files_mf/201999.pdf

Fiscal Preparedness

Fiscal Policy Preparedness Score: 4

Prior to the coronavirus pandemic, Israel had undergone a series of three rounds of elections, starting with the elections to the 21st Knesset on 9 April 2019, and ending with the elections to the 23rd Knesset on 2 March 2020. Due to severe disagreements within the government about the budget and many other subjects (Lis et al. 2020a; Lis et al. 2020b), Israel had failed to pass a budget since 11 April 2018.

As a rule, when the government is unable to pass a budget for a given year, the budget for the year prior is applied with any required modifications until a proper up-to-date budget is approved (Barkat 2020). And indeed, the Knesset approved legislation to use a continuous budget through 2021 (see the Budget's Foundations Act, Amendment 53). Over the past 20 years, budget have often been passed alongside an Arrangements Act that includes various legislative initiatives and amendments. Since 2009, Israel has also passed biennial budgets (Ministry of the Finance 2021).

Another feature of the country's Basic Law states that if the Knesset is unable to approve a budget by a certain date, this is to be seen as the equivalent of the body voting to dissolve itself. In other words, if the government fails to pass a budget, the Knesset must dissolve, and the country must hold a round of elections.

SGI 2021 | 12 Israel Report

However, as of the end of the review period, the country had gone two years without a budget, thus prompting another election in March 2021. And that was in addition to the rising deficit, which, according to reports in the media, was estimated at above ILS 100 billion in 2020, or over 10% of GDP (Toker 2020). Since no state budget had been passed, the state was barred from using the surpluses generated in 2019's budget, and was thus bound to enact serious cuts in all of the ministries' funding (Ma'ariv 2020). A long list of reforms is also pending due to the coming elections (Toker 2021).

To finance the expenses necessary to deal with the coronavirus pandemic, the government passed amendments to the Reduction of Deficit and Limitation on Budgetary Expense Law, which sets budgetary rules accompanying the State Budget Law. This law stipulates that the budget deficit will not exceed a certain GDP share in that budget year, and holds the rate of expenditure increase to an amount set in law. Prior to the pandemic, this law was not sufficient to achieve budget balance, due to uncertainty over GDP and revenues. Moreover, the law itself was changed 18 times in order to fit immediate political and economic needs. Not surprisingly, the budget limitations in the law were dramatically adjusted at the outset of the pandemic to allow additional government spending. This has dramatically increased the deficit (Nevo Website, 2021).

On the other hand, Israel still technically appears economically stable, and has long been issued strong credit ratings from ratings companies such as Moody's, Fitch and S&P (Globes Service 2020; Trading Economics 2020; Countryeconomy.com 2020). Israel's unemployment rate has been steadily decreasing for the past decade, reaching around 4% in the lead-up to 2020, according to the Central Bureau of Statistics (Central Bureau of Statistics 2020). Thus, it can be argued that, under normal circumstances, Israel's budgetary policy, despite being heavily influenced by politics, is able to create a sustainable situation for public finances.

Barkat, Amiram (2020), "Israel drifts towards government shutdown," Globes website. Retrieved from https://en.globes.co.il/en/article-israel-two-weeks-away-from-government-shutdown-1001352053,

December 7, 2020. Base Law: The Knesset [Hebrew]

Bender, Eric. (2020). "Chair of the Knesset Committee: These Are the Possible Dates for Elections." In Ma'ariv website.. December 8th, 2020. [Hebrew]

Central Bureau of Statistics. (2020). "9.1 Persons Aged 15 and Over and Persons Aged 25-54 (Prime Working-Age Group), by Civilian Labour Force Characteristics, Population Group and Sex," Statistical Abstract of Israel 2020, No. 71. Found through. July 26th, 2020.

The Budget's Foundations Act (Amendment 53), 2020 [Hebrew]

Israel. Ministry of Finance. (2021). "Previous Years' Budget." In the Ministry of Finance's official website.. Last seen: January 6th, 2021. [Hebrew]

Lis, Jonathan, et al. (2020a). "Gantz Announced That Blue and White Will Vote for the Knesset's

SGI 2021 | 13 Israel Report

Dissolution, But Left Netanyahu With an Opening That Can Prevent the Elections," Ha'aretz, December 2nd, pp.1, 3. [Hebrew]

Lis, Jonathan, et al. (2020b). "Gantz Backed Down from Agreements with Netanyahu, and the Knesset is Expected to Dissolve Tonight," Ha'aretz, December 22nd, pp. 1, 3. [Hebrew]

Lis, Jonathan, et al. (2020c). "Fourth Elections in Two Years: The Knesset Dissolved and the Parties Already Began to Get Ready to the Next Round," Ha'aretz, December 23rd, p. 3. [Hebrew]

Ma'ariv. (2020). "At the Finance Committee Warned: Without a Budget, a 100 Billion ILS Cut Is Expected in the Government's Ministries." In Ma'ariv Online's website.. December 21st, 2020.

The Globes Service. (2020). "Good News to the Economy of Israel: The Credit Rating Company S&P Ratified Israel's Credit Rating." In Globes website.. November 13th, 2020. [Hebrew]

Toker, Nati. (2020). "The Government Spent Less, But the Deficit Had Risen in November to 11.1%." In TheMarker's website.. December 12th, 2020. [Hebrew]

Toker, Nati. (2021). "'Lost Years': The Budget's Non-Passage Will Cost Us 21 Billion ILS in Two Years, At Least." In TheMarker's website.. January 4th, 2021.

Trading Economics. Israel. Economic Indicators, https://tradingeconomics.com/israel/indicators, last seen: February 5, 2021.

Trading Economics. Israel. Credit Rating, https://tradingeconomics.com/israel/rating, last seen: February 5, 2021.

Countryeconomy.com. (2020). "Rating: Israel Credit Rating.". Last seen: December 9th, 2020.

Research and Innovation

Research and Innovation Policy Preparedness Score: 10 Israel's research and development (R&D) sector is based on three pillars: scientific research carried out primarily at seven universities, research conducted in government and public research institutes, and research conducted by civil-industrial partnerships overseen by the Ministry of Finance. The government and public bodies are primary sources of R&D funding, providing financial support for well over half of Israel's R&D activities. The major share of these funds for civil R&D purposes is allocated for economic development, mainly in the industrial and agricultural sectors (Israel Ministry of Foreign Affairs, Science, n.d.).

At the outset of the coronavirus crisis, Israel was in many ways a global leader in the field of R&D, as it has regularly invested in R&D projects both domestically and throughout the world. According to a November 2020 World Economic Forum report, Israel spent the world's highest percentage of its GDP in 2018 on research and technology. According to the World Bank, the country spent 4.95% of GDP in this area, with the largest share going to public university funds, computer systems, cybersecurity and AI (Beeri 2020). Though these numbers suggest that Israel was strong in this area at the beginning of the coronavirus crisis, a recent study suggests that the Israeli government offered comparatively little support for research specifically in the fields of health, environment and infrastructure development as compared to other OECD countries. Only 0.5% of the government's R&D investment was in the field of health. This investment has thus been very effective in attracting foreign investment and in creating R&D centers across the country, but was ineffective in providing the necessary resources to deal with the coronavirus pandemic (Buchnik, Klein & Getz, 2020).

SGI 2021 | 14 Israel Report

Citation:

Beeri, Tamar, "Start-Up Nation: Israel spends the most money in the world on R&D – WEF," The Jerusalem Post website, November 5, 2020, retrieved from https://www.jpost.com/jpost-tech/start-up-nation-israel-spends-most-money-in-the-world-on-r-and-d-wef-648192

Buchnik, Tzipi, Rinat Klein and Dafna Getz (2020). Medical research in Israel – the government must wake up before the next crisis, Shmuel Ne'eman Institute, Haifa, Israel, November 2020, retrieved from https://www.neaman.org.il/Medical-research-in-Israel-a-wake-up-call-for-the-government-before-the-next-crisis

Israel Ministry of Foreign Affairs, Science and Technology: Research and Development, n.d, accessed on January 10, 2021, retrieved from

https://mfa.gov.il/mfa/aboutisrael/science/pages/science%20and%20technology-

% 20research% 20and% 20development.aspx

II. Welfare State Preparedness

Education System Preparedness

Education Policy Preparedness Score: 5 Israel's educational system, like its counterparts in other countries, experienced many changes during the course of 2020. New educational and operational challenges were created, thanks to the coronavirus pandemic. Coming on top of former gaps in the system, these increased the differences between the country's divergent educational sectors.

Over the last decade (2010 – 2020), Israel has increased its education expenditure by 25%, much higher than the OECD average of 9%. Due to the growing number of pupils, due to population growth, per pupil expenditure remained roughly stable over this time. Primary and secondary teachers' salaries increased significantly in recent years, and are now well above the national average salary. This increase in salaries may be due in part to the increase in the number of teachers with tertiary and quaternary degrees. Over the last two decades, the share of tertiary graduates in this sector increased from 0.38% to 6.61%, and the number of quaternary graduates grew from 2.27% to 3.9% (Central Bureau of Statistics 2019)

Resource allocations inside the educational system are made on a confessional basis. The schools in Israel are sorted into 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, taken all together). Differences in per-pupil budgeting are mostly related to the school's programs. Many ultra-Orthodox schools do not include portions of the curricula required by the Ministry of Education requires, due to religious objections. Thus, while the ultra-Orthodox schools comprise 18% of

SGI 2021 | 15 Israel Report

the total education system, they receive just 8.8% of the budget. For the last five years, the budget for the Arabic school system budget has increased significantly; however, an economic class analysis suggests that the Ministry of Education budgets nearly twice as much for lower-class Jewish pupils than for Arabic pupils. These gaps affect the opportunities available to members of these communities, the ability of the schools to deal with a crisis, and their overall financial strength (Dvir 2020).

For the weaker sectors, these gaps also directly influenced the ability to handle extreme situations. Defense needs in Israel required the government to create a plan for distance learning. Over the last decade, the Ministry of Education, together with the army's HPS department, perform annual drills that include practicing the distance-learning protocol. This protocol includes references to pupil and staff readiness and the operation of distance-learning computing systems, while additionally requiring schools to map pupils' addresses, team teachers with specific pupils and identify specific student needs. When the coronavirus reached Israel, the educational system was thus at some level prepared: the foundation for home schooling was in place, systems and licenses for relevant programs had been acquired, and students and teachers had been able to try out the systems before the social distancing policy was implemented. Schools at different levels of education used different methods such as online lessons, online class forums, and pre-recorded materials for 80% of the curricula, as planned before the pandemic. The Ministry of Education launched continual TV broadcast programming in Hebrew and Arabic, for various ages. The ultra-Orthodox community also used telephone and email lessons to work around religious limitations (Ministry of Education 2020)

Despite these efforts, the move toward distance learning was not smooth. Some of the emergency protocol was relevant for periods of rocket attack, but did not fit within a pandemic situation. For example, pupils without access to a computer were supposed to team up with their neighbors for mutual learning. Social distancing rules limited this option, leaving many students without the necessary means to join their classes. The Ministry of Education estimated that out of a total of 1.8 million pupils in the system, 135,000 have no access to a computer. Moreover, 24% of Israeli households have no internet connection (Ilan 2020). That gap is even deeper within the Arab community, among which 51% of households lack an internet connection. Moreover, computing-knowledge gaps were found among younger pupils. In a survey performed at the end of the school year, 70% of parents reported that their children needed help at some level, with 33% of reporting a lack of computing equipment sufficient to enable home-based learning. A total of 60% of tertiary pupils reported that distance learning was less effective than in-person learning, and

SGI 2021 | 16 Israel Report

87% expressed a desire to integrate distance-learning methods into future courses so they could choose between in-person and online methods. Most tended to report uncertainty regarding the new academic year. Moreover, assessments of teachers' computing abilities resulted in a recommendation document that identifies several skills teachers all over the educational system need to acquire in order to improve distance learning (The Knesset 2020).

Most of the efforts were invested in making sure that the curriculum changed as little as possible. As noted, 80% of the curricula was recorded and broadcast by TV channels. In addition, policymakers reviewed evaluation and teaching methods as well as new materials and programs over the course of 2020. The goal was to enable distance learning without undermining the education provided, while continuing to prepare pupils for the 21st century. For example, in order to create the skills needed for today's careers, pupils are given self-learning missions, presented with exams based on understanding instead of memorizing, and taught to develop problem-solving habits. Learning materials and programs are also including more and more technological and analytical elements, with the goal of preparing pupils for the current technologically rich marketplace (HFC 2020).

The COVID-19 situation ultimately forced the final secondary-school exams to change their content and examination methods, and required that some of the exams be rescheduled. At the tertiary level, most learning materials stayed the same, while final exams shifted to a project-based format, aside from several specific majors such as medicine and engineering that rescheduled some exams to take place in an in-person format (Ministry of Education 2020).

The Central Bureau of Statistics indicated that only 69.7% of the top secondary education cohort graduated in 2019. After graduation, between 61% and 77.6% are expected to find a job. Among those who go on to tertiary education, 78% to 82% will integrate into the labor force. The likelihood of graduating is most influenced by religious affiliation. A positive correlation exists between school systems' religious identities and their dropout rates. Geographic location and distance from the city center appear to be less relevant, even though teachers in the periphery work longer hours and the systems' pupil-teacher ratios are higher (Dvir 2020).

Citation:

Central Bureau of Statistics. 2019. The face of Israeli society – gaps between the center and the periphery. Jerusalem: Central Bureau of Statistics.

Dvir, Noam. 2020. Eligibility for matriculation: Who leads and who is at the bottom? Retrieved from Israel Today: https://www.israelhayom.co.il/article/794271, 24.08.2020 (Hebrew)

Ministrry of Education, HFC. 2020. Procedures and guidelines for conducting and distance learning in an emergency.

Retrieved from HFC:

 $https://meyda.education.gov.il/files/lmida_herum/nohal_cherum_zman_emet_01012020.pdf~(Hebrew)$

SGI 2021 | 17 Israel Report

Ilan, Shahar. 2020. A third of parents do not have enough computers for distance learning. Retrieved from Calcalist: https://www.calcalist.co.il/local/articles/0,7340,L-3851113,00.html, 23.09.2020 (Hebrew)

Mako. 2020. Reduce classrooms and allow for choice: This is how students hope to see the next school year. Retrieved from Mako: https://www.mako.co.il/study-career-study/articles/Article-0d8bfcdbe592371027.htm, 08.07.2020 (Hebrew)

Ministry of Education. 2020. Detailed circular on matriculation in the Corona outline. September: Ministry of Education, State of Israel. Retrieved from https://meyda.education.gov.il/files/Bitachon/exams_outline_2021.pdf (Hebrew), 24.09.2020.

State Comptroller. 2020. A special interim report on the State of Israel's dealing with the corona crisis. Jerusalem: Israel.

Taberski, David. Caring for generations. Retrieved from The word of Israel labor: https://www.davar1.co.il/204509/, (Hebrew), 30.12.2019.

The Knesset. 2020. Availability of end means and internet connection for children For distance learning. Jerusalem: The Knesset.

The Knesset Research and Information Center. The Availability of Digital Devices and Internet Connections for Distance Learning among School-age Children – Abstract, 27.07.2020, https://m.knesset.gov.il/EN/activity/mmm/TheAvailabilityofDigitalDevices.pdf

The Knesset. 2020. Emergency distance learning while closing educational institutions Following the outbreak of the coronavirus. Retrieved from Knesset Information and Research Center: $\frac{1}{1.0015500} + \frac{1}{1.0015500} + \frac{1}{1.0015000} + \frac{1}{1.0015000} + \frac{1}{1.0015000} + \frac{1}{1.0015000} + \frac{1}$

The Knesset. 2020. Preparing for the start of the next school year (2021/2020) during the Corona epidemic In Israel and in selected countries. Jerusalem: The Knesset.

Social Welfare Preparedness

Social Welfare Policy Preparedness Score: 5 Israel has a high rate of inequality relative to most other OECD countries. As of 2019, Israel had the ninth-highest Gini coefficient within the 35-nation group. Israel 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, with 16.3% of its GDP spent in this area compared to an OECD average of 20% in 2019 (OECD 2021).

A broad middle class is a central objective of socioeconomic policy, and is the main socioeconomic component in the Western countries. For the last 20 years, the middle class has been shrinking in all OECD countries. However, the decrease was particularly sharp in Sweden, the United States and in Israel (Adva 2020, p. 22).

Israel's social spending and tax policies create a dissonance between overall moderate growth rates on the one hand and ongoing social and economic polarization on other hand. This polarization is reflected in several dimensions, including a persistent gender-based pay gap, significant average wage differences between different sub-groups, and significant inequalities within the elderly population relative to their pre-retirement status. Differences on the basis of gender and ethnicity are narrowing somewhat, but remain prominent. For example, in 2018, average income for Ethiopian-Israelis is about half the overall average, and the average income among the Arab population is about

SGI 2021 | 18 Israel Report

two-thirds of the overall average. The poverty rate among the Arab minority group is three times higher than in the Jewish majority group, with a similar rate evident in the ultra-Orthodox Jewish group. Given this persistent polarization, it is difficult to identify significant social-policy successes in Israel in recent years (Einhorn 2018).

According to the 2017 poverty report produced by Israel's National Insurance Institute, a total of 1,780,500 Israelis lived below the poverty line, including 466,400 families and 814,000 children. This constituted some 21.2% of the population. However, poverty rates are higher among the poorest minorities in Israel, including Arabs and ultra-Orthodox Jews. According to the report, the overall poverty rate had increased from 18.5% in 2016. The proportion of families living in poverty decreased from 28.8% in 2016 to 28.4% in 2017, and the proportion of children living in poverty decreased from 31% in 2016 to 29.6% in 2017, but this remains tremendously high relative to other OECD and developed nations (National Insurance Institute 2017).

In recent years, Israel's government launched a five-year comprehensive program aimed at economic and structural development within the Arab population. However, the original budget allocation of ILS 15.5 billion has been reduced to ILS 9.7 billion, excluding the education component (Ben Solomon 2015). As of 2018, the program is progressing according to plan, with about one-third of the budget having been spent on various projects related to housing, education, the representation of Arabs in the public sector and improvement in the quality of local Israeli-Arab authority personnel (Efraim 2018). The program was extended in October 2020, with another ILS 4.7 billion allocated to the program. These funds are expected to be used for road improvements, enhancements in public transportation, the establishment of childcare facilities and industrial zones, and increases in the education budget (Heroti-Sover 2020)

Another government plan intended to reduce gaps between groups in Israeli society is the working plan for the reduction of health disparities. The plan, introduced in 2010, is designed to reduce health inequalities (Dreiher, et al. 2020) such as regional differences between in per capita hospital beds. For example, in 2016, Israel's major cities (Jerusalem, Tel Aviv and Haifa) had between 2.15 and 2.44 hospital beds per 1,000 people as compared to 1.3 to 1.7 beds in peripheral areas. Similarly, life expectancy is 84 to 85 years in the major cities and high-income regions, but only 82 to 83 years in the periphery (Davidovitch 2016).

Citation:

Barkat, Amiram. 2018. "Poverty, inequality decline in Israel", Globes, Retrieved from https://en.globes.co.il/en/article-poverty-inequality-decline-in-israel-1001267085, 31.12.2018.

SGI 2021 | 19 Israel Report

Ben Solomon, Ariel. 2015. "Israeli government reaches historic budget deal for Arab sector after tough negotiations," Jerusalem Post, Retrieved from http://www.jpost.com/Israel-News/Israeli-government-reaches-historic-budget-deal-for-Arab-sector-after-tough-negotiations-438889, 30.12.2015.

Bleikh, Haim. 2016. "Poverty and Inequality in Israel: Trends and Decompositions," Taub Center, Retrievd from http://taubcenter.org.il/poverty-and-inequality-in-israel-trends-and-decompositions/, 26.12.2016.

Dattel, Lior & Dafna Maor. 2018. "Income inequality in Israel among highest in OECD," Haaretz, Retrieved from

http://www.haaretz.com/israel-news/1.657611, 10.04.2018.

Davidovitch, Nadav. 2016. "Dealing with gaps in Health in Israel," School of Public Health, Faculty of Health Sciences, Ben Gurion University, Retrieved from https://www.gov.il/BlobFolder/guide/meetings_public_shared/he/Water_Energy_Communication_Addressing_health_disparities_israel.pdf (Hebrew)

Dreiher, Dalia, Olga Blagorazumnaya, Ran Balicer & Jacob Dreiher. 2020. National initiatives to promote quality of care and patient safety: achievements to date and challenges ahead. Israel Journal of Health Policy Research 9, Retrieved from https://ijhpr.biomedcentral.com/articles/10.1186/s13584-020-00417-x

Efraim, David. 2018. "The construction reform and five-year plan in the Arab municipalities: the good and the bad," INSS, Retrieved from

 $http://www.inss.org.il/he/publication/\%\,D7\%\,AA\%\,D7\%\,9B\%\,D7\%\,A0\%\,D7\%\,99\%\,D7\%\,AA-D7\%\,PPM$

% D7%94%D7%97%D7%95%D7%9E%D7%A9-922-

%D7%94%D7%91%D7%99%D7%A0%D7%95%D7%99-

 $\%D7\%91\%D7\%99\%D7\%99\%D7\%A9\%D7\%95\%D7\%91\%D7\%99\%D7\%9D/,\ March\ 2018\ (Hebrew).$

Einhorn, Alon. 2018. "21.2% of Israeli population lives below the poverty line – new report," Jerusalem Post, Retrieved from https://www.jpost.com/Israel-News/212-%-of-Israeli-population-lives-below-the-poverty-line-new-report-575883, 31.12.2018.

Elran, Meir and Muhammed Abu Nasra, Eran Yashiv, and Morsi Abu Moch. 2017. "Two Years into the Five-Year Plan for Economic Development of the Arabs in Israel," INSS Insight No. 993, Retrieved from http://www.inss.org.il/wp-content/uploads/2017/11/No.-995.pdf, 22.11.2017.

Endeweld, M., Heller, O., Barkali, N. and Gottlieb, D. 2015. "Poverty and Social Gaps Report – Poverty and Social Gaps in 2014, annual report," National Insurance Institute (NII), Retrieved from

 $https://www.btl.gov.il/English\%20 Homepage/Publications/Poverty_Report/Documents/oni2014-e.pdf$

Endeweld, Miri, Daniel Gottlieb, Oren Heller & Lahav Karady. 2017. "Poverty and Social Gaps in 2016, annual report," The National Insurance Institute, Retrieved from

https://www.btl.gov.il/English%20Homepage/Publications/Poverty_Report/Pages/oni-2016-e.aspx

Heruti-Sover, Tali. 2020. Billions remain in the register – and Arab society's five-year plan has been extended by a year, The Marker, Retrieved from https://www.themarker.com/career/.premium-1.9260688, 25.10.2020 (Hebrew).

National Insurance Institute. 2017. Poverty and Social Gaps: Annual Report 2016, Retrieved from https://www.btl.gov.il/English%20Homepage/Publications/Poverty_Report/Documents/oni2016-e.pdf

Taub Center, "State of the Nation Report 2018: Society, Economy, and Policy in Israel," Retrieved from http://taubcenter.org.il/wp-content/files_mf/staeofthenation2018.pdf

Ilan, Shahar. 2016. "The Five-Year Plan To The Arab Sector: You Cannot do anything with a List of Confessions "Calcalist, Retrieved from http://www.calcalist.co.il/local/articles/0,7340,L-3699823,00.html, 16.10.2016 (Hebrew)

Jacobs, Harrison. 2018. "A walk through Israel's poorest village made it very clear that one of the country's biggest issues is one no one talks about," Business Insider, Retrieved from https://www.businessinsider.com/israel-news-biggest-problem-poor-economic-situation-arab-minority-2018-10, 19.10.2018.

OECD 2021) Social spending (indicator). https://data.oecd.org/socialexp/social-spending.htm. Accessed 06.02.2021.

Swirski, Shlomo, Etty Konor-Attias and Aviv Liberman (2020). Israel: A Social Report 2020, March 2020, retrieved from https://adva.org/wp-content/uploads/2020/02/social-2020-ENG.pdf. Last access 06.02.2021

SGI 2021 | 20 Israel Report

Healthcare System Preparedness

Health Policy Preparedness Score: 6 Under the 1994 National Insurance law, all citizens in Israel are entitled to medical attention through a health maintenance organization (HMO). This universal and egalitarian law allows broad access to subsidized primary care, medical specialists and medicines. In 2020, Israel ranked fifth out of 57 countries in the Bloomberg Health Efficiency Index (Miller & Wei 2020). Israel's healthcare-system expenditures are also increasing, with a roughly 26% budget increase between 2010 and 2018, compared to 19% average growth among the OECD as a whole (Katz & Gil 2019).

Despite broad health coverage, inequalities in health outcomes and access to health services persist. 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 southern periphery regions, experience worse health outcomes and have high incidences of health-risk factors (Swirsky 2017).

According to a 2019 Taub Center study, healthcare spending as a share of GDP has remained fairly stable over the past two decades at about 7.5% of GDP, compared to an average of 11% among OECD countries. However, the share of public funding in the total national expenditure on health is low, at roughly 64%, compared to about 78% among the OECD countries as a whole. Consequently, private expenditure on healthcare has increased as a share of total household expenditure, from 4.5% in 2000 to 5.7% in 2015 (Chernichovsky 2019).

Regarding the Israeli healthcare system's ability to provide high-quality disease prevention and treatment, a January 2020 State Comptroller report revealed a lack of medicine supply, vaccines and hospitalization services (hospital beds, vacancies in emergency rooms, ventilators, etc.) (State Comptroller 2020). Moreover, the quality of health services and facilities varies by geographical location, with periphery facilities often struggling to attract skilled personnel. In Israel's peripheral regions, there are about 20% fewer hospital beds per capita and 40% fewer surgery rooms per capita.

Citation:

Chernichovsky, Dov (2019), The Healthcare System: An Overview. Policy Research, Taub Center, retrieved from http://taubcenter.org.il/wp-content/files_mf/thehealthcaresystemanoverview2019eng.pdf, 23.12.2019.

Chernichovsky, Dov (2017), Current Developments in the Healthcare system, Taub Center, retrieved from http://taubcenter.org.il/wp-content/files_mf/developmentsinthehealthcaresystem28.pdf, 21.12.2017. Last access 06.02.2021.

Katz, Ori & Ziv Gil. 2019. "Is extra budget the way to improve health care?," Kohelet Forum, 19.09.2019, Retrieved from https://kohelet.org.il/publication/%D7%94%D7%90%D7%9D-

SGI 2021 | 21 Israel Report

 $\% \, D7\% \, AA\% \, D7\% \, 95\% \, D7\% \, A1\% \, D7\% \, A4\% \, D7\% \, AA-\% \, D7\% \, AA\% \, D7\% \, A7\% \, D7\% \, A6\% \, D7\% \, 99\% \, D7\% \, 91-32\% \, D7\% \, A1\% \, D7\% \, D7$

 $\%\,D7\%\,94\%\,D7\%\,99\%\,D7\%\,90\text{--}\%\,D7\%\,94\%\,D7\%\,93\%\,D7\%\,A8\%\,D7\%\,9A\text{--}$

%D7%9C%D7%A9%D7%A4%D7%A8-%D7%90%D7%AA-

%D7%A9%D7%99%D7%A8%D7%95%D7%AA%D7%99. Last access 06.02.2021.

Miller, Lee J. & Wei Lu. 2019. "Asia Trounces U.S. in Health-Efficiency Index Amid Pandemic, Bloomberg, Retrieved from https://www.bloomberg.com/news/articles/2020-12-18/asia-trounces-u-s-in-health-efficiency-index-amid-pandemic

Swirsky, Shlomo & Eti Konor-Atias. 2017. "Social status report 2016," Retrieved from http://adva.org/wp-content/uploads/2017/03/SocialReport2016.pdf

The State Comptroller. 2020. " A special report on The Health System way of handling erupting and renewable diseases," Retrieved from

https://www.mevaker.gov.il/sites/DigitalLibrary/Documents/2020/70a/200-

health.pdf?AspxAutoDetectCookieSupport=1 (Hebrew)

Families

Family Policy Preparedness Score: 6 Israel has a mixed family policy that supports the integration of mothers in the labor force. Its pro-family policies include essentially free coverage of in-vitro fertilization (IVF) procedures for women under the age of 45, and child allowances for all Israeli families with children under the age of 17 (without income restrictions or limitations). Its integration policy includes parental leave arrangements, robust childcare policies and maternity leave provisions that include benefits and protections for the mother's job.

Israel's working-hour regulations are contained in the 1951 Work and Rest Hours Law. Most workers work between eight and nine hours a day, a figure considered one of the highest among developed countries. Most workplaces do not allow for flexibility in working hours, which mainly affects workers such as parents with small children (Margalit et al., 2019). Israel's legislation makes little provision for flexibility in working hours for special situations, such as working from home or child-friendly working hours. Other OECD countries offer more flexibility in terms of using parental-leave benefits or returning to work on a part-time basis. However, the total weeks of paid leave at full pay received by the average Israeli woman over her lifetime is above the OECD average (OECD Stat).

In 2017, Israel's government announced a tax reform program for working families (the "Net Family Plan") that includes subsidies for after-school activities, extra tax points (deductions) for men and women with children up to six years old, an expansion of work grants, and reduced taxes on baby clothes (Ministry of Finance, 2017). Another 2017 initiative, the Flexible Working Arrangements Bill, failed to pass the Knesset. While the bill failed to pass, it perhaps indicates a need and desire in Israel for more flexibility in working arrangements (Margalit et al. 2019; Giladi 2017).

At the beginning of 2017, the Civil Service Commissioner issued a working regulation requiring all ministries to adopt a "family friendly" arrangement to

SGI 2021 | 22 Israel Report

support public sector workers who wished to dedicate more time to their families. According to the new arrangement, afternoon meetings would be avoided twice a week. Moreover, the commission's 2017 strategic plan placed special emphasis on promoting a workplace ethic of gender equality (Heruti-Sover 2017). This plan joins other, separate arrangements made in the public sector to allow parents of infants to work a few shorter workdays each week under certain circumstances and conditions (Kol Zchut 2020).

Citation:

Aviram, Dafna and Rachel Zaken. 2020. "Policy Recommendation for the promotion of working from home," Israel Democracy Institute, 08.07.2020, Retrieved from https://www.idi.org.il/blogs/special-economic-survey/policy-recommendations/31985 (Hebrew)

Giladi, Ohad. 2017. "Shifting into flexible working arrangements requires a profound change in perception" The Marker, 02.10.2017. Retrieved from https://www.themarker.com/opinion/1.4492510 (Hebrew)

Gru, Lior, Ayelet Hilel, Yotam Margalit and Rachel Zaken. 2019 "Work and Rest Hours Lawand mechanisms for flexibility In the labor market, Policy Research 128," Israel Democracy Institute, Retrieved from https://www.idi.org.il/media/10671/hurvitz2018_labor-market_israeli-labor-laws-and-mechanisms-forwork-hours-flexibility-yotam-margalit-et-al_summary.pdf (Hebrew)

Heruti-Sover, Tali. 2017. Women's Caucus: Twice a week without meetings after 3pm – in all government offices, The Marker, 13.04.2017, Retrieved from https://www.themarker.com/career/1.4022523.

Kol Zchut. 2020. "Shortened workday for a civil service parent," Retrieved from https://www.kolzchut.org.il/he/%D7%99%D7%95%D7%9D_%D7%A2%D7%91%D7%95%D7%93%D7%94_%D7%9E%D7%A7%D7%95%D7%A6%D7%A8_%D7%9C%D7%94%D7%95%D7%A8%D7%94_%D7%91%D7%A9%D7%99%D7%A8%D7%95%D7%AA_%D7%94%D7%9E%D7%93%D7%99%D7%A0%D7%94%D7%96

Ministry of Finance. 2020. "Treasury's "net family" plan to increase net pay gets underway: Money returns to public," Retrieved from https://mof.gov.il/Releases/Pages/netomishpaha.aspx

OECD. OECD Stat. Employment. Length of maternity leave, parental leave, and paid father-specific leave, retreived from https://stats.oecd.org/index.aspx?queryid=54760. Last access 06.02.2021.

III. Economic Crisis Response

Economic Response

Economic Recovery Package Score: 6

For the first few months of the coronavirus crisis, in response to the negative economic impacts of the lockdown, the government and the Ministry of Finance proposed various short term plans in the form of emergency regulations that provided adaptation grants and increased unemployment benefits for citizens who had lost their jobs. This was followed by a larger, more comprehensive economic recovery package.

In July 2020, the government presented its economic recovery package for coping with the coronavirus crisis. The purpose of the recovery package, which totaled ILS 90 billion was to provide a safety net for employees, the self-employed and businesses through June 2021. The plan stated that

SGI 2021 | 23 Israel Report

businesses with an annual turnover of up to ILS 300,000 would receive a grant of between ILS 3,000 and ILS 6,000 every two months. Businesses with a turnover of between ILS 300,000 per year and up to ILS 100 million would be given a fixed expense grant of up to ILS 500,000 every two months. In addition, businesses would receive grants for the purpose of employee retention. Business owners and self-employed people would receive a grant of 70% of their taxable income, up to a maximum of ILS 15,000, every two months until the end of June 2021, in addition to a one-time grant of ILS 7,500 (Israel Ministry of Finance, 2020).

In terms of scope, the assistance provided by the government to companies takes into account the need for employee retention, a positive step toward maintaining a high level of employment even when business revenues are temporarily reduced. The government assistance also adequately addresses the needs of the businesses and assists with operational costs, helping them to survive through the period of closure and be prepared to increase their activity and employment once the crisis subsides (Bank of Israel, 2020). This plan also updated criteria for eligibility for the government's coronavirus assistance; previously turnover had to have dropped by at least 40%, while afterward, businesses experiencing only a 25% reduction in turnover became eligible. However, this did not apply retroactively, so many business owners did not qualify, preventing them from receiving necessary assistance (Milman, 2020).

In terms of timeliness, the government did not act swiftly enough to provide businesses and self-employed workers with the necessary assistance at the outbreak of the pandemic, instead providing only short term and limited financial assistance in the first few months of the crisis (Ilan, 2020). In addition, due to political considerations, the 2021 budget was put off multiple times after the formation of the new government in March, making it difficult for government agencies and businesses to plan ahead. The lack of comprehensive government assistance in the first few months of the crisis and the uncertainty caused by political instability hurt small businesses in particular. Consequently, about 70,000 businesses were expected to close by the end of 2020, an increase of about 50% compared to 2019 (Dovrat-Meseritz, 2020).

The third part of the government's plan extended unemployment benefits to employees until June of 2021, allowing businesses to put all of their workers on unpaid leave regardless of how much reduction in turnover had been experienced. According to a report published in August by the Israeli employment service, this binary policy created some certainty in the economy, helping businesses stay open for longer, and gave employees a measure of relief. However, the decision to continue paying unemployment costs until

SGI 2021 | 24 Israel Report

June 2021 hurt the connection between the employee and the employer, the service added. This created a negative incentive for employees to return to work, which will result in much higher unemployment rates, and probably higher long-term rates. According to an early-October manpower survey by the Central Bureau of Statistics, the "broad" rate of unemployment in Israel was 22.7%, with 937,500 people out of work, 170,000 more than in the second half of September (Levy, 2020). This unemployment policy was not very targeted. A more flexible model covering only the hours of lost work rather than paying compensation for entire salaries would have cost the government less, and would have lowered the unemployment rate. The government could also have invested more in vocational training, which would have created incentives for workers to go back to work

In addition to the safety net, in July 2020 the government passed legislation providing all citizens with a one-time stimulus grant aimed at encouraging consumption. Under the plan, which excludes high-earners, single Israelis aged 18 and over, and married teenagers, each citizen received a one-time payment of ILS750. Families received ILS 500 for each of their first four children, along with another ILS 300 for the fifth child onward. Totaling ILS 6 billion, this stimulus grant aimed to put direct funds into the hands of individuals as quickly as possible (Knesset, 2020). To some extent, it successfully increased economic demand. However, critics argued that it could have been used in a more targeted and focused way, increasing demand more strongly and providing a greater positive impact on the economy over time. Research showed that the one-time increase in income did not necessarily translate immediately into an increase in consumption; rather, an average of 42% of the grant funds went to the repayment of debt, and 15% was put into personal savings. Only 26% of the grant was used for consumption. Moreover, the grant did not effectively target the groups that had been most hurt by the lockdown, such as restaurant staff and those working in tourism. Instead, it provided an equal amount of funds to the entirety of the population regardless of need (Barkat, 2020).

Citation:

Bank of Israel. 2020. "Remarks by the Governor of the Bank of Israel at the Cabinet meeting on the bill for the Economic Assistance Program," Announcements and publications, retrieved from https://www.boi.org.il/he/NewsAndPublications/PressReleases/Pages/22-9-20.aspx

Bank of Israel. 2020. "The Governor's remarks at a cabinet meeting on the issue of a grant for all Israeli citizens," Announcements and publications, 19.07.2020, retrieved from https://www.boi.org.il/he/NewsAndPublications/PressReleases/Pages/19-7-20.aspx

Barkat Amiram. 2020. "A grant for every citizen? New research states that a large portion of the money has been rolled over to overdraft," Globes, website (Hebrew), October 28, 2020 retrieved from https://www.globes.co.il/news/article.aspx?did=1001347476

Dovrat-Meseritz, Adi. 2020. "Up to 70,000 Israeli Businesses Forecast to Go Under Amid Coronavirus Crisis," Haaretz, 14.05.2020, retrieved from https://www.haaretz.com/israel-news/business/.premium-up-to-70-000-israeli-businesses-forecast-to-go-under-amid-coronavirus-crisis-1.8844610

Sharar, Ilan. 2020. "The Provisional Government has broken the records of emergency regulations," Calcalist, website (Hebrew), 27.04.2020, retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-

SGI 2021 | 25 Israel Report

3811853,00.html

Israeli Employment Service. 2020. "Continuation of the Corona Crisis: The Need for Rapid and Focused Intervention for the Encouragement of Employment and Human Capital Development," 24.08.2020, retrieved

 $https://www.taasuka.gov.il/he/InfoAndPublications/ReasearchAndReviews/pages/coronaencouragingemployment.aspx\ (Hebrew)$

Israel Ministry of Finance 2020. "Economic Security Net 2020-2021," 09.07.2020, Retrieved from https://www.gov.il/he/departments/news/press_09072020 (Hebrew)

The Knesset Website. 2020. "Knesset passes bill to give one-time stimulus grants to most Israeli citizens," News, Retrieved from: https://main.knesset.gov.il/EN/News/PressReleases/Pages/press29720v.aspx. 29.07.2020.

Levy, Bar. 2020. "More extreme than pessimistic forecasts: the broad unemployment rate jumped to 22.7%," 02.11.2020, Globes, website (Hebrew), https://www.globes.co.il/news/article.aspx?did=1001347903.

Milman, Omri. 2020. "All the details on the new economic plan for the Corona crisis, 09.07.2020, Calcalist website (Hebrew), https://www.calcalist.co.il/local/articles/0,7340,L-3838750,00.html.

Sustainability of Economic Response

Recovery
Package
Sustainability
Score: 5

The coronavirus stimulus package presented by the government and the Ministry of Finance did not include any measures moving the economy closer to a point of net-zero carbon emissions. Nor did it include plans for sustainable infrastructure, carbon pricing or smart regulations. However, in May and June of 2020, the ministries of Energy and Environmental Protection put out plans and statements regarding Israel's energy use and environmental goals following the coronavirus crisis. Due to the country's failure in reaching past sustainability and climate goals, it is unclear whether there will be enough political will to implement these plans fully.

In June 2020, the Environmental Protection Ministry published a report containing proposals aimed at kickstarting the coronavirus-battered economy by investing in sustainable projects to reduce greenhouse gases and pollution. The ministry recommended that government economic policy include a package of incentives to support and encourage sustainable economic activity, and the creation of an economic database containing measures of quality of life and resilience. It called for the adoption of the OECD's proposals for exiting the coronavirus crisis. The report offers a number of specific proposals, including creating incentives to install solar panels in or on all types of structures, which would be associated with the creation of 5,500 to 10,500 jobs; electrifying manufacturing production lines to cut the country's reliance on fossil fuels, while additionally providing incentives to enhance energy efficiency; creating subsidies allowing public buildings such as schools to be constructed on the basis of green building codes; and helping with municipal plans to prepare for climate change effects such as a rise in sea levels and extreme rainfall and flooding. The plan also includes cash grants for smalland medium-sized companies that reduce their emissions, and calls for a series of steps to clean up open spaces and encourage biodiversity (Ministry of Environmental Protection, 2020).

SGI 2021 | 26 Israel Report

The Ministry of Energy's plan, which was published in May 2020, is aimed at accelerating infrastructure projects in the energy and water sectors in order to increase economic growth. These economic investments come with a price tag of approximately ILS 25 billion – 12% of which would come from the state, with the remainder coming from the private sector.

The plan includes four general aims that include sustainable development and promoting a more sustainable economy. Despite these aims, which promote the transition to renewable-energy sources, the proposal also has some sections that may have a negative effect on Israel's sustainability goals. These include a project that connects the city of Eilat to the natural gas network, the promotion of heavy transportation using natural gas, the construction of a new fuel port in Haifa, and infrastructure consolidation that would synchronize the establishment of gas distribution infrastructure with transportation infrastructure. The further development of gas infrastructure would increase Israel's dependency on natural gas, making it harder to transition to renewable energy (Ministry of Energy, 2020).

In addition to the investments in infrastructure, Israel's energy ministry decided in October 2020 to increase the country's renewable-energy target from 17% to 30% by 2030. This is expected to cost ILS 80 billion over the next 10 years, but is also expected to create jobs and reduce pollution, saving the economy ILS 8 billion every year. The Ministry of Environmental Protection responded to the plan in a cabinet meeting held on 25 October 2020, stating that it wants a target of 40% renewables by 2030, and the Ministry of Energy's plan would "leave Israel behind, far from the targets of developed and even developing countries" (Surkes, 2020).

Israel's state comptroller published a report in October 2020 that found Israel is failing to meet even its earlier renewable-energy target of 17%. The report indicated that the country is not making adequate progress on renewable energy and reducing carbon emissions, and has no master plan for the power industry. At the end of 2019, Israel produced just 5% of its electricity from renewable sources, as compared with an intermediate target of 10%. In 2020, Israel was supposed to become 20% more energy efficient; in fact, just an improvement of just 7.5% was achieved (The State Comptroller, 2020).

Citation:

Ministry of Energy. 2020. "Acceleration of infrastructure projects in the energy and water economies to encourage economic growth," 06.05.2020, retrieved from: https://www.gov.il/en/departments/publications/reports/economic_growth

Ministry of Environmental Protection. 2020. "Outline to a coronavirus crisis exit through Environmental Investments," 01.06.2020, retrieved from: https://www.gov.il/en/departments/news/minister_gamliel_presented_an_outline_for_exit_corona_crisis

SGI 2021 | 27 Israel Report

The State Comptroller. 2020. "Promoting renewable energies and reducing dependence on fuels," Annual report 71A, 19.10.2020, retrieved from:

https://www.mevaker.gov.il/sites/DigitalLibrary/Pages/Reports/3831-4.aspx#section2 (Hebrew).

Surkes, Sue. 2020. "Cabinet greenlights target of 30% renewable energy by 2030," Times of Israel, 25.10.2020, retrieved from: https://www.timesofisrael.com/cabinet-greenlights-target-of-30-renewable-energy-by-2030/

Hasson, Nir, 2020, Israel Pledges to Stop Using Fossil Fuels by 2050, 13.12.2020, retrieved from Haaretz website, https://www.haaretz.com/israel-news/.premium-israel-pledges-to-stop-using-fossil-fuels-by-2050-1.9367763

Labor Market Response

Labor Market Policy Response Score: 5 At the end of March 2020, following the outbreak of the coronavirus crisis and the imposition of a government-ordered lockdown, the unemployment rate in Israel hit an unprecedented 23.4% (Israel Employment Service 2020). According to a manpower survey by the Central Bureau of Statistics, the mid-October 2020 figures were almost identical at a rate of 22.7%, or 937,500 people who were out of work (Levy 2020). The main problem is the scarcity of available jobs. As of September 2020, there were only 54,000 available jobs (Peretz 2020). This ongoing situation led the government to use fiscal tools and various labor protection laws and regulations to try to cope with the negative impacts of the coronavirus crisis.

In order to support individuals who could not work during the lockdown, the Israeli government's initial economic-aid plans, launched in March 2020, were focused on increasing unemployment benefits to those on unpaid leave, for a total cost of ILS 17 billion. This was crucial in enabling employers to manage their expenses during the initial phase of the pandemic without having to fire their employees. The assistance also included grants of ILS 6,000 to unemployed individuals (Milman 2020).

In July 2020, the government presented a broader economic recovery package titled the "Economic Safety Net 2020-2021." The purpose of the recovery package was to provide a safety net for employees, the self-employed and businesses through June 2021. The package had a total price tag of ILS 90 billion, which was expanded in May 2020 to ILS 102 billion. One included measure extended unemployment benefits to both the unemployed and employees who were on unpaid leave, through June 2021 (or until the unemployment rate fell below 10%). Furthermore, the period of work needed to qualify for unemployment benefits was reduced from 12 out of the previous 18 months to a period of six months, which allowed more people to receive these benefits.

Although these policies gave employees a measure of relief, they were not very effective at reducing the unemployment rate. According to a report

SGI 2021 | 28 Israel Report

published in August 2020 by the Israeli employment service, the decision to continue paying for unemployment until June 2021 undermined the connection between the employee and the employer. This created a negative incentive for employees to return to work, which, the report argued, will result in a much higher rate of unemployment, and more long-term unemployment. In April 2020, the National Insurance Institute of Israel recommended that the government adopt a more flexible model allowing workers to return to partial employment while still receiving government aid (Ilan 2020).

Seeking to lower the unemployment rate, the Israeli government introduced a three-part plan. The first was to help workers return to work. In June 2020, the Israeli government presented an employment-encouragement bill with a price tag of ILS 6 billion; this granted employers that met certain qualifying criteria ILS 7,500 for each employee they recruited back to work from unpaid leave. However, during the discussions surrounding this bill in the finance committee, two main counterclaims were made. First, there is no limit to the amount of the grant, so large businesses may benefit the most; and second, there is a minimum wage threshold of ILS 3,300, so employers may not bring back part-time employees such as students who earn an amount lower than this amount (Botosh and Eizenkot 2020,14,17). In addition to the policy presented above, in November 2020 the Israeli government made its unemployment benefit policy more flexible, publishing a new plan that provided direct incentives for workers to return to work at a lower wage than they had previously earned before being let go. Grants of this kind range up to ILS 20,000 per employee – an unprecedented amount in terms of grants aimed at lowering unemployment (Tucker 2020).

The second step focused on employee retention. This was done by providing a grant to employers of ILS 5,000 in September 2020 for every employee who was not let go or who went on sick leave, beyond a certain quota. This one-time grant was provided to small and medium-sized businesses with annual turnovers of less than ILS 400 million, and which had suffered reduction in turnover of more than 25% in September-October of 2020 (Ministry of Finance 2020).

In addition, ILS 2 billion in financing mechanisms for high-tech companies were provided, along with a state credit-insurance guarantee to suppliers in the amount of approximately ILS 750 million (Botosh and Eizenkot 2020).

The third step focused on vocational training. In November 2020, the Ministry of Finance and the Ministry of Labor jointly presented a new program aimed at integrating 100,000 unemployed workers back into the workforce. The program's emphasis was on close cooperation with potential employers in order to tailor the training to their needs. It promoted training tracks for young

SGI 2021 | 29 Israel Report

people and discharged soldiers, populations that have been dramatically affected by the coronavirus crisis (Grodosky 2020).

In order to provide protection at the workspace, the National Insurance Institute of Israel's policy states that employees who contract the virus at work and are unable to work due to the illness are to receive injury benefits equal to 75% of their gross quarterly annual wage for up to 91 days from the day the illness was discovered.

Disability benefits are paid to those who are unable to work or whose ability to work has decreased due to their health condition. The basic allowance is ILS 3,300 for 100% disability; this is expected to increase to ILS 3,500. To date, about 2,200 applications for recognition of disability at work have been submitted to the National Insurance Institute (Ilan 2020).

To protect workers' rights, the Ministry of Health released regulations stating that employers cannot fire absent employees if they or their children have been required to quarantine after being exposed to the virus, as stated in Public Health Order (New Coronavirus 2019) (Instructions for the Employer of a Home Insulation Employee) (Temporary Order), 2020). The Ministry of Finance and the General Organization of Workers in Israel (the country's national trade-union center) reached an agreement in September under which the state will compensate employers for about 50% of the salary to be paid to the employee during the quarantine period. Thus, the burden is divided between the employee (two days out of the first three days of isolation), the employer (50% of the remaining working days) and the state (50% of the remaining working days) (Davar 2020).

The Israeli government took various steps to protect vulnerable populations that were disproportionately hit by the impact of the coronavirus crisis. However, there was not enough directed assistance to these groups. These groups include young low-skilled workers, elderly citizens and the ultra-Orthodox population. In the first three months of the crisis – from March to the end of May – the unemployment rate among young people aged 20 to 30 (31%) was twice as high as that among older people (17%) (Heruti-Sover 2020). The reduction in the qualifying period rendered about 32,200 additional young unemployed individuals eligible for unemployment benefits (Sheva 2020). However, the economic policy programs proposed by the government do not provide a full solution to the problems of young people. The economic safety net is partial, and the amount of government assistance provided remains low relative to that offered in other developed countries, according to a policy plan proposed by the National Union of Israeli Students in August 2020.

SGI 2021 | 30 Israel Report

Citation:

Davar. 2020. "Payment during quarantine in the new outline," Davar website (Hebrew), 04.10.2020, retrieved from https://www.davar1.co.il/252080/

Gorodisky, Sonya. 2020. "In the amount of one billion shekels: the plan that will work to return one hundred thousand workers to the employment circle," 19.11.1010, retrieved from https://news.walla.co.il/item/3399885

Heruti-Sover, Tali. 2020. "The world will no longer belong to the young: the 18- to 39-year-olds were hit the hardest financially by the corona," The Marker website (Hebrew), 01.10.2020, https://www.themarker.com/coronavirus/.premium-1.9198388

Ilan, Shahar. 2020. "A jump of hundreds of percent in disability claims due to covid-19," Calcalist website (Hebrew), 12.10.2020, from https://www.calcalist.co.il/local/articles/0,7340,L-3857772,00.html

Ilan, Shahar. 2020. "The National Insurance Institute is formulating an offer: unemployment benefits also for those who work part-time," Calcalist, Website (Hebrew), 12.10.2020, retrieved from https://www.calcalist.co.il/articles/0,7340,L-3838235,00.html

Israeli Employment Service. 2020. Information and publications, "Continuation of the Corona Crisis: The Need for Rapid and Focused Intervention for the Encouragement of Employment and Human Capital Development," 24.08.2020, retrieved from

 $https://www.taasuka.gov.il/he/InfoAndPublications/ReasearchAndReviews/pages/coronaencouragingemployment.aspx\ (Hebrew)$

Israeli Employment Service. 2020. Information and publications. "Pulse of the labor market, monthly report, March 2020," retrieved from

https://www.taasuka.gov.il/he/InfoAndPublications/IesFilesManagerReportsList/pirsumhodshi0320.pdf Israel National insurance Institute Website. 2020. Benefits, "Adaptation Grant for 67 and Over," retrieved

https://www.btl.gov.il/benefits/Unemployment/covid19_avt/prisa/Pages/gil-prisa.aspx

Klingbail Sivan. 2020. "The corona connected the ultra-Orthodox to the Internet – and created a rare opportunity for an employment revolution," 09.06.2020, The Marker website (Hebrew), retrieved from https://www.themarker.com/career/.premium-1.8906279

 $\label{lem:ministry} \begin{tabular}{lll} Ministry of Finance, Publications. 2020. "Economic response to the closure period: The Prime Minister and the Minister of Finance are expanding the economic safety net," retrieved from https://www.gov.il/he/departments/news/press_17092020_c \end{tabular}$

National Union of Israeli Students. 2020. "A rescue plan from the youth unemployment crisis," retrieved from

https://bit.ly/35Ifb9v

Public Health Order (New Coronavirus 2019) (Instructions for the Employer of a Home Insulation Employee) (Temporary Order), 2020," retrieved from https://www.nevo.co.il/general/CoronaUpdates.aspx#Item08

Peretz, Sami. 2020. "Israel's Main Labor Problem: 600,000 Jobseekers, 50,000 Jobs," 16.12.2020, Haaretz website, retrieved from https://www.haaretz.com/israel-news/.premium-israel-s-main-labor-problem-600-000-jobseekers-50-000-jobs-1.9373057

Sheva, Natan. 2020. "Unemployment among young people following the coronavirus crisis," The Knesset. Research and Information Center, 27.07.2020, retrieved from https://fs.knesset.gov.il/globaldocs/MMM/ab67685c-a59a-ea11-8105-00155d0aee38/2_ab67685c-a59a-ea11-8105-00155d0aee38_11_16209.pdf

Botosh, Noam and Meir Eizenkot. 2020. "Business assistance policies in Israel and in developed countries During the Corona Virus Crisis – Review and Analysis," 16.06.2020, retrieved from https://fs.knesset.gov.il/globaldocs/MMM/af5b7f6f-5d9b-ea11-8114-00155d0af32a/2_af5b7f6f-5d9b-ea11-8114-00155d0af32a_11_16213.pdf

Tucker, Nati. 2020. "The most powerful tool in the world of employment": three questions about the model that should bring us back to work," 18.11.2020, The Marker website, retrieved from https://www.themarker.com/news/politics/.premium-1.9314386

SGI 2021 | 31 Israel Report

Fiscal Response

Fiscal Policy Response Score: 4 At the beginning of March 2020, the effects of the coronavirus crisis on the Israeli economy and budgetary activity began to manifest themselves. The coronavirus crisis has had a significant impact on both expenditure and revenue, resulting in an increase in government spending and in declining tax revenues (Ministry of Finance 2020).

As of the end of the review period, the budget for 2020 and 2021 had not yet been approved. The coalition agreement signed between the Likud and Blue and White parties in May 2020 stated that a two-year budget was to be passed within 100 days of forming the unity government. This did not happen; instead, the government enacted legislation putting off the budget agreements to December 2020, violating the coalition agreement and Israel's Basic Law: The State Economy. The last time the Knesset had approved a budget was in March 2018, for 2019. Since that time, the state had been running a "continuous budget," with various additions approved as part of the coronavirus crisis (Azulay 2020). The delay in approving a state budget was also characterized by a lack of transparency, as the minister of finance and the prime minister did not set a timeframe for the approval of a budget, and instead instrumentalized the lack of transparency for political purposes. In addition, the government was unable to set clear priorities, making it hard for the Knesset and the public to monitor its actions (Benyamin 2020).

Managing the coronavirus crisis has required considerable budgetary expenditure in a variety of areas, most of which was not included in the 2019 budget, which is the basis for the calculation of the continuous budget. In light of this, on 7 April and 1 June 2020, the Knesset passed amendments to the Basic Law: The State Economy that allowed for an increase in the budgetary framework of ILS 49.65 billion, earmarked for coronavirus-related expenses. This was seen as providing more budgetary flexibility until a regular budget was approved. In July 2020, the government approved changes to its economic recovery package on issues such as the extension of unemployment benefits, an adjustment grant for those aged 67 and over, and assisting businesses and the self-employed. To support these plans, the government increased the budget framework for 2020 by an additional ILS 25 billion and in September by another ILS 11 billion (Koprack 2020).

Later, on December 12, the government approved a bill stating that the followup budget for 2021 would not be based on the last approved budget – that of SGI 2021 | 32 Israel Report

2019 – but would be more flexible, and would feature an increase of ILS 100 billion for government office spending. This meant that instead of a ILS 100 billion cut in the government office budget, a cut of only ILS 15 billion would be required (Milman 2020).

On December 28, in light of the absence of an approved budget for the years 2020 and 2021, the Knesset approved a state budget bill that set out permanent arrangements for managing the continuing budget. The expenditure limit for the continuing budget for 2021 was based on the 2020 expenditure limit, but increased by the same rate as the rate of population growth (1.9% per year), rather than referring to the framework of the 2019 Budget Law. This brings the total sum of the budget framework for 2020 to ILS 410.8 billion, and that of 2021 to 419 billion (Zrachya 2020). The cumulative deficit from January until September of the 2020 budget year was ILS 102.4 billion, compared with a deficit of ILS 31.1 billion in the corresponding period the previous year (Ministry of Finance 2020).

The inability to pass a state budget led to significant tensions between the Ministry of Finance's top officials and the government's elected officials. The three most important people in the Ministry of Finance and in the management of Israel's economic policy – the director of the budget division, Israel's accountant general and the director general of the Ministry of Finance – all resigned between the beginning of August and mid-October 2020 (Peretz 2020). The absence of leadership within the ministry will lead to even more instability in Israel's policymaking and budgetary conduct, making it harder to manage a budget and handle a large deficit in the future (Peretz 2020).

Israel's central bank predicted in November 2020 that the country's debt-to-GDP ratio would reach 76% to 83% by the end of 2021. The last time Israel had such a high debt share was in 2005 – 2006, after which 14 years were required to bring the ratio down to 60% (as measured in January 2020). However, the Bank of Israel estimated that the task of debt reduction will this time be more difficult and take longer than in the previous decade due to the government's failure to comply with its previous targets, and because of the current political climate. The bank predicted that by 2040, Israel will manage to lower its debt to 62% of GDP at best, with the 2040 ratio more likely to be between 68% and 74% of GDP (Arlosoroff 2020). On 14 December 2020, the Ministry of Finance announced it was adopting a new, more flexible policy regarding the debt-to-GDP ratio, while also establishing a mandatory process tying debt reduction to the recovery of the economy. That is, the government will be freer in spending, but will be obligated to meet debt reduction targets (Tucker 2020).

SGI 2021 | 33 Israel Report

The policies regarding Israel's 2020 and 2021 budget or lack thereof have numerous effects on government programs, government agencies, non-profit organizations and other bodies that support educational programs, welfare and infrastructure. In a government meeting on 9 September 2020, the governor of the Bank of Israel stressed that it was important to quickly approve a budget for 2021. He asserted that disproportionate damage may be caused to policies promoting the long-term growth of the economy, as these are under-budgeted under the continuous budget rules. Moreover, without an approved budget for 2021, bodies that receive funding and those working with the government may be required to prepare in advance for expected constraints, and thus anticipate an expected slowdown in their activities as early as 2020 (Bank of Israel 2020). Ministries were to be forced to cut their budgets in January 2021 by about a quarter of planned levels – for a total of ILS 10 billion –which would bring many government and local municipality activities to a standstill (Tucker 2020).

The cuts in funding were not conducted equally to all sectors. While the government cut the budgets for education, health, welfare, internal security and the police, spending was not cut for Zionist and ultra-Orthodox yeshivas due to political pressure put on the Ministry of Finance by religious and Ultra-Orthodox parties. Moreover, in December 2020, the Ministry of Religion received an increase in funding totaling ILS 46.5 million to fund new programs and institutions (Zrachya 2020).

The third sector in Israel underwent considerable hardship during the months of the coronavirus crisis, making it even harder for vulnerable populations to receive the necessary assistance. The third sector in Israel accounts for 5.4% of the country's annual GDP, and employs more than 500,000 workers. According to a survey conducted in August 2020, 33% of non-profit organizations froze activity, 40% reported significant revenue losses, and 33% laid off workers. These challenges were due partially to a reduction in donations from private sources, but more broadly to the decline in government assistance, which accounts for 50% of the sector's funding (Aflalo & Ilan 2020).

The government has also sought to minimize economic damage with by adopting various tax relief programs and other arrangements, some within the framework of emergency regulations. According to the State Comptroller's report on the operations of Israel's Tax Authority (ITA) during the pandemic, the response was quick and effective, and contributed to the stability of the system. Some of the early measures taken by the ITA include tax deferrals, tax refunds and tax relief for individuals and businesses.

SGI 2021 | 34 Israel Report

At the beginning of the crisis, in the months of March and April, 74% of businesses in Israel experienced losses, and turnover decreased in almost all branches of the economy. However, declines were particularly serious in the arts and entertainment, education, tourism, hospitality, and food sectors. Small businesses with annual turnover of up to ILS 300,000 (Aflalo 2020) were particularly hard-hit.

The ITA provided deferrals for many individuals and businesses reporting income tax and VAT. In March and April 2020, additional deferrals were provided for the submission of withholding tax certificates, capital statements and certificates of tax coordination (The State Comptroller 2020). Later, on 7 January 2021, the ITA provided an extension for reporting and paying VAT for the months of November and December 2020 until 25 January 2021 (Avishar 2020).

The ITA also expedited the process of approving tax refunds for income tax and VAT. Tax refunds totaling ILS 1 billion were granted to about 16,000 individuals, companies received income tax refunds totaling ILS 750 million, and about 30,000 self-employed people received VAT refunds totaling ILS 230 million. Additionally, with the aim of ameliorating businesses' cash-flow difficulties, the ITA announced on 1 October 2020, that it would provide tax refunds to about 2,000 businesses, for a total amount of about ILS 153 million (Lior 2020).

On 22 June 2020, the Knesset's Finance Committee approved an amendment to the Value Added Tax Regulations. Under this new provision, the value of any subsidies provided to self-employed people, as long as they were used to pay fixed operating costs, could be subtracted from the VAT paid on those costs. (The State Comptroller 2020).

According to ITA, tax revenues in March 2020 amounted to ILS 22.3 billion, as compared to ILS 28.3 billion in March 2019 – a decrease of about one-fifth of the total amount. The reduction in tax revenues is estimated at 6% when taking into account changes made proactively, such as the deferral of VAT for small businesses with annual revenues of up to ILS 1.5 million as part of the coronavirus aid program. Appreciation taxes from real-estate sales also saw a significant decline at the beginning of the slowdown in economic activity in March 2020. That month, the tax intake decreased by about 14% compared to March 2019, followed by a much stronger decline of 30% in April (Hodi 2020).

On 27 December 2020, the Bank of Israel (BOI) announced that as of 17 January 2021, the limit on taking out prime-rate mortgages in Israel would be

SGI 2021 | 35 Israel Report

lifted. This made it possible to take out up to two-thirds of a mortgage using the prime rate, which is the cheapest component in a mortgage. However, borrowers would also be exposed to a rise in their payments if interest rates were to increase in the future. This relief as to be made available to all apartment buyers in Israel, including first-time buyers, home-improvement borrowers and real-estate investors. Owners seeking to refinance their mortgages were granted the same relief a month and a half later, starting on February 28. The BOI explained that these differences in the availability of the new feature were due to the fact that banks had to update their automated operations. The abolition of the prime-rate limit was expected to significantly increase mortgage demand among home buyers, investors and individuals looking to refinance. The fear was that an increase in demand for mortgages would also lead to rising real-estate prices. The BOI clarified that mortgage holders who were currently in the process of freezing their mortgage payments would not be able to refinance the same mortgage while maintaining the deferred payments (Avishar 2020).

Citation:

Aflalo, Ittai and Shahar Ilan. 2020. "One in three non-profit organizations in Israel has frozen activity, and this is just the beginning of the corona's influence," 04.08.2020, Calcalist website (Hebrew), retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3843305,00.html

Arlosoroff, Merav. 2020. "Difficult forecast by the Bank of Israel: The country is on the verge of a 35-year economic stagnation," 01.12.2020, The Marker website (Hebrew), retrieved from https://www.themarker.com/opinion/.premium-1.9338574

Avishar, Irit. 2020. "Officially: As of January 17, the limit on taking out a prime-rate mortgage will be removed," 27.12.2020, Calcalist website (Hebrew), retrieved from https://www.calcalist.co.il/money/articles/0,7340,L-3884191,00.html

Azulay, Moran. 2020. "Why is there no budget and when are elections possible? A situation of a paralyzed country," 11.10.2020, Ynet website (Hebrew), retrieved from https://www.ynet.co.il/news/article/SJKRJNgvP

 $Bank\ of\ Israel.\ 2020.\ Address\ by\ the\ Governor\ at\ the\ Cabinet\ Meeting\ 9.9.20,\ retrieved\ from\ https://www.boi.org.il/he/NewsAndPublications/PressReleases/Pages/10-9-20.aspx$

Barkat, Amiram. 2020. "Meridor resignation: Israel's budgetary credibility has cracked," 30.08.2020, Globes website (Hebrew), retrieved from https://www.globes.co.il/news/article.aspx?did=1001341056

Lior, Gad 2020. "Tax Authority: Tax refunds in the amount of ILS 153 million were transferred to businesses," 01.10.2020, Ynet website (Hebrew), retrieved from https://www.ynet.co.il/economy/article/HJJQiNQLv

Lior, Gad and Zvi Zrachya. 2020. "The "alternative budget" in the Knesset has been approved: student benefits will not be cut, education and welfare will," 29.12.2020, Ynet website (Hebrew), retrieved from https://www.ynet.co.il/economy/article/rJ4pcnDTP#autoplay

Hodi, Ori. 2020. "Tax Authority: Corona and closures have led to a significant drop in state real estate revenues," 03.11.2020, Magdilim Website (Hebrew), retrieved from, https://magdilim.co.il/03112071/

Israels Tax Authority. 2021. News, "The date for reporting and paying VAT is set for January 25, 211 for all dealers," retrieved from https://www.gov.il/he/departments/news/sa_070120_3

Koprack Netanel. 2020. Budgetary analysis of the Basic Bill: State Economy (Amendment No.10 and Temporary Order 1 for 2020), 14.07.2020, Research and Information Center, The Knesset, retrieved from https://fs.knesset.gov.il/globaldocs/MMM/787dd0f7-5cc6-ea11-8107-00155d0aee38/2_787dd0f7-5cc6-ea11-8107-00155d0aee38_11_15181.pdf

 $\label{eq:milman,Omri.2020.} \begin{tabular}{ll} Milman, Omri. 2020. \begin{tabular}{ll} ''The government has made the follow-up budget more flexible: the cut will shrink to ILS 15 billion," 22.12.202\beta0, Calcalist website (Hebrew), retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3883375,00.html \end{tabular}$

Milman, Omri. 2020. "The Treasury warns: The 2021 budget will require cuts of ILS 11.4 billion in government spending," 09.09.2020, Calcalist Website (Hebrew), retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3848850,00.html

SGI 2021 | 36 Israel Report

Ministry of Finance. 2020. spokesperson and public relations department, Preliminary estimate for budget expenditure, government deficit and funding for the period January – September 2020, retrieved from https://www.gov.il/BlobFolder/news/press_12102020/he/PressReleases_files_press_12102020_file.pdf

Peretz, Sami. 2020. "Keren Turner resigned because the management of Netanyahu and Katz is outrageous. And for this catastrophe – we will all pay," 11.10.2020, The Marker website (Hebrew), retrieved from https://www.themarker.com/opinion/.premium.HIGHLIGHT-1.9226555

State Comptroller. 2020. "The State of Israel's Dealing with the Corona Crisis – Special Interim Report The State of Israel's Dealing with the Corona Crisis – Special Interim Report," Aspects of the activities of the Tax Authority during the Corona crisis," 26.10.2020, retrieved from

 $https://www.mevaker.gov.il/(X(1)S(2omlmjt5lj4zawe5wiv4s5dq))/sites/DigitalLibrary/Pages/Publications/7\\10.aspx?AspxAutoDetectCookieSupport=1$

Tucker, Nati. 2020. "Head of the Budget Division: "We will propose a new fiscal rule – anchoring the debt-to-GDP ratio," 14.12.2020, The Marker website (Hebrew), retrieved from https://www.themarker.com/news/.premium-1.9369738

Tucker, Nati. 2020. "Without a State Budget, Israel May Have to Slash Spending in January," 20.12.2020, Haaretz website, retrieved from https://www.haaretz.com/israel-news/business/.premium-without-a-state-budget-israel-may-have-to-slash-spending-in-january-1.9386954

Zrachya, Zvi. 2020. "The Knesset approved the second budget in the second and third readings," 28.12.2020, Calcalist website (Hebrew), retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3884497,00.html

Research and Innovation Response

Research and Innovation Policy Response Score: 9 The government has not proposed an overall policy aimed at supporting research and innovation since the outbreak of the coronavirus. However, several government offices and bodies, acting within their own spheres of operations, proposed various R&D investment plans and made public appeals for research and innovation proposals that greatly increased Israel's investment rates in this area.

On 17 March 2020, the Israel Innovation Authority (IIA), the Ministry of Health and the Headquarters for the National Digital Israel Initiative proposed a set of grants intended to promote R&D, products or technological solutions designed to cope with the challenges of the coronavirus. Additionally, the IIA, the Ministry of Economy and Industry, and the Manufacturers' Association of Israel called on manufacturing companies to submit R&D plans for the acceleration and application of industrial products promoting competitiveness and showing leadership in combating the coronavirus. These programs grant Israeli companies an initial amount of ILS 50 million, and will also defray 50% or 75% of expenses for programs with the potential to have an outstanding effect, advance public health and the health system in Israel and worldwide, or create a technological breakthrough in their domains (IIA 2020).

At the end of April 2020, the Ministry of Science and Technology (MOST) invested ILS 10 million in more than 80 separate groundbreaking studies aimed at addressing the coronavirus crisis. This included 30 studies in the field

SGI 2021 | 37 Israel Report

of medicine, and about 50 studies in the field of public health or looking at the social consequences of the coronavirus (Eichner 2020). In August 2020, with the goal of developing a vaccine in Israel, the ministries of Defense and Finance provided Israel's Institute for Biological Research with ILS 86 million earmarked for vaccine- and antibody-development research (Janko & Zeitun 2020).

During a global coronavirus vaccine conference held on 4 May 4 2020, which had the goal of raising at least \$8 billion for research into possible vaccines and treatments for the coronavirus, Israel announced that it would invest \$60 million in research and development in the fields of diagnosis, treatment and the development of COVID-19 medicines and vaccines (Israel Ministry of Foreign Affairs 2020). These actions proved to be effective. In November 2020, the Israel Institute for Biological Research developed a vaccine that entered its Phase 1 human trials (Janko & Zeitun 2020). In February 2021 a new coronavirus treatment developed at Tel Aviv's Ichilov Medical Center successfully completed Phase 1 trials, and appears to have helped numerous people with moderate-to-serious cases of coronavirus recover quickly from the disease (TOI staff 2021.

In addition, between 26 July and 5 August 2020, an Israeli research delegation to India, led by the Ministry of Foreign Affairs and the Directorate of Defense Research and Development in the Israel Ministry of Defense, completed a series of tests to determine the effectiveness of several Israeli technologies developed for the rapid diagnosis of the coronavirus. Later, on 15 September 2020, MOST led an international conference attended by 18 science ministers from around the world. The participants were called to join an international database established by MOST to share scientific and innovative research between countries in the field of coronavirus solutions and adaptations. More broadly, the intention was to encourage information sharing among researchers globally, open joint research channels, and facilitate the submission of research grants both in Israel and elsewhere in the world (MOST, 2020).

Citation:

Israel Ministry of Affairs, Press Room, Israeli COVID-19 research delegation to India completes its mission, August 5, 2020, retrieved from https://mfa.gov.il/MFA/PressRoom/2020/Pages/Israeli-COVID-19-research-delegation-to-India-completes-its-mission-5-August-2020.aspx

Eichner Itamar, "The fight against the coronavirus: The Ministry of Science will assist in dozens of studies," Ynet website, April 30, 2020, retrieved from https://www.ynet.co.il/articles/0,7340,L-5722600,00.html

Israel Innovation Authority, News, Government of Israel wages war on Coronavirus, March 17, 2020, retrieved from https://innovationisrael.org.il/en/news/government-israel-wages-war-coronavirus

Israel Ministry of Foreign Affairs, Science, Israel to invest \$60 million in R&D in developing drugs and a

vaccine for the coronavirus, May 4, 2020, retrieved from https://mfa.gov.il/mfa/innovativeisrael/sciencetech/pages/israel-to-invest-us--million-in-rd-in-developing-drugs-and-a-vaccine-for-the-coronavirus-4-may-2020.aspx

Janko Adir, Zeitun Yoav, "The race for the Corona vaccine: ILS 86 million will be transferred to the Biological Institute," Ynet website (Hebrew), August 27, 2020, retrieved from https://www.ynet.co.il/article/rJhWyyS7D

SGI 2021 | 38 Israel Report

Ministry of Science and Technology, News, Israel is Leading Global Cooperation in the Field of Corona Research, September 15, 2020, retrieved from https://www.gov.il/he/departments/news/most_news202000915

IV. Welfare State Response

Education System Response

Education Response Score: 6 The coronavirus outbreak forced the education system to revise its teaching practices. Between March and May, schools were completely closed, without any supplementary in-person teaching method, and online learning started in mid-March. Since May 2020, there has been an attempt to reopen schools. Schools have alternately been open or closed, or in many cases with some grades open and others closed, depending on the country's infection levels. Preschools and the elementary grades were given a reopening priority above that of higher grades. However, as the percentage of infected students and parents rose during the spring and summer months of 20202, fears increased that beginning a new school year in September would produce rising numbers of infected students. With the introduction of a second lockdown in mid-September, schools were closed, returning to distance-learning practices. This happened again during the third lockdown, at the end of 2020. Thus, while policymakers have attempted to keep schools open during the pandemic, the rising number of infected students has led school closures, and supplementary methods such as distance learning have taken a central instructional role.

The Israeli school system has implemented a number of different hybrid-instruction mechanisms. In some cases, classes were separated into smaller groups of children, in others, different age groups were each allowed to attend school in person only a few days a week, thus limiting the total number of children in school each day, and so on. This has led to a situation in which students spend some of their time at home, regardless of their ability to participate in distance learning (Kadri-Ovadia 2020). Some parts of the system stayed open throughout, however; for example, schools for children with special needs have stayed open even during lockdowns (Davar 2021).

While online teaching mechanisms have expanded the ability to continue instruction during the pandemic, they also exacerbate inequality among children. According to the Central Bureau of Statistics, about 24% of households with children in Israel did not have access to the internet in 2019, and 16% did not have a personal computer at home. In the Jewish population,

SGI 2021 | 39 Israel Report

about 78% of all households have internet connections, but 51% of those in the Arab population do not. It should be noted that in the Jewish population, it is mostly households in the ultra-Orthodox community that lack internet connections (Ilan 2020). In the higher education system (universities and colleges), almost all classes have been moved online or pre-recorded.

In order to support low-income families, the Ministry of Education purchased computers and provided internet connections to those in need. The ministry's plan was to purchase roughly 150,000 computers overall; of those, about 125,000 had already been distributed as of mid-January 2021 (Kadri-Ovadia 2021). To further help low-income learners, the government has also promoted scholarships and funds managed by higher education institutions. Some universities in Israel have created special scholarships and funds designed to support low-income students specifically addressing difficulties arising from the COVID-19 crisis (Hebrew University 2021).

Although the government moved to support those in need, there was still considerable criticism regarding education-system outcomes. Some parents argued that many children still lack access to a computer, and contended that online learning is ineffective, and is mostly improvised. Additionally, learning via online platforms requires a large amount of involvement by parents, who may not always be available to help with online studying (Odem 2020).

Citation:

Davar. 2021. Tightening the lockdown: Schools and gardens closed, no flight allowed, Davar, 07.01.2021, Retrieved from https://www.davar1.co.il/273300/ (Hebrew)

Hebrew University, 2021. Hebrew University Student Assistance Fund, Hebrew University Alumni, Retrieved from https://alumni.huji.ac.il/news/student_support_fund (Hebrew)

Kadri-Ovadia, Shira. 2020. 'Need to be more focused and interesting': Schools are trying to get used to distance learning, Haaretz, 16.03.2020. Retrieved from https://www.haaretz.co.il/health/corona/.premium-1.8678786 (Hebrew)

Kadri-Ovadia, Shira. 2021 " The Ministry of Education distributed 125,000 computers to students who do not have a computer in their home." Haaretz, 12.01.2021. Retrieved from

https://www.haaretz.co.il/news/education/.premium-1.9444439 (Hebrew)

Odem, Yahel. 2020. Distance learning will be reduced, school days will be returned during the great freedom, Mako, 9.04.2020. Retrieved from https://www.mako.co.il/news-education/2020_q2/Article-358aaabc32f8171026.htm (Hebrew)

Ilan, Shahar. 2020. Knesset Research Center: "Distance Learning May Increase Dropout of At-Risk Students," Calcalist, 12.04.2020. Retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3807625,00.html (Hebrew).

Social Welfare Response

Social Welfare Policy Response Score: 5 The coronavirus outbreak affected different parts of the workforce differently. For example, self-employed workers were extremely hard-hit by the crisis. The poverty rate among independent workers, who are mostly young people, has increased by almost 20% since the pandemic restrictions began (Endebald

SGI 2021 | 40 Israel Report

et al., 2020). Single parents have also been highly affected by the pandemic, as the closure of schools and preschools forced many to take unpaid leave in order to take care of their children (Toronto Foundation 2020).

Artists also faced severe difficulties during the crisis. In response, the National Insurance Institute has offered unemployment funding in cases when such workers were under contract (National Insurance Institute 2020). In addition, various municipal authorities offered their own initiatives in support of artists. One notable example is the Tel Aviv Municipality, which created a fund to support artists living in the city. Each such artist was given access to a one-time financial grant in the amount of ILS 5,300, or about \$1,600 (Shaham 2020).

COVID-19 has also impacted low-income families, both with regard to any employment effects and the need to cover extra expenses such as computers to allow their children to engage in online learning. This in turn affected their ability to purchase food and home supplies, leading to increases in demand for economic support and food aid (Issac et al. 2020). Unfortunately, the government implemented no specific plan to address these additional needs and concerns (Kol Zchut 2020).

The pandemic also affected those who were chronically ill or who suffered from compromised immune systems. For example, following the end of the first lockdown in May 2020, when many citizens were returning to the workplace, the health system did not publish sufficient guidelines advising those with preexisting conditions on how to proceed. The guidelines ultimately published were aimed at people with preexisting conditions, but did not address the concerns of those suffering from a combination of illnesses or with weakened immune systems. It was estimated that hundreds of thousands of workers consequently refrained from returning to work. The lack of such guidelines also affected employers, who in some cases requested that workers stay home, and in others made the opposite decision (Beit-Or 2020).

According to the Israeli parliament, migrants, refugees and foreign workers are also considered vulnerable populations, as they often lack money and access to health services and insurance. During the outbreak, policymakers decided that all coronavirus-related medical services would be free to undocumented foreigners, even if they lacked medical insurance. Some local authorities provided low-income migrants with services such as housing, treatment and the provision of space for isolation. The country also extended and renewed visas for foreign workers during the pandemic, and has provided crucial COVID-19 information to foreign populations in their native languages. However, policymakers did not create a guaranteed income for foreigners, in

SGI 2021 | 41 Israel Report

contrast to other states, in which foreigners received economic funding from the government during the outbreak period (Yachimovich-Cohen 2020).

The lack of real-time data regarding those who are unemployed due to coronavirus-related issues, but who are looking for work, has undermined researchers' understanding of labor-force participation during the crisis (State Comptroller 2020).

Citation:

Endebald, Miri, Oren Heller & Lahav Karadi. 2020. "Estimate of the impact of the Corona crisis on the socioeconomic situation," Israel's Social Security Institute, Retrieved from https://www.btl.gov.il/benefits/Unemployment/covid19_avt/Pages/default.aspx (Hebrew)

Isaac, Irit, Dana Brander, Zohar Sharvit, Shaked Lubezki-Geta, Amelia Kaepernov & Dori Rivkin. 2020. "Dealing with the effects of the Corona crisis on people living in poverty," Myers-JDC-Brookdale Institute, May 2020. Retrieved from https://brookdale.jdc.org.il/wp-content/uploads/2020/07/Poverty-and-corona.pdf Kol Zchut, 2020. "Which grants are eligible during Covid-19?," Blog 05.05.2020. Retrieved from https://blog.kolzchut.org.il/?p=2643 (Hebrew)

National Insurance Institute of Israel. 2020. "Performing Arts Professionals," Retrieved from https://www.btl.gov.il/benefits/Unemployment/covid19_avt/Pages/omanim.aspx

Ilan, Shahar. 2020. "The Ministry of Education doesn't know how many students have a computer at home – even though it's had six months to check," Calcalist, 26.10.2020. Retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3865853,00.html (Hebrew)

Shaham, 2020. "Grant of assistance to artists in need by the Tel Aviv Municipality – Jaffa," Retrieved from - https://bit.ly/3gPSFSi(Hebrew)

The State Comptroller. 2020. "The Government's Handling of the Unemployed and Work-Intensives in the Corona Crisis: Interim Findings for a Report to be Published in 2021," Retrieved from https://www.mevaker.gov.il/sites/DigitalLibrary/Pages/Publications/710.aspx (Hebrew)

Toronto Foundation. 2020. "Grant for assistance to single parent families who cannot work – during the Corona crisis," 30.04.2020. Retrieved from https://bit.ly/3qhSzpE (Hebrew) https://bit.ly/3d51lSA

Beit-Or, Meital Yasur, 2020. "'The Corona routine': The chronic patients were left behind," Israel Hayom, 06.05.2020. Retrieved from https://www.israelhayom.co.il/article/758007

Yachimovich-Cohen, Nurit. 2020. "Coping with the spread of a virus The Corona among foreign populations: a comparative view" Knesset Research Center, 13.05.2020. Retrieved from https://m.knesset.gov.il/activity/info/mmm/pages/document.aspx?docid=df7212b4-d182-ea11-8113-00155d0af32a&businesstype=1

Healthcare System Response

Health Policy Response Score: 7 The Israeli healthcare system's ability to cope, adapt and respond to COVID-19 and any other large-scale pandemic came under heightened scrutiny during the initial months of the coronavirus outbreak. A State Comptroller report issued in January 2020 noted that Israel lacked a proper supply of stored medicines, vaccines and hospitalization solutions (hospital beds, emergency room vacancies, ventilators, etc.). The report also stated that Israel was not prepared to handle large-scale disease outbreaks. The report recommended that the health system prioritize treatment of diseases that had the potential to become large-scale pandemics and prepare for situations of outbreaks in advance.

SGI 2021 | 42 Israel Report

Another state comptroller later in 2020 noted that the Ministry of Health (MOH) lacked an efficient system for monitoring and tracking the spread of COVID-19 (State Comptroller 2020). According to the report, 64% of the epidemiological contact-tracing investigations reviewed by the comptroller during June and July 2020 failed to begin immediately following a positive test result (however, this improved in the period from August 2020 to January 2021). The report also mentioned problems with contact-tracing documentation, which until June-July 2020 was recorded by hand and only later uploaded online. This led to errors and failures to warn citizens who had been in contact with COVID-19 patients (Druckman 2020).

To fill this void, the Israeli military has become highly involved in managing and executing policies throughout the crisis. For example, the military has assisted both in carrying out research on the spread of the virus and in performing coronavirus tests. The military intelligence services in particular become central in tracking the spread of the virus. Service representatives indicated that one of the key factors undermining the country's inability to handle the outbreak was the lack of contact tracers (Ashkenazi 2020). To assist with this issue, the military assigned soldiers to help with these inquiries, thus increasing the number of epidemiological inquiries that could be performed (Zeitun 2020). The military's Home Front Command which is responsible for civilian protection and affairs, created the Alon Headquarters and tasked it with supporting the government's coronavirus efforts. Soldiers were subsequently assigned to help with testing and vaccinating duties, and to support the police in managing lockdowns and containing infected individuals in hotels designated as isolation points (IDF 2020).

To meet the growing need for facilities to treat COVID-19 patients, most hospitals opened designated corona wards. These wards are used to take care of critically ill patients who require close monitoring and/or ventilation. Hotels were used to accommodate people in isolation, with their management overseen by the military (Yaron and Laufer Peretz 2020). The government also created the "Magen Avot" headquarters for the protection of elderly citizens in nursing homes (Ministry of Health 2020). Magen Avot is responsible for distributing information and setting rules and guidelines for halting the spread of the pandemic in particularly vulnerable communities (Doctors Only, 2020).

Beginning in April 2020, the MOH sought to hire about 300 additional doctors in hospitals handling COVID-19 patients. As of August 2020, only 156 out of these 300 positions had been filled (Blank 2020).

The government budgeted about ILS 14.5 billion for specifically health-related issues associated with the pandemic, including ILS 3.8 billion for the purchase

SGI 2021 | 43 Israel Report

of ventilators (about 14,600 ventilators were purchased) and protective gear for medical staff. ILS 1.6 billion was allocated for the procurement of medicines, and the funding was also used to support medical services within local communities, and make upgrades to hospitals, community clinics and COVID-19 labs. Some funding was also allocated for training medical personnel (Ashkenazi 2020).

Although the government did allocate funds to combat the spread of the disease, a gap in health-services investment persists between the different regions of the country. This has influenced the medical treatment given to infected patients. On some occasions, patients were transferred from hospitals in the periphery to hospitals in the center of the country due to some peripheral hospitals' inability to provide appropriate care to patients suffering from the coronavirus (Ron 2020).

Citation

Ashkenazi, Shani. 2020. "26% of the country's Corona budget went to ventilators, which are hardly required now," Globes, 17.10.20202. Retrieved from https://www.globes.co.il/news/article.aspx?did=1001345964 (Hebrew)

Ashkenazi, Shani. 2020. "Intelligence Directorate: Israel's Epidemiological Investigations System Shuffles After the World" Globes, 16.07.2020. Retrieved from

https://www.globes.co.il/news/article.aspx?did=1001336153 (Hebrew)

Blank, Roni. 2020. "Addition of physician standards due to the Corona crisis – preliminary information" Knesset Research Center, 19.08.2020. Retrieved from

https://main.knesset.gov.il/Activity/Info/MMM/Pages/document.aspx?docId=4646c8d4-2fc0-ea11-8107-00155d0aee38&businessType=1~(Hebrew)

Doctors Only. 2020. Demand for a Commission of Inquiry: Lack of control over the outbreak of the virus in nursing homes, 03.11.2020. Retrieved from https://publichealth.doctorsonly.co.il/2020/11/210729/

Druckman, Yaron. 2020. "State Comptroller: The array of epidemiological investigations was not conducted effectively, days until test results were obtained," 26.10.2020. Retrieved from https://www.ynet.co.il/news/article/rJzlPx4uD (Hebrew)

IDF. 2020. "This is how Alon H.Q. is preparing for the coming winter," 06.12.2020. Retrieved from https://bit.ly/3vMzyg9 (Hebrew)

Ministry of Health (MOH). 2020. Ministry of Health: During the Months of July and August, 53 Coronavirus Deaths were not Reported as part of Project Magen Avot VeImahot, 19.08.2020. Retrieved from https://www.gov.il/en/departments/news/19082020_02

Ron, Yael. 2020. The Corona exposes the gaps in Israeli society, Globes, 21.10.2020. Retrieved from $\label{eq:hydro} $$ https://www.globes.co.il/news/article.aspx?did=1001346402 (Hebrew) $$$

The State Comptroller. 2020. "A special report on The Health System way of handling erupting and renewable diseases," Retrieved from

https://www.mevaker.gov.il/sites/DigitalLibrary/Documents/2020/70a/200-

 $health.pdf? AspxAutoDetectCookieSupport \!\!=\! 1 \; (Hebrew)$

Yaron, Shlomit & Alon Laufer Peretz. 2020. "Hospitalization at home and hotel for verified Corona patients," Clalit, 28.10.2020. Retrieved from

https://www.clalit.co.il/he/info/services/Pages/inpatient_care_corona.aspx (Hebrew)

Zeitun, Yoav. 2020. "IDF: 300 soldiers will be recruited for epidemiological investigations; Fighters will leave every 21 days," Calcalist, 05.07.2020. Retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3837954,00.html

SGI 2021 | 44 Israel Report

Family Policy Response

Family Support Policies Score: 4 In January 2020, 3.15 million citizens were employed in Israel. With the outbreak of COVID-19, many people were let go or placed on unpaid leave as employers closed down permanently or temporarily due to government-mandated lockdowns. This caused the number of employed people to dwindle. By April, the absolute number of employed individuals had decreased to 2.27 million, a 27.9% decline. In June, the absolute figure rose to 2.86 million, including employees that were on unpaid leave. This latter figure was prior to the second and third lockdowns. The nationwide lockdowns generated a significant increase in unemployment in Israel. In early February 2021, roughly 800,000 Israelis were out of work. In October 2020, during the second lockdown, some 22.7% of Israelis (938,000 people) were unemployed. Excluding those who were not currently looking for work, the unemployment rate at this point was 20.7%, according to the Central Bureau of Statistics CBS (Jerusalem Post 2020; CBS 2021).

The ultra-Orthodox community suffered the most severe rate of unemployment. Only about 68.5% of employees within the ultra-Orthodox community had been retained by their place of employment at the beginning of April 2020. The Arab community was also severely affected by the crisis, with the absolute number of people employed falling to 88.4% of its original level (Rosenberg et al. 2020). This came on top of an already low employment rate as compared to the general public.

During the initial stages of the outbreak, women were more likely to lose their jobs than men. About 48% of all employed women reported that they had been placed on unpaid leave or let go during the first lockdown between March and May 2020, compared to only 32% of employed men (Kedar 2020). During the second lockdown (September – October 2020) these numbers rose to 66% of all employed women. In addition, about 7% of working mothers did not return to work after the first lockdown (Ilan 2020). According to the Israeli Employment Services, about 70% of the citizens suffering recurrent unemployment in the first and second lockdowns were women (Ilan 2020).

As one means of addressing the crisis' economic impact, the Supreme Court ordered the state to look for ways to support pregnant women who had been put on unpaid leave. Consequently, the government now obliges employers to give pregnant women up to 11 days of paid leave before unpaid leave begins, instead of immediately putting them on unpaid leave. Moreover, any employer who wishes to put a pregnant worker on leave is required by law to obtain a permit from the Ministry of Labor (Yaron 2020; Ministry of Labor 2020).

SGI 2021 | 45 Israel Report

The government also enacted a number of economic benefit programs to help those affected by the pandemic. In August 2020, every individual over 18 received a one-time payment of ILS 750. Families received up to ILS 3,000. The government also approved benefit payments to other population groups such as the disabled, elderly citizens, the unemployed and alimony recipients.

In seeking to provide emergency childcare for families, municipalities and local authorities largely drew on preexisting programs, such as after-school activities and after-school teaching programs for families in low-income neighborhoods. These programs are generally run in the participants' neighborhoods, and were used to provide childcare and activities for children whose parents were still working (Almog-Zaken & Sorek 2020)

Citation

Almog-Zaken, Aya & Yoa Sorek. 2020, "Community Solutions for Individuals and Families in disadvantaged neighborhoods in Israel During the Corona Epidemic," Brookdale Institute, Retrieved from https://brookdale.jdc.org.il/publication/better-together-program-corona/ (Hebrew)

Central Bureau for Statistics (CBS) 2021. "Labour Force Survey Data, Second Half of January and January 2021," 15.02.2021. Retrieved from

https://www.cbs.gov.il/he/mediarelease/DocLib/2021/052/20_21_052e.pdf

Ilan, Shahar. 2020. "66% of the unemployed in the second wave are women – and there is still no targeted assistance," Calcalist, 30.09.2020. 30.09.2020. Retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3851779,00.html (Hebrew)

Ilan, Shahar, 2020. "Employment Service: 70% of unemployed persons returning in the second closure – women" Calcalist, 24.09.2020. Retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3851245.00.html (Hebrew)

Jerusalem Post. 2020. "Unemployment in Israel at 22.7% with 938,000 people jobless," Jerusalem Post Staff, 07.11.2020. Retrieved from https://www.jpost.com/israel-news/unemployment-in-israel-at-227-%-with-938000-people-jobless-648352

Kedar, Yarden. 2020. Impact of the Corona Crisis: Women – Men, The Israel Democracy Institute, 11.06.2020.

 $Retrieved\ from\ https://www.idi.org.il/blogs/special-economic-survey/march-april-2020/31818\ (Hebrew)$

Kol Zchut. 2020. "Which grants are eligible during Covid-19?," 05.05.2020. Retrieved from https://blog.kolzchut.org.il/?p=2643 (Hebrew)

Ministry of Labor. 2020. "Emergency regulations regarding employees and employees, protected by the Women's Labor Law, have been repealed," https://www.gov.il/he/departments/news/cancellation-emergency-regulations

Rosenberg, Mark and Noam Demeri. 2020. "Characteristics of employees whose wages have been reduced due to the Coronavirus," National Insurance Institute, November 2020. Retrieved from https://www.btl.gov.il/Publications/more_publications/Documents/meafyenei_ovdim.pdf

Rosenberg, Mark, Noam Demery, Kobe Cohen & Raffaele Cohen. 2020. "Labor Market Characteristics in the First Half of 2020," National Insurance Institute, November 2020. Retrieved from https://www.btl.gov.il/Publications/more_publications/Documents/meafyenei_shuk.pdf

Yaron, Lee. 2020. "On the high court's recommendation, the state will seek solutions for pregnant women who have been taken out to the D.C." Haaretz, 21.04.2020. Retrieved from https://www.haaretz.co.il/health/corona/1.8786218 (Hebrew)

SGI 2021 | 46 Israel Report

International Solidarity

International Cooperation Score: 7

The World Health Organization (WHO) defined the COVID-19 crisis as a global pandemic requiring global attention and cooperation among nations. Israel complied with the WHO request, and worked with the international community to assist developing countries, manufacture and disseminate medical equipment and technology, and develop a vaccine as rapidly as possible.

Between March and July 2020, Israel's government sent equipment, medical assistance and experts to 16 countries to assist them in their fight against the pandemic. The government delivered over 200 coronavirus testing kits to the Palestinian Authority (PA), and worked with Palestinian medical experts to prevent the spread of the virus in the PA's territory. Israel also helped the PA in facilitating the entry of over 50,000 donated masks and 3,000 testing kits from the WHO. Additionally, Israel sent a research delegation to India, working on several tasks including the development of new and rapid coronavirus tests, treatments for Indian patients, and the development of new technologies to improve the treatment of coronavirus patients.

In addition to the assistance provided to other counties, the Israeli government also cooperated with the international community in efforts to develop a COVID-19 vaccine. The Israeli government joined the COVAX initiative, an international program that aims to pool the costs and benefits of finding, producing and distributing an effective vaccine; thus, it committed fully to the combined global effort to develop a vaccine. By placing consideration of costs and rewards aside, the COVAX program made it possible for Israel to receive frozen SARS-CoV-2 virus samples from Japan, Italy and Switzerland to study at the Israel Institute for Biological Research. Israel also pledged \$60 million toward vaccine-development efforts at an international conference seeking to raise up to \$8 billion for this purpose.

The Israel Institute for Biological Research and the Weizmann Institute for Science have both received worldwide recognition from the World Health Organization for their breakthroughs in attempts to produce a COVID-19 vaccine, and for successful trials on hamsters. Their combined work proved useful in the global struggle against the pandemic, and their achievements were listed among 149 scientific breakthroughs from around the world singled out by the WHO in a periodic report on international vaccine efforts.

Citation:

Reuters. 2020. Brazil to Join COVAX Vaccine Facility, as Chile, Israel, UEA also Sign Up, 25.09.2020, retrieved from https://www.reuters.com/article/health-coronavirus-brazil-int-idUSKCN26G169

SGI 2021 | 47 Israel Report

Conservative Friends of Israel. 2020. Israel delivers 3,000 test kits, 50,000 masks to the Palestinian Authority, retrieved from https://cfoi.co.uk/israel-delivers-3000-coronavirus-test-kits-50000-masks-to-palestinian-authority

Eichner, Itamar. 2020. Covid-19 virus brought secretly to Israel in the purpose of developing a vaccine, Ynet. 05.03.3030. Retrieved from https://www.ynet.co.il/articles/0,7340,L-5689404,00.html (Hebrew)

Harkov, Lahav. 2020. Coronavirus complicates Israeli research and aid delegation to India, The Jerusalem Post, 25.07.2020, retrieved from https://www.jpost.com/israel-news/coronavirus-complicates-israeli-research-and-aid-delegation-to-india-636302

Israel Ministry of Foreign Affairs. 2020. Israel's worldwide fight against covid-19, 30.07.2020, retrieved from https://mfa.gov.il/MFA/IsraelExperience/VideoLibrary/Pages/Israel-s-worldwide-fight-against-COVID-19-30-July-2020.aspx

NOCAMLES. 2020. Israel pledges 60 million towards global efforts for covid-19 vaccine, diagnostics, R&D, 05.05.2020, retrieved from https://nocamels.com/2020/05/israel-60m-global-efforts-for-covid19-vaccine-diagnostics/

Jeffery, Nathan. 2020. Their best shot: Israeli efforts to invent a coronavirus vaccine, explained, The Times of Israel, 30.06.2020, retrieved from https://www.timesofisrael.com/their-best-shots-israeli-efforts-to-invent-a-coronavirus-vaccine-explained/

Ron, Omri. 2020. Israel sends 200 coronavirus test kits to Gaza strip, The Jerusalem Post, 13.03.2020, retrieved from https://www.jpost.com/Israel-News/Israel-sends-200-coronavirus-test-kits-to-Gaza-strip-620883

World health organization (n.d). Rolling updates on coronavirus disease (COVID-19). Events as happened. Updated 31 July 2020, retrieved October 28, 2020, from https://www.who.int/emergencies/diseases/novel-coronavirus-2019/events-as-they-happen

SGI 2021 | 48 Israel Report

Resilience of Democracy

Media Freedom

Media Freedom Score: 7

Israel's media sector enjoys independence and is free to investigate and criticize government policies (Freedom House 2020). According to the international organization Reporters without Borders (RWB), for the second year in a row, Israel ranked 88th out of 180 countries in the 2020 World Press Freedom Index (RWB 2020). The Israeli government placed no restrictions or limitations on the freedom and independence of the press during the coronavirus crisis (Lex-Atlas Covid-19 2020). Freedom of the press was guaranteed throughout the three lockdowns by the government and the Supreme Court.

However, when the government issued emergency regulations to allow the Shin Bet, Israel's internal security service, to track confirmed coronavirus patients' phones in response to rising infection rates (Knesset News 2020), journalists were not originally exempted. The Israeli Press Association appealed to the Supreme Court, arguing that the Shin Bet tracing practice might expose journalistic sources. By jeopardizing source confidentiality, the Shin Bet tracing practice might make it difficult for journalists to find and interview sources that are crucial to their journalistic work (Persico 2020).

After hearing both sides, the Supreme Court ruled that journalists' data could be transmitted to the Shin Bet only if the journalists gave their consent. In addition, the Supreme Court ruled that journalists who tested positive for COVID-19 would have the option to choose between Shin Bet digital contact tracing and a personal epidemiologic investigation (Itonaim 2020). The law, which authorized the Shin Bet to conduct digital contact tracing, was passed in July. It replaced the existing emergency regulations and officially exempted all journalists from Shin Bet's tracking of coronavirus carriers (Itonaim 2020).

Access to information is another important aspect of media freedom and independence. However, the government's information delivery processes were ill-prepared to meet the demands of the coronavirus crisis. For instance, the Ministry of Health delivered information through its spokesperson instead of its freedom of information officer (Albin et al. 2020). The Israeli Press

SGI 2021 | 49 Israel Report

Association and health reporters accused the spokesperson of discriminating between media outlets, ignoring information requests by the media and deliberately delaying the transfer of information routinely (Tausig 2020). In addition, reporters could raise questions during only three of the 17 public press conferences that the Israeli prime minister held between 14 March and 9 July (Persico 2020).

Citation:

Albin, Einat, Ittai Bar-Siman-Tov, Aeyal Gross & Tamar Hostovsky-Brandes. (2021). Israel Report, LAC19 Compendium, Lex-Atlas: Covid-19. Retrieved from: https://lexatlas-c19.org.

Freedom House: Israel. 2020. Civil liberties. Retrieved from: https://freedomhouse.org/country/israel/freedom-world/2020

Israel's Prime Minister Office. 2020. Prime Minister Netanyahu's press briefing after consulting on the coronavirus subject. 15.03.3030. Retrieved from:

https://www.gov.il/he/departments/news/spoke_corona150320 (Hebrew)

Itonaim Website. 2020. Journalist union court appeal accepted: The Supreme Court exempted journalists from shin bet tracing. 27.04.2020. Retrieved from: https://bit.ly/3xGi4Ub (Hebrew)

Itonaim. 2020. Journalists will be exempted from shin bet tracing – now enshrined in legislation. 22.07.2020. Retrieved from: https://bit.ly/2SWoz6w (Hebrew)

Itonaim Website. 2020. Update: journalist ID guarantees freedom of movement during the lockdown. 17.09.2020. Retrieved from: https://bit.ly/3qlOsJq (Hebrew)

Man, Elad and Tehila Shwartz-Altshuler. 2020. "Journalistic work out to be exempt from emergency regulations" the Israeli Democracy Institution. 15.03.2020. Retrieved from https://www.idi.org.il/parliaments/30997/31079 (Hebrew)

Pesico, Oren. 2020. "State rejects supreme court proposal to exempt journalists from shin bet corona tracing." The Seventh Eye. 21.04.2020. Retrieved from https://www.the7eye.org.il/369853 (Hebrew)

Pesico, Oren. 2020. "The pressure worked." The Seventh Eye. 11.07.2020. Retrieved from: https://www.the7eye.org.il/380096#comments (Hebrew)

Reporters without Borders (RWB). 2020. World Press Freedom Index 2020. Retrieved from https://rsf.org/en/israel.

Tausig, Shuki. 2020. "Withholding information, blunt discrimination between reporters and delivering partial information." The Seventh Eye. 28.03.3030. Retrieved from: https://www.the7eye.org.il/366923 (Hebrew)

The Knesset Website. 2020. "Finally approved: Shin Bet to be certified to perform cellular tracing on a limited measure for three weeks." 01.07.2020. Retrieved from: https://m.knesset.gov.il/news/pressreleases/pages/press02.07.20.aspx (Hebrew)

Civil Rights and Political Liberties

Civil Rights and Political Liberties Score: 7 Throughout the coronavirus crisis, political and civil rights have been curtailed to a lesser or greater extent at various times. In most cases, the government has been proactive in its efforts to compensate for the restrictions on such rights. However, in some cases, restrictions placed on freedoms and rights have been disproportionate and, perhaps, unnecessary.

In the weeks after the Knesset's election on 2 March 2020, Prime Minister Benjamin Netanyahu, along with Knesset Speaker Yuli Edelstein, tried to close, limit and circumvent parliament (Bar Siman Tov 2020). The intervention of the High Court of Justice (HCJ) overturned the speaker's efforts to impede the establishment of new committees and the election of a new speaker (Albin et al. 2021).

SGI 2021 | 50 Israel Report

Furthermore, during the first months of the coronavirus crisis, Israel relied mainly on emergency regulations to set its policies. These regulations were introduced under Basic Law: The Government, which enables the government to introduce such regulations during a state of emergency. However, in contrast to other countries, Israel has been under a state of emergency since its founding in 1948 (Gross & Kosti 2021).

In light of the attorney general and the Supreme Court's demands to cease the use of emergency regulations and move to a framework of primary legislation, the Knesset legislated the Law Granting Government Special Authorities to Combat Novel Coronavirus (Temporary Provision) 2020, also known as the Coronavirus Law (Gross & Kosti 2021). The Coronavirus Law grants the government the authority to declare a state of emergency due to the coronavirus and introduce restrictions accordingly. While the law granted the government powers to introduce regulations similar to emergency regulations, the second amendment to the law allowed for a "special state of emergency due to the coronavirus" to be declared within the existing coronavirus state of emergency (Gross & Kosti 2021). During the second lockdown (from the beginning of October 2020) and the third lockdown (from December 2020 to February 2021), the amendment allowed the government to ban mass protests by preventing people from traveling more than one kilometer to protest (Haaretz 2021). Critics argued that this violated free speech and was used to block demonstrations against Prime Minister Benjamin Netanyahu (BBC News 2020).

Although Israel started to relax its third lockdown in early February 2021, only some restrictions have so far been phased out. Restrictions on movement within the country (e.g., the 1 km rule) have been lifted and the vast majority of businesses (e.g., bars, malls, restaurants and hotels) have been allowed to reopen (Beit-Or et al 2021). However, Israel has severely restricted people's ability to leave the country, as Ben-Gurion International Airport was closed to all non-essential travel. From 26 January 2021 until early March 2021, Israelis had to request special permission from the ministry to fly out of or into the country, with only 600 Israeli citizens allowed to enter Israel per day. Beginning on 7 March 2021, the number of Israelis allowed to enter was increased to 3,000 per day and fully vaccinated Israeli residents no longer need to request special permission to leave (Tercatin 2021). Despite the laxer rules, the High Court of Justice (HCJ) has accused the government of restricting Israeli citizens' ability to return to the country, which not only impacts on citizens' freedom of movement, but may also restrict their right to vote. This is due to the fact that Israel largely prohibits non-diplomats from voting abroad by absentee ballot and the HCJ has expressed concern that many Israelis SGI 2021 | 51 Israel Report

abroad will not be allowed to enter the country to vote in-person in the 23 March 2021 election (Bob 2021).

Citation

Albin, Einat, Ittai Bar-Siman-Tov, Aeyal Gross & Tamar Hostovsky-Brandes. 2021. Israel Report, LAC19 Compendium, Lex-Atlas: Covid-19: https://lexatlas-c19.org.

Bar-Siman-Tov, Ittai 2020. 'Covid-19 Meets Politics: The Novel Coronavirus as a Novel Challenge for Legislatures.' The Theory and Practice of Legislation 8(1-2): 11-48.

BBC News. 2020. Coronavirus: Israel passes law to ban mass protests during lockdown. 30.09.2020. Retrieved from https://www.bbc.com/news/world-middle-east-54354826

Gross, Aeyal and Nir Kosti. 2021. 'The Paradox of the Corona Law,' Verfassungsblog, 08.01.2021. Retrieved from https://verfassungsblog.de/the-paradox-of-israels-coronavirus-law

Kosti, Nir. 2020. 'Emergency Regulations: Contemporary and Historical Perspective,' Icon-S-IL Blog, retrieved from https://bit.ly/3qhL4Pq (Hebrew)

Judicial Review

Judicial Review Score: 8

Overall, during the pandemic, judicial review was not severely curtailed. On 12 March 2020, the justice minister of the provisional government, Amir Ohana, limited most non-urgent judicial activity in all courts except the Supreme Court, which also serves as the High Court of Justice (HCJ) and the Constitutional Court, and has powers of judicial review (Constitution for Israel, 2021). The president of the Supreme Court, Ester Hayut, defended the decision, and explained that it was coordinated with the court and that it did not preclude any authority of judicial review (HCJ 2310/20, The Association for Civil Rights in Israel v Minister of Justice).

The HCJ was first required to respond in March 2020 when the provisional prime minister, Benjamin Netanyahu, with the assistance of the Knesset speaker, Yuli Edelstein, tried to circumvent the work of the Knesset. Netanyahu and Edelstein had argued that that the circumvention of Knesset activities was necessary due to the health emergency. However, the HCJ criticized these efforts, which were quickly overturned, and the Knesset returned to regular operations (Bar Siman-Tov, 2020).

Another major issue that the HCJ was required to respond to was the issuance of emergency regulations. Israel has been under a continuous state of emergency since its foundation in 1948, in concurrence with Basic Law: The Government. The Basic Law allows the government to issue emergency regulations during a state of emergency under several conditions. These regulations may change, restrict and suspend any law. Multiple emergency decrees and regulations were issued between March and June 2020 under this law (Bar Siman-Tov, 2020).

Several petitions challenged the government's excessive use of state of emergency powers and the constitutionality of regulations introduced under SGI 2021 | 52 Israel Report

that authority. However, the HCJ adopted a rather passive approach, as it refrained from intervening directly in the regulations and admitted that it would not do so even in normal times. Nonetheless, the court repeatedly reiterated the limitations placed on the government's use of state of emergency powers (Bar Siman-Tov, 2020).

The court's stance was one of the factors that led the Knesset to pass the Law Granting Government Special Authorities to Combat Novel Coronavirus (Temporary Provision) 2020, also known as the Coronavirus Law. The law granted the government more limited authority to manage the coronavirus crisis compared to the broader discretionary powers granted under the Basic Law: The Government. The HCJ concluded that the enactment of the Coronavirus Law rendered petitions regarding the unconstitutionality of emergency decrees moot and dropped the respective cases. As such, the HCJ has largely declined requests to review government restrictions (e.g., on movement and assembly) implemented during the second lockdown (Gross & Kosti 2021).

However, the constitutionality of the Coronavirus Law and its regulations have already been challenged by several petitions (HCJ 5469/20, National Responsibility – Israel My Home Ltd. (PBC) v Government of Israel). In revisiting the issue, the HCJ heard oral arguments addressing these petitions on 12 January 2021, but has yet to issue its verdict (Gross & Kosti 2021).

The Coronavirus Law's constitutionality has also been scrutinized by the HCJ in respect to the contact tracing program conducted by the Shin Bet. Following a petition regarding the Shin Bet's contact tracing program, the HCJ ruled that this measure could only be implemented according to primary legislation and following several conditions (HCJ 2109/20, Ben Meir v. Prime Minister). In response, the Knesset legislated the Law Authorizing the Israel Security Service (Shin Bet) to Assist in the National Efforts to Curb the Spread of the Novel Coronavirus (Temporary Order) 2020. A petition to the HCJ that challenges the constitutionality of this measure is still pending (HCJ 6732/20, The Association for Civil Rights in Israel v The Knesset).

Furthermore, during the pandemic, the HCJ intervened in internal parliamentary proceedings to ensure that the Knesset would be able to operate and to establish parliamentary oversight over the government (HCJ 2905/20, The Movement for Quality Government in Israel v Knesset).

Citation:

Bar-Siman-Tov, Itay. 'Covid-19 Meets Politics: The Novel Coronavirus as a Novel Challenge for Legislatures' (2020) 8 The Theory and Practice of Legislation 11 Basic Law: The Government 2001, Art 38.

SGI 2021 | 53 Israel Report

Ben Meir v. Prime Minister [2020] 2109/20 HCJ (The High Court of Justice).

Courts and Execution Offices Regulations (Procedures in a Special Emergency Situation) 2020.

Law Granting Government Special Authorities to Combat Novel Coronavirus (Temporary Provision) 2020. Law Authorizing the Israel Security Service (Shin Bet) to Assist in the National Efforts to Curb the Spread of the Novel Coronavirus (Temporary Order) 2020

National Responsibility – Israel My Home Ltd. (PBC) v Government of Israel [2020] 5469/20 HCJ (The High Court of Justice).

The Association for Civil Rights in Israel v The Knesset [2020] 6732/20 HCJ (The High Court of Justice). The Association for Civil Rights in Israel v Minister of Justice [2020] 2130/20 HCJ (The High Court of Justice).

The Movement for Quality Government in Israel v Knesset [2020] 2905/20 HCJ (The High Court of Justice).

Informal Democratic Rules

Informal
Democratic Rules
Score: 4

The coronavirus outbreak followed the Knesset elections on 2 March 2020, as party polarization between the two major parties (the Likud, and Blue and White) reached even higher levels after three elections and several political crises. Although the Likud, and Blue and White eventually formed a unity government in light of the coronavirus pandemic (Kushmaro 2020), Israel's gridlock remained apparent, and made the management of the coronavirus crisis difficult and uncertain. The parties agreed to amend the Basic Law: The Government (2001) to allow for the rotation of government (Bender 2020). The resulting 35th government was the largest government in Israel's political history, with 34 ministers and 16 deputy-ministers (about 41% of the total number of Knesset members) (Kenig 2020). Instead of reaching agreements and cooperating effectively, internal conflicts between the two parties disrupted the management of the coronavirus crisis.

The new government sought to deal with the COVID-19 pandemic, and its health and economic implications. For this purpose, the government founded the "ministerial committee for dealing with the coronavirus crisis and its implications" (also known as the Coronavirus Cabinet) (Liel and Segal 2020). The committee was originally authorized to coordinate the various ministries and develop an exit plan for the country's re-emergence from the coronavirus crisis (Israel's Prime Minister's Office 2020).

The formation of such a large government with over 30 ministers from rival parties reduced government productivity, as it made it harder for the government to reach agreement on policies and public instructions (Pines-Paz 2020). Even in the smaller forum of the Coronavirus Cabinet, meetings often ended without a final resolution (Abraham and Marciano 2020). Moreover, the creation of new ministries and the nomination of ministers without a portfolio in the middle of the economic crisis led to a decline in the government's legitimacy. Low levels of public trust in government, which are related to the party polarization, led to public disobedience, especially during the second

SGI 2021 | 54 Israel Report

lockdown in which businesses, pubs, synagogues, religious schools and private kindergartens remained opened against the government rules (Moses 2020).

Additionally, as part of the coalition agreements, the state budget was scheduled to be passed in July 2020 (for more information, see Crisis Response and Resiliency: Budgetary policies). However, the government failed to pass a budget that would be satisfactory to both the Likud, and Blue and White parties. As a result, during the pandemic, Israel's budget has relied on priorities that were set in 2018 before the coronavirus outbreak (Bender and Branski 2020). The government amended the Basic Law: The State Economy to allow budget expenditure without an annual budget. Furthermore, Likud, and Blue and White were unable to reach agreement on the appointment of senior civil servants and postponed any senior civil servant appointments until the end of the coalition government's first 100 days. After the first 100 days passed, the government again postponed all official appointments, but this time did not commit to a new deadline, which broke its obligation to the Supreme Court. Consequently, various ministries and governmental institutions have either lacked an administrator or have been led by a temporary administrator (Benjamin 2020).

In conclusion, despite its label, the formation of a unity government did not reduce party polarization, and distrust between the two main parties. As a result, in December 2020, a fourth election in two years was called as the Netanyahu-Gantz coalition collapsed (Srivastava 2020).

Citation:

Abraham, Yaron and Keren Marciano. 2020. "After 7 hours of discussions: coronavirus cabinet adorned the meeting without voting on new restrictions or new reliefs," N12, 15.11.2020. Retrieved from https://www.mako.co.il/news-lifestyle/2020_q4/Article-80377b5a10cc571027.htm?Partner=rss (Hebrew) Bender, Arik, and Anna Bresky. 2020. "Likud and Blue and White reached an agreement: the date for voting on the budget will be postponed by 120 days." Maariv, 24.08.2020. Retrieved from

Benjamin, Idan, and Yael Finkelstein. 2020. "Distrust: 70 government failures at managing the corona crisis." Shkifut, 04.11.2020. Retrieved from https://shkifut.info/2020/11/70failures/ (Hebrew)

https://www.maariv.co.il/news/politics/Article-785414 (Hebrew)

Benjamin, Idan. 2020. "Getting accustomed in the meantime: all of the missing nominations that endanger us all." Shkifut, 22.08.2020. Retrieved from https://shkifut.info/2020/08/minuy/ (Hebrew)

Bohbot, Amir, Liran Levi, Tal Shalev, and Dana Yarkechy. 2020. "A confrontation at the covid-19 cabinet: Gants called for passing authorities to the ministry of security; Netanyahu threatened to go to elections." Walla News, 02.07.2020. Retrieved from https://news.walla.co.il/item/3371239 (Hebrew)

Karni, Yuval. 2020. "One week till the elections: concerns off fake news about coronavirus in ballot rooms." Ynet, 24.02.2020. Retrieved from https://www.ynet.co.il/articles/0,7340,L-5683158,00.html (Hebrew)

Kenig, Ofer. 2020. "Israel's 35th Government: A Portrait." The Israeli democracy institute, 17.05.2020. Retrieved from https://en.idi.org.il/articles/31613

Knesset. "Basic-Law: The State Economy (10th amendment)." National rulings. Retrieved from https://main.knesset.gov.il/Activity/Legislation/Laws/Pages/LawBill.aspx?t=lawsuggestionssearch&lawitem id=2142765

Kushmaro, Danny. 2020. "This is how it will look: history second rotational government gets going." N12, 17.05.2020. Retrieved from https://www.mako.co.il/news-politics/2020_q2/Article-f726317b6f32271026.htm (Hebrew)

Liel, Dafna and Amit Segal. 2020. "there's a unity government: Netanyahu and gantz signed an agreement." N12, 20.04.2020. Retrieved from https://www.mako.co.il/news-politics/2020_q2/Article-

SGI 2021 | 55 Israel Report

656c2e1a3289171026.htm (Hebrew)

Maariv. 2020. "Gants admits: ' I understand I won't get my turn.'," 02.11.2020. Retrieved from https://www.maariv.co.il/news/politics/Article-

 $799618? utm_medium = AR_20 \& utm_source = outbrain_Desktop \& utm_campaign = Maariv \ (Hebrew)$

Moses, Shani. 2020. "Networks and private shops are open for business against the instructions." Globes, 02.11.2020. Retrieved from https://www.globes.co.il/news/article.aspx?did=1001348004 (Hebrew)

Ovadia, Sefi, and Akiva Novick. 2020. "34 ministers, new offices- and a rotation: Netanyahu-Gants coalition is on the way." 13 News, 17.05.2020. Retrieved from https://13news.co.il/item/news/politics/state-policy/government-ministers-1061963/ (Hebrew)

Pines-Paz, Ophir. 2020. "The Leadership paralysis of the coronavirus government leads Israel into an existential peril." Walla News, 09.09.2020. Retrieved from https://news.walla.co.il/item/3385664 (Hebrew) Israel Prime Minister Office. 2020. "Ministerial committee for dealing with the corona crises and its implications," Retrieved from https://www.gov.il/he/departments/publicbodies/corona_kor (Hebrew)

Shalev, Tal. 2020. "The Likud and Blue and White: there's been progress in solving the coalition crisis." Walla News, q13.10.2020. Retrieved from https://news.walla.co.il/item/3380110 (Hebrew)

Schneider, Tal. 2020. "Liberman: ill promote legislation that prevents an indicted man from building a coalition." Globes, 05.03.2020. Retrieved from https://www.globes.co.il/news/article.aspx?did=1001320778 (Hebrew)

Schneider, Tal. 2020. "On the brink of Knesset dissolution? A shout out between Blue and white and the Likud parties' members at the coronavirus cabinet" Globes, 09.08.2020. Retrieved from https://www.globes.co.il/news/article.aspx?did=1001338715 (Hebrew)

Schneider, Tal. 2020. "12 months, 10 committees: the Knesset is abandoned for a year, and it's hardly up to fate." Globes, 24.12.2019. Retrieved from https://www.globes.co.il/news/article.aspx?did=1001312248 (Hebrew)

Srivastava, Mehul. 2020. "Israel faces forth elections in 2 years after coalition collapses." Financial times, 22.12.2020. Retrieved from https://www.ft.com/content/80208b30-94aa-4f8b-981b-e92ed7db3bcf

SGI 2021 | 56 Israel Report

Resilience of Governance

I. Executive Preparedness

Crisis Management System

Crisis Management System Score: 4 While Israel had a crisis management system in place prior to the COVID-19 outbreak, the pandemic-focused plan had not been updated for more than a decade. Consequently, the relevant agencies did not have the capacity to detect or monitor an incipient crisis, or stockpile sufficient reserves of personal protective equipment. Additionally, the political instability with which the Israeli government was struggling when the outbreak hit led to significant delays in activating the relevant agencies.

Generally, in crisis and emergency situations, overall decision-making authority is granted to the Ministry of Defense, which deals with situation through the National Emergency Management Authority (NEMA) and the Home Front Command within the Israel Defense Force (IDF). The NEMA is a civic organization that is responsible for disaster preparation, and for leading and coordinating civic responses to various crisis scenarios, including pandemics. One of its main goals is to coordinate between the different government offices and local authorities, and to support the economy during a crisis. However, after 2018, the NEMA's responsibilities were significantly reduced to planning and consulting for the Ministry of Defense, while most executive responses moved to the Home Front Command. Its director had resigned in December 2019 and a new director was appointed only in September 2020, six months after the pandemic hit Israel.

Alongside, the medical aspects of a crisis fall under the responsibility of the Ministry of Health (MOH) through specified departments and the four public health maintenance organizations.

The pre-COVID-19 plan was based on a 2005 MOH plan, which had not been updated since. While the MOH did attempt to revise the plan over the years,

SGI 2021 | 57 Israel Report

especially following the Avian influenza (2006) and Swine influenza (2009) outbreaks, the MOH's proposed amendments were not adopted. Thus, at the time of the COVID-19 outbreak, a 2018 plan was still stuck in the drafting phase.

In November 2018, a drill executed by the NEMA graded the MOH's readiness for a pandemic as "very low to nonexistent." A March 2020 report by the State Comptroller (coincidentally timed with the COVID-19 pandemic) discussed Israel's pre-existing plan for a global pandemic crisis and the relevant agencies' readiness for various scenarios. It found many errors in the preparedness of the existing crisis management system. It suggested that the public health maintenance organizations and the hospitalization system were not ready for a flu pandemic, and that medical stocks were sufficient to meet the needs of up to only 16% of the population. In addition, the report found that the MOH had not planned how a steady amount of flu vaccines would be quickly obtained (once they were developed). Moreover, the report stated that the epidemiological investigations department were ill-prepared to conduct widespread and rapid investigations, contrary to the WHO's recommendation that epidemiological investigations must be executed in the first 48 hours. Additionally, the report warned that the MOH and the Ministry of Finance were yet to establish an agreed upon mechanism for updating the health budget in the event of an epidemic, including the budget for preventive medicine.

In practice, on 25 February 2020, Israel's then provisional prime minister, Binyamin Netanyahu, announced the formation of a joint committee officially led by the National Security Council (NSC), which is part of the Prime Minister's Office. The committee's role was to coordinate between the offices and design the national response plan to the pandemic. The decision to give the lead to the NSC was criticized, as the NSC holds a consulting position and consequently lacks an executive arm. Furthermore, critics argued that the NSC is less bound to the Knesset and its transparency regulations.

Later on, partially following the endorsement of the Ministry of Defense and partially "voluntarily," different sections of the military formed ad hoc response teams to address specific issues. While the IDF is prepared to deal with a military crisis, it does not have authority in the civilian sphere, and is hesitant to engage with civilian issues and the population. Furthermore, unlike the NEMA, the Home Front Command does not communicate directly with most local municipalities.

Citation:

Alran, Meir, Carmit Padan, & Gadi Eizenkot. 2020. IDF Involvement in the National Management of the Coronavirus Crisi, INSS Insight No. 1281, 25.03.2020. Retrieved from https://www.inss.org.il/wp-content/uploads/2020/03/no.-1281.pdf

SGI 2021 | 58 Israel Report

Bar Meir, Uria. 2020. Who is responsible for the contraction of the National Emergency Authority. Globes. 27.03.3030. Retrieved from https://www.globes.co.il/news/article.aspx?did=1001323539 (Hebrew)

Levi, Sheli. 2008. Assessment document for a discussion in the Knesset on the issue of preparing to a pandemic flue outbrake. 15.01.2020. Retrieved from https://fs.knesset.gov.il/globaldocs/MMM/beee6d8d-f1f7-e411-80c8-00155d01107c_11_9419.pdf (Hebrew)

Ministry of Defense. 2020. National Emergency Management Authority (NEMA). Retrieved from https://english.mod.gov.il/Departments/Pages/NationalEmergencyManagementAuthority.aspx

 $Ministry\ of\ Health.\ 2006.\ The\ health\ system\ preparation\ plan\ for\ Avian\ influenza.\ Retrieved\ from\ https://www.moag.gov.il/yhidotmisrad/lishkatmankal/publication/2007/documents/nohal_misrad_habriut_sh\ apaat_ofot.pdf$

Schneider, Tal. 2020. The document that predicted it all: where did the governmental plan to fight a pandemic vanish to? Globes, 03.04.2020. Retrieved from https://www.globes.co.il/news/article.aspx?did=1001324397 (Hebrew)

Special Knesset committee on the corona crisis. 2020. A series of failures in managing the corona crisis. 24.05.2020. Retrieved from https://m.knesset.gov.il/news/pressreleases/pages/press14052020a.aspx (Hebrew)

The State Comptroller. 2020. Yearly Report of the State Comptroller 70A. 23.03.2020. Retrieved from https://www.mevaker.gov.il/sites/DigitalLibrary/Pages/Reports/3246-6.aspx (Hebrew)

II. Executive Response

Effective Policy Formulation

Effective Policy Formulation Score: 7 Israel's reaction to the WHO's declaration of COVID-19 as a global pandemic (11 March) was immediate and severe. Many businesses were temporarily closed due to government restrictions and the government undertook to pay unemployment benefits to employees on unpaid leave. Additionally, the national insurance system provided a small grant to all residents as well as grants of various sizes to independent businesses and marketing networks.

Israel's immediate response included the closure of educational facilities, including schools and centers of higher education (13 March 2020), and kindergartens and nurseries (15 March 2020); a prohibition on gatherings of more than 10 people; the closure of non-essential physical commerce, and of cultural and entertainment facilities (14 March 2020); a prohibition on foreigners entering Israel (18 March 2020); a general restriction on movement (19 March 2020) that was expanded to a complete lockdown during the Passover holiday to prevent people from visiting their families, with people allowed to go only 100 meters away from their home and only for a short time (25 March 2020). The country's main airport was also closed, and all public transportation was suspended (7 April 2020). As part of the enforcement measures and to help the epidemiological investigations, the government also enabled the Shin Bet to digitally track civilians (1 July 2020).

The strict measures were not applied equally. While some activities were completely prohibited, others (e.g., religious liturgies and rituals) were

SGI 2021 | 59 Israel Report

allowed to continue under certain limitations. Moreover, compliance with and enforcement of the rules were not equal, with the limitations strictly observed in most areas, but much more loosely observed in others.

Due to rising COVID-19 cases over the summer, Israel entered a second lockdown in September 2020, which lasted until early November 2020. Having learned from the first lockdown, restrictions were eased slowly, with the government enacting a six-phase plan to reopen the economy. Moreover, mask wearing became more commonplace and the mandate was heavily enforced, which experts credited with reducing infections (Lieber, 2020). However, Israel entered a third lockdown on 27 December 2020, which lasted until early February 2021. Businesses were closed, schools were ordered to return to online teaching and Ben Gurion Airport was closed to non-essential travel starting 26 January 2021 (Haaretz, 2021).

Along with these rapid responses, during the initial months of the coronavirus crisis, the crisis management teams suffered from frequent changes to their authority and the balance of authority between teams, and in terms of which group of experts were consulted. In general, instead of using existing expert organizations, the government prioritized that formation of new ad hoc organizations, such as the Research Information Center about the Coronavirus, which was formed by graduates of the IDF's Research Division. This caused confusion both in executing decisions and in implementing new regulations in the public sphere.

Regarding the policymaking process during the first months of the coronavirus crisis, at the end of February, Israel formed a joint committee, which was led by the National Security Council (NSC), to coordinate between government offices and design a national response plan. The committee tasked with managing the pandemic was composed of participants from the security agencies, economic experts and scientists. The formation of the committee was widely criticized for its lack of representation. For example, the Ministry of Health (MOH) executives reported that the committee did not make use of the MOH's "epidemic treatment team," which comprised virologists and medical experts. Additionally, it lacked relevant experts from the welfare, education, and mental health fields, as well as for its lack of female, ultra-orthodox and Arab minority representation.

After the formation of the new government (17 May 2020), a small coronavirus cabinet was established (27 May 2020) to serve as a supreme coordinator between all government agencies involved in dealing with the crisis. The new cabinet is composed of 10 senior ministers, including the prime minister, the defense minister, the health minister, the finance minister

SGI 2021 | 60 Israel Report

and the internal security minister. However, the cabinet did not include the ministers of welfare or education, or any female or Arab minority representative. The coronavirus cabinet continued to be the main vehicle for policymaking and coordination throughout Israel's second (September – November 2020) and third (December 2020 – February 2021) lockdowns (Tercatin, 2021).

In parallel, the Knesset formed a special committee to handle the coronavirus. The committee was made responsible for overseeing the government's coronavirus response. However, once the committee rejected government decisions several times, the government transferred authority for legislative scrutiny to other Knesset committees (for more information, see parliamentary oversight during the coronavirus crisis). While these committees were advised by a broad range of experts, governmental and non-governmental, they did not necessarily have expertise in public health.

Citation:

Efrati, Ido & Or Kashti. 2020. Netanyahu is coordinating the fight in Corona, and senior members of the health system remain out. Haaretz. 23.03.2020. Retrieved from https://www.haaretz.co.il/health/corona/.premium-1.8700253 (Hebrew)

Haroti-Sover, Tali. 2020. The team of experts of the National Security Council: without women and without

Arabs. Haaretz. 11.04.2020. Retrieved from https://www.themarker.com/coronavirus/1.8759071 (Hebrew) Levi, Shelly. 2008. Assessment document for a discussion in the Knesset on the issue of preparing to a pandemic flue outbrake. 15.01.2008. Retrieved from https://fs.knesset.gov.il/globaldocs/MMM/beee6d8d-f1f7-e411-80c8-00155d01107c/2_beee6d8d-f1f7-e411-80c8-00155d01107c_11_9419.pdf (Hebrew)

Lior, Gad. 2020. In three months: five resignations in the Ministry of Treasury executives. Maariv. 20.10.2020. Retrieved from https://www.ynet.co.il/economy/article/HkNJDH3Dv (Hebrew)

Special Knesset committee on the corona crisis. 2020. A series of failures in managing the corona crisis. Retrieved from https://m.knesset.gov.il/news/pressreleases/pages/press1405202230a.aspx

The State Comptroller. 2020. A special interim report on the State of Israel's response to the corona crisis. Retrieved from https://besttv232-ynet-images1-prod.cdn.it.best-tv.com/picserver5/wcm_upload_files/2020/10/26/r1mKUIVuw/Binder1.pdf (Hebrew)

Policy Feedback and Adaptation

Policy Feedback and Adaptation Score: 6 When the Israeli government initiated its first response to coronavirus in January/February 2020, its crisis management system relied solely on experts within the government, namely from the Ministry of Health (MOH) and later from the Institute for Biological Research, which operates under the Prime Minister's Office. In March, when the first restrictions on social distancing were imposed, the intelligence directorate of the Israel Defense Force (IDF) established the National Information and Knowledge Center for Fighting the Coronavirus. The center advised the MOH and the government, and produced for them relevant domestic and international data about the spread of the coronavirus. In parallel, the government gradually began to use the advice of experts outside of government, mainly experts in the fields of public health and biology, but also people and institutions with quantitative skills that were

SGI 2021 | 61 Israel Report

able to analyze the spread of the coronavirus. For example, the government sought advice from the Gartner Institute for Epidemiology and Health Policy Research, the Weizmann Institute of Science, and the Kohlelet Policy Forum.

Advice was largely provided informally, and was scattered and not open to the public. Yet, some advice was institutionalized, with advisors directly contracted to the relevant government offices.

In July, the government appointed a special COVID-19 council, chaired by a public health expert, both in academic and in practice (Magen Israel 2020). The council is composed of a range of public health and biology experts. In addition, the council has expanded its reach to more experts, particularly focusing on the biological aspects of coronavirus and social distancing considerations given the characteristic of Israeli society. Nevertheless, the policies and plans suggested by the council were only partially adopted.

Throughout the coronavirus crisis, the Office of the State Comptroller has provided substantial feedback and critiques, with the comptroller issuing several reports on the government's COVID-19 response policies. These include reports on unemployment insurance, distance learning and education policy, and small business grants (State Comptroller's Office, 2020). However, as noted below in "Auditing," allegations of whitewashing data and employee harassment have swirled around the State Comptroller's Office, calling into question the quality of the feedback in the reports (Ilan, 2020).

During the coronavirus crisis, experts inside and outside of the government have criticized the government and the council for ignoring their advice and inviting specific experts with opinions that fit the political agenda of the government (Pilut 2020).

With regard to the social and economic impacts of the coronavirus crisis, openness to and institutionalization of expert advice was even lower. The National Economic Council (ENC), which is tasked with advising the prime minister on a broad range of topics, was highly politicized during the COVID-19 crisis. Its recommendations were adapted to the political interests of the prime minister and the minister of finance (Pilut 2020). In contrast, the Ministry of Justice took a more active approach, consulting with many experts on issues that were under its responsibility. However, the social and economic impacts of the issues with which the ministry dealt is limited.

Citation:

Gartner Institute for Epidemiology and Health Policy Research. Website homepage: http://www.gertnerinst.org.il/
Institute for Biological Research. Website, coronavirus section: https://iibr.gov.il/Hebrew/Covid19/Pages/default.aspx

SGI 2021 | 62 Israel Report

Magen Israel. Website homepage: https://govextra.gov.il/ministry-of-health/magen-israel/magen-israel/
The National Information and Knowledge Center for Fighting the Corona. Website homepage: https://www.gov.il/he/departments/corona-national-information-and-knowledge-center
Kohlelet Policy Forum, Website, coronavirus section: https://kohelet.org.il/tag/%D7%9E%D7%A9%D7%91%D7%A8-%D7%94%D7%A7%D7%95%D7%A8%D7%95%D7%A0%D7%94
Pilut, Adrian. 2020. "Prof. Avi Simchon became Netanyahu's economic Shofar." Calcalist. 10.08.2020.

Retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3844271,00.html (Hebrew)

Pilut, Adrian. 2021. "On his way to politics? Prof. Chagay Levin resigned from his positions, and he shoots arrows of criticism towards the government." Calcalist. 09.01.2021. Retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3886770,00.html (Hebrew)

Weizmann Institute of Science. Website, coronavirus section: https://www.weizmann.ac.il/pages/he/coronavirus/message-president

Public Consultation

Public Consultation Score: 4 In recent years, the Israeli government has introduced several platforms to integrate public consultation with societal actors into decision-making processes. These include a number of roundtables, which were set up to enable cooperation between the government, the third sector and businesses in the early 2000s (Prime Minister Office 2008). Over the past decade, Israel has adopted a regulatory impact assessment (RIA) mechanism, which intensified public and stakeholder involvement in the regulatory decision-making process (Mor & Jasper 2020). However, during the coronavirus crisis, the Israeli government adopted a top-down approach to policy decisions, at best, and consulted with societal actors in an unfair and clientelistic way, at worst.

In fact, the Israeli government did not have a uniform public consultation policy during the coronavirus crisis. Since many policy processes have been opaque and in some cases no protocols have been published, it is still unclear why the government made some decisions, and what interests and stakeholders influenced the decision. The government consulted with various societal actors in preparing and implementing its policy responses, including leaders of religious communities and trade unions, but these processes were not made transparent.

One of the criticisms that has arisen in this regard is that large (and seemingly powerful and influential) companies received grants to mitigate the effects of the coronavirus crisis long before small businesses (Baum 2020).

Societal consultation throughout the coronavirus crisis, however, could have been fairer and more pluralistic. In the wake of the coronavirus crisis in 2020, a government legislation website was created (Kogosovski 2020), which required government ministries to publish draft legislation, regulations, guidelines and instructions in order to receive public feedback. While the website could become an effective platform for public consultation, the

SGI 2021 | 63 Israel Report

integration of public feedback into government policymaking depends on the goodwill of the ministries.

In general, the number of comments each draft receives varies from single digits to tens of thousands, as in the case of the Law Granting Government Special Authorities to Combat Novel Coronavirus (Temporary Provision), also known as the Coronavirus Law. However, it is difficult to estimate the true impact of public input into decision-making processes.

Citation:

Almog, Tamar. 2020. "Unprecedented: Thousands of Comments Against the Coronavirus law," Kan, 01.06.2020. Retrieved from https://www.kan.org.il/item/?itemid=71971 (Hebrew)

Kogosovski, Mendi. 2020. "The Government Legislation Website is Live." IsraelDefense, Retrieved from https://www.israeldefense.co.il/he/node/44489

Mor, Guy & Alon Jasper. 2020. Parliamentary Arbitrage and the Case for Regulatory Policy in Parliament," The Theory and Practice of Legislation 7(3): 283-305.

Nagid, Moran and Morin Amitay. October 2020. "Public Participation in Health Policy," Kohelet Policy Forum, Policy Paper no. 66, retrieved from https://kohelet.org.il/wp-content/uploads/2020/10/health.involve.paper_.pdf (Hebrew)

Crisis Communication

Crisis
Communication
Score: 4

So far, Israel has failed to consistently and proactively manage communications during the COVID-19 pandemic. The agencies responsible for communicating policy measures lack coordination and are biased. Consequently, their efforts were often met with suspicion and confusion, and the legitimacy of the measures was questioned.

Israel has lacked a body specifically designed to handle public communication, and the most prevalent and recognizable figures associated with the government response and restrictions were politicians (Gesser-Edelsburg et al. 2020). The lack of such a body meant that governmental agencies had to fulfill this role (Shtreckman 2020), although these agencies had neither the trained staff nor resources to do so adequately. As a result, government communications suffered from delays in releasing information, which created confusion and hence frustration among the public (Carol 2020).

When the first wave of the pandemic hit the country in March and April 2020, the Israeli prime minister, Benjamin Netanyahu, gave 10 speeches to the nation. These speeches, which were broadcasted during "prime time" and provided the government's rationale for introducing restrictions, enjoyed extremely high ratings (a peak of 65.2% in March) (Bein-Lobovich 2020). However, they were received with a high level of suspicion from the prime ministers' opponents in light of the 2019–2020 political crisis.

SGI 2021 | 64 Israel Report

While there was opposition to the first general lockdown, public frustration grew much greater as the government attempted to reopen society, as many people failed to understand the government's rationale (The Economist 2020) and suspected that political motives were the prime reason behind the government's exit strategy (Arlozorov 2020; Ashkenazi 2020). The legitimacy of the measures taken by the government were further hurt when "red-lines" (Aichner 2020), which were supposed to trigger a halt on the reopening of the economy, were largely ignored. These red-lines were drawn by the transitional government, two weeks before the formation of the national unity government. The absence of an institutional body specifically designed to take charge of public communication has not helped the legitimacy and public comprehension of the measures taken (Hopstein 2020).

During the second COVID-19 wave, government communication again became a critical factor in the effectiveness of the government's response. However, the government struggled to provide clear information and effectively communicate its decision-making rationale, especially during the first stages of the nationwide lockdown (The Economist 2020). Consequently, public compliance decreased, with 60% of Israelis moving around less during the second wave compared to 75% during the first wave (The Economist 2020). The deterioration in the public compliance has occurred in spite of the appointment of a national coronavirus projector, who pointed out communicative failures in the government's response to the pandemic when taking the role (Carol 2020). As the second wave worsened, public trust in all relevant authorities, including the medical experts in the government, plummeted sharply (Israel Democracy Institute 2020).

In the initial stages of the pandemic, the Ministry of Health launched a Telegram channel to provide data about the coronavirus situation, and the ministry's assessment and guidelines. The ministry also published a publicly accessible dashboard, which provides information about the spread of the coronavirus. However, governmental agencies have held different datasets on the spread of the coronavirus, and as a result their policy recommendations and communications have varied significantly (Efrat, 2020). The absence of a single, seemingly unbiased, broadly agreed upon, authoritative source has not helped to increase public trust in the measures taken (Knesset News, 2020). For example, during the first wave, 73% of Israelis felt that they were not given enough data and information about the state of the pandemic (Meida 2020).

Citation:

Arlozorov, Meirav. 2020. "Israel is being pushed into a full lockdown – Because of the ultra-Orthodoxes." The Marker, March 31, 2020 (Hebrew). https://www.themarker.com/news/health/.premium-1.8725579.

Ashkenazi, Shani. 2020. "And then the public is blamed for weakened discipline: The unintended consequences of lack of transparency." Globes, June 9, 2020 (Hebrew).

SGI 2021 | 65 Israel Report

https://www.globes.co.il/news/article.aspx?did=1001331689.

Bein Lobovich, Anat. 2020. "The Corona draws viewers to the screen, Aggregate rating off 65.2% to Netanyahu's announcment last night." Globes, March 15, 2020 (Hebrew). https://www.globes.co.il/news/article.aspx?did=1001321774.

Carol, Maya. 2020. ""The chaos in public Information": Why do we still not understand the corona guidelines?." Shakuf, November 11, 2020 (Hebrew). https://shkifut.info/2020/11/hasbara/.

Carol, Maya. 2020. "Transparency instead of threats: This is how the fight against Corona should be conducted." Shakuf, August 20, 2020 (Hebrew). https://shkifut.info/2020/08/corona1/.

Efrat, Boaz. 2020. "Three agencies, zero transparency: Covid-19's data debacle of the Ministry of Health." Walla News, June 21, 2020 (Hebrew). https://news.walla.co.il/item/3368464.

Gesser-Edelsburg A, Cohen R, Hijazi R, Abed Elhadi Shahbari N. 2020. "Analysis of Public Perception of the Israeli Government's Early Emergency Instructions Regarding COVID-19: Online Survey Study." J Med Internet Res, vol 22, No 5 (2020), May 15, 2020. https://www.jmir.org/2020/5/e19370/.

Herman T, Anevi O. 2020. "The crisis of confidence in the government," Israel Democracy Institute, July 15, 2020 (Hebrew). https://www.idi.org.il/articles/32008.

Hopstein, Avner. 2020. "One pandemic, a hundred messages." Zman Israel, April 3, 2020 (Hebrew). https://www.zman.co.il/97514/.

Shtreckman, Rotem. 2020. "Israel's communication efforts caught Covid-19." The Marker, March 14, 2020 (Hebrew). https://www.themarker.com/allnews/.premium-1.8674539.

The Economist. 2020. "Binyamin Netanyahu boasted too soon of defeating the coronavirus." 25.07.2020. Retrieved from https://www.economist.com/middle-east-and-africa/2020/07/23/binyamin-netanyahu-boasted-too-soon-of-defeating-the-coronavirus.

The Economist. 2020. "Binyamin Netanyahu is losing support." 10.10.2020. Retrieved from https://www.economist.com/middle-east-and-africa/2020/10/10/binyamin-netanyahu-is-losing-support.

The Economist. 2020. "Why governments get covid-19 wrong." 26.09.2020. Retrieved from https://www.economist.com/leaders/2020/09/26/why-governments-get-covid-19-wrong.

The Marker. 2020. "172 Severe patients, 719 new cases yesterday, rate of positive test -5.4%.." Retrieved from https://www.themarker.com/coronavirus/LIVE-1.8989687.

 $\label{thm:condition} The Movement for Freedom of Information.\ 2020.\ "Poll:\ Transparency in the Corona\ Crisis - Summary of Public Attitudes" (Hebrew).\ Retrieved from https://www.meida.org.il/?p=10389.\ 23.04.2020.$

The Knesset Website. 2020. "Public Information in the Corona Crisis: The National Security Council has withdrawn its hands; the Ministry of Health and the Ministry of Defense have not yet completed the establishment of a coordinated system" (Hebrew). Retrieved from https://main.knesset.gov.il/News/PressReleases/Pages/press14092020C.aspx

Ynet and Aichner, Tamar. 2020. "Netanyahu: in the 14th of June we will completely scrap gathering limitations, kindergartens will be back on Sunday," Calcalist website, May 4, 2020 (Hebrew). https://www.calcalist.co.il/local/articles/0,7340,L-3816691,00.html.

Implementation of Response Measures

Implementation of Response Measures Score: 5

The implementation of COVID-19 measures in Israel was accompanied by difficulties and inefficiencies in many different aspects, including pressure from political and economic groups, a lack of staff, and the inefficient allocation of funds and other budgetary concerns. These inefficiencies made it difficult for the government to implement its policies quickly and effectively.

The implementation of health policy has been a mix of successful and very unsuccessful. Israel's vaccine program was outpacing every other county as of January 2021 and had in fact even outstripped its supply of vaccines (Handrix & Rubin 2020). Israel became a leader in the vaccination effort as a result of its willingness to pioneer a nationwide experiment through its agreements with Moderna and Pfizer, using the country's broad system of Health Maintenance

SGI 2021 | 66 Israel Report

Organizations (HMOs). Moreover, the number of COVID-19 tests per person in Israel was one of the highest in the world in July 2020, a rate that had tripled by December (Oxford 2020).

However, the epidemiological investigation apparatus in Israel lacked the required staff at the beginning of the coronavirus crisis compared to other countries. The MOH, even six months into the pandemic, still relied exclusively on an old, outdated and inadequate epidemiological investigation management system. An lack of synchronization between the Health and Education Ministries' online systems, and between investigators in different cities (which led to numerous delays and errors) undermined the swift implementation of quarantine measures. During the pandemic's first wave, 64% of epidemiological investigations began four days after the patient received a positive result. A new epidemiolocal system was launched only in September 2020, following the establishment of the military taskforce ALON, which was charged with breaking chains of infection (Ashkenazi 2020). At the same time, the process of transferring responsibility from the Health Ministry to the army received criticism for being flawed and ineffective (Ashkenazi 2020).

On another issue, the phone tracking operation conducted by the Shin Bet, which identified people who came into close contact with those infected with COVID-19, led to a public outcry about invasion of privacy. Moreover, it exemplified the MOH's inability to create effective surveillance systems and failure to successfully implement health measures. The system, however, was ineffective, as only 4% of quarantined citizens were actually infected. At the same time, while the potential of a full-scale epidemiological investigation was higher than the Shin Bet's system, the system was less effective than required (State Comptroller 2020). To assist, and perhaps replace, the Shin Bet system, a voluntary tracking app ("Hamagen") was developed, which would notify app users if they were to come into close contact with a coronavirus patient. However, the app and its updated version were scrapped after a disappointing failure and a waste of resources (Ben-Tovim 2020). This system also proved ineffective in many cases, and the process of appealing against its decisions was long and wearing.

The MOHs' officials pointed to difficulties in effectively managing the pandemic due to the absence of a national budget (Calcalist & Ynet 2020).

Regarding the implementation of economic measures, a report by the State Comptroller highlighted the fact that there had been no process to verify whether self-employed workers qualified for aid (Aflalo 2020). The Israel Tax Authority's (ITO) lack of suitable protocols and trained staff has led to

SGI 2021 | 67 Israel Report

frustration, and serious tensions between the recipients of emergency economic aid and the agency. The State Comptroller's report also pointed to malfunctions in the agency's computers and online systems, and to distortions in the eligibility criteria set for receiving aid.

Lastly, regarding enforcement, Israeli police lacked the necessary staff to enforce the restrictions imposed during the three lockdowns. To address the lack of policing staff, the government allowed city inspectors to fine violators of the restriction rules, a decision that created substantial differences in the level of enforcement between municipalities, especially between small and big municipalities (Senior 2020).

Citation:

Aflalo, Eti. 2020. "Distortions in the ITO's criteria for Covid's grants reception," Calcalist website, October 26, 2020 (Hebrew). https://www.calcalist.co.il/local/articles/0,7340,L-3865790,00.html.

Ashkenazi, Shani. 2020. "From Ikea to Hare'l Vizel: how the 'combina' (Shadiness) overcame the Corona." Globes, November 27, 2020 (Hebrew). https://www.globes.co.il/news/article.aspx?did=1001350995.

Ashkenazi, Shani. 2020. "The head of epidemiological investigations resigned: "millions go in quarantine for no reason."" Globes, December 23, 2020 (Hebrew). https://www.globes.co.il/news/article.aspx?did=1001354217.

Ashkenazi, Shani. 2020. "The Health ministry still does not have an effective system off epidemiological investigations." Globes, October 26, 2020 (Hebrew). https://www.globes.co.il/news/article.aspx?did=1001347050.

Ben-Tovim, Idan. 2020. "The Health Ministry stops the development of 'the Shield,' preferring to compel you to install a new application." GeekTime website, December 1, 2020 (Hebrew). https://www.geektime.co.il/hamagen-shield-app-will-not-get-future-updates-will-be-replaced-by-qr-codes-app/.

Calcalist and Ynet. 2020. "The Ministry of Health: 499 hospitalized in critical conditions, approximately – 1,300 infected with Covid-19 today." Calcalist website, December 22, 2020 (Hebrew). https://www.calcalist.co.il/local/articles/0,7340,L-3883300,00.html.

Hendrix, Steve and Rubin, Shira. 2020. "Israel is vaccinating so fast it's running out of vaccine." The Washington Post, January 4, 2020 (Hebrew). https://www.washingtonpost.com/world/israel-vaccinates-the-most-people/2021/01/04/23b20882-4e73-11eb-a1f5-fdaf28cfca90_story.html.

Israel's State Comptroller. 2020. "Intermediate report: Israel's tackling with the Covid-19 Crisis," Israel's State Comptroller. (Hebrew).

Linder, Roni. 2020. "'Wasteful and unnecessary': Bar Siman Tov demand additional budget to the hospitals, The HMO's oppose." The Marker, May 11, 2020 (Hebrew). https://www.themarker.com/news/health/.premium-1.8835600.

Our World in Data Oxford website. 2020. "How many tests are performed each day, https://ourworldindata.org/coronavirus-testing#how-many-tests-are-performed-each-day.

Senior, Eli. 2020. "Not only policeman: inspectors will also be able to fine violators of Covid-19 distance rules." Ynet website, April 13, 2020 (Hebrew). https://www.ynet.co.il/articles/0,7340,L-5713909,00.html.

Yarktzi, Dana & Gorodisky, Sonia. 2020. "The ITO against self-employed who received excessive grants: "we detect exploitation of the situation." Walla News, November 3, 2020 (Hebrew). https://news.walla.co.il/item/3396510.

Zarahia, Tzvi. 2020. "Going to elections, meaning – no budget for 2021 also" Calcalist website, December 22, 2020 (Hebrew). https://www.calcalist.co.il/local/articles/0,7340,L-3883271,00.html.

National Coordination

National Coordination Score: 6 The legal framework for local government is based on the "ultra vires" principle, according to which local government is only authorized to act within the parameters designated by law (Haymin-Raysh 2008). While local

SGI 2021 | 68 Israel Report

government is elected and some stronger municipalities are able to expand their influence over policy, local authorities often act merely as a local branch for implementing central government policy.

The role of local government in managing the coronavirus crisis changed substantially between the first and second wave. Despite this, experts argue that there is still ample room for closer cooperation with local governments and for local governments to become more involved in crisis management (Finkelshtein 2020). During the first wave (March–April), the crisis was managed in a very centralized manner, almost without involving local authorities in decision-making processes, policy implementation, and contacting COVID-19 patients and persons in quarantine. At this stage, the central epidemiological investigation apparatus was inefficient and a large number of local authorities set up independent epidemiological investigative systems (Finkelshtein 2020).

In August 2020, the Israeli government adopted the "traffic light model," a differentiated policy response, which made municipalities accountable for infection rates in their local areas. The model categorizes every municipality in the country according to the spread of the coronavirus within its jurisdiction, and aims to provide central and local decision-makers with up-to-date data in order to set locally differentiated restrictions (Twizer 2020). Another pillar of the model involved strengthening the role of local authorities in crisis management. While previously local municipalities were updated about COVID-19 patients in their municipalities, today the state not only shares this information directly with the municipalities but also integrates local epidemiological investigation systems into the state's official epidemiological investigations (Finkelshtein 2020).

Another change between the first and second wave was the involvement of local governments in enforcing the restriction regulations (Finkelshtein 2020). To tackle the lack of police staff, the government allowed city inspectors to issue fines for violating restriction rules (Senior 2020).

Given this context, one of the main things that came up during the coronavirus crisis has been the inequality between strong and weak local authorities.

Citation:

Haymin-Raysh, Noami. 2008. "Changes in the status of local government," Israeli Democracy Institute, 30.10.2008. Retrieved from https://www.idi.org.il/parliaments/4503/ (Hebrew)

Finkelshtein, Ariel. 2020. "All the reasons for transferring powers to local government – both in routine and in the days of Corona". 08.11.2020. Israeli Democracy Institute. Retrieved from https://www.idi.org.il/articles/32785 (Hebrew)

Senior, Eli. 2020. "Not only policeman: inspectors will also be able to fine violators of Covid-19 distance rules." Ynet. 13.04.2020. Retrieved from https://www.ynet.co.il/articles/0,7340,L-5713909,00.html (Hebrew).

SGI 2021 | 69 Israel Report

Twizer, Inbar. 2020. "Did Jerusalem's municipality twist its neighborhood's data in order to improve its "traffic light" position?." 13.10.2020. Retrieved from https://www.mako.co.il/news-israel/2020_q4/Article-9d6395a2c412571027.htm (Hebrew).

International Coordination

International Coordination Score: 7 During the COVID-19 crisis, Israel remained engaged in cooperation with international bodies such as the WHO, OECD and European Union to ensure the most effective and coordinated response to the coronavirus pandemic possible. Prior to the pandemic, in 2019, Israel signed a Country Cooperation Strategy (CCS) agreement with the WHO, which outlined four areas in which Israel could improve its domestic and global role in promoting health outcomes between 2019 and 2025. To achieve these goals, the WHO outlined several recommendations for Israel, including greater participation in regional (European) and global WHO efforts and events, and increased information and research sharing between Israel and its global partners (World Health Organization 2020).

Since the onset of the COVID-19 pandemic, Israel appears to have abided by the CCS agreement. Israel participated in WHO's European regional conferences and committees in 2020, and will host the 2022 regional committee meeting in Tel Aviv (World Health Organization 2020). Additionally, Israel is a member of COVAX, a joint WHO/CEPI/GAVI international vaccine facility. In a letter from the Israeli mission to the 73rd WHA Session in November 2020, Israel's current health minister, Yuli Edelstein, praised the coordinated international response to the pandemic (Edelstein 2020). Moreover, Israel has been engaged in international coordination on public health matters outside of the WHO. Israel is a signatory to the European Union's Coronavirus Global Response pledge, pledging nearly €55 million for vaccine development, access to testing and treatments, with Prime Minister Benjamin Netanyahu giving a speech at the response's launch on 4 May 2020 (European Union 2020). In addition, in April 2020, the Israel Innovation Authority signed a collaboration agreement with the European Investment Bank (an EU bank) to aid in the development of COVID-19 treatments (European Investment Bank 2020).

Israel's commitment to the development and dissemination of coronavirus treatments has led to the country hosting international events. In September 2020, the Israeli Ministry of Science, Technology and Space hosted an online event titled "Global Efforts in Fighting the Coronavirus from Research to Practice," attended by ministerial representatives from 18 countries. The Science Ministry also maintains an English-language database of Israeli

SGI 2021 | 70 Israel Report

research conducted on COVID-19, and its health, economic and social impacts in order to disseminate Israeli findings to a global audience (National Research, Development and Innovation Office 2020).

Despite extensive engagement with international bodies during the pandemic, Israel lacks a coordinated government group to harmonize Israel's coronavirus response with international practices.

Citation:

Edelstein, Yuli. 2020. "Statements." World Health Organization. 10.11.2020. Retrieved from https://apps.who.int/gb/statements/WHA73_RESUMED/PDF/Israel-13.pdf.

European Investment Bank. 2020. "EIB signs collaboration with Israel Innovation Authority and €0 million financing agreement with Pluristem to develop therapies for COVID-19 and other unmet medical needs." European Investment Bank. April 30. Retrieved from https://www.eib.org/en/press/all/2020-106-eib-signs-collaboration-with-israel-innovation-authority-and-eur50-million-financing-agreement-with-pluristem-to-develop-therapies-for-covid-19-and-other-unmet-medical-needs.

European Union. 2020. Pledge: Global Coronavirus Response. Retrieved from https://global-response.europa.eu/pledge_en.

National Research, Development and Innovation Office. 2020. "International cooperation against COVID-19 on Israel's initiative." National Research, Development and Innovation Office. 09.10.2020. Retrieved from https://nkfih.gov.hu/english/news-of-the-office/international-cooperation-against-covid19.

OECD. 2020. "Israel." OECD ECONOMIC OUTLOOK, VOLUME 2020 ISSUE 2: PRELIMINARY VERSION 192-194.

Shalev, Tal. 2020. "Underway: The new government's Corona cabinet convened for the first time." Walla News. 27.05.2020. Retrieved from https://news.walla.co.il/item/3363426 (Hebrew)

Winer, Stuart. 2021. After record infections, record vaccines: Israel gives 200,000 shots in past day. January 20. Retrieved from https://www.timesofisrael.com/after-record-infections-record-vaccines-israel-gives-200000-shots-in-past-day/.

World Health Organization. 2020. Country cooperation strategy, Israel, 2019-2025. Geneva: World Health Organization.

—. 2020. "In brief: the 70th session of the WHO Regional Committee for Europe (RC70)." World Health Organization. 15.09.2020. Retrieved from

https://www.euro.who.int/en/countries/israel/news/news/2020/9/in-brief-the-70th-session-of-the-who-regional-committee-for-europe-rc70.

Learning and Adaptation

Learning and Adaptation Score: 5

Israel has several bodies that are responsible for evaluating the government crisis management system in order to improve its preparedness for future pandemics or COVID-19 waves. Nonetheless, thus far, these bodies have engaged in little evaluation and learning. The main learning and evaluation body is the State Comptroller, which is responsible for reviewing government policies and operations but does not have enforcement powers. In October 2020, the comptroller issued an interim report, which examined the government response to COVID-19 and included several policy recommendations that focused on a broad range of subjects (State Comptroller, 2020a). Other bodies with crisis management powers are more subject-oriented and are responsible for preparing for future crises within their designated jurisdictions. Among these bodies are the National Security

SGI 2021 | 71 Israel Report

Council, the Pandemic Control Team of the Ministry of Health and the National Economic Council. These bodies were not prepared for a crisis of the magnitude and type of COVID-19, and failed to fulfill their evaluation and resilience adaptation roles (State Comptroller, 2020b). Rather, while these bodies have conducted numerous evaluations to improve their work, the evaluations have been neither systematical nor formal. Moreover, these evaluations have been oriented toward the achievements of government actions rather than the crisis management system as a whole and have been limited to the current crisis rather than future emergencies. Accordingly, the government has shown little capacity for learning and its projections are shortsighted (Arlozorov, 2020; Linder, 2020).

Citation:

Arlozorov, Merav. 2020. "Netanyahu's failing management forces Israel to crawl down to Pfizer". TheMarker. 11.11.2020. Retrieved from https://www.themarker.com/coronavirus/.premium-1.9303019 (Hebrew)

Linder, Roni. 2020. "Israel is burning, said Sigal Sadetzki. Is it happening again, and how did we reach another lockdown." TheMarker. 08.12.2020. Retrieved from https://www.themarker.com/news/health/.premium-1.9356648 (Hebrew)

State Comptroller. 2020a. Israel's handling of the Corona crisis – Special Interim report. Office of the State Comptroller.

State Comptroller. 2020b. Health system management in the outbreak of new diseases. Office of the State Comptroller.

III. Resilience of Executive Accountability

Open Government

Open
Government
Score: 5

In its handling of the COVID-19 pandemic, the Israeli government has received sharp criticism for not providing the public with clear information about the data on which it has based its assessments and its interpretation of the data. Although there has been a gradual improvement on the topic through the different stages of the pandemic, there remains a substantial basis for criticism today, including the inconsistencies that seem to arise from government decisions.

In July 2020, following widespread criticism of the government's ability to manage the coronavirus crisis, Professor Roni Gamzu, CEO of Tel Aviv Sourasky Medical Center, was appointed as the national COVID-19 projector (Efrat 2020). Shortly after his nomination, Professor Gamzu presented his plan for tackling the pandemic. In the plan, he highlighted the importance of introducing and maintaining a new relationship between the state and the public in order to create and sustain a public understanding of the restrictions.

SGI 2021 | 72 Israel Report

As he put it, "we need to bring back the logic of the decisions taken" (Carol 2020).

In May 2020, at the end of the first COVID-19 wave, the government published the indicators upon which it based its risk assessments. Following the second nationwide lockdown, the government published a wider and clearer plan, which included a schedule for easing restrictions, with the transition between phases of the plan dependent on COVID-19 infection rate thresholds (Avraham, 2020).

The fact that different governmental agencies published and leaked different assessments, recommendations and prognoses about the situation made it extremely hard to hold the government to account (Yarktzi 2020). Intergovernmental disagreements regarding the relevant infection data, the speed of publishing the data and the data's meaning led to quarrels in the Knesset Coronavirus Committee over the decisions that were taken by the government (Yefet 2020). Criticism of government decision-making doubled after prognoses based on the first wave were not realized (Doctors Only 2020). In a poll taken in April, 75% of the respondents reported that there was a serious lack of information around the data on which the government based its policies (The Movement for Freedom of Information 2020).

After several months of pursuing a general policy response, it was only at the end of August that a locally differentiated policy approach was approved. The "traffic light model" made it easier to follow the situation in each city and to hold the municipality accountable for the situation at the local level. The model was to be based on the most up-to-date infection rates and data available. The model categorized every settlement in the country with an appropriate color, indicating the severity of the spread of coronavirus in the area. The aim of the model was to provide central and local decision-makers with clear, up-to-date data on which they could base their decisions. At the same time, several municipalities were accused of "playing with the numbers" in order to avoid local lockdowns (Twizer 2020).

In addition, the government has not published its meeting protocols, which would have provided information about the rationale behind its decisions during the coronavirus crisis. Several newspapers, journalists and transparency groups filed a petition with the Administrative Court in Jerusalem, requesting that the protocols of cabinet meetings and the background materials that led to government decisions during the pandemic be published (Landau 2020). While the court ordered the government to publish the background materials, the protocols remain confidential (Maanit 2021).

SGI 2021 | 73 Israel Report

Citation:

Avraham, Yaron. 2020. "Exist strategy: all points of disagreement in the exiting out of lockdown." N12, 12.10.2020, retrieved from https://www.mako.co.il/news-lifestyle/2020_q4/Article-216e1888aea1571026.htm (Hebrew).

Carmel, Yogev. 2020. "The state is scared that publishing the Covid-19 protocol is only beginning." Calcalist website, 23.12.2020, retrieved from

https://www.calcalist.co.il/local/articles/0,7340,L-3883572,00.html (Hebrew).

Carol, Maya. 2020. ""Special interview with the Corona Projector: "I tried to bring back the sense." Shakuf, 30.10.2020, retrieved from https://shkifut.info/2020/10/gamzu/ (Hebrew).

Carol, Maya. 2020. "Transparency instead of threats: This is how the fight against Corona should be conducted." 20.08.2020, retrieved from https://shkifut.info/2020/08/corona1/ (Hebrew).

Efrat, Boaz. 2020. "Three agencies, zero transparency: Covid-19's data debacle of the Ministry of Health." Walla News, 21.06.2020, retrieved from https://news.walla.co.il/item/3368464 (Hebrew)

Israel's Public Health Physicians Association. 2020. "The MOH presented a terrorizing scenario for a second wave: $5{,}000$ in need of ventilators," 09.06.2020, retrieved from https://publichealth.doctorsonly.co.il/2020/06/196361/ (Hebrew).

Landau, Noa. 2020. "Transparency organizations have appealed to the government and its legal counsel: publish the cabinet covid-19 meetings protocols." Ha'aretz, 31.03.2020, retrieved from https://www.haaretz.co.il/health/corona/.premium-1.8728935 (Hebrew).

Maanit, Hen. 2021. "Despite the partial victory with the Corona Protocols, the struggle will continue in the High Court," Globes, 04.01.2021, retrieved from https://www.globes.co.il/news/article.aspx?did=1001355764 (Hebrew)

The Movement for Freedom of Information. 2020. "Poll: Transparency in the Corona Crisis – Summary of Public Attitudes," 23.04.2020, retrieved from https://www.meida.org.il/?p=10389 (Herbrew).

Twizer, Inbar. 2020. "Did Jerusalem's municipality twist its neighborhood's data in order to improve its "traffic light" position?." 13.10.2020, retrieved from https://www.mako.co.il/news-israel/2020_q4/Article-9d6395a2c412571027.htm (Hebrew).

Yarktzi, Dana. 2020. "When will the malls open, and what about sports? The schedule for the new easing of restrictions." Walla News, 04.05.2020, retrieved from https://news.walla.co.il/item/3355072 Hebrew).

Yefet, Orna. 2020. "The vote in the Corona Committee on the topic of gyms and swimming pools opening was postponed to tomorrow" Calcalist website, 12.07.2020, retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3839305,00.html (Hebrew).

Ynet and Aichner, Itamar. 2020. "Netanyahu: on the 14th of June we will completely scrap gathering limitations, kindergartens will be back on Sunday," Calcalist, 04.05.2020, retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3816691,00.html (Hebrew)

Legislative Oversight

Legislative Oversight Score: 6 Parliamentary oversight in Israel is carried out by Knesset committees. Excluding emergency regulations, the Knesset committees take an active part in approving regulations before they enter into force. However, the Knesset's oversight mechanisms have changed several times throughout the coronavirus crisis.

Parliamentary oversight of executive regulations during the coronavirus crisis can be divided into three periods (Kosti & Gross 2021; Albin et al. 2021). Israel entered the coronavirus crisis after the Knesset elections on 2 March 2020. In the weeks after the elections, the Knesset was largely inactive, as Prime Minister Benjamin Netanyahu, along with Knesset Speaker Yuli Edelstein, tried to close, limit and circumvent parliament (Bar Siman Tov 2020). After the intervention of the High Court of Justice (HCJ), which

SGI 2021 | 74 Israel Report

overturned the speaker's effort to impede the establishment of new committees and the election of a new speaker, the Knesset established several temporary committees, while waiting for a new government to be formed. Several changes in the structure of the plenum, the establishment of new rules within the Knesset building and the adoption of digital technologies enabled the activity of the Knesset to continue (Bar-Siman-Tov 2020).

During this period, and for most of the period between March and June 2020, the government largely used emergency regulations to carry out its policy responses to the pandemic. The use of emergency regulations (ER) is enabled under Basic Law: The Government, which grants the government the general authority to issue regulations during a state of emergency, which has existed in Israel since 1948. In 2020, the Israeli government issued more than 100 emergency regulations (including amendments), the highest number issued in one year in the history of the country (Kosti 2020). Using emergency regulations, new legislative arrangements can be introduced and any existing law can be altered for a fixed period of three months. However, parliamentary oversight of emergency regulations is very limited. Once regulations are enacted, they are scrutinized by the Foreign Affairs and Defense Committee, but the committee does not have the authority to approve or reject the regulations. Furthermore, the committee has expertise in security issues, but not in other issues, for example, related to epidemics and their consequences (Kosti & Gross 2021).

After a new coalition government was established on 17 May and once most emergency regulations expired a month later, the Knesset extended some of the emergency regulations via regular legislation. This was, in fact, the first time during the coronavirus crisis that the Knesset had created mechanisms for scrutinizing government regulations. The Special Committee on Dealing with the Coronavirus has been empowered to oversee the restriction measures introduced by the government. The special committee was given the power to reject restrictions that had been issued, which it did in some instances. At the end of July, the Knesset passed the Law Granting Government Special Authorities to Combat Novel Coronavirus (Temporary Provision) 2020, also known as the Coronavirus Law. The law granted the government the authority to introduce regulations similar to the previous emergency regulations. However, before the new regulations can enter into force under the law, they must be submitted to a Knesset committee, which has 24 hours to decide whether to approve or reject them. If the committee fails to decide, it has another 14 days to approve or repeal the regulations (Albit et al. 2021).

While this can be seen as a significant mechanism of supervision, oversight authority was divided between four different committees and the Coronavirus SGI 2021 | 75 Israel Report

Committee was prevented from participating in parliamentary oversight due to the criticism it had presented. An analysis of the decisions made by the Knesset committees regarding the Coronavirus Law regulations found that in most cases the committees approved the government regulations. Even when the government encountered opposition, it found ways to circumvent it (Gross & Kosti 2021).

Citation:

Albin, Einat, Ittai Bar-Siman-Tov, Aeyal Gross & Tamar Hostovsky-Brandes. (2021). Israel Report, LAC19 Compendium, Lex-Atlas: Covid-19: https://lexatlas-c19.org.

Bar-Siman-Tov, Ittai (2020). 'Covid-19 Meets Politics: The Novel Coronavirus as a Novel Challenge for Legislatures.' The Theory and Practice of Legislation 8(1-2): 11-48.

Gross, Aeyal and Nir Kosti (2021), 'The Paradox of the Corona Law,' Verfassungsblog, 08.01.2021, https://verfassungsblog.de/the-paradox-of-israels-coronavirus-law.

Independent Supervisory Bodies

Auditing Score: 6

State audit functions in Israel are chiefly overseen by the State Comptroller. The State Comptroller is an independent agency that audits government ministries, local and municipal governments, and other independent, governmental organizations, including public universities, all military branches and government-funded corporations. The scope of the comptroller's audit powers is one of the broadest in the world and grants the comptroller jurisdiction over 1,400 organizations. The office receives its powers and authority from the Basic Law: The State Comptroller, which requires that organizations under audit provide any requested information immediately to the comptroller. Additionally, the State Comptroller is tasked with auditing campaign and party finances, and reviewing the accounts and finances of party primary candidates and government ministers. The office also acts as the State Ombudsman, responding to complaints from the public regarding the organizations under the office's jurisdiction. The State Comptroller's Office is under the oversight of the Knesset State Audit Committee (Comptroller 2021).

The current comptroller is Matanyahu Englman, who began his seven-year term in July 2019. During the COVID-19 crisis, the State Comptroller's Office has continued to conduct audits and release reports. In September 2020, the office released a report detailing issues with and discrepancies in the reporting of the rapidly increasing unemployment numbers across different government offices (State Comptroller 2020). In October 2020, the office released an audit of the Tax Authority, which showed that the handling of grant requests from struggling business owners was slow and there was a backlog of requests. The report showed that only 42% of all phase three coronavirus grants had been allocated to businesses by the end of July (State Comptroller 2020). On 26 October 2020, the State Comptroller's Office released a mid-term report,

SGI 2021 | 76 Israel Report

which addressed all the major aspects of Israel's COVID-19 response, including unemployment coverage, economic relief, hospital capacity and care, the epidemiological response, and the education system (State Comptroller 2020). Furthermore, the office has continued to schedule audits of government ministries and agencies, including an August 2020 report that detailed deep financial mismanagement within Mossad, Israel's spy agency (Zaken 2020).

However, allegations of intimidation and suppression at the State Comptroller's Office have swirled around since the beginning of Englman's term. In January 2020, prior to the COVID-19 outbreak in Israel, reports surfaced that official audits had been whitewashed. These included a potential coverup of a Finance Ministry audit, which is alleged to have revealed that the Finance Ministry had fudged Israel's 2018 deficit figures in order to meet deficit reduction targets. Similarly, investigations into the potential implication of Prime Minister Netanyahu in corruption scandals were also alleged to have been whitewashed. Meanwhile, staff were reportedly forbidden from airing concerns and speaking to the media (Magid 2020). These allegations have continued during the COVID-19 crisis, with former State Comptroller employee Shlomo Raz arguing that the office has significantly watered down its criticism of government work in audits during the coronavirus crisis. He reiterated that employees are afraid to speak out and internal concerns are suppressed. Raz went so far as to accuse Englman of "verifying the killing" of the State Comptroller agency (Ilan 2020). While the State Comptroller's Office has reacted swiftly to the pandemic and issued several reports (as noted above) during this time, these allegations raise serious concerns and questions over the integrity, accuracy and quality of the State Comptroller's audits.

Citation:

Comptroller, State. 2021. "Matanyahu Englman." State Comptroller. Retrieved from https://www.mevaker.gov.il/En/About/mevakrim/Pages/Englman.aspx.

Comptroller, State. 2021. "The functions and powers of the State Comptroller." State Comptroller. Retrieved from https://www.mevaker.gov.il/En/About/Pages/MevakerTafkid.aspx.

Ilan, Shahar. 2020. "Englman is a Commissar, he is verifying the killing of the institution of the State Comptroller." Calcalist, 29.10.2020. Retrieved from https://www.calcalist.co.il/local/articles/0,7340,L-3866672,00.html (Hebrew)

Magid, Jacob. 2020. "Officials in state comptroller's office accuse him of defanging their audits." Times of Israel, 01.01.2020. Retrieved from https://www.timesofisrael.com/officials-in-state-comptrollers-office-accuse-him-of-defanging-their-audits/

State Comptroller. 2020. Aspects of the Tax Authority's activity during the Corona crisis. Office of the State Comptroller.

State Comptroller. 2020. Israel's handling of the Corona crisis – Special Interim report. Office of the State Comptroller.

State Comptroller. 2020. Special Report on the government's handling and treatment of the unemployed and job-seekers during the Corona Crisis. Office of the State Comptroller.

Zaken, Danny. 2020. "The State Comptroller: The Mossad's budget is being managed without oversight." Globes, 03.08.2020. Retrieved from https://www.globes.co.il/news/article.aspx?did=1001338036 (Hebrew)

SGI 2021 | 77 Israel Report

Data Protection Score: 5

The Israeli data protection authority is the Privacy Protection Agency (PPA). In 2011, the European Commission found that the state of Israel ensures an adequate level of protection pursuant to Directive 95/46/EC (European Commission 2011). The European Commission concluded that the application of legal data protection standards is guaranteed by administrative and judicial remedies, and by the existence of an independent supervisory authority, the Israeli Law, Information and Technology Authority (ILITA). In 2017, the government of Israel decided in Government Decision 3019 to formally change ILITA's name to the Privacy Protection Agency (PPA).

The primary task of the PPA regarding the COVID-19 crisis is to issue reports. The PPA, nevertheless, has failed to hold the government and government offices accountable as part of its vested authority. In March 2020, as COVID-19 hit Israel, the government of Israel, which at the time was a transitional government, decided to circumvent the Israeli parliament, the Knesset, using emergency regulations. The government used the emergency regulations to grant the Shin Bet, the Israeli internal intelligence service, and its digital counter-terrorism sigint branch the authority to track and trace individuals who had come into contact with confirmed COVID-19-positive individuals (Government Decision 4897). The government has extended this decision from time to time using its authority to issue emergency regulations (Ravia 2020). As reported in a letter by several academics and public advocates to the minister of justice in April 2020, the PPA was deliberately silenced, while the PPA failed to make its voice heard, despite the bulk surveillance of private data and the lack of parliamentary legislation (Sela Steinman 2020).

Supervision of the government's decision and the Shin Bet's actions was initially left to the Supreme Court of Israel. An injunction issued on 19 March 2020 stated that — unless the government and the Knesset allowed parliamentary committees to oversee the Shin Bet's track and trace activities — the Supreme Court would revoke the government's decision. Following the injunction, the Foreign Affairs and Defense Committee, which is responsible for overseeing operations conducted by the Shin Bet, was tasked with supervising the Shin Bet's track and trace activities (Ravia 2020). On 26 April 2020, the Supreme Court issued a decision stating that the Knesset must adopt legislation, which would replace the emergency regulations adopted by the government, that grants the Shin Bet authority to track citizens in order to continue to rely on the Shin Bet's track and trace system (Ravia 2020). In January 2021, the Supreme Court of Israel decided that due to the importance of the case a panel of seven justices would judge the government's decision to rely on the Shin Bet.

SGI 2021 | 78 Israel Report

Following the March 2020 elections and the appointment of a coalition government in May, the role of the PPA was changed considerably. According to its own account, from March till June 2020, the PPA took several steps during the crisis regarding data protection (The Privacy Protection Agency 2020). It established a hotline to provide quick professional assistance, published position papers and guidelines, joined parliamentary committees, and conducted enforcement actions. Since July 2020, the Knesset and the government have also assigned the PPA an additional task: issuing reports on the right to privacy during the COVID-19 crisis. The reports have been issued in accordance with Article 12 of the law that was subsequently adopted in order to grant the Shin Bet the competence to assist the Ministry of Health in conducting epidemiological investigations. Article 12 states that a special ministerial committee must regularly investigate the government's reliance on the Shin Bet to track the spread of the COVID-19 in Israel, evaluate the impact of the Shin Bet's assistance, identify potential alternatives and evaluate the impact on the right to privacy.

Since July 2020, the PPA has issued no less than eight reports regarding bulk surveillance conducted by the Shin Bet. Following several meetings and investigations, the PPA recommended the Ministry of Health's privacy-by-design and open-access smartphone application "The Shield 2.0" (The Privacy Protection Agency 2020). The PPA favored The Shield 2.0 as it is consent-based, stores and processes more accurate location data locally on the smartphone, and does not apply bulk collection of data. The PPA, nevertheless, identified several shortcomings in The Shield 2.0, and recommended that the government invest in efforts to promote public trust in the application and encourage people to install it. The PPA also recommended increasing the use of human-based epistemic investigations (The Privacy Protection Agency, 2020). However, as the PPA only reports to the Ministerial Committee its ability to hold the Shin Bet to account has been limited; its reports and ability to hold government bodies accountable are supervised and regulated by the Ministerial Committee.

Citation:

Israel Government. 2017. Government Decision 3019 on the Renaming the Technology and Information Law Authority in the Ministry of Justice (in Hebrew). Access 20 January, 2020. https://www.gov.il/he/departments/policies/dec3019.

Israel Government. 2006. Government Decision 4660 on the Establishment of a Legal Authority for Information Technologies and Protection of Privacy in the Ministry of Justice (in Hebrew). Access 20 January, 2020. https://www.gov.il/he/departments/policies/2006_des4660.

Israel Government. 2020. Government Decision 4897 on the Authorization of the General Security Service to assist in the national effort to reduce the spread of the new coronavirus (in Hebrew). Access 20 January, 2020.

Israel Government. 2020. Government Decision 2916 on the Authorization of the General Security Service to assist in the national effort to reduce the spread of the new coronavirus (in Hebrew). Access 20 January, 2020.

European Commission. 2011. Commission Decision of 31 January 2011 pursuant to Directive 95/46/EC of the European Parliament and of the Council on the adequate protection of personal data by the State of Israel

SGI 2021 | 79 Israel Report

with regard to automated processing of personal data. Access 20 January, 2020. https://eurlex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32011D0061.

The Privacy Protection Agency. Organizational structure. Access 20 January 2020. https://www.gov.il/BlobFolder/generalpage/organizational_structure/he/OrganizationStracture.pdf.

The Privacy Protection Agency. 2020. First report in accordance to Act to Authorize the ISA to Assist in the National Effort to Contain the Spread of the Novel Coronavirus and to Promote Use of Civilian Technology to Locate Individuals who were in Close Contact with Patients (Temporary Provisions) 2020-5780 (in Hebrew). Access 20 January 2020. https://www.gov.il/BlobFolder/reports/privacy-shabak-coronavirus/he/privacy-shabak-coronavirus.pdf.

The Privacy Protection Agency. 2020. Interim Summary: The Privacy Protection Agency's Actions During the Corona Crisis (in Hebrew). Access 20 January 2020. https://www.gov.il/BlobFolder/news/_review_ppa_activity_corona/he/corona%20activity.pdf.

Ravia, Haim. 2020. The government has decided to freeze the law authorizing the GSS to help fight the Corona. Access 20 January 2020. https://www.law.co.il/news/2020/06/08/government-freeze-law-to-track-covid-19-patients/

Sela Steinman, Ronit. 2020. Sharp letter to the Minister of Justice: The Privacy Protection Authority is silenced and not heard. https://www.law.co.il/news/2020/04/22/experts-warn-justice-minister-against-silencing-ppa/

Address | Contact

Bertelsmann Stiftung

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

Dr. Christof Schiller

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

Dr. Thorsten Hellmann

Phone +49 5241 81-81236 thorsten.hellmann@bertelsmann-stiftung.de

Pia Paulini

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

Levi-Faur, D., Hofmann S. & R. Karadag (2021). Israel Report. Sustainable Governance in the Context of the COVID-19 Crisis. Bertelsmann Stiftung: Gütersloh. https://doi.org/10.11586/2021095

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

