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Public Administration in Israel: Development, Structure, Legal Authority and Function

NISSIM COHEN

Résumé

Public Administration in Israel: Development, Structure, Legal Authority and Function

The objective of this article is to provide a descriptive, developmental review of public administration in Israel, in its broad definition. The article briefly presents the birth and historical development of public administration in Israel and points to the main factors that led to its characteristics prior to the beginning of the current reform. The article provides a typology of the various public administration organizations in Israel and presents the legal authority for the activities of the public administration in Israel. The article then presents general characteristics of the public administration workers in Israel and concludes with a brief review of its functions in general.

Key words: Israel, public administration, typology, reform

L'administration en Israël: développement, structure, cadre juridique et fonctions

L'objectif de cet article est de fournir une analyse descriptive du développement de l'administration publique en Israël, au sens large. L'article présente brièvement la naissance et l'évolution historique de cette administration publique et souligne les principaux facteurs qui lui ont donné les caractéristiques qu'elle présentait avant le début de la réforme en cours. Il fournit une typologie des différentes modalités d'organisation de l'administration publique en Israël ainsi que du cadre légal dans lequel elle doit agir. L'article présente enfin quelles sont les caractéristiques générales des agents de l'administration publique en Israël et se termine par un bref aperçu de ses fonctions en général.

Mots clés : Israël, administration publique, typologie, réforme

The author

Nissim Cohen is the head of the Department of Public Administration and Policy at the University of Haifa in Israel. The 2018 Shanghai Ranking's Academic Ranking of World Universities ranked Haifa University in the top 76-100 universities in the field of Public Administration. Cohen's research interests include public policy, public administration, the welfare state, social policy and health policy. He uses theories of public policy and administration in order to investigate various policy domains and case studies. Nissimcohen@poli.haifa.ac.il

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SOMMAIRE

1. From Settlement to State

It seems to me that our institutions... often deal with the greater political problem, with large political plans, with great political and constitutional considerations, instead of focusing now on the simple problem: how to ensure the existence of the Yishuv [settlement] in the coming week, in the coming two weeks, in the coming three weeks…

(From: The minutes of the meeting of the Histadrut Executive Committee, 1948, cited in Fine, 2008: 41)

Modern public administration in Israel began during the Jewish settlement in the Land of Israel (Cohen, 2016). Although it is impossible to ignore the 400 years of Ottoman rule in the Land of Israel, which came to an end in 1917, most of the institutions associated with public administration crystallized and developed in a modern format during the British Mandate (Horowitz and Lisk, 1972). In the 30 years of the Mandate, the Jewish Yishuv became a quasi-state, whose institutional infrastructure, which exercised powers without formal sovereignty, became the skeleton of the political system of the sovereign State of Israel and its public administration. The development of public administration and of the political institutions within the Jewish Yishuv in Pre-State Israel took place parallel to the social consolidation of the Yishuv. The workers' parties strove to strengthen their influence on the daily lives of the Yishuv, including from a socialist world view. Thus, with the establishment of the State, as we shall see below, there was no need to establish governmental institutions and functions of public administration from the ground up, since many of these existed in one form or another as institutions during the Yishuv period. They continued to operate on a regular basis with the change of sovereignty, the end of the British Mandate and the establishment of the State of Israel. As a result, the Jewish Yishuv was able to adapt without any special shake-up to the changes that took place in 1948, and this created an advantage over the Arab majority in the country, which had difficulty organizing itself and mobilizing resources before to the departure of the British. The establishment of the Histadrut in 1920 stands out in this context as an organization that provided the Jewish Community with many services, especially health services.

However, the political tradition of the Jewish Yishuv was not completely preserved in the transition from settlement to State. On the one hand, the politicisation and over-influence of the parties on the public administration was maintained, for both the Histadrut and the Jewish Agency were closely connected to members of the ruling party, but on the other hand, new patterns of relationships between the government and the public were created, which were not necessarily party-based. One of the main reasons for this was the need to establish a binding legal system to strengthen the legitimacy and power of the central government. Thus, the political center in Israel, which relied on authority without sovereignty at the time of the old Yishuv, tried, upon the founding of the State, to utilise all of its authority and establish its power (Horowitz and Lisk, 1977; 1990).

In January 1947, the British Cabinet decided to transfer the Palestine question to the United Nations. A short while later, various bodies of the national institutions of the Jewish Yishuv began to hold preliminary discussions on the way to organize for a possible change of government. As early as April 1947, it was decided to establish a joint emergency committee, which would include representatives of the Jewish Agency and the National Committee. The purpose of the commission was to prepare the Jewish Community for the transition from mandatory rule to a sovereign Hebrew state. This committee was called the "**Situation Committee**", and it began its work in October

1947. Until the UN partition resolution, in late November of that year, the Situation Committee dealt with a preliminary formulation of theoretical plans for a change of government. Kfir and Reuveni (1998, 41) note that despite the political composition of this committee, in retrospect its recommendations were thorough and systematic. Upon the outbreak of the hostilities, immediately after the UN General Assembly resolution of November 29, 1947, the committee members focused on the planning and management of essential services, and at the same time began to fill the bureaucratic vacuum left by the disintegrating British Mandate (Fein, 2005, 1). On January 1st, 1948, **the People's Council** (the executive branch, which later became the government) and **the People's Assembly** (the legislative branch, which later became the Knesset), were established

In January 1948, the recommendations of the Situation Committee were formulated into initial proposals regarding the structure of the government ministries and the structure of the regional government in the State to be established. According to the committee's proposal, the future government functions in Israel should be grouped into 12 government ministries:

1. The Prime Minister's Office (including the Statistics Department)
2. Ministry of Finance
3. The Ministry of Foreign Affairs (including the Advocacy and Intelligence Department, in cooperation with the World Zionist Organization)
4. Ministry of Trade, Industry and Agriculture
5. Ministry of the Interior (including the police, the Prisons Administration and the District Administration)
6. Ministry of Education and Culture (including the Broadcasting Service)
7. Ministry of Labour
8. Ministry of Health and Social Action
9. Ministry of Public Works, Transport and Urban Planning
10. Ministry of Justice
11. Ministry of Planning and Development
12. Ministry of Defense

A more detailed proposal submitted later increased the number of offices to a structure of thirteen ministries. This proposal gave special status to the Ministry of Communications and Transport, separately from the public works. The plan also includes proposals for four additional bodies: the office of a Government Comptroller, which will be under the supervision of a house of representatives, a statistical office next to the Prime Minister's Office, a government printing press next to the Ministry of Finance, and a mechanism committee (which evolved into the Civil Service Commission) that would operate independently. However, the decision taken in the end of by David Ben-Gurion and the provisional government did not suit the committee's recommendations, and the provisional government, which was established in May 1948, contained 16 - 17 government ministries (Gal-Nur, 2011). The Ministry of Social Services was split into health and welfare, various public works and technical services were added to the Ministry of Labour, a Ministry of Education and Culture was not established, but five new ministries were: the Ministry of Religious Affairs, the Ministry of the Victims of War, the Ministry of Police, the Ministry of Minorities and the Ministry of Immigration. The establishment of these ministries, which stemmed mainly from a combination of political and personal considerations, created dysfunctions in the organizational structure of the Israeli civil service, and these continued and continue to this day to adversely affect the structure of the civil service. In addition, the civil-government administration was less important to the prime minister, mainly due to the

security situation and the importance of the military-security systems (Kfir and Reuveni, 1998, 43 - 45).

With the establishment of the State on May 15, 1948, the Provisional Government and Provisional Council of State were established. They served in their capacity until the first Knesset elections in January 1949. The central government was based on the Labour Movement (the 'historic' Mapai, Workers' Party of the Land of Israel), which organised itself in a manner so as to consolidate its political power (prior to the founding of the State). The central government of the new State had to afford itself with a wide variety of public services and goods, including security, education and health. The Jewish community in the Land of Israel strove many years earlier, under Ottoman rule (Burstein, 1934), to establish self-government, and these endeavours increased during the British Mandate, and many institutions it established often operated in total disconnection from the British Mandate, sometimes unlawfully or borderline lawful (Cohen, 2012). The State, upon its establishment, however, was forced to deal simultaneously with a large number of tasks that the Mandate had nevertheless dealt with. Moreover, although Jews were employed in almost every function of the Mandate government (Kfir Reuveni, 1998, 19), the many tasks required the young State to establish a new administrative system and, inter alia, to train a large number of bureaucrats. This was not an easy task.

When the institutions of the public administration were established or redesigned upon the establishment of the State of Israel, one of the central questions was to what extent should all of the administrative services of a government ministry be concentrated in one department, or should they be spread out over the various departments (Fein, 2005, 63). The first difficulty in establishing public administration in Israel was the fact that, in many areas, the Mandatory government had left "scorched earth" behind it. Although the Situation Committee viewed the British administrative infrastructure as a modern system worthy of imitation, and although it did much to study the British administrative system in the Land of Israel as much as it could, a substantial part of the public administration, in a variety of areas, had to be invented piece by piece. Another significant difficulty was the fact that this process of establishing public administration was conducted during the War of Independence, which itself drew considerable resources from the government and relegated considerations that were not of a military-security nature. An additional derivative of the war situation was the great number of casualties, which led to the very rapid advancement of Israel Defence Force's (IDF) officers through the ranks during this period. This is of significance, as many discharged military officers were later integrated into State institutions and held key positions in the Israeli public administration. Both the IDF and the entire public administration was characterised as being based mainly on former members of the Haganah[1] and on veterans of the Jewish Brigade in the British Army.

Initially, recruitment into various positions in the public administration was done mainly on the basis of political party considerations. However, the shortage of manpower, especially the shortage of skilled and professional manpower, led the Yishuv leadership to appeal to British officers to serve as public administration employees (Fine, 47), and there were even those who stressed the importance recruiting as many skilled non-belligerent Arabs as possible, due to the skill of the latter and the lack of suitable manpower in the Jewish Community (ibid, 40). However, the scope of these appointments was not substantial. Thus, as noted, many of the public administration

[1] Jewish resistance force during the British mandate.

personnel were appointed by the various State institutions, and especially by the influence of the labour movement, in particular, the Mapai party. Given this state of affairs, who was not to be found in the public service? Glaringly absent were primarily the ultra-orthodox (in particular, members of Agudat Israel), the Jews of Middle Eastern birth (many of whom had yet to arrive in Israel), the Arabs (especially Muslims, but also Christian Arabs who were an important part of the public administration under the Mandate), the Communists and the Revisionists (right wing parties). Gradually, the Israeli public service underwent a process of professionalization, and the tendency of politicisation on party basis was somewhat reduced. Part of this trend started taking form in 1958, with the discussion held in the Knesset on the question of the public administration and its position in relation to politics, focusing on the status of directors-general in government ministries. Nevertheless, it would be very difficult to argue that the involvement of politicians in the public administration in Israel has been and still is, negligible.

The development of the public administration in Israel from the 1950s and onwards was influenced by the political, social and economic processes that characterized Israeli society. There is no doubt that wars and security events, such as the Six-Day War, the Yom Kippur War, the First and Second Lebanon Wars, and the two Intifadas, which changed the face of Israeli society, also affected the conduct and character of the public sector. In addition to this, political changes, such as the political upheaval of 1977, in which the Likud replaced the Labour Party after its many years of power, greatly influenced the public administration. Economic changes, such as the economic crisis of the early 1980s, followed by the Economic Stabilisation Plan, which reshaped the interrelationship between the private sector, the government and trade unions, had a significant impact on Israeli society, including the public sector and its budgeting processes (Cohen, 2015).

These effects, however, did not ripen into formal institutional changes, but rather acted cumulatively and informally. Various State investigative committees (like the **Agranat Commission** following the Yom Kippur War), as well as professional committees, led by the **Kovarski Commission** (1989a; 1989b), recommended a long list of changes in the interrelationship between the political leadership and the professional levels, and structural changes in the public sector to make it more professional and modern. However, the recommendations of these committees encountered real political obstacles, and in the end they were, mostly, not implemented. The result was (at least until the 2010's), as stated, a process of gradual and unplanned change in the nature and conduct of the public sector.

This process can be demonstrated in two main aspects. Significant changes took place in the interrelationships between the legal system and the political system, resulting in the High Court assuming a position of a dominant player in the public system, one that even vetoes decisions made by the government and the legislature (Mizrahi and Midani, 2006; Sperling and Cohen, 2012). This process, called "judicial activism", was conducted without formal and explicit legislation, and to some extent undermined the principle, discussed earlier, of a separation of powers. Another aspect relates to the interrelationship between the public sector and the third sector. The transformation of third sector organizations into central actors in the public sphere, which even fulfil functions previously fulfilled by the government, was carried out informally, without government decisions being made on this matter and without explicit legislation to regulate this. It was only in 2008 that a government resolution was adopted regarding the formal institutionalization of the interrelationship between the government and the

third sector. These examples, and many others, describe the path of development and change of the public sector in Israel from the 1950s to the present.

2. Public Administration Organizations in Israel: Typology

The public administration, in a broad sense, includes all of the government's activities, whether they fall within the field of the executive, legislative or judicial branches. In the narrower sense of the definition, the public administration deals with all activities of the executive branch only. The term public administration, in its most common use, is limited to government organizations and government activities. The public administration deals not only with the implementation of policy, but also creates policy through auditing, amendments, proposals and information that are important for creating policy. The meaning of the public administration is understood only within the context in which it is conducted and carried out.

The public administration in Israel consists of hundreds of organizations and units. The structure of the public administration and the interrelationship between the various units that make it up reflect, to a great extent, its ability to perform and the roles it plays in society. For example, the scientific literature discusses at length the advantages and disadvantages of a centralized structure versus a decentralized structure, as well as the desired degree of autonomy of various public organizations. Therefore, a thorough familiarity with the structure of the public administration and the various units is required in order for it to be possible to analyse processes, understand results, and assess the direction of the development of the public sector.

When we sort out the public sector organizations and units and distinguish between them, we can distinguish between the **central government** and the **local government.** However, such a distinction would be too general, since there are many organizations that are considered part of the central government, but differ from each other in their performance and the various functions they fulfil. In principle, it is customary to classify the public administration organizations in Israel as follows:

- The Government Public Administration (Civil Service)
  - Government ministries and the ancillary units
  - Statutory authorities
  - Government corporations
- The Non-Governmental Public Administration
  - The Office of the President
  - The State Comptroller
  - The Knesset Administration
  - The Bank of Israel
- The Public Administration in Local Authorities
  - Departments
  - Municipal corporations
  - Municipal companies

The civil service, however, is only part of the public administration, in its broad sense. There are, therefore, those who propose to distinguish between the governmental public administration (government departments, statutory authorities and government companies), the "non-governmental" public administration (for example, the Knesset

Administration), the local authorities, and "other public institutions" that are unique to Israel (Gal-Nur, 2011), with the main functions of the State civil service being:

- Participation in forming public policy and responsibility for its implementation.
- Providing services to individuals, groups and organizations.
- Regulation of functions carried out by other organizations in order to maintain public interests and ensure the rights of the individual.

From here we can classify all of the public administration organizations in Israel according to the following typology, which is more convenient for basic familiarity with the public administration organizations in Israel and for a systematic description of them:

- Government ministries
- Ancillary units
- Statutory authorities (public corporations)
- Government companies
- Local authorities
- Non-governmental public administration

3. Governmental Institutions in The Israeli Executive Branch

3.1. Government Ministries

The various government ministries are part of the central government, and the public service is composed of them. They are in fact the principle executive arm of the executive authority (the government), and in most cases, each ministry is headed by a minister. For the most part, the minister is a publicly elected official (a politician). As such, he is part of the political component of the public administration. There are cases in which the minister is not elected, but rather is appointed to his post as a professional appointment (for example, the appointment of Shaul Mofaz as Minister of Defence at the end of 2002 by then Prime Minister Ariel Sharon or the appointment of Yaakov Ne'eman as Minister of Justice in 2009 by then Prime Minister Benjamin Netanyahu). The Minister is responsible to the Knesset for the conduct of the ministry he heads. According to the law, at least half of the ministers and all of the deputy ministers must be Knesset members.

The "**Basic Law: The Government" (1968)**[2] states that the Government is the executive authority of the State, and is comprised of the Prime Minister and other Ministers. The law does not define the number of ministers in the government, what areas they are to deal with, or what the division of work between them will be. These aspects are at the discretion of the government. As will be described in one of the other articles this collection, there has been, over the years, an increase in the number of ministries in Israel, even though various ministries have, over time, been cancelled (for example, the Ministry of Rationing and Supply, the Ministry of Minority Affairs, the Ministry of Religious Affairs, etc.). Even though the cancellations of some of the ministries and the establishment of new ones were also connected to new needs (e.g.,

[2] Basic laws can be modified if a 61% majority of MPs is met at the Knesset. Regular laws can be modified according to a simple majority.

the Ministry of Environmental Protection), most of the occurrences in this regard (splitting, consolidating, cancelling or establishing ministries) were directly related to political considerations and coalition negotiations.

The nature of the interrelationships between the various ministries greatly influences the ability of the government ministries to perform and their ability to work in the government. In terms of government administration, it is customary to distinguish between staff ministries, which are responsible for the planning and allocation of powers and resources (such as the Prime Minister's Office and the Ministry of Finance), and the executive ministries responsible for implementing decisions of the Knesset and the government. The staff ministries, by definition, constitute the major driving force in the government's work. For example, a study that examined the balance of power among the various actors in the field of health policy in Israel, focusing on the issue of relations between politicians and officials and of transparency around the public budgeting process, pointed to the bureaucrats in the Ministry of Finance as the dominant and most powerful players in this field, although their power is not always absolute (Cohen, 2013a).

The executive ministries, themselves, can also influence the government's conduct, usually in accordance with the scope of their activities and the budgets at their disposal. From a purely budgetary point of view, the budget rich ministries in the public administration in Israel are the Ministry of Defence, the Ministry of Education and the Ministry of Health. According to the proposed budget for 2017, these three ministries received the highest budgets from the State coffers.

3.2. The Ancillary Units

These units are part of the central government. It is very difficult to define them as they do not have clear and agreed properties according to research findings or among the professional bodies. The best description that can be given to them is that these are units within the government ministries that usually operate in relative autonomy. This autonomy is expressed mainly by there being a separate budget and separate appointments of those who head the units and hold the key positions in them. In the Civil Service Law (Discipline), 5723 - 1963, an ancillary unit is defined as “A unit in a Ministry, which was granted administrative powers of a Ministry by the Service Committee, in accordance with the rules that are applied in the civil service”. A Ministry is defined in the Civil Service Law (Appointments), 5719 - 1959, as “A unit in the civil service headed by a minister, including the office of the President of the State, the Knesset offices and the office of the State comptroller”.

The number of units is dynamic and sometimes the changes occur quickly. Perhaps, because of this, there are those who point to the problem of appointing officers in the ancillary units. In Report 57b, the State Comptroller took issue with the lack of criteria for the appointment of a treasurer for an ancillary unit, in addition to the treasurer of the ministry to which the unit belongs (State Comptroller, 2007). There are small ancillary units - such as the Administration for Settlement Education and the Educational Television, which operate within the Ministry of Education, or the Israel Mapping Centre, which is a part of the Ministry of Construction and Housing, which have their own treasurers, and there are ancillary units that do not have an independent treasurer, such as the Geological Institute of the Ministry of National Infrastructures. In his response to the State Comptroller's Office, the former Treasurer General at the Ministry of Finance pointed to the many considerations in the appointment of a treasurer for a unit, including

the unit's size, its budget, the complexity of implementing the budget, a project under its responsibility that requires focus, the ministry treasurer's ability of control, as well as government decisions. The Vice Commissioner for Civil Service stated in his reply of October 2005, "it would be best to reach, with the Treasurer General, an agreement in principle regarding the criteria for characterising those ancillary units that require the appointment of an independent treasurer" (State Comptroller, 2010, Annual Report 60 A, 335).

The main structural advantage of the ancillary units is that their sensitivity to changes and political instability is lower than that of the management of the government ministry. Therefore, in many cases, an ancillary unit is the preferred executive arm, and ministers who want to ensure the any service will continue over time in the ministries that were established on the basis of coalition considerations (and may be closed later) seek to channel assignments to the ancillary units. Another aspect to consider is the size of the ancillary units. Often, the number of employees and the budget of the ancillary unit is larger than those of the ministry to which it is subordinate. The IDF and the police are notable examples of this.

Finally, it is important to note the Civil Service Commission - an important unit that is now in the Prime Minister's Office (formerly of the Ministry of Finance), and manages the public service in Israel. At the head of the Commission sits the Civil Service Commissioner, who is appointed by the government itself and is subordinate to the Prime Minister. The Commissioner's powers were determined in various laws, including the Civil Service Law (Appointments), 5719 - 1959; the Civil Service Law (Discipline), 5723 - 1963, the Civil Service Law (Pensions) [Consolidated Version], 5730 - 1970, and others. It is the Commission's task to implement the government's policy on matters of administration and human resources. Within this framework, it is responsible for coordinating the work and the division of duties between the government units, the approval of tenure for employees in government ministries, the appointment of employees by tender, the training of employees, the imposition of discipline in the civil service, and so on and so forth (Hollander, 2008).

3.3. Statutory Authorities

Statutory authorities are organizations that are separate legal entities than that of the State, and this allows them greater flexibility in management and relatively more independence. The fact that these are organizations that were established under a separate law is the reason why they are called statutory authorities. They fill a variety of public duties, and are often delegated with certain governmental powers. They are referred to as "public corporations", "statutory corporations", "corporations by law", "boards", "centers", and more. Each such authority is established through a special law, and operates under special arrangements that were laid out in the establishing law. Therefore, statutory authorities do not have any duties or powers other than those granted to them by law (Zamir, 1996a, 384-383). As with the other public administration organizations, statutory authorities are not supposed to act to maximize their profits, as the authority's success is not measured by its profits but rather by its achieving the goals set in the law that established it.

The statutory authorities are generally intended to fulfil duties that, for various reasons, are not suitable for government ministries, and often the desire to emphasize the autonomous status of the organization is the main reason for its establishment. So they are independent entities that are separate from the State. The employees of statutory

authorities are not considered civil servants from a legal standpoint, and the authorities' assets are not considered State's assets (Zamir, 1996a, 385). Although they are not an integral part of a ministry (similar to the ancillary units, reviewed above), they are subordinate to the designated minister, who has ministerial responsibility for their functioning. The head of the statutory authority is, generally, appointed by the minister, and this appointment is exempt from a tender. The minister also appoints the members of the statutory authority's board.

Barak-Erez (1995) explains that statutory authorities are "[...] bodies established by law. Therefore, even though they are distinct from the State and are a separate legal entity, they are still to be considered administrative authorities in all respects. As such, public law is applicable to them due to their being administrative authorities [...]".

The issue of the supervision of statutory authorities has been, for many years, a matter of concern for many decision makers in the Israeli government. Most of the laws by which the public corporations were established do not contain a provision requiring them to prepare financial statements and appoint auditors to audit the financial statements and provide an opinion on them. The State Comptroller's reports have, over the years, pointed to deficiencies in the conduct of the statutory authorities, especially the lack of adequate supervision and regulation of their activities. Various State comptrollers have recommended considering an arrangement for all of the statutory authorities, according to their type, their characteristics and the differences that exist between them, which will lay down the framework for their operation, the rules for reporting their conduct, and the means of supervision and control over them (see, for example: State Comptroller, 1989, 627 - 642; 1993, 919 - 933; 1995, 2007). The need for a broad policy for statutory authorities, one that is backed by legislation, was also raised in 2005 by the High Court (Israel supreme court), which explained that the Appointments Law applies only to the civil service, and the statutory authorities are not part of the civil service (HCJ 8299/01).

In 1992, the Minister of Justice, Dan Meridor, founded the Public Corporations Council. One of the main duties of the Council, headed by Supreme Court Justice Yitzhak Zamir, was to recommend a desirable public policy with regard to the management and operations of statutory authorities in Israel. About eleven years later, in June 2003, the Public Corporations Council presented a report on its work (the Public Corporations Council, 2003). The Council's conclusions was that statutory authorities are to be treated as a separate sector of the public service. The report pointed to the lack of uniformity in the legislation, as well as to many issues that require lateral regulation, particularly issues relating to the self-management and the creation of appropriate mechanisms of regulation and control over them. The Committee pointed out that under the current situation, each public corporation operates in accordance with the arrangements set out in the law that established it, and therefore these arrangements differ from each other, and in most cases it is difficult to find reasons for the differences between the arrangements.

The report proposed to establish a "public corporations framework law" that would include arrangements for a variety of issues dealing with the regulation of statutory authorities. One of the recommendations was to establish a "public corporations authority" that will handle the supervision and control of all public corporations professionally, continuously and systematically, without hindering their independence more than will be necessary. It was suggested that this authority be united with the Government Companies Authority (we shall elaborate below on government owned companies), due to the many recommended duties of the proposed public corporate authority that overlap with the functions of the Government Companies Authority. Such a union was also expected to facilitate the implementation of organizational changes in

government companies or public corporations, as needed, and the transition from one structure to the other, when necessary.

According to the Public Corporations Council, the duties to be imposed on the statutory authorities can be characterized according to five basic components (Public Corporations Council Report, 2003, 12):

- Their performance should be, to some extent, distanced from the government. Examples of this are the functions assigned to the Israel Broadcasting Authority or the Bank of Israel.
- They need to work for the public, or on behalf of a particular segment of the public, while including public participation in the highest institution of the statutory authority;
- Their considerations are to be public considerations (as opposed to activity aimed at maximizing profits); in other words, the profit is not a criterion by which successful achievement of the goals of the statutory authority is measured;
- Certain sovereign powers are to be granted to the statutory authority;
- The statutory authority should be allowed to receive independent income, without having to rely on the State budget to finance its activities; this is in order to promote the independence of the authority.

As of 2017, there are dozens of statutory authorities in Israel with a broad range of duties. Some of them, such as the National Insurance Institute, bear duties that are of a more public nature than others, such as the Bank of Israel or the Israel Securities Authority, which act as regulators. Other statutory authorities fulfil functions that are closer in nature to the business sector, such as the Ports and Railways Authority. There are large corporations that have extensive and branched operations, such as the Bank of Israel and the Israel Airports Authority, and on the other end of the spectrum, small corporations that deal in a relatively narrow area, such as the National Authority for Yiddish Culture, the National Authority for Ladino Culture, the Council for the Production and Marketing of Groundnuts or the Council for the Production and Marketing of Olives.

In January 2013, the Public Corporations Law Memorandum, 5773 - 2013, was published[3]. The draft law sought to create a public corporations framework law, in the spirit of the recommendations of the Public Corporations Council. The law seeks to achieve two important goals: the first is to establish a set of rules of conduct for public corporations, and the second is to regulate the supervision and control over the activities of public corporations and increase the transparency and accountability of their operations. In the spirit of the recommendations of the Public Corporations Council Report, it was decided to establish a public corporations authority that will be part of the Government Companies Authority. The authority's new name is to be the "Government Companies and Public Corporations Authority".

3.4. Government Companies

Government Companies are companies that are completely owned or clearly controlled by the government. Unlike ordinary private or publicly traded companies, the objective of government companies is to promote the government's objectives or interests. These

[3] Before beginning the legislative process of a draft law that applies to a particular ministry, it is customary to transfer it to the legal department of that ministry for review and comments. During this stage it is referred to as a "law memorandum".

are business-oriented companies, which deal with considerations of profit margins, growth opportunities, future chances of success and risks, such as the Israel Electric Corporation, Israel Natural Gas Lines, Israel Railways, the Israel Ports Company, and others. Most of the government companies are part of the central government, however, a small part of them focus on issues related to specific municipal areas, or to services of culture, youth and sport centres and community centres.

Pursuant to Section 1 of the Government Companies Law, 5735 - 1975, there are **four types of companies** associated with the government in Israel:

1. **A company wholly owned by the government:** "A company whose shares are all owned by one of the following: the State, a company whose shares are all owned by the State; the State together with such a company; the State or such a company together with a local authority".
2. **A government company:** "A company in which more than half of the voting power at its general assemblies or the right to appoint more than half of its directors is held by the State or by the State together with a government company or a government subsidiary".
3. **A government subsidiary** "A company in which more than half of the voting power at its general assemblies or the right to appoint more than half of its directors is held by a government company, by a government subsidiary or by a government company together with a government subsidiary".
4. **A mixed company:** "A company that is not a government company and that half or less of the voting power at its general assemblies or the right to appoint half or less of the number of its directors is held by the State".

The Government Companies Authority was established and operates under the Government Companies Law, 5735 - 1975. The Authority is an ancillary unit of the Ministry of Finance, and is the government headquarters of government companies for all matters pertaining to the supervision of the privatization and structural changes in them. The Authority is responsible for some 100 companies (including not only business and non-business government companies, but also subsidiaries and companies of mixed ownership, by the government and other entities). Amongst these companies are some of the largest and most complex in the economy, including the Israel Electric Corporation, Israel Aircraft industries, port companies, Israel Railways, etc. (from the Government Companies Authority website[4], 2016). The duties of the Authority are set out in Section 54 of the Government Companies Authority Law, and include, inter alia, advising the government, through the Minister of Finance, and advising ministers on matters relating to Government companies; handling, according to government guidelines, matters that are common to all government companies or to certain types of companies; advising and assisting government companies in the conduct of their business; constant monitoring of the activities of all government companies; achieving their goals; notifying ministers of its findings; handling and assisting establishment of companies, and carrying out the liquidation, merger, settlement, arrangement, reorganization and sale of shares of a company, and more (the Government Companies Law, 5735 - 1975).

By law, privatization of government companies is not necessarily the transfer of the company in its entirety to private hands. In the Government Companies Law, 5735 -

[4] http://www.gca.gov.il.

1975, “privatization” is defined as actions for attaining, at once or gradually, one of the following objectives:

1. Cancellation or reduction of the government’s voting power at the company’s general assemblies or its right to appoint directors of the Company, or the cancellation or reduction of other government involvement in the company, if any of these changes the company from a government company to a mixed company, or changes the company into a company to which this law does not apply, or brings about other fundamental change in the relative power of the subscribers of the company, or provides the public or a new subscriber of the with company 10% or more of the voting power in the company or of the right to appoint a director;
2. Reducing the government's portion of the company's share capital by 10% or more;
3. A substantial reduction in the operations of the company by transferring businesses and other assets.

A board of directors is appointed to each government company. In fulfilling its duties, the board is to act solely on the basis of considerations of the company’s best interests. When fulfilling these duties, the directors are not permitted to act under the instruction of external factors who are not those we appointed them or representatives of the shareholders who appointed them. One of the most important powers granted to the board of directors is to appoint and dismiss the CEO of the government company. Apart from this important power, the duties of the board of directors, pursuant to the Government Companies Law, are numerous and include, inter alia, determining general policy of the company's within its objectives and financial activity, setting the annual budget of the company, manner of its implementation and the use of the resources available to the company, setting an annual plan of action for the company and determining long term plans, defining a standard each year for employees and those employed in its service, continuous monitoring of the realisation of the policies, plans and budgets of the Company, determining working conditions, the method of election and conditions of eligibility of the company’s CEO and its executive officers in accordance with the rules prescribed by the government, preparing the balance sheet, the profit and loss statement and the statement of resources and the manner in which they are to be used, and more. Despite its extensive powers, the board’s resolutions are subject to the government’s approval in various cases, such as a resolution on changing the company's objectives, or a resolution regarding the allocation of shares in the company or consent to a transfer of shares if this could lead to a fundamental change in power between subscribers of the company.

3.5. Local Authorities

The local government consists of municipalities, and they themselves are not considered part of the State’s executive branch. The local autonomy, which exists independent of the central government, emphasizes the right to self-determination of the individual and enables the realisation of a wide range of human rights and civil rights. In this way the local authorities implement the principle of **separation of powers,** while contributing to the **decentralization of power** and strengthening the checks and balances between the branches of government. Local authorities are in fact the main avenue of the local administration and the local management. The objective of the municipal administration is to formulate policy at the local level and to implement it, to fulfil the basic values of a democratic society, and to reduce disparities among different

groups in the population. All this, in order to promote the quality of life of the main customers of the local authority - the residents, who are organized as individuals, groups, communities and organizations. Local authorities provide both national and municipal services. Municipal services including sanitation services, protection and security, urban planning and construction, maintenance of public facilities, municipal supervision of public order, building infrastructure and community development, veterinary services and economic development. State services include education, social services, religious services, the environment, immigrant absorption, health and culture.

As of 2017, there are 257 local authorities in Israel. It is logical to assume, based on past experiences, that this number will not remain permanent but, rather, will change over time. By law, a municipality is obliged to appoint nine officials: CEO / secretary, engineer, treasurer, legal counsel, internal auditor (who also serves as the public complaints commissioner), education department director, women's status consultant, senior citizens consultant and a veterinarian.

The Interior Ministry is the ministry that holds the responsibility, from an organizational perspective, for the local government. However, in substantive and professional terms, the local authorities are subordinate and must report to various government ministries, as they specialise and deal in a variety of fields, such as education, sanitation, social services, transportation, personal security, local economic development, tourism, infrastructure, employment and the environment (Beeri, 2013). The Local Government Administration is the professional body in the Ministry of the Interior that was given the responsibility over the character and operations of the local government in Israel. It regulates the activities of the local government in Israel, including budgeting local authorities, defining the map of local government, establishing authorities and corporations, control and auditing, providing authorisations for human resources and payroll matters, licensing of business and beaches, training, and dealing with individual issues.

In Israel there are four types of local authorities: **municipalities, local councils, regional councils** and **local industrial councils**. To these some add the **local committees**, which exist in primarily agricultural communities. In Israel, a **municipality** is, in general, a single town that receives its municipal status when it contains over 20,000 people residing in a developed urban area, with a stable government, an adequate level of services and proper financial management. However, the Minister of the Interior is authorised and may declare that a town is as a municipality, even if it does not meet all these conditions. The Minister may also declare a certain area within a municipality as an "urban quarter", and regulate its election, powers and budget. A **Local Council** is the governing body of a single town or village, typically having an urban character, which for various reasons has not gained the status of a city. In some cases these towns will have less than 10,000 residents, but there are towns with over 25,000 or even 30,000 residents, whose affairs are still managed through a local council. The authority to declare that a local council is a municipality is vested with the Minister of the Interior, but in many cases he takes the residents' wishes into consideration. Ramat Hasharon, for instance, retained the status of a local council for many years after it was eligible for the status of a municipality. So too Pardes Hanna, Mevaseret Zion, Gedera, Zichron Yaakov and other towns, all who retained the status of a local council and were not declared cities, although they each have more than 20,000 residents. In many cases, this was done to preserve the towns image as a rural village, or because of political considerations of the residents or their representatives. A **Regional Council** is based on a double layered local government: it includes a number of towns, each having its own local committee and elected representatives in

the regional council. Common forms of settlements in regional councils are, for example, moshav (rural community), communal moshav, kibbutz, institutional settlement, community settlement and village. A regional council may delegate its powers to the local committee, including tax collection. A **Local industrial council** is declared, as of 2017, with the approval of the Minister of the Interior, Finance Minister, and the Minister of Industry, Trade and Employment. It is headed by an appointed committee, which is selected without democratic elections. Local industrial councils cover interurban industrial areas, and their objective is industrial development and not caring for residents (Beeri, 2013).

According to Interior Ministry data from 2016, about 66% of the revenues of local and regional councils in Israel originate from self-generated income, 26% originate from the State budget, and 8% from government and other grants[5]. The municipalities show a slightly different picture: about 71% of their revenue is self-income, and they receive less government funding and grants than the other local authorities. About 36% of the expenditure of authorities, on average, are for the payment of wages and salaries. In the local and regional councils, wage expenses are around 30%, on average, while in the municipalities they are at about 39%. Review of the data from an audit of 250 municipalities regarding their financial conduct, conducted by the Audit Department of the Ministry of the Interior in 2010, shows that there was an increase of about 7% in the number of authorities who have completed the fiscal year with a balanced budget: 146, compared with 137 authorities in 2009.

The Ministries of Finance and of the Interior have, on their part, [been promoting the] consolidation of neighbouring local authorities into one local authority - in order to reduce the number of local authorities and to increase the economic, operational, organizational and planning efficiency. However, there are many political objections to this development. Residents, senior local authority employees and the heads of the local authorities all piled obstacles to nearly every step towards consolidation. To this are added the technical-bureaucratic difficulties involved in a consolidation of this kind. It was, therefore, decided in 2003 to appoint public committees to look into it consolidation of local authorities, with their conclusions and recommendations to be submitted to the Minister of the Interior. The committees prepared a list of local authorities for which there was a recommendation to consolidate, after examining their financial situation, as well as the economic, management and planning efficiency to be gained from the consolidation. In 2003, a relatively large number of local authorities were, indeed, consolidated in Israel, but not all of the consolidations lasted. At the end of 2007, the Israeli government already asked for a new plan to promote the consolidation of local authorities in Israel, however, it was cancelled due to strong objections.

Many researchers have been claiming, for quite some time, that the local government in Israel suffers from a prolonged crisis (Ben Alia, 2006; Ben-Bassat and Dahan, 2009). David Deri (1997) identifies three approaches that indicate the source of the municipal crisis in Israel and, according to these, three solutions. **The first approach** views the national political level and primarily the local level as those responsible for the crisis. Accordingly, legal processes and personal sanctions may prevent failings and corruption. **The second approach** sees the Interior Ministry and its impotence, being the one who is supposed to formulate the policy and to oversee, as the main party responsible for the crisis. **The third approach** holds that the complex relationship

[5] http://www.moin.gov.il

between the branches of government and the dependence of the local authorities on the central government as the source of the problem. Here, a change in the allocation of the powers is required to bring about more freedom of action and independence for the local authorities. Beeri (2013) explains that one of the main causes of the many problems faced by local government is legal lacunae (deficiency). Firstly, Israel, in contrast with many Western democracies, has no constitution that regulates the purpose and duties of the local government and its relationship with the central government. Therefore, for the local governments, like other public administration organizations, it remains to rely on the principle of *ultra vires*, which allows them to only act pursuant to what the central government explicitly allowed and will allow them. Secondly, local authorities currently act by virtue of archaic and outdated legislation from the Mandate, which has been amended dozens of times, in patchwork, with dozens of pieces of legislation imposing obligations and responsibilities on local authorities while creating chaos and disorder (Blank and Rozen-Zvi, 2009). Thirdly, even the draft Municipalities Law, 5767 - 2007, which was supposed to regulate the archaic legislation, has been stuck for several years in the Knesset Internal Affairs and Environment Committee, and is subject to severe criticism (Beeri, 2009a; Beeri, 2009b; Ben-Elia, 2009).

Ben Bassat and Dahan (2009) hold that, from an economic perspective, the financial crisis in local government lies in three temptations which the heads of the central and the local government did not resist: (1) the central government's introduction of a regime of fiscal targets, including a continuous reduction in the budget deficit, and (partially) transferring this deficit and the budgetary burden onto the backs of the local government; (2) increasing domestic spending beyond what the residents of the municipality are willing to finance out of their own pockets, using roundabout ways to copy the financing of the excess expenditure to residents, contractors, construction companies and real estate developers; the last three who pass the cost of taxes on to the consumer. There were also cases where public corporations and public institutions, which once enjoyed sweeping exemptions from municipal rates and local taxes, were required - illegally - to pay these taxes, even retroactively (Blank, 2004); (3) an increase in the monetary expenditures to finance local services beyond what suits the interests of the residents of the local authority, especially near the date of the municipal elections; in other words, practicing "local election economy" in order to increase the chances of the re-election of the head of the authority (Ben Bassat and Dahan, 2009).

3.6. The Non-Governmental Public Administration

The non-governmental organisations are part of the central government. However, they are mostly not considered part of the executive branch and are unique in that they are supposed to be autonomous and independent of the executive branch. In practice, they involve three main units which, together, employ about 1,200 people. These units are the **Knesset Administration, the President's Office** and the **State Comptroller's Office**. Another unit that is usually included as part of non-governmental organizations is the Bank of Israel. The Bank of Israel is considered a statutory authority. The Bank, as with the central banks in other democratic countries around the world, has autonomous status that allows it freedom of action and independence to perform its duties. This autonomy is secured by a special law (the Bank of Israel Law, 5714 - 1954), and this is what gives the statutory nature. It is customary, however, to refer to it also as part of the non-governmental public administration, especially due to its autonomy and independence from the government. To all this can be added the list of court judges,

rabbinical judges (Dayan), and the Druze and sharia judges (Qadi), who fall under the responsibility the President of the Supreme Court, the Chief Rabbi, the head of the Druze Court of Appeal and the head of the Sharia Court of Appeal, respectively. It should be noted that according to the Budget Foundations Law, 5745 - 1985, approval of the budgets of some entities defined as “funded entities” is subject to the approval of the Minister of Finance.

4. The Legal Authority for the Activity of the Public Administration in Israel

The operation of the countries are determined in accordance with their basic values, the beliefs of their founders, and the prevailing culture among their citizens. The **Constitutional Law** in each State regulates the behaviour of the regime. It determines: how laws are legislated, the relationship between the various government authorities, the status of religion in the State, etc. (Rubinstein and Medina, 2010). These questions are directly affected by those beliefs and values that are laid down at the founding of the State. It is customary to refer to the stability of the constitutional law of a country as a factor that reflects the stability of the regime in the country: frequent changes in constitutional law indicate the instability of its regime. Every country has constitutional law, even if it has no formal constitution set down in a written document. Constitutional law is the law of the regime, which reflects its principles of operation. Due to its principles and overall character, the constitutional law in each country needs an interpretation, pursuant to which the government's actions will be performed in practice. It is not the State that collects taxes, paves roads or constructs schools, since the State is an amorphous entity. Those who actually collects paves roads or constructs schools are people who have been elected or appointed to their positions, to perform these actions as the representatives of the State and its various authorities.

Israel has no constitution but it does have a number of basic laws (see note 1). However, the public administration in general and the civil service in particular are not mentioned in the Israel’s basic laws. In the absence of a supreme normative source that serves as a constitutional basis, such as a “Basic Law: The Civil Service”, the public service has to conduct itself according to the principles that are set down in a number of laws, as interpreted in the rulings and judgments of the courts that themselves are based on reasons reflecting the mood and the legislature's intention in practice. To know how to interpret the general constitutional principles into hundreds of thousands of daily activities necessary for the realisation of the regime in the country, what is required is the development of a “descendant” of constitutional law, which includes a set of principles, rules and methods of operation. This area is called **administrative law**, and it establishes the connection between **constitutional law** and the **public administration.**

Administrative law instructs people in how to conduct themselves and it, in practice, determines the legality of the administration and delineates its powers (Barak-Erez, 2010). This is not that unique, as many legal areas do this. The uniqueness of administrative law is that it guides people, while separating their personalities, desires, tastes and understandings, from their role as representatives of governmental authority. Administrative Law is the legal field regulating the operation of the members of the public administration, whether by direct instruction in certain areas, and whether in principle, by setting criteria for action. Officials in the public service, including teachers, clerks, doctors, engineers and different and various other professionals, when they are

working in the public system, are all subject to administrative law. In addition to their commitment to their profession and to the principles of operation that they learnt, they are required to apply unique principles that are common to all employees working in the public system while implementing the provisions of the law and of the government authorities with respect to the citizens.

The Administration is a **trustee** of the public; that is to say it works for the public, in its name and on its behalf. “The public administration’s fiduciary duty to the public is public administration theory in a nutshell” (Zamir, 1996: 37). The administration’s fiduciary duty to the public it serves is not always simple, and is often complex and may give rise to challenges. For example, two individuals may have conflicting best interests, and it will be up to the employees of the public administration to determine which prevails. A good example would be giving permission to open a café in a residential area; indeed, quite a few residents will benefit from this, but neighbours may suffer from noise and pollution. In decisions such as these and others, the administrative staff is to consider and decide, while adhering to the principle of fiduciary duty incumbent upon them as members of the administration, and the administration’s fiduciary duty to the public.

First and foremost of the principles of administrative law is the **legality of the administration:** in a democracy, a private individual may do as he pleases, except what is prohibited to him by law, while a government authority may not do anything other than what it is permitted to do by law. The duties of officials in the public service are derived from this: only as prescribed by law and within the limits specified therein. All powers of the public service are exercised only using this principle. Whether it is a traffic warden who prohibits a driver from parking in a particular place or the municipality commissioner for the licensing of businesses who rejects an application for a licence, every official in the public service, in practice, enforces powers that a specific law explicitly granted to the governmental authority to exercise, and by virtue of express authorization given to said official to act on behalf of the governmental authority. Another principle arises from here.A member of the public service, who basically serves as the “hands” of the public service, must keep any personal needs, understandings, feelings and even rights as an individual, completely separate from his works as an employee of the administration. To do this, he must act in accordance with the **rules of administrative law,** which are guiding principles in this respect.

The first rule is to **refrain from action when there is a conflict of interest.** When a member of the administration is involved in a matter which is also within his authority due to components that do not involve his work, for example, due to personal motives that he may have in the matter that he is to handle, he may find himself in a conflict of interests. Such a situation may also arise when members of the administration fulfil two positions that, in some circumstances, may put them in a conflict of interests. Refraining from action when there is a conflict of interests is intended to serve as a warning, from the outset, from getting into such situations, in order to ensure that the decisions made by the members of the administration are pertinent, while addressing all relevant factors in each and every case, without considering other issues.

The second rule is to **refrain from making decisions based on extraneous reasons**, i.e. reasons that do not relate to the matter at hand. This principle is very close to the previous principle, and the difference between them lies in the operation phase. The requirement to refrain from action where there is a conflict of interests is intended to prevent, from the outset, situations in which a public administration official will deal with a matter in which he might make a decision based on prejudiced considerations; The requirement to refrain from making a decision based on extraneous considerations is

intended to prevent making a decision based on prejudiced considerations - even if there is no other impediment to the official's handling of the matter.

The third rule is **prevention of prohibited discrimination**. Members of the administration are to treat all people who may be influenced by their decisions as members of the administration, according yo the same criteria, and to exercise their authority in carrying out their duties impartially and without discrimination against anyone. This rule is very close to the previous two: acting within a conflict of interests and using extraneous considerations may lead, inter alia, to acting with prohibited discrimination. Nevertheless, it should be emphasized that different treatment is not always a case of prohibited discrimination. Firstly, if the distinction is on a relevant basis, for example, a requirement that only drivers of a certain age and over will be eligible to apply for a public vehicle driver licence, it is justified as it is expected that such a driver will have more experience and maturity, therefore, the age requirement is not discrimination. Secondly, there are cases in which granting preference to certain people is not be considered discriminatory because the administration was specifically instructed to favour them - for example, the allocation of jobs for people with disabilities, or preference of women for jobs that are usually held by men.

The fourth rule is **maintaining the right to be heard**. As mentioned above, the administration's fiduciary duty to the public sometimes leads to decisions that favours one party at the expense of another. Such decisions require the administration officials to exercise their authority against certain people, and to adversely alter their situation. According to this rule, public administration officials must allow the party who may be harmed by their decision to present all of the facts about the harm he may suffer and make any argument that supports his position - before the decision is made. Not only that, but they must genuinely consider all of the facts and considerations available to them, regarding all aspects of the decision, before the decision is made.

The fifth rule is **reasonableness**. The administrative official must fulfil all of his duties by taking actions based on the best judgment required in the circumstances of each and every case. This is all rather vague, as there is no comprehensive definition that determines what reasonable behaviour in every case and situation is. Nevertheless, a definition which can indicate the right direction is this: reasonableness is all of the actions to be taken and all of the steps that are not to be taken take when fulfilling a function of the public administration.

The sixth rule is **proportionality**. The administration official who is taking the necessary action in every situation that is in his discretion must ensure that there is a substantive connection between the subject of the action and the step that he intends to take. If there are alternative actions that can be taken, then he is to choose that which causes less harm to the individual and for which the expected benefit is greater than the damage it could cause. For example, if someone constructs an addition to his house without a permit, in a zone in which the existing city building plan allows such construction, the official in charge of such matters may give an order that the unlawful addition be demolished. However, there is an alternative that will still achieve the purpose of the law without causing so much harm to the citizen - a fine can be imposed with a requirement that a building permit for the addition be obtained retroactively. If the citizen does not comply, then a demolition order would no longer be considered disproportionate harm to him.

These rules of conduct are intended to guide the administration officials in their actions. They do not constitute an exclusive course of action, and they may evolve and change, and other courses of action may be added in line with the changes occurring in the

public administration, changes in emphasis, worldviews, or changes in prevailing culture. For example, in recent years, officials in administrative bodies are required to act with **transparency;** In other words, they must disclose for public scrutiny the administrative processes that led to the decisions that were made. Another rule discussed earlier in this chapter is **accountability**, i.e. the decision makers taking personal responsibility for their actions and failings, and avoiding hiding behind the inherent amorphous character of the public administration. These requirements are being implemented into the administrative law as part of the manifestations of social, political and economic changes being undergone in recent decades.

The fields of content of administrative law change pursuant to economic, political and cultural change. Many services that were provided, in the past, by administration officials, are now provided by private entities, and the administration's work focuses on the supervision and control of these services. At the same time, there changes have occurred in the scope and application of the principles of legitimate administrative action: in the past, these principles were applied to public bodies only, but gradually, with the privatization of public services, the principles of administrative action have been extended to entities that are not public, but provide public services, especially social services. For example, the obligation to carry out a hearing for an employee prior to dismissal is exercising his **right to be heard**. The obligation to hold a hearing in labour relations was formerly only in the public sector; now it is practiced in Israel in workplaces that are not public.

The administrative principles and outlines for proper action are used by the courts in their review of the public administration actions. A court ruling that a given administrative action does not meet the stated rules could result in its cancellation, in whole or in part. The very existence of judicial review of administrative action is part of the essence of administrative law, since, as noted, this is a field of law that connects between constitutional law and the public administration. The existence of a separate governing authority, whose task is to review and pass judgment, and to which all are subject, even the administrative authorities, is one of the marks of a democracy and one of its most outstanding features. In Israel, administrative matters are heard by the Supreme Court sitting as the High Court of Justice, and by the District Courts sitting as courts of administrative matters.

4.1. Rules relating to the Administration and the Public Service in Israel

There are several laws relating to the public administration in general, and the civil service in particular. Recalling that the public service includes the government workers who are under the direct supervision of the Civil Service Commission. Let us present these laws.

Administration Procedure Amendment Law (Decisions and Reasons), 5719 - 1958, was the first law of administration matters legislated by the Israeli parliament, and is one of the fundamental laws in the field regulating the operation of the public administration. The law seeks to ensure that the exercise of authority of the public administration will be done by law, and that citizens will receive, within reasonable time, an appropriate response and a reasoned reply regarding everything connected with the decisions of the public administration organisations. Thus, for example, Section 2 (a) of the Law prescribes as follows: “when a public servant is requested, in writing, to use the authority granted to him by law, he will decide on the request and will respond to the

applicant in writing as soon as possible, but not later than forty-five days from receipt of the request".

However, the most important and most influential law, the one that laid the foundation for the civil service in Israel, is the **Civil Service Law (Appointments), 5719 - 1959**. The law addresses many important areas, on some we shall elaborate further on in the book. A prominent and important section in this law is Section 19, which imposes the obligation to publish a tender for each employment position in the civil service: "No person shall be appointed as a Civil Service employee unless the Civil Service Commissioner announced the position publicly, at the request of the Director General or whoever was authorised by him to do so, whether the position has become vacant or whether it may become vacant". The purpose of this section is to ensure two principles: ensuring equal opportunity for all candidates, and ensuring that the selected candidate will be the one who is preferred in terms of personal knowledge, skills and experience. Over the years, the law has undergone fourteen amendments, but only one of them was a substantial change. Section 15A prescribes the requirement of appropriate representation for both genders, people with disabilities, and members of the Arab population (including Druze and Circassian) among civil service employees.

Beyond the direct implications for the executive branch, **the "Basic Law: The Government"** also addresses State employees. Sections 33 and 34 prescribe the method for delegating authority to a public servant, and how to revoke such delegation of authority. Section 33 (b) states: "A power that is granted to one of the Ministers by law, or that is transferred to him under Section 31 (b), except for the power to enact regulations, may be delegated by the Minister, in whole, in part or subject to conditions, to a public servant". Section 33 (c) states: "A power delegated by the government to a Minister, except for the power to enact regulations, may be delegated by the Minister, in whole, in part or subject to conditions, to a public servant, if the government empowered him to do so". Section 34 prescribes how such authority can be relinquished: "The Minister charged with the implementation of a law, may assume for himself any power, except a power of a judicial nature, granted by said law to a civil servant, if the law does not imply otherwise, the Minister may do so for a particular matter or for a set period of time". In this context, that of the interrelationship between the minister and his staff, Section 15 of the **Interpretation Law, 5741 - 1985** prescribes: "The authorisation to enact regulations or issue administrative instructions means an authorisation to enact regulations, to amend them, to suspend them, or to cancel them in the manner the regulations were enacted or the orders were issued". This means, regulations are made by power of law or an express authorisation therein, and the regulations have binding legal force and effect. Section 14 of the Interpretation Law deals with the manner in which an appointment is made and the manner in which it is revoked and cancelled, and states that "The authority to make an appointment includes the authority to suspend its validity, to cancel it, to dismiss the appointed person, or to suspend him from his duties".

Other laws have various degrees of influence on the legal aspects of the civil service. For example, the **Civil Service Law (Pensions), 5730 - 1970,** regulates (in a very ramified and complicated manner) the entitlement of civil servants, employees of statutory authorities and others retiring from their positions, to receive pensions. The **Civil Service Law (Discipline), 5723 - 1963,** states that civil servants are subject to disciplinary law, in addition to civil and criminal law. Amongst other things, they are not allowed to behave in a manner unbecoming a State employee, act unfairly when fulfilling their duties, provide false information or conceal facts in order to obtain an appointment or a position in the civil service. Whosoever transgresses these and other prohibitions

may be brought to trial before a disciplinary tribunal that operates in the Civil Service Commission and has the power to impose a list of penalties.

In the **Encouragement of Integrity in the Public Service Law, 5752 - 1992,** it was prescribed, inter alia, that the State Comptroller has the authority to reinstate an employee in his position, if he was dismissed after exposing corruption in the workplace or warned of its existence. The **Public Service Law (Gifts), 5740 - 1979,** imposes a total and comprehensive prohibition on public officials receiving gifts, services or any other benefit without paying consideration for them. The **Public Service Law (Restrictions after Retirement), 5729 - 1969,** imposes a one year cooling-off period for senior civil servants who are retiring from the civil service and wish to start work in certain entities with whom they had a relationship while serving in their positions in the civil service. An example is an executive in the Ministry of Finance, who oversees a row of financial institutions in the market, such as banks and insurance companies, and after his retirement he wishes to join an organization that he previously supervised. The law is designed to prevent conflicts of interest or abuse of executive status by these members of the civil service.

In addition, there are a number of laws that relate to the entire public administration in Israel. For example, the **Mandatory Tenders Law, 5722 - 1992,** prescribes an obligation to publish a tender before creating a business transaction between the State, or any government corporation, and private parties. Section 2 of the Law is the main normative source for this, and Section 2 (a), which states: “The State, and every government corporation, religious council, health services fund, and higher education institution shall not enter into a contract to carry out a transaction in goods or land or for the performance of work or the purchase of services, except by public tender that allows every person an equal opportunity to participate in it”. By virtue of this law, the tenders are made accessible to many and various elements, and it helps reduce possible cases of corruption, such as tenders “pre-tailored” for a specific candidate.

Section 2 (a) of the **Internal Audit Law, 5752 - 1992,** provides that: “An internal audit shall be conducted in every public body by an internal auditor”. Section 4 (a) (1) of this law prescribes: “The internal auditor will examine, inter alia, whether the actions of the public body in which he serves as auditor and of the officers and functionaries of that body are in order, in terms of abiding by the law, proper management, integrity, efficiency and economy, and if they help to achieve the objectives set for them”. Section 1 of the **Freedom of Information law, 5758 - 1998,** explicitly prescribes: “Every citizen or resident has the right to obtain information from a public authority in accordance with the provisions of this law..”

Finally, we note that there are two courts which deal with various administrative issues: the Administrative Tribunals and the Courts of Administrative Matters. The **Administrative Tribunals Law, 5752 - 1992,** provides, in its definitions section, that an “Administrative Tribunal” or “Tribunal” is an instance established by a minister or other administrative authority, that has judicial authority, whether it is called a tribunal, a plea board, an appeals committee, or a different name. The “judicial authority” referred to in this section means the power to decide on a dispute to which an administrative body is a party.

As for the **Courts for Administrative Matters Law, 5760 - 2000,** Section 1 of the Law explains its objective and purpose: “This law aims to gradually empower the District Court sitting as the Court for Administrative Matters to hear administrative matters that are heard in the Supreme Court sitting as the High Court of Justice, or in other courts, by judges of the District Court who shall be selected for this purpose and according to

special procedures to be determined". Section 5 of the Law defines the powers of the court: to hear a petition against the decision of an authority or a public body (administrative petition), submission of an administrative appeal, submission of an administrative claim, as well as the authority to hear and rule on an administrative matter or other matter. Administrative matters are matters between private individuals and the authorities, the latter including State authorities, local authorities and those holding public positions by law, this by power of Section 2 of the Courts for Administrative Matters Law. It should be noted that in matters for which there is no explicit provision in the law that empowers the Courts for Administrative Matters pursuant to the Law, the exclusive jurisdiction is in the hands of the Supreme Court.

4.2. The Term "Public Servant" in Israeli Law

The term "public servant" has various connotations, some of which relate to the link between the public servants and the recipients of the service, others are organisational and refer to the link between the public servant and his employer, the government body where he works. The law defines "public servant" in different ways, albeit rather similarly, for different purposes. Nevertheless, the justification for viewing public servants as a separate group, and for the dedication of specific laws for the regulation of their work and status are common to various legal areas: at the basis of the public servant's duties lies the government's obligation to the realisation of human and civil rights; public servants have a duty to act on behalf of the government, with a complete separation between their personal interests and their professional discretion; they must do so without being influenced by expressions of dissatisfaction, insults, threats of legal action, or fear of infringement of any kind of rights. From the perspective of the public administration, therefore, the definition of "public servant" has great practical importance. For example, public servants are susceptible to criminal prosecution for crimes unique to them, and the law also provides specific protections that are exclusively for public servants.

At the base of the matter, the complexity of the term "public servant" is similar to the inherent complexity of the relationship between corporations of all types - public and private - and their employees. Every entity, private or public, operates through people who make decisions in its name and on its behalf. Therefore, the orientation of these people to the corporation's best interests - to the extent the best interests of the corporation is consistent with the natural tendency of people to act for their own benefit, while protecting personal interests, from a subjective understanding or from emotional, personal impulses, with personal limitations - is repeatedly tested. This is a fundamental issue of administration, a consistent and continuous test, which corporate law refers to as the "agency problem". A significant portion of corporate law is dedicated to regulating this inherent element. Public bodies are no different in this regard, and the actions of their employees invite the same dilemmas. The actions of employees in a public body, just like the actions of an employee in a private corporation, is the action of the entity itself. Public bodies, however, are a special kind of corporation: the basis of their existence is the government's commitment to realise the rights of individuals, so that a public servant's action that results in harm to a person who receives service, means the infringement of that person's right by the government, and this has broad constitutional implications. The justification for the differentiation of public servants is illustrated well in the exception prescribed in the laws of evidence: facts are most commonly presented

to the court through witnesses, verbally. Section 23 of the Evidence Ordinance[6], however, sets an exception to this rule: the court may accept a written document as evidence of the correctness of a factual detail, if it is signed and submitted to the court as a "public servant certificate". This means that "public servant" is the authority itself, and his signature on a document is the same as testimony by the Authority, as if it appeared and testified itself. The identification of public officials with the governmental authority within which and by the power of which they operate requires them to abide by those special rules that we have discussed earlier: the must avoid conflicts of interest, extraneous considerations, prejudice, and they must respect the right to be heard of those who may be harmed by their decision, and act reasonably and proportionately. In addition to these rules and principles, the law prescribes specific rules for public servants; the principle ones are listed in the Penal Law, the Torts Ordinance and the Labour Dispute Settlement Law.

Section 34X of the Penal Law, 5737 - 1977, defines "public servant" as one of eleven alternatives. Most of the alternatives are explicitly organisational. This is a list of organisations, whose workers are called "public servants": civil servants, local authority employees, religious council employees; National Insurance Institute employees, Bank of Israel employees, World Zionist Organisation employees, Employment Service Bureau employees; employees of a plant, institution, fund or other entity that the government participates in its management, including as a member of the board or management of these entities; a director on behalf of the government in a government company, a government subsidiary or a mixed company, as such defined in the Government Companies Law, 5735 - 1975, as well as an employee of such a company or a person employed in its service. Two other alternatives are based on functional definitions, that is, the nature of the work of those defined as a "public servant": an arbiter and one who retains a position by law. In addition, with regard to bribery offenses, the Penal Law prescribes that for the purpose of this offense, a "public servant" is also an employee of a corporation that provides a service to the public.

Some of the provisions of the Penal Law were intended to impose unique sanctions on public servants when they violate the norms of conduct prescribed for them. For example, Section 279 of the Law provides that a public servant submitting a false report faces three years imprisonment and a public servant who stole something worth more than 1,000 shekels (around 240 euros) faces ten years imprisonment. It is clear that providing a false report, on its own, may lead to a sanction and that theft is a criminal offense. The legislature, nevertheless, saw fit that these offenses, when committed by those who are the "long arm" of government, be subject to particularly severe sanctions.

From the other side of the coin, there are other provisions in the Penal Law that are intended to impose sanctions on those who attack public servants. For example, insulting a public servant, whether by gestures, words, or deeds, can result in six months imprisonment. The objective of this Section is not the protection of the individual public servant, as "insulting" per se is not an offense, and the courts in Israel give more importance to freedom of expression; rather it is to ensure that the ability of public servants to discharge their duties properly is not impinged due to insults hurled at them by dissatisfied citizens. Moreover, maintaining the dignity of public servants through sanctions imposed on those who insult them also helps to maintain public confidence in the civil service and ensure that the public will act with respect to those who serve in it.

[6] A law (1971) obliging citizens to supply the authorities with relevant information about investigation on public affairs.

To be clear, the prohibition of insulting a public servant is not due to any superiority of the government over the citizen or to an archaic feeling of reverence that citizens have towards those in power (Le Grand, 2003), but comes from the desire and the need to prevent the inverse, i.e. derision for the public service.

In the Torts Ordinance (New Version), a "public servant" is defined by organisational affiliation alone: a civil servant or employee of a public authority, as applicable. In the Addendum to this Ordinance are listed certain entities whose employees are considered to be "public servants": the State and the local authorities, the Bank of Israel, the National Insurance Institute, the Employment Service, the Authority for the Protection of Nature and National Parks, the Agricultural Supervision Authority, the Securities Authority, the Israel Antiquities Authority, the Second Television and Radio Authority and the Airports Authority. The definition is required for special protection against the filing of tort claims, namely a claim for payment of damages against public officials for an act done in the performance of their duties. It is, nevertheless, worth emphasising that not all of the workers of the aforementioned entities are "public servants" protected from tort claims, but only those who hold a "governmental position". This section has been interpreted, so far, as having the protection apply to police, since the arrests they make are considered a "government duty", but does not apply to doctors at a public hospital, because their discretion is essentially professional, and is not affected by the identity of the body in which they work. The reason for protecting these workers from the filing of tort claims is similar to the rationale behind the imposition of criminal sanctions for harm to public servants: there is concern that without protection from a personal claim, public officials will be deterred from performing their duties without fear or bias. In this sense, this protection is seen as a protection for the public, in whose name and for whose benefit the employees fulfil their duties.

The labour laws apply special rules for public servants, according to a definition found in the Settlement of Labour Disputes Law, 5717 - 1957. The fourth chapter of the Law deals with collective agreements in the public service, and defines "public service" so that its workers will be differentiated from other workers. These include: civil servants and members of the State's defence establishment, municipal employees, employees of the public health services, teaching staff in the official institutions, employees of higher education institutions, civil air transport employees, electricity and water supply employees, and employees of communications services. The law deals with two issues with respect to these employees, and here, too, we can use a familiar distinction: the employees' relations with the public they serve, and the employees' relations with their employer. The law states that a strike declared in a public service without the permission of the representative labour union, is an unprotected strike. This means that employees who conduct such a strike can face various sanctions, if these are demanded and depending on the results of proceedings brought against them. On the other hand, with respect to the relationship between the employees and their employer, the law provides that a public employer who violated a collective agreement is expected to pay increased compensation to his employees, depending on the Labour Court's ruling. So we see that from two aspects the legislature views public servants or, as this law defines them, employees of the public service, as different from their colleagues who do not work in this service: their ability to strike is limited, and the public employer must act towards them with a higher level of bona fides. The labour laws also view the responsibility borne by public servants as significant and substantial. This is the reason work stoppages, even if for a strike, require careful consideration to reflect the appropriate balance between the responsibility to the public receiving the services and the rights of employees to fight for their status. On the other hand, the legislator seeks to protect public servants in the criminal and the tort context, for the same reasons mentioned

above: employees who act in the name of the authorities need to feel protected, in order for them to use their best judgment in every action performed as part of their duties; even if they are not entitled to special respect, they certainly do not need to be exposed to special harm.

5. The Public Administration Employees in Israel - Key Characteristics

The talents and perspectives of the public administration employees could have a significant impact on the quality of public services provided and, therefore, the issue of human resources in the public sector in Israel achieves research and professional prominence. According to the broad definition of the public administration, in the second decade of the third millennium, there are hundreds of thousands of employees in Israel, not including Israel Defence Forces employees or civilian employees of the defence establishment. According to Gal-Nur's estimate (Gal-Nur, 2011), as of 2005, the total number of people employed in public sector stood at 317,946 governmental public administration employees, 107,200 local authority employees, and 2,597 nongovernmental public administration employees (including 760 employees of the Bank of Israel). The public service is divided into two clusters: the first, professional (rank of professional), with 18 specialties, the largest of which includes nurses, academics from the humanities and social sciences, physicians, engineers, lawyers and social workers, most of them who are organized in trade unions. The second cluster (rank of administrative), including junior technical employees and clerks who are organized under the Public Workers Union.

A university undergraduate degree serves as a prerequisite for senior positions and less senior positions in the public service in Israel. Many units, such as the State Comptroller's Office, also required a graduate degree. The number of degree holders in the public service has risen over the years, however, a number of cases of what was coined the "diploma mill" were exposed in the 2000's: some employees of the public administration, and sometimes its senior employees, paid for the receipt of a degree from an institution that was not completely academic. In these institutions, in contrast with established and supervised universities and colleges, the academic obligations and degree requirements were minimal, and in some cases entirely fictitious. Incidents such as these cast a shadow on the increasing average level of education of public servants.

Recruitment and staffing in the civil service is done by the government ministries and the Civil Service Commission, which has the charge as the body that oversees the implementation of the government's policy in the fields of administration and human resources in the civil service. The decision of accepting a worker to civil service or promoting one has great significance because mobility in the civil service as well as the ability to dismiss a worker are much more limited than in the private sector, due to the tenure that civil service employees receive after a trial period. The Civil Service Law (Appointments), 5719 - 1959, the Civil Service Rules (Appointments) (Tenders, Exams and Tests), 5721 - 1961, and the provisions of the Civil Service Regulations, lay out the route for recruiting and promoting employees in the civil service. When there is a vacant position, a tender is to be publish in order to fill it. This provision is, ostensibly, meant to ensure a proper and optimal selection process, while providing an equal opportunity for each candidate, so as to choose the best among the candidates. However, the State Comptroller's reports show that this is not always the case (State Comptroller, 2010; 2007; 1995; 1993; 1989).

Senior civil servants are recruited by a different process than that by which are recruited public servants to positions that are not senior, and they are detected in the early stages of their careers, for example, under the 'Futures Programme'. The threshold skills required for general managers wishing to work in a government ministry include the following: an academic degree from an institution of higher education in Israel that is recognised by the Council for Higher Education, or a degree from a foreign institution recognized by the Department for Evaluation of Foreign Degrees; at least four years' experience in managerial positions in the public service or in a corporation with a significant business volume or activities, or in another position that the Appointments Committee deems relevant. Candidates who do not have a degree, but have eight years' experience in the field of employment of the ministry, including four years of management experience, shall be considered for a general management position, as an exception. Candidates who do not have four years of management experience, but have worked for twelve years in the field of employment of the ministry, will also be considered for the position of general manager (Hollander, 2008: 63). Although there is no official data on senior staff from 2000 and onwards, it appears that senior employees in the State are still mostly relatively mature Jewish males, educated and from an urban background, with a prominent proportion being of European or American birth or ancestry (Gal-Nur, 2007: 120).

Mazar and Michelson (2010) examined the issue of wage differences between men and women in the public administration between 1991 and 2009. They found that men **entered** the public administration in better positions than women, and in positions with higher pay. In their view, this is not, apparently, a form of discrimination in the public administration, but reflects wage differences that existed between men and women in their previous workplace. This phenomenon exists for all ages, and is a leading cause of the wage gap between men and women throughout their careers. The source of the gap, in their opinion, is not a difference in how men and women who persevere in a career in the public administration, advance, but rather differences when joining the public administration: analysis of data on employees of the public administration who persevered in their positions over the years indicates similar wage development routes for women and men, however, the initial wage gaps were maintained throughout the career.

If women in Israel are a significant part of the employees at the junior levels and some of the intermediate levels in the public administration, but are not well represented in senior positions, then, when it comes to Arabs, the situation is entirely different. Until the 1990's, few Israeli Arabs were employed in the public administration, except for in junior positions or in positions relating to the Arab population. Almost all of these roles do not have a real influence on the decision-making processes in the public administration. Over the years, there were various initiatives to grant preference to Israeli Arabs contending for positions in the civil service, however, these initiatives have not been a great success. Providing adequate representation for Israeli Arabs in the public administration is enshrined in Amendment No. 11 to the Civil Service Law (Appointments), 5761 - 2000. Since then, the government adopted a number of resolutions regarding the increase in the number of Arab employees in the civil service, but the pace of implementation of the policy has not kept up with its design. At the end of 2007, the government decided on quantitative targets regarding the representation of Arabs and Druze in various government ministries and ancillary units. Even though it was determined that a rate of at least 10% is to be achieved by the end of 2012, in early 2010 it reached about 6.97% (a total of 4,245 employees), when their proportion of the population was approximately 20%. Their representation in government companies is, also, quite small, with only 8.5% of the directors in these companies being Arabs. In the

Courts Administration, the proportion of Israeli Arabs among the employees is 3.4%, in the Educational Television it is about 2.2%, and in the Israel Lands Administration it is 2.9% (Sikkuy Association Report, 2010). The vast majority of Israeli Arabs in the public administration are employed in the Northern and Haifa Districts.

Epilogue: On Problems of Non-Governability and the Need for Reform

The true and important need for creating a proper and effective public administration is not foreign and probably was never foreign to the decision-makers in Israel (Tzur and Cohen, 2019). Various findings regarding the weaknesses of the public administration, as well as the need for fundamental reform, have appeared in dozens of different reports and are well already known to the decision-makers in Israel (Cohen, 2016). An analysis of the causes and the various problems that have characterised the public administration since the beginning of the current reform can be found in (Tzur and Cohen, 2019). We would like to conclude the present paper with a brief focus on the phenomena related to many of these factors, and which directly affects the public administration in Israel - the problem of **non-governability** in Israel.

The second decade of the 21st century appears to be a decade full of attempts to genuinely reform the Israeli government, particularly the public administration organizations. While some of the reforms do not only focus on the civil service, but also on other areas of administration (see, for example, the Governance Committee Report, 2013), the spirit of change cannot be separated from the desire to change and fix the public administration organizations in Israel. Neither can the cumulative effect of local initiatives in the various public administration organizations and various specific issues be ignored (for example, the 'E-Government' project), which did at least result in some change in the functioning of the public administration in Israel. However, despite the accumulation of and many other domestic or specific reforms such as these, many in the Israeli administration system understand that a more substantial and comprehensive reform is required. One distinct feature can be attributed to all of the various attempts, an understanding that Israel suffers from a serious problem of non-governability.

Non-Governability is defined as the inability of the decision makers, politicians and bureaucrats, to shape public policy and to implement it effectively and for the long-term (Cohen, 2013b). In such a reality, decision-makers are primarily engaged with "extinguishing fires" and do not succeed in shaping policy based on long-term considerations. They refrain from managing, developing and implementing significant, comprehensive and long-term plans for a fundamental improvement of reality. Thus, even if there is motivation to promote ideas and reform, with an incentive that is purely ideological, the structural conditions do not allow the decision-makers in Israel to do so.

Thus, the structural conditions prevailing in Israel - political instability and frequent regime change, social divisions, and political and security problems - greatly hinder the reform of the public administration and makes it very difficult to conduct any long term reform. The great tribulation is that the strong reciprocal affiliation between politics and the public administration in Israel (Kfir, 1997, 322), and the lack of professional autonomy for the public administration, results in a weakening political system that drags the public administration down with it (Tzur and Cohen, 2016; Gal-Nur, 2011; Reichmann, 2006, 12).

The continual weakening of the Israeli governments' ability to govern was very evident in the 1980's and 1990's, and it continues to disturb many in the first two decades of the 21st century (Mizrachi and Medini, 2006, 13; Nahmias and Sand, 1999; Cohen, 2013b; Nachmias and Arbel-Ganz, 2005). While in the past, Israeli governments could boast of their successes in the fields of economy, infrastructure, education and more, it seems that in recent decades they are not able to implement comprehensive plans in the long-

term. The public administration in Israel is overly centralized, full of political appointments (with such appointees not always having the skills and talents required for their duties), and also suffers from outdated budgeting processes and an inability to plan in the long-term (Doron, 2006; Cohen, 2013b). In addition, the political system is very partisan, both in building a coalition and in Knesset representation. It is rare for governments to complete more than two thirds of the maximum (four years) term by law. Prime minister and, in particular, cabinet ministers are replaced relatively frequently, and in such a political culture there are no norms prescribed by law that promote accountability and transparency (Nachmias and Arbel-Ganz, 2005, 282 - 285). This matter, as noted, also affects the functioning of the public administration, which is characterized by considerable politicization.

Yet, despite the delay in the reform of Israel's public administration, in part due to problems of non-governability, it is nonetheless necessary, especially, perhaps, in order to reduce the negative effects of non-governability in Israel. The strength of Israeli society, its economic future and democratic character largely depends on the professional quality and moral character of its citizens, but also on the quality of the senior professional level, the mid-level and the more junior levels, entrusted with the management of the public sector. With a reality changing daily throughout the world, and in particular the Middle East, there is a need for quality public leadership that can properly handle the public management tools, but primarily understands the vital role of the State in shaping society and the State. Hence, a reform of Israel's public administration may substantially cover the internal and external structural challenges faced by one of the world's youngest democracies, and significantly improve the lives of its citizens. Although it is currently difficult to estimate the chances of success of the reforms now taking place in the public service in the Israel, if it is successful, then it will significantly change the face of Israel. Moreover, it can be assumed that a successful reform of the civil service may have a “snowball” effect, with reforms coming to the local government and even to other the public administration organizations that exist outside the civil service. Thus, in the long-term, the success of the reform will not just determine the face of the public service in Israel, but may even change the face of Israeli society.

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Directeur de la publication :
M. Patrick Gérard

École nationale d'administration
1 rue Sainte-Marguerite
67080 Strasbourg Cedex
+33 (0)3 88 21 44 44

2 avenue de l'Observatoire
75272 Paris Cedex 06
+33 (0)1 44 41 85 00

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