

September 2005

Wake-Up Call

A Work Plan for a New Era in Israel

- for improving the employment situation, reducing poverty and increasing economic growth.
 - for rescuing Israel's public education system.
 - for determining a national security strategy for the day after the disengagement.
 - for reforming the structure of government to enable governance, implementation of long-range policies and the reviving of public trust in the political system.
 - for waging an unrelenting war with "zero tolerance" on corruption and violence.
 - for establishing equal obligations alongside equal rights for every Israeli citizen.
 - for modifying and upgrading the relationship with Jewish communities abroad.
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Dan Ben-David

About the Author of the Work Plan*

Dan Ben-David, a macro-economist specializing in economic growth, international trade and public policy, completed his doctorate in economics at the University of Chicago under the supervision of Nobel laureate in economics, Robert Lucas.

As a researcher, Ben-David was recently ranked among the 10 most cited (in academic journals) Israeli economists during the years 1990-2000 and is one of a small group of Israeli academic economists who has held the position of Research Fellow concurrently at two of the leading research institutes in Europe and the United States: the Centre for Economic Policy Research (CEPR) in London, and the National Bureau of Economic Research (NBER) in Cambridge, MA.



As a teacher, Dan Ben-David was the recipient of Tel-Aviv University's "Outstanding Teacher Award" for Social Sciences in 2004.

Alongside his academic work, Ben-David has a regular column on the editorial page of the *Haaretz* newspaper and has extensive policy-related experience. He served as an advisor to the World Bank and to the Director-General's office of the World Trade Organization on issues of economic growth and international trade. His research in these areas served as a basis for courses given by the World Bank to policy makers from developing countries and was cited in a British government budget proposal a few years ago.

Dan Ben-David is married with three children. The change in his professional focus occurred in 1999, when he internalized the implications of Israel's long-term trends and the existential danger that they'll pose in another generation or two. Since then he has been conducting research on the socio-economic paths and has presented various perspectives of this work before the country's prime ministers and the directors-general of their offices, as well as before cabinet ministers, Knesset members, Knesset committees, current and past Israeli National Security Advisors, and many others serving in high-ranking policy-making capacity.

Ben-David headed an interdisciplinary academic team comprising both economists and sociologists which in March 2004 prepared a report titled "A Blueprint for Improving the Employment Situation in Israel". The report was presented before the Knesset Labor and Welfare Committee and before many other forums, and gained support from both ends of the labor-related public spectrum: the employers' representatives and the workers' representatives. Dan Ben-David was a member of the independent ELA committee which prepared the report "A Proposal for Structural Reform of Israel's Education System". The report was presented to the Education Minister and to the Knesset Education Committee in November 2003. The ELA committee's proposals comprise the main bulk of recommendations made by the subsequent Dovrat Education Task Force set up by Prime Minister Sharon. In 2000, Ben-David was a member of a blue-ribbon academic team brought together by Prime Minister Ehud Barak and headed by former Tel-Aviv University president Haim Ben-Shahar. The team presented its proposals for new national socio-economic priorities before Barak in April 2000 and before a specially-convened cabinet meeting devoted to this issue in May 2000.

In this manner, the *Work Plan* began to take shape, step by step, one topic after another. Its content is based on Ben David's works – both his own and in conjunction with colleagues – and is intended to ensure the future of his children and of their generation.

addendum (March 2006): The Kadima party was created by Prime Minister Ariel Sharon in November 2005. At Sharon's request, Dan Ben-David joined Kadima and was a candidate on its Knesset list in the 2006 elections. Kadima's socio-economic platform was co-authored by Ben-David and was based on this *Work Plan*.

* A selection of excerpts from the local press, that appears on the inside of the back cover, provides an indication of the influence of Ben David's work in recent years.

Introduction

Israel is in need of a new vision, with hope and a horizon that accord with the feeling shared by most of us – that this nation, which created a miracle here over the past six decades, is capable of soaring to previously unknown heights in the coming six decades. It is all in our hands.

A professional and comprehensive *Work Plan* for realizing this vision is presented here.

In recent years Israel has been forced to deal concurrently with terror attacks of unprecedented scope and brutality, with attempts at delegitimizing its national image in both the regional and international arenas, with a serious social crisis, and with a severe economic recession. There are currently signs of improvement in both the security and economic arenas, and of a gradual return to “business as usual” along Israel’s long run trajectories.

The problem is that these trajectories – which reflect the country’s national agenda since the seventies – represent very problematic trends that will be unsustainable in the long run. Since the seventies Israel has been characterized by slow economic growth, which has led to a relative decline in its standard of living compared to the leading nations in the world. Its rates of poverty and inequality are among the highest in the West, and they have been steadily increasing since the seventies. Inadequate education, combined with spreading corruption in government and society, only serve to exacerbate the downward trends.

The disadvantaged section of the population, which is not given the tools and conditions necessary for participating in an open and competitive job market, is growing at a much faster rate than the advantaged population that is financing the resultant welfare assistance. In a modern and open economy, which enables free movement of capital and labor from Israel abroad, those who continuously increase the already-heavy burden on the part of the population that pays taxes and serves in the army must understand that there exists a breaking point. Laws necessary for changing the long-run trends, which are already difficult to pass by democratic vote, will become impossible to pass in another generation or two.

Unless fundamental changes occur in its long-term socio-economic trajectories, the State of Israel will find it difficult to exist as a first-world country – or to exist at all, given its geographic location and the associated dangers. The severe crisis that has been steadily enveloping Israel’s society and economy is not an outcome of some preordained destiny. Its severity is not purely a result of terrorism or the worldwide recession. It is possible to stabilize the present situation and to dramatically improve the long-term outlook. What is not possible is to allow the pervasive mental block regarding our current national priorities to persist.

Israel stands today at one of its most important crossroads since attaining independence in 1948. The time has come for understanding the extent of reciprocity between providing security, empowering society, strengthening the economy, and enhancing governance. The time has come to set new national priorities, which find expression in this *Wake-Up Call: A Work Plan for a new era in Israel*.

The new national priorities must be derived from the State of Israel’s overall objective: providing liberty, freedom and security to the Jewish people in their national home, as a country with a Jewish character, a Zionist direction, and a democratic regime in which all its citizens – from all races and religions – enjoy equal opportunities, prosperity and quality of life.

National Security Work Plan (page 3). Preserving a Jewish-democratic state requires sustaining a solid Jewish majority, which must be maintained only by moral and legal means. To this end, Israel must initiate a separation from the Palestinians and determine the country's borders, while aiming to reach a final status agreement within a set timeframe that provides for "two states for two peoples" between the Jordan river and the Mediterranean sea. If it becomes apparent that a final status agreement is unattainable, Israel must take unilateral action – including steps to increase the security of its citizens within temporary borders that safeguard its Jewish, democratic and Zionist identity – until the other side comes to its senses. Israel also has a very important role to play, with a much different emphasis than in the past, in strengthening the ties between the State and the Jewish and Israeli communities abroad.

Socio-Civic Work Plan (page 9). Achieving Israel's supreme objective as a Jewish-democratic state requires that "this must be the land of choice," as Herzl already understood over a hundred years ago. There should be no doubt that it is possible to build here an economy with rates of employment and income among the highest in the world, and a model society that demonstrates the will and the ability to care for its weaker members according to the best of Jewish tradition. Success in the socio-economic sphere must be based on a joint sense of partnership – that must be reinforced and fortified – between all components of Israel's population. This is the primary channel that will enable us to mend the rifts between Jews and Arabs, religious and the secular Jews, veterans and immigrants, and between periphery and center.

Education Work Plan (page 18). Education is *the* national infrastructure. A high-quality core curriculum common to all schools can provide each Israeli with an equal opportunity to realize his or her potential and to confront the challenges of the 21st century, while instilling values such as love of country and people, democracy and humanism, and the encouragement of excellence and tolerance.

Governance Work Plan (page 22). In order to realize the vision underlying the new national priorities, a concentrated effort is required to enhance the governance in this country – through a change in Israel's system of government and by choosing a serious leadership with integrity, a sense of purpose, and who leads by personal example. This is the only way to produce public representatives who are personally committed to their electorate, a government in which all the ministers act in conjunction to achieve the same goals, and political stability that enables long-term planning and its implementation. Distribution of resources according to national rather than sectoral perspectives, according to new criteria that are clear and transparent, together with an uncompromising battle against corruption and other illegal activities – these are essential for enhancing the sense of social justice necessary for carrying out the wide-sweeping changes that comprise the new national agenda.

Israel is the anomaly of the Western world. There is no other nation with such dismal socio-economic features that have endured for so long, and yet has so many bright points of light in areas so important for its success. But this anomaly cannot be sustained for ever. Either the light will get brighter and spread to every corner of the land, or it will dim – with all the implications this has for the future of the State of Israel.

Israeli society must remove its blinders and see how and where it has been led over the past decades. As a country facing considerable external dangers, the fact that our military might is founded upon socio-economic strength should be clear. We know what the problems are. We know where they can lead us. We also know how to solve them – and there is still time to do so. But this is a window of opportunity that will not remain open indefinitely.

The objective of the vision expressed in this *Work Plan* is not merely to ensure the continued existence of the State of Israel. This is a vision that ensures that Israel will continue to be a country in which we can all take pride, a vision that ensures the continuation and vitality of the Jewish people both within and beyond the State's borders.

National Security Work Plan

Israel's continued existence as a Jewish-democratic state necessitates an urgent and historic decision to preserve a solid Jewish majority within the sovereign borders of the country, a majority that should be maintained only through moral and legal means. Hence, the determination of Israel's borders must reflect demographic and defense considerations, even when these come at the expense of the Jewish people's historic right to the entire Land of Israel.

Demographic considerations dictate not only avoiding the inclusion of densely populated Palestinian areas within the country's borders, but also a focused national effort to encourage immigration and its absorption; to strengthen Jewish presence in areas of national and security importance, such as Jerusalem and its surroundings, the Negev and the Galilee; and unconditional refusal to allow the return of Palestinians to Israel.

Objectives

- ★ Ensuring Israel's continued existence as a Jewish and democratic state, with a solid Jewish majority sustained only by moral and legal means.
- ★ Providing security for Israel's citizens.
- ★ Separating from the Palestinians with the aim of reaching a final status agreement of "two states for two peoples" between the Jordan river and the Mediterranean.
- ★ Establishing equality of civil obligations alongside equality of civil rights.
- ★ Preserving and strengthening the Jewish people and reinforcing the ties between the State of Israel and the Jewish and Israeli communities abroad.

Policies Required for Achieving the Objectives

1. A Strategic Plan for the Day after Disengagement from Gaza and Northern Samaria

The time has come for Israel to determine a long-term national defense strategy targeted at ensuring the future existence and the Jewish-democratic identity of the State of Israel. There are 10.5 million people living today between the Mediterranean Sea and the Jordan River. By the year 2020, this number will rise to about 15 million – of which 45% will be Jewish. Preservation of the Jewish, democratic and Zionist identity of the State of Israel necessitates parting ways with the Palestinians.

The strategic work plan detailed here delineates a clear track that combines elements of various plans proposed separately by the reserve generals Ami Ayalon, Giora Eiland and Uzi Dayan, and by former U.S. President Bill Clinton. It includes principles that, from Israel's perspective, must be included in any final status agreement, it provides two alternative options upon which such a permanent agreement could be based – while prioritizing between them – and it also provides an option in the event that it will not be possible to reach a final status agreement that includes the essential conditions for Israel.

In the first stage Israel needs to call for negotiations with the aim of reaching a final status agreement within a defined period of time, based on sections A and B below:

A. Six Principles on which any Final Status Agreement must be Based

- Palestine will be the only state of the Palestinian people, just as Israel is the only state of the Jewish people.
- The right of return of Jews will be realized in Israel and the right of return of the Palestinians will be realized in Palestine only.
- Permanent borders will be mutually agreed upon by all sides, taking into consideration security needs, demographic realities and the 1967 borders.

- The Palestinian state will be demilitarized and will not constitute a direct or indirect threat to the State of Israel.
- Jerusalem is the capital of Israel. There will be no change in the status quo of the holy basin, with freedom of religion and full access to holy sites guaranteed to people of all religions.
- The final status agreement will mark the cessation of the Israeli-Palestinian conflict and an end to all mutual claims.

These principles include Israel's red lines that guarantee its future security and character as well as Jerusalem as its capital. Israel must not sign any permanent treaty that does not include an agreement by all signatories to these basic guidelines.

B. Main Alternatives for Dividing the Territory (as part of a future final status agreement)

- *The preferred alternative:* A multilateral agreement between Israel, Palestine, Egypt and Jordan involving a three-way exchange of territory.

The population of Gaza is currently 1.3 million. In the year 2020 it is projected to reach 2.5 million. Apart from the severe problem of population density, Gaza faces a critical shortage of jobs. Employment of these workers in Israel – the policy in place since 1967 – represents a problematic long-term solution for both sides:

- Palestinians are employed in Israel under conditions that violate basic Israeli labor laws. Aside from the extremely problematic legal and moral implications of this, the end result is a crowding out of Israelis from the labor market and a severe blow to the wages of unskilled Israeli workers.
- From the Palestinian perspective, the signing of a final status agreement needs to open before them a window of opportunity for achieving a significant improvement in their standards of living. Such an improvement cannot come from menial labor in Israel but from large-scale investments in physical and human capital infrastructures in the Palestinian areas – financed generously and monitored closely by international donors and foreign experts once the agreement has been signed – which will provide jobs today and hope for the future.

Therefore, the preferred alternative for dividing the land is a multilateral agreement between Israel, Palestine, Egypt and Jordan that is based on three guiding tenets: maintaining Israeli sovereignty over main Jewish settlement blocs; finding a long-term solution to severe problems of population density and unemployment in Gaza; establishing an economic foundation that will provide an incentive for all sides to continue abiding by the agreement in the future.

Following are the main points of the preferred alternative:

- Egypt will transfer to Palestine an area in Sinai adjacent to Gaza, on which a new city and large harbor will be constructed.
- In return for the area received from Egypt, the Palestinians will yield to Israel areas containing large Jewish settlement blocs situated close to the green line, as well as minor border amendments.
- As compensation for territory that will remain in Israel's hands, Egypt will receive Israeli land in the Negev north of Eilat and adjacent to the Egyptian border. This area will enable construction of an elevated or an underground land passage – approximately 20 kilometers in length – for vehicles and oil pipelines connecting Jordan and Egypt.
- Jordan will gain direct land access to a port on the Mediterranean, with all the ensuing economic advantages.

The benefits to Israel, Palestine and Jordan are clear. The advantage for Egypt results from defusing the explosive overcrowding and socio-economic pressure along its border with Gaza, from the taxes and tolls that it will collect from the vehicle traffic and oil flow to and from the Palestinian port city, and from the commerce that will materialize in Egyptian territory along the new route connecting the Palestinian city and the Jordan-Egypt corridor north of Eilat.

That said, it would be reasonable to assume that part of the traffic along the new route will come at the expense of traffic through the Suez canal, an outcome that will reduce – though

not entirely eliminate – Egypt’s gains from the agreement (making American aid to Egypt, roughly 2 billion dollars a year since 1979, contingent on that Egypt’s acceptance of the agreement would act as additional “encouragement”).

- *The second alternative:* In the event that it is not possible to reach a multilateral agreement, the second alternative would be a bilateral agreement between Israel and Palestine, along the parameters put forth by President Clinton in November 2000, with a minimal exchange of territory between the two countries. Israel would receive settlement blocs situated close to the Green line plus minor border adjustments. In exchange, Israel will give the Palestinians land in the Negev that is adjacent to Gaza.
- *The most problematic alternative – which should be rejected out of hand:* An agreement between Israel and Palestine that includes the transfer of territory from the Arab-populated “triangle” within Israel to Palestine in return for the settlement blocs. Those who propose this alternative fail to take into consideration that the basic rights of every Israeli citizen include freedom of movement anywhere in the country, including the freedom to choose where to live.

How many of the residents of the “triangle” area will agree to remain in a house that is to be transferred to the sovereignty of a third-world country, with all the problems inherent in such a country? It is not unlikely that hundreds of thousands of Arab-Israeli citizens will simply prefer to move to Haifa, Tel Aviv or Jerusalem rather than to Palestine. In this context a legal issue may arise as to whether the extremely high civilian cost of the compensation paid to the Gaza strip evacuees could constitute a legal precedent for compensating those evacuating the “triangle”. In any event, this alternative will not solve any demographic problem – as seen by its proponents – since the same Arab population will remain in Israel, while the country loses its direct means of access to the Galilee via Wadi Ara.

It is possible that the true motivation of the proponents of this alternative is to revoke the citizenship of Israeli citizens by birth in order to compel them to move to Palestine. However, such a policy is not only immoral, it is not feasible for a country dependent on trade and diplomatic ties – not to mention friendship – with the West.

C. If a Final Status Agreement Cannot be Reached

It stands to reason that the conflict will eventually end in agreement between the sides. But until then, Israel cannot afford to wait passively – in view of the grave ramifications that the default scenario will have on the future of the country. Should it become apparent that there is no Palestinian leadership willing, or able, to reach a final status agreement with us along the principles laid out above, then Israel must act unilaterally to ensure its continued existence as a Jewish-democratic state.

The guiding principles of such a unilateral step are as follows:

- Israel will continue to wage an unremitting war on terrorists and on the terrorist infrastructure in all its forms, in every location, and with all the legitimate means at its disposal, while at the same time demanding that the Palestinian leadership eliminate the violence, the terror and the incitement.
- In lieu of an agreement, Israel will be free to determine its temporary borders and its security arrangements. This entails initiation of an additional disengagement in Judea and Samaria to a temporary border that will enable the IDF to provide security and for Israel to maintain a solid Jewish majority within its borders.

Implementation of this strategic national security initiative means putting our destiny into our own hands. It will strengthen the personal and national security of Israel’s citizens and it will ensure the continued existence of Israel as a Jewish, democratic and Zionist state. Even if it will not be possible to reach a final status agreement in the foreseeable future, this initiative transfers the conflict with the Palestinians onto a track that we will be able to deal with as long as necessary – a fact that may help spur Palestinian understanding that time is no longer on their side.

2. Security

- Provision of security also includes the immediate completion of the security fence. The fence is a vital and proven defensive measure for saving lives and for fighting terrorism. In areas that Israel is already protected by security fences – along the Jordan river, the Golan Heights, the Lebanese border, and around the Gaza strip – these barriers have proven to be very effective in preventing the infiltration of terrorists. The security fence must therefore be completed at once.
 - The route of the fence should be as close as possible to the Green Line in order to limit, as much as possible, the link between the urgent security need for the fence and the political and diplomatic implications on future final status agreements that may emanate from its placement.
 - Jewish communities outside the fence should be protected with barriers along their municipal boundaries and by protection of the main traffic arteries connecting them. That said, these difficulties should be taken into consideration when determining the scope of the subsequent unilateral disengagement (in the absence of an agreement between the sides).
- The world-wide campaign against terror.
 - Israel must continue to support the campaign against terror led by the United States and assist it in every possible manner.
 - Israel should encourage directing the campaign against Syria, Iran and the Hezbollah and should promote steps leading to the dismantling of the terror infrastructures in Syria and Lebanon.
- The threat from unconventional weapons of mass destruction.
 - It is vitally important to prevent the development of nuclear and other unconventional weapons in the area, with diplomacy as the primary means for achieving this goal.
 - The new international norms perceive for the first time a linkage between terror and unconventional weapons of mass destruction. This is an important opportunity that Israel can and must utilize as leverage in an unwavering campaign against the acquisition of nuclear, chemical and biological weapons and of ballistic capability by Iran and Syria.
 - Should diplomatic efforts prove unsuccessful in preventing Iran from attaining nuclear capability, and if it becomes apparent that in the aftermath of such diplomatic failure the United States and its allies will not take military action against Iran before it passes the nuclear threshold, then Israel must itself neutralize this existential threat. Under these circumstances, Israel should employ any means necessary to ensure that neither Iran – nor any other country in the area – acquires a nuclear capability.
- The Israel Defense Forces
 - The IDF is the people's army within a democratic country with an independent judicial system and led by a freely-elected and legal government. The very fact that all this needs to be explicitly stated is an indication of the deep chasm currently dividing some parts of the country's population from others. Under these circumstances, it is important to reaffirm the need to reject any form of organized refusal on the part of IDF soldiers to obey commands.
 - It is important that the IDF should continue to be the people's army, in which soldiers from all walks of life must serve. Conscripts must receive salaries for their service, which is not currently the case.

3. Equality of Rights alongside Equality of Obligations

One of the most important civil rights is the right to democratically choose our representatives, who determine the kind of country we live in, its character, the extent of dangers that our children will face, the key issues that affect our quality of life – and at times, even our very existence.

- The right to vote is a basic right that should be given:
 - Only to citizens living in the country – who must bear the consequences of their choice.
 - Only to those who obey the laws of the country. A person whose freedom is taken away by society should not be given the freedom to participate in determining the agenda of that society, as long as he is in prison.
- Equality of rights is a fundamental condition of democracy. Equality of obligations should be regarded in the same manner. In a society that requires its citizens to pay a heavy price, in terms of blood and taxes, it is inconceivable that wide sections of the population have the right to participate in determining the price – but are exempt from paying the resultant costs. All of Israel's citizens share the same fate. Full equality of rights and obligations is a prime expression of this and a key factor in instilling a common sense of partnership and purpose.
 - Israeli Jews: Israel does not force any citizen to live here. A Jew who chooses to live in the Jewish state must take part in its defense.
 - Israeli Arabs: Although there is still much that needs to be done to improve the conditions faced by Israel's Arab citizens, it is important to stress that throughout the entire Arab world there is no other true democracy that even approaches Israel's standard of living. Therefore, not only Israeli Jews but also Israeli Arabs must understand that they have a lot to lose if Israel should cease to exist.

Therefore:

- As long as there continues to be a compulsory military draft in Israel, then every Israeli citizen must serve their country – either in the army or in national civilian service to the community and the country. Just as discrimination on the basis of gender, religion or ethnicity must never be tolerated when it comes to providing rights, then it is inconceivable that different measuring sticks can apply when it comes to imposing obligations.
- Since the main need of a country at war is an army strong enough to deter enemies, to provide early warning, and to win decisively when war is thrust upon it – and since this is the reason for a compulsory military draft in the first place – then Israeli society needs to issue a clear message regarding the need for conscripts to choose military service rather than civilian national service. This national preference must be expressed in an incentive structure that distinguishes between the length of the respective services. Civilian national service should be 33% longer than service in the Israel Defense Forces.

Once each citizen serves his or her country, there will be a lightening of the burden on those who serve – including in the length of service – and an increase in the common sense of purpose, in the pride in one's country, and in the will to strengthen Israel as our collective home.

4. Preserving and Strengthening the Jewish People and the Ties between Israel and the Jewish and Israeli Communities Abroad

Slowly but surely, almost without notice, the thread that binds Jews in Israel with the Jewish communities abroad is steadily unraveling. This is a process that both sides are responsible for, a process that is going to end badly if the leadership – here and there – doesn't comprehend the big picture, understand its implications, and have the foresight to navigate us to safer shores.

As far as the Jewish communities abroad are concerned, no explanations were required for the generation that survived the holocaust regarding the necessity of a home in which the Jewish people could exist, defend itself and flourish. The next generation, which grew up during the 6-Day and Yom Kippur wars, did not need reminders that above the third temple hovers a clear and present danger. Both generations could be proud not only of our ability to build around us one of

the world's strongest defensive shields, but also – and perhaps, in particular – they could take pride in the incredible development of Israeli society in non-defense realms during the post-independence years.

Since then, the violent existential threat has thankfully receded – and with it, the sense of urgency and closeness between both sides (in Israel and abroad) of the subsequent generation. The process that our children's generation is undergoing today will have profound implications on the future – if not the existence – of Judaism world-wide.

Israel's image is not what it used to be, and this is no coincidence. Our national priorities have changed from top to bottom, and the consequences should surprise no one – with all that this implies regarding the future link between the young generation of Jews living abroad and within Israel.

- Young people in Israel need to learn from the communities abroad that Judaism is not a simple binary decision: i.e. that one's choice set is not limited to being either orthodox or secular. Otherwise, when the religious option is viewed as binary, the result is that many of our children are growing up not just secular, but increasingly anti-religious. The implications of this are disturbing, and they do not bode well for a country that wishes to continue as the home of the Jewish people. It is vitally important that our children become much better acquainted with their brethren abroad – to be exposed to Jews who can show them a different face to our religion, heritage and culture.
- For Jewish young people overseas, the problem is different, but no less serious. In countries where assimilation is rapidly increasing, there is a growing need for young people to be exposed to a Judaism beyond the confines of the orthodox, conservative and reform synagogues and temples. They need to see a proud, vibrant and successful Jewish people with religious and non-religious lifestyles that can complement and substantially enrich their current outlook on Judaism.

Israel cannot remain content with its role as a Jewish safe haven. It must become the home that all Jews – wherever they may be – can and should be proud of and want to identify with. From the perspective of Jewish communities abroad, the time has come to switch from fund-raising for issues such as poverty and education that the Israeli government is both responsible for and has sufficient funds to deal with – once it gets its priorities straight – and focus on programs, like Birthright Israel (Taglit), that bring young people here from abroad so that they may see with their own eyes the national home of their people, and get to personally know some of its inhabitants. In doing so, they will provide an invaluable contribution to broadening our own children's perception of the essence of Judaism.

Additional points of emphasis:

- Education of overseas youth on Israel, its heritage and the Hebrew language is an important means for strengthening the bond between Jewish communities abroad and Israel.
- Israel should continue to support the immigration of Jews to Israel – the sovereign national home of the Jewish people.
- The destiny shared by Israel and Jews throughout the world necessitates a common struggle to protect Jews against all forms of anti-Semitism and against attempts to delegitimize the State of Israel.
- Israel should recognize the unique character and needs of the Israeli communities abroad, to encourage them to join together, and to forge closer ties with them. Israel should assist these communities in promoting Israeli education and culture, and in particular, the teaching of Hebrew. It should encourage visits to Israel, service in the IDF by the children of Israelis abroad, and to encourage their return to Israel.

Socio-Civic Work Plan

Strong socio-economic foundations are a necessary condition for national security. The fact that Israel is at the forefront of human knowledge in many fields tends to obscure the cold reality that beneath all this – the country's basic socio-economic foundations have been steadily deteriorating over the past three decades:

- Average living standards in Israel have been steadily falling farther and farther behind western leaders since the 1970's. This trend is not consistent with Israel becoming the country of choice either for Jews abroad or for a growing number of Israelis with alternatives.
- Poverty levels in Israel have been steadily increasing since the 1970's. Over a third of the families in the country now live below the poverty line according to their gross incomes.
- Income inequality is already among the highest in the West, while its steady increase since the 1970's show no sign of abatement.

These trends only serve to exacerbate and fuel existent social rifts in a variety of spheres – Jewish-Arab, religious-secular, and inter-ethnic tensions.

Continuation along these trajectories threatens Israel's future existence. Pure and simple.

Modern, open and competitive markets are key to getting the country back on track. However, in contrast to the prevailing mindsets of too many policy-makers in Israel, this by no means implies that laws governing free markets are synonymous with the laws of the jungle, in which the strong devour the weak with impunity. The government has an important responsibility to build the essential physical and human infrastructures and to efficiently provide the necessary services in order to overcome inevitable market failures and shortcomings.

Objectives

- ★ Increasing employment.
- ★ Reducing poverty, economic gaps and social rifts.
- ★ Raising living standards while improving the quality of life and the environment.
- ★ Increasing the rate of economic growth, raising productivity and improving competitiveness.
- ★ Providing equal opportunities for women.
- ★ Fully integrating minorities.
- ★ Strengthening the middle class.
- ★ Providing a safety net for the elderly and the disabled.
- ★ Strengthening the Negev and the Galilee.
- ★ Significantly reducing the number of casualties in traffic accidents.

Policies Required for Achieving the Objectives

1. Changing National Priorities in the Allocation of Budgets

The time has come to puncture the public illusion that the State of Israel does not have sufficient funds to adequately take care of business. Not everything here is going to defense – though it is true that too much is being wasted on defense in the absence of adequate transparency and public oversight. However, there is more than enough left over for civilian purposes.

Even after excluding defense spending, civilian public expenditure in Israel is higher than the average for Western countries. In other words, there is no lack of money – and for a long time now there hasn't been a lack of money – in terms of non-defense, civilian, expenditures that could have been utilized to prevent the deterioration that has occurred over the past three decades in the socio-economic realm. It is all a matter of priorities. Furthermore, the inherent lack of transparency in the entire budget has contributed to an irrational and inefficient distribution of public funds.

The time has come for a thorough change of how we view this country's budget. The concept of "public funds" has long since lost its meaning. We work hard for our income and are required to hand over a large portion of it to the state. This money is ours – we should never forget to whom it belongs – and it is entrusted to public representatives to be redistributed according to national, as opposed to nationalistic, considerations rather than narrow personal and sectoral interests.

The national budget needs to be restructured from the top down, according to the budgetary requirements derived from the new national priorities detailed in this *Work Plan*:

- Allocation of funding to all the education systems – the national, the national-religious, the Arab and ultra-orthodox – according to identical, clear and transparent criteria, will make it possible to channel increased assistance to the needy and reduce the gaps. The reform proposed here (in the *Education Work Plan* below) will lead to more efficient use of the education budget and will significantly improve the system's performance.
- Implementation of a strategic program for increasing employment, including a change in the incentive structure and increased investment in physical infrastructure (the program is detailed in the following section).
- In addition, giving budgetary priority to:
 - The Negev and the Galilee, rather than to areas that will not be part of a Jewish-democratic state in the future.
 - Strengthening the welfare system on the basis of assistance only to the needy.
 - Improved law-enforcement (discussed further in the *Governance Work Plan*).
 - Implementation of a comprehensive national traffic safety program (detailed in the relevant section below).
 - Effective protection of the environment (detailed in the relevant section below).
 - Encouraging research and development.
- Reduction of the public sector:
 - Reducing the number of government ministries from 22 to 10 (discussed further in the *Governance Work Plan*).
 - Merging local authorities.
 - Abolishing superfluous and wasteful bureaucracy in the public sector.
 - Increasing efficiency, transparency and government oversight in the military, and cutting the currently inflated defense budget by 10%.
- An uncompromising campaign against the underground, and unreported, economy (discussed further in the *Governance Work Plan*). This is an important step in the war on crime, in augmenting the government's tax income, and in equalizing the bearing of the tax burden.
- A significant increase in budgetary transparency, so that the public will be able to see what the actual national priorities are – as they are reflected in actual budget allocations – rather than having to believe declarations as to the national priorities.
- Reducing public expenditures to enable reduction of the tax burden and the national debt. Israel's middle class is laden with an extremely heavy tax burden. Of every additional shekel that an employer spends on an employee in the sixth income decile (i.e. middle income), the government receives approximately two-thirds and the employee is left with only a third of that extra shekel. The tax burden affects living standards, the willingness to work – and in some cases, the willingness to remain in Israel for those whose skills provide them with other alternatives. Indirect taxes, such as VAT, also constitute a heavier burden in Israel than in most Western countries. This is a regressive tax that affects primarily the poor, who spend all of their money on consumption.

2. Increasing Employment and Wages

In no area is the "patchwork" method more evident than in the government's employment policy. The country is long past due a strategic economic program targeted at increasing employment and raising wages. Such a program entails:

- Restructuring the current mix of work versus non-work incentives:
 - A large part of the assistance (for healthy, working-age people) should be given in the form of work incentives. There is a need to replace non-work incentives (such as child allowances) with work incentives (such as tax credits for care of dependents – be they children, disabled, ill or elderly), including the introduction of a negative income tax for those with low incomes.
 - The time has come to synchronize and streamline the country's multiple tax and aid programs. The government has no idea regarding the total income of a large segment of Israel's families. In order to ascertain who really needs state assistance and the extent of the assistance actually given by all the public agencies, there is a need to bring order to the following two spheres:
 - All family income from all sources must be combined, the taxation system needs to be simplified considerably, and a compulsory tax return on annual incomes instituted for every household – making each Israeli adult legally accountable for the amount declared. These measures will make it possible to determine who is really in need of welfare assistance. They will broaden the tax base, increase the number of shoulders bearing the tax burden, and lighten the load on those currently bearing it.
 - All public subsidies and other forms of assistance need to be combined and to originate from one source only – and they must be distributed according to clear, transparent criteria that are identical for all sectors and populations in the country. Assistance to individuals and households should be provided primarily according to socio-economic status, state of health, etc. A necessary condition for providing assistance to businesses is that the social return from the support outweigh the firm's private rate of return.
- Establishing an integrated system of supplemental adult education, vocational training and job placement attuned to the needs of the economy.

This new system should comprise a number of spheres, each with its own target clientele and goals, which nevertheless complement one another. The first sphere focuses on the providing an opportunity for upgrading basic knowledge. The second sphere concentrates on upgrading professional skills, and the third sphere integrates the upgraded knowledge and skills with job placement.

- **“Second Chance” Program for Supplemental Adult Education**

The role of the supplemental education system is to provide a general core level of human capital for those adults who dropped out of the education system as children, and for new immigrants who did not receive secondary education in their country of origin – making it possible for them to improve their income-earning ability. Because of the general nature of these studies, they should be provided by the state. The goal is to enable as many students as possible to complete high-school equivalency levels and exams. Hence, participation in the program should not be conditional upon the student's employment situation.

Raising the basic level of knowledge of the Israeli worker is of major importance not only to the employee but also to society as a whole. The studies should thus be subsidized – both directly and in the form of long-term loans with subsidized interest rates – so as to accommodate anyone who wishes to exploit this second chance to climb back on to the educational ladder.

- **Vocational Training**

Involvement of employers in vocational training contributes to a raising of the rate of employment. Colleges should be encouraged to establish technological training centers in partnership with employers and with government support. Participation of the business sector in this initiative is of special importance. The centers should offer modular training programs to technicians and practical engineers, short training courses, and other vocational programs. The training of technicians, practical engineers and those with other vocations should include an apprenticeship period that will provide practical experience in a private business.

- **Job Placement System**

The job placement system in Israel must undergo fundamental change, which includes privatization (to a certain extent, the process would appear to have begun recently, but the intended goal is only to fulfill part of what such a system should really provide). The state should enter into contractual relationships with private companies for limited periods – along with supervision and monitoring of performance and the option of withholding payment and imposing fines should the companies fail to meet the conditions – and grant performance-related bonuses. The job placement centers need to be established on a regional basis, with each regional center specializing in areas that reflect the characteristics of the local population and employers, thereby enabling individual attention to be given as far as possible.

The role of the center will be to find, offer and recommend different alternatives to each client: supplemental education, vocational training and/or immediate job search. The center should accompany the client along the entire track chosen by the individual up to the stage of finding a job and then continuing for a defined period thereafter. The client will be able to benefit from the professional knowledge and the experience accumulated by the center in matching skills and preferences to current possibilities.

The placement centers will be compensated according to their rates of success in making placements and the length of time during which the worker is employed. Unlike the Israeli version of the “Wisconsin Works” program that is currently being piloted, if the client chooses the supplemental education track or the vocational training track, the center will be rewarded according to the student’s measure of success upon completion of each individually-structured section of the program. The center’s compensation will be determined according to a scale constructed by a committee of experts at the national level. The success-based scale ensures that the center will make a serious effort to direct the client to the most suitable track and not necessarily direct the client straight to the placement track.

- A significant reduction in the cumbersome bureaucratic procedures that lead to superfluous costs and huge amounts of unnecessary red tape all along the seam running between the public sector and the business and households sectors. The easier it will become to set up and run a business in Israel, the faster the increase in employment rates and income levels.
- Longer school days and afternoon enrichment programs for children and youngsters will enable more parents to look for work (further discussion in the *Education Work Plan*).
- Equal opportunities for women and minority groups in receiving training, finding work, promotion and wages (details in the relevant sections).
- A significant reduction in the number of non-Israeli workers.
- Substantial upgrading of the transportation infrastructure in order to:
 - Increase the accessibility of urban jobs to those residing in the periphery.
 - Reduce production costs, thereby increasing the competitiveness of Israeli businesses, which in turn will increase employment.
 - Reduce physical and social gaps between the different areas of the country.
- Enact legislation determining that anyone receiving a service is accountable for ensuring that the employee who provides the service – be he employed directly or through an employment agency – receives the payment and conditions to which he is entitled by law.
- Amend the dismissal compensation law to create symmetry between flexibility for employers and mobility for employees.
- Enhance Israel’s current position as one of the world’s technology leaders, thereby increasing its attractiveness for foreign investments and raising its level of competitiveness.

3. Welfare Policy

The State of Israel is responsible not only for providing the tools and conditions that ensure equal opportunities in employment, but also for providing a basic social safety net for those unable to tend for themselves. The state is obliged to:

- Ensure the regular supply of medical services to all its residents, including – among others – adequate nursing services, medication baskets, and hospital beds.
- Ensure that social security payments provide respectable living standards for the elderly, the disabled and others unable to contend in a competitive economy. To minimize the prevalence of these problems in the future, the State must enact legislation making saving in pension plans and disability insurance mandatory for all incomes above a specified threshold.
- Enable true equality of opportunity in education – by increasing budgets if necessary – for all pupils so that they can fully utilize their potential. What we won't spend on education today we'll spend, with compounded interest, in the future on welfare.

Voluntary organizations play a very important role in providing aid. But even if this aid is given generously, it does not reduce the need for a national perspective that leads to systemic planning, budgeting and monitoring at the national level. This is one of the core issues that comprise the realm of the government's responsibility and accountability.

4. Equal Opportunities for Women and Men

Women in Israel are not fully integrated into the labor market or into the political and economic leadership of the country. The primary impediments in this regard are a mix of social and religious obstacles together with pure discrimination that prevent women from attaining their true potential. To rectify this situation, the government must implement an integrated policy in the following areas:

- Constant efforts towards increasing representation of women in all the major decision-making spheres – political, economic and managerial – in accordance with their abilities and their share in the population.
- More efficient enforcement of laws prohibiting discrimination.
- Initiatives within the education system:
 - Education towards equality – with respect to childcare and household chores on the one hand, and with respect to professional aspirations and their fulfillment on the other.
 - Encouraging girls to study technological subjects.
 - Training young leadership.
- Establishing centers to assist women in setting up and running independent businesses.

Arab women in Israel are subject to dual discrimination – as women and as Arabs. Their rate of participation in the labor market is extremely low, resulting not only from their low educational level and the lack of available employment, but also because of traditional norms that limit women's mobility, their freedom to choose a place of work that suits them, or even to go out to work. Providing encouragement and support for Arab women to enter the labor force is an important vehicle for improving their collective standing as a group and is a primary means for improving the standard of living and reducing the high rate of poverty among Israeli Arabs. The willingness and ability of Arab women to work is closely related to their level of education.

5. Israel and its Communities

A. Religion and State

The Kinneret Declaration, which defines a broad core of agreement regarding Israel's character as a Jewish-democratic state, states:

"Israel is the home to secular, traditional and religious Jews. The growing alienation of these groups from one another is dangerous and destructive. We, secular, traditional, and religious Jews, each recognize the contribution of the others to the physical and spiritual existence of the Jewish people. We believe that Jewish tradition has an important place in the public sphere and in

the public aspects of the life of the country, but that the state must not impose religious norms on the private life of the individual. Disagreements over matters of religion and state should be resolved through discussion, without insult and incitement, by legal and democratic means, and out of respect for one's neighbor."

"We are one people. We share one past and one destiny. Despite disagreements and differences of worldview among us, we are all committed to the continuity of the Jewish people and to ensuring the future of the State of Israel."

- The Jewish nature of the state is measured not only by the size of the Jewish population, but also by its link to Jewish culture and moral behavior. We are currently witnessing a widening of the rift and mutual delegitimization between the ultra-orthodox Jewish community and the rest of the Jewish public, with the ultra-orthodox public feeling threatened, closing ranks and becoming more extreme. This is a dangerous process that must be stopped before it picks up steam. There is no room in Israeli public life for discordant tones denouncing an entire section of the population and calling for its rejection by the rest of Israeli society.
- The formula for mutual cohabitation can be found in the rule "live and let live". Each person is endowed with the right to freedom of religion and the right to integrate religion in everyday life as they see fit and according to their personal world view. A basic tenet of Israel's democracy requires that each one of us respect the religious decisions of our fellow citizens, as long as this does not jeopardize anyone's basic human and civil rights.
 - Just as the state recognizes civil, non-religious, marriages held beyond its borders, it should allow anyone who so wishes to have a civil marriage within its borders. The right of all citizens to marry legally in the country must be guaranteed, by means of a change in the law if necessary.
 - The chief rabbinate should alleviate, to the extent possible, the process required for those wishing to convert to Judaism.
 - The law enabling non-religious burial should be put into practice in all parts of the country.
- As long as Israel remains in danger, all its citizens, be they secular, religious or ultra-orthodox, must serve their country, either doing military service (the first preference) or civilian service to the community and the state.

B. Immigrants

Over the past two decades Israel has been blessed with over a million new immigrants – mainly from the former Soviet Union and Ethiopia – who have decided to share their fate with us. The children of these immigrants serve in the IDF with the children of the native-born and share the same school desks with them. We all shoulder the tax burden together – and it goes without saying that terrorists do not distinguish between the countries of origin of their victims.

It is high time for this partnership to be reflected more fully in our society. There are several areas in particular that affect the former immigrants which require special attention on the part of the state. These include:

- Improving the lot of the weaker groups among the immigrants, first and foremost the pensioners and those in need of public housing.
- Ensuring that the status quo in religious matters does not jeopardize the immigrants' rights (as detailed in the section "Religion and State").

C. The Druze

The Israeli Druze and the Jewish people are partners in a covenant forged in blood that began before the State of Israel was established. The Druze took upon themselves the full range of national obligations, military service in particular, and are entitled to all the rights, from both the ideological perspective – providing full expression to the fact that the Druze are an integral part of the country – and from a practical perspective, with equal distribution of the national budget to education, to public support for the Druze towns and villages, and equality of opportunity in education, welfare and in the labor market.

D. Arabs

The Arab population in Israel has for many years been subject to neglect and to deliberate discrimination on the part of state institutions with regard to allocation of resources, investment in infrastructure, encouragement of entrepreneurship, and integration of Arab workers in the workplace. These institutional shortcomings do not resonate very loudly within part of the Jewish public, some of whom view discrimination against Arabs in the employment sphere as legitimate practice.

The employment characteristics of the Arab population clearly indicate longstanding difficulties and are reflected in socio-economic gaps between Jews and Arabs that are not closing. Compared to Jews, Arabs have a lower level of education, their rate of participation in the labor force is lower, their rate of unemployment is higher, and many of the Arab laborers work in low-skill occupations. Their income is lower and their employment uncertainty is higher

The starting point for any action aimed at improving the situation must be the commitment of Israeli society (and its governing institutions) to the principles of justice and equality for all its citizens. We need to adopt a policy based on the following principles:

- Equalizing education levels in the Arab population with those of the Jewish population – as an essential means of creating equal initial conditions in the labor market. The key point in this context are:
 - Support through special assistance programs (such as implementation of longer school days, aid at the small group level in preparing homework, exposure to computer-related technologies, databases in the schools and community centers) in order to compensate for insufficient resources and to ensure that students receive an opportunity to attain the necessary achievement levels for entering a dynamic, competitive and modern labor market.
 - Expansion of employment opportunities for educated Israeli Arabs.
- Implement policies designed to enhance development in the Arab sector, with an emphasis on industrialization and entrepreneurship. This includes creation of regional industrial parks shared by Jews and Arabs (with joint management).
- In an era of high-speed communication, it is possible to employ a low-skilled labor force – such as typists and telephone operators – within the Arab towns, without them having to be physically present in the plants or the head offices of the companies employing them. That said, it is nonetheless essential that the education and skill levels of these employees be upgraded so as to enable them to realize more of their potential.
- Promotion and development of tourism in Arab settlements with historic, cultural, or scenic tourist potential.
- Removing obstructions to the integration of Arabs in the labor market by:
 - Developing occupations requiring high-level skills in Arab towns.
 - Implementing a consistent policy aimed at removing obstructions inhibiting Arab employment outside their towns and villages.
- Equality of rights and other civil conditions also requires equality of obligations, including the obligation to serve one's country – exactly like the Jewish population – in the form of military service or national civilian service.

6. Reforming the Health System

Israel is a country that allows its first world doctors to be overshadowed by a third world managerial culture that abandons our loved ones to subsistence as vagabonds in hospital corridors during their weakest hours, that deserts them with budgets that move intensive care and national medicine baskets downward on the budget prioritization ladder, that creates large gaps in the quality of medical equipment around the country. This is a country that, given the amount of money that it spends on health, should have looked substantially different at the dawn of the 21st century. The health system is in need of general reform, which should focus on the following goals:

- Better utilization of health-related budgets.

- Better utilization of the workforce engaged in providing medical services.
- Expansion of the medication basket.
- Increasing the number of hospital beds in general, and the number of beds in intensive care units in particular.
- Upgrading the medical equipment in peripheral areas.

7. Protecting the Environment and the Quality of Life

In light of the rapid population growth in an area with few natural resources, in a long and narrow country, 60% of which is desert and 40% of which is reserved for use by the IDF (mostly in the desert region), there is an urgent need for systemic planning of national infrastructures in areas such as: provision of water and maintaining its quality, drainage and sewage systems, national and municipal transportation systems, a solution to the problems of waste management, and a long list of infrastructure-related topics that touch on the environment.

An incredible amount of damage has already been inflicted upon Israel's water supplies: salination and pollution of the aquifers as well as pollution of rivers, lakes and the sea. The consequences begin with health hazards that have a clear affect on our quality of life – with recurring manifestations of this, such as the deteriorating health of former (many now deceased) naval commandos who trained in the Kishon river, the poisoning of the Maccabiah participants who fell into the Yarkon river, carcinogenic poisons emitted from old industrial plants that led to the closing of wells and parking lots in Tel Aviv's Nahalat Yitzhak neighborhood, the flow of untreated sewage from the center of the country into the Mediterranean which pollutes the beaches and poisons the fish, and many other examples – and ultimately end with a tremendous economic price.

In a country in which a sizeable portion of the national output depends on tourism, it is difficult to reconcile the contradiction between third world environmental policies and the hope of attracting first world tourists. The air and water pollution is reflected in substantial economic costs, and it is inconceivable that this burden be placed upon the public's shoulders rather than on those plants and businesses that cause the pollution. The cost of this "externality" – as this phenomenon is called in economics – can be calculated and imposed directly on those who pollute. Anyone wishing to do business in Israel must internalize environmental concerns as an integral part of the production process in this country. Serious enforcement and credible deterrence are indispensable for protecting the environment, but constant education from early childhood is the most effective tool for permanently uprooting the pollution affliction from Israeli society.

The emphasis should be placed on sustainable development alongside environmental protection – including protection of the spectrum ranging from areas with natural beauty to sites with historic and/or religious value and content – with the goal of preserving these for future generations. To this end, Israel must:

- Protect the independence, professionalism and standing of the country's planning system.
- Increase the scope of desalination so that Israel will be entirely independent of its neighbors regarding the supply of water. The size of the country's population and its rate of growth are known – which in turn implies that the extent of current and future water needs are known. Furthermore, the quantity of water in the subterranean reservoirs, lakes and rivers is known, as is the amount of rain that can be expected to fall over any given period that includes the average number of arid and rainy years. In short, it is possible to calculate with a fair degree of precision Israel's future water demands and supplies.

In this regard, the current intention to import water from Turkey rather than to desalinate is problematic since importing water is both more expensive and contradicts the objective of achieving independence in the supply of water.

A large amount of the water should be allocated to reviving Israel's rivers and springs.

- Investment heavily in public transportation, particularly in environmentally friendly rail transport, to improve mobility between the periphery and the center of the country, and accessibility to and within the cities.
- The large majority of the country's population lives in the cities. Safeguarding the urban environment and preservation of vital open areas, requires developing and reinforcing existing cities and towns.

- Preserve agriculture and agricultural areas, which play an important role in protecting the environment and constitute the “green lungs” of Israel.
- Industrial parks and business centers are an important source of income for local authorities. These should be concentrated on a regional basis in order to serve several districts simultaneously and situated close to the cities containing most of the workforce. New laws need to be passed in order to enable an equitable distribution of income from these business areas to the neighboring districts in a way that will make the areas economically feasible and financially attractive for all concerned
- Invest in education to raise awareness and develop environmental leadership among the public in general and the youth in particular.
- Design and implement a comprehensive energy plan for the country that blends efficiency with the utilization of environmentally friendly and sustainable energy sources.
- Adopt a clear and firm environmental policy. Implement progressive standards regarding the various environmental issues, and allocate appropriate resources to public relations, education, monitoring, and enforcement of environmental laws and planning.
- Play an active role in preventing and minimizing regional and global environmental hazards while adopting and implementing international agreements for protection of the environment.

Keeping Israel clean and beautiful must become the national motto. Our national consciousness must internalize that this not simply an issue of esthetics but one of national health – literally and figuratively.

8. War on Traffic Accidents

Since 1990, approximately 500 people have been killed each year on Israel’s roads. In a country with less than 7 million people, there have been over 7,000 deaths during the years 1990-2003. During these years, 542,000 people were injured, 48,000 of them seriously.

The time has come for a major change in the way that we deal with the prevention of traffic accidents. The prime minister and the entire cabinet need to become personally responsible for the war on traffic accidents and must be held publicly accountable for the results. This responsibility will be expressed in:

- Announcement of measurable multi-year goals together with a public commitment by the prime minister to achieve these goals and to provide fully transparent ongoing reports on these efforts.
- Establishment of a central authority – comprised of renowned professionals – which will coordinate the inter-ministerial activity, authorize the utilization of budgets and be responsible for setting standards.
- Adoption of a multi-year national plan anchored in law. Among its primary objectives:
 - Construction of a much safer road infrastructure that takes into account human engineering considerations as reflected in clear road signs and markings, safe highway curves, sufficient vantage ranges at intersections, wider shoulders for incapacitated vehicles, physical barriers between opposing traffic lanes and illumination of dangerous roads and intersections.
 - Defensive driving courses – with state-of-the art material – must become part of the core curriculum in all high schools. Such courses must be compulsory for all adults wishing to obtain a driver’s license and for repeat traffic offenders.
 - Utilization of state-of-the-art technology for enforcement and deterrence, particularly with regard to the type offences linked with serious accidents rather than the current practice of focusing on offences that are easy to detect but which contribute little to accidents.
 - Determination of mandatory standards for advanced safety systems used by commercial fleets and public vehicles.
 - Formulation of a uniform judicial policy for traffic courts to reduce the considerable variance in sentencing for identical offences.

Education Work Plan

If strong socio-economic foundations are a necessary condition for national security, then education is the primary element that gives these foundations their strength. More specifically, education is *the* basic national infrastructure. It is a primary factor in providing equal opportunities for full realization of individual abilities. The better the education and the lower the educational gaps, the greater the benefit to society.

While it is difficult to understate the importance of a good education system to the country, it is hard to overstate the extent that Israel's education system has deteriorated, particularly in its ability to provide its students with high quality skills in critical core subjects:

- The scholastic achievements of Israeli children are among the lowest in the industrialized world.
- Educational gaps between Israeli children are the widest in the West.
- The achievements of the brightest pupils – from whose ranks will emerge an important part of the generation that will lead the country in the future – are below those of similar pupils in all of the industrialized countries, and also in relation to a number of other countries whose standard of living is currently lower than that of Israel.

The problems plaguing Israel's education system are endemic. They are not rooted solely in the quality of the teachers, nor do they stem just from inferior educational programs or from inefficient and wasteful management. The lack of flexibility throughout the system has only amplified and accelerated the decline. The failure is systemic. It is not possible to continue like this anymore.

Because the problems are profound and their socio-economic implications so severe, it is no longer sufficient to deal only with the symptoms. Hence the need for a comprehensive structural reform of the entire education system.

Without substantial improvement in the level of basic education and the provision of equal educational opportunities to its schoolchildren, Israel will have a hard time competing in a modern, competitive global economy. Without serious enhancement of the "toolbox" that we provide our children, we cannot expect fundamental change in behavioral norms that are eroding the foundations of Israel's society and government. Such improvement can occur only as a result of changing the emphases of the school system, instilling a mandatory, high quality core curriculum, increasing the transparency of expenditures and achievements, implementing differential funding that directs additional resources to children in weaker neighborhoods, and vastly increasing the efficiency of the education system.

Objectives

- ★ Introducing an identical – high quality and mandatory – core curriculum in all the education systems.
- ★ Providing truly free and complete education from the age of three to 12th grade.
- ★ Significant improving student achievements.
- ★ Closing gaps and providing equal opportunities to each pupil.
- ★ Bolstering the teacher's status, authority and professionalism.

Changes of this magnitude can only be accomplished at the national level, which means that overall responsibility for attaining these objectives lies with the government of Israel.

Policies Required for Achieving the Objectives

1. Setting Uniform Criteria for all Pupils

- Providing pupils with a high-quality core curriculum, identical and mandatory for all education systems.

Despite the great diversity in Israel's population, there must exist a common set of core values, as well as a common set of skills and knowledge required for functioning as citizens in a democratic society and as productive workers in an open, competitive and modern economy. The social gaps in Israel's society are widened by the economic fractures at their core – and these are determined in no small part by the immense variation in educational levels that determine each individual's point of entry into the global job market that we are now a part of. Already, the average worker changes jobs several times each decade. Thus, there is a need for a state-of-the-art, uniform, core curriculum that will provide an identical basic “toolbox” to every pupil throughout the school system:

- The basic “toolbox” must be considerably improved. This includes a significant upgrading of the educational levels in core subjects such as Civics, History, Hebrew, English, Mathematics, Science, Geography and Literature.
- The core curriculum must be uniform in content and in quality if the future economic playing field is to be level. While Israeli society is characterized by numerous lifestyles, each of which demands an education that reflects its distinct social and religious perspective, there is only one economic market in which all the country's citizens must compete and thrive without becoming a burden to society. Therefore, a country that wants an egalitarian – and not just a successful – society must ensure that the improved core education be provided at equal levels in all its education systems, in all its towns and neighborhoods, in all parts of the country.
- In order to receive a license, each school in Israeli must adopt and implement the core curriculum. Any and all public money provided to a school must be conditional upon full acceptance and implementation of the core curriculum.
- The State of Israel must provide free education to every child, regardless of their needs or ability. An Israeli is an Israeli is an Israeli, without any relationship to his or her ethnic or religious background. Each must be provided with the most basic civil right, the right to build their personal futures, and to partake in the building of our collective future. The education of our children – each and every one of them – must become a national priority second to none.

Only at the national level is it possible to provide a comprehensive solution to the educational needs of the country's population. Only a national mechanism with the mandatory systemic perspective can reduce regional, ethnic and religious gaps. This is the role of the state – and not of local authorities or philanthropic/voluntary organizations.

Therefore, the government of Israel's education budget must include sufficient funds for providing education – at a far higher standard than that currently provided – that is truly free for every pupil from the age of three up to completion of high-school.

- Supplementary funding will be provided to individual schools on the basis of the socio-economic composition of their respective populations and also as an incentive for rewarding school achievement.
- Better achievements require better classroom environments. This includes installation of air-conditioning and heating in all classrooms and a stipulation that average class sizes be similar in all the education systems – with no more than 25 students in any given class.
- A longer school day will be introduced – with qualified teachers only – including a hot lunch for every pupil, served in a proper dining room.

Once the entire teaching staff is present in the school every day and all day, it will be possible to provide additional class time and make the transition to a longer school day and a longer school year in all parts of the country. Providing more attention to each pupil, augmenting the curriculum, developing special skills and motivating excellence are preconditions to better educational achievements.

These measures constitute the first step in raising the general level of attainment in the country and reducing educational gaps, since the state will supply the augmentation that parents who can afford it already provide today. The presence and the availability of teachers in school after formal teaching hours is very important for students who must currently seek expensive assistance from private tutors.

Introduction of a five-day school week enables the education system to make the transition to a longer school day. This has many consequences beyond the education system. The transition of the entire education system to a five-day week will be a catalyst for the rest of the country – i.e. those businesses that have yet to do so – to make the transition to the five-day work week common in other Western countries. The transition of the entire economy to a five-day work week will alleviate the problem experienced by many families whose children remain alone at home on Fridays while the parents are at work.

The transition of schools to a work day, a work week and a work year that are synchronized with the rest of the economy will enable many parents to join the workforce – which in turn will provide a positive contribution to their standard of living.

2. Bolstering the Status of Teachers

- A substantial increase in teachers' salaries alongside a significant improvement in quality of the teaching workforce.
- The professional training of a teacher in Israel will require at least an undergraduate degree (BA or BSc rather than the currently acceptable BEd), in addition to a teaching certificate.
- The number of work hours per day and work weeks per year for full-time teachers be similar to the norm in other sectors of the economy. This will enable the employment of fewer teachers and raise the salary of those already employed.
- There needs to be more flexibility in the employment of teachers and in the determination of their salaries to enable a system that provides appropriate financial incentives for achievement. Every attempt should be made to complete this transition in cooperation with the unions representing the teachers.
- Each teacher must have their own workspace in the school.

3. Structural Changes in the Education System

A. At the National Level

- The ELA commission, which preceded the Dovrat commission, recommended the establishment of a professional and non-partisan National Education Authority. It will have the authority to determine the credo and the core curriculum of the education system. This Authority will comprise a maximum of 20-25 professionals and a small administrative staff.
- The Ministry of Education will be charged with setting policy for the education system in keeping with the credo and core curriculum set by the National Education Authority.
- The Education Ministry's districts will be abolished.
- The current plethora of supervisors will be considerably reduced, to be replaced by an independent – of the Education Ministry – national authority for measurement and assessment. Data from this authority will enable the Ministry of Education alone, without intervention and duplication of responsibilities from any other ministry, to supervise each of the schools in each of the education systems throughout the country.

B. At the School Level

- Financial resources will be provided to the schools according to transparent and equal budgetary classifications, with supplementary funding that takes into consideration the socio-economic status of the student population and incentive programs.
- All decisions regarding classroom activity, school maintenance, manpower and financial management will be transferred to the schools.

- The school principal will prepare work plans and translate them into budget proposals that will be submitted to the school's board (defined below) for approval. The principal will be responsible for implementing the work plans, achieving the goals, adhering to the budget, and for hiring and firing teachers (subject to labor agreements).
- The principal must have professional management training and should preferably – but not necessarily – be an experienced teacher.
- A school board will be established in each school with functions parallel to a corporate board of directors. The board's main duties will be to
 - Supervise the work of the principal.
 - Approve the school's work plans and budgets.
 - Approve hiring and firing of teachers.

The School Board will comprise representatives of four groups: the Ministry of Education, the municipality, parents and teachers – with a majority of representatives from the ministry and the municipality.

C. At the Local Level

A new system of checks and balances will be established between the national government (the main source of budgets), the municipality (the official representative of the local educational interests), and the end users in the school (who will now receive far wider freedom in utilizing money). The municipality's roles will include:

- Running a municipal education board.
 - The municipal education board will set educational targets – over and above the national core curriculum – adapted to local community preferences.
 - Members of the municipal education board will represent local interests on each of the school boards within its jurisdiction, thereby enabling the municipality to have an input on the choice of principal, the school's educational targets, and also the approval of the principal's work plan.
 - The municipality education board will determine the local registration areas and the method for assigning students to the different schools.
- While the school's basic budget will be financed entirely by the Education Ministry – for the reasons specified above – the municipality will augment the school budget in order to provide for local educational priorities.
- The municipality will be responsible for construction of new schools according to the needs determined jointly by the municipality and the Education Ministry. Funding will be from the national budget according to common national criteria for all schools.
- The municipality will include the schools within its jurisdiction in holiday festivities and other community events.
- The municipality should cooperate with the schools' management to find ways of utilizing school buildings after hours, so as to generate additional income to supplement the school's budget.

Governance Work Plan

The combination of a vision for the future of this country and work plans in the national security, socio-civic and education spheres is a necessary condition for putting Israel back on track. But it is not enough. There is a gaping vacuum at the top – a dearth of qualified, able and committed leaders coupled with a political system that makes this country increasingly impossible to govern.

Instability is a structural feature of Israel's system of government. So long as the opposition sees the overthrow of the government as its primary task it is only natural that this issue becomes the primary focus of both the coalition and the opposition. Given the existing circumstances and incentives, the political system has great difficulty in addressing Israeli society's multitude of existential problems – be they security-related or touching upon the delicate thread that holds together the country's socio-economic fabric. The main symptoms of this are:

- A lack of public trust in the political system.
- Personal corruption and very problematic governmental norms of behavior.
- A failure by the government to honor its basic obligations.
 - Lack of law enforcement and problematic personal examples by political leaders – all of which fuel an atmosphere of increasing lawlessness in all areas of life.
 - Unequal distribution of public services in general and of social services in particular.
- An inability to execute policies that undermines the foundations of government and stems from:
 - Frequent changes of policy.
 - Inferior planning and poor decision-making alongside a strong emphasis on the short term instead of the long run.
 - Inability to fill key positions with sufficiently qualified people.
 - Waste of public resources.
 - Lack of a culture of transparency and of serious public discussion of fundamental issues.

As a result of the above, signs of a rift between the government and large sections of the public have begun to appear – a rift that is steadily deteriorating the foundations of Israeli democracy. The objective of the *Governance Work Plan* is to focus on the sources of the problems besetting Israel's political system and government, rather than dealing merely with their symptoms.

Since the structure of Israel's political system is inherently unstable, the solution to the problem must be structural in nature. Even visionary leaders with long-term perspectives would have major difficulties overcoming the innate problems of the current dysfunctional system of government. Hence, it is necessary to establish the basic conditions for governance: creation of fundamental systemic stability and restoration of the balance between the executive and the legislative branches. This process must be implemented in the most direct manner possible and not in the customary patchwork that passes for policy. For example, the head of state and members of the legislature must each be elected directly by constituents for fixed terms of office.

Objectives

- ★ Changing the method of government.
- ★ Introducing an effective system of checks and balances between the executive and the legislative branches.
- ★ Reducing the number of government ministries.
- ★ Establishing clear and transparent criteria that the government must operate under.
- ★ Waging an unremitting war on violence, corruption and crime in general.

Policies Required for Achieving the Objectives

1. Direct Election of the President to a Fixed Term of Office

Individuals possessing superior personal ability, public integrity and a calibrated internal compass are in very short supply among our non-extremist elected officials. The existing political system is extremely difficult to penetrate and it severely limits the ability of those already inside to lead the country toward clear, safe and sustainable horizons.

It is a system in which the prime minister must appoint his primary political rivals (be they from his own party or from other parties) to key cabinet posts in order to survive – with all of the inherent implications that this has on his subsequent ability to govern. It is a system with built-in instability that serves as an incentive for internal and external blackmail and threats. It is a system that puts the elected officials at the mercy of their parties' central committees rather than making them accountable to the public that voted them into office. It is a system that is corrupting the very foundation of Israel's government and its society. It is a system that must be changed.

- Israel's coalitional form of government needs to be replaced by a presidential system. The country will be headed by a president who, together with a vice-president, will be elected to a fixed term of four years. It will no longer be possible to bring down the government during this fixed term of office (though it will be possible to impeach under special conditions of improper behavior).
- The president will appoint cabinet ministers according to their professional qualifications, and they must gain approval from the Knesset. The ministers will work for the president, who will have the right to fire them if they fail to meet his expectations.

This method will enable the president to run the country together with his ministers rather than having to wage constant battles against them. A fixed four-year term of office will give the president a reasonable period of time to implement his policies that include a broader, long-term, perspective.

2. Direct Election of Knesset Members to Fixed Terms of Office

A natural separation between the executive and legislative branches needs to be implemented. Ministers should no longer serve as MK's, while MK's should focus on their primary task of passing legislation. Once terms of office are fixed, then the alternative of bringing down the government is no longer an option and the two branches will have to learn to live and work with one another and to produce results. In addition, fixed terms of office will enable a transition to multi-year budgets.

- The number of Knesset members (MK's) should be reduced from 120 to 90, which is approximately the current number of incumbent MK's who are not ministers or deputy ministers.
- Rather than being elected by members of their respective party's central committees or chosen by some other party mechanism, all MK's will be directly elected by the district in which they reside. This change will make the MK accountable directly to the voters in his or her constituency rather than to the political party as is the case today.

A team of internationally recognized experts should be appointed to formulate a proposal for the new electoral system. One possibility might be along the following lines:

- 30 MK's will be elected to fixed two-year terms from 30 districts. Each region will comprise approximately 225,000 residents and be represented by one MK.
- 30 MK's will be elected to fixed four-year terms from three regions – the Galilee, the Negev and the Center – according to the relative weight of the region's population, with additional weight given to the Galilee and the Negev.
- 30 MK's will be elected to fixed six-year terms on a national basis.

Elections will be held every two years, with all the district MK's, half the regional MK's and a third of the national MK's up for election in each round, thereby ensuring continuity.

In each election year the voters will vote for the candidate from their home district, for approximately 5 candidates from the region (the exact number will vary slightly according to the size of the region) and 10 national candidates.

3. Introduction of a System of Checks and Balances between the Executive and Legislative Branches

- The president will have the right to veto any law that conflicts with his overall policy.
 - The line-item veto will enable the president to veto specific sections of a law while passing the remaining sections.
 - The president will also have the right to veto the entire law.
- The presidential veto may be overridden by a majority of 46 MK's (of the 90 who will serve in the restructured Knesset) and the legislation will become law despite the president's opposition.

4. Reducing the Number of Government Ministries

At the time of this writing, Israel has a president, a prime minister, and 21 cabinet ministers for 19 ministries, of which 17 ministries have an incumbent minister. In order to eliminate duplication, simplify and streamline the process of implementing policy, and reduce public expenditure:

- The posts of prime-minister and president should be abolished and replaced with the single post of president, as described above.
- The number of ministries should be reduced to ten:
 - I. **MINISTRY OF THE ECONOMY AND EMPLOYMENT**
Will include areas currently handled by the Ministries of Industry, Trade, Employment, Agriculture, Tourism and Communications.
 - II. **MINISTRY OF SOCIAL AFFAIRS**
Will include areas currently handled by the Ministries of Health and Welfare.
 - III. **MINISTRY OF EDUCATION**
Will include areas currently handled by the Ministries of Education, Culture, Sport, Science and Technology.
 - IV. **MINISTRY OF INFRASTRUCTURE**
Will include areas currently handled by the Ministries of National Infrastructures, Transportation, Housing and Construction.
 - V. **MINISTRY OF ENVIRONMENTAL AFFAIRS**
 - VI. **MINISTRY OF INTERIOR**
Will include areas currently handled by the Ministries of Interior and Immigration.
 - VII. **MINISTRY OF DEFENSE**
Will include areas currently handled by the Ministries of Defense and Internal Security.
 - VIII. **MINISTRY OF FOREIGN AFFAIRS**
 - IX. **MINISTRY OF JUSTICE**
 - X. **MINISTRY OF FINANCE**

None of the ten ministers will serve as MK's, and each will be chosen by the president. There will be no deputy ministers, but only managing-directors of ministries.

5. Greater Emphasis on Law Enforcement and on Deterrence

The basic foundations of law and order in Israel are disintegrating. Violence within the family, in schools and on the street is turning us into a society the likes of which we have never known and do not wish to familiarize ourselves with. Corruption in government, in public life and in business has become an accepted norm in too many instances. The combination of lax law enforcement and lenient punishment leads to a situation in which basic civil rights are endangered. A country that permits widespread and methodical flouting of its laws is weakening the foundations of democracy and endangering its future with its own hands. We cannot and

should not permit this descent into anarchy to continue. The same determination with which Israel wages war against terrorism should be applied to the war on crime and corruption. This needs to be done concurrently, and at three levels:

A. Zero-tolerance on Violence

What began generations ago as a wink and a nod at the Israeli sabra's unique personality – sweet on the inside, but abrasive and thorny on the outside – has long since gotten out of control. In fact, the “thorniness” was never anything more than simple chutzpah and callousness reflected in a lack of consideration for the other in all aspects of life in the country: loud and insulting behavior, inability to listen and engage in debate, hurling of insults, jumping the queue, hostility and aggression on the roads – and the list can be considerably extended.

What began as impolite behavior turned into verbal abuse that in too many instances developed into physical abuse. Violence in the country is becoming a national plague. It is pervasive and its level of seriousness is escalating, particularly against the weakest sections of society. The murder and rape of children, women, and the elderly horrify us anew on a periodic basis. What is our society coming to when trade in women – as if they were slaves – takes place today in the Jewish state?

Internalization of values such as courtesy, respect for the law, sensitivity and consideration toward others clearly begins at home and at a tender age. The education system also has an important role to play in this respect. This must be a central feature of the core curriculum described earlier in the *Education Work Plan*. But education is not enough. Israeli society must protect itself by additional means:

• **Police**

- The Israeli police force must undergo fundamental reform. Significant upgrading of the size, quality and allocation of the workforce is required, as well as of the means placed at its disposal.
- Serious police work is for professionals and the force cannot be dependent on volunteers, however devoted they are. There are no shortcuts in this area.
- All areas of law enforcement and public order must come under the responsibility of the police – from maintaining public order and combating crime to enforcing traffic regulations, labor laws, and laws designed to protect the environment.
- Police organization and deployment that significantly increases the likelihood of apprehension, if a crime is committed, plays an important role in crime prevention. Such organization and deployment must become a central feature of the police reform.
- Consideration should be given to the establishment of local/urban police forces that would have a better understanding of the problems and characteristics of the local population.

• **Courts**

- The courts in Israel are not coping with their workload. Long drawn-out trials confirm the maxim that “justice delayed is justice denied”. The judicial process must be streamlined to speed up the process culminating in a verdict and, if necessary, in sentencing.
- An increased probability of apprehension must be accompanied by deterrent punishments. In the case of murder or other crimes that end with the verdict of life in prison, the person found guilty should actually remain in prison to the end of his life.

• **Prisons**

- Prison conditions in Israel are disgraceful, with severe overcrowding and poor sanitation. The prisons must provide at least the minimum standards for human habitation laid down by law.
- The rehabilitation procedure for prisoners is critical for improving the chances of those released to become reintegrated in society. The resources and efforts invested in prisoner rehabilitation require significant upgrading.

B. Zero-tolerance on Corruption

Public and private corruption in Israel has reached epidemic proportions and affects all branches of government. The deterioration of morals in publicly elected officials is reflected in their shameless conflicts of interest at the personal and family level, and in misleading, manipulative, inaccurate and simply false reporting of the facts by officials that are becoming ever more brazen in their lack of accountability to the public.

The lack of budgetary transparency means that citizens have no idea as to how their tax money is actually being spent – with hazy budget items providing back-channels for huge transfers of money to cronies and special interest groups. There is an unconscionable discrepancy between public declarations of national priorities and defacto budget allocations that reflect the actual, hidden, national priorities.

The zero-tolerance approach to fighting corruption among publicly elected officials should include:

- Abolishing the right of publicly elected officials to remain silent during police investigations. Such officials should be given the option to give evidence if so required, or to resign if they wish to remain silent – but they cannot be permitted to retain their positions if they choose to remain silent.
- Only a judicial panel – rather than fellow MK's, as is the case today – should have the authority to remove the immunity of MK's suspected of criminal behavior.
- Publicly elected officials cannot be permitted to participate in discussions or votes if they or members of their family stand to benefit in any way from the results of the discussion or the vote.
- Budget transparency must be substantially increased in order to prevent back-channel appropriations of public money.

C. Zero-tolerance on Economic Crimes

The level of disregard for the law, together with deeply-rooted norms of non-enforcement in Israel, have led to growing mistrust in public institutions and to intolerable economic distortions – the latter includes steadily increasing inequality in the distribution of incomes and creation of an unnecessarily heavy public debt. It should be emphasized that “white collar” crime is not confined to the public sector alone. These offenses should be taken seriously, whether committed in the public or the private sectors. The zero-tolerance approach on economic crimes requires:

- All-out war on “under-the-table” labor activity. Widespread non-reporting of incomes is reflected in extensive tax evasion that increases the tax burden on law-abiding citizens. Furthermore, non-reporting enables receipt of welfare payments – which increases the tax burden still further – and creates an illusion of poverty.
- Serious law enforcement – by police rather than by inspectors from municipalities and government ministries – of labor laws and regulations including payment of a minimum wage and social security benefits. The time has come for the public to internalize the fact that these are not merely behavioral guidelines from above but the laws of the land.
- Penalties for non-criminal business offences should include stiff monetary fines that will act as a deterrent. The general rule for criminal offences should be jail.
- Declaring war on a business culture that sanctions failure to honor one's commitments. This culture ranges from individuals and businesses that issue checks that bounce right up to the government itself, which fails to honor its contractual commitments to pay suppliers on time – even failing to pay altogether on occasion.

6. Leadership

A different kind of leadership is required to implement the *Work Plan*: a leadership with vision and a sense of direction, with the qualifications to formulate national priorities and the wherewithal to implement them, with the ability to lead by personal example, with integrity and personal standards above reproach. Israel deserves no less.

Summary

The underlying socio-civic foundations upon which Israel's military strength is based have been steadily deteriorating over the past three decades. During the early years of the State, there was no doubt as to the source of the clear and present danger confronting us. But in the subsequent decades, a number of socio-civic trends have gradually begun to develop that are slowly but surely disintegrating the basic fabric of society, the economy and the government.

- In a country where publicly elected officials are not guided by the laws of the land, it is not surprising that strong-armed tactics, corruption and deception are becoming accepted and excusable norms for attaining one's objectives in society as a whole.
- In a country where violence in the family, against women and on the roads has long since escalated from the verbal to the physical, who can be surprised that the number of victims of such violence surpasses the number of terror victims?
- In a country with slow economic growth and extraordinarily high levels of poverty and inequality, it is time that we internalize that fact that our socio-economic trajectories are not etched in stone, even though they may seem to be. Our destiny is not in the hands of heaven – it is in ours.
- In a country that has permitted such widespread decline in the education of core subjects since the sixties, and the creation of the largest educational gaps in the Western world, the future that it is creating for its children should be obvious to all.
- In a country weighed down by a huge tax burden – whose national priorities are reflected in patients lying in hospital corridors, pensioners living in poverty and a meager health basket – there are nonetheless sufficient resources for investing vast amounts in territories that will never become part of a Jewish-democratic state, and for distributing large amounts of public funds to special interest groups and cronies with connections.
- In such a country, the problem is not a lack of funds, but a serious loss of direction.

This is not how the Zionist dream was supposed to have come to fruition. It should be clear that it is not enough that our shores serve as a sanctuary for the Jewish people – since after the refuge is provided for the parents, what will keep their children here? Public internalization of this bottom line has major ramifications for the national priorities that we choose today, which determine the kind of country that we'll have tomorrow.

The Jewish people's national home must aspire to be an "or la'goyim", or global beacon, as a strong, vibrant and moral egalitarian society, with the highest living standards in the world – and the lowest poverty rates. It is all up to us. This is a truly special people, whose very survival to the present day indicates its internal resilience and ability to overcome obstacles and regenerate itself.

It is time to wake up, and to return to our senses. Nothing less than the future of the third temple hangs in the balance – a future that is not set in some distant horizon, but one that stands upon the threshold of our children's generation. The fear is not from a strengthening of our enemies, but from a weakening of our children – through our own doing. The socio-economic and civic fabric that we produce for them today will determine their ability to contend militarily with future enemies, and economically with future competitors.

The time has come for setting new national priorities: an Israeli initiative to protect its citizens and determine its borders; a comprehensive policy to improve the employment situation; recognition of education as a fundamental infrastructure and national objective; systemically addressing social rifts at their source; an unrelenting war with “zero tolerance” on violence, corruption and other crimes; reforming the system of government to enable governance, law enforcement, implementation of long-range policies and the reviving of public trust in the political system.

The time has come for true leaders with the rare mixture of vision, imagination, integrity, an ability to see the big picture and a sense of mission that will enable implementation of the necessary changes.

Our collective spirit of togetherness as a people and our sense of joint purpose keeps most of us here – and these provide the well of support and strength from which a true leader can draw upon for the sectoral concessions needed to bring about a general recovery of Israel’s society and economy. We are brothers in this small vessel called Israel, but our destiny will be the fateful waterfall if we don’t come to our senses immediately and begin rowing in the same direction to a safe shore – which is still attainable.

On the Author of the *Work Plan* Excerpts from the Press

- "... Dan Ben-David, one of the most original economists in Israel. Kadima's economic platform is based largely on the ideas that he put forth over the past few years. ... Over the past five years, his analyses of trends in education, employment, poverty and economic growth have been among the most influential factors in this country's public economic debate."
– **"We Need Dan Ben-David"** by Guy Rolnik
editor-in-chief, *Haaretz* business section and *TheMarker*
- "For many policy analysts, public servants and journalists, Dan Ben-David is one of the central figures in the country's current public policy debates."
– **"The Rising Star"** by Haviv Rettig, *Jerusalem Post*
- "Over the past four years Ben-David has become a serial producer of working papers, recommendations and proposals intended to solve some of the fundamental problems of the Israeli economy and to restore it to the path of healthy growth. ... In many respects Ben-David is among today's prominent academic voices in the field of economics, and perhaps the most prominent among them."
– **Sammy Peretz, deputy editor of *Ha'aretz* business section**
- "Several years ago Ben-David published an article that documents the disintegration of Israel's society and economy ... a recession that actually began many years before anyone spoke about it. ... since then this article has become the Bible of critics of the Treasury's economic policy."
– **Ronit Vardi, *Globes***
- "In contrast to many academics, Ben-David dares to propose down-to-earth solutions ... this is a text ["A Blueprint for Improving the Employment Situation in Israel"] that presents a clear world view. Anyone who considers himself a Social-Democrat must become familiar with it. Maybe, in Ben-David's wake, people in the Labor party will begin to think that it is possible to formulate socio-economic policy ... They should read. Let them labor a little."
– **Avirama Golan, *Ha'aretz***
- "This afternoon Ben-David presented his new research ... this is the first time that someone has investigated what exactly lies behind the usual grumbling about channeling money to the settlers."
– **Ronit Purian, *Globes* Ha'erev editor**
- "Together with other economists and sociologists from the university, he [Ben-David] was a member of a team headed by Haim Ben-Shachar that was asked by prime minister Ehud Barak to prepare an agenda of national priorities ... the picture that emerges [from 'Ben-David's numerous data'] is one of a nation that has completely gone to pieces ... but in a country awash for the past 35 years with the obsessive debate on territories and terror, who has the time to internalize this? ... and for anyone who still believes that we are dealing here with luxuries and that the main issue is security, here is the line below the bottom line – this is a security threat far greater than all the Tanzim gangs, far more existential than the Islamic Jihad."
– **Ofer Shelach, *Yedioth Achronot***
- "Meir Shani, a businessman and friend of Dovrat, was the main intermediary in the contact that developed with [education minister] Livnat. ... Shani relates an interesting account of the story behind the creation of the [Dovrat] commission: 'We are three friends, Erez Vigodman, CEO of the Strauss-Elite group, Shlomo and I. Following our exposure to findings, mainly those from the research of Dani Ben-David, on Israel's socio-economic situation, we prepared a presentation showing how Israel has deteriorated over the past thirty years and is on the way to becoming a third-world country, and we appeared with this presentation in various forums. Limor Livnat heard of the presentation and asked us to show it to the Education Ministry's top management.'"
– **Aviva Lurie, *Ha'aretz***
- "Over the past year Ben-David, a Tel-Aviv University economist, has become a star. Sustained and serious research work has accorded him this status, and much more than this."
– **"The New Economics Star"** by Meirav Arlozorov, editor of *Ha'aretz* business section