

Theory of Change: Structural Reform to Save Israel's Future

THE PROBLEM

Israel's system of governance poses an **EXISTENTIAL RISK for the country within 10-15 years** by consistently weakening the four pillars required for its resilience, which will drive out its most productive population:

1. Cohesive Society will continue collapsing, as three groups with irreconcilable core values and visions of the future fight to defend them. The **Jewish Democratic Country vision** sees Israel as the homeland for the Jewish people and a Liberal Democracy where people are free to choose their religious identity. The **Torah-Centric Country vision** sees Israel as a Jewish state where there is one definition of being Jewish. It rejects the concept of Liberal Democracy and is isolationist. The **Country for All Citizens vision** sees Israel as a non-Jewish-centric Middle Eastern country and may be at odds with the values of Western democracy.

The extreme version of a Unitary Parliamentary system that Israel has forces all groups to live under the same law and gives enormous power to the ruling coalition, which necessitates the fight to control that law to defend one's values. Each group believes it is under attack, while not realizing that it threatens other groups. This clash cannot and will not stop until one group wins.

2. Competitive Economy: Haredi and Arab societies require large subsidies. While the Arab population's proportion remains roughly the same, the Haredi population doubles in size every 15 years, doubling its proportion every 25 – with an even higher rise in subsidies. The burden to finance the State falls on a relatively small group of high-earning families - who pay hundreds of thousands per year just for subsidies, which grow rapidly. It is reasonable to expect that at some point they will rebel. Before the war, we estimated that this refusal would come within 20-25 years, but after the added costs of war, it might take less than 10 years.
3. Competent Government is impossible under the current system. Israeli government, which has proven to be unstable, is neither strategic nor effective, does not manage risks, and has no accountability for elected officials. Its deeply centralized structure led to the introduction of internal brakes into the system, which breed gridlock while ensuring that one group must always impose its values on others.
4. Comprehensive Security System: Together, these risks undermine Israel's future security and prosperity through division, economic instability, and structural incompetence. October 7 was a tragic reminder of the cost of low resilience.

These patterns increase the likelihood of a “Run on the Country”, where the most economically productive parts of the population will find the intensifying domination of Torah-centric values and restrictions, the growing economic burden, and the structural incompetence of the government intolerable. When they lose faith in the future of the country and emigrate in large numbers, the country will not be able to finance itself and will eventually collapse. This spiral has recently been mitigated by the deterrent force of international antisemitism but, as time passes without action, this outcome becomes more likely, and the exodus may happen very suddenly.

The prevention of this scenario must be the first and the utmost priority of all citizens who want their children to have a country, regardless of their political views, religious persuasion, or origin. As external threats temporarily subside, instead of resting on our laurels we must understand the failures of the current system, reimagine Israel’s future, and take action so that this future is secure and prosperous.

THE CONDITIONS

Addressing these existential threats requires getting at their root cause – Israel’s destructive governance system – and thus the only path forward is changing the system at a deep and structural level. We present the guiding principles below.

First, any new system must continue to explicitly recognize the State of Israel as the national homeland of the Jewish people. Further, Israel, as a democratic country, must continue to uphold the full equality of basic rights for all its citizens.

Any new system must thus strengthen the four crumbling pillars of Israel’s resilience and facilitate a high level of social cohesion and collaboration, a productive and competitive economy, effective and strategic government, and comprehensive security. These goals require that any proposed system must satisfy four necessary conditions:

1. **Stopping the values war:** The current system necessitates a constant fight between key groups in Israel with mutually incompatible core values, visions, and lifestyles who defend their way of life. Rendering the fight obsolete does not require compromising core values. Instead, the new system must guarantee that every citizen can belong to their desired group and have the legal right to a lifestyle according to that group’s core values, without others infringing on this right or forcing them to adopt their lifestyle.
2. **Everyone carries their own weight:** The new system must ensure that all groups equitably share the country’s common burdens (economic and other). It must also guarantee that members of the group pay for decisions related to their chosen lifestyle.

3. **Decentralized and competent government:** The government under the new system must be decentralized and transparent and accountable to the public. Its design must produce a highly professional and competent government with institutions built for strategic thinking and risk assessment, regardless of the ruling coalition's identity.

4. **Stable rules of the game:** The basic laws, including those ensuring compliance with the above conditions, must become stable over time such that only a significant supermajority can change them.

All four conditions above are prerequisites for comprehensive security - the foremost concern of every Israeli. NONE of these conditions are being met by the current system.

The reform must be designed and implemented in the next political cycle. Subsidies that do not distort economic incentives are necessary to ease the transition, prevent the economic collapse of communities, and facilitate adoption.

Though these conditions are necessary, we do not claim they are exhaustive. We seek collaboration with organizations whose vision is to strengthen the country so, together, we can pave the way forward for this much-needed reform.

We hold that every proposed reform must be evaluated according to such conditions and that we must focus only on those that can move us on a path to ensuring Israel's secure and prosperous future.

THE PROCESS

Any structural reform needs a very precise process that facilitates rational design and implementation. We prescribe such a process but do not dictate the exact nature of the resulting reform. Unfortunately, such a process cannot be entrusted to the sitting politicians due to perverse short-term incentives imposed by the system.

Instead, it is the citizens who must demand change from the politicians, be directly involved in the design of the new system, and ultimately approve it via a referendum. If the winning coalition during the next elections commits, it must pass the **Special Law of Reform (SLR)** that will stipulate the design and implementation of the reform within 30 months.

The law will create an Expert Committee and a Citizen's Assembly that will jointly design and draft the laws of the new system.

The **Expert Committee** will consist of experts from a variety of fields working full time. They will be nominated by the parties in the Knesset and screened for their qualifications by an independent committee. The experts will study the existing proposals and systems and, within six months, produce between one and three proposals, including their fully drafted constitutions

and core laws. These proposals will include accessible explanations available to the public of the pros and cons of each system.

The **Citizens' Assembly** is a group of several hundred citizens randomly chosen by the Israel Population Authority (in consultation with the Central Bureau of Statistics) to represent each of the key groups in Israeli society. They will provide robust feedback to the Expert Committee and help reduce the complexity of the proposals. Their aggregate non-binding rankings of the proposals will be publicized to the public.

The subsequent period of public deliberation and feedback on the provisional proposals will include direct education, media appearances by the committees' members, town halls, surveys, and more, as dictated by the State Election Commission. After receiving this feedback, the committees will reconvene for three months to finalize the proposals. The Citizens' Assembly will rank them again, and the changes will be explained to the public once more.

The final proposals will then be voted on by the public in a **referendum**. If no proposal earns more than 60% of the vote in the first round, there will be a run-off election between the top two proposals. SLR will stipulate that the results of the referendum are binding and come into effect immediately, along with the constitution. The sitting Knesset will not be able to alter SLR or the constitution until the next elections, which will be held in accordance with the new constitution. The Knesset will have one year to legislate the auxiliary laws necessary to make the system functional, with the old laws remaining in place until directly contradicted.

This process maximizes the democratic legitimacy of the new system while insulating it from the ills of the current system and its politicking. The specialized knowledge of experts ensures a functioning system satisfying the necessary conditions, while the Citizen's Assembly ensures its legitimacy and accessibility. The will of the people is at the core of every stage, from initiation to drafting to feedback and eventual ratification.

THE MOBILIZATION

This becomes ever clearer when we get to the question of how exactly we ensure SLR is immediately legislated by the new Knesset, binding them to this procedure. **This can happen if and only if SLR becomes the first priority on the coalition agreement of the next government. That can only happen if the reform is a high priority for multiple parties. The question is how to make it a high priority.**

The incentives for politicians to initiate a comprehensive structural reform are absent, so we, the citizens, must make it happen. Voters across the entire political spectrum must come together

to demand commitment to the reform process from our favorite politicians, by **conditioning our votes on that commitment to passing SLR immediately after the elections.**

Mobilizing the public to rise to the occasion, as it did on October 8th, requires that:

1. We must educate the voters on the **severity and urgency of the existential threats**, their root cause, and that they can only be addressed through a comprehensive structural reform. We intend to develop a campaign in collaboration with like-minded organizations and individuals for this purpose.
2. We must convey the **necessary conditions** that any successful solution must satisfy, without dictating a specific solution. This will be the topic of an auxiliary campaign.
3. We must cultivate the **voters' sense of agency, duty, and hope** so that they understand that only they can make the necessary reform possible – and they can only do so by uniting across the political spectrum in their identical demands. A large group of voters demanding the same action is the only way to shift incentives for politicians and perhaps unite some of them.
4. Finally, we must credibly convince the voters to demand from their politicians a commitment to **pass SLR** as the first order of business after the elections. The last two items will be rolled into yet another campaign.

This is a novel process that places the will of the people at the center. From mobilization to initiation to drafting, approval, and implementation, the people are always the drivers of change. Our country lives and dies by our actions.