



Regionalism in Israel: Discussion and Recommendation of a Democratic Model for a Regional Layer of Government

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This paper seeks to review regionalism as a principle, examine the way it is implemented around the world, and further recommend a model that takes account of Israeli politics and local government systems.

“Regionalism” is a political theory that seeks to promote local cooperation initiatives and region-based development. This paradigm has been gaining momentum in the past decades, due to the economic, social, and democratic benefits it promotes. Israel has begun a process of establishing a layer of regional governance, but so far only partial solutions have been implemented.

In November 2020, a report titled “Recommendations for Regionalism and Decentralization Reforms in Israel” was issued. The report well explains the need for regionalism, yet its recommendations are not workable in the Israeli political context.

I Regionalism: General Background

The OECD has identified two universal trends: (1) the reinforcement of democracy in sub-national layers of governance in regional and local authorities; and (2) decentralization towards these systems. These trends are not inter-dependent, but they are connected. Both regionalism and decentralization look to move the decision-making process closer to the people. Regional authority generally flows from either local or central power, according to the overarching principle promoting regionalism in the area. Although transferring authority from the local to the regional level seems contrary to the principle of decentralization, in reality, it usually promotes the general decentralization of systems in their entirety.

Regionalism has both economic and social-political benefits.

Economically, regionalism offers better adaptation of public services to local needs, the enhancement of economic growth due to flexibility and to locally tailored economic policy, and the reduction of socio-economic gaps by the capacity for regional, extra-local planning of job markets and welfare populations. Regional government also allows municipalities with small populations to enjoy the benefits of economies of scale by granting them more significant bargaining power and by reducing overall costs. Furthermore, the optimization of public services and the simplification of administrative processes facilitate the realization of local initiatives, adapt the legal environment to business needs and promote economically beneficial competition.

The challenges facing economic decentralization lie in the practice of granting authority and setting goals without allocating the necessary resources, and in the potential redundancy between different layers of government.

The **social-political** benefits are at the heart of regionalism. Regionalism seeks to narrow the gap between decision making and the citizens, and to transfer responsibility from the central government to an authority closer to the residents and their needs, without losing sight of lateral thinking that can go beyond local boundaries in ways that contribute both to the citizens and to the decision-making process. Decentralization engenders greater responsiveness and ongoing accountability to the public on the part of local authorities and increases the residents' influence on the decision making. Studies show that when issues that are close to home can be resolved at a local level, the amount of public civic involvement increases.

It should be noted that at times, regionalism is promoted for undemocratic goals. In Nigeria, for instance, the military regime created alliances with local authorities in order to promote pockets of support for their central rule. Without proper oversight, decentralization can lead to corruption and greater central power.

An important facet of successful regionalism is the quality of regional public institutions. A democratic government offering quality service leads to stable economies and to citizens' welfare. It is also necessary that the public view government institutions as democratic and beneficial. A feeling of community and public involvement can be encouraged by developing mechanisms for responsiveness – which can in turn lead to civic cooperation and to the creation of effective networks.

Regionalism can also facilitate political stability, both locally and nationally. Contrary to the differentiation and separation of small local authorities, regional cooperative measures for services and administration send a unifying message. At the same time, groups can preserve their specific way of life in an increasingly globalized world. This is significant for nation states characterized by cultural diversity because regionalism allows for cooperation between different local authorities without forcing them to give up their local identity. Political parties and their members can find self-expression by influencing their environment and participating in government and fashioning their public square and government services in the area in their own manner.

Community based geographical partition allows for cultural flexibility and a measure of autonomy. In Israel, the local arena allows Haredi citizens to express their values and culture and to some extent maintain a public square that aligns with their lifestyle. Arab-Israeli citizens can also find space to differentiate themselves from the Jewish nationality within the local arena. However, some scholars think community separateness leads to exclusion, discrimination and oppression, social isolation, and inequality. According to them, a multicultural vision drives policies that permit and even encourage the isolation and discrimination of weak communities.

II Regionalism in Israel

Despite the many political, social, and economic shifts and turnovers that marked the years of Israel's existence, the legal and formal structure of local government has remained the same. The legal basis for local authority is complex and eclectic, including, among others, legal holdovers from British and even Ottoman times. Despite several attempts at regulation, and despite being democratically elected, local government in Israel is characterized by deficiencies, lack of uniformity, misalignment between the scope of its authority and its actions and ambiguity in regard to its powers and duties.

The political reform that had the biggest impact on local authorities was the adoption of direct elections to the head of the municipality (the mayor's office) in 1975. The first real expression of regionalism was the "Zanbar Committee" in the eighties, established to examine the relations between local and central government. It recommended establishing a framework for cooperation that would deal with the issue of small municipalities, a recommendation that was accepted but never implemented. Following growing calls for a regional layer of government from political, civic, and academic actors, another attempt at effecting regionalism was made in 2003, this time by unifying extant local authority bodies, a move that had previously been carried out but was intended at that time around to be implemented on an unprecedentedly large scale, merging 266 local bodies into 150. Vocal opposition from mayors and other heads of local authorities, claiming primarily a violation of communal-cultural diversity, stymied the process, and only a small number of mergers actually took place, with even fewer of those lasting beyond a decade.

The "Eshkolot" Program – from local initiative to institution

Despite the opposition to such top-down efforts, the executive, economic and political necessity for regional cooperation hadn't disappeared, and even intensified. Some Northern local authorities unified in the "Eastern Galilee Forum" following the Second Lebanon War. This proved a breakthrough moment for understanding the benefits of regionalism, and the scheme was later adopted by The Ministry of Interior as a "clusters" framework for voluntary regional cooperation. Each "cluster" ("*Eshkol*" in Hebrew) represents a union of various adjacent local authorities which choose to cooperate on specific issues. All participants are equal in this framework, and all have equal electoral power regardless of the square footage or population size they represent. Although the union can choose to cooperate on any issue, most such unions deal with public services, energy efficiency and veterinary services.

The Clusters program is now supported by the Ministry of Interior, but it is only a partial solution. Regulating the framework meant subjecting the voluntary unions to a set of rules and to oversight, thus restricting their independence in managing local initiatives and confining them to more rigid boundaries. Furthermore, this structure deepens the impact of personal relationships between heads of authority, misaligns the initiative's goals with executive and public services providers and has difficulty in imparting a regional outlook to both local and national government layers. Other frameworks for cooperation are both *ad hoc* and dependent on cooperation that isn't always forthcoming.

Previous Calls for Establishing a Regional Layer of Government

The call for regionalism has been generated by think tanks, academia, and civil society organizations, aside from advocates on the political front. One such example is: "The Missing Link: Regional Government in Israel" (by Nahum Ben Elia) published by the Floersheimer Institute for Policy Studies, proposing a semi-federal structure formed along geographical lines, with political authority that would be separate from the local authorities.

Three reports advocating for the benefits of regionalism were published in 2020.

The Rand Corporation's "Local Government Reform and the Socioeconomic Gap in Israel" focused on the economy, stressing the overlap between towns' low socioeconomic status and small population size, low income, geographical distance and small areas of business and industry. The report recommended the establishment of ten counties to optimize resources and mix ethnic populations. The OECD also published a report regarding the socioeconomic picture in Israel and highlighted the need for a regional layer of government for economic planning. The third report was commissioned

by the Ministry of Interior and recommended a democratic - political model for regional governance, after identifying structural failings in local government institutions.

All three, however, fail to adequately address the current political structure and the optimal framework for realizing regional goals.

The Challenges and Characteristics of Local Government in Israel

Local authorities in Israel face challenges on three separate fronts, although naturally they are interrelated as well, and all alike suffer lack of regulation, legal ambiguity and the overburdening of central government:

Economic challenges:

- 1) *Multiplicity of small Municipalities.* Studies show that the size of a local authority has an impact on public services, infrastructure, planning and more, due to economic efficiency. While the average size of a municipality in Israel is in line with the smallest units of governance in other countries (34,000 residents), those countries have another layer of regional authority Israel lacks, thus they benefit from the economic advantages of larger groupings while Israel doesn't.
- 2) *Dysfunctional regional economy and development planning:* The absence of regional planning shows up in many areas. In general, land usage is centralized and heavily supervised, making it difficult to adapt to local needs. Local authorities are also hampered in their ability to regulate the income from municipal taxes (the "Arnona"), producing a negative impact on the motivation to develop housing and attract residents, a negative impact on structural income and difficulty in business development. This creates a self-enforcing cycle, where the absence of local incentives causes people and businesses to migrate toward more prosperous municipalities which increasingly makes them more attractive, thus deepening the disparity.
- 3) *Spatial Inequality and Economic Disparities.* Another issue is the significant economic gaps between different municipalities. The division of public wealth and natural resources is such that only a small number of citizens enjoy their benefits. Most of Israel's territory today is under the jurisdiction of regional authorities in which only 10.4% of the population lives.

Social challenges:

- 1) *Geographical partition along ethnic and socio-economic lines.* The concentration of wealthy, homogenous populations in the central cities creates a differentiation of households on a socio-economic basis, harming the social cohesion of the country. 40 % of Israel's population live in Central cities, and 70% of those belong to the 7th-10th economic percentiles. The OECD reported in 2020 that despite Israel being one of the smallest member countries, it features the largest economic disparities, mapping onto ethnic, religious, and geographical differences. For instance, the weakest municipalities are populated mostly by Haredi and Arab sectors.
- 2) *Social Disparities:* This is connected naturally to further disparities in the access to quality education, which has repercussions for social mobility and the labor market.

Democratic-political challenges:

- 1) *Insufficient regulation of local authority and institutions as an elected representative layer of government.* The narrow scope of action for local authorities impairs their ability to carry out their duties to the people and to realize economic goals. They are further hampered in directing local policy for services and for business promotion due to the restrictions imposed upon them by the central government.
- 2) *The outsized power of mayors.* The democratic institutional structure of local government in Israel consists of a very powerful mayoral position alongside a weak municipality, resulting in a lack of efficient checks and balances. As part of the municipal reform in the 70's, mayoral elections became direct; municipal voting was separated from national elections; and the term in office was extended to five years. This strengthened the local arena by detaching it from nationwide politics and enhanced the power and independence of mayors. In many municipalities, the elected council is weak, its legal footing vague, and it is limited in authority and lacking the necessary tools for serving the public and for supervising the executive branch. The imbalance between mayoral and council power creates disincentives to opposing the mayor, often leading to wide coalitions that neutralize any possibility of oversight and opposition.
- 3) *Public perception of local government as dysfunctional and even corrupt.* Another issue is the identification of local government with a dysfunctional administrative order – even corruption. The complex and restrictive political reality, as much as the obscurity surrounding the local and national division of authority negatively impact local government's ability to adhere to good governance rules and contribute to the development of "institutional criminality". Transparency and reportage are limited and insufficient in a large number of local authorities, adding more weight to the concern with mayors' outsized power and violating the principle of accountability and oversight. This perception may have social and economic repercussions, such as harm to social cohesion, to economic growth, to investments, and to GDP.

III The Regional Political Model

Election models for the regional layer of government in Israel – proposed, extant and optimal:

Advocates for regionalism are unanimous in regard to the benefits of implementing the regional paradigm as a solution to local governance challenges: economic saving, performance efficiency, minimization of the disparities between municipalities, optimization of planning, construction and development, and the improvement of infrastructure and public services. However, insufficient attention has been paid to the question of what the optimal institutional structure is.

The report issued at the request of the Minister of Interior in 2020 recommended a political model for the regional layer. In that model, the head of the region would be one of the acting heads of local authority, elected by direct elections or appointed by a regional council.

However, carrying out this recommendation would produce either: (a) a bias in favor of the locality the elected head of region originates from; (b) a weak regional government as a result of the head of region's dependence on the other heads of the local authorities; or (c) a prohibitive burden placed on the elected head by adding regional responsibility to his or her regular duties, to the detriment of one or both layers of government.

The report also offered two alternatives to electing the regional council – an indirect option in which elected representatives appoint the council, thereby maintaining the power of local representatives and subjugating the regional to the local layer of government, and a direct option in which residents of the region vote directly for the council. The latter is more in line with regionalism's *raison d'être*; however, if coupled with the proposal to appoint one of the heads of local authority as head of region, the subsequent structure would be a dysfunctional hybrid.

The current structure of Israeli local government granting outsized power to mayors must be considered, or the regional layer will simply repeat or exacerbate the issues plaguing the local layer of government today.

The foundational principles for an optimal political model

The underlying assumption is that regional governance should be elected, not appointed top down by central government. Various models exhibit differing degrees of representation, accountability, legitimacy, and relations to other bodies of government.

Democratic institutions are not only important as elected bodies but in the degree to which they can express the people's will and promote their needs and priorities. The assumption is that political entities will be beholden to whoever grants them power. This is especially important in local day-to-day matters. One of the primary justifications for expanding the regional level is the juxtaposition of the regional layer's priorities and duties to the voters' personal life. Two conditions are necessary for ensuring accountability: (a) the understanding that the representatives act in the name of the people, and (b) the political power the public has to punish or re-elect their representatives. When a representative is selected by a distinct population, or by a confined geographical area, accountability is usually more honest and more expansive. If all one hundred and twenty Knesset Members were divided into different provinces, they would each be beholden to the specific geographical constituency they represented.

Aside from the democratic consideration, the institutional structure and relations with other governing bodies must be taken into account. In the context of sub-national government layers, the relevant institutions are the triangle of the elected council, the head of council and the executive-bureaucratic branch. Israel currently uses the strong mayor model, in which most of the power rests in the hands of the head of council. This model is common in other Western countries such as Austria, Greece, Germany, England, and Italy. The Scandinavian countries follow the committee-leader model, in which the power to make decisions and carry them out is more evenly balanced between all three sides of the triangle.

The election process itself does not necessarily lead to certain results, although there is a strong connection between direct elections and the strong mayor model. Studies show that two elements have the most impact on the quality of regional governance: (1) the degree of clarity by which its activity is defined and separated from other layers of governance, and (2) the political model for regulating the region and the way in which the regional representatives and their head are elected.

Political Models for Regional Governance

Much of the goal of regionalism is to minimize the distance between the decision-making mechanism and the citizens, alongside more efficient coordination between layers of government.

The regional council is the forum that deliberates and represents the residents' array of interests, while the executive body carries out the decisions made with whatever degree of involvement from the council. Whomsoever the government is accountable to expresses itself in the government structure; therefore, if regional government is intended for coordination and facilitation of work with the local authorities, those authorities would be the natural candidates for electing the regional body. However, since regionalism's goal is broader, and includes the need for more accessible government for the people - the model must ensure a direct response to the citizens and thus be elected by them. The RAI (Regional Authority Index) that measures the quality of regional government therefore connects citizens' ability to elect political representatives to the regional layer to better quality of regional government.

A table can illustrate the question of who elects the regional body:

Who elects the regional council:	Residents	Designated Representatives to the Region	Local Authorities' Representatives	Head of Local municipality	Appointment by central government
Degree of proximity to voters:	Closest to residents	Closer to residents	Equidistant from voters	Farther from residents	Farthest from residents
Regional residents' are represented as:	An organic unit	An amalgamation of the various local authorities	An amalgamation of the various local authorities	An amalgamation of the various local authorities	Part of the general population

The method for electing the head of the regional body has its own implications. The first regards relations with the council. In general, the methods can be divided into the single legitimacy model and the dual legitimacy model, with legitimacy being the function of direct election by the people. In the first model, the council appoints the head of the region, and has oversight and the power of removal of their appointee. In the second model, the head is elected separately and enjoys independent legitimacy, being accountable not to the council but to whoever granted the authority.

The second implication is accountability to the residents. Direct elections, commonly equated with transparency and openness, enjoy greater legitimacy since the head of the region is consistently and swiftly accountable to voters. Research in the States has shown that this model was consistent with greater achievement of political goals, although election cycles always play a role in decision making. Direct elections facilitate local independent initiatives and actors more than national parties that vie for local authority. Indirect elections, in which the elected council appoints its head- usually one of the council members – strengthens the council's power and reduces the residents' ability to hold the head of the region accountable, although there do exist an array of counter balancing measures.

Other models include election by the heads of local authorities or by representatives of local councils. Proposed models must address the entire governance structure because lack of internal logic can lead to dysfunction. The goal of a regional layer of government is best expressed by residents' representation in the representative council, since without its accountability to the region's residents there is little reason for it to exist in the first place.

Israel: Comparative Analysis

Israel's model is the strong mayor model, which includes the concentration of powers in the mayor's hands. In Israel this is extreme and lacks in checks and balances – the oversight power of the council is particularly weak.

This study examined thirteen European countries in which the regional government was efficient (unsuccessful models are unhelpful for comparison with Israel and thus omitted from study): Austria, Italy, Belgium, Germany, Denmark, The Netherlands, Norway, Spain, Poland, Finland, The Czech Republic, France, and Sweden. Of these, most do not elect the heads of local authorities directly as is the practice in Israel.

Similarly, the head of the region is elected directly only in Italy. Most others use a single legitimacy model, as Israel did in municipal elections until the seventies: residents elect representatives to the council, and they choose their head. Belgium and the Netherlands use the appointment model, wherein the elected council recommends a head to the central government.

On the regional level, the model is one of dual legitimacy – residents directly appoint the regional council as well as vote directly for their local representatives. Thus, there is a vertical differentiation between the local and the regional, allowing for a measure of political independence for each. This would be particularly beneficial in Israel, where the mayors wield disproportionate power with insufficient oversight.

The Importance of the Political Structure for Regional Government in Israel

Firstly, it is important to stress that it is very uncommon for the local authorities' heads to be the ones to elect the regional head or even act as regional head on their own when they are especially strong, as is the case in Israel. In most European countries where the regional layer of government efficiently plays a meaningful and independent role, the council is elected directly by the residents, which in turn appoints a head from among its members.

The election of the regional layer by local representatives usually translates into the regional government playing an auxiliary role to the local government and thus serving merely an administrative function. Such indirect election in Israel can duplicate and even exacerbate the current failings of the local layer of government. Even riskier is to add power to the already strong mayors by either granting them the power to influence the identity of the region's head, or by having one of them serve in that position. Politically, the head would thus be beholden to the local authorities, not to the residents. Furthermore, regional interests would likely give way to local ones, with the regional layer becoming an arena for a struggle between mayors to advance their hometown interests with very little in the way of promoting regional interests.

However, the election of the head of region by representatives who were themselves directly elected to the regional council differentiates the regional arena from the local one. While the local layer allows residents to preserve their identity and way of life, the regional arena allows for cooperation that does not threaten these differences.

Moreover, such cooperation should be transparent and subject to review, in line with the direct accountability to voters. Mayors today act under conditions that grant them responsibility with very little authority, creating great difficulty with maintaining good governance. A regional layer of governance won't solve this issue on its own; however, its political structure may at least help by using the opportunity to reassign authorities and define the powers and oversight mechanisms in local bodies of government and strengthen local councils, as well as develop regional oversight

mechanisms for cooperation between local authorities and for maintaining a regional political model characterized by broad agreement between actors and the promise of stability and efficiency.

The regional municipalities in Israel are a good basis for the dual legitimacy model, wherein residents elect both their own town's management and the local municipality, thus expressing their will on both the local and regional level. Some municipalities maintain equal representation for all towns, regardless of size, granting smaller towns outsized influence but also preventing larger towns from being able to disregard the small ones and take over regional decisions. The Clusters program likewise expresses the regional view. However, there is still a long way to go to fully implement meaningful regionalism.

Regional borders and election timetables also have implications. In European Union countries, where regionalism dominates, (so much as to coin the term "Europe of the Regions"), regions are represented over states in the EU's institutions. Generally, Western and Northern Europe saw the demand for regionalism working bottom-up, with the borders based on cultural difference and local history while Eastern and Central Europe saw more top-down regionalism, which may partially explain those states' failures and weaknesses in implementing it. Borders should not be decreed from above but very thoughtfully crafted out of regional identity, taking account of the differing cultural populations. These can be expressed in a regional council. This regional identity is further influenced by election dates in relation to other elections. Some European member states adjusted regional voting to European Union elections to encourage and highlight the local versus the European identity. Local and regional elections can be paired to combine considerations for both layers. In Israel it would be well to consider the issue of regional elections in relation to other layers of government.

Summary and Conclusions

This study focused on the optimal political model for a regional layer of government in Israel in relation to the existing institutional structure and to the democratic, economic, and social challenges that characterize local government. This consideration has determining weight for the question of designing and fortifying an intermediate layer of government between the local and the national, since much of the regional work involves the local authorities.

This paper focused on the regional government as a tool for democratic realization. The starting point is that one of regionalism's goals is to close the gap between residents and their government, which is served by direct elections. The basic democratic idea is that the public should have the means to review the decision-making body charged with making decisions about their lives. An administrative, centrally appointed body does not do so, any more than other mechanisms for election that are not the residents themselves.

On account of its many advantages, we join the call for institutional regionalism in Israel with a broad, clear and accountable scope of action. We suggest a structure that can overcome the weaknesses extant in the current local government structure. We see the electoral method as the key factor that establishes the regional layers' essence: a layer that either serves the existing power structure or becomes an independent layer serving the regions' residents, with the potential to repair the current dysfunctions in planning and in socio-economic policies on a regional level.

The optimal political frame for a regional layer of government is based on two principles regarding its desired function. The first is regional independence and minimizing the political or practical

dependence on narrow local interests. The second is the promotion of democratic values and a vertical structure that ensures accountability, reportability and responsiveness to the public, greater public involvement in and proximity to the decision-making process, dialogue between different groups and the possibility of promoting shared interests.

Therefore, we recommend establishing a regional layer of government that is politically governed by a regional council. The council would be elected directly by the region's residents, and at its head would be the representative who won the most support. Naturally, the value of representation should be balanced by mechanisms to ensure stability and efficiency in reaching and carrying out decisions, such as granting the council significant oversight powers. The regional layer does have a role in coordinating between local and central government but that is only a small, narrow role. The regional layers should have clearly defined authority and influence in areas where the regional arena has an advantage such as planning, development, and infrastructure. The direct election of the council's representatives minimizes the gap between residents and the decision-making process and strengthens their influence.

It is also worth noting the opportunity such a structural change can offer for solving the issues local authorities currently face. For example, a clear-cut division of authority has been shown to be necessary for regional authority's functionality. Since such clarity is missing from the local level, establishing the regional level will make local authorities' powers and independence clear as well. Such clarification also enhances the residents' direct influence on decision making, since it is clear, that for example local authorities handle culture and the regional authorities manage infrastructure, and they can vote directly for the representatives of each accordingly. Clearly delineated areas of activity for each representative create the space for each to focus on the areas they are better suited to manage best.

[The Full Paper in Hebrew](#)