

# ECONOMY

## ECONOMIC REFORM

Coronavirus claimed the lives of many people and compromised the health and wellbeing of many others. The significant health issues presented by the pandemic were compounded by one of the worst economic crises in the history of the State of Israel. The year 2021 opened with a budget deficit of 11.7% and a debt-to-GDP ratio of 73%.

Immediately after the elections, we will address the economic challenge that confronts us. Our approach is informed by deep confidence in the durability and resilience of the Israeli economy, and deep confidence that every challenge carries with it tremendous opportunity - the opportunity to fix several longstanding problems in the Israeli economy, the opportunity to implement systemic change that will propel the economy forward, and the opportunity to generate continued growth and prosperity in the years to come.

## THE PUBLIC SECTOR

Every democratic nation needs a strong, competent, sustainable public sector. For this reason, the Religious Zionist Party is committed to making the public sector stronger and more efficient. Nowadays, salaries in the public sector are determined based on seniority rather than objective talent and professional performance, severely compromising the public services offered to Israeli citizens. Similarly, the fact that it is not possible to fire workers in the public sector, leads to low worker productivity and increases the cost of employment. The fact that every worker - even essential service providers - has the right to strike enables various workers' groups and unions to hold tax-payers hostage for their demands, and de facto creates outrageous salary conditions

that are significantly higher than average salaries in the private sector and increase at a higher rate over time.

The Religious Zionist Party will work to regulate the labor relations between the state, meaning the public, and those who work in the public sector, in the following manner:

- We will promote legislation that calls for 'Alternative Dispute Resolution for Essential Services' to protect the general public from unnecessary extensive strikes.
- We will outlaw solidarity strikes and political strikes.
- We will ensure that employment terms are not absolute by annulling the institution of tenure in civil service.
- In this way, we will increase productivity in the public sector and improve the services offered to Israel's citizens.

## THE STATE BUDGET

The state's budget is the best expression of the priorities of the public and its elected officials, and for this reason it must be determined responsibly and with a sense of moral accountability. Moral accountability is not limited to the current generation of voters. It must also take into account the good of future generations. While it is correct that the high deficit in 2020 was an unavoidable outcome of the corona crisis, it would not be sound to proceed with the exact same plan the following year. We bear responsibility for future generations who will bear the brunt of the burden of debt. For this reason, we must find a way to lower the debt-to-GDP ratio as quickly as possible. Rather than using public funds unnecessarily, it behooves us to devise a responsible and thought-out plan that will enable us to enjoy economic stability at present and increase investor confidence in the future.

## WHAT WILL DO IN THE UPCOMING KNESSET TO ADDRESS THE BUDGET?

- We will work to decrease the deficit in the short term by placing a temporary 'Corona Tax' on workers in the public sector, similar to the 'Growth Incentive Tax' levied on workers in the public sector after the economic crisis of 2003. The calibrated tax will be levied for two years and senior employees with higher salaries will be taxed at a higher rate than employees who earn a lower salary.
- We will generate plans to make the public sector more efficient, including reducing unnecessary posts and leveraging current posts to better suit the government's needs and enable things to operate more effectively and sensibly.

These steps will ensure the long-term stability and prosperity of our country and will transform the corona crisis into an opportunity to streamline the public sector and make things more efficient.

## TAXATION

In general, the Religious Zionist Party believes that tax law should be as simple and uniform as possible. Simple tax laws boost business certainty in the private sector, decreases the costs of tax planning, and increases the scope of tax collection.

## WHAT WILL WE DO IN THE UPCOMING KNESSET WITH REGARD TO TAXATION?

- We will work to decrease the different tax exemptions and benefits extended to businesses, and in its place implement a universal tax decrease to enable both new and old businesses to benefit from an environment that is more supportive and accommodating.

## HEALTHCARE

The Religious Zionist Party will work to strengthen and boost confidence in the public healthcare system. The corona crisis demonstrated the importance of having a strong and functional healthcare system. In Israel, the healthcare system is subdivided into two different divisions: Healthcare services offered at a communal level (kupat holim health funds) and hospital-based healthcare.

The communal healthcare system in Israel is one of the finest in the world, on account of competition between the different health funds. Unfortunately though, hospital-based healthcare lags behind.

We will pass legislation to strengthen and improve public healthcare by increasing competition between the hospitals. By increasing competition, the services offered in hospitals will be enhanced and improved, benefiting the entire system and prompting increased approval ratings among patients.

### WHAT WILL WE DO IN THE UPCOMING KNESSET TO ADVANCE REFORMS IN PUBLIC HEALTH AND IMPROVE THE HOSPITALS?

- We will pass legislation that empowers patients to choose their preferred hospital and doctor, without demanding additional payment.
- We will pass legislation that establishes that all hospital departments are bound by the same uniform assessment measures that evaluate the quality of care, attitude of the staff, and wait-time for appointments. These measures of assessment will also evaluate the success of treatment and frequency of complications and will give the public the ability to compare different departments.
- We will provide incentives for doctors who want to increase their hours in the public healthcare system, if there is great demand for them.

- We will strengthen medical care in towns and cities in Israel's periphery by increasing competition between health funds in small towns and changing the compensation structure in hospitals.
- We will pass legislation to incorporate government hospitals and make them into independent nonprofit organizations. In this way, we will prevent the built-in conflict of interests that exists today, given that the Ministry of Health is both the supervisory body and the body being supervised. All hospitals will have budgetary independence and must conduct themselves in an economically balanced fashion.

In this way, Israel's citizens will benefit from public healthcare that is equitably funded, and still benefits from the advantages of competition and all the ensuing financial incentives effected by the free market.

## THE EDUCATION SYSTEM

As the Religious Zionist Party, we believe that our children's education is of primary importance. In our eyes, the government's most important investment in its future is educating the next generation. At current, the education system is highly centralized and exceptionally cumbersome.

## WHAT WILL WE DO IN THE NEXT KNESSET TO IMPROVE THE EDUCATION SYSTEM?

- We will work to decrease the centralized nature of the education system by giving local municipalities and school principals increased authority and jurisdiction over their schools.
- We will work to give parents greater freedom of choice in choosing a school for their children.
- We will work to give school principals greater flexibility to hire teachers, determine their terms of employment, and develop payment and incentive packages for their staff. We believe that if school

principals are given greater latitude to run their schools, reward their top teachers, and promote different initiatives and innovations, they will be able to transform their schools into bastions of academic and moral excellence. Excellent teachers will be paid well and improve the status of teachers in society.

- Informed by the understanding that parents bear primary responsibility for their children's education, we will allow parents to establish schools that coincide with their educational approach, with minimal governmental regulation.

## CREATE A BUSINESS-FRIENDLY ENVIRONMENT

A state that prizes its future must create an environment supportive of free enterprise, innovation, and ongoing corporate activity. For this reason, we seek to promote an atmosphere conducive toward business that streamlines the process of creating start-ups and cultivating business opportunities, minimizes bureaucracy, and simplifies the process of interfacing with different government offices and institutions.

## WHAT WILL WE DO IN THE UPCOMING KNESSET TO CREATE A BUSINESS-FRIENDLY ENVIRONMENT?

- We will make it possible for businesses to abide by American and European standards as an alternative to the many hurdles presented by the Standards Institution of Israel.
- We will limit the excessive regulation in all government offices.
- We will decrease the power held by professional trade unions and curb their ability to make it difficult to enter the profession, which is a direct conflict of interests.
- We will promote certainty in business by enforcing mutual signed contracts.
- We will work to ease the regulations involved in hiring workers by simplifying employment laws.