

Implications of the Sweeping Use of the Economic Arrangements Law on Social Gaps in 2002-2005

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This article deals with the Economic Arrangements Law and its implications on the widening of social gaps in Israeli society.

The law, which was first legislated in 1985 as an urgent temporary arrangement, has become routinized and been submitted to the approval of the Knesset every year as part of the annual budget law.

The critics of the law regard it as a policy instrument which offends the principles of democracy. By contrast, its supporters emphasize its contribution to advancing structural reforms and economic stabilization.

The law is employed as a policy encouragement instrument which leans on a base of enforcement and reward. It has facilitated the legislation of comprehensive economic and social changes.

The unique attributes of the law enable the adoption of legislative changes which would not likely have been adopted in a regular legislative process. Moreover, these attributes weaken the power of those opposed to the suggested changes and narrow public debate on these issues. As such, the law serves as a policy instrument which has a negative impact upon the weakest groups in the population and contributes to the expansion of social gaps in Israel.

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