

ISRAEL'S JUDICIAL "REFORM" CRISIS

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Israel's Judicial "Reform" Crisis

Israel – the only democracy in the Middle East-- is currently experiencing severe political tensions, the worst since its independence, which has polarized the population not only along the left and right of the political map but also along ancestry lines of Ashkenazi Israelis vs Mizrahi and religious vs secular Israelis and has the potential to boil over and turn violent.

The tensions erupted after the newly appointed justice minister, Yariv Levin, a vocal critic of the Supreme Court, unveiled the newly created government "reform" of the judicial system, which if passed will weaken the entire legal branch.

Levin's controversial plan will give the government, the most ultranationalist and ultra-Orthodox in the nation's history, a total control over the appointment of judges, including Supreme Court justices, which will severely limit the Supreme Court ability to strike down self-determining legislation.

The plan will also allow the 120-seat parliament (Knesset) to pass laws that the Supreme Court has annulled as unconstitutional by override the Supreme Court decisions with a simple majority of 61 votes.

The plan also propose that ministers appoint their own legal advisers instead of using independent legal advisers. When passed, the plan will end the Supreme Court's ability to review "basic laws," which are Israel's stand-in for a constitution.

Netanyahu and Levin argue that public's faith in the judicial system had fallen to a historic low, and the "reform" will restore the power to elected officials who are at the hands of overly interventionist judges.

Critics of the "reform" claim that the plan will give absolute power to the newly created coalition that would undermine Israel's democratic character by upsetting its checks and balances system, granting almost all power to the executive branch.

With a large block of the coalition parties are religious and ultra-Orthodox, there is a growing fear that the "judicial reform" will expand to other right-wing and religious agendas that could hurt individual rights and minorities such as members of the LGBTQ community, Israeli Arabs, asylum seekers as well as women rights.

Ever since Netanyahu was indicted in three cases, including bribery, fraud and breach of trust, he has campaigned against the justice system. He denies all charges and claim to be a victim of a witch-hunt by a hostile media, police, and prosecutors. While Levin said his plan was not connected in any way to Netanyahu's trial many Israelis believe that the entire plan is to halt the trials to prevent his imprisonment.

Shortly after Levin introduced the proposed "reform," large scale protests attended by tens of thousands of protestors from all walks of life of the Israeli society have taken to the streets. Weekly protests are held throughout the country, but mainly in Tel Aviv and Jerusalem. Businesses and many in the financial industry have warned that the "reform" will harm investment prospects especially in the high-tech

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industry, which counts to about 15% of Israel's GDP. In response several leading high-tech companies have transferred billions of $US abroad. If passed, the plan will likely result in further departure of money and human talent abroad.

The "judicial reform," which came shortly after the government announced its plans to expand settlements in the West Bank drew criticism from the US and France among other countries, who warned that the proposed plan, will result in Israel losing its democracy status.

Several large banks, including JPMorgan Chase & Co., Standard and Poor's 500 (S&P) have warned that due to lack of strong judicial system Israel A1 credit score might drop, which will prevent investments and the government borrowing money at lower interest. Norway's independent wealth fund, KLP, announced it considering exiting Israeli holdings in response to the judicial reform plan as well as the plans to expand settlements in the West Bank.

The polarization reached the security agencies, with thousands of military reservists from all military branches, announced that they will refuse to serve if called. Hundreds of the ISA (Shin Bet) agency signed a petition against the "reform" and Mossad employees demanded and were allowed to join the protests. Many of the servicemen and reservists fear that in the absence of an independent legal system, which serves as checks and balances to the legality of the government security decisions, they will be exposed to detention and prosecution as they travel abroad.

On February 20, despite the mass protests and warnings from international backers, including the United States and France, the Knesset passed its judicial reform law in the first of three readings.

In a televised address to the nation, President Isaac Herzog, denounced the government's judicial overhaul legislation describing it as "oppressive," "a disaster" and "a nightmare" harmful to democracy. He called the government to abandon it immediately and replaced by a framework for consensual reform as the country descends into a social and constitutional void.

The mounting pressure on the government, and the beginning of cracks within the coalition, will likely lead to talks with the opposition to reach consensual reform.

In case that talks will fail or hawkish ministers within the government will refuse to reach an agreement the Supreme Court is likely to overthrow the "reform" law, which will leave the country in chaos and put the heads of the military and the national security agencies in the dilemma on who to follow.

Soundbite analytics

- The reform had polarized the Israeli population along left and right of the political map but also along ethnical line of Ashkenazi vs Mizrahi.
- The polarization reached the security agencies. Thousands of reservists from all military branches, announced that they will refuse to serve if called.
- The reform will create a puppet legal branch.
- The reform was pushed to halt the indictments against Netanyahu.
- The reform will harm international investment especially in the high-tech industry.
- The reform will result in departure of money and human talent.
- Israel credit score is at threat of dropping from its A1 score.

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- Cost of living will increase dramatically.

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