Handout Materials

for the lobbying session

on legalizing district councils in Israeli cities

The parliamentary lobby was registered by Knesset member from the Likud party, Amit A-Levy, at the initiative of the "Dor Moria" Think Tank

March 26, 2025

This document was prepared by the "Dor Moria" Think Tank as part of the activities of the Parliamentary Lobby in the Knesset for the legalization of district councils in Israeli cities. The document presents the rationale for legalizing district councils as a tool for addressing critical issues in Israeli society.

The document contains a comprehensive analysis of socio-political divisions in Israeli society and offers innovative strategies to overcome them. The document is based on 14 nationwide sociological studies and 5 expert surveys conducted in 2023-2025 in partnership with leading sociological companies "Maagar Mochot" and "Geocartography."

Authors:

Lola Kolpina - Doctor of Sociology, researcher at Haifa University

Igor Kaminnik -- Director of the "Dor Moria" Think Tank, expert on social mobilization issues

Boris Lazarev - Doctor of Analytical Chemistry, former member of the Haifa City Council (1998-2008), expert on community self-organization and local governance.

Mikhail Finkel -- Doctor of Political Science, specialist in Halachic law

Vitaliy Barvinenko - Doctor of Law, Chairman of the Odessa District Council

Dan Fayutkin - Expert in international law, Chairman of the Supervisory Board of "Dor Moria."

Contents

1. Social divisions in Israeli society: diagnosing the problem

1.1. The phenomenon of the ontological bubble

Long-term research conducted by the "Dor Moria" Think Tank (14 nationwide sociological studies and 5 expert surveys in 2023-2025) revealed a new type of social division in Israeli society, which we called the **"ontological bubble"**.

Evolution of social contradictions

During our research, we identified four consecutive stages in the evolution of social contradictions, characterizing the transition from normal social diversity to the dangerous state of an ontological bubble:

1. **Social differences** → Natural diversity of opinions and positions existing in any society and not hindering constructive dialogue.
2. **Ideological disagreements** → Systemic differences in views based on different value systems, but still allowing for discussion and mutual respect.
3. **Political polarization** → Intensification of confrontation, formation of stable groups with opposing views, reduction of the "middle" segment of moderate positions, increase in the emotional component in discussions.
4. **Ontological bubble** → A qualitatively new state when contradictions grow into irreconcilable alternative pictures of reality, self-sustaining and impenetrable to external information.

Israeli society, according to our data, is currently in transition from the third to the fourth stage, which requires immediate intervention.

The **"ontological bubble"** is a phenomenon where social contradictions evolve into irreconcilable alternative pictures of reality, forming a self-sustaining system of dialectically interrelated opposites. Unlike ordinary social divisions, it is characterized by:

- **Impermeability to alternative ideas and facts** that contradict the established worldview
- **Dehumanization of holders of other views**, perceiving them as existential enemies
- **Manichean dualism**: dividing the world into "sons of light" and "sons of darkness"
- **"Sticking" of key dichotomies**: Us/Them, Good/Evil, Truth/Falsehood, Insiders/Outsiders, Progress/Reaction

Difference between the ontological bubble and traditional social divisions

Parameter	Traditional social divisions	Ontological bubble
Nature of division	Disagreements on specific issues and policies	Fundamental differences in the perception of reality
Attitude toward facts	Different interpretation of commonly recognized facts	Creation of alternative systems of "facts," denial of information that contradicts the worldview
Perception of opponents	Political or ideological opponents or competitors	Existential enemies, embodiment of evil

Parameter	Traditional social divisions	Ontological bubble
Possibility of dialogue	Dialogue is possible based on commonly recognized rules and procedures	Dialogue is difficult due to the absence of a common language and basic premises
Emotional component	Secondary to ideological positions	Primary, forms an emotional dependence on confirming one's own rightness
Integrity of positions	Agreement is possible on some issues while disagreeing on others	"Package" perception of positions, where views on various issues form an inseparable whole
Resistance to change	Positions can change under the influence of new information	High resistance to changes, new information is interpreted to confirm existing views
Segmentation of society	Multiplicity of groups with diverse positions	Binary division into "us" and "them"
Role of identity	Ideological positions as a part of identity	Ideological positions as the basis of identity
Mechanisms for overcoming	Public dialogue, political compromises, educational programs	Non-standard approaches are required, acting simultaneously at micro and macro levels

1.2. Empirical data

Factor and correlation analysis of the data revealed the formation of two main worldview clusters in Israeli society with high internal consistency:

Religiously-accentuated cluster:

- Halachic state
- Religious Zionism
- Jews as God's chosen people
- Unique mission of Israel in the world

Secular-modernist cluster:

- Secular state
- Secular Zionism
- Jews — one of the ancient peoples
- Orientation towards the Collective West

Key indicators of radicalization:

- **61%** of Israelis systematically choose radical positions on key issues
- **76.2%** of radical view holders maintain them on all issues regardless of content
- Only **39%** of respondents hold moderate views
- **40%** of Israelis believe that none of the current politicians make a significant contribution to unifying society

1.3. Limitations of traditional approaches

In the context of an ontological bubble, traditional methods of overcoming social disagreements prove ineffective:

- **Information and educational programs** do not work due to the impermeability of the ontological bubble to external information
- **Political compromises** are perceived as betrayal of basic values
- **Mediation and dialogue practices** are hampered by the absence of a common language and basic premises
- **Appeal to common values** is complicated by the erosion of society's value foundation

2. Strategy for overcoming social contradictions and social divisions in the context of the formed "ontological bubble": three-level model

To overcome the ontological bubble, we propose a comprehensive approach based on a three-level model of identity and social interaction:

"Me and the city" — District councils: local level, giving citizens control over their immediate environment and creating practical experience of cooperation with neighbors of different views.

"Me and my country" — Halachic banking: national level, combining traditional values with modern economic needs, creating a space for cooperation between religious and secular citizens.

"Me and the world" — Abrahamic regional cluster: global level, positioning Israel as a technological bridge between civilizations and overcoming the false dichotomy of "East or West."

Each of these levels is aimed at addressing specific aspects of the problem, and together they form a holistic system for overcoming the ontological bubble.

2.1. Micro-level: district councils as an institution of democratic self-organization and a tool for direct democracy at the local level

District councils (vaad shchunati) are a mechanism that allows shifting focus from abstract ideological confrontations to specific practical problems. The effectiveness of this approach is based on:

- **Local problems displacing global ideological disagreements** — issues of improvement, security, and quality of life unite people with different political views
- **Direct interaction** breaks stereotypes and demonization of "others" through personal contact
- **Direct democracy** returns to citizens a sense of control and responsibility
- **Visible results** create a positive experience of cooperation

2.1.1. Rationale for reform

1. **Population growth and urbanization**:
   o Since Israel's founding, its population has increased 15-fold
   o More than 20 cities with a population over 100,000
   o Increasing differences in the interests of residents of different districts
2. **Limitations of the existing system**:
   o Party-list elections do not ensure personal responsibility
   o Lack of mechanisms for systematically addressing local problems
   o Weak interaction between representatives and voters
3. **Expert opinion of the Knesset Research and Information Center (June 2024)**:
   o Support for strengthening the personal component in local elections
   o Recommendation for introducing district councils as a decentralization tool
   o Positive international experience (Germany, Scandinavian countries)

2.1.2. Model of district councils

Functions of district councils:

- Interaction with residents: regular meetings, surveys, handling requests
- Determining district development priorities
- Development and promotion of local projects
- Attracting additional funding
- Public oversight of project implementation

Formation procedure:

- Candidate submits an application with a support list (at least 100 signatures from district residents)
- A shortlist of 12 candidates with the largest number of recommendations is formed
- Voting takes place on the day of municipal elections
- Each voter selects one candidate
- 7-9 candidates with the most votes form the council
- The candidate with the most votes becomes the chairman

Legal status and financing:

- Status of non-profit organizations (amutot)
- Municipal budget: 0.5-1% (about 20 million shekels for 5 districts in Haifa)
- State funding: 100 shekels per resident per year
- Additional sources: grants, donations, sponsorships

Advantages of the model:

- Decentralization of management
- Increased accountability through direct elections
- Increased civic activity
- Creation of healthy competition between districts
- Formation of a new personnel layer at the municipal level

2.2. Macro-level: a new vision for Israel's future

2.2.1. Israel as a technological bridge

In the context of an ontological bubble, it is necessary to offer a unifying vision of the future that transcends existing contradictions. The concept of **Israel as a technological bridge between the Collective West and the Global South** meets these requirements because it:

- **Goes beyond existing dichotomies** of "West or East"
- **Corresponds to the objective geopolitical position** of Israel at the junction of Europe, Asia, and Africa
- **Aligns with the support for the Abraham Accords** by the majority of Israelis
- **Relies on common aspirations** to see Israel as an economic and technological center of the region

Sociological data (February 2025):

- **39%** of Israelis believe that Israel can become a country connecting the interests of the West and the Global South
- **58.3%** rate cooperation with BRICS countries as important or promising
- **63.7%** want to see Israel as an economic center of the region
- **58.7%** — as a technological center
- **63.3%** consider the Abraham Accords a "historic breakthrough"

Among world leaders who can influence the development of the Abraham Accords (besides D. Trump), Israelis noted: 28.9% named **V. Putin**, 17% — **Xi Jinping**, and 13.9% — **N. Modi**.

2.2.2. Abrahamic economic cluster

Based on the Abraham Accords, the creation of an **Abrahamic economic cluster** uniting Israel and Arab countries is proposed. Key areas of cooperation:

- Development of regional infrastructure
- Implementation of "Smart Region" technologies
- Implementation of joint environmental projects
- Creation of a common financial ecosystem
- Development of human capital

3. Halachic banking: financial foundation for citizens' self-organization

3.1. The essence and principles of Halachic banking

Halachic banking is a financial model based on the principles of Jewish religious law (Halacha), which can become an effective tool for supporting civic initiatives, including the activities of district councils.

Key principles:

- **Prohibition of usury (ribit)** — use of heter iska mechanisms instead of traditional loans with interest
- **Fair distribution of risks** — partnership models where the financial organization and client share profits and losses
- **Cooperative structure** — clients become co-owners
- **Social responsibility** — priority financing for projects in education, healthcare, and sustainable development
- **Investment in the real economy** — support for infrastructure projects and local initiatives

3.2. Financial cooperative "Abrahamic Partnership"

For the practical implementation of the Halachic banking concept, registration is being completed for the **Financial cooperative "Abrahamic Partnership"** as a pilot for testing "Halachic banking" and as a tool for financing the real sector of the economy and projects of cooperative members, including district councils.

Benefits for the district council system:

- Access to financing based on ethical principles
- Opportunity to implement socially significant projects without high interest rates
- Integration into a financing system corresponding to traditional values
- Participation of district residents in financial decisions
- Creation of transparent mechanisms for resource allocation

3.3. Comparison with Islamic banking

In the long term, Halachic banking can be combined with Islamic banking as part of an **Abrahamic financial system**. These systems have similar ethical principles:

Financial product	Halachic banking	Islamic banking
Interest-free financing	Heter iska	Mudaraba
Joint investment	Shutafut	Musharaka

Financial product	Halachic banking	Islamic banking
Leasing with purchase option	Lease agreement with purchase option	Ijara
Trade financing	Hevker-hasin	Murabaha
Interest-free bonds	Halachic bonds	Sukuk
Social financing	Gmach	Qard hasan
Insurance	Mutual insurance funds	Takaful

Such integration:

- Will create a material embodiment of Abrahamic continuity
- Will form a mechanism for economic integration in the region
- Will transform religious differences from a source of conflict into a basis for cooperation

4. Integration of strategy components to overcome social division

Each element of the proposed three-level strategy has its own value, but their synergy creates a qualitatively new effect capable of transforming the deep mechanisms of the ontological bubble:

4.1. Synergistic effect of the three-level approach

District councils:

- Create practical experience of cooperation at the local level
- Shift attention from ideological confrontations to specific tasks
- Restore social trust through direct interaction

Halachic banking:

- Provides a financial foundation for civic initiatives
- Connects traditional values with modern economic needs
- Demonstrates the possibility of cooperation between religious and secular approaches

Abrahamic regional cluster:

- Offers a unifying vision of the future that goes beyond existing dichotomies
- Transforms geopolitical challenges into economic opportunities
- Positions national uniqueness as an advantage, not a barrier

4.2. Mechanisms of influence on the ontological bubble

The proposed strategy effectively impacts the key characteristics of the ontological bubble:

1. **Against impermeability to alternative ideas:**
   - District councils create an experience of successful interaction with holders of different views
   - Halachic banking demonstrates the possibility of integrating traditional and modern approaches
   - The Abrahamic cluster shows the advantages of global cooperation
2. **Against dehumanization of holders of other views:**
   - Direct interaction in district councils breaks stereotypes
   - Economic cooperation within Halachic banking creates common interests
   - The image of a technological bridge unites different groups around a common mission
3. **Against "sticking" of key dichotomies:**
   - Involvement at different levels creates a multidimensional identity
   - Contradictions at one level are compensated by cooperation at others
   - A new coordinate system is formed that goes beyond existing confrontations

This comprehensive strategy does not try to "defeat" or "reconcile" opposing ontologies, but creates a new space for interaction and a new horizon of development, gradually making old divisions less significant.

5. Recommendations

1. **Submit a bill for discussion in the Knesset** on creating district councils in cities with a population over 50,000
2. **Define funding mechanisms** for district councils, including:
   - Municipal funding (0.5-1% of the city budget)
   - State funding (100 shekels per resident per year)
   - Possibility of receiving private donations through amuta status
3. **Create a working group to develop the legal framework for Halachic banking** with the participation of representatives from the Knesset, Bank of Israel, rabbinate, and financial experts
4. **Support the testing of "Halachic banking" based on the Financial cooperative "Abrahamic Partnership"** as a pilot project for implementing the principles of ethical financial instruments

Appendix: International Experience

District councils and similar structures successfully function in many countries around the world:

- **Germany**: District committees (Bezirksausschüsse) in Munich and other major cities
- **Sweden**: District councils (Stadsdelsnämnder) in Stockholm have significant autonomy
- **France**: District councils (Conseils de quartier) operate in all cities with a population of more than 80,000 residents
- **USA**: Community Boards in New York and Neighborhood Councils in Los Angeles
- **Russia**: Territorial Public Self-Governance (TOS) can participate in the distribution of subsidies, organize improvement projects, events, and implement initiatives through grant support from municipalities and regions.
- **Ukraine:** Bodies of Population Self-Organization (OSN) participate in resource allocation, oversight of work implementation, interact with district administrations, and are particularly active in Kyiv and Odessa.

The effectiveness of these structures is confirmed by:

- Increased level of civic activity
- More accurate identification and resolution of local problems
- Reduced social tension
- Development of a culture of civic participation