The Herzliya Accord - Setting Budget Priorities

Lobby:

The "Herzliya Accord" offers new patterns of thought and conduct which can enable government ministries to develop the agility needed to deal with interdisciplinary problems.

The "Herzliya Accord" was introduced at the 2008 Herzliya Conference. Experts in many different fields gathered to discuss their budgetary priorities based on their assessment of the socio-economic challenges in Israel. The experts were presented with a variety of needs and were asked to determine how to allot 6 billion shekels among the various needs.

At the top of this order of preference the experts ranked the topic of broad education for the entire population and in addition affirmative action and equal opportunities. Subsequently, the topic of the Socio-Economic Agenda presented by the National Economic Council was chosen. The Agenda focuses on reducing the level of poverty by encouraging sectors with relatively low participation in the economy to enter the workforce. The third-most important topic was that of higher education. Topics such as health, immigration and immigration absorption were relatively low on the list of priorities.

This project is based on the "Copenhagen Consensus" model. This model attempts to prioritize in order to advance global social welfare using economic welfare methodologies. In May 2004, eight economists gathered - three of which are Nobel Prize winners - and attempted to answer the question: "If you had $50 billion, what is the best way to use it to improve humankind?"

The method of prioritization used in the "Herzliya Accord" included mapping the central socio-economic challenges of the Israeli society and assessing the costs and benefits of each challenge. Many of the problems that the government deals with are interdisciplinary and spread beyond the boundaries of the authority of one specific government ministry. Accordingly, this method examines systemic solutions which span the formal structures of the ministries.

Prof Ricardo Hausmann offers another example for dealing with complex public problems: Government Ministries should be given the opportunity to buy services relevant to their field of action from other government ministries. For example: the minister of Tourism can allocate funds from his office to the foreign ministry to improve the conduct of the consular departments in specific countries.

New patterns of thought and conduct can enable government ministries to develop the agility needed to consolidate interdisciplinary solutions to interdisciplinary problems.

For a lecture summary of the "Herzliya Accord", press here.