

## **The Acceleration in the Number of Lawyers in Israel - What have Changed?**

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### **Abstract**

The legal profession in Israel has undergone many significant changes in response to the dramatic increase in the number of lawyers that, although emerging in 1995, still continues. The article reveals and discusses these changes which were first expressed within the profession itself. For example, the profession became heterogeneous as it absorbed increasing numbers of minorities, new immigrants, and residents of the periphery.

A separate chapter deals with the effects on legal practice. For example, the decline in legal fees. Some effects on legal practice are more difficult to ascribe exclusively to the dramatic rise in the number of lawyers; they should be attributed other factors. Still, the rise in the number of lawyers remains very meaningful.

Another chapter discusses the influence exerted by the increase in the number of lawyers on ethical behavior and disciplinary courts. Such influence was found to be weak or still inchoate.

### **Key words**

Legal profession; Israel; ethics behavior; disciplinary system

### **Resumen**

La abogacía en Israel ha sufrido numerosos cambios en respuesta al dramático aumento en el número de abogados que, aunque incipiente en 1995, todavía continúa. El artículo revela y analiza estos cambios, que se expresaron en primer lugar dentro de la propia profesión. Así por ejemplo, la profesión se hizo

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heterogénea, ya que absorbió un número creciente de minorías, nuevos inmigrantes y residentes de la periferia.

Uno de los apartados trata los efectos sobre la práctica legal. Por ejemplo, la disminución de las tarifas legales. Es más difícil achacar exclusivamente al dramático aumento en el número de abogados algunos efectos sobre la práctica jurídica, sino que deben atribuirse a otros factores. Sin embargo, el aumento del número de abogados sigue siendo muy significativo.

Otro apartado analiza la influencia ejercida por el aumento en el número de abogados sobre el comportamiento ético y los tribunales disciplinarios, y se ha descubierto que esta influencia es todavía débil o incipiente.

**Palabras clave**

Abogacía; Israel; comportamiento ético; sistema disciplinario

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## 1. Introduction

The debate in Israel over the rise in the number of lawyers and its effect on the profession, the legal services market and society in general has historical roots as old as the profession's practice in Israel (Katvan 2012). The debate intensified in late 1990 with the establishment of private law schools (Efron 2011) that, by 1995 had led to a dramatic increase in the number of lawyers joining the ranks of the Israel Bar Association, a trend that has continued and since strengthened.

Professional training for lawyers in Israel requires about 4.5 years, with 3-3.5 years dedicated to earning a bachelor of law (LL.B) degree, followed by a compulsory one-year internship (reduced from the previous 1.5 years). After completion of the internship, the candidates are required to take the Bar examination. All those who pass are accepted as members of the Israel Bar; membership is mandatory and represents a preliminary condition for practicing law in Israel. In this article I focus on lawyers, not students. Hence, 1995 represents a watershed year regarding every element touching upon the dramatic rise in the number of lawyers in Israel and its effects.

In the past two decades, this trend has dominated debate regarding the profession. For example, in July 2011, the newly elected president of the Israeli Bar, Doron Barzilay, declared soon after his entry into office that the primary challenge before him was to ensure the profession's quality. He consequently proposed making entry into the profession more difficult by lengthening the internship period as well as by revising the licensing examination's format. The first step he took was to form a team dedicated to examining the profession's level (Simchi 2011). The Bar's former president, Yori Guy-Ron, had also appointed such a team, which he had headed.

Despite the debate's complexity and lengthy duration, an in-depth and empirically grounded examination of the effects of the dramatic rise of the number of lawyers on the profession, its judicial practices and ethical behavior has yet to be conducted. The debate itself has been influenced by numerous contentions, opinions and positions regarding the range of these influences. For example comments made by the previous President of the Israeli Bar as cited in the Bar's Jubilee Book: "Israeli society is committing suicide, we are creating over-judication and intolerable stress by the fact that too many people are practicing the profession. Our social-behavioral culture is increasingly judicialized, with the general level of legal services enjoyed by the public becoming increasingly shallow (The Israeli Bar of Attorneys 2011). But the purpose of this article is to objectively and empirically examine, wherever possible, the past and continuing influence of this explosion in Israel. To this end, the article focuses on three areas. The first is the effect on the profession itself; the second is the effect on judicial practice; the third and most intriguing effect for me, as a lecturer and researcher of legal ethics, is the effect of this phenomenon on lawyers' ethical behavior and disciplinary law. The article ignores the effect of this phenomenon on Israeli society, a very broad and fascinating topic that is worthy of future study.

While the effects of growth continue to emerge, one outcome is the disruption of the professions' hegemony over its own constituency, achieved through the accelerated acceptance to the Bar of minority groups and residents of the periphery. Some, like the veteran professionals cited by Katvan (2012), might view this as a negative change whereas others, including myself, welcome this effect because it demonstrates that the profession has come to better reflect Israel's heterogeneous society.

Some of the effects described in this article were caused by other factors; however, because the rise in the number of lawyers is one of the most meaningful among them, I have chosen to focus on it. For instance, the growth in the number of lawyers employed by major firms and the expansion of law firms in general were driven by accelerating business activity, the entry of international firms, spreading

privatization and globalization of the Israeli market. Yet, the rise in the number of lawyers did facilitate this phenomenon, which warrants its discussion here.

The section 2 of the article describes the unnatural and highly dramatic growth in the number of lawyers in Israel since 1995. The next section deals with the various effects of growth on the profession itself. Section 4 addresses the ways in which growth has influenced judicial practice. Section 5 discusses the most intriguing effect for me, as a lecturer and researcher of legal ethics: the effect of this phenomenon on lawyers' ethical behavior and on disciplinary law. It is beyond the scope of this article to consider the effect of this phenomenon on Israeli society. I will conclude in section 6.

## 2. The acceleration in the number of lawyers in Israel

The number of people practicing the profession of law began to swell considerably in the mid- 1990s, leading to a doubling in the number of lawyers each decade since. Promoting this growth was the opening of non-university law schools (also called- law colleges), which enabled the sharp increase in the number of law students eligible for and admitted to the Bar after 4.5 years of study and internship. The numerical data shown in the following figures illustrates this development.

Figure1 shows the number of persons certified to practice in Israel for each year in the period beginning in 1955 (seven years after establishment of the State of Israel) and ending in 2011 (Data obtained by the author from the records of the Israel Bar Association). The figure indicates a sharp rise in the number of graduates in 1995, which was the year when students from the first class of LL.B. graduates from non-university institutions were certified. It indicates that the average number of law graduates annually admitted to the Israeli Bar between 1948 and 1994 stood at 337, while the average number of lawyers annually admitted since 1995 (the watershed year) soared to 2,583 by 2011. This represents a record increase of 7,670% in the annual average number of lawyers admitted to the Bar between the two periods.

Figure 1: Law Graduates Admitted to the Israeli Bar, 1948-2011

Year	Number Admitted						
1948	142	1964	168	1980	349	1996	1894
1949	35	1965	247	1981	368	1997	2131
1950	47	1966	240	1982	341	1998	1922
1951	150	1967	265	1983	370	1999	2176
1952	115	1968	271	1984	458	2000	2591
1953	222	1969	302	1985	477	2001	2779
1954	265	1970	374	1986	538	2002	2625
1955	324	1971	352	1987	523	2003	2496
1956	234	1972	353	1988	539	2004	2271
1957	188	1973	413	1989	493	2005	2793
1958	182	1974	387	1990	510	2006	2770
1959	138	1975	367	1991	569	2007	2784
1960	238	1976	406	1992	550	2008	3167
1961	165	1977	459	1993	678	2009	3217
1962	221	1978	394	1994	803	2010	3472
1963	203	1979	394	1995	1842	2011	2979

The acute rise in the number of lawyers in Israel between 1990 and 2011 is shown in Figure 2 (Central Bureau of Statistics 2011). Figure 2 begins with the data for 1980, when 7,254 lawyers were registered in Israel, and then jumps to 1990, when that number grew to 10,697, in order to compare the increase between these two decades with the sharp rise in the following two decades. The figure missing from the graph is the number of lawyers registered in 1995, when 14,480 graduates of

new law schools entered the profession. Within one decade, 1990-2000, the number of lawyers doubled, from 10,697 to 23,127. This trend continued into the next decade, so that by 2010, the total number of lawyers admitted to the Bar reached 46,515. In the last two decades, the profession grew almost five-fold. The Israel Bar anticipates this trend to continue, with the number of lawyers expected to reach about 80,000 by 2021 (Orech HaDin 2010).

Figure 2: Growth in the Number of Lawyers in Israel, 1980-2011

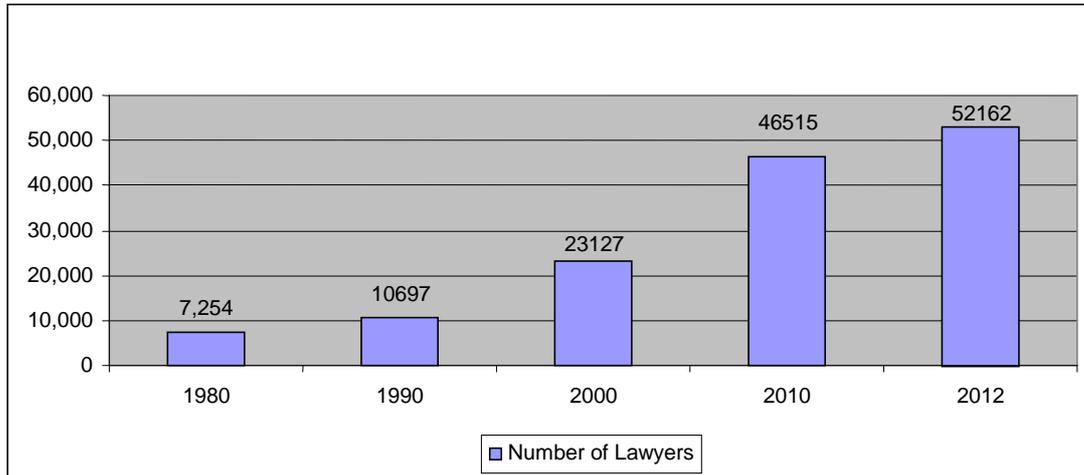
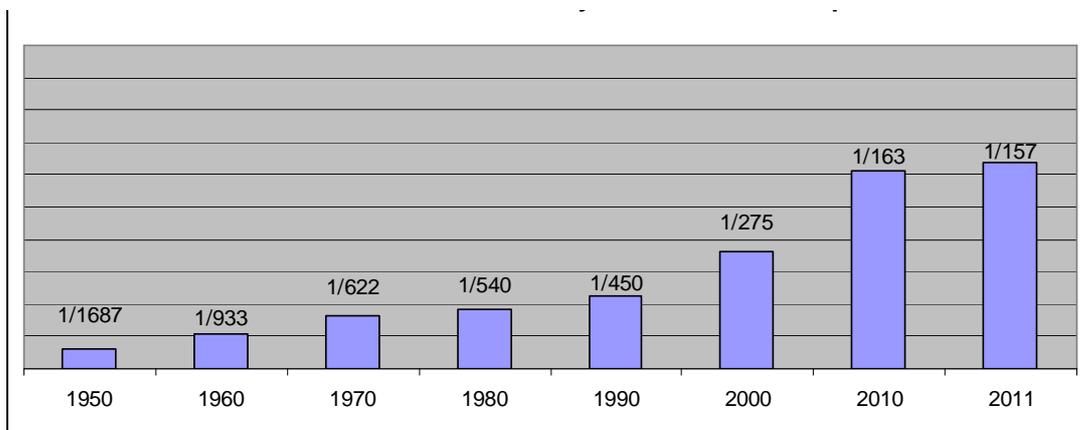


Figure 3 shows the results of a comparison between the rate of growth in the number of lawyers and that of Israel's population per capita. It also shows that the rate of growth in the number of lawyers was significantly greater than the rate of growth in population size (Data for the years up to 2005 - Barzilai 2007, pp. 250-51 Data for the years 2006-2011 obtained from the Central Bureau of Statistics).

For instance, in 1950, two years after Israel's independence, lawyer practiced per 1,687 residents. In 1990, five years before the watershed year, the rate had dropped to one lawyer per 450 residents. By 2000, that ratio had declined by half, to one lawyer per 275 residents. At the close of 2011, the ratio was even lower, or one lawyer per 157 residents, a figure that places Israel first internationally in terms of the rate of lawyers per population size, with a sizeable gap separating it from the subsequent countries (Barzilai 2007, pp. 256-57).

Figure 3: Number of Lawyers Per Capita, Israel, 1950-2011



### 3. The legal profession changed

The growth in the numbers of lawyers, described in the previous section, transformed the profession's composition and structure (Ziv 2010, pp. 173-74) to the point where the "face of the legal profession" mirrored, perhaps for the first time, the face of Israeli society. The Arab minority, for example, which accounts for approximately 18% of Israeli society (Central Bureau of Statistics 2010), had been counted among the profession's ranks since establishment of the State in 1948, but in small numbers that did not proportionately reflect their presence in the population. While the Israel Bar does not collect data regarding members' ethnicity in its files. Two important factors indicate that the overall growth in the lawyer population includes an increase in Arab lawyers. Since the opening of law colleges, there has been a sharp rise in the number of Arab students among all law students, the majority of all students complete their studies to become lawyers (Katvan 2012, Zaltzberger 2009). In addition, the increase in the number of Arab lawyers led the Bar to create a new district, the Northern District, that includes around 2,500 lawyers (5% of all lawyers in Israeli). During the two elections held in the Northern District so far, almost the entire elected leadership, including the District's head, belonged to the Arab minority.

The profession's altered terrain was also expressed by the entry of other minorities, formerly belonging to the profession: the ultra-Orthodox as well as new immigrants from the former Soviet Union and from Ethiopia. Here, too, in the absence of the relevant data in the records maintained by the Israel Bar, we are forced to rest on circumstantial evidence. The main evidence for this trend is provided by the establishment of a law college targeted at the ultra-Orthodox exclusively and in the continued opening of special tracks designated for the ultra-Orthodox within another law college. These special tracks, which enjoy considerable popularity, are located on a separate campus where separate classes for each gender are organized and where the identity affiliation of the lecturers is closely controlled (Orech HaDin 2011a).

In an article by Ela Levy-Weinrib (2010), Prof. Dudi Schwartz, the Dean of Ono Academic College, reports that many Ethiopian and ultra-Orthodox students study in its law school.

The profession has also become more diverse due to the large increase in the number of lawyers living and working in the periphery. Two decades ago, it was almost impossible to find lawyers in towns located in Israel's southern and northern periphery. Today, in contrast, the presence of lawyers and law firms is quite substantial, particularly in comparison to the size of the local population. For example, in 2010 there were 346 lawyers in Ashkelon, a southern city, whereas in the 1990s there were only 70 lawyers practicing: the lawyer population grew at a rate of approximately 500%, while the city's general population grew by 30%.

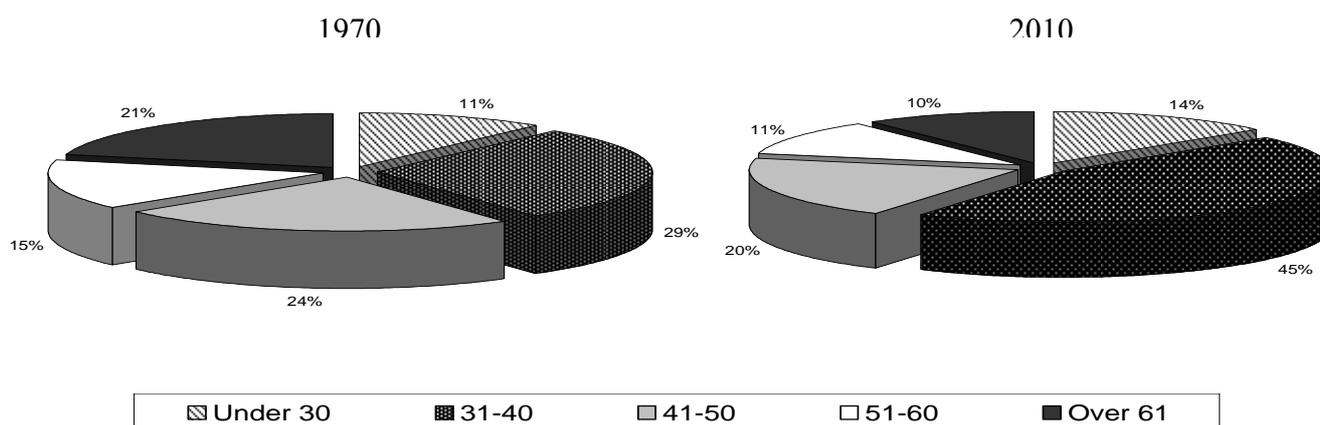
Eyal Katvan (2012) describes the differences between law students from the universities and those from the colleges. These differences rest, he explains, on their group affiliations, as described above (minorities and the residents of the periphery), with minorities tending to study law in the colleges rather than the universities. Katvan and I are thus describing exactly the same phenomenon – creation of a heterogeneous profession exhibiting a great deal of potential but much less cohesion.

When examining changes in the legal profession, the number of women lawyers is always of interest. In Israel the rise in the number of women lawyers occurred between the 1970s and 1980s; during the 1970s, women lawyers represented only 13.4% of all accredited lawyers, but by the 1980s, their numbers had reached 35%, by the 1990s, women represented 40% of all lawyers, a percentage that rose in 2010 to 43% (Elias and Shitrai 1998). Because this trend began prior to the high rise in the total number of lawyers, we are unable to associate it with the increase

in the total population of lawyers, although the entry of women may have contributed to its acceleration.

An additional important change in the profession pertains to its "rejuvenation," with the majority of lawyers currently practicing in Israel being relatively young. In 2010, 60% of the lawyers listed with the Israel Bar were aged below 40, 20% were in their 30s, 10% in their 50s or 60s, and only 10% over 61 (Israel Bar Association, The National Index of Lawyers – IBA site 2010). For the sake of comparison, consider that in 1970, 40% of all lawyers were below the age of 40, 22% were in their 30s, and 21% were over 60 (Yogev 1971). The following figure (Figure 4) shows the distribution, by age, for the years 1971 and 2010. We should note that between these two periods, the Israel Bar conducted no research and published no data on the basis of which we might forecast the age distribution of lawyers in the coming years. Hence, we are unable to ascertain with any certainty exactly when the decline in age began.

Figure 4: Distribution of Lawyers by Age Groups, 1970-2010

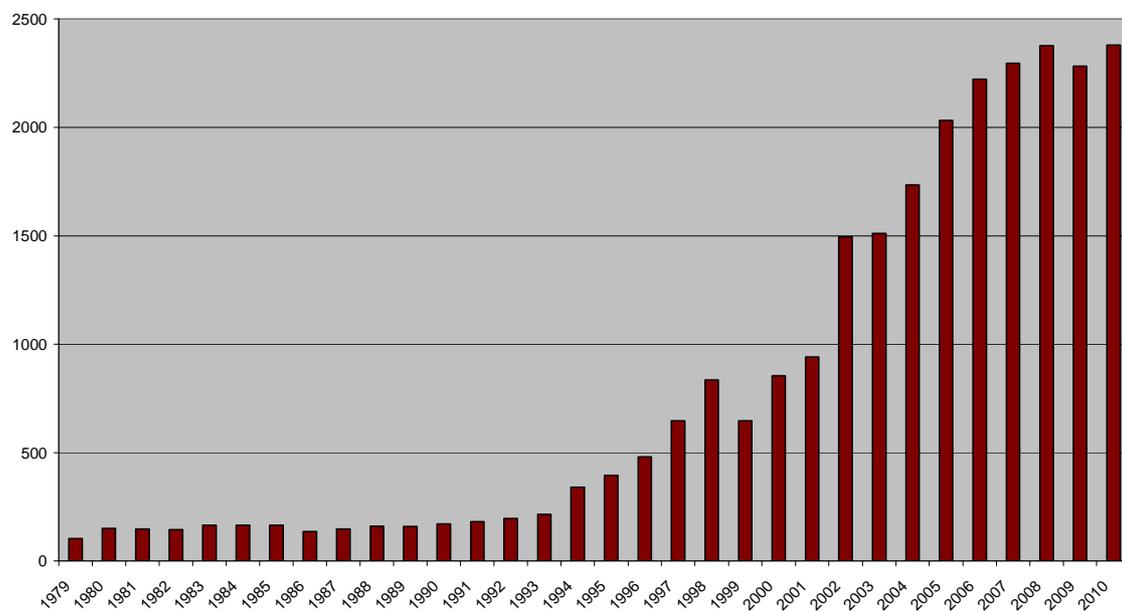


A further change in the profession prompted by the dramatic rise in the number of lawyers is found in the increasing educational level, expressed in the growing number of lawyers awarded an M.A. degree. In Israel, a BA in law (LL.B.) is sufficient for accreditation as a lawyer. Hence, those studying for an M.A. degree have already been certified and begun practicing law. The rising number of lawyers studying for an M.A. degree therefore implies an increase

A further change in the profession occurred at the same time of the high rise in the number of lawyers is the increasing educational level, expressed in the growing number of lawyers awarded an M.A. degree. In Israel, a BA in law (LL.B.) is sufficient for accreditation as a lawyer. Hence, those studying for an M.A. degree have already been certified. Before the high rise in the number of lawyers, first degree in law was sufficient to find a job so only few studied for a second degree. I believe that when the market of lawyers became full, certified lawyers continued their education for two reasons. First, they might were not able to find a job in the legal profession. Second, they found a job but believed that a second degree in law might improve their prospects. The rising number of lawyers studying for an M.A. degree implies an increase in the educational level of practicing lawyers. Figure 5 provides data demonstrating the dramatic rise in the number of students studying for a university MA in law (called LL.M.) between the years 1979 and 2010. We can see from the figure that beginning in 1995 (the watershed year), the number of

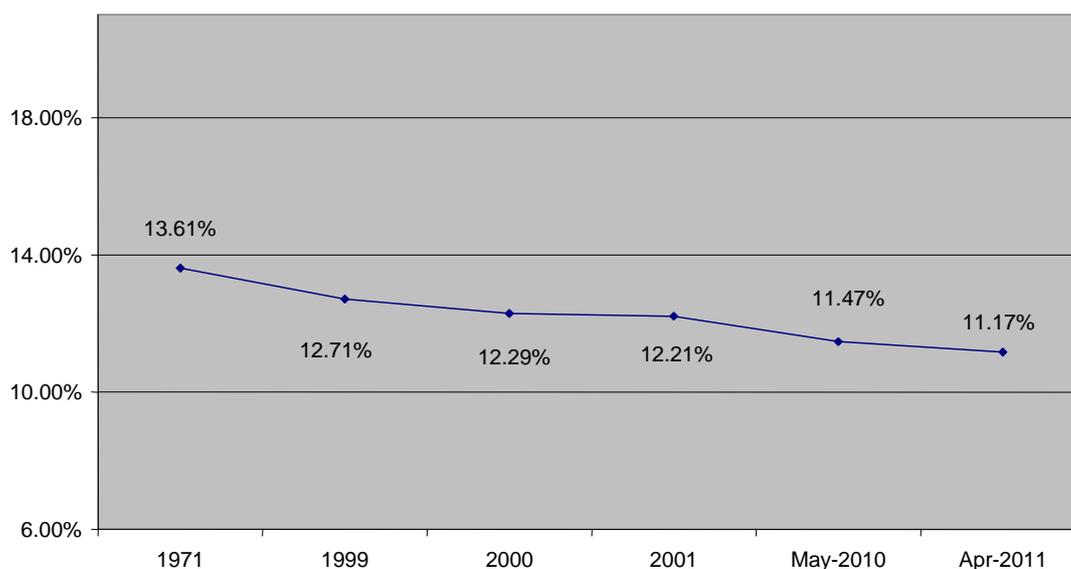
students enrolled in LL.M programs accelerated. In that year, there were 395 LL.M candidates whereas in 2010, the number had sprung to 2,380 candidates. However, the actual number of lawyers studying for an LL.M degree is just a bit greater than that noted in the Figure because the data shown relate only to those studying in the public universities. As of 2004, LL.M programs also have been available in some of the law colleges not covered by the Figure. According to the only report discovered, 135 students were enrolled in law college LL.M programs (The National Council for Higher Education 2010, p. 8). Thus we can conclude that there were a total of 2,515 LL.M students for that year, indicating an increase of 640% over a 15-year period. This growth is especially impressive when compared with the rise in the number of lawyers during those years, which increased by 300% (from 14,480 lawyers in 1995 to 46,515 lawyers in 2010). It should likewise be noted here that the universities especially benefited from that increase and even encouraged it by opening special MA programs targeted at accredited lawyers. This change in policy apparently resulted from identification of the potential existing among law college graduates for students interested in upgrading their qualifications by means of a university-awarded LL.M.

Figure 5: Growth in the Number of University LL.M. Students, 1979-2010



Another effect of the acceleration in the number of lawyers in Israel is an increase in the number of lawyers leaving the legal profession. As one may expect, the oversupply of lawyers leads to a rise in the number of lawyers leaving the profession. The sole existing objective measure of the rate of professional exit is the category of non-practicing lawyers, who are exempt from Israeli Bar Association compulsory membership dues because of their limited status. Figure 6 shows a slight decline in the proportion of the bar represented by non-active members during the period from 1971 to 2011 (Barzilai 2007, IBA 2010, Oreh HaDin 2011, Meltz 2001, Yogev 1971).

Figure 6: Percentage of Limited (non-Active Paying) Members



But Figure 6 tells only part of the story regarding exit. The Bar's compulsory membership dues are quite low; hence, lawyers not actively practicing but interested in maintaining the option of doing so in connection with some issues or to present themselves as lawyers will continue paying their dues and thus continue to be listed as active paying lawyers (consider, for instance, the author of this article). At the same time, the Israeli Bar Association estimated that in 2000 that about a third of Israel's licensed lawyers did not work as lawyers (Ronen 2000). A 2009 survey conducted by the Bar's Haifa District Committee indicated that about 35% of the lawyers interviewed did not practice law even though they were listed as active paying members in the Bar's databank (Dlatayim Ptuhot 2009). It may well be that within that 30%, a considerable number never had any intention of practicing law but wished to study law because of its instrumental benefit to their current profession (e.g., accountants and firm managers). Exit therefore does not describe their relationship to the profession. In the absence of data regarding the scope of the phenomenon, and given the fact that they were licensed lawyers, we nonetheless treat the entire 30% as having left the profession. Overall, since 2000, the rate of lawyers exiting the profession is estimated at 30% of all lawyers

For this reason, it is impossible to conclude, despite the data shown on Figure 6 that the rate of lawyers working in some other capacity changed in response to the rise in the number of lawyers that began in 1995. The rate of lawyers exiting the profession currently apparently has stood at 30% since 2000. In 2000, the Israel Bar Association submitted that about a third of Israel's licensed lawyers did not practice the profession. Included in that number were politicians, managers, journalists, public relations consultants, government administrators and others practicing a varied range of occupations (Ronen 2000).

Data on the number of lawyers seeking a second career provide additional evidence for the rate of exit from the profession. For more than a decade, employment agencies have been reporting large percentages of lawyers seeking assistance in obtaining positions that do not involve the practice of law (Meltz 2001, Muallem 1999). These data resemble the results obtained by several surveys conducted among lawyers indicating that about half the interviewees (45% from one survey and 57% in another survey) reported dissatisfaction with their decision to become lawyers and that they would choose another profession were they able to repeat

the process (Roeh 2011, Roth 2009) . These data reflect an increase in light of the 30% of lawyers in 1971 who indicated a desire to change their profession (Yogev 1971).

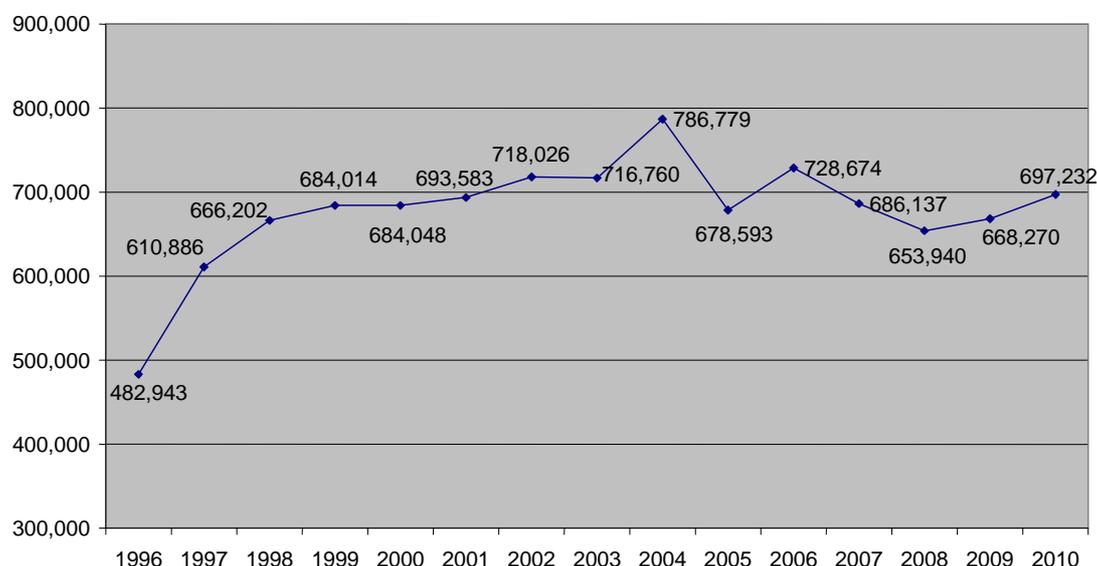
This figure, when considered together with the previous figure regarding the rise in the exit rate, indicates that lawyers not only desire to alter their profession but that many are doing so at a higher rate since 1995.

This section described the effects that the growth in the number of lawyers had on the legal profession. The next section shall describe the effects it had on legal practice, effects that were also quite dramatic as those on the legal profession.

#### 4. Legal practice – few major changes

One of the interesting questions emerging from this debate is whether the rise in the number of lawyers broadened the scope of litigation in Israel's courts. Figure 7 shows the number of new files opened annually in Israel's judicial system between 1996 and 2010 (the data refer to the Labor Relations Court, Family Court, but not the Supreme Court). We can observe a surge in the number of files opened beginning in 1996, one year after the watershed, which reached its peak in 2004. This was followed by a moderate decline in the number of new files that nonetheless remained about the 1996 level, a fact substantiating the significance of the witnessed increase (Ziv 2010, pp. 173-74). We should not, however, forget that additional factors contributed to the rise in litigation, including the growth in Israel's population but especially the intensification of judication that began to mark Israeli society, with almost every conflict finding its way to the courts (Mautner 2008).

Figure 7: Number of New Files Opened in the Judiciary, 1996-2010



The same period witnessed growth in lawyers pursuing public sector jobs, too, which suggests a relationship to the increasing number of lawyers. Prior to 1995, several sectors suffered from a noticeable shortage of lawyers. One of those sectors was the public administration. At the time, the market for new lawyers offered a wide range of opportunities, with the public administration positioned last due to its inability to compete with the private sector in terms of salaries. The shortage was so severe that numerous positions in the public sector, even those of judges,

remained empty because qualified lawyers could not be found or they had to compromise over the quality of the lawyers that were accepted, even on the high level jobs. To illustrate, in wake of the acute scarcity of lawyers employed by the District Attorney's Office, criminal cases were often filed in the Magistrate's Court by police officers who were not educated as lawyers (Zamir 2011).

Beginning in 1995, we find a gradual cessation in reports regarding shortages of lawyers or of judges in the public administration. Signs of the change include, for example, the filing of criminal cases solely by lawyers, who took newly created positions in the police force.

Lawyers now considered employment in the public sector to be highly desirable, with only commercial companies of greater preference for employment (Maanit 2010).

Increased specialization also occurred during this period. Nearly 500 new legal specializations and sub-specializations were created in the legal market in order to attract attention and offer clients added value in a market saturated with lawyers (Zalmenovitch 2011d, pp. 1'6). This was not, however, the sole impetus for the creation of new specializations. Consider, for example, the area of class action suits. Beginning in the middle of the first decade of 2000, we observe a notable rise in the scope of class action suits (Class Action Suits Registry, see [elyon1.court.gov.il/heb/tovanot\\_yezugiyot/list.htm](http://elyon1.court.gov.il/heb/tovanot_yezugiyot/list.htm)), driven mainly by revisions in the Class Action Law, passed in 2006. However, when considering the fact that the new law itself did not alter the situation before the revisions in the law with respect to the implementation of class action suits (Klement 2006), the rise in the number of lawyers remains a highly meaningful factor (Sharbit 2005). A similar growth in the number of professional negligence suits filed against lawyers also suggests a meaningful correlation with the rapid increase in the lawyer population. Until about a decade ago, lawyers were rarely willing to file such a suit or represent the plaintiffs. Today, numerous such suits have been initiated and law offices even identify themselves as specializing in the representation of plaintiffs in such cases (Dubrowsky 2010).

The trend toward multi-specialization of the legal professions is also expressed in the pronounced creation of a group of lawyers specializing in public interest lawyering. Public interest lawyering began to burgeon in Israel in the early 1980s, for reasons unrelated to the dramatic rise in the number of lawyers, the subject of this article (Ziv 2008, pp. 26-28). However, since the accelerated growth in the number of lawyers led to the expansion of the number of lawyers practicing in numerous areas, so it also enabled the growth in public interest lawyers. If at the start of this trajectory we could count the number of public interest lawyers on the fingers of one hand (Ziv 2008), these lawyers currently number in the hundreds.

If, at the start of this trajectory we could count the number of public interest lawyers on the fingers of one hand (Ziv 2008, pp. 26-28), these lawyers currently number in the hundreds.

During the last elections held at the Israel Bar Association (June 2011), a list entitled "Worthy Cause – Professional Responsibility and Social Justice" ran for the first time. According to the list's declaration, it is comprised of cause lawyers coming from the private sector, the public sector, social reform organizations and the legal clinics established in the law schools. The background of the list's construction and its participation in the elections was their dissatisfaction with the Bar's position regarding public interest groups and a desire to improve that attitude (Zer-Gutman 2012, pp. 95-96). The new list, although formed just prior to the election, succeeded in winning two seats on the National Council and two seats on the Tel Aviv Regional Council (See:

[www.israelbar.org.il/article\\_inner.asp?pgId=115345&catId=4118](http://www.israelbar.org.il/article_inner.asp?pgId=115345&catId=4118)). This respectable

achievement provides irrefutable evidence for the number of its supporters, totaling several hundred.

The opening of legal clinics in the law schools, a phenomenon emerging in 2000, likewise stimulated public interest lawyering. In reference to the clinics, the opening of law colleges, which fostered the rise in the number of lawyers, also brought about the expansion of public interest lawyering by making dozens of new jobs available in their clinics (Ziv 2008, p. 26, Rimalt 2010). Legal clinics are currently operating within all 14 law schools and represent an important part of Israel's public interest lawyering.

One of the fundamental principles associated with a market economy is that during surpluses in supply, prices drop. The legal services market, which has been unable to avoid the effects of this principle, has thus witnessed a decline in lawyers' fees (Zalmenovitch 2011a, p. 4). It is important to note that despite the decline in fees, evidence indicates that the legal needs of the poor in Israel are not met and access to justice has not improved (Ziv 2012).

The decline in fees is especially prominent in small and medium-sized firms serving small households. Such firms generally deal with apartment and home sales, damage claims and family law. These areas are inundated with lawyers, which has sharply forced down fees, a trend already observable two decades ago. Moreover, a sizable gap in the fees charged between small and large firms differentiates small from large firms, with the latter often charging twice as much for the same work (Zalmenovitch 2011b). Again, in the area of corporation law, which represents 13% of all industry hours invested, the larger and boutique firms are able to charge very high fees in contrast to the small firms that, due to the competition, are forced to provide their services at lower rates (Zalmenovitch 2011b). These gaps are reflected in the finding that 16% of private sector lawyers receive 50% of all the income from fees collected in the market, with the other 50% of income divided among the remaining 84% (Zalmenovitch 2011c, pp. 8, 19).

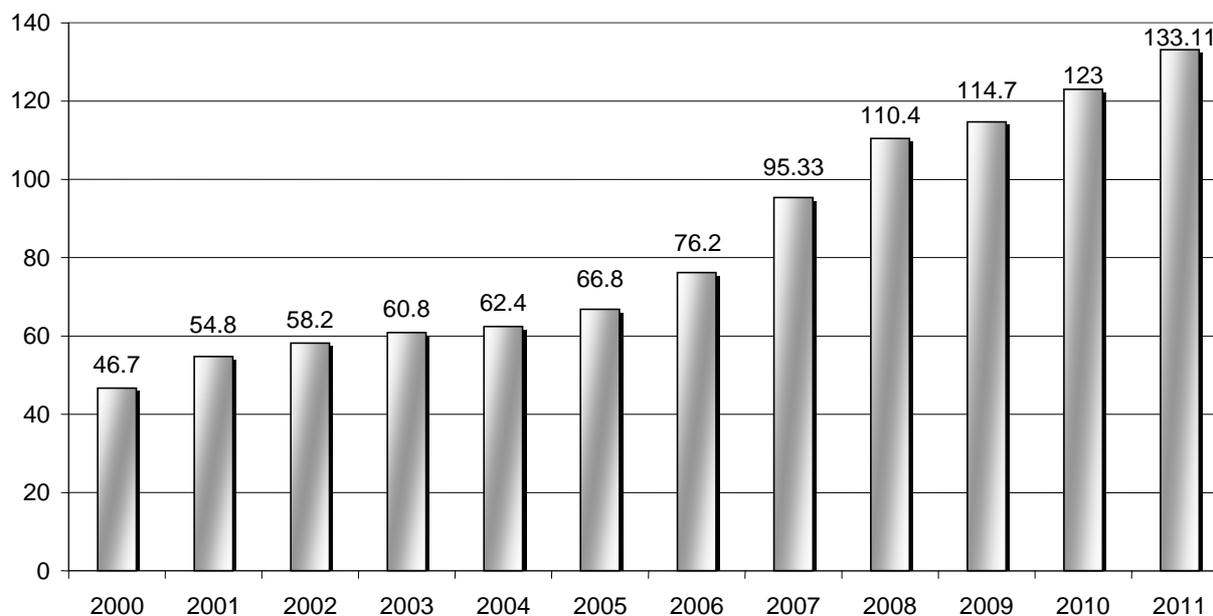
In the early 2000s, law offices in Israel began to be ranked according to various criteria, with the results consequently published. These criteria included firm size (total number of lawyers), the ratio of salaried lawyers to partners, and the distribution of staff by specialization. For the purposes of the current research, the most relevant criterion is firm size, which I use to demonstrate the dramatic rise in the number of lawyers in during the period in question while focusing on the major firms.

In 2012, the top decile of Israeli law firms was closed by a firm having 100 lawyers. However, in 2000, not one firm among the top ten firms was of that size. The firm ranked first in that year had 75 lawyers, with a firm of 100 lawyers not appearing until 2006, when it was ranked in first place. A comparison between the two tail ends of this period shows that a firm whose size ensured first place in 2000 (75 lawyers) ranked only thirteenth in 2012, with first place occupied by a firm having 184 lawyers. A further indication of the accelerated growth experienced by many law firms is the fact that an office numbering 30 lawyers, which was ranked tenth in 2000, was ranked 39th-41st in 2012. An additional comparison indicating that the growth in many law firm size affected the entire market and not the largest firms is the fact that in 2003, the last place on the list of 100 top-ranking firms was occupied by a firm having only 10 lawyers while in 2012, such a firm would be found between in the 162<sup>nd</sup>-180<sup>th</sup> place (Data from Dun and Bradstreet).

Figure 8 shows the size of the ten largest law firms during the period 2000-2012. We can find some indication of the sharpness of the increase by comparing average firm size in 2000 (47 lawyers) to average firm size in 2012 (133 lawyers), which gives us an increase of 283%. Three law firms in the top ten largest offices even grew more. The three law firms are: Firon & Co that grew by 365%; Herzog, Fox & Neeman that grew by 348%; Gornitzky & Co that grew by 291%. This analysis

obviously does not exclude the impact of the other factors contributing to the dramatic rise demonstrated by Figure 8, especially the growth in business activity, the entry of international commercial companies, the intensification of privatization, as well as globalization. However, the rise in the number of lawyers enabled the impressive expansion of law offices throughout the market. Hence, it should be added to the factors contributing to the growth in the size of law firms.

Figure 8: The Size of the Top Ten Law Firms, 2000-2012



## 5. The effects on lawyers' ethical behavior

The fascinating question dealt with in this chapter is whether the dramatic rise in their number has influenced lawyers' ethical behavior and the disciplinary system. Our discussion should be prefaced, however, by stating that the disciplinary system in Israel is unusual in comparison to parallel systems throughout the world because it is fully autonomous and under the almost exclusive control of the Israeli Bar Association, in which membership is compulsory. Disciplinary law is comprised of two stages or levels. The first stage, investigation of a complaint, is conducted by regional and national ethics committees. These committees, composed solely of lawyers, review all grievances and decide which will be shelved and which will be transformed into a disciplinary complaint that is to continue on to the next stage. In the second stage, the complaint is handled in one of the disciplinary courts located within each Bar's district, where all the sitting judges are also practicing lawyers (Zer-Gutman 2010).

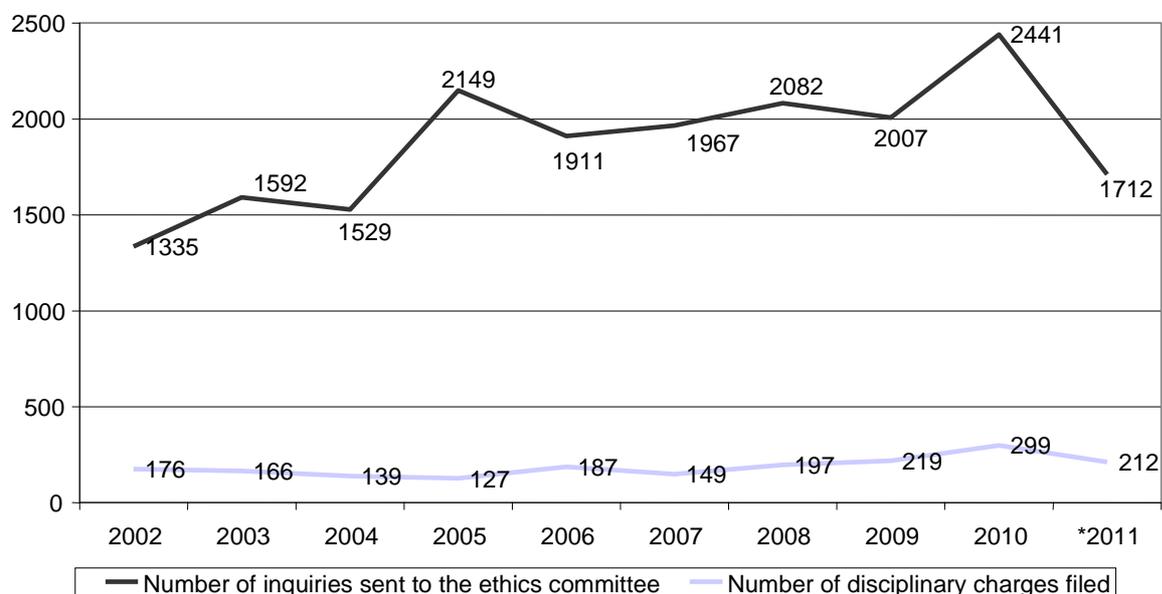
The question of greatest interest to me is whether a "race to the bottom" in ethical behavior has begun in response to the profusion of lawyers. That is, has the surplus of lawyers and the accompanying need to compete for every client initiated a rise in unethical behavior among lawyers? An objective indicator of this race to the bottom would be a rise in the total number of complaints against lawyers presented to the ethics committees (the first stage of the disciplinary system) as well as a rise in the number of charges presented (the second stage of the system). Surprisingly,

however, as shown on Figure 9, the total number of complaints submitted has not dramatically changed, with the numbers remaining fairly constant.

Figure 9 presents data obtained from the Tel Aviv District ethics committee, the district covering 70% of Israel's lawyers. This district began to collect data only in 2002; hence, the figure's curve begins in that year even though it would be more appropriate for our purposes to begin in 1995, the watershed year. As we can see there is considerable fluctuation in the number of inquiries made, the majority of which pertain to complaints against lawyers, with a good number representing queries directed by lawyers to the committee, which then directs them in their actions. In contrast to this fluctuation, it is astounding to observe that the number of complaints against lawyers has been fairly stable throughout the years. And so, despite the explosion in the number of lawyers in the district, a trend that has continued even after 2002, no change in the number of lawyers subjected to disciplinary proceedings has materialized.

These data do not capture every dispute involving lawyers' services, however. Cases challenging such services also may be filed in court (on the basis of malpractice) and, as noted earlier, this has been a growing area of practice. Additionally, without additional resources for the ethics disciplinary authorities, it may be impossible to expand the number of cases in which charges are filed. A final possible explanation is a growing gap between the expectations of clients (resulting in more complaints) and the standards of the Bar disciplinary authorities (resulting in a stable number of charges filed). Another explanation why there is no change in the number of complaints might be that since 30% of lawyers are not practicing law (see section 3) the change should be minimal, as it appears to be in Figure 9.

Figure 9: Trends in Inquires and Disciplinary Charges, Tel-Aviv District Disciplinary System, 2002-2011



When considering ethical behavior, we might expect the severe competition to most influence young lawyers who have yet to establish themselves. This expectation, when coupled with the common contention regarding the decline in the quality of law college graduates (those certified after 1995), (Zarchin 2011, Zaltzberger

2010) might lead us to conclude that despite the consistent level of lawyers charged (as we have seen), most of those facing disciplinary charges will be lawyers with less than 15 years of practice (i.e., those certified after 1995). Yet, an empirical examination conducted in the two of the main databanks maintained by the disciplinary system indicates otherwise, specifically, that the rate of disciplinary transgressions in the respective period is higher among veteran lawyers having at least 15 years of practice. The research thus shows that young lawyers commit relatively fewer disciplinary transgressions than their proportion among the entire population of lawyers might predict.

The first contains all the case files of charges brought before the Tel Aviv District disciplinary court (Israel's largest district with respect to the number of lawyers) from 2008 until the third quarter of 2010. I would like to thank the Tel Aviv District Committee that, in 2010, allowed me full access to those files previously held confidential. The reform that opened proceedings held before the disciplinary court to public inspection came into effect only in early 2010, and then only with respect to charges brought before the disciplinary court at that date; they did not include proceedings already completed. The files were examined for the seniority of the respective lawyer on the day the proceedings against him or her were initiated.

The second database contains details on all the lawyers suspended or disbarred after conviction by the disciplinary court, effective late 2010. This is the sole registry of convictions open to the public because the law obligates publication of the name of every lawyer either suspended or disbarred. We should note that until 2010, no disciplinary decisions were published although the names of the lawyers suspended or disbarred were made public, but without detailing the charges. The list of lawyers disbarred and suspended is available at the site of the Israel Bar Association. It includes the name of the lawyer, his license number and date of the onset of sanctions, whether suspension or disbarment. The data selected referred to the years of seniority of each lawyer, affective the date of the initiation of sanctions. In both databanks we checked the seniority of each lawyer – the ones that were charged according to the first databank and those who suspended or disbarred as listed in the second databank.

In order to understand the analysis and findings from the two sets of data, we should indicate a basic finding, indicating that the rate of lawyers having less than 15 years of practice among the entire population of lawyers in 2010, the year of the analysis, stood at 78% whereas the percentage of lawyers having 15 or more years of practice represented only 22% of that population. It is consequently amazing to realize, as we later show, that a small group covering only 22% of the population of lawyers is responsible for most disciplinary infractions.

Figure 10, based on the first databank, shows that lawyers having up to 15 years of practice, despite their representing 78% of all lawyers, are responsible for 52% of the disciplinary charges brought before the Tel Aviv District Disciplinary Court during 2008-2010. Even more amazing is the second half of the equation, according to which lawyers having more than 16 years of practice represent 22% of all lawyers yet are responsible for 48% of the disciplinary charges in that district, more than double their proportion in the total population of lawyers.

Figure 10: Division of Disciplinary Charges According to the Lawyer's Years of Practice (2008-2010)

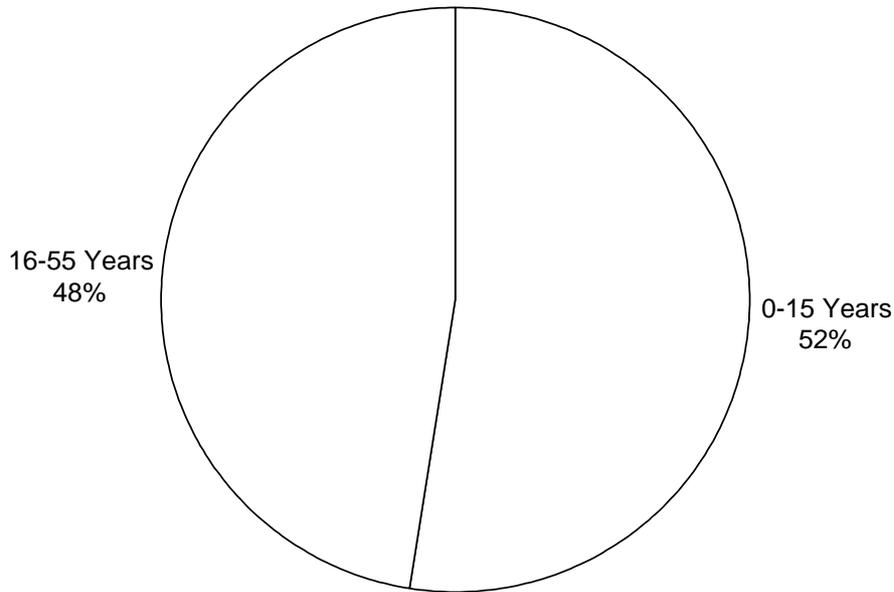
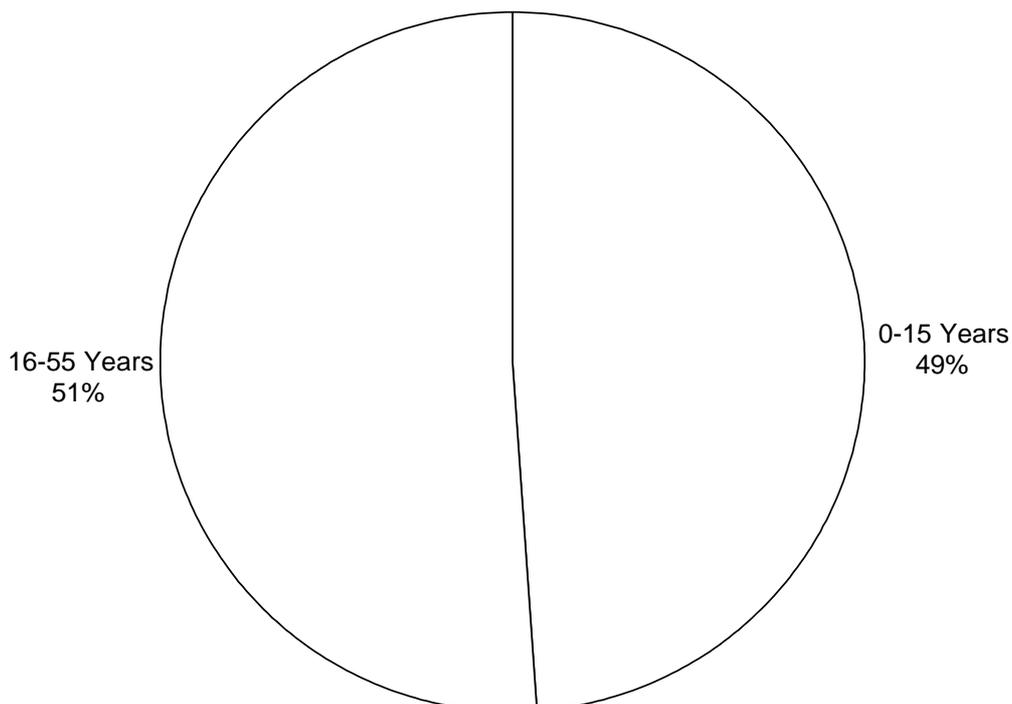


Figure 11, based on the second databank that contains details on all the lawyers suspended or disbarred after conviction by the disciplinary court, effective late 2010, presents similar data. We can see that lawyers having up to 15 years of practice account for 49% of all sanctions of suspension or disbarment. In contrast, lawyers having at least 16 years of practice account for 51% of disbarments or suspensions, despite their being only 22% of the lawyer population overall.

Figure 11: Division of Disciplinary Punishments of Suspension and Disbarment according to Lawyer's Years of Practice



Together, these findings indicate that the increase in the number of new law graduates does not correlate with a rise in disciplinary charges. Lawyers who joined the Bar beginning in 1995 committed fewer offenses than what might have been expected given their proportion of the total population of lawyers. Moreover, common opinion attributing inferior behavior to younger lawyers is mistaken. It is surprisingly the veteran lawyers, who tend to complain about the participation of younger lawyers in the race to the ethical bottom, who have already reached that bottom.

It is important to mention that this picture might change in the future, depending on whether the data indicate a decline in the ethical behavior of lawyers certified after 1995. Should this occur, we can interpret the new situation as a trend whose influence was long term, requiring more than two decades to be felt. I will certainly continue to study this subject in the future.

## 6. Conclusion

This article has shown that the legal profession in Israel has undergone many significant changes in response to the dramatic increase in the number of lawyers that, although emerging in 1995, still continues. These changes were first expressed within the profession itself, which became more heterogeneous as it absorbed increasing numbers of minorities, new immigrants, and residents of the periphery, groups previously unable to gain admission into university law schools. Women's entry into the profession, a trend that began before 1995, has likewise intensified, so that women currently comprise 43% of all lawyers. Another influence that can be credited to the increase in the number of lawyers is the rising educational level, with steadily mounting numbers of lawyers earning an MA since 1996. Another internal phenomenon, one quite predictable in saturated markets, is exit from the profession. The article also transmitted a surprising finding, indicating that contrary to the past, when only 10% of the population of lawyers changed their profession, the figure currently stands at 30%, with the percentage of lawyers preferring to practice a different profession still higher, reaching almost 50%. This finding is truly astounding. Imagine, every second lawyer in Israel confessing his or her preference for a different profession.

Contrary to the stated influences on the profession itself, some effects on legal practice are more difficult to ascribe exclusively to the dramatic rise in the number of lawyers; they should be attributed other factors. Still, the rise in the number of lawyers remains very meaningful, especially with respect to the broadening scope of litigation as well as the sharp rise in law firm size, particularly among Israel's largest firms. And yet, the decline in fees and the creation of new specializations and sub specializations can be attributed almost entirely to the saturated market and intensifying competition between lawyers. For instance, the enhance strength of public interest lawyering resulted from other factors although what led to the creation of such an eminent level of lawyering is undoubtedly the profusion of lawyers that reinforced its ranks.

The influence exerted by the increase in the number of lawyers on ethical behavior and disciplinary courts was found to be weak or still inchoate. Contrary to accepted opinion, lawyers who joined the Bar after 1995 are less liable to commit disciplinary offenses, implying that some assumed ethical inferiority or competitive battles of over each client have yet to demonstrate any influence in this area. As the data have surprisingly shown, veteran lawyers are more likely to commit disciplinary infractions, at almost twice the rate expected from their proportion in the total population of lawyers.

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