## Pinni Yaniv

## Will COVID-19 Bring Distributive Justice to Light?

Many predict that the COVID-19 crisis will lead to a rise in the initiation of insolvency proceedings. The shockwaves of many insolvency proceedings may initiate a chain reaction, resulting in further insolvency proceedings undergone by creditors who are unable to discharge their obligations due to the collapse of their debtors.

The paper discusses the aid provided by the law of insolvency to unsecured creditors and demonstrates practices by which such aid is given by the courts, out of sight and without a clear normative foundation.

Although such aid is occasionally given *de facto*, the question *why* increasing distributive justice should even be a legitimate purpose of the law of insolvency has not been addressed. The paper thus offers, for the first time, normative theoretical justification for the strong presence of distributive justice in insolvency laws.

The paper further argues that in these present times of the COVID-19 crisis, particularly after the enactment of the Insolvency and Financial Recovery Law, 5778-2018, it may reasonably be expected that such aid will be given manifestly.

The paper further maintains that it is neither right nor proper for the incorporation of principles of distributive justice into insolvency law to be done by way of judicial legislation and that the incorporation of distributive justice by the Insolvency and Financial Recovery Law is marred by randomness. The paper challenges this course and introduces initial outlines of other solutions that may overcome this key flaw.