Generating feasible models of a welfare state is of great relevance for most social-democratic parties and movements in our era.

The international seminar on the subject Rebuilding the Welfare State in Multicultural Societies, which took place on May 26th 2015 at Tel Aviv, Israel, was hosted by the Macro Center for Political Economics and the Foundation for European Progressive Studies (FEPS), in collaboration with the Jean-Jaurès Foundation and the Karl Renner Institute.

During this seminar we have had the privilege to debate with distinguished decision makers and experts from Europe and Israel and explore new social models which combine the challenges of the global economy and sustained growth. This book contains notes from the seminar, as well as enriching concepts and important conclusions which arose relying on contributions by participants of the seminar.
Challenges for the Welfare State in the 21st Century

Insights from the “Rebuilding the Welfare State in Multicultural Societies” Seminar

Edited by Dr. Roby Nathanson and Itamar Gazala

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Preface

Alfred Gusenbauer*

The global processes occurring in recent years are reflected in the extending of market-economy mechanisms to every possible social sphere, which has led to a continual increase in the number of people who emphasize their own freedom and ignore the rights of others. This articulates the question of the relevance of the welfare state in multicultural societies.

One should be careful when talking about multiculturalism, because it can easily be misinterpreted as a way to describe population variation and that fails to deliver the idea behind the concept of the existence, acceptance, or promotion of multiple cultural identities within a single national or international entity. There is some limit to multiculturalism: the main question is whether you can accommodate another culture into the dominant culture. Ultimately it is a matter of magnitude and scope.

The welfare state plays an extremely important role in reinforcing solidarity within a society. The concept of an ‘activating’ welfare state that sets a priority on enabling its citizens to take responsibility for their own destiny, rather than merely disbursing transfer payments, is highly needed. And in a globalized world, the European Union has the particular role of protecting the European model of the welfare state.

A key factor for regaining the credibility of the welfare state is helping individuals to achieve their aspirations. The path to social inclusion requires leadership from government and policymakers; it cannot be left to natural processes or civil society. Sure enough, most European leaders who challenge multiculturalism, offer no realistic alternative.

The welfare state can definitely fulfil a central integration function. What is needed is a move way from old rhetoric to a new conversation on how to create societies where different groups live in harmony with each other.

* President of the Renner Institute and former Chancellor of Austria
Introduction

Ernst Stetter*

The Foundation for European Progressive Studies (FEPS) is very pleased that it was possible to set up this seminar in Tel Aviv, together with the Macro Center for Political Economics and its General Director Dr. Roby Nathanson. We are also very pleased that this seminar was organised together with the Renner Institute, which was present with its President, the former Chancellor of Austria, Dr. Alfred Gusenbauer and its Director Karl Duffek, who is also Vice President and Treasurer of FEPS. The French member foundation of FEPS the Foundation Jean Jaurès also contributed to this event.

The topic we chose was a very complex and concrete one for our daily work in politics. It is sensitive certainly in Israel, but also in the European countries, as it is a crucial question of the Labour movement and Social Democracy in general.

“Rebuilding the Welfare state in Multicultural Societies” has to inspire us very thoughtfully.

There are the usual questions occurring and for sure, these types of questions are not coming from our political family or spectrum:

- Is ethnic diversity an enemy of social solidarity?
- Can generous social democratic welfare policies be designed and implemented in ethnically diverse societies?
- Is the western welfare model under attack by the increasingly blurred racial and ethnic lines in our countries?

This debate is of course framed by the fact that modern (western) democracies are experiencing the impact not only of deepening economic globalisation. The exponential increase in cross-country travelling, the increase in international labour,

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new patterns of mass international migration and the growth of immigrant communities, are all factors that entail that modern societies have to deal with unprecedented levels of social flows.

It becomes easily apparent that there are two main worries, which in a way are the same side of the coin:

- Firstly, that these new forms of social diversity can only work to weaken support for the agenda of economic and social redistribution.

- Secondly, that policies encouraging multiculturalism, instead of succeeding in creating a more integrated society, only work to splinter the social coalitions supporting welfare societies.

Behind these two populist fears is the belief that multiculturalism and a generous welfare state are incompatible. Or, let us put this argument in the way the populists are framing it: A truly functioning multicultural welfare state is simply impossible to create and sustain.

Unfortunately, this argument is also deeply rooted in the progressive family. In many of our political parties in Europe the belief is that something has to be changed fundamentally. The welfare state is under pressure and is seen as inadequate and inefficient in meeting the needs of the contemporary multicultural societies.

But is the welfare state and multicultural societies mutually exclusive? Is there really an inherent conflict between the welfare model and multiculturalism?

The answer is a clear NO!

There simply is no concrete evidence to support that this conflict is real, or at least of the magnitude that conservative critics would want us to believe. What there are, are simply attacks either on less homogenous societies or on the welfare model itself.

Put more bluntly, if you want to attack multiculturalism because you want a ‘purer’ society, it is always easier to blame it on its supposed impact on the welfare state, and if you want to blame the welfare state, it is always easier to do so through
attacking diversity. We have seen these attacks in Europe, we have seen them in the US and we have certainly seen them in Israel.

Therefore, we are not facing a grave dilemma in choosing between social insurance and redistributive policies that embrace multiculturalism and diversity.

This dilemma is a false one because it very horribly tries to attribute the problems of national welfare models (which are many, but are mostly due to lack of funding, inadequate design, inconsistent implementation and occasional lack of political will) to the fact that our societies are increasingly comprised of diverse constituencies.

Yes, tensions between these constituencies exist, but it is an extremely dangerous path to suggest that these are the main reasons behind whatever problems our national welfare systems are facing.

If anything, the bonds within our communities that used to be the foundation behind the solidarity required to build a solid and robust welfare state have now been substituted by bonds between communities. The homogeneity of societies that was once the bedrock behind public support for social re-distribution, has now been substituted by new political coalitions that support the welfare system, simply because they are in dire need of it.

For all these reasons, we must be adamant in our rejection of the master narrative that these two concepts, multiculturalism and the welfare state are antithetical to each other.

We must fight tirelessly against the pessimism that undercuts most of today’s debates, and which implies that diversity can only erode our welfare models. Above all, we must dismiss the belief that modern democracies must choose between actively supporting multiculturalism on the one hand and accommodating social policies on the other.

So every time we are faced with this false dilemma, we need to remember that diversity in our countries is and can further be the source behind the renewal of our welfare systems. Because, if we accept that both diversity and the welfare model are
natural components of our lives, it follows that we must dedicate all our strength into not allowing any potential conflicts between the two to become obstacles towards finding the right balance. Multicultural politics is contemporary democratic politics, and for our democracies, the welfare state is a necessary prerequisite.

It is true that achieving this goal is a great challenge in itself. It is also true that there are no magic solutions, no universally applicable tricks to use, as each national story is different and each particular case unique.

But whatever the context, we must stand unified in our belief that this is doable. And to all the (mostly conservative) critics that would say that this is but a progressive illusion, let us simply remind them how much of a challenge it must have been in the beginning when societies first uttered the need for a welfare state: what obstacles had to be overcome, what widely held beliefs had to be reverted, what fears had to be countered, what social transformations had to take place.

We have to always remember where we are coming from.

It is often forgotten that we can better understand how we should place ourselves in a world that currently often disappoints to see a brighter future ahead. Social Democracy emerged as a movement against an economic and social system unable to accommodate hopes for decent living and quality employment. The movement provided a motivation for workers and people in general across the globe to stand up, unite and fight, both for their rights and for their dreams.

The record of historical achievements is more than overwhelming and could be interpreted as the impossible made possible and that realities can be transformed.

This is the battle we have to struggle for and we have to be eager to provide a renewed paradigm of a new vision of the social contract we want in our globalised societies.

Let us be clear: the roots of the crisis of the welfare state stem from the neo-liberal shift in the 1970s-1980s and should be seen as the culmination of a pattern of crises that has become frequent and deeper over the past 30 years. It is not by accident that
we had in 2014 the publication of the international bestseller of Thomas Piketty on “Capitalism in the 21st century”, it is not by accident that most of the progressive economists like Joseph Stiglitz or Paul Krugman and others have long argued that the policy priorities shifted away from the commitment to full employment and welfare and that is wrong and the cause of the problems we face.

Regrettably, this also goes alongside with rising public discontent on how traditional parties and especially the Social-Democratic parties are behaving. The centre-left has unfortunately not come up with a convincing explanation of a strong message of change able to convince people and especially the younger generations to lend again their trust and invest their hopes for a better future in the Social Democrats again. Very often, the message discredits the conservatives but on the other hand does not come forward with other clear alternatives.

Here lies the challenge for Social Democracy. It does not have to be the case anymore that the poorer and more vulnerable layers of our societies pay the highest price in the form of long-term unemployment, lack of future opportunities and social impoverishment in old age.

This is a criminal neglect of the essential principle of the worker’s movement – Solidarity!

Social Democracy can re-emerge anew within such a difficult environment. It is time for the progressives to come up with a refreshed narrative on ways to ensure a fairer distribution of wealth, income, knowledge and power in the world of today.

FEPS has been working under the leadership of Alfred Gusenbauer in the last years and has been very grateful to him for that, in shaping such a new paradigm in Europe. It has created the NEXT LEFT debate, which has spread all over Europe even to the US and to Chile in Latin America.

It is very satisfying that we were able to discuss these issues in Israel among friends. The debate was very open and enriching and included a fruitful exchange of views and opinions.
Background information and initial thoughts

Roby Nathanson*

For a prolonged period, welfare states are facing structural crises that are a result of deliberate policies as well as exogenous factors.

A prominent example of a deliberate policy is the neoliberal approach that mostly relies on market forces as a regulator of economic and social needs. The government has, in this context, no role in most of the cases and a monitoring role in some cases.

The Israeli case is, in this context, a very particular case, but has its similarities with the European experience as well.

For more than a decade, the public expenditures have constantly declined. Furthermore, its weight as a proportion of GDP is substantially lower in comparison with OECD countries. The same applies for the expenditures for social security and transfer payments. Compared to European countries, the expenditure burden dropped in Israel while in many European countries, it increased, mostly due to pension coverage needs and aging, both trends, which apply also for Israel, but in a different context, i.e. population in Israel is younger and the pension system is regulated outside the budget framework.

As public expenditures constantly fall (mostly in civil items, not including defence and transfers for settlements), taxes are reduced correspondingly. During the past decade, we have faced a substantial reduction of direct taxation while indirect taxes as VAT have slowly increased. This trend had of course a very regressive effect on income distribution.

Following this approach, the government has reduced its weight on GDP on both sides of the equation i.e. on the expenditure as well as on the income side.

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Obviously, the outcome was a constant increase of poverty and income disparities. Moreover, in this field, Israel is among the OECD countries with the highest rate of poverty after transfer payments.

This dramatic development means not only an increase in social distress and poor social conditions; it means also that the government has totally deteriorated the classical role of a welfare state, which consists of generating a redistribution of income through an effective tax and social expenditure system.

Hence, on top of an increase in poverty, the burden of private expenditures on health services and education, for example, has substantially increased, meaning a further deterioration of the standards of living of the middle classes. The same applies for housing.

Compared to most of the developed economies, the unemployment rate in Israel is quite low. However, the problem of the labour market relies on its structure, meaning that many of the employed earn low wages and are employed in traditional sectors with low productivity. Therefore, a very efficient way to reduce poverty among wage earners might be to increase productivity in traditional sectors. Nevertheless, this change can only happen if there might be a change of policies from a laissez-faire approach to a proactive decision making process.

Most of the European economies are facing a distinct reality, since unemployment rates are higher and consequently, labour supply for new comers to the labour market is quite limited. Here the challenge might consist of reorganizing the labour market in a way that the distribution of labour should generate opportunities to larger segments of the population. In this case as well, much will depend on proactive policy approach.

In the context of the mentioned trends and challenges for a new welfare state policy approach, we have to focus also on the sectorial distinction.

When analysing the poverty incidence in Israel, it is particular deep in the Arab sector as well as in the ultra-Orthodox sector. The Israeli case is, of course, part of
the historical social development of the country, which when connected to the Arab–Israeli conflict has its reflection in the socio economic situation of its Arab citizens.

Western European countries face during the years an influx of foreign wage earners who as well challenge the welfare system. Many of the socio economic new challenges consist on providing solutions to this in underprivileged sectors. In that respect, in an era of globalization and free movement of labour, capital and goods, there is a need to develop a new mechanism of inclusive policies towards minorities and migrants in the European case, as well as in the Israeli case.

Many of the new challenges are mutual. Among them we could mention ageing, unemployment (or employability), migration and a fair approach towards migrants and minorities. Recent research and analysis by Piketty and Krugman suggest that the concentration of wealth is also a common phenomenon in most industrialized economies. Following the globalization process, the share of few wealthiest households dramatically increased during the last decades. The distortion in the distribution of income challenges decision makers to introduce measures for the correction of a continuous social tension. The redistribution of income must hence rely on global coordinated decisions in order to generate inclusion of wealth for the poorest, the marginalized, the middle classes and, most of all, the young generation.

In this context, the debate should focus on the manner of which the mechanism of a future welfare policy could apply to those sectors of society that are in the periphery, not only geographical, but also economically and culturally.

During the summer of 2011, a wide social protest broke out in Israel. The main reasons of the protest were alienation of the middle lower classes (mostly young people) from decision makers and institutions and the cost of living, but most of all, a very strong feeling that the growth dividends of the affluent society are not fairly distributed.

We could assume that the same might apply for many European countries.
However, these new challenges have not been reflected in a substantial political change of direction, in respect of new majorities that could be reached by social democratic movement. Therefore, we have in this case an additional big common question mark regarding how to generate a new vision that could be appealing for wide audiences and sectors of the society. Lacking those answers, new spontaneous and even quite successful political movements do fill the vacuum, like in Greece in Spain. Those could, for the time being, been regarded as minor symptoms considering the huge lack of direction.

A new vision is needed which might require a great effort in coordinating the many approaches and proposals which have been meanwhile developed.

For a better future of our societies, it is worth to try.

**Annex – Figures**

![Total Expenditure of General Government, % of GDP, 1996-2014](image)

Source: OECD
**Challenges for the Welfare State in the 21st Century**

*2014 or latest available data.*

Source: OECD

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**Total Expenditure of General Government, % of GDP**

*2014 or latest available data.*

Source: OECD

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**Working Age (20-64) per Pension Age (+65)**

*2012 or latest available data.*

Source: OECD
Taxation & Transfer Payments, % of GDP, 1996-2014

Source: Bank of Israel
Challenges for the Welfare State in the 21st Century

* In 2012 there were structural changes in the survey.
Also according to Piketty, similar trends can be seen in Germany, France and the UK. [http://piketty.pse.ens.fr/en/capital21c](http://piketty.pse.ens.fr/en/capital21c)
A ‘Melting Pot’ or Multicultural Societies
Do We Really Have to Choose?

Itamar Gazala*

The global processes that have occurred and are taking place in recent decades have created in many countries around the world various national, ethnic, religious or class groups. The question is whether the desire of each group, each of which operates distinguishably to promote its well-being, creates a conflict between support for the special interests of the group and general universal support for the welfare state only?. Seemingly, there is no ideological conflict or contradiction between the two. And yet, a conflict is often created as a result of mutual distrust that prevails between the various groups, and this lack of trust is driving them to act individually. In these circumstances it is very difficult to build coalitions that can support the Welfare State and that are prepared to work together for strengthening and promoting it.

There are numerous examples of sub-national groups localized in separate geographical areas, or organized groups based on ethnicity or religion, such as: The French population of Quebec in Canada; Catalans and Basques in Spain; the Flemish and Walloons in Belgium; Irish, Catholics and Protestants in Northern Ireland; the Scots and Welsh in Britain; the German minority in South Tyrol, Italy; Albanians in Serbia and Macedonia, or African-Americans and Hispanics in the United States. Each of these sub-national groups and other minority groups have been or still are struggling for recognition of their distinct status, for improving their well-being and for promoting the general national status in which they live in. In all of these countries there have been past attempts to suppress the organization of sub-national frameworks or ethnicities, which were seen as a threat to the nation-wide state. Most of these countries have eventually recognized that different groups have deep fixed identities and heritages which shall continue to exist in the future. Their recognition

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was reflected, for example, by granting different rights of regional or cultural autonomy, especially with encouraging a policy of pluralism and multiculturalism.

The society in the state of Israel is a clear case of a multicultural society. The most striking aspect and most recognized worldwide is the national aspect. As of June 2015, approximately 75% of the population is of Jewish nationality, 21% are Arabs (including Muslims, Christians, Druze and others) and others which are not classified by religion or non-Arab Christians. The Arab population group is differentiated from the general population not only by nationality but also by religious, political, geographic and socio-economic backgrounds. Since the establishment of the state of Israel, the Arab society suffered from various restrictions and have been pushed to the margins of political and institutional arrangements regarding distributing of power and resources. The deprived status of this population group stems not only from being a national minority in a mainly Jewish society, but also from the continued Israeli-Palestinian conflict, that even intensified with time the confrontations between the Arab minority and the Jewish majority in Israel.

Other key aspects expressed in Israeli society are:

The sectarian aspect – dividing the groups by country of origin, and can be divided into three large groups:

1) People of European or American origin.
2) Immigrants from the former Soviet Union, most of whom emigrated to Israel in a large immigration wave since the late 80’s and currently account for about 15% of the Jewish population in Israel. Although originating from Europe, they are usually considered as a separate group due to their size, the more recent migration and different characteristics.
3) Jews originated from Arab countries in Africa and Asia.

The religious aspect, and especially the ultra-Orthodox – this population is a distinct group within the general population of Israel, a group characterized by its imperviousness and its demonstrated desire to distinguish itself from Israeli society in its economic behaviour and patterns of life. This group is characterized by its special status, allowing them to acquire a great deal of power in the political arena.
even though most of its population is economically distressed. This is therefore a largely poor population, but is not characterized by a culture of poverty.

Other sectoral groups – among other groups aiming for separate sectoral organization, is the group of Ethiopian immigrants and other groups such as single mothers, the elderly, the disabled, the poor and others, each claiming distinct status and require reference to their problems.

The extensive scope of ethnic, sectarian and demographic differences, as described above, itself threatens the existence of the general and universal welfare state.

A comparative nation-wide study answered the question whether pluralism and multiculturalism erode the support for the general welfare state. Even though there has not been found strong evidence that the countries that have adopted a policy of supporting pluralism and multiculturalism led to the erosion of support for the welfare state, compared to countries that have not adopted such policies, in some countries a tension was developed between encouraging a policy of pluralism and multiculturalism and of welfare state support.

The study points out three factors in a pluralist, multicultural structure, likely to result in erosion of support for the general welfare state:

The Crowding Out Effect – people and groups who could take action to reserve the general welfare state, its advancement and promotion of its distributive efforts, or could protect the general welfare state against the forces who oppose it and are acting to reduce it, draw their efforts to engage with issues of culture and identity and social particularity problems that preoccupy their group. Therefore an overloading or crowding out of the overall pursuits of the different groups are formed, and these factors necessarily lead to marginalization of the general welfare state issues.

1 Doron, Abraham, ‘Multiculturalism in Israel and the erosion of support for the welfare state’, Iyunim Bitkumat Israel (studies in Israeli and modern Jewish society), 2004, 55-72. [Hebrew]
The corroding effect – the support of pluralism and multiculturalism emphasizes, in essence, the difference between people and between different groups in the population. Solidarity is the basis of support for the welfare state, which is supposed to serve as a key tool for social integration. Damaging the base of mutual trust thus weakens the popular support for the welfare state and its distributive foundations.

The misdiagnosis effect – the focus on ethnic or cultural differences shift the debate also from the stressful problems which are largely a function of the existing class divisions, disparities in income distribution and other resources deriving from it.

In their conclusions, the researchers point out the need to strengthen ties and mutual relationships between social groups that have differences in ethnicity and effort must be invested to build more inclusive forms of national identity and citizenship.

At the outset of the State of Israel, a policy of a "melting pot" was reflected in measures to reduce economic inequalities through the establishment of a broad welfare state. The neoliberal policy that characterized Israel since “the revolution” in the 1977 elections once again interfered with the operation of the melting pot: The dismantling of the welfare state and the privatization of its services increase economic inequality, which is expressed in increasing segmentation of the Israeli society and intensification of cultural incitement. The current State of Israel has given up the policy of the "melting pot" that dominated it at its outset (which led, among other things by a certain denigration of the cultural identity of the majority of the residents of Israel), but still failed to formulate an alternative policy. A fresh policy is needed that reinforces particularistic communities, and at the same time, reinforces the ties between the different groups, to form a web of partnerships among the groups that comprise Israeli society. In this way, the social and cultural richness that Israel is blessed with, will become an asset, rather than a burden.
Socioeconomics and Welfare: New and Feasible

Social Models in the Era of Global Economy

Matjaz Nahtigal*

The era of deep international economic integration undoubtedly constrains the capacity of national governments to steer their national economies and to provide the traditional economic and social security to their citizens. The key question is therefore to what extent the traditional social-democratic compromise still holds for the economies and societies in the 21st century.

While recognizing that the processes of globalization, accompanied by liberalization of international finance and trade, constrain manoeuvring room of the national governments, this recognition should not serve as a generic excuse for the governments to gradually dismantle the achievements of 20th century social democracy. Modern societies continue to provide social welfare not because social protections would continue to confirm the abstract commitment to social justice, but because the strong social welfare institutions secure more sustainable and socially inclusive development. Therefore, social welfare is not a luxury but a necessary element of modern knowledge-based societies.

This presentation puts forward four main claims: 1) there is no intrinsic trade-off between globalization, international competitiveness and the social welfare; 2) the traditional tax-and-transfer approach to social welfare is not a sufficient answer to the challenges and needs of modern economies and societies; 3) there needs to be a shift from the redistributive to the productivist paradigm of the social welfare; 4) inclusive social development may enhance opportunities for all the social groups in divided societies without hampering prospects, identities and aspirations of any of them.

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**First claim: there is no intrinsic trade-off between globalization, international competitiveness and social welfare.**

It is often mentioned that to maintain competitiveness at the international level, the countries need to reduce their levels of public social welfare spending. However, comparative empirical studies do not support this claim. Many of the most competitive countries in the world also belong to the countries with high levels of social welfare spending.

The explanation for such a claim is that competitiveness has many dimensions and price competitiveness is only one of them. Other dimensions of competitiveness include the innovative capabilities of the countries and firms and the qualities of education and research, infrastructure and the public institutions. All these dimensions of competitiveness require a different approach and a different set of institutions and policies aiming at constant improvements in education, research, collaboration between science, public policies and industry (De Grauwe and Polan 2005, 107).

Social spending on unemployment, disability, health care, pension, family services and housing tend to be higher in the developed and competitive countries. One of the reasons for a correlation between competitiveness and high social spending is that the advanced countries have also developed advanced social welfare institutions.

Despite fears that the processes of globalization would constrain, limit or even reverse the pillars of social welfare, empirical comparative studies have shown that these fears have not materialized, at least before the crisis and the most recent EU collective turn to austerity. Paul de Grauwe and Magdalena Polan concluded that "on average, countries that spend a lot on social needs score well in the competitiveness league" (De Grauwe and Polan 2005). What is particularly important in their comparative analysis is the finding about the causality. Namely, it is possible to claim that the countries that are highly competitive and achieve higher growth rates can therefore afford to have higher social spending. Their study showed the opposite is true, namely that "high social spending goes together with strong competitiveness"
(De Grauwe and Polan 2005, 118). The explanation by the authors was that "a well-functioning social system creates a 'risk-taking social capital' that ultimately leads to an improvement of the productivity of a nation" (De Grauwe and Polan 2005, 119).

Of course, the relationship between the social spending and globalization is much more complex than this. The claim that there is no intrinsic, natural and necessary trade-off between social spending and globalization is well founded theoretically and empirically.

On the other hand, this claim has not been broadly accepted in the EU and has been largely ignored during the period of European financial crisis. In the aftermath of this crisis, the response was overwhelmingly toward austerity, fiscal consolidation and tightening of the budget expenditures. By cutting expenditures for social welfare across the EU, the response to the crisis was therefore almost exactly opposite from the claim that there is no intrinsic trade-off between social spending and globalization/Europeanization in a period of economic, financial and social crisis.

In the EU, one may not be fully aware of the implications of this approach. What is clearly visible is that the EU as a whole is not coping successfully with the protracted economic, financial and social crisis. The highest levels of unemployment in the EU and in the Eurozone, stagnation and loss of perspective for a large part of European member states and their regions show the inability of the EU to cope with the extent of the crisis. To make the debate within the EU even more complicated, there are also EU countries and regions that are not only capable of maintaining high levels of employment, but they are also strengthening their levels of competitiveness and social cohesion.

Several different dimensions of the crisis are taking place in the EU. Not only financial, economic and social, but also an existential crisis of the European project is taking place. Unable to launch a comprehensive process of economic, social and institutional reconstruction around Europe, the EU returned to the only remaining option: a program of austerity. By adopting rigid and excessively narrow rules of the fiscal compact, the EU as a whole appeared to opt for permanent austerity regardless
the economic and social impact on future development. The consequences of such a
defensive approach are becoming gradually visible.

The most recent comparative study about the impact of austerity on the European
social model concluded with especially concerning findings: “…that beyond the
diversity and different magnitudes of the changes by country – the European Social
Model being resilient in some while others have opted for its dismantling – these
changes nevertheless have been considerable and have affected all the main pillars
and elements of the European Social Model.” (Vaughan-Whitehead 2015, 51). The
experts are right to question the viability of the European social model, despite that
the process of dismantling the key social pillars (education, health care, pensions,
labour market and social cohesion in general) does not occur to the same extent
across the EU. The countries that are hardest hit by the crisis experience much faster
erosion of the key social pillars than the countries with less severe economic crises.
As a result, the divisions within the EU are going to grow.

If the first claim in the debate tries to encourage the enhancement of the social
welfare even in the period of economic crisis, the socioeconomic realities of the EU
are moving in the opposite direction toward gradual dismantling of the key social
pillars of European societies. The first claim should therefore be understood as a call
for reversing these trends. Social welfare is not a luxury, but an institutional model
that facilitates more inclusive, balanced and sustainable development.

Second claim: the traditional tax-and-transfer approach to social
welfare is not a sufficient answer to the challenges and needs of modern
economies and societies.

It appears that the European financial crisis came at the worst possible moment for
the European social democracy. It exposed weaknesses in the European institutional
model and in the European general policy orientation.

The European "third way approach" can be viewed as an attempt to combine Anglo-
Saxon economic flexibility with the Rhineland model of providing basic social and
economic protections. As observed by Roberto Unger, this approach led to
“abandonment of many of the historical features of social democracy in the name of the imperative of flexibility” (Unger 2002). The attempts of "modernizing" reforms led to highly unequal outcomes and spread economic and social insecurity. In the name of “economic renewal, prudent management of public finance and, above all attenuation of barriers separating insiders and outsiders in the labour market… the result has not been flexibility to the benefit of all. It has been more often been the generalization of economic insecurity, and the concentration of resources and opportunities in the hands of an elite oriented to the world economy.” (Unger 2002).

European social democracy was on defence even before the financial crisis emerged in the EU. It was without a convincing program during the European parliamentary elections in 2009 and again in 2014 (Nahtigal 2014). Subsequently, the European austerity approach remains the only game in the EU; it has become a goal in itself regardless of the economic, social and political consequences.

The difficulties of the European social democracy that have been revealed during the European financial crisis can be traced back to the historic social democratic compromise. Adam Przeworski pointed out that social democracy “until 1930s did not have any kind of an economic policy of their own” (Przeworski 1986, 35). Only with the emergence of the Great Depression, after the development of the anti-cyclical policy and the appearance of Keynes General Theory social democracy, developed “a distinct policy for administrating capitalist economies” (Przeworski 1986, 36). Nevertheless, social democracy had to make a historic compromise with private capital: “social democrats are subject to the structural dependence as any other party” (Przeworski 1986, 43).

Inability of the social democracy to reinvent itself in the context of European integration led Wolfgang Streeck to the conclusion that historically speaking, social democracy was doing little more than buying time (Streeck 2014) in the first decades of the European integration and has largely run out of distinctive, sustainable policies in the wake of the financial crisis. His main argument was that the situation today is significantly different from the situation during the Great Depression and that today’s
levels of public and private debts accumulated in the periods of good economic times simply do not allow for the anti-cyclical policies.

Streeck was right in arguing there is little manoeuvring room today at the national and European levels to implement sufficient and effective anti-cyclical policies. The limited attempt at launching a Keynesian fiscal and/or monetary stimulus is not the sustainable answer to the existing challenges. Furthermore, it may fail and may lead to even a higher level of indebtedness.

However and contrary to Streeck, European social democracy has not run out of options. European progressives should move beyond the choice between economic orthodoxy and shrunken Keynesianism. Both options remain within the context of a historic compromise: the normative framework of the market economy is neutral and therefore not subject to any change.

If European progressives accept that the market economy is a social artefact, as explained by Roberto Unger in his Politics (Unger 1997) and elsewhere, the possibilities to institutionally innovate the modern market economy become much larger. The main goal of social democracy is not to merely regulate and redistribute but to open much larger opportunities to the individuals and social groups to emancipate themselves and to compete and cooperate at the same. Socially inclusive development, based on initiatives and institutional innovations of individuals, local communities and social groups can lead to comprehensive economic, social and political reconstruction, even within the constraints of globalization and Europeanization.

**Third claim: there needs to be a shift from redistributive to the productivist paradigm of the social welfare.**

Instead of resorting to the ever more limiting redistributive policies, the alternative is to democratize the market economy to broaden access for the excluded parts of population and to improve and broaden access to capital, new technologies, skills and know-how, high quality of education and all other necessary resources. (See more about the shift to the productivist paradigm in (Unger 2006, 24-31).
The phenomenon of modern economies and societies in both the most developed and developing parts of the world is one of economic and social dualism. This dualism, which exists in poor and rich countries as articulated by Roberto Unger (Unger 1998, p. 65), means that the established industries and businesses are equipped with state-of-the-art technologies, knowhow, managerial skills and a skilled and educated labour force, with access to capital and all other necessary resources. Within this relatively privileged but increasingly insulated advanced sector, the circulation of knowledge, information and skills is taking place. The arrangement is also advanced in organizational terms and in terms of constant innovation and an experiment friendly environment.

The gap between the relatively privileged sectors of established industries and businesses and the excluded ones is growing in the context of the EU and in many other parts of the world. Comprehensive development of start-ups and small and medium size businesses is something difficult to do in most of the core regions and countries in the EU, not just in its stagnating regions and countries.

Without deliberate public support to provide broad access to technologies, knowhow, long-term finance and other resources, the entry costs for new companies and for the new entrepreneurs remain too high. In modern knowledge-based economies, it takes time to master technologies, production and their organization. Consequently, without deliberate and systemic public support for deepening access to all of the necessary resources for start-ups and for small and medium size enterprises, the established industries benefit from high entry costs. In the absence of decentralized, coordinated positive means and institutional innovations, the single market creates not only a strong distributional effect, but also more importantly, amounts to the protection of established industries.

The effort to overcome economic and social dualism requires the establishment of various forms of strategic coordination between the public and private sectors. Such coordination would take place in decentralized, participatory and experimental forms, which would be specific to the local contents. The experimental form of
reconstructive efforts throughout the European Union presents a distinction with the recommendations to establish a banking, transfer and political Union to overcome the crisis.

In parallel with a comprehensive institutional reconstruction of the market economy, a direction toward its democratization can be envisaged. There are several insufficiently exploited possibilities such as profit sharing of employees in advanced sectors of the economy; collective representation to strengthen the power of organized labour at the middle range of wage hierarchy; and subsidies and training for the workers in low-wage and low-skill economic sectors (Unger 2006, 28-29). Comparative empirical studies in labour economics suggested that none of these measures is inherently inflationary. The next step in the direction of democratizing the market economy would be to spread, fragment and disseminate property rights to different property holders and stake holders to encourage cooperation and create long-term strategic alliances (on property-owned democracy see (Zwicky 2013).

In the context of remaking the markets, there are many other unexploited possibilities. The role of pension funds in supporting long-term development of the firms is one such example. From the social welfare perspective, however, it should be emphasized that the social policy received a new role. It is a policy of empowerment of individuals, social groups and different stakeholders to emancipate themselves and to become the productive and creative participants in the modern knowledge based societies. Hence, there is a need for a shift from merely redistributive to the productivist character of the modern social welfare.

*Fourth claim: in divided societies, inclusive social development may enhance opportunities for all the social groups without hampering prospects, identities and aspirations of any of them.*

In the previous three claims, it was explained that modern social welfare is neither a luxury nor a charity. It is a necessary and essential element of any modern, inclusive and dynamic knowledge-based society. The introduction of social investments by
ensuring learning abilities during the life course (Hemerijck 2013, 142) offers a new dimension to the traditional social welfare approach.

It was also explained that the EU and the European social democracy are at a crossroads. As argued by Gusenbauer and Skrzypek, a new social contract with the help of reenergized democratic politics is required (Gusenbauer and Skrzypek 2013). At the moment, the EU is going through the biggest existential crisis since the establishment of the European integration. Social democracy is also at a crossroads. On one hand, the important achievements of the twentieth century social democratic legacy are being gradually dismantled in many (but by no means all) of the European places. On the other hand, the process of reinventing social democracy for the twenty-first century is very slow.

Therefore, the dialogue and exchange of good practices, institutional innovations in the era of global economy comes at the right moment (an example of productive exchanges: (Nathanson and Gazala 2015). Sometimes the countries that represent the cutting edge in research, science, education and the ability to cooperate with the advanced sectors of economy can also become the leading countries in social welfare innovations and improvements. In this context, multiculturalism is not an obstacle. It is not part of the problem and can be viewed as a part of the solution to create an even more dynamic, prosperous and inclusive society in the future.
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Break the Populist-Social Democratic Alliance

Sever Plocker*

Here is a political puzzle: how come that following the financial crisis we see, all over the western world, weakness of social democratic parties? It should have been the other way around; I still remember the first page of a popular magazine in the U.S. declaring "we are all socialist now". Unfortunately, one can say "we are all populist now".

Social democracy clearly lost to populist movements on the right and the left. Why? The question is seldom asked and when it is asked, the answers put the blame on everybody except ourselves. Except social democrats.

What then went wrong? In one sentence: dancing with the wolfs. Instead of independently analysing the reasons for the crisis, socialists and social-democrats adopted the analysis made by the populists. They focused on the faulty few, on bankers, on CEO's, on financial managers etc. The financial system that made the crisis possible was left to the analysis of economists and regulators; the left run amok after one, two, three, five thousand "people in power" who supposedly are to blame. Maybe Jews, why not?.

I see here a pattern. Remember the 99% movement? Its leaders made a typical populist distinction between the people and the 1% of the super-rich. Take money from them and everything will be right. Don't worry about the system: it will miraculously repair itself.

Of course not.

That personalization of the crisis was a total political and factual mistake. It went hand in hand with the central postulate of the populist movements, namely blaming the "tycoons", "the rich", the "well connected" and so on. As an economist, I can assure everybody that it is completely false. Not the very few are to blame but the

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unrestricted and unregulated shadow banking system, consisting mainly of non-banking financial institutions. They created the pure speculative games with other people's money, they built the "mortgage backed securities" pyramid which its inevitable collapse started the crisis of 2008. This is all well-known and extensively documented. However, for some unknown reasons, the social democrats have nothing or next to nothing to say about it. They followed the 1% fallacy.

In Israel, for example, the upper 1% consist mostly - in 70% - of people from the high tech industry who "made exit", I mean sold their stocks in companies. They are rich because they were original, talented and lucky to have US buyers. They paid full taxes and their wealth has nothing to do with the poor, 18% of population, most of them Ultra-Orthodox (‘Haredim’) and Arabs. Still, the Israeli social democracy, as the European and American, willingly embraced the populist hate for the "1%". In vain, I waited for some socialist activist to say, “people, our problem is not the gap between 1% and 99% but on the contrary, the gap between the lowest and weakest one-fifth of the Israeli population and the middle to upper middle class. Leave the 1% out of our fight for social justice”. Historically, putting together 99% of the population as a one "class" demanding social justice stays in sharp contrast to the basic socialist worldview. Concentrating on the very rich instead on the poor always characterized the populist right and left.

By adopting the false analysis of the popular populism, the social democrats made a huge mistake and excluded themselves from the political game. In any alliance between populism and socialism, socialism always loses.

That is, in my view, the problem with social democratic parties: they are not telling the truth, which is inconvenient but inevitable. They have forgotten what God said to Abraham: “don't be afraid, speak the truth to me”. And the truth is that redistribution of incomes and wealth in post-crisis society, according to the principles of social-democratic justice, means the middle class will have less and the poor will have more. It means taking from the middle class and giving to the poorest class. Although most economists researching inequality in modern society today recommend these
kind of measures, social democrats prefer to close their eyes to the real world and continue to dream about the 99% revolution.

Indeed, these are hard and difficult choices. The Labour Party in Israel ran away from them in the last election campaign and instead concentrated it's propaganda on "high costs of living", something supposedly common to the 99%. So it lost the elections. The right won by saying, first, that the high cost of living (statistically, the costs of living in Israel are average by European standard) are the outcome of giving social benefits to Arabs and tax concessions to few leftist tycoons and, second, that the poor in Israel are Arabs who cheat the Taxman.

To sum up: to be relevant, the social democratic left must understand who are its opponents. It is not the traditional free market right. It is not the neo-liberal economic policy. The true enemy of the socialists now is the new populist, who sometimes speaks almost exactly as the socialist does. This tie, this unholy alliance, must be broken for good. Immediately, before it is too late.
Multicultural Societies, Economic Challenges and Sustainability:
A Note on the Shifting Role of the State

Naomi Chazan*

The connection between multiculturalism and economic sustainability in democratic countries has posed increasingly complex conceptual, strategic and practical challenges in recent years. On the one hand, in many democratic settings (almost all experiencing mounting sociological diversity), gross socioeconomic inequalities tend to overlap sectarian differences. Thus, in Israel, the most depressed sections of the population contain large portions of ultra-orthodox and Arab citizens; the more privileged tend to be urban dwellers of European (Ashkenazi) extraction. On the other hand, strategies designed to promote greater equity—aimed primarily at empowering disadvantaged groups, have proven to be largely ineffective (the gap between Arabs and Jews, secular and ultra-orthodox, Mizrahi and Ashkenazi Jews, and newcomers and veterans has remained constant in Israel—and in some instances has actually grown).

These trends—especially as manifest in contemporary Israel and in Europe—raise serious questions about the utility of existing strategies in particular and, more broadly, about approaches to understanding the interconnection between politics, sociology and economics and its practical implications. It is therefore crucial to re-examine—albeit exceedingly schematically in this context—some of the underlying premises currently guiding the promotion of equitable growth and their strategic by-products and suggest some more promising alternatives.

The new thinking on the lethargic performance of welfare-oriented democracies has focused, justifiably, on the state. Indeed, the role of the state in encouraging socially-balanced economic growth, downplayed for far too long, has been resurrected not

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only because of its re-emergence as a key agent of economic stabilization and expansion, but also because of its centrality in efforts to justly manage social and economic capital. This renewed emphasis on the state has highlighted the significance of state capacities both as an explanation of ongoing socioeconomic discrepancies in multicultural democracies and as the necessary target of attempts to rectify these imbalances. Such institutionally-rooted analyses ignore the equally important issue of state autonomy from key social groups as a factor in understanding—and hence in overcoming—these socio-politically-based inequalities.

The main argument of this brief intervention is that only by examining the decline in state autonomy through the political takeover of the state by well-organized social groups (primarily at the ballot box) is it possible to grasp the precise contours of long-term patterns of inclusion and exclusion and, ultimately, to account for the progressive reduction in state capacities that perpetuate inadequate and unequal economic development. The example of present-day Israel is a case in point. The myth of the strong state in Israel has been replaced by one which attributes its palpable weakening to chronic problems of governance which have systematically whittled away its institutional capacities. In fact, however, the process of the diminution of state capacities has gone hand in hand with the gradual incursion of specific social groups into the centers of power and the subsequent use of state resources to skew allocations to particular groups (ultra-orthodox, settlers) at the expense of others (most notably Arab citizens of Israel). Under these circumstances, it is not surprising that state capacities have diminished in tandem; nor is it difficult to attribute persistent socioeconomic discrepancies to these power imbalances.

Indeed, the siphoning off of public goods to certain groups has frequently been rationalized—in Israel as elsewhere—as a means of rectifying historical socioeconomic inequalities in increasingly heterogeneous societies. Under the guise of "empowerment strategies" designed by hegemonic factions to strengthen certain disadvantaged groups through equalizing their legal status, enhancing their skill-sets and granting them priority in access to state positions and resources, it has been possible to siphon off public goods to sectarian ends. Perhaps one of the most blatant
(although hardly the most costly) examples of this practice can be found in the coalition agreements of the present Israeli government, signed in April, 2015, which grant coalition partners over NIS3 billion for distribution to their particularistic constituencies. Empowerment strategies have thus played a role in improving the lot of certain underprivileged groups and, tellingly, in perpetuating their advocates in power. They have not, however, significantly contributed to narrowing socioeconomic gaps and the tensions that they invite. To the contrary, they have helped to further breach state autonomy and thereby weaken its governability.

The adoption of a different, "mainstreaming", set of strategies can go a long way towards offsetting the deleterious effects of empowerment approaches in multicultural democracies while, at the same time, reinforcing state capabilities. Mainstreaming strategies, initially developed to contend with persistent gender inequalities but increasingly employed to deal with social inequalities in general, are aimed at creating balanced social change with a view to achieving an inclusive, egalitarian society. Employing a societal perspective, the mainstreaming approach seeks to induce a rhythm of collectively-propelled social change (rather than concentrating on the correction of social inequities at the margins of the existing order). It looks at how to best advance society as a whole through maximizing the relative contribution of all its components. It therefore tries to inculcate a constructive—normatively-driven and practically-oriented—dynamic which brings all groups and sectors together to confront common challenges with a view to simultaneously enhancing civic, group and individual progress.

Mainstreaming strategies examine pragmatic issues such as economic growth, social services, education or personal security, as well as normative ones such as the rule of law and civil (dis)obedience, from the perspective of all those who are affected. They seek to specify ways to ensure equitable policy design and implementation. In effect, employing such an inherently positive approach requires a veritable leap from concentrating on protecting identity-based rights to promoting common civic objectives (as well as solidarity) and ensuring their just allocation in heterogeneous social settings.
The methodology of mainstreaming involves exposing inequitable arrangements at various levels, identifying the particular obstacles at work, advocating systemic change that includes the removal of both official and unofficial barriers to equality, and devising concrete policies to achieve these ends. Put succinctly, mainstreaming strategies strive for holistic social change, require sensitivity to social diversity, are conducive to collective endeavors and can be evaluated by the equitability of their outcomes. They can therefore serve as significant avenues for the realization of that form of democratic inclusion which is so central to fomenting a dynamic of ongoing economic development and social vibrancy.

The mainstreaming methodology utilizes three main instruments: representation (in both elected and appointed office), participation (through direct and indirect consultation with a variety of groups and the incorporation of diverse perspectives into policy formulation); and the creation and dispersal of inclusionary social and economic products. By linking growth to equity, mainstreaming tools have begun to be effective in closing some social gaps in Israel (this is most advanced in the area of gender, but given the intersectionality between gender and other divisions, it can pertain to other groups as well). They can also, by reinforcing the centrality of state-directed policies and measures, offer a way to augment its viability. Their import, therefore, is at same time both pragmatic and structural.

The return of the state is an important development in confronting the challenges posed by economically unequal, socially divisive and politically volatile multiculturalism in contemporary democracies. State robustness is emerging as a vital precondition for the attainment of sustainable growth in these societies. But concentrating only on increasing state capacities through institutional means may—via the use of identity-based empowerment strategies—actually exacerbate the problem. A shift towards enhancing state autonomy via socially-sensitive mainstreaming strategies promises to contribute not only to strengthening state capabilities, but, more profoundly, to consolidating a new multicultural ethic at the state level.
The Double Marginality of the Palestinians in Israel

The Complexity of Arab Citizens’ Identity in the Jewish State

Mohammad Darawshe

Israeli society is deeply divided along a cleavage that distinguishes its Jewish majority and Arab minority. The disunion of these populations is reflected in nearly all aspects of economic, political and social life. Either group maintains pervasive misconceptions regarding the opposing community, while harbouring sentiments of de-legitimacy and mistrust. Current relations are exacerbated by deep-seated, longstanding grievances that are held both by the majority population towards the minority and the minority towards the majority population.

Nearly 21% of Israel’s more than eight million citizens are Palestinian-Arabs. While Palestinian Arab citizens are much more restricted than their Jewish counterparts, they conduct most of their political struggles within the framework of the law, in sharp contrast to the Palestinians of the occupied territories.\(^2\)

The sub-text of the Oslo Accords in the mid-1990' told the Palestinian Arab citizens that they are not part of the diplomatic solution between Israel and the Palestinians, and that their destiny is separate, and it will be inside the state of Israel. Consequently, a new political discourse has emerged, that encompasses both civil status and the character of the state, but does not connect civil status and a solution to the Palestinian question.\(^3\) After Oslo, the Palestinians in Israel came to realize that the establishment of a Palestinian state would not guarantee an improvement in their political and civil status in Israel and that they do not share any feasible political future with the rest of the Palestinian people. Oslo intensified the double marginality

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of the Palestinians in Israel: once by the Jewish majority in Israel and once by the majority of Palestinians who are not Israelis.

The deadly clashes of 2000, which left 12 Palestinians citizens of Israel dead, reminded the Palestinians in Israel that their citizenship in Israel would always remain partial, incomplete and under de-legitimating attacks\(^4\). The Orr Commission which was formed by the government to investigate the causes of the clashes found that long-term “neglectful and discriminatory” handling of the Palestinian-Arab community by Israeli governments was a root cause of the violent protests, and “demanded that immediate, medium-term and long-term action be taken.”

The Social-Economic reality of the Palestinian-Arab citizens is harsh in comparison to Jewish citizens. Poverty rates among Palestinian-Arab citizens are more than three times higher than among the Jewish majority, and Arab towns and villages consistently rank lowest on Israel’s municipal socio-economic scale\(^5\). Arab citizens’ underrepresentation as civil servants, in the advanced labor market, and in higher education contributes not only to growing income gaps and economic losses to the country as a whole, but to the reality that Palestinian-Arabs and Jews do not yet have many opportunities for shared, constructive and cooperative spheres of activity\(^6\).

The Orr Commission also recognized the complexity of Arab citizen identity in the Jewish state: Relations between the majority and minority are difficult everywhere, let alone in a country that defines itself according to the nationality of the majority…

The feelings of the Arabs in Israel, whose affiliation with the Palestinians beyond the


Green Line aren’t just national but social and familial too, were expressed in that famous saying of Abed al-Aziz Zoabi, ‘My country is at war with my people’\(^7\).

The deterioration of Arab-Jewish relations is apparent in countless instances, including exclusionary and prejudicial legislation as well as a heightened frequency of racist attacks against the Arab minority, with recent surveys confirming the Jewish-Arab tensions as the most severe friction in society. A 2007 survey found that 75% of young Jews in Israel see the Arabs as “Dirty, stupid and lack[ing] culture”\(^8\). Another survey conducted that year found that 71.5% of Arab Palestinian citizens of Israel are concerned with violence initiated by Jewish citizens\(^9\), while 73.8% of the Arab citizens were alarmed by violence being condoned by the state.

Grievances of Arab citizens include social and economic inequality, lack of Arab political legitimacy and shared power, non-inclusive Israeli culture. A survey published in March 2007 shows that 60% of Arab citizens are afraid of a transfer from their homes. 77.4% of Arab Palestinians concern about violation of their human rights; 80% concerned about the possibility that Israel confiscate their lands; 73.8% of Arab Palestinians concern about violence condones by the state against them; and 71.5% of Arab Palestinians concerned about violence initiated by Jewish citizens\(^10\). The frustration among Arab citizens has increased to the point that the National Council for Arab Palestinian Mayors in Israel have threatened to present their grievances to the United Nations\(^11\).

On the other side, 64.4% of Jews think that Arab Palestinians in Israel constitute a strategic threat to the state due to their high birth increase percentage; 71.3% of Jews afraid of the Arab Palestinians struggle for changing the nature of the state; 83.1% of

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\(^8\) The survey conducted by Arab-Jewish Center, University of Haifa, reported by Maariv, Israel, February 10, 2007

\(^9\) Maariv, March 13, 2007

\(^10\) Maariv newspaper, Israel, March 13, 2007

\(^11\) The first attempt was in 1990.
Jews afraid of the trend among Arab Palestinian citizens to support the Palestinian struggle.

Israel is a deeply divided society along community lines between Jewish and Arab citizens. It needs to find the adequate inter-party dialogue between the two communities regarding a shared future, which, in addition to the political process requires respect for human rights and education for reconciliation. The current reality seems to give power to those who are adept to manipulating ethnic differences and nationalist politics\textsuperscript{12}. This may lead us to embrace a dystopian prospect: "Consociational politics is …. Politics without 'shared vision',"\textsuperscript{13}.

This political discourse has culminated into the publication of four documents of “Future Visions”, which explore the ethnicity of the political regime and question Israeli democracy in relation to the Palestinian citizens of the state. Indeed, the four documents lucidly reflect the new political discourse, as they strongly express a highly contested language of political claiming for justice, equality and recognition\textsuperscript{14}. Jamal contends that Palestinian politics in Israel should be viewed as a “politics of contention” aiming to set symbolic challenges and practical alternatives to the dominant interpretation and policies promoted by the state.

Accordingly, citizenship is viewed by the Palestinians in Israel not only as an instrument for mobilization, but also as a maneuvering space for resistance and contention\textsuperscript{15}. For Tilly\textsuperscript{16}, social movements are performers of contentious politics, as these lead sustained public efforts to raise collective demands on target authorities by creating special purpose associations and coalitions.

Serious deterioration was noticed in 2012 when the Israeli Supreme Court constitutionalized the law of citizenship that discriminates between Arab citizens and Jewish citizens. Commenting on the Court rule Hasan Jabareen, general director of Adala said that as far as Land and Citizenship are concerned there is no law in Israel to defend the rights of Arab citizens\(^\text{17}\). This increase in legislative initiatives is seen as aiming to disadvantage Arab citizens, including efforts to make certain opportunities and benefits conditional on various "service" or "loyalty" clauses. This legislative trend includes the Nationality Bill, which was approved by cabinet\(^\text{18}\), emphasizes the Jewish, rather than democratic, nature of the state. These bills are seen to have given public momentum and top-down legitimacy to exclusionary and conditional discourse. At the same time, a rise in the number and strength of social movements and activist groups promoting exclusionary or anti-Arab platforms is also seen to have sown this discourse into the mainstream. Ranging from informal grass roots efforts to formal organizations, these groups have been leading campaigns in the media, Knesset and on university campuses.

A 2014 poll commissioned by Channel 10, one of the main television channels, found that 86% of Arab citizens experience strong or moderate racism in Israeli society at the same time that 77% prefer to remain part of the Israeli state\(^\text{19}\).

In examining the above literature, we find that building a joint constitution or a shared vision document for Jewish and Palestinian citizens is a critical need for society. No research was done until now to examine the actual three efforts that took place, and no analyses was has been conducted to examine the process that took place, materials they produced, and the possible impact of these efforts. This

\(^{17}\) Al Shams Radio, Nazareth, an interview, January 12, 2012 at 8:15am.


\(^{19}\) Ben Solomon, Ariel. 68% of Israeli Arabs oppose recent wave of terrorism, poll finds,  
research could help guide future attempts or decision makers to identify the chances for a successful process, which could bring about consensus building in Israel.

Shared Society concepts have been part of civil society discourse and work in Israel for many decades, waxing and waning in parallel with social and political developments. Today, renewed attention and refined strategies are being incorporated into the missions of a growing number of civil society organizations, which are defining themselves as promoting shared society explicitly.

The term “Shared Society” (or similar/parallel terminologies such as “shared living” or “shared citizenship,”) is relatively new in Israel. In the 80s and 90s, most efforts dealing with social inclusion and inter-communal relations were called “coexistence” initiatives and for the most part aimed to increase empathy and understanding between Jewish and Arab individuals and groups. The majority of shared society developments in Israel are taking place in civil society, and there is no governmental framework or guiding policy, the existing discourse is broad and multi-vocal.

In 2006, the Arab Follow Up Committee produced The Future Vision Documents, aiming to define the identity and common vision of the Arab minority vis-à-vis the state of Israel. Later, additional similar documents were drafted by leading Arab civil society organizations in Israel. These documents embody collective visions that propose new political arrangements to transform the ethnocratic political regime into a consensual democracy. Generally speaking, these documents advocate conceding more power-sharing, recognition, and equality to the Palestinian minority.

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in the State of Israel, while introducing specific blueprints aimed at empowering the Arab minority in a variety of fields, such as educational, religious and social services. Specifically, these documents demand that the state recognizes the Palestinian Arabs as an indigenous national group, entitled to collective rights such as the right to administrate the Palestinian minority’s cultural, educational and religious issues. The documents present a historical narrative that postulates a symbolic challenge to the historical narrative of the Jewish majority, by calling out the colonial origins of Israel. These documents seek to end the ethnic hegemony of the Jewish majority. The publication of these documents generated not only a heated debate between and among Arabs and Jews, but also a volume of studies. These for the most part have discussed the historiographical meanings and political implications of these documents.

The documents demanded changes to ending Jewish hegemony, which are reflected in the state’s policies and practices to maintain the political interests of the Jewish majority, allowing for unequal access to the rights and entitlements of Palestinian Arab citizens\(^\text{23}\).

This means that while Jewish Israelis are constituted as a political community with its own particular public good from which Arabs are excluded. Palestinian-Arab citizens are not treated as a national collective, but as an aggregate of individuals entitled to partial individual civil-political rights, but to be denied of any collective claims for self-definition, including the use of Arabic as a national identifier of the minority as being both national and indigenous\(^\text{24}\).

The vision documents aspire to ensure “unhindered representation, recognition without marginalization, acceptance and integration without ‘normalizing’ distortion” for the Arabs in Israel through changes in language status and practice, as


well as challenge the very definition of Israel as both a Jewish nation-state and a democracy\textsuperscript{25}. The Arab elites in Israel are advancing contentious politics of recognition hoping to transform the ethnocratic political regime in Israel into a binational and a bilingual political system\textsuperscript{26}.

In this sense, the four documents are indeed a lucid reflection of the politics of contention among the Palestinians in Israel, through which Arab leaders and scholars advocate that equality can only be attained if the state recognizes the Arab minority as a legitimate national collective entitled to group rights and renounce the Jewish hegemony of the state’s material and symbolic resources.

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Once Upon a Time There Was a Welfare State

Daniel Ben-Simon*

I was serving as a Knesset member and one day the Finance Committee convened to hear a complaint and a request from some mayors of cities in the periphery of Israel. A complaint about the economic situation which continues to decline and a request to receive a one-time assistance so that they could finance the activities of the community centres in their communities. The year before the state cut balance grants which used to be available to them and now they have found themselves without the means to operate basic social services.

Around the elongated oval table of the Finance Committee gathered many Knesset members, many guests and some curious onlookers who regularly accompany the deliberations of the Knesset committees. At the edge of the table, by the chairman, sat three senior officials from the Ministry of Finance, invited to participate in the discussion.

One after the other the mayors addressed the members of the Committee and seemed as if they were begging for their lives, some in a broken voice and some in tears. The Head of the Local Authority of Hazor Haglilit, Shimon Suissa, spoke about the bitter fate of the town that was stuck with no funds. He spoke about the plant 'Pri Galil' that has been disabled, causing paralysis of the city and especially elaborated on the community centre located in the centre of town. "I cannot open it because I have no money," he told the members, "and I would like you to know that without a community centre, there is no life Hazor Haglilit. It is the second home of pupils and I dare say that for many of them It is their first home. They find things there that they could not dream of. They participate in activities and spend time in the library and discover the whole world. The community centre is now closed because I cannot pay the salaries of three employees."

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Mr. Suissa had to stop his speech because his throat was choked with emotion. He turned to the officials from the Ministry of Finance and asked them to help him with “two to three million Shekels" to resume the work of the community centre. He was followed by David Buskila, mayor of Sderot. He also spoke about the sad state to which his town found itself following the abandonment of residents from the Qassam rockets fire and following the cancellation of the balance grant imposed on him. He also pleaded for “a million or two” to operate the community centre in his community, which encountered a crisis of funding.

I was listening to the speakers and my heart was torn inside me. The officials from the Ministry of Finance have received permission to speak and explained at length the dangers to respond positively to these requests from the mayors. "This will break the state budget", said one of them with utter seriousness. The second explained bluntly that if the state should respond positively to these 'populist' requests, it is doubtful whether it would be possible to stop the flow of requests for grants coming in the future. The officials did not hide their opinions of how necessary it is to maintain the budget framework and treated it as if it were a sacred cow.

I was thinking about the absurd situation we have witnessed. Two mayors, located in the northern and southern borders of Israel, and pleading for a minimal additional to fund educational activities. Before Israel became a sort of economic enterprise of profit and loss, it is doubtful whether they would have to plead. Moreover, if these were two leaders of West Bank settlements, it is doubtful whether the country would obstruct their path. In recent decades, the West Bank settlements formed the spearhead of national priorities while the development towns in the periphery have become a millstone round the neck of the nation.

While I was deep in thought, I was called to attend another meeting. This time a few senior army officers were waiting in an interior room of the Knesset Foreign Affairs and Defence Committee, where the joint committee of Finance and Security was to convene. At the entrance, my cell phone was taken from me due to confidentiality. Around the table sat four Knesset members and some senior army officers. On the
table were placed a few pages centring around a page detailing the items which the Defence System requested an additional three billion Shekels for. It was impossible to understand what this was about because all the items were written in initials. One of the committee members, highly experienced, whispered in my ear that they refer to elected officials as robots whose job it is to raise their hand and confirm the extra funding.

Thus, without a discussion and without an explanation, three billion Shekels have been poured to the mysterious treasury of the Defence System. It took exactly five minutes. I returned to the room of the Finance Committee. It has been nearly two hours since the beginning of the discussion and the participants were still busy clarifying a fateful issue called 'exceeding of the budget'. How absurd, I thought to myself. Can the transfer of a few million from the state budget be considered as exceeding? Only minutes before, three billion were casually transferred and no one had to beg and shed a tear. And here, in the discussion on a basic social need of the two towns, struggling with poverty, there was a heated discussion as if the fate of the country depends on those few million for two community centres.

It is not only the Security System which continually erodes Israel’s social needs. Also the neo-capitalist ideology, as expounded by the Israeli right wing, had left almost nothing from the glorious welfare factory established with the founding of the state. Since the early eighties, prime ministers and finance ministers sought to destroy it until Israel has changed its address: From being one of the most equitable countries in the Western world, Israel has become a model of inequality between those who have and those who do not. "Which country is most equitable ... If we limit ourselves to non-communist countries." Asked Nobel laureate in economics Paul Samuelson in 1970, "Perhaps the new State of Israel is at the top of the list."

We have come a long way since then. Successive governments, left and right, led Israel to one of the most brutal attacks of privatization in the Western world. Social budgets have been cut. Social needs have disappeared, old-age pensions decreased dramatically, child allowances and disability allowances have been cut. Weaker
social classes, once living in minimal dignity thanks to social security allowances, found themselves plunged into the abyss of poverty and deprivation.

The privatization and the economy of the wealthy came to Israel without a public debate held on the nature of the transition from a welfare state to a ‘well earning state’. The welfare state was brought to burial without inviting the general public to accompany it on its last journey. The greatest absurdity of all is that there is no political and economic correlation between the needy and the patterns of voting. Everything is dwarfed by the ethos of the existential threat. Even the basic food security has surrendered without a fight in front of existential security. In other words, it seems that the real poor people are indirectly the principal sponsors of the prosperous privatization economy, under the auspices of 'the existential threat'. One just needs to wave ‘the Iranian nuclear bomb’ and he will get the green light for transferring tens of billions in favour of measures fated to fight that Iranian bomb.

Therefore, the delay in the peace process and an agreement with the neighbours only serve the anti-social interests and perpetuates a society which is a global military superpower on the one hand, and a global poverty superpower, on the other hand. Both can co-exist in an almost perverse harmony only under the conditions of a lack of a political agreement. At the moment, we cannot see one on the horizon.
Activity Report
“Rebuilding the Welfare State in Multicultural Societies”
Tel Aviv, May 25th-26th, 2015

Vassilis Ntousas*

In the light of modern debates about the future of the welfare state, both within and outside Europe, and the impact of the politics and policies of multiculturalism on these debates, an important seminar was mutually organized by FEPS and the Macro Center for Political Economy, in partnership with the Foundation Jean Jaurès and the Renner Institute, focusing precisely on these issues.

This international seminar aimed at providing answers to the wider discussions focusing on the interplay between the concepts of multiculturalism and the welfare state. A total of approximately 30 politicians, academics and think-tank and civil society representatives participated in the seminar and contributed to a series of very interesting discussions. The event also featured the participation of members of Knesset (MK), the Israeli parliament, including a speech by MK Hilik Bar, the Secretary General of the Israeli Labour Party.

Kick-Off Dinner

The international seminar commenced with a kick-off dinner, which laid the foundations for the significant interventions and debates that took place on the following day.

The first keynote speaker, Brig. General (res) Dr. Efraim Sneh, former Health and Transportation Minister of Israel (Labour Party) referred to the question of whether modern democratic welfare states can safely absorb the impact of multiculturalism on our societies, as the main question worth examining in the seminar. According to him, it is now more pressing than ever to find practical solutions to this question,

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solutions that importantly do not rely on the creation of fear, as that always feeds into the rhetoric of the extreme right.

The second keynote speaker, Dr. Alfred Gusenbauer, former Chancellor of Austria, argued that, as they are currently constructed, modern democratic welfare states cannot shoulder the practical and economic realities of unlimited immigration. If they want to have policies grounded on pragmatism, social democratic parties have to accept that the issue of size plays a highly significant role in determining where the balance can be found between being able to integrate increasing flows of immigration in our countries and not undermining the viability of our welfare state models.

Finally, in his intervention, Mr. Bruno Liebhaberg, Chair of the Scientific Council of FEPS, expressed his deep concerns regarding the state of things in Israel, following the election of the new Israeli coalition government, headed by Prime Minister Netanyahu and his Likud Party. In Mr. Liebhaberg’s view, these concerns, which are equally about the new government’s domestic agenda on unemployment and the welfare state, and its foreign policy practice inter alia vis-à-vis the issue of Palestine, demand a more active consideration on the part of Europe.

**International Seminar**

Building upon the important questions that were posed during the kick-off dinner, the international seminar attempted to further deepen our understanding of whether robust and generous social democratic welfare policies can be designed and implemented in ethnically diverse societies.

In addition to a number of keynote speeches, the seminar was divided into two sessions, one focusing on ‘Socio-economics and Welfare: new and feasible social models in era of global economy’, and one on ‘Multicultural Societies: economic challenges and sustainable growth in diverse societies’. Each session was followed by lively exchanges of opinion between the speakers and the audience, which further illustrated both the complexity and the significance of the issues being discussed.
Opening Remarks

In opening the international seminar, Dr. Ernst Stetter, Secretary General of FEPS, referred to the populist fear that is deeply embedded in modern debates that deem multiculturalism and generous welfare states as incompatible. The belief that a truly functioning multicultural welfare state is simply impossible to create and sustain. The complete speech of Dr. Stetter appears earlier in this book.

Keynote Speeches

In his keynote introduction, Dr. Roby Nathanson, General Director, Macro Center for Political Economics, asserted that the impact of the relative dominance of the neoliberal approaches which mostly rely on market forces as a regulator of economic and social needs has been a constant increase of poverty and socio-economic disparities. Against this dramatic backdrop, in an era of globalization and free movement of labour, capital and goods, there is a need to develop new mechanisms of inclusive policies towards minorities and migrants in the European case, as well as in the Israeli case. In this context, the debate should focus on the manner of which the mechanism of a future welfare policy could apply to those sectors of society that are in the periphery, not only geographically, but also economically and culturally. Mr. Nathanson argued that the modern economic and social challenges have not been reflected in a substantial political change of direction, regarding new majorities that could be reached by the social democratic movement. Therefore, we have in this respect an additional big common question mark concerning how to generate a new vision, which could be appealing to wide audiences and sectors of the society.

Following his first intervention during the kick-off dinner, Dr. Alfred Gusenbauer, Former Chancellor of Austria, contended that it is impossible to think that the modern democratic welfare states, as mainly established in Europe, can provide economic shelter for unlimited numbers of people, and by doing so, solve all the problems in the remaining world. In this sense, Dr. Gusenbauer argued that there is in fact a limit to the multiculturalism of societies, and that the issue of magnitude is a decisive factor in determining how many people can be comfortably accommodated.
by each welfare system. Focusing on the issue of financing of these systems, he questioned whether our welfare model is a viable one in the long-term, since this model was initially established upon the assumption of full employment, a condition which is by and large absent from today’s labour markets. In the light of this, Dr. Gusenbauer argued in favour of a fairer taxation system that distributes the burden of cost more equally and that discourages free-riders, but also for structural reforms in the labour market that do not just redistribute wealth but also empower people.

**MK Tamar Zandberg** (Meretz party), centred her speech on the challenges of presenting a politically successful and socially just and inspiring welfare policy to the people. Drawing from her party’s experience from the last elections in Israel, MK Zandberg contended that the country of Israel has traditionally constituted a multicultural society comprised of various immigrant constituencies and ethnic populations. However, it has only been recently apparent, according to her, that tensions between these constituencies have been inflamed and exacerbated by certain political parties so as to make political gains, a situation which led to the ‘last elections being the most tribal, segregated, sectorial elections in a generation’. Within this framework, MK Zandberg claimed that it is impossible to have a left-wing economic policy (such as that of a strong welfare state) be efficiently implemented by a right-wing government such as the current one in Israel, and finished her speech, by strongly arguing in favour of more protection for social, ethnic and economic minorities, especially in the midst of the current economic crisis.

**Mohammad Darawshe**, the Co-Executive Director of the Givat Haviva Institute, offered a concise overview of the consistent discrimination that the Arab citizens of Israel have faced for years. In his opinion, the current coalition government is engaging in a process of political de-legitimisation of its Arab citizens, aiming at strengthening the ethnocracy of state of Israel. In conclusion, Mr. Darawshe contended that, in order to rectify this situation, multiculturalism by itself is not enough. Social cohesion is also a necessity, and in order to achieve that, there has to
be a change in the political power structure and in the social make-up of acceptance and integration in our societies.

**SESSION 1: Socio-economics and Welfare: new and feasible social models in era of global economy**

Beginning the discussion in the first session, which focused more on the socio-economic aspect of the welfare system, Dr. Matjaz Nahtigal, Senior Scientific Fellow at UP ZRS and associate professor at the Faculty of Management, University of Primorska (Slovenia), mentioned that the overwhelming majority of recent analyses have proven that achieving a high level of competitiveness and enjoying social cohesion are not mutually exclusive. In fact, the mirror image of this appears to be far more accurate, as these analyses show that without high quality, inclusive policies, no country can achieve high levels of competitiveness and productivity. Dr. Nahtigal, therefore, underlined the need to dismiss the neoliberal agenda and its underlying assumption that the welfare state needs to be dismantled as it adds an unnecessary burden to how much a state can achieve in the globalized, economic arena. Instead, based on this huge discrepancy between empirical evidence and the approach many governments are assuming, he argued in favour of huge investments in human and social capital, further democratisation of the modern market economy, and more participative models of education open to everyone.

Sever Plotzker, Chief Economic Editor, Yedioth Ahronoth, expressed his concern at the current state of the Left in Europe and in Israel, as he would have expected social democratic parties to gain political momentum due to the socio-economic disarray that has been caused by the financial crisis. Instead, in his opinion, populist parties and politicians have unfortunately made great strides at the expense of the progressive movement, and this has to make the movement take a look at itself, as well as at the reasons behind the current status quo. A crucial component of this much-required process of introspection is honesty, realism and bravery in political promises made and visions laid out, coupled with the complete dismissal of populist slogans and beliefs.
Prof. Avia Spivak, Chair of the Center for Pension, Insurance and Financial Literacy at Ben Gurion University, focused on pension funds especially in the case of Israel, offering a brief historical account and subsequent analysis of pension reforms in the country in the last two decades. Based on his vast experience on the issue, his conclusion was that despite structural reforms in the pension system, the GDP growth rate in Israel has not been particularly high, a condition he attributed to a series of anti-social policies that have been implemented in the country form 2003 onwards.

SPECIAL SESSION: New Challenges after the election’s results – Hilik Bar¹

In between the seminar’s two sessions, a special session was also organised featuring a speech by MK Hilik Bar, Secretary General of the Israeli Labour Party. In his intervention, Mr. Bar paid particular attention to the political status quo in Israel as well as the reasons behind the Labour party’s loss at the recent national elections.

According to him, Labour lost in the last two weeks of the campaign, since it did not succeed in convincing the Israeli public that they would not enter into a coalition government with Prime Minister Netanyahu’s Likud party. As the decision was taken not to join the coalition government after the election results were announced, Labour is now in a position to prove its credibility by playing the role of a responsible and robust opposition. For Mr. Bar, this simply means not participating in Mr. Netanyahu’s political games and not yielding to his pressure for potentially joining his coalition government in the months to come, if the current coalition government collapses.

As another crucial component to being an efficient opposition to Mr. Netanyahu, Mr. Bar stated that Labour cannot automatically oppose anything the government brings forward, however, when it disagrees, it has to provide credible alternatives, in order to be convincing. For example, in the question of the upcoming international nuclear

¹ Member of Knesset, Secretary General of the Israeli Labour Party.
deal regarding Iran, Labour cannot but support the only sensible option, which is, opposing what they see as a very weak deal that is against the Israeli interests. But on a whole host of other issues, ranging from social and economic issues to actually finding a solution to the Palestinian question, Labour has to step up its efforts to provide a realistic counteroffer to the Israeli public. In this spirit, Mr. Bar announced that Labour would present a comprehensive draft of a peace plan in a matter of weeks.

**SESSION 2: Multicultural Societies: economic challenges and sustainable growth in diverse societies**

As the first speaker during the second session, **Prof. Naomi Chazan**, former member of Knesset and board member of the New Israel Fund, noted with concern that recent years have seen the gradual weakening of the Israeli state. According to her, the Israeli state’s modern image is far weaker than what it was two decades ago, both in terms of the state capabilities and in terms of its autonomy from social groups, which are equally far lower than in the past; the asymmetrical political arrangements, social divisions, and economic inequalities of the past decades are to be blamed for that. In order to rectify the situation, Prof. Chazan advocated in favour of mainstreaming strategies that touch upon not only the political sphere, but also the social and power arrangements, and that ultimately create not only inclusion, but also equality.

**Ricard Torrell** from the Rafael Campalans Foundation (Barcelona) gave a concise yet comprehensive overview of the situation in Spain following the last regional elections in the country. He argued that there has been a fundamental shift in Spanish politics, in that, after the elections, the traditional two-party system was substituted by a multiparty system, which presages what will likely happen in the national elections scheduled for autumn 2015. According to Mr. Torell, a great characteristic of the electoral manifestos of the new parties that have risen in Spanish politics has been the element of hope that has featured prominently in their campaigns; an element which helped them do very well in the regional elections, since it brought them very close to the aspirations and needs of the people.
This latter position was also echoed in **MK Omer Bar-lev**’s (Labour Party) intervention. He contended that, throughout the last election in Israel, it became apparent that security is the primary concern for a majority of Israelis. Within this climate, Labour did much better than in the last elections, but it failed to somehow convincingly combine the element of hope with a credible alternative security solution.
Conclusion

Ending the discussion, Mohammad Darawshe put the question of instrumental politics on the agenda, and reiterated his earlier point that social cohesion is necessary in multicultural societies in order for the welfare state to function properly, but cohesion itself has to be based on a vision of political justice and equality.

Daniel Ben-Simon, Journalist and former MK (Labour Party), claimed that no one could predict the outcome of the last election in Israel, and as such, it requires a lot of effort and introspection to understand its true meaning. He attributed this outcome to general aversion to the state (which is mostly identified with the left within the Israeli public), due to the growing inequalities.

Reacting to Mr. Ben-Simon’s comments, Dr. Alfred Gusenbauer countered that it is of paramount importance that we understand the meaning of the outcome of the elections as soon as possible. For him, such an outcome did not come as surprise, and the real reasons why Labour lost was its somewhat confusing campaign messaging to the voters, and the lack of a clear alternative to Mr. Netanyahu.

Dr. Ernst Stetter raised the issue of solidarity as an essential component to any success of a multicultural welfare system, and offered the European context as an example of this. In his opinion, Europe now lives in an era where solidarity within states and between states is not readily apparent, but this sense of solidarity has to be brought back into the spotlight if the welfare model that was created in the 1950s is to be inclusive and successful yet again, across all generations and constituencies.

After thanking all participants, in his concluding remarks, Dr. Roby Nathanson offered an insightful overview of all the topics that had been touched upon during the seminar and of the practical solutions that had been suggested. On the topic of immigration and migration, he underlined the need for more inclusive policies that not only respect the rights of immigrants, but also guarantee that freedom of choice, expression and representation, are equally enjoyed. Concerning how modern democracies can correct the existing distortions of their welfare state models, he strongly favoured putting in place redistributive mechanisms that affect the system.
not only through taxes, but also through people’s access to markets, skills and knowledge. Finally, regarding the issue of the Labour party’s recent loss in the elections, Mr. Nathanson stroke a positive, optimistic note, arguing that the recent electoral performance of the Labour party is only one stage of a long-term process that will eventually lead Labour back to government; for that to happen though, he cautioned that more has to be done in order to strengthen the image of Labour as an honest political force carrying a realistic alternative.
Speakers and International Participants in the Seminar

- **Doron Arazi** – Member of the Executive Board, Israeli-German Society
- **MK Hilik Bar** – Secretary General, Israeli Labor Party
- **MK Omer Bar-lev** – Israeli Labor Party
- **Dr. Hillel Ben Sasson** – Director of Projects, Molad: The Center for the Renewal of Israeli Democracy
- **Daniel Ben-Simon** – Journalist and Former MK, Israeli Labor Party
- **Tamar Ben Yosef** – Economist and Journalist
- **MK Michal Biran** – Israeli Labor Party
- **Orly Bitty** – Naamat - Movement of Working Women & Volunteers
- **Dan Catarivas** – Director, Division of Foreign Trade & International Relations, Manufacturers Association of Israel
- **Prof. Naomi Chazan** – Board Member, New Israel Fund and Former MK, Meretz Party
- **Mohammad Darawshe** – Co-Executive Director, the Givat Haviva Institute
- **Micky Drill** – Project Manager, Friedrich Ebert Stiftung Israel
- **Karl Duffek** – Director, the Renner Institute
- **Rotem Federman** – International Student Initiative for Pluralism in Economics (ISIPE), Haifa University
- **Itamar Gazala** – Research Director, the Macro Center for Political Economics
- **Dr. Alfred Gusenbauer** – Former Chancellor of Austria; President, the Renner Institute
- **Rami Hod** – Executive Director, the Social Economic Academy (SEA)
- **Prof. Dani Korn** – President, the Globes Institute for International Business Studies
- **Dr. Arie Krampf** – Senior Lecturer, the School of Government and Society, the Academic College of Tel Aviv Yaffo
• Bruno Liebhaberg – Chair of Scientific Council, FEPS
• Omer Magal – International Student Initiative for Pluralism in Economics (ISIPE), Haifa University
• Dr. Matjaz Nahtigal – Senior Scientific Fellow, UP ZRS; Associate Professor, the Faculty of Management, University of Primorska (Slovenia)
• Dr. Roby Nathanson – General Director, the Macro Center for Political Economics
• Vassilis Ntousas – Junior Policy Advisor - International Relations, FEPS
• Sever Plotzker – Chief Economic Editor, Yedioth Ahronoth
• Meirav Polak – Project Manager, the Macro Center for Political Economics
• Amir Rosenthal – International Student Initiative for Pluralism in Economics (ISIPE), Haifa University
• Dr. Tal Sadeh – Co-President, the Israeli Association for the Study of European Integration (IASEI), Tel Aviv University
• Avital Shapira – Director of International Department, the Histadrut
• Matan Shrira – Researcher, the Macro Center for Political Economics
• Dr. Efraim Sneh – Former Health and Transportation Minister, Israeli Labor Party
• Prof. Avia Spivak – Chair of the Center for Pension, Insurance and Financial Literacy, Ben Gurion University
• Judith Stelmach – Project Manager, Friedrich Ebert Stiftung Israel
• Dr. Ernst Stetter – Secretary General, FEPS
• Ricard Torrell – Rafael Campalans Foundation
• Alfred Tovias – Emeritus Professor, Department of International Relations, The Hebrew University
• Assoc.Prof. Dimitris Tsarouhas – Associate Professor and Chair, Department of International Relations, Bilkent University (Ankara, Turkey); Jean Monnet Chair in European Politics
• MK Tamar Zandberg – Meretz Party