

ECONOMIC SOCIOLOGY IN ISRAEL

Circuits of Global and Local Knowledge

By: Oleg Komlik

Economic sociology in Israel is thriving. After years of gradual disciplinary evolution and scholarly elaboration, Israeli economic sociology has become soundly established. This essay aims to explain the emergence of this field of research and to profile the contemporary economic sociology in Israel.

Our point of departure lies in the contention that Israeli economic sociology - as an umbrella term for the variety of socio-political studies of economic organizations, institutions and processes - has been constituting from the 1980s onward in the spirit of two concurrently unfolding academic trends: on the global level, the stimulating revival and remarkable spring of economic sociology in the US and Europe, and on the local level, the growing influence of critical sociological approaches on Israeli sociology as a whole. Decades after the establishment-oriented structural-functionalist sociology ceded the economy as a topic of inquiry to economics and produced papers echoing the dominant ideology and government policies, researchers associated with different streams of critical sociology, especially interested in elites, power and political economy of labor, have begun to problematize notions of economic phenomena which for years were conceptually simplified and (un)intentionally omitted. Finally, the institutionalization of economic sociology was intensified by the transformative and detrimental consequences of the Neoliberal conquest of the Israeli society and polity during the 1990s (e.g. Shafir and Peled 2002; Shalev 1998).

In 1992, after returning from Columbia University where he obtained his PhD, Ilan Talmud pioneered the first courses in 'new economic sociology' in Israel - "Social capital" and "State and entrepreneurship" (see also Talmud 1992, 1994; Burt and Talmud 1993). Daniel Maman started offering a course on Social Networks in 1996, several years after submitting his dissertation on the institutional linkages between the economic, political and bureaucratic elites in Israel (see Maman 1997a, 1997b). Today, at the beginning of the 2016, all sociology departments at universities and many colleges boast of having at least one or two faculty members dealing with sociology of the economy. These researchers have a noticeable presence at international conferences, they fruitfully collaborate with American and European colleagues, and their students are awarded competitive doctoral and postdoctoral fellowships abroad.

This community of academics is diverse: whereas their educational backgrounds, methodological lens, the-

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oretical realms and empirical focuses differ, they all are invested in illuminating various angles of the mutual embeddedness of State-Economy-Society. There are four main areas of scholarly interest. I will briefly depict each of them, concentrating on relatively recent publications. Because the subject matter is broad, space is limited, the boundaries of the field occasionally make inroads into other departments, and vice versa -- this overview will unavoidably be partial and confined only to the Israeli context.

1. Sociology and politics of economic knowledge

Sociology of economics probes the social and political processes, mechanisms and conditions of formation, articulation and diffusion of economic ideas, models and theories. In this respect academic, practical and administrative configurations of economic knowledge are always embodied in particular economies, epistemic cultures and institutions.

In the framework of nation-building and policy-making in the decades before and after Israel's independence in 1948, Krampf (2010a, 2010b), and Yonay and Krampf (2014) traced the evolution of local economic thought, adaptation of foreign ideas, erection of academic economics schools and inputs of professional carriers of economic knowledge. Studying the same period, Frenkel (2005), and Kalev, Shenhav and De Vries (2008) examined the politics of diffusion and translation of Scientific Management and Human Relations principles into the infant industry.

Mandelkern and Shalev (2010) detected the causal role played by the power resources of economists intended to stabilize the 1980s Israeli economy as it spiraled into hyperinflation crisis. Maman and Rosenhek (2011) compellingly showed how starting in the mid-1980s, the utilization of a "depoliticized" language of economic models and the close relations of Israeli academic and state economists with their American counterparts served as tools of bureaucratic and political power in bringing about the neoliberal shift in the Israeli political-economic regime and the strengthening of the Central Bank.

More recently, looking at state programs of financial literacy, Maman and Rosenhek (2015) reveal how they confer moral meanings to practices of personal finance, inserting thereby the neoliberal and financialization institutional logics into everyday life. In the same conceptual line, Adriana Kemp and Nitza Berkovitch (2013) deal with NGOs' programs of "economic empowerment" for marginalized women in Israel. Galit Ailon (2015) presents an interesting qualitative analysis of the calculative techniques and clarifies another - performative - aspect of economic know-how: popularization of financial trading by training schools, firms and books.

2. Political economy, labor and welfare state

Historically, these topics of research have strong foothold in Israel, trespassing sub-fields, methods, theoretical traditions and academic departments.

Synthesizing his own prolific work, in *Mo(ve)ments of Resistance: Politics, Economy and Society in Israel/Palestine, 1931-2013*, Lev Grinberg (2013) argues that events in the social history and political economy have been shaped not only by economic and political forces but also by resistance struggles of marginal groups: organized workers, Palestinians, and Mizrahi Jews. Astute observations on the constitution of subordinate populations as unprotected labor under varying political and economic circumstances over the second half of the 20th century were offered also by Rosenhek (2003).

Tali Kristal's (2013) detailed account of income inequality from 1955 to 2005 reveals that market-oriented state policies and workers' fragmentation led to a decline in labor's share in national income during the current stage of neoliberal capitalism.

Combining neo-institutional and fiscal sociology, Michal Koreh and Michael Shalev (2009) described a 'quiet revolution' in the financing of social insurance that has transferred employer obligations to the state budget and profoundly altered intra-governmental power. Intra-state conflicts, institutions and de-politicization also

delineated trajectories of Active Labour Market reforms that were pivotal in the neoliberal reorganization of the welfare state (Maron and Helman 2015).

On the meso level, Shalev and Lazarus (2013) explored the role of the state as an employer of Palestinian women in the social services. A microsociological perspective of job insecurity, class and gender in a “flexible” labor market was offered by Orly Benjamin’s (2015), and Benjamin and Nisim’s (2012).

3. The ‘big economy’: business groups, banking and finance

The study of financial markets and banking, and their inextricable and multifaceted linkages with the state and corporations is already a well-established purview of economic sociology in Europe and the US. To grasp the effect of inter-industrial relations on the survival of an individual firm, Talmud and Mesch (1997) found that structural embeddedness in the national transaction matrix and political embeddedness in the national economy play an important role in shaping corporate likelihood of durability.

Daniel Maman paved the way with a series of studies about the emergence, social-political organization and transformations of large business groups in Israel (1998, 1999). Thereafter, Maman (2004, 2006) put under a magnifying glass the constitution of the new Israeli corporate law in order to understand the balance of power between the state and the ‘big economy’, and the ‘global’ scripts versus the local factors. Based upon the concrete historical analysis and defining neoliberalism as a state project, Oleg Komlik (forthcoming) scrutinizes the dynamics of the institutional changes of the banking sector initiated by the coalition of state agencies and aimed at the construction of a market-based financial system.

4. Information economy and technology

Using a social network approach, in *Wired Youth: the Social World of Adolescence in the Information Age* Mesch and Talmud (2010) examined the effects of internet use on young people’s involvement in social, leisure and extracurricular activities. In a brand new ethnographic and netnographic project, Talmud delves into the social fabrics of cryptocurrency trading. Talmud is exploring the possibility of enacting an alternative monetary system “from below” and constructing a global online financial market in the face of institutional hostility (Talmud 2015; Darr 2014).

Darr and Rothschild (2004) attributed the limited absorption of immigrants from the former Soviet Union into the existing high-tech economy by their relative lack of social capital and their loose penetration into local informal social networks. A decade later, by focusing on enterprise resource planning implementers, Darr (2015) put a question mark over the distinction between technical and social skills and pointed to the growing convergence of service and technical-computerized skills in the nowadays economy.

A summary before moving forward

Economic sociology in Israel is interlaced with the rich insights of American and European scholarships of (new) economic sociology. Concurrently, it also encompasses the local spirit of critical inquiry and an intellectual passion to unravel the mazes of socio-political morphology of the economy. This is how the circuits of global and local knowledge have been crystallizing.

We all, therefore, have much to look forward to the further development and ramifications of economic sociology in Israel.

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