Vallentine Mitchell

**Book Proposal Form**

**Date:** 24/1/2024

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**THE BOOK:**

**1. Title:** A History of Israel’s Economy

**2. Subtitle:** Economic Development and Prospects for the Future

**3. Subject classification:** Economics, History, Israel, Jewish interest

**4. Background and details of author(s)/editor(s) (maximum of two):**

(If it is a multi-authored work, please give one name and address for correspondence)

The author is an economist who for more than fifty years was involved in Israel’s economy at senior government levels, in the business sector, civil society, and the third sector. During all of my senior roles, I played an active part in shaping Israel’s economy during dramatic periods of change and transformation that allowed me to gain first-hand knowledge of broad areas of the country’s economy and society. This knowledge, experience, and access have informed and shaped this book.

During my decades of public service in Israel, I have held several high-ranking positions, culminating in the role of Director General of the Israeli Ministry of Finance. In addition, I have lectured in academic institutions on the Israeli economy.

My professional focus in the economic sphere allowed me a presence, close-up view, and involvement during the key policymaking moments of the Israeli economy. I was actively involved in Israel’s 1985 Economic Stabilization Program, a series of dramatic policy changes to attempt to curb the country’s disastrous levels of hyperinflation. I was responsible for the “non-orthodox” portion of the Program—price reforms. This was a formative period that equipped me for crisis management. Following a four-year stint as CFO for Israel Aircraft Industries (1987–91) in the wake of the government’s dramatic decision to cancel the development of a home-grown jet fighter, I returned to the Finance Ministry as State Budget Director and Director General of the Ministry of Finance (1991–97). Israel entered into a fascinating period of large-scale immigration of Jews from the former Soviet Union, the introduction of essential economic reform and changes, the transition from a centralized public economic regime to an open, competitive market-based economy. It was also a period of groundbreaking political processes between Israel and the Palestinians, and of Israel’s peace treaty with Jordan. I was also involved with conducting negotiations with the Palestinians that led to the economic agreement of Paris in 1993–94. For the Israeli economy, and for the Palestinians, these were important, formative years.

My experience outside of the government lent me diverse perspectives on the economic activities of Israel’s economy and society. I served as chair of the executive committee of Ben-Gurion University of the Negev, Hadassah Community College, and Hadassah Hospital. I was involved many key areas of at the intersection of the economy and national security including serving as chair of a government-appointed committee examining the security budget after the disastrous Second Lebanon War. My years as chairman of Bank Leumi—one of Israel’s largest banks—from 2010 to 2019 coincided with significant changes in technology and regulation worldwide, including in Israel.

My long-standing engagement with the government mostly in the realm of macroeconomics, academic lectures on Israel’s economy and access to primary sources. My participation in public committees in the business and third sectors both enriched me personally and informed my authorship with additional, multi-faceted perspectives on the development and trajectory of Israel’s economy and its place in the global economy.

**5. Description of scope and subject matter of proposed book (in about 100 words):**

Please give a description of the main theme/s.

This book explores upward of a century of the development of the economy of the Land of Israel and the State of Israel as an integral part of the epic story of the Jewish struggle to establish and maintain an independent homeland to this day. During this period of economic activity and development, the foundations were laid for Israel to become what it is today—a developed economy and one of the most advanced countries in the world.

In recent years, Israel has demonstrated admirable economic stability compared to many other countries, even amid the global economic slowdown prompted by a variety of factors, including the escalation of the Russo-Ukraine war and disruption to global supply chains due to the coronavirus pandemic. In contrast to other countries, Israel’s economic growth has remained steady at almost 5 percent. Israel’s stability won it praise from international economic organizations, which are cited the contribution of hight tech to exports and foreign investments in Israel. (INSS, 2022).[[1]](#endnote-1) However, in the wake of the attacks on Israel by Hamas on October 7, 2023, there has been widespread concern regarding the impacts that the ongoing conflict could have on the regional, and global, economy, in particular if the conflict widens. All this has prompted increased interest in understanding why Israel has been such an economic success story, and why such a small nation has such global impact economically. Past works on this topic, although not numerous, have been globally successful—in particular the 2009 New York Times bestseller by Dan Senor and Saul Singer, *Start-up Nation: The Story of Israel's Economic Miracle.* In this current book, I use my decades of experience as a senior government official involved in some of the pivotal moments in Israeli economic history to go beyond this work. By grounding key events in Israel’s economy within a wider historical and cultural context, I offering unique insights and in-depth contextual background that together help shed light on the “trillion-dollar question” of Israel’s economic success, and, in turn, help stakeholders understand not only how small economies can be mobilized to become big, global players, but also how the ongoing conflict in the Middle East could potentially impact on global and regional markets. Written by a key figure who helped shape Israel’s economic policy, this book offers a unique first-hand view of significant developments that shaped the “start-up nation.”

The Israeli experience is a unique one. In just a few decades, its economy has rocketed from chaotic and underdeveloped to a key global player, particularly in the high-tech arena, despite having to contend with challenging geopolitical issues. While Israel’s development is indeed singular, it also serves as a model of how economics serve as an integral part of national change on numerous levels.

The manuscript, originally written in Hebrew, has recently been professionally translated into English.

**6. Give details of any illustrative material including graphs or diagrams (which must be copyright cleared). Please include the number of images and roughly how many pages you expect them to take up (our usual trim size is 6 by 9 inches).**

**Pictures should be supplied 300 dpi Tiff files in greyscale.**

**None**

**7. Word length of text including notes and references and proposed delivery date of manuscript?**

183,700

**8. Table of Contents:**

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9. Market level:

**For whom is the book written? What professional groups will find it useful in their work? To what non-professional groups will it appeal? Who will buy it?**

This is a unique book with a very wide potential audience. There is considerable global interest in understanding Israel’s economy and its intersection with the global economy, which has become even more intense and urgent in light of current events.

In this light, the book will be of interest, and use, to economists and public policy experts in academia and government, as well as economic and regional analysts, in the United States and North America, United Kingdom, Europe, and Australia as well as in China (where there is considerable interest in Israeli economics). The book will also be of interest to both students of economics and history, in particular economic history and the history of the Middle East. The book will also have a considerable audience among the Jewish community worldwide, among whom interest in Israel is extremely high, not least because it provides a fresh first-hand perspective and new insights into the history of Israel.

Because the book has been written in an accessible, non-academic style, it will also appeal to a wide general public who are interested in history, Middle Eastern history, economics in general, the Israeli economy and Israeli history. Current events, which have put Israel front and centre in the news, will also increase interest among the general public for books about the country.

**Do you expect your book to be used for teaching purposes? If yes, do you expect it to be recommended as core or supplementary reading? Specify the names of any courses for which the book may be considered.**

Since, as noted above, this book draws on my extensive first-hand experiences of government and policy work during formative moments in the Israeli economy, together with my decades of research and extensive contacts among key players in Israeli government and economics, it would be a very useful supplementary reading work for university courses at undergraduate and postgraduate levels on economics, as well as on Israeli history, Jewish studies, and Middle Eastern studies.

**List any books or manuscripts that might directly compete with this one. Include the author, title, publisher, price and sales figures if known. Is there a gap in the currently available literature?**

I would consider that the following book might directly compete in some ways, although my book has a different focus and scope and is not written primarily as an academic volume:

Joseph Zeira (2022). *The Israel Economy: A Story of Success and Costs*, Princeton University Press, Economic History of the Western World series.

The following book has some overlap, but my book has a much different focus and is far wider in scope.

David Rosenberg (2018). *Israel's Technology Economy: Origins and Impact.* Springer, Middle East in Focus series.

Rosenberg’s work is not a history book, but focuses on the key components of a knowledge economy. Rosenberg does devote attention to discussing the role of Israel’s Arab and ultra-Orthodox populations in the economy. Its focus is far narrower in its historical and analytic scope than the current book.

I believe there is a significant gap in the market that this book would fill. Unlike other recent books on the Israeli economy, my book focuses on the major economic developments that unfolded during Israel’s history, placing them in a social, demographic, and geopolitical context. Another key point of difference of this book is my unique, first-hand and direct experience of shaping policy during the pivotal time of Israel’s 1985 Economic Stabilization Plan. This direct involvement has provided me with important insights and perspectives about the workings of Israel’s economy and its interaction with society, culture, demography, and geopolitical factors that other authors have not had. Interwoven into this history is an explanation of the country’s institutions and institutional system, which have constituted a major foundation of the country’s economic development and success, both during the pre-state period and after the establishment of the state in 1948,

**Describe what you see as the chief selling points of your book, emphasising the unique aspects of its origin, content, style methodology, organisation or your particular qualifications to write it. Include any new findings of fact or statements of theory or viewpoint that the book contains.**

As noted above, the first of the major unique selling point of my book is my unique perspective as an “insider” within Israel’s economic policymaking community, including my senior roles within Israel’s Finance Ministry. I have first-hand, direct experience of shaping, implementing, and monitoring key—and unorthodox—policy decisions during the pivotal time of Israel’s 1985 Economic Stabilization Plan and in the years afterwards, These policies, as I describe in the book, were key to shaping the success story that it Israel’s economy today.

But the book is much more than this—it is not a “memoire” but covers a wide swathe of Israel’s development, from an economic backwater in an undeveloped region to the powerhouse that is the “start-up nation,” and helps shed light on this unusual and dramatic transformation by situating key moments within a wider cultural, political, economic, and historical picture.

The book, while based on strong research, is not a dry academic volume. It shows that economics is not a “dry” science, something developed within an ivory tower and understood only by a handful of “experts,” but the very fabric of how people live their everyday lives. The story of economics is the story of how communities, societies, and entire nations develop, grow, and change and how they interact with others. This is reflected in how Israel’s economic development is interwoven with, and integral to, its social, cultural, demographic, and geopolitical changes and challenges. As such, the message of this book extends beyond mere “economics” and even beyond Israel, to show how economics both affects and reflects a nation’s development, and how it is interwoven with its culture and the history of the individual people that make up its society.

Further, the book incorporates burning current issues—not just the Gaza War, but Israel’s growing religious-secular divide and the widely-covered protests against Israel’s proposed judicial reform, all of which impact not only Israeli society—but also its economy, and the economies of its neighbors and its global trading partners. The book sheds light on how these events are interlinked, and uses its analysis of the past and present to project possible issues and solutions for the future.

This direct involvement in shaping policy has provided me with key insights and perspectives that other authors have not had. This perspective will, I believe, be of great interest to the book’s audiences as described above.

**10. Envisaged format of book: hard cover 🞏 paperback ⌧ epub 🞏**

11. List three professionals in your field (with their addresses/emails) who would be qualified to read and objectively evaluate your work:

Professor Karnit Flug, Former Governor of the Bank of Israel (2013-2018) and Professor, The Bogen Family Department of Economics, Hebrew University of Jerusalem. Email: Karnit@idi.org.il

2. Professor Reuben Gronau, The Bogen Family Department of Economics, Hebrew University of Jerusalem.

Email: [reuben.gronau@mail.huji.ac.il](mailto:reuben.gronau@mail.huji.ac.il)

3. Professor Udi Nissan, The Federmann School of Public Policy, Hebrew University of Jerusalem .

Email: [udi.nisan@mail.huji.ac.il](mailto:udi.nisan@mail.huji.ac.il)

**12. If a PhD thesis, please list referees:**

N/A

13. Are there specific dates by which the book should be published (e.g. important conferences, anniversaries, media interest, etc.)?

There are no specific dates. It was written for the 75th anniversary of the State of Israel

**14. Is your book eligible for any publication subsidies from your institution or a research-support body, or would you be able to arrange some financial support?**

No

15. Are there any other publishers considering this proposal?

No

16. Any other comments:

Please return completed form to

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Email: editor@vmbooks.com

1. https://www.inss.org.il/publication/israel-economy/ [↑](#endnote-ref-1)