

**The Israeli Economy**  
**Dr. Paul Rivlin**  
**Fall Semester 2020**

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Paul Rivlin [paulrivlin@gmail.com](mailto:paulrivlin@gmail.com)  
Contact by email to arrange meetings  
Course Credits: 3 TAU Semester Credits

For course times/days and location, please visit the TAU International web site (Study Abroad Course Offerings and Schedules). Please note that all information below is subject to change and/or adjustment as necessary.

**Course Description**

This course analyzes the history of the pre-independence and modern economy of Israel. The role of population growth and immigration; problems of inflation and stabilization; the balance of payments; sectoral developments. The Histadrut, defense spending; the economics of the peace process and Israel's integration into the world economy are also examined. The course concludes by looking at recent socio-economic developments including the problems of the Arab and Ultra-orthodox communities.

This course is suitable for all students, but those who have completed an introductory course in economics will find it easier. Those who have not should be prepared to add supplementary reading.

**Course Requirements and Expectations**

The course requires attending lectures, reading materials and class contributions made in small groups.

**Learning Outcomes**

For students with a background in economics, this course is an opportunity to apply the theory. For those without such a background, the course offers an introduction to economics. All students will learn how Israel has developed.

**Evaluation Criteria**

The course is based on lectures, readings, class presentations by students in small groups (30% of the grade) and a final, take-home, exam (70%).

**Absence Policy**

Please note the TAU International Absence Policy as outlined on the next page.

**Course Schedule**

**Tel Aviv University International**

Carter Building, Room 108, Tel Aviv 6997801, Israel

Tel: +972-3-640-8118 Fax: +972-3-6409582

[www.international.tau.ac.il](http://www.international.tau.ac.il)



1. The Pre-State Economy
  2. Economic Development 1948-1973
  3. The Economic Crisis of the 1980s and the 1985 Stabilization Program
  4. The Defense Burden
  5. Industry, Agriculture and Services
  6. The Balance of Payments, Foreign Debt, Exchange Rate Policies
  7. The Labor Movement and the Histadrut
  8. The Budget and the Public Sector
  9. The Peace Process, Immigration in the 1990s and Israel's Integration in the World Economy
10. The Current Issues

### **Course Readings and/or Required Materials**

Electronic books (in TAU libraries):

Paul Rivlin, *The Israeli Economy from the Foundation of the State through the 21<sup>st</sup> Century*, 2011,

David Rosenberg, *Israel's Technology Economy: Origins and Impact*, 2018

Other readings are on Moodle or public websites

1. The Pre-State Economy  
(Ben Porat: chap 1; Halevi and Klinov-Malul: chap 2; Rivlin 2011: chap 2, Johnson and Koyama: chap 10)
2. Economic Development 1948-1973  
(Halevi and Klinov-Malul: chaps 1,3,4; Patinkin: chaps 1,2; Rivlin 2011: chap 3)
3. The Economic Crisis of the 1980s and the 1985 Stabilization Program  
(Ben Porath: chaps 14,15,17; Rivlin 1992: chap 4, Bruno: chaps 2,4,5)
4. The Defense Burden  
(Ben Porath: chap 8; Rivlin 2011: chap 6)
5. Industry, Agriculture and Services  
(Rivlin 2011: chap 5; Bank of Israel: Annual Reports, Rosenberg chap 1)

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6. The Balance of Payments, Foreign Debt, Exchange Rate Policies  
(Ben Porath: chap 14-17; Rivlin 2011: chap 5)

7. The Labor Movement and the Histadrut  
(Halevi and Klinov-Malul: chapter 5; Rivlin, 1992: chapter 7)

8. The Budget and the Public Sector

(Ben Porat: chap 9; Rivlin 1992: chap 8, Ben Bassat chap 1)

9. The Peace Process, Immigration in the 1990s and Israel's Integration in the World Economy

(Bank of Israel: Annual Reports)

10. Current Issues.

(Rosenberg; websites: mof.gov.il; bankisrael.gov.il; taubcenter.org.il/ )

### **Instructor Biography**

Paul Rivlin is a senior fellow at the Moshe Dayan Center for Middle East and African Studies at Tel Aviv University. He studied at Cambridge, London and Harvard Universities and is the author of five books: *The Dynamics of Economic Policy Making in Egypt*; *The Israeli Economy*; *Economic Policy and Performance in the Arab World*; *Arab Economies in the Twenty First Century* and *The Israeli Economy from the Founding of the State to the Twenty-First Century* as well as monographs, papers, reports and contributions to books on economic development in the Middle East, international energy markets, defense and trade economics. He has taught Middle East economics at London and Ben Gurion Universities, the IDC Herzliya, and has been a visiting professor at Emory University. He is also the editor and regular contributor to the Dayan Center publication on Middle East Economics, *Iqtisadi*.

### **TAU International Academic Guidelines**

Students may only attend classes which they are officially registered for. No auditing of courses is permitted. Students are responsible for reading and adhering to all policies and procedures in the TAU International Academic Handbook [posted here](#) at all times. Below is a summary of some of these relevant policies and procedures.

### **Learning Accommodations**

In accordance to University guidelines, TAU International may be able to accommodate students with learning disabilities or accommodation requests if these requests are also honored at the student's home university or home school. To be considered, students must submit official documentation from their home school or university (if not in English, a notarized official copy translated into English is required) to TAU International in advance of arrival describing in detail any specific needs and how these are accommodated at the home school or university. Students must also bring a copy of this documentation with them on-site and give it to their faculty on

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the first day of class while introducing themselves so that the faculty know who they are and what sorts of needs or accommodations they may have. **Without official documentation from the home school submitted on or before the first day of courses, TAU will not be able to honor accommodation support.**

With supporting documentation and by following the correct procedure as outlined above, TAU International and its faculty will do the best it can to make any suitable accommodations possible. However, we cannot guarantee that all accommodations received at the home school can be similarly met at TAU. For example, TAU is usually not able to offer note-taking services in English, private testing rooms, or advance viewing of classroom presentations, exams, or assignments.

It may be an option to provide a student with additional tutoring or support outside the classroom as needed. Students should be aware that this additional support cannot be guaranteed and is based on teacher availability in the subject as well as the specific student level. If available, the cost of additional tutoring or support will be the sole responsibility of the student.

### **In-Class Exams**

TAU does not permit, under any circumstances, taking any in-class (including mid or final) exams early or later than the scheduled exam day. When selecting courses, it is thus very important to note if there is an in-class midterm or final exam as this date/exam cannot be changed. It is also the student's responsibility to clarify exam dates with the professors at the beginning of a course, with the understanding that not all exam dates can be decided up front as it can sometimes depend on the pace of the course and class learning. It is the student responsibility to plan to be present for all courses including the final day of class for this reason. Early departures from the program are not approved, nor are early or exception in-class exams.

### **TAU International Absence Policy**

Attendance is mandatory in all of the courses including Hebrew Ulpan. Faculty can and will take attendance regularly. Missing classes will be reflected in the final grade of the course. Up to three justified and properly documented absences from classes may be accepted (for example: emergency matter or illness, both of which will require a doctor's note). Such cases of absence should be reported to the faculty immediately and again, a doctor's note is required. Teachers are entitled to treat any lateness or absence without documentation as unexcused. Some of our courses such as Service Learning or the Internship Seminar require more practical in-class work; thus, attendance policies may be stricter in some courses and students then must adhere to the stricter attendance policy as outlined by the faculty/syllabus.

Students are required to arrive on time for classes. Teachers are entitled to treat any single case of lateness and/or repeated lateness as an unjustified absence.

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Please note that according to official TAU Academic Policy, if a student's behavior or attendance during is disagreeable his/her course participation may be cancelled at the discretion of TAU with no due refund.

### **Grade Appeals**

Students are responsible for checking grades once posted or distributed by faculty. The limited grade appeals window and the detailed procedure for appealing a grade – whether a graded assignment, exam or final grade – is outlined clearly in the policies and procedures in the TAU International Academic Handbook [posted here](#).

