

## The Israeli Economy: Syllabus

Dr. Paul Rivlin, 2018-2019

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.

The history of the pre-independence and modern economy. 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. Recent socio-economic developments including the problems of the Arab and Ultra-orthodox communities.

Grading System: Attendance and class presentation 30%, final paper 70%

### Course outline and readings

1. The Pre-State Economy  
(Ben Porat: chap 1; Halevi and Klinov-Malul: chap 2)
2. Economic Development 1948-1973  
(Halevi and Klinov-Malul: chaps 1,3,4; Patinkin: chaps 1,2; Rivlin: chap 1)
3. The Economic Crisis of the 1980s and the 1985 Stabilization Program  
(Ben Porath: chaps 14,15,17; Rivlin: chap 2, Bruno: chaps 2,4,5)
4. The Defense Burden  
(Ben Porath: chap 8; Rivlin: chap 3)
5. Industry, Agriculture and Services  
(Rivlin: chap 4; Bank of Israel: Annual Reports)
6. The Balance of Payments, Foreign Debt, Exchange Rate Policies  
(Ben Porath: chap 14-17; Rivlin: chap 5)
7. The Labor Movement and the Histadrut  
(Halevi and Klinov-Malul: chapter 5; Rivlin: chapter 7)
8. The Budget and the Public Sector  
(Ben Porat: chap 9; Rivlin: 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. The Current Situation  
(see websites: [mof.gov.il](http://mof.gov.il); [bankisrael.gov.il](http://bankisrael.gov.il))

## Readings

### Introduction to economics:

Rudiger Dornbusch, Stanley Fischer and Richard Startz,  
Macro-Economics, 8<sup>th</sup> edition (McGraw-Hill Higher Education)  
Chapters 1, 2, 3, 7.1, 7.2, 12.1, 18.4 (not in 7<sup>th</sup> edition)

N. Gregory Mankiw, Principles of Economics, (Worth Publishers) Chapters 22 and 29

### Israeli Economy:

Ben Bassat, A. ed.

The Israeli Economy 1985-1998 (Cambridge, Mass. MIT Press, 2002)

Ben Porat, Y. ed.

The Israeli Economy: Maturing Through Crisis (Cambridge, Mass: Havard University Press, 1986)

Bruno, Michael

Crisis, Stabilization, and Economic Reform: Therapy by Consensus (Clarendon Press, Oxford, 1993)

Halevi N. and Klinov Malul R.

The Economic Development of Israel (New York: Praeger, 1968)

Patinkin, D.

The Israeli Economy: The First Decade (Jerusalem: Falk Institute, 1967)

Rivlin, P.

The Israeli Economy (Boulder: Westview, 1992),

Two Middle Eastern Inflation: Israel and Turkey, 1980-2001 in  
*British Journal of Middle East Studies*, Vo. 30 no. 2, November 2003

Rivlin. P.

The Israeli Economy from the Foundation of the State through the  
Twenty-First Century (New York: Cambridge University Press, 2010)

Zilberfarb, B. in *Israel Affairs*

Vol. 1. no.1, Autumn 1994, The Effects of the Peace Process on the Israeli Economy

Vol. 5. no.1, Autumn 1996, The Israeli Economy in the 1990s

Vol. 11, no. 1, January 2005, From Socialism to Free Markets, The Israeli Economy  
1990-2003

Vol. 12, no.1, April 2006, From Boom to Bust: The Israeli Economy 1990-2003

### Websites

[cbs.gov.il](http://cbs.gov.il)

[mof.gov.il](http://mof.gov.il)

[bankisrael.gov.il](http://bankisrael.gov.il) (Annual Report)

My book, “The Israeli Economy from the Foundation of the State through the 21<sup>st</sup>  
Century” will be useful.

