



## **The Israeli Economy: Syllabus, Spring 2019**

Tel Aviv University International

Dr. Paul Rivlin

[paulrivlin@gmail.com](mailto:paulrivlin@gmail.com)

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 Issues  
(Rosenberg; websites: [mof.gov.il](http://mof.gov.il); [bankisrael.gov.il](http://bankisrael.gov.il); <http://taubcenter.org.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, Avi. ed.

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

Ben Porat, Yoram. 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 Nadav. and Klinov Malul Ruth.

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

Patinkin, Don.

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

Rivlin, Paul.

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. Paul.

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

Rosenberg David

Israel's Technology Economy (London: Palgrave Macmillan, 2018)

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

mof.gov.il

bankisrael.gov.il (Annual Report)

<http://taubcenter.org.il/>

My book “The Israeli Economy from the Foundation of the State through the 21<sup>st</sup> Century” is a useful introduction.

---

### **TAU International Course Guidelines**

#### **Rules and Respectful Behavior**

- No cell phones or laptops permitted in class unless approved by instructor for use
- Tardiness to class is not permitted
- As our courses bring together students from many different styles of learning and from a wide variety of home institutions, we ask that students remain respectful to and patient with fellow classmates at all time as some students may be more familiar with certain course material or procedures than others.

#### **Learning Accommodations**

In accordance to University guidelines, students with learning disabilities or accommodation requests must submit official documentation from their home country / university (translated into English by notary if not already in English) to TAU International ([tauiacademic@tauex.tau.ac.il](mailto:tauiacademic@tauex.tau.ac.il)) in advance of arrival describing in detail any specific needs they have. Students must also bring a copy of this documentation with them on-site and give it to their faculty on the first day of class while introducing themselves so that the faculty know who they are and what sorts of needs they may have. TAU International and its faculty cannot guarantee that all accommodations received at the home school can be similarly met at TAU but certainly does the best it can to make any suitable accommodations possible that are needed.

#### **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 below if there is an in-class midterm or final exam as this date/exam cannot be changed. 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. Missing classes will be reflected in the final grade of the course. Up to three justified absences from classes will be accepted (for example: emergency matter or illness, both of which will require an official doctor's note sent to the faculty **on the day of the absence**). Such cases of absence

should be reported to your lecturer immediately and again, a doctor's note is required. 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. Please note that according to TAU Academic Policy, if a student's behavior or attendance during the semester is disagreeable his/her course participation may be cancelled at the discretion of TAU.

**Students are responsible for reading and adhering to the policies and procedures in the TAU International Academic Handbook [posted here](#) at all times.**