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INTEREST GROUPS AND THE STATE IN ISRAEL

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Role of Interest Groups Not Widely Recognized in Israel

"Interest group" is a pejorative term in Israel, especially when it is linked to material benefits. There is also some confusion regarding the distinction between political parties and interest groups. The Histadrut, for example, is hardly considered to be an interest group owing to its overwhelming size and affiliation with political parties. Yet a party is a formal organization whose primary purpose is to attain (or retain) control of government and to nominate candidates for public office. Alternatively, interest groups aim at influencing public policy rather than acquiring the authority to determine it. The Histadrut wishes to do just that in order to secure wider benefits for its membership and is, therefore, an honorable member in the family of interest groups. So are all voluntary, non-profit associations that promote economic, professional, ecological and other interests or values shared by their members.

Three Models of Group-State Relations

Without any authority to determine policy, interest groups are presumably outside the confines of government. Yet the relationship between the state and its interest groups is one of the best yardsticks for gauging the distribution of power in society. By understanding these relationships we may better understand who governs. Is it a ruling elite, is power shared by the interest groups and the state alike, or do the interest groups take the lead? These three types of relationships fall within three configurations: pluralism, corporatism and elitism. In the first, the interest groups predominate; in the second, there is a mutual and simultaneous relationship between the state and the interest groups; in the third, the state is predominant. The U.S., Sweden,

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and early Israel are clear examples of each of these three models.

In the pluralist model, politics tends to be instrumental, a means to solve impending problems and not an end in itself. Political culture is individual-oriented, with the needs and wishes of these individuals receiving prime attention. Under the pluralist scheme the parties play a mediating role between citizens and public authorities. Their major goal is to win elections and fill government positions, rather than spread a new gospel or restructure society. The pluralist government is small and does not meddle much in its citizens' affairs, but suffices with regulative functions. It is the "cash register" that suffices with balancing the multitude of social groups, rather than the navigator at the helm of the ship. These features also impinge on the structure of groups and their activities.

Under the pluralist configuration, groups are private and autonomous, relying on grass-roots support. Their number tends to be large, with groups organizing freely to press their demands on state authorities. They compete with each other for government attention and attempt to secure benefits for their membership by using pressure or influencing strategies. Under pluralism, groups target their efforts at those institutions whose role in dividing up the cake is crucial for the members' benefits. Channels for influence are wide open. Groups have free access to the corridors of power. Results of group activity are determined by the scope and size of their material and non-material resources. A vast number of groups aim at achieving individual benefits and are geared to satisfying individual needs. Yet the pluralist scene has also been a fertile soil for the formation of interest groups whose goal is to improve the quality of life for society at large.

In the corporatist model, interest groups are organized in representational monopolies. A single cohesive organization seeks to defend the interests of a given sector, thus limiting the number of groups. Consequently they are marked by internal discipline and cohesion. A common feature of corporatism is a roof organization uniting several groups of the same social function. Rather than pressuring the government, corporatist groups cooperate with officials within the framework of committees, councils and other bodies that include representatives of both state and interest group. The status of corporatist interest groups is inscribed in law. Objectives are geared to the attainment of collective benefits rewarding both state and groups.

Corporatist tendencies lead to the peripheralization of political parties, which play a mere supportive role. Power resides in the state, whose activities encompass broad social domains. A big, centralized government is both a precondition and an outcome of corporatist practices, which rest on a formalized alliance between state and interest groups.

The last, elitist model depicts a situation which is diametrically opposed to classic liberal theory. Politics is seen not as an instrument, but as an end in itself. It may be regarded as a means to implement ideology or to advance a process of social or political redemption. Political culture fosters authority and obedience and is "traditional" (in Elazar's terms). The elite controls the national agenda and mobilizes public support. Under elitist configurations, parties are predominant. They leave their imprint on all walks of life and serve as the major (if not the sole) source of power. In democratic regimes, authoritative parties in control of office make and implement public policies and decide what course the nation should take. Government is associated with party. The state is powerful and imposing, firmly holding the reins of authority. Under elitism, interest groups tend to be integrated with the state and/or with the party associated with it. They are, by and large, extensions of state/party organs, fulfilling mainly functions of mobilization or socialization. The groups branch from the basis of power and thrive on its resources. Parties also serve as targets for group

interaction. The closer the group to the sources of power, i.e., the more associated it is with a powerful party, the higher its possibilities of attaining its goals which tend, under elitism, to be collective-oriented. In elitism, what is good for the party is also good for the groups.

Which Model Fits Israel?

The attempt to apply these theoretical models to the Israeli reality reveals a mixture which is perhaps unique to the country. In terms of political culture, Israel fits neatly into all three models. To begin with, Israel has been described as "a noisy democracy with a bit of anarchy." Within the fundamental consensus society is riddled by divisions which provide fertile soil for pluralism. Individualism is manifested also in excessive factionalism. The numerous divisions have at various times been represented in up to thirty parties competing for electoral support. Although there has been a tendency toward gradual consolidation of political blocs (Likud and Labor-Alignment), divisions still abound. Israel is regarded as a fragmented society where 28 lists participated in the 1988 electoral campaign, out of which 15 secured representation in the Knesset. The Jewish religious constituency, comprising approximately 20-25 percent of the Israeli electorate, was subject to the contest of no less than 6 parties. The social-religious emphasis on each and every individual ("He who saveth one soul saves the whole world") may also be counted as a stimulus to pluralism.

Israel also demonstrates a climate favoring corporatism. The country's political culture is basically consensual. Despite the many dissensions and rifts, the Jewish community is bonded by a firm commitment to Zionism, i.e., to Jewish sovereignty in Israel. Identification with the Jewish state, regardless of its immediate or future boundaries, expresses the profound identity of the vast majority of Israelis. Within this broad consensus there are deep differences between so-called capitalists and Marxists, between liberals and socialists, between secular and observant, between the center and the peripheral areas, and between Ashkenazim and Sephardim. Yet the adherence to collective commitments has shown great vitality and persistence in the face of many possibilities for erosion. Admittedly cracks in the national consensus became visible after the Six-Day War. The Lebanon war and the continuing occupation of the territories further exacerbated internal conflicts, but the foundations of the underlying agreement have not been shattered. The threats to Israel's existence are conspicuously favorable factors for enhancing unity. The Arab-Israeli struggle provides Israel with an undoubted source of consensus. The desire to maintain Israel's integrity in the face of a hostile environment is so paramount and so undisputed as to make all other sources of friction seem trivial. The common bonds were consolidated by what was described as the "tribal sensation" of the Israelis. The feeling of a "People which shall dwell alone" fostered the sense of "togetherness," and mitigated the differences between people who arrived in the country from all over the world.

Israel is also a centralized state, and not only because of its relatively small size. It has a parliamentary system of government with a strong executive and supporting legislature. Centralization emerged as a response to the diversification of the Jewish people and their dispersion among other nations. Checking decentralization was both a political imperative and a strategy for nation-building. Centralization played a unifying role and encouraged concentration of efforts and resources for the sake of reviving Jewish nationhood and establishing Jewish sovereignty. It was a means for ingathering the exiles and integrating them into one people.

Israel also provides a congenial climate for elitism. To begin with, it has repeatedly been described as a "party state" in which parties dominate the political and social scene. Parties were pervasive in non-political domains such as health,

education and employment. Whether or not they remain a forceful factor is an open question. Yet public policy is still made by persons who are elected to government office on the basis of their political party identity and affiliation. Those who make decisions are responsible to the voters not as individuals but as representatives of the parties under whose label they were elected. They are incorporated into the "state," which is among the biggest and strongest in the democratic world in terms of its control over its citizens' lives.

The Growth of State Power

The national budget is high by any criteria, even in comparison to other welfare states: a quarter of the labor force is on the government's payroll, and subsidies and transfer payments amount to some 14 percent of the national product. Taxes are also a major instrument for the state's involvement in the economy, comprising approximately half of the Gross Domestic Product. Foreign trade policy tends to be protectionist. Imports are highly taxed and there are stringent administrative limitations which also hinder a free flow of foreign products into the country. A license is mandatory for most imported goods. Another form of government intervention is through companies owned directly by the state or government corporations in vital areas such as transportation, land administration, water, electricity and industry, especially in the military domain. Finally, Israel is ranked third among the countries receiving foreign aid on a per capita basis. The government is the direct recipient of huge sums of foreign currency and is responsible for their allocation. Control of foreign aid further contributes to the government's power with regard to domestic affairs.

The outcome of this is a highly interventionist state, overwhelmingly involved in its citizens' lives. The cult of state was born in 1949, but in some respects has continued until today. The major reason is the precarious security situation and the protracted military confrontation. Symbols of military strength, self-sacrifice and heroism are given positive recognition. As guardian of defense, the state has acquired additional strength. The stage was set for "mobilized participation," that is, participation induced by leaders mobilizing citizens through persuasion or manipulation. In his book The Israelis, Amos Elon noted that "the insensitivity of the establishment to public opinion is so deeply ingrained that it often applies not only to ideological or national, but to local, politically neutral, aesthetic issues as well."

Studying Interest Group Influence

The application of these characteristics to state-interest group relations was empirically examined in a study of interest groups in Israel, aimed at assessing their influence on government and public policy. The research, based on extensive interviewing of some 40 groups and mail questionnaires answered by some 140 groups, sought to place Israel on the spectrum of state-interest group relationships. What is the particular blend that emerges in the Israeli case?

Israel does show unmistakable signs of pluralism. The country abounds with hundreds of interest groups which promote and advance their members' affairs. The myriad of groups represent economic, professional and ideological concerns. There are groups of workers, employers, peace lovers, and nature devotees, and the proliferation of these groups has increased over time. The study of interest groups also verified the sense of effectiveness prevailing in other pluralistic societies. Groups believe that their pressure yields political fruit. They claim that they have a definite influence on public affairs and that public policy is formulated in accordance with their wishes. They are under the impression that Israel is a society which caters to individual interests. Only in rare instances was access felt to be denied. Interest groups maintain close relationships with government officials and Knesset members. They appear regularly

at Knesset committee hearings and make their opinions heard in all stages of policy-making. This sounds like pluralism -- groups operating freely and autonomously, exerting pressure on decision-makers, and being rewarded for their efforts.

However, the pluralistic picture is somewhat refuted when examined from the leadership perspective. The political leaders interviewed in the course of the study (which has not yet been completed) were totally oblivious to the groups' influence and attempted to belittle their significance. Even the Israel Medical Association, by all considerations a powerful and prestigious organization, has found it difficult to influence decisions. Eliezer Shostak, the former Minister of Health, proposed legislation regarding national health insurance without even consulting the Medical Association and without paying heed to its interests. In an interview he asserted that the Association consisted of greedy professionals whose major interest was material reward. Medicine was too serious an issue to be dealt with by doctors, claimed Shostak. He added that the perennial state of war precluded consultation with physicians on matters of health policy, that it is the state that had to carry the burden of policy-making on its own shoulders, and that interest groups and their members should not be seriously involved.

Shostak's attitude is not a glaring exception, but rather reflects the suspicion of those with formal authority of any "outsiders" who were not ordained to power. Other members of authoritative institutions also shunned the possibility of interest group participation in decision-making. Paradoxically they adhere to a pluralistic norm -- that the boundary between state and interest groups should remain clear-cut. Groups that promote the selfish interests of their members should not be allowed to approach the arena where decisions are taken regarding the population at large. The fact that they are groups promoting "interests" automatically rules out their inclusion as joint tenants in the house of power. The guardian of the national interest is therefore the state. Such incongruence between elite and group opinions also excludes the development of wide-scale corporatist practices.

Despite a wide, encompassing consensus and a high degree of centralization, Israel has not turned into a second Sweden. The relationships between the state and its interest groups have not been molded according to the corporatist pattern, even though the favorable conditions for this are clearly evident. The major groups, including the Histadrut and the Manufacturers Association, tend to be centralized and monopolistic. There is only one medical association, national students' union, federation of pilots, and one organization for university faculty. Yet joint councils and committees are not very common, but are limited to a few domains, the chief of which is agriculture. Representatives of settlement movements and government officials cooperate within bodies such as production and marketing councils which are responsible for the formulation and implementation of agricultural policy. The famous triangle of workers, employers and the state operates only intermittently. The Histadrut and the Manufacturers Association do have clout and do influence policy-making in one way or another, but this influence is unstructured. There is no social and economic council embodying regular, stable and institutionalized cooperation between the state and its economic organizations. The 1989 economic program, for instance, was approved by the government without previous consultation with the Histadrut.

The reason for the paucity of corporatism is also to be sought in the attitudes of the elite. Policy-makers are reluctant to grant group representatives any formal power to influence decisions. The one prominent exception which underlines the rule is the Israel Bar Association, which has been accorded full-fledged corporatist status inscribed in law (1962). The group takes a formal part in the process of

government, which includes the delegation of members to judicial nominating committees. Many groups seek a legal position, but so far the advocates remain the only statutory body with full corporatist standing. Their uniqueness may be attributed more to the high proportion of lawyers in the Knesset than to the Bar Association's political expediency.

Some elements of elitism can also be traced in Israeli politics. First and foremost there are groups which are closely linked to political parties. In interest group theory such a linkage is termed "parentala," i.e., kinship bonds with concomitant rights and duties. In such relationships, interaction between state and groups is not a result of cost-benefit calculations but is shaped according to kinship obligations. The mutual responsibility is not a "fair weather product," but is an irrevocable commitment which binds the parties in an unbreakable bond. This is the type of linkage that may have characterized the relationship between the settlement movements (especially the kibbutzim) and the Labor party. When it is in a position of power, the party is obligated to aid the kibbutzim regardless of the immediate benefit. It is a family-type relationship that prevails even under unfavorable circumstances.

At present, parentala is not widespread. Although some of the more important associations such as the Histadrut, the settlement movements, and the Teachers Federation are linked to political parties, relationships tend to take the form of "clientela," i.e., they are determined by mutual benefit rather than by unlimited commitment. The recent financial crisis of the kibbutzim indicates that the "family" may be breaking up, and that partisan obligation is not unconditional.

Other associations also portray clear symptoms of clientela relationships. The Manufacturers Association will associate with that party whose prospects for delivering the best and largest goods are the brightest. There is no binding commitment and choice is determined by expected rewards. The same applies to the professional associations such as the Israel Medical Association or the Bar Association, whose leaders may be political (that is, partisan) activists, but their groups are not institutionally or otherwise linked to any specific party. Even Peace Now, associated with Ratz, Mapam, Shinui and some Labor party factions, operates autonomously, interacting with parties on the basis of mutual benefit, not irrevocable responsibility. The Labor party attempted to coopt the Association for the Handicapped and to prevent it from running its own list in the 1988 elections. Its success in doing so may be attributed to the (unknown) price paid to this group, which may have been revoked after the ballot.

Another facet of elitism is evident in the structure of public interest groups such as ecological, feminist, and civil rights groups which are the product of post-materialistic values and reflect non-materialistic human needs. They pursue goals whose outcomes are geared not only to individual benefit but to the welfare of society at large. In Western democracies these groups are tailored along the lines of a pluralist model: They muster resources, mobilize public opinion, launch campaigns, and employ various tactics in order to influence decision-makers. Generally speaking, public interest groups resent authority and shun traditional institutional structures. They are "anti-establishment" groups, comprised mainly of young people who shy away from the practices of the affluent society and advocate far-reaching social change.

In certain respects, Israel has also entered the post-materialistic era, as reflected by the growth of the Society for the Protection of Nature, ecological associations, consumer councils, and the like. However there is a major difference between Israeli and other Western public interest groups. The former are highly linked to state authorities and are not manifestations of opposition to these authorities. A striking example is the Council for Consumer Affairs, which is in every

respect an extension of the Ministry of Commerce and Industry. It is financed by the state budget and its leadership is nominated by the minister. This fact puts the Council in an awkward situation when it confronts the very same hand that feeds it -- i.e., the Ministry of Commerce and Industry. Another example is the Council for a Beautiful Israel, which is an elite organization headed by personalities such as the wife of Israel's president. The Council is an educational institution more than it is a pressure group. It inculcates a love of the country among the public, rather than pressuring authorities to take the necessary measures to improve the environment. The Council is reluctant to confront decision-makers and rests content with propagating the idea of a beautiful Israel.

Directions for the Future

In which direction are state-interest group relations developing in Israel? In the past, these relationships have undoubtedly been characterized by elitism. The all-pervasive parties engulfed most interest groups. Their influence on public policy left little room for the growth of autonomous, non-partisan associations. The pluralistic features of society were thus manifested in the partisan arena which is characterized by a high degree of party proliferation and fractionalization. Pluralism was much less visible in the interest group domain.

The Israel of the 1980s is obviously not the same country of the 1950s. Yet changes have not been even. Interest groups seem to be advancing towards pluralism at a pace faster than the elite. Corporatism does not seem to be growing since the fundamental consensus does not manifest itself in a willingness on the part of the elite to share power. Admittedly, some groups such as the Israel Electric Corporation are extremely powerful; however, these are not grass-roots organizations but giant corporations, linked to the government through many personal and economic ties. The incongruence between the elite and the interest groups may at first glance seem detrimental to society. On the other hand, it may also encourage stability. Groups are not prompted to resort to violence if they believe that those in power will listen to their demands. The elite is not compelled to share power since the pressure exerted by the groups is kept within bounds.

Which course should Israel take in the future? Each of the models has its merits as well as its faults. Elitism is what a country under siege may need -- a strong, decisive leadership that rules effectively and competently. Elitism is obviously not the dream of liberal democracy. Corporatism is also expected to provide rational solutions to the crises of modern society and to enable groups, through their expertise and social contributions, to take part in the process of government. This method also has its pitfalls since it tends to concentrate power in the hands of the few, which includes group representatives, mainly of the more powerful sections of society. Finally, pluralism may be the paradise of an over-manipulated society, but it may give rise to the association of might with right. It remains highly dubious whether this is the path to a more democratic society. What remains to be sought, therefore, is a specific Israeli blend of a strong elite, together with deep-rooted norms of cooperation with public representatives, and an active citizenry whose voice is regularly considered in the decision-making process.

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