

ideology', but he never really specifies what this compound term might mean or what it might add to Israeli historiography and culture studies. Indeed, in the absence of any real engagement with theology as a category of analysis or comparison, the promise of *Nationalizing Judaism* must remain partly unfulfilled.

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**Arie Krampf**, *The Israeli Path to Neoliberalism: The State, Continuity and Change* (London: Routledge, 2018), 254 pp. Hardback, \$145.00.  
eBook, \$54.95.

The claim that the distinction between capitalism and socialism is too simplistic to describe actually existing regimes, it seems, is as old as capitalism and socialism themselves. It is also true. In his insightful account of the history of Israeli economic policy, Arie Krampf goes a step further. His contribution to the debate is not only in pointing out the fact that the conventional wisdom—that Israel was a socialist state until the Mahapach in 1977 (or the Stabilization Plan in 1985) and a capitalist state later—utterly fails to capture the complexity of actual policymaking. His main contribution is in offering a different and, for the most part convincing, framework for understanding this history.

The core premise of Krampf's framework is that the economic policy of the Israeli state (and before it that of the pre-state Zionist institutions, especially the World Zionist Organization) has always put state goals and preferences first and economic ideology, at best, second. To be clear, this is not just a tautological claim that whatever the state does must reflect the state's preferences. It is the claim that attaining national goals, be they the creation of a nation-state or achieving economic independence to gain diplomatic maneuvering space, should override lofty economic ideals.

The book contains a trove of quotes that show just how flexible the economic ideology of some Israeli leaders was when state goals were on the line, or at least when that seemed to be the case. A striking example is when in 1966, due to macro-economic concerns, Meir Ya'ari, one of the most notable socialist leaders in Israel's history, is quoted (indirectly) as warning against increases in wages (94).

Krampf makes his framework very clear by dividing Israel's economic history into four periods, each defined by an overarching paradigm: the agrarian paradigm (from the early 1930s to the late 1940s or early 1950s),

which focused on increasing the agrarian capacity of Jewish communities in Israel; the paradigm of rapid development (between the early 1950s and the mid-1960s), which focused on absorbing a large Jewish population into the newly created state; the paradigm of economic independence (from the mid-1960s to the mid-1980s), which focused on minimizing dependence of the Israeli economy on foreign economies; and the self-explanatory paradigm of neo-liberalism (from the mid-1980s to the present). The book also contains an interesting tangent about the history of the Bank of Israel and a more general treatment of the topic of central banking in late-developing countries.

It was these paradigms and not lofty economic ideology that determined policymaking in Israel from the beginning. Thus, according to Krampf, the policy choices made in the 1940s and early 1950s should not be seen through the prism of the formative years of a socialist state, but rather as the years of the rapid development paradigm. The choices that were made were not primarily in pursuit of a socialist society. Instead, they were made by fairly pragmatic policymakers trying to achieve clearly defined national goals, such as the absorption of large numbers of Jewish immigrants into Mandatory Palestine (and later the State of Israel). Not surprisingly, Krampf is able to document that the policies actually chosen (as opposed to some of the rhetoric) were poorly defined mixtures of market and state control mechanisms.

Krampf's account of the history of economic policy in Israel, viewed through the lens of the four paradigms he offers, is illuminating, and students of both the Israeli economy and of Israeli history are advised to read it. However, further research will be needed to fully understand why Israeli policymakers believed that certain specific policies would serve the goals they had in mind. Modern students of international trade, for example, will find puzzling some of the reasoning for why a paradigm of economic independence would be best served by an effort to grow the state's exporting sectors. Krampf makes a good case that the early policymakers indeed believed that to be the case—that a strong exporting sector would allow Israel more room to advance some non-economic policies while avoiding diplomatic (or worse) pressure from other countries. But they were simply wrong. A larger exporting sector makes a country more integrated with the world and thus more susceptible to outside pressure.

If exports are a large part of Israel's GDP, then economic sanctions, for example, have more of a bite, not less. Generally speaking, the size of the exporting sector does not determine the size of the trade deficit. One can go over most of the mechanisms that Krampf describes as increasing Israel's independence—or at least those that these policymakers believed to be increasing it—and show that they do no such thing. In fact, in many

cases they make Israel more dependent on harmonious relations with other countries, not less.

Why, then, did these policymakers hold such misguided beliefs? Presumably, some experts advised them to adopt this approach. At times, Krampf touches on the reasons policymakers choose to listen to some experts and not others, but not in a complete and consistent way throughout the book. Addressing this question as it applies specifically to the paradigms Krampf articulates would be a great complement to the work presented in this interesting and intriguing book.

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