48741: Israel's Economy in the Global Context

Dr. Uri Ullmann

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Sunday and Thursday 12:30 – 14:15
Office Hours: Sundays: 14:15-15:15

Description: Over the past century Israel has transformed from an agricultural colony, to a welfare state and on to a globally integrated "market economy" characterized by great income disparities. What lies behind this transformation? How did egalitarianism give rise to inequality? What are the implications of a constant state of conflict on a country’s economy? How does being an island of democracy surrounded by non-democratic regimes effect the development of a country’s international economic relations?

This course will explore how different issues have affected the Israeli economy, including; periods of economic growth or stagnation, the governments’ domination of capital and credit markets in the 1970's and 1980's, the stabilization program of 1985, the implications of peace processes and the wave of Russian immigration in the 1990's.

The course will conclude with an overview of the international economic relations between Israel and The European Union, The USA, and the global economic institutions (GATT and WTO, IMF and the World Bank and the OECD).

Student's responsibilities:

Student's participation (including an in class presentation): 20%

A Final Exam: 50%

A final paper: 30%

Principal books:


Important dates to remember:


**Course Outline and Required Readings**


*Society and Politics in Israel.*


Lesson # 4 (3.1.2012): The Economic Culture: The principal Israeli economic institutions.


**Purim vacation (3.8.2012)**


Lesson # 8 (3.18.2012): A visit to the Ministry of Finance/ The Ministry of Trade, Industry and Employment, and The Bank of
Israel.

Lesson # 9 (3.22.2012): The Military-Industrial complex


Lesson # 10 (3.25.2012): Selecting a Topic

Economic policy issues: Inflation – The Oil Shock and its Aftermath.


Passover Recess (4.1.2012)

Lesson # 12 (4.15.2012) Post-stabilization Recession


Lesson # 15 (4.22.2012): Submitting an Outline!

Economic Policy issue: Monetary Policy


Lesson # 17 (5.3.2012): Economic Policy issue: Deregulation and Privatization


Lesson # 19 (5.10.2012): The International links of Israeli Economy: Aid (USA and Germany) and FDI.

Young Warren (2001), *The Impact of American Jewry on the Israeli Economy*, Argov center for the study of Israel and the Jewish people, The Department of Political Studies Bar-Ilan University. April 2001 no copy available


Lesson # 20 (5.13.2012): The International links of Israeli Economy: Activities in Multilateral Organizations:

- **International Trade Organizations** – GATT and WTO.
- **International Financial Organizations** – IMF, the World Bank and Regional Financial Organizations (BID and EBRD).
- **OECD**.

**From foreign investors to transnational ownership, Israeli Participation in OECD Activities** 2008: Ministry of Finance, May 2009.

Lesson # 21 (5.17.2012): Impact of Arab-Israeli conflict on Israel's economy:

a. Wars and their impact on the Israeli Economy.
Lesson # 22 (5.20.2012): The Israeli Economy: The Current World Economic Crisis.

Students' presentations

Lesson 23 (5.24.2012): The Israeli Economy in the Future

Students' presentations

"The government says its perky: Israel's economy looks quite resilient" The Economist July 11, 2009, MIDDLE EAST & AFRICA E-Journal


And, Jonathan Nitzan and Shimshon Bichler (2002) The Global Political Economy of Israel Ch. 6: From Foreign Investors to Transnational Ownership pp. 353-357. E330.9 N733


Lesson 23 (5.31.2012): Students' presentations

Exam Week

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Term Paper

Students are required to write a 10 page paper on one of the following themes or on a topic of their own choice provided it is approved by the lecturer by the third week. Accepted forms of notation and bibliography are to be followed. Papers are to be printed on one side of the page using size 12 Times New Roman with 1.5 line spacing. Papers are due on Wednesday, June 16, 2010 at the end of class.

1. The role of the "Tycoons" in the economy.
2. The impact of terrorism on the economy.
3. The impact of education on the economy.
4. The role of foreign students on Jerusalem's economy.
5. The role of trade unions in the economy.
6. An analysis of a selected policy area such as privatization.
6. The impact of the environment on a certain sector or industry.

7. Any aspect of Infrastructure and its impact on the economy.

8. The economic relations between Israel and any foreign country (Except the USA and the EU).

9. The role of new immigrants on the export sector.

10. The impact of foreign workers on the economy.

**Good Luck in Your Studies, Enjoy your Social life**