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# Israel — A Model of Economic Development

by Professor Marion Mushkat, Tel-Aviv

In the eyes of the "Third World", the decisive fact about Israel is its physical situation: a country with little water and considerable arid or semi-arid terrain, which has nevertheless succeeded in accumulating important experience in developing its agriculture and industry, in the processes of integrating multilingual and ethnically variegated society, in forming a modern, democratic state, in coordinating state, social and private economic sectors with a considerable degree of efficiency, in creating economic instruments of a largely new, non-capitalistic and clearly socialistic nature (a socialism which the "Third World", and Africa in particular, finds fascinating), in maintaining a constant increase in the living, cultural and intellectual standards of most of its population despite a heavy burden of defense expenses. This last point vindicates the tendency to view Israel as an example of development worthy of study and even imitation, since its development took root and grew—on top of all the usual difficulties—during a struggle for national independence and against national and racial prejudice. Thus Israel's inspiration was evident in "Black Zionism", it is still emphasised by the leaders of African Liberation movements both inside Africa and abroad, and many heads of the new African States<sup>1</sup>.

## Models for Efficiency Planning

Developing countries are impressed by the fact that Israel's accomplishments prepared the way for transformation to industrialisation and national unity as well as for the establishment of institutions for health, education, higher learning, and ultimately, defense and government, while nevertheless maintaining patterns of an open, democratic, pluralistic society in the ideological, ethnic, religious and economic fields, and continuing socialist experimentation and aspiring to achieve

its principles. For this is the task which many heads of the new states have set out to achieve, although under far easier conditions, with the aid of sovereign institutions and in a reverse direction — using the state as a tool for unification and social modernisation.

They are interested in learning from Israeli settlement, cooperation and trade unions of the post-independence period as well, since these are correctly viewed as a vehicle for achieving the aforementioned goals, as well as for maintaining superiority of general social and political interests over the personal and particular, preserving private rights and forming a national, political and economic leadership capable of struggling for its principles. At the same time this Israeli experience serves as an example for efficiency planning, continual renewal and the introduction of a high level of technology into economics, thus affording smooth advancement of standards of living and adjustment to the rapid metamorphoses of the contemporary world and their effect on life in the country.

If we further take into account that the experiments in Europeanisation and Americanisation have failed in the "Third World"—the first not only because of its connection with colonialism and its continued influence, and both not only due to the difference in historical, economic and geopolitical development—it will be clear why there are not a few observers, especially Africans, who feel a need to examine, with regard to all the aforementioned factors, the possibility of a degree of "Israelisation"<sup>2</sup>, particularly when they, among others, tend to view the kibbutz and moshav-cooperative ideas as starting points for forming suitable frameworks for renewing rural life.

It is generally known why the rich nations prefer to give bilateral rather than multilateral aid, and

<sup>1</sup> M. Mushkat, Gibt es Besonderheiten in der israelischen Entwicklungshilfe-Politik?, Bonn, 1969, p. 6.

<sup>2</sup> See P. N'gom-N'goudi, L'Expérience Israélienne et le développement en Afrique, in: "Présence Africaine", 3e trim. 1964, No. 51, p. 62 and ff.

why the latter type—due to its international and non-interested nature as well as its training of cadres and counsel—is more important to the leaders of developing countries, despite the fact that it does not exceed 10 p.c. of total aid. Israeli aid is characterised not only by its constantly increasing part in the activities of international organisations. It is also of a purely technical nature, delivered through bilateral contacts. This is not only due to Israel's financial limitations. Israeli aid has no serious connection of any kind with financial transactions, investments or commercial deals, credit or free allocations; rather it is primarily agricultural, since Israelis consider agriculture to be the most preferable basis for development. Secondly, Israeli aid also involves manpower training and counsel in the fields of cooperation, trade organisation, education, health, management and the military, all of which take place either on the spot or in Israel. In contrast, the Israeli share in partnerships is minimal, and is restricted to the establishment of joint enterprises, in which the Israeli role is considered temporary, and ceases upon achievement of managerial capability by local personnel, as in the case of the Ghanaian shipping line "Black Star" and the tourist companies in Tanzania, Kenya, Madagascar and other countries.

The Department for International Cooperation in the Israeli Foreign Office is the coordinating, controlling and directing force, and often the initiator and backer of principal Israeli aid activities. The total sum allotted for this purpose from public funds does not exceed \$ 5 mn. Even if we add to this minimal sum another 30 p.c., based on special calculations, it cannot possibly be compared with other countries' aid allocations<sup>3</sup>.

Training and counsel is primarily carried out by non-governmental organisations such as the trade-union Histadrut, its economic branches and subsidiary companies, Kibbutzim and other cooperatives, and diverse research institutions which are at least in principle and officially devoid of political goals and interest in political activities.

Israeli aid activity commenced in several African countries prior to their independence. In Tanganyika, for example, instruction was provided for the establishment of the National Liberation Movement's armed forces; as a result relations remain good between the two countries to this day, despite the extreme change in Tanzania's policies. Other African countries turned to the Israeli Defense Forces due to the important patterns initiated by the Nahal, Gadna, the Women's Corp. and other corps in integrating military training of

youth with agricultural work, in advancing equality of the sexes in military administration, and in providing several other military training services (Uganda's Air Force, paratroopers in Ghana and in Congo Kinshasa, Sierra Leone's Navy, etc.). Israelis have played a considerable role in establishing youth organisations in Africa in the Nahal and/or Gadna image (particularly in the Ivory Coast, Cameroon, Tanzania, Chad and Togo), resulting in considerable successes in training, in agricultural settlements and in clubs for thousands of youth.

Yet Israeli aid remains principally concentrated in agricultural projects, experimental and other farms, cooperative villages and planning of settlement projects, all through international and local financing. Israel recognises that this is a first-rate national and social task, of human as much as of economic content, related to the advancement of the primary and most backward segment of the population, the elimination of hunger and improvement of other living conditions, so that, in so doing, the entire country in question will have better chances of freeing itself from the plight of backwardness. The starting point for the technical aid carried out by Israel in general, and in the field of agriculture in particular (including irrigation)—often executed on the basis of commercial tenders, such as road and home building by Solel-Boneh and other Histadrut firms and by Makorot and Vered—is not, as with other countries, the question of profit or immediate political advantage. These advantages cannot be achieved today in any case, due to Israel's current confrontation with the tremendous pressures exerted by the Soviet-Arab Bloc and its open and concealed supporters.

### Training Programmes in Israel

Rather, Israeli aid is based on the assumption that a mutual interest, and therefore a basis for long-term political change, is at stake, and that despite various disappointments it is worthwhile to maintain the effort and to put up with the sacrifices often imposed on Israeli experts living under difficult conditions in African villages and faced with local demands for immediate economic benefits (these demands are not compatible with the findings of relevant research projects which serve as the basis for Israeli technical aid, according to which the primary task of development policy is not economy-building but the founding of a modern society).

Israel assigns considerable importance to the training of cadres — an activity which cannot be conditioned on the economic and political factors

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<sup>3</sup> See L. Laufer, *Israel and the Developing Countries*, New York, 1967, p. 42.

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so decisive for the aid given by the powers and so deemphasised by Israel. Manpower training activities are carried out in a variety of forms — in the universities, in research institutes, and in special courses in Israel and in the recipient countries. However, most of the work in this field is accomplished by the Afro-Asian Institute, the Carmel Centre for Women's Social Work, and trade schools and courses founded primarily by the Histadrut, ORT and other non-governmental organisations.

Other countries maintain similar institutions, often in a greater number of fields. Yet the Afro-Asian Institute has considerable attraction. Participants must pass a rigorous selection process, and are sent at their governments' expense. Often they come from countries which do not even maintain diplomatic relations with Israel. The Afro-Asian Institute constitutes a unique workshop for the study of theoretical and practical problems, co-operation of trade organisation, and in accordance with the Israeli experience, the possibilities available to a labour movement for improving the worker's position and defending his interests while considering the struggle to achieve and maintain national independence, and for establishing economic, educational, cultural, mutual aid and health projects and rural and urban youth and old age institutions, while emphasising the impracticability of mechanical imitation as compared to the study of appropriate object-lessons, due to the contrast between Israel's past and present conditions and those of Africa and other developing regions.

#### **No Commercial Activities**

During the years 1958–66, 7,498 course participants and 197 students arrived in Israel of which

4,482 from Africa. By the end of 1969 the total had reached 10,000, of which 2,000 studied in the Afro-Asian Institute, and the others in the Carmel centre and other schools. Currently proposed training projects involve additional fields of agriculture, cooperation, trade organisation, local rule, youth institutions, education, labour efficiency and organisation, health, finance, transportation, social work, sport, and a wide range of trade studies.

Israel's growing role in multilateral aid activity has already been mentioned. There is no difference in approach between experts employed by the Government and those working for the FAO, UNESCO, WHO, other specialised UN Agencies, regional organisations such as the European Economic Organisation, European Common Market bodies, and the Organisation of American States. This fact, together with the contribution stemming from the elucidation of developing countries' problems by Israeli researchers, university institutions, international conventions and seminars (particularly the biennial conferences at Rehovot), constitute a considerable factor in the Israeli aid complex. A scientific analysis of Israel's activities in this field could of course help improve them, and could provide an answer to the question as to whether the Israeli way is really unique, most suitable and worthy of study and imitation. In any event information gathered thus far already permits us to draw several conclusions: Israel's achievements do not involve commercial and financial activities, government or private investments, or even special organisational tools. Rather they derive primarily from Israel's experience in struggling for independence, creating a modern society embodying generally accepted principles from both East and West, under desert conditions in the past and in the fact of continued danger to its existence.

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