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Note from the editor

The Economy from the Minority Point of View

The main goal of this issue of the *Newsletter* is to highlight the body of scholarly work within economic sociology which examines the main stream economy from the viewpoint of the economic periphery. How is the mainstream economy viewed from its margins? What obstacles do deprived-minorities who wish to enter the market face? What strategies are employed by marginal social groups in order to survive in a hostile economic environment and to improve their market position? When do minorities withdraw from the mainstream economy and constitute an economic enclave? Grounded answers to these questions highlight the unique contribution of economic sociology to the empirical investigation of the structuring of markets, and to policy making which integrates all layers of society and their varied images and experiences of *the market*.

Many economic sociologists apply interpretative theories to portray markets and market behavior as a social construction, and provide an image of the economy from multiple viewpoints. Such a non-monolithic perspective focuses on a variety of culturally bound sense-making mechanisms, rather than on a unified form of market rationality. This perspective also portrays an array of legal constraints, faced by different social strata and ethnic-minority groups who wish to engage in economic action. Finally, economic sociologists highlight the agency of deprived minority groups who devise strategies and workarounds to the many constraints they face.

Multiple viewpoints of the market, specifically those "from below", provide in-depth observations into the social fabric of a given society. The marginal economic position of specific ethnic and religious groups is shaped by broader politics and cultural forces, and the obstacles faced by some minorities, give a concrete form to the societies' abstract power grid. In turn, a marginal market position shapes the social identity, the political, and the cultural views of different segments of society. Distinct systems of meaning regarding the mainstream economy also provide the basis for social and political mobilization of members of marginal social groups. The *Newsletter* will demonstrate the benefits of presenting the multiple viewpoints of marginal social groups by applying this approach to the Israeli economy. The experiences of members of marginal social groups within Israeli society – such as Palestinians, illegal immigrants from Africa, and the ultra-orthodox Jews – and their frustrating encounters with various state-level agents and programs, present an intricate picture of Israeli society. They portray a radically different image of the economy compared to recent accounts focusing on the local high-tech industry. Israel might be seen as an extreme case, since the deep ethno-national and religious cleavage separating Arabs and Jews periodically erupts into fierce violence. Yet, violent expressions of ethno-religious tensions involving members of diverse groups from the economic periphery are not unfamiliar in Europe, the latest example being the recent events in France and Belgium and the streaming of Extremists from European cities to join ISIS as well as the rise of the extreme political right and various racist movement. Studies which carefully document how the main stream economy in main European countries is viewed and experienced from the economic periphery might provide insight into the detrimental effects of the growing ethno-religious tensions.

For the past decade Israel has experienced an influx of work immigrants from Africa, seeking a safe haven and striving to improve their economic well-being. Barak-Bianco and Raijman present in their article a detailed account of the economic and legal realities which African entrepreneurs face in Tel-Aviv. The article describes the development of an enclave economy focusing on food and entertainment, and on the various strategies African workers devise to survive economically within an unwelcoming, yet thriving, socio-economic environment.

Israel is indeed a deeply divided society, with a large minority of Palestinian citizens within the 1948 boarders, composing about 20% of the general population. In view of the centrality of the conflict between Jews and Arabs in the political sphere, its ramified representation in the specialist sociological fields, such as stratification and inequality (Semyonov, 1988; Semyonov/Yuchtman-Yaar, 1992: Yonay/Kraus, 2001), political and historical sociology (Bernstein 1998, 2000; De Vries, 1994; Lockman, 1993; Shalev,1992), and studies of split labor markets (Lewin-Epstein/Semyonov, 1994; for Israel and occupied territories see Semyonov/Lewin-Epstein, 1985) is to be expected. The article by Sa'ar in this issue is written from a socio-

economic perspective, and focuses on the Jewish-Arab cleavage. The article is critical of the application of the ideas of economic citizenship and workforce diversity, which are part of a broader neo-liberal ideology, to Palestinian-Israeli women. Rather than liberating this minority within a minority, neo-liberal ideology is mobilized to free the state from its economic obligation towards Palestinian-Israeli Women.

Israel has been occupying the West Bank since 1967, and the Palestinian population residing in these territories has suffered severe restriction of personal freedoms, as well as extreme economic difficulties during these years. The article by Leuenberger and El-Atrash examines how economic neo-liberalism is applied in the occupied territories, and argues that this economic ideology, which is mobilized by Israel as well as by foreign-aid institutions, is threatening the development of an independent Palestinian economy and effectively cultivates its continued dependency on Israel. The article further describes how the *Separation Wall* constructed by Israel following the second Intifada (Palestinian uprising) has crippled economic development in Beth-Lethem and its surroundings.

The interview with Asaf Malchi focuses on a different segment of Israeli society: the Ultra-Orthodox Jews who comprise about 11% of the population. Men of this group are expected to dedicate their time to religious studies, while women are supposed to provide for the family. The interview explains how the Israeli economy is viewed by the Ultra-Orthodox Jews and describes ongoing attempts by the state to better integrate them into the mainstream economy. Finally, the section about new areas of studies for economic sociology focuses on socio-economic approaches to sustainability, an area which has attracted increasing research attention. Elliot's essay presents three broad angles from which economic sociologists might peruse research in this area: 1) sustainability *in* markets and economies, 2) sustainability *with* markets and economies, and 3) sustainability *of* markets and economies. The last short section offers a brief summary of recent dissertation projects in the area of economic sociology.

I wish our readership a pleasant and educating reading.

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Asylum Seeker Entrepreneurs in Israel

By Anda Barak-Bianco and Rebeca Raijman

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This paper focuses on the business experiences of African asylum seekers and refugees in Israel. Our main purpose is to understand how Eritrean and Sudanese asylum seekers with marginal and precarious status manage to open and operate a business in a hostile socio-economic and political environment. The arrival of this new group of immigrants in Israel is a relatively new phenomenon, starting in 2005, when tens of thousands of asylum seekers, crossing the long shared border with Egypt on foot, entered the country illegally (Afeef 2009; Paz 2011; Yakovi 2010). The vast majority of these "Infiltrators" – as the Israeli authorities refer to them – are either citizens of Eritrea, fleeing from a brutal authoritarian regime, or citizens of Sudan, escaping civil war in their country.**1** Although unwelcome, the state was unable to deport them back to Eritrea and Sudan due to the "non-refoulement" principle.**2** Asylum seekers were awarded temporary collective protection, which prevented their deportation but, at the same time, put them in an extremely vulnerable and liminal situation.

While state policy towards asylum seekers has been the focus of several academic studies (see, for example, Afeef 2009; Kritzman-Amir 2009; Berman 2012; Yaron/Hashimshony-Yaffe/Campbell 2013; Kritzman/Berman 2011) the personal experiences and strategies for socio-economic survival of this unique immigrant group have been neglected (Yakovi 2010). We aim to fill this gap by focusing on the entrepreneurial experiences of Eritrean and Sudanese business owners in the restaurant sector in the south of Tel-Aviv. In light of their unique legal status, we examine the motives, difficulties and barriers involved in setting up, as well as their coping strategies in operating their businesses.

The Israeli Setting

Israel is a society of immigrants and their offspring. At the end of the twentieth century, two out of three members of the Jewish majority were foreign-born (40 percent) or second-generation (30 percent) (Raijman/Kemp 2010). Israel relies exclusively on the system of *jus sanguinis* (right of blood) to determine the citizenship status of immigrants and their descendants. Israel's claim to be the homeland of the Jewish Diaspora characterizes its Jewish newcomers as "returning ethnic immigrants."**3** The centrality of the idea of immigration as a "return" from the Diaspora is reflected in Israel's Law of Return (1950, revised 1970) and Law of Nationality (1952). These laws create a legal framework that grants to Jews and their children and grandchildren the right to settle in Israel and the right to Israeli citizenship immediately upon arrival. Jewish immigrants do not have to go through a naturalization process, because "Israeli citizenship law views returning Jews as *already* belonging to the constitutive community; that is, they are considered to have a status equal to Israeli-born citizens" (Shachar 1999: 236).

Until the 1990s, the main immigration flows to Israel were of Jewish ancestry, arriving under the Law of Return. However, since the beginning of the 1990s there has been a significant flow of labor migrants (documented and undocumented) and asylum seekers from Africa.**4** Labor migration has become a significant feature of Israel society since the mid-1990s, when a managed migration scheme for low-skilled foreign workers was enacted to replace Palestinian commuters from the Occupied Territories (Raijman/ Kemp 2007: 31–50). Labor migrants were formally recruited for three main sectors: construction (mainly from Romania, Turkey, Bulgaria, and China), agriculture (mainly from Thailand), and long-term care (mainly from the Philippines, but lately also from India, Nepal, and Sri Lanka) (Kemp/Raijman 2008). Documented and undocumented labor migrants accounted for 7 percent of the total labor force in 2010 (Central Bureau of Statistics 2011). Most of the recruited immigrants tend to return to their countries of origin, with a fairly small percentage remaining with illegal status in Israel (16 percent, according to the Population, Immigration and Border Authority – PIBA, 2014).

In addition, since 2005 a new migration flow has become evident as African asylum seekers cross the Egyptian–Israeli border clandestinely. Until 2006, roughly 1,000 asylum seekers had entered Israel, while in 2007 and 2008 the estimated number of asylum seekers was 5,000 and 8,700, respectively. The peak influx was in 2010–2011 when more than 14,000 African asylum seekers entered Israel

each year (PIBA 2012; Natan 2012). Recently, however, since the completion of a fence along the Egyptian border, the number of arrivals has decreased dramatically. By the end of September 2014 asylum seekers comprise 47,137 persons, 19 percent from Sudan, 73 percent from Eritrea and the rest from other countries in Africa (PIBA 2014).[5]

In summary, the 1990s brought new kinds of immigrants hitherto unknown in the Israeli context, transforming the ethno-national mosaic of Israeli society. The changing composition of the ethnic landscape poses new challenges both to the collective identities in Israel as well as to patterns of social inequality based on citizenship and legal status. The Israeli regime of incorporation reflects a double standard: an exclusionary model for non-Jews versus an "acceptance-encouragement" model for Jews. The current immigration regime is highly exclusionary towards non-Jews not covered by the amended Law of Return, removing a priori any possibility of incorporation into the society and the polity. Unwillingness to accept non-Jewish immigrants is expressed through exclusionary immigration policies (especially restrictions on family reunion and refusal to grant residence and refugee status) and restrictive naturalization rules. The social climate towards this group of newcomers is hostile, especially in the southern neighborhoods of Tel Aviv, where most asylum seekers concentrate.[6] Anti-foreign sentiments, hitherto lying beneath the surface, erupted in May 2012 when more than a thousand Israelis protested against the way the government was handling the issue and demanded the removal of the asylum seekers from the southern areas of Tel Aviv. The demonstration held in the Hatikvah neighborhood turned violent as the participants began attacking asylum seekers, as well as many of the stores owned by Eritreans and Sudanese in this location. Following this protest at least seven serious assaults were committed against sub-Saharan Africans, including firebombs thrown into residences, an attack against a preschool facility attended by children of asylum seekers, and setting fire to an apartment in Jerusalem where seven Eritrean and Ethiopian migrants were living (Human Rights Watch 2012). It is within this highly exclusionary policy and hostile social climate that we should understand the marginal status of asylum seekers in Israel.

African Asylum Seekers in Israel

Israel is a signatory of the 1951 Convention relating to the Status of Refugees and the 1967 Protocol and a member of the Executive Committee of UNHCR (ExCom). The proximity between the Refugee Convention and the Second World War and the Holocaust led Israel to take an active and leading part in drafting the Convention, and it was among the first countries to sign and ratify it. By doing so, Israel undertook to grant asylum to any person entering the country "*owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion.*"[7] However, the state has failed to adjust those international commitments and elaborate an appropriate constitutional-legal infrastructure and up to the year 2005 it was not a real necessity. Since the mass arrival of African asylum seekers, Israel – lacking any constitutional, legal or procedural response – tried to deal with the increasing flow by choosing a "trial and error" approach (Paz 2011). It acted inconsistently, without prior planning, applying mainly preventive and deterrent solutions.

Eritrean and Sudanese asylum seekers are given "temporary protection" or "delay in deportation" according to the non-refoulement principle of the Refugee Convention. Due to this collective shield the state refuses to consider individual applications for asylum and rejects sole requirements for refuge.[8] As a result, this population finds itself living in limbo, in a liminal condition; on one hand, they are prevented from asking for refugee status and holding the rights that derive from that, while on the other hand they are not awarded any rights, except the right not to be deported. At the present time asylum seekers from Eritrea and Sudan are denied welfare rights, social rights or economic rights, including freedom of work.

State policies do not consider the needs of the asylum seekers and deal mainly with deportation, detention, increased retention along the border, returns back to Egypt (hot return), forced geographical allocation and coerced "voluntary" departure (Gerver 2013). A fence has been built along the Israeli-Egyptian border, as well as two detention facilities, Saharonim and Holot, near the border with Egypt.

Summarizing, even now, more than eight years after the arrival of the first asylum seeker, Israel lacks an asylum policy and programs to provide a multisystem solution to

this unique community. Most of the efforts are still directed to preventive and deterrent channels.

Entrepreneurship among Immigrants

Although entrepreneurship among immigrants and minority groups has attracted a lot of research attention (see, for example, Kloosterman/van der Leun 1999; Light/Bonacich 1988; Raijman/Tienda, 2003; Tienda/Raijman 2004; Waldinger et al. 1990) academic interest in asylum seekers and refugee entrepreneurship has been fairly limited. While some studies have focused on the role of country of origin and ethnic background in enhancing entrepreneurship, immigrants' legal status has been mainly neglected. Therefore, in most studies asylum seekers and refugees are treated as part of the immigrant population and not discussed separately, despite the fundamental differences between the two populations (Cortes 2004; Portes/Böröcz 1989; Wauters/Lambrecht 2008). These differences result from the motives for immigration and legal status in the host country, among others, and affect the resources available to entrepreneurs and the opportunity structure they face, with both ultimately determining the likelihood of business success (Gold 1992; Lyon/Sepulveda/Syrett 2007; Wauters/Lambrecht 2008).

In this study we rely on the mixed embeddedness approach (MEA) to immigrant entrepreneruship (Kloosterman 2010; Kloosterman/Rath 2001, 2003; Kloosterman/Van Der Leun/Rath 1998, 1999) to analyze the experiences of African asylum seekers in Israel.[9] The MEA model suggests three dimensions of analysis in the formation and operation of immigrant businesses: (1) individual and group resources, such as financial, human, social and cultural capital, (2) opportunity structure factors, such as market conditions (mostly found in the ethnic economy were ethnic products and services are demanded) and access to ownership (business vacancies and government policies) (see also Waldinger/Aldrich/Ward 1990; Waldinger/McEvoy/Aldrich 1990), and (3) institutional-political frameworks, such as laws, regulations, institutions and practices that condition the way in which markets operate.

As we shall see, in the case of asylum seekers in Israel, the latter dimensions turned out to be of pivotal importance in restricting their entrance into business ownership.

Methodology

The study is based on twelve in-depth interviews with restaurant owners, six Sudanese and six Eritreans. All our interviewees were men aged between 25 and 51 with at least five years in Israel behind them. The initial interviews lasted one hour, on average, but we met most interviewees more than once, in some cases for a re-interview in order to build trust, and in other cases a post-interview when the interviewees wished to further share their experiences or request help. These informal post-interview meetings helped us gather more information and understand the phenomenon from the interviewees' perspective. Interviews were conducted in English, Hebrew, or both. Most interviews were held in the interviewees' restaurants, enabling us to observe firsthand how the place was being run, the local atmosphere, the customers and their relationship with the owner.

Analysis of the Findings

Motivations for Self-Employment: Blocked Mobility

The primary motivation for self-employment among our interviewees was the sense of blocked mobility, an inferior position in the labor market, and the expectation that running their own business would provide an alternative path of mobility. All the interviewees decided to run their own business while they were underemployed (rather than unemployed). The majority of the business owners were previously employed in jobs that did not match their education and skills and did not offer future prospects for advancement. Most of the interviewees were primarily motivated by the desire to lead better lives, characterized by self-esteem, control over one's life, self-advancement, and "being one's own boss." Only one interviewee noted financial considerations ("making more money") as a primary motivation.

Forced to leave Sudan while still a student, Musa feels frustrated that he was unable to complete his studies. He arrived in Israel in 2007 and had been working as a waiter for four years before he opened his own business. He knew that as an African refugee he would never get promoted. The coffee shop he is currently running with a partner gives him hope that he will not have to be a waiter all his life:

I've been working as a waiter in a hotel ever since I came to Israel. It's been more than five years now. But you want to get

ahead in life. You don't want things to stay the same. I've been a waiter so many years. My boss keeps telling me how satisfied he is with my work, but I know he will never promote me, for example to being shift manager. Why? *Because I'm a refugee. Because I'm African. We're only given the lowly jobs. They'll never let me be the boss with Israelis under me.*

The decision to start their own businesses was only a first step, however, to be followed by a long series of decisions on which the fate of these businesses depended, including what kind of business to start and *where*.

Opportunity Structure: Choosing the Restaurant Business and the Location in Tel Aviv

The eateries of Tel Aviv's refugee community serve a dual function, both as a gathering place for the community members and as a living testament to the culture they have left behind (Holtzman 2006; Sabar/Posner 2013). Such places meet a widely felt need and are therefore in high demand, a fact our interviewees took into consideration when choosing their line of business.

David, from Eritrea, was among the first to open a restaurant in the Neve Sha'anan area in the south of Tel Aviv. Having identified the need for a place that could remind customers of the homes and the culture they had left behind, he opened his restaurant hoping that such yearnings would generate a loyal clientele: "There was no such place at the time, but I knew people would want to come, because everyone misses home, everyone wants to feel a little bit at home by eating [familiar] food."

The reason reported for preferring Tel Aviv as a location had to do with the size of the relevant market segment, that is, with the size and density of the city's refugee population. Johnny, from Eritrea, worked at a nightclub in the city of Eilat for two and a half years before moving to Tel Aviv where he was planning to open his own club. Explaining the move, he noted:

If you want to do business, Tel Aviv is the only place to do it. It's where you have the most Africans. If you start a business, you want it to be successful, right? You want a lot of people to visit your business.

Because none of the refugees' national or narrower ethnic communities is large enough to support business activity, only the broader African community is adequate for that purpose. As Ahmad from Sudan acknowledged, only the combined community of Sudanese and Eritrean asylum seekers enables his business to thrive: "If not for the community of Eritreans and Sudanese, I wouldn't have made it this far…"

In addition to considerations concerning the availability of an ethnic community of potential customers, choice of location was also influenced by the refugees' sense of social marginality and vulnerability. Some feared that Israelis might attack the business or the owner himself. Michael, from Eritrea, reports he opened a restaurant near Neve Sha'anan's Lewinsky Park because he was afraid to open in areas with an Israeli majority. His fears concerned both the availability of potential customers and hostility or even violence on the part of Israelis:

I wanted the business to be near the Central Bus Station, because that's where all the refugees are. If I opened in an Israeli area no one would come, and there could also be trouble. What trouble? *I don't know. Maybe Israelis don't want to have businesses of refugees near them, so they might do all kinds of things to the business, I don't know.*

Ethnic businesses run by Eritrean and Sudanese asylum seekers are secluded from their surroundings despite their central location in downtown Tel Aviv, impeding their development and growth. Few Israelis frequent the African enclave, and even fewer purchase products or services from refugee-owned businesses. The vast majority of customers are ethnic, mainly asylum seekers from Africa, but also labor migrants from China, the Philippines, and other countries, who live in the vicinity.

The small size of the ethnic market, with its limited purchasing power and modest financial resources, presents an obstacle to the growth and development of refugee-owned businesses. The fact that business activity is restricted to the Neve Sha'anan area increases competition between the eateries, reducing their profitability and financial stability. The small and destitute population of asylum seekers cannot support the many similar businesses that open frequently.

Institutional-Legislative Framework: Legal Barriers to Entrepreneurship

Access to entrepreneurship and the ease of starting a business are primarily a function of the laws, statutes, and regulations in the host country. The denial of freedom of

employment to asylum seekers in Israel applies to self-employment as well, contrary to Art. 18 of the Convention which declares that "*the Contracting States shall accord to a refugee lawfully in their territory treatment as favorable as possible and, in any event, not less favorable than that accorded to aliens generally in the same circumstances as regards the right to engage on his own account in agriculture, industry, handicrafts and commerce and to establish commercial and industrial companies.*" In 2010, the Ministry of the Interior directed the municipalities to allow submission of business licensing application solely for business owners who are in possession of ID cards or residency permits that include work permits. This directive prevents 94 percent of asylum seekers in Israel from being the owner of a business that requires a license, food places included. In addition, the few who are eligible to apply for a business license are forced to operate in the informal economy because the state denies them an active file at the tax authorities, so that they cannot pay taxes legally. This is the institutional and legislative context that should be taken in consideration when analyzing asylum seeker entrepreneurship in Israel.

As in other developed countries, private businesses in Israel are heavily subject to government regulation and inspection (Leung 2003). All eateries in Israel require licensing in accordance with the 1968 Business Licensing Act**10** for the protection of public safety and health. Every entrepreneur wishing to open an eatery must apply for a license from the local municipality certifying that the business meets all standards and requirements and is safe for customers, employees, and the general public.

The licensing process is considerably longer and costlier for eateries than for other businesses, however, which most interviewees ignored when choosing what type of business to start. In addition, eateries must be located in physical facilities that meet certain safety standards in order to receive licensing, a fact ignored by most of our interviewees when choosing a location for their business. Many assumed they needed to do nothing more than to sign a leasing agreement with the property owner. Gabriel, from Eritrea, recalled his ignorance when he first opened his restaurant, which inspectors closed down only three months later:

I didn't know anything [about business licensing]. I just wanted to start my own business. I didn't even know there was such a thing [as a business license]. I thought it was all okay, because both the real estate agent and the property owner knew I was going to open a restaurant, and they never told me I couldn't do that here.

By the time the business owners realized something was legally amiss, it was too late and legal sanctions had already been imposed. Though all our interviewees were previously employed at Israeli restaurants and hotels, their experience was limited to menial jobs such as waiters, dishwashers, and kitchen assistants, without any exposure to managerial tasks or skills and without any knowledge of the local business culture and regulations. They were not exposed to the complexities of managing a business until after they opened their own places.

Even those aware of the existence of licensing requirements – all of them with prior business experience in their countries of origin or elsewhere (Sudan, Libya, Egypt) – lacked knowledge of the precise procedures and institutions involved. Their business experience from various African countries proved to be useless in Israel, with its very different set of laws and regulations. David, an Eritrean running his own restaurant in Tel Aviv's African enclave, soon realized this. Having set up and managed his own coffee shop in Khartoum, to which he fled to avoid military service in Eritrea, David resolved to open a similar business in Israel, a place where "through the food you could feel a little bit at home." Although he was aware of the need to obtain a license, he was unfamiliar with the requisite procedures: "I thought it was going to be the same [as in Khartoum]. You write a letter to the Ministry of Finance and ask for a license. Here everything is more complicated…" His business experience from Sudan did not equip him with skills adequate to a developed economy, delivering no advantage in an environment with such radically different codes.

All our interviewees named lack of information about the various aspects of the licensing process as one of the main obstacles they were facing. They believed that coping with licensing issues would have been easier had there been official guidance and counseling bureaus to guide them through the process and provide the necessary business and legal information, as in other countries. However, neither the Israeli government, nor the local municipal authorities, nor any of the various NGOs devoted to assisting the refugees have an agency dedicated to helping refugee business owners and entrepreneurs. Our interviewees believed that such an agency could facilitate the licensing process, help them save money, and prevent avoidable tensions with the establishment:

No one helps. There's no one to turn to. The government doesn't help. The NGOs don't help. I don't want them to give me money. But I do want to know there's someone I can turn to, someone to prevent me from falling. No one explains anything, either. We don't know what to do, how to get a permit (Teddy, Eritrea, pub owner).

Overcoming Restrictive Regulations

Whereas ordinary licensing requirements apply universally to all entrepreneurs in the restaurant business, a new government regulation in force since 2010 has specifically targeted business owners from Eritrea and Sudan.[11] According to the new regulation, only Israeli citizens or legal residents with work permits may apply for business licenses. This denies the right of self-employment to asylum seekers residing in Israel under collective and temporary protection. The regulation threatens to put an end to business initiative among the refugee community and to shatter its economic activity. As we shall see, however, business owners have been able to overcome this obstacle by turning to certain communal and financial resources. As Musa – a Sudanese running a coffee shop with a partner despite their ineligibility for permits – put it: "It's not a problem. You find ways around [the restrictions]. They close a door, we open two windows."

To get around the new restriction, many business owners register their business under the name of a fictive owner, with the latter "fronting" for them vis-à-vis the authorities. The practice is widely documented in the literature and is popular among entrepreneurs working on the outskirts of the law and in the informal economy as much as among business owners who fail to deal with regulations (Leung 2003;Ojo/Nwankwo/Gbadamosi 2013). The preferred practice is to turn to a relative or a tribe member with the appropriate visa, someone who "speaks the same language."[12] In such cases, the fictive owner's assistance is motivated by "bounded solidarity" (Portes 1995), without remuneration and without a real option of refusal. It is thus not rare to find asylum seekers who formally own several businesses, each run and in fact owned by a different relative. Gabriel, an Eritrean without the "required visa" who registered his business under his cousin's name, explained the strategy: "You take someone else and put it under their name. But it's got to be a relative, because a relative is going to help you out. Someone else would ask for money."

If no relative or close friend is able to help, broader circles of asylum seekers are approached. The arrangement in such cases is financial in character, with the fictive owner contributing his or her name, the real owner investing work and capital, and the profits shared equally by the two parties. Motte, from Darfur, recalled how he and his partner had brought in a third partner in order to register their coffee shop under his name:

I have a partner…He also has a non-working visa. But we're not going to go to City Hall. We have another partner…with a visa. He'll go to City Hall, and it's all under his name… He doesn't work here, he doesn't invest either, but we give him a third of everything.

Thus, our interviewees were able to overcome the legal barriers to entry by using ethnic and financial resources through which they created alternatives to the visa requirement, making this obstacle "go away."

Financial Capital

In addition to laws and regulations in the host country, barriers to entry also include the availability of financial capital for investment (Bates 1997). Formal financing for refugees in Israel is limited for several reasons: the prospective businesses are considered high-risk, and the required collateral is therefore beyond the reach of most refugee entrepreneurs; the bureaucratic procedures involved are overly complex, deterring many from making formal applications (Masurel et al. 2002; Ram et al. 2000); Moreover, dark-skinned refugees often suffer racial discrimination, making institutional financing even harder to obtain than in the case of other ethnic entrepreneurs (Ram/ Theodorakopoulos/ Jones 2008). In Israel, commercial banks refuse credit to asylum seekers (despite the absence of any formal directive to that effect by the Supervisor of Banks). Non-formal financing is unavailable to most asylum seekers in Israel due to their marginal social position; and micro-finance organizations for refugee entrepreneurs are generally not available.

Starting an eatery requires more financial resources than many other businesses due to the high investment needed in equipment and renovation. Our data show that the average initial investment is roughly equivalent to 20 monthly salaries at minimum wage ($24,300). This amount includes broker's fees, rent, equipment, renovations, and in quite a few cases payment to the previous leaser. Johnny, from Eritrea, left his old job at an Eilat nightclub and

moved to Tel Aviv in order to open his own club in a basement in Neve Sha'anan Street. His initial investment was substantial:

*The [real estate] agent told me that the rent would be 20,000 NIS a month, including city taxes. I needed to pay another 20,000 NIS to the agent, and another 20,000 NIS as collateral. On top of that, I had to pay another 105,000 ILS for the equipment of the [previous leasers] from Sudan. All in all, I paid 165,000 NIS to get in.*13

The considerable financial investment turns the absence of formal financing into a significant obstacle to entrepreneurship, in addition to the legal barriers noted above. Our interviewees tended not to complain about the limited availability of formal financing, however, turning instead to informal sources. Raising capital from informal sources is nevertheless a daunting task. The refugees' ethnic social network is of little help: the local refugee population is largely destitute and its members fear risking what little they have; and close relatives who could provide crucial help, are often far away and inaccessible (Gold 1992; Wauters/Lambrecht 2008). One exception to this last hurdle was Jack, who raised some of the initial capital for his Darfurian restaurant in Tel Aviv from his nephew in Sudan:

I saved money from [my salary at] the Hilton, and I also got some money from my sister's son. My brother-in-law died here, in Tel Aviv. When someone with a family dies, [his family] gets money. Who gives them the money? *Everyone. The whole community. One person might give 1,000 [NIS], another 2,000 [NIS], another 4,000 [NIS]. My nephew gave me all that money… I collected the money for him, and I took all of it as a loan. I pay him back every month.*

Half of our interviewees raised capital from close friends. The sums in such cases are modest, the loan is interest-free and repayment is not time-limited but rather depends on ability to repay, with the debtor morally permitted to cease repayment if the business proves to be unprofitable or closes down. Still, even when external capital was raised through ethnic networks, this funding accounted for only a small part of the total investment, which was based mainly on self-financing.

Our interviewees reported saving their own capital from the salaries they were paid as employees (2.5 years on average). Some took on multiple shifts in order to save the initial capital, while others worked two jobs simultaneously. This strategy was often repeated in cycles: our interviewees worked as employees to save the initial capital required to start a new business, ran the business until they ran out of capital, temporarily returned to the labor market as employees to save more capital for a new business initiative, and so on. Two of our interviewees were in the second round of this routine, while others claimed they would return to the labor market in order to save enough money for a new initiative in case their current business closed down.

Conclusions

In this paper we examined the business experiences of Eritrean and Sudanese asylum seekers in Israel. Specifically, we focused on their motives for becoming self-employed, the difficulties and barriers, as well as their coping strategies while setting up and operating their business in the southern neighborhoods of Tel Aviv.

Similar to the experiences of immigrant entrepreneurs in other advanced industrialized countries, it is the existence of a large African clientele that provides the basis for the establishment and growth of businesses in the south of Tel Aviv. In addition, personal security concerns derived from the hostile attitude of Israelis motivated Eritrean and Sudanese asylum seekers to open their eateries in the south side of Tel Aviv. Segregation from Israeli society, reflected in social and physical exclusion, requires business owners to rely solely on the refugee low-income population as the market segment that supports their business. Hence, the businesses tend to remain small, with very low profit margins, and highly exposed to failure. The turnover rate is high, as well as the financial damage caused to the entrepreneurs. Our study has shown that asylum seeker entrepreneurs lack crucial information on business licensing and procedures required for opening and operating a business. The lack of access to relevant, reliable information sources, coupled with extreme segregation from Israeli society do not allow business owners to bridge information gaps, and therefore engage in wrong business practices, particularly in relation to regulation. As a result, refugee entrepreneurs experience substantial financial losses, confrontation with authority representatives, and considerable distress. Moreover, the socio-legal limbo the refugees are in is a fertile ground for exploitation and oppression by various service providers who can be certain that the refugee business owners will not approach the authorities to seek protection from their mistreatment. The State of Israel, by neglecting this immigrant population, in effect sponsors unethical and

even criminal behavior among the refugees and targets the most vulnerable populations in Israel.

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Endnotes

1 http://www.piba.gov.il/PublicationAndTender/ForeignWorkersStat/Documents/564899cce.pdf .

2 Article 33 of the International Convention on the Status of Refugees forbids the receiving state from expelling or returning (*"refouler"*) a refugee to the frontiers of territories where his or her life or freedom would be threatened.

3 Jewish immigrants in Israel are labeled *olim* (Hebrew plural [m], singular *oleh* [m], *olah* [f], from the Hebrew word *aliyah*, literally "ascent").

4 In 2012, these three groups comprised about 240,000. They account for 3 percent of the total population of residents (citizens and non-citizens) in the country.

5 http://www.piba.gov.il/PublicationAndTender/ForeignWorkersStat/Documents/564899cce.pdf
Accessed, December 31, 2014.

6 According to the Knesset Research and Information Center, 31.6 percent of all refugees in Israel live in Tel Aviv, making it the city with the highest concentration of refugees (*The Geographical Concentration of Illegal Aliens and Asylum Seekers in Israel*, April 2012, page 2:
http://www.knesset.gov.il/mmm/data/pdf/m03052.pdf).

7 The Convention relating to the Status of Refugees, chapter 1, article 1.

8 Between 2009 and 2012, only 22 of a total of 14,000 asylum applications were approved and the petitioners granted the status of refugee (Lentin/ Moreo 2014: 6).

9 The MEA is an enlargement of Waldinger et al.'s (1990) interactive model of immigrant entrepreneurship, which emphasized the role of opportunity structures and group resources, but neglected the role of institutional frameworks influencing entrepreneurship.

10 Israel's 1968 Business Licensing Act aims to (1) ensure adequate environmental quality and prevent nuisances and hazards; (2) secure public safety and prevent burglaries and robberies; (3) ensure the safety of all individuals present in or around the place of business; (4) prevent disease originating in animals and contamination of water sources by pesticides, fertilizers, chemicals and pharmaceuticals; (5) protect public health and ensure adequate sanitary conditions; (6) help enforce planning, construction, and fire safety regulations.

11 It should be noted, however, that when asked which obstacles face asylum seekers wishing to open an eatery, none of our interviewees mentioned the new regulation.

12 Persons with the appropriate visas include 600 Sudanese accorded resident status (5a visas) for humanitarian reasons, and 2,500 Eritreans with B1 visas that include work permits.

13 By the time of the interview 1 dollar=3.6 NIS.

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Palestinian Women in the Israeli Workforce and the Idea of Economic Citizenship

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*Israel is a multi-cultural, heterogeneous state. Human and cultural diversity is an inseparable part of our personal and professional lives, and a tremendous advantage for the workforce and the economy. Therefore, the Ministry of Economy … operates to create unique training programs for employers who want to incorporate diversity and equal opportunities … Most of us know by now the value of a workforce that evaluates workers according to their skills and capacities, rather than their culture, religion, or nationality. There is a clear economic advantage in making work places diverse … I have no doubt that the profitability of gender diversity is true to every population that is presently excluded from the workforce. Such exclusion is illegal and unprofitable. It hurts the economy, the society, and the [excluded] population itself – and in that case we all lose … If we can create a substantive change in the workforce regarding excluded populations, for example the promotion and integration of Arab women, whose labor force participation is only 22%, and who work for a minimum wage even when they have academic degrees … we will all become winners. This is to all of us, as a society and as individuals; each person who remains outside the workforce is costing us more. It is our collective interest to integrate all the populations into the workforce. (*Naftaly Bennet, Minister of the Economy, *The Marker 22.10.2013)*

The idea that diversity is good for the economy has become very popular in Israel over the past decade or so and women – particularly minority women – feature as its most likely embodiments. This concept, which has migrated to Israel from Western capitalistic societies, appears at odds with the local public atmosphere of heightened ethno-nationalism and the recent deluge of legal and administrative activity that aims to curb the rights of the Palestinian citizens and non-Jewish migrants. Nevertheless, these two trends co-occur on the ground, collapsing together imported ideas of utilitarian individualism and local traditions of primordial collectivism. Among other things, diversity introduces a new twist to local ideas of civil entitlement. The new focus on self-sufficiency as a right and an obligation of all citizens, irrespective of national, class, or ethnic background, brings economic terminology into a discourse on citizenship whose ideological nucleus is quite differently oriented.

This paper looks at the implications for Palestinian-Israeli women of the newly emerging discourse of diversity and the concomitant emergence of the idea of economic citizenship – the linking of civil entitlement and civil contribution to economic productivity. I will argue that the recent mainstreaming of concerns with the workforce participation of Palestinian-Israeli women is a paradoxical effect of the neoliberal turn, as the idea that the market is the best mediator of morality, social justice, and identity infiltrates the hegemonic ethno-national-cum-patriarchal logic of belonging. The state, which now officially endorses the promotion of Arab women's labor force participation, aims to do so by encouraging private employers to hire them. At the same time, it is directly involved in at least two developments – reducing the public sector and promoting laws that restrict the rights of the Palestinian citizens – which are straightforwardly counter-effective. Thus the sudden official interest in the economic wellbeing of Arab women does not overturn the long-standing exclusion of the Palestinian citizens. That remains as solid and consistent as before, but is repackaged in a rhetoric of inclusion through economic participation. Palestinian women, whose vulnerability under Arab patriarchy is conveniently used to deny their vulnerability under Israeli ethno-nationalism, serve this particularly well. The effort to modernize them through integrating them into the workforce appears the easiest way to create de-politicized Palestinian citizens, eager to assimilate into Israeli society by sharing the language of economic rationality and profit maximization, while leaving intact the ethnic structure that continues to block their full membership in the polity.

The Idea of Economic Citizenship and the Diversity Paradox

Economic citizenship (for example, Kessler-Harris 2003; Moghadam 2011), the idea that economic self-sufficiency is an important means and measure of civil entitlement, has come into use in different ideological circles simulta-

neously and has subsequently assumed diverse and even contradictory meanings. While neo-conservatives frame economic self-sufficiency as a pre-condition for civil entitlement, radical feminists perceive gainful employment as a basic human right, and business philanthropists use it to mean commitment to social solidarity across economic sectors.

Unlike places like the United States, where an economic perspective on citizenship makes cultural and historical sense, in Israel such a perspective merits some attention, considering the centrality of primordial, collective affiliations in local platforms of citizenship. In Israel, until recently, economic productivity has played almost no role in local mythologies of contribution. Instead, the most important determinant of Israeli citizenship has been national belonging, followed by contribution to the Jewish collective (Peled 2008). This principle sets very clear limits to the entitlements of Palestinians living inside the Green Line, who were granted formal citizenship and a range of individual rights – the Israeli constitution includes a combination of republican and liberal principles – but whose exclusion from the national collective has denied them access to collective rights as basic as land, water, or environmental development, and has long subjected them to discrimination. Still, over the past decade or so, the logic of economic self-sufficiency and the idea that the economic benefits of diversity may suspend the preference for ethnic homogeneity, at least in the workforce, has permeated the Israeli discourses of inclusion, creating interesting ideological mixtures. For example, the speaker cited above, who dubs the integration of Arab women into the workforce a national mission, is the leader of the right-wing Jewish Home party, which is actively pushing forward laws designed to bolster the Jewish character of the state, with direct repercussions for the freedoms and civil rights of the Palestinian citizens.

Despite its captivating presence, then, economic citizenship does not replace existing ideas of civic inclusion, which continue to give primacy to collective, ethno-national affiliation. It does, however, bring into the liberal-democratic component of Israeli citizenship a growing utilitarian emphasis. This shift entails new opportunities for some minority members, including academically educated Palestinian women or Palestinian business entrepreneurs. However, since the turn to the market indisputably involves widening social-class gaps, it ultimately stands to have adverse implications for the majority of Palestinian citizens, women and men, who remain entrenched in the lowermost echelons of Israeli society.

The Labor Force Participation of Palestinian Women Citizens of the State

Palestinians who are Israeli citizens are estimated to number about 1,450,000, or 20 percent of the total population. This group includes several religious categories: Muslims (82 percent), Christians (10 percent), and Druzes (8 percent), and further sub-cultural categories (fellahi, urban, and Bedouins), who nevertheless share important characteristics, most notably language and national identification. As citizens they are entitled to some important measures of state protection, social benefits, and civil rights, yet they suffer from multiple forms of discrimination and marginalization (Kretzmer 1987; Ghanem 2001). They also fare consistently poorly on health, economic wellbeing, educational attainments, poverty rates and other social indicators (Gharrah 2011).

The Palestinian regions inside Israel are grossly underdeveloped compared with Jewish populated regions. Massive confiscation of lands following the establishment of the state in 1948 changed the Palestinians who remained from subsistence agriculturalists to proletarians (Rosenfeld 1978). The ethnically-split character of the national economy then blocked the full integration of those who became citizens into the Jewish-dominated workforce and channeled the bulk of employment opportunities to the Palestinian enclave (Khattab 2002). The cessation of agriculture and the intensification of economic activities in the small and rapidly crowding Palestinian locales instigated the urbanization of these rural communities. However, inadequate infrastructure and planning has left the process largely stalled (Khamaisi 2004).

The workforce participation of Palestinian-Israeli women is estimated at about 22.5 percent (King et al. 2009). This exceedingly low rate, as against an estimated 71 percent of Jewish-Israeli women, is effectively even lower, considering that it reflects an average figure with regard to a very diverse population. For example, whereas Christians account for only 10 percent of Palestinian-Israelis, they comprise a third of all employed women. By contrast, among the Negev Bedouins, only 3 percent of the women are registered as employed and their average wage is 55 percent of the average wage of women employees in Israel. Employed women tend to concentrate in the Palestinian ethnic enclave (Semyonov, Lewin-Epstein and Brahm 1999; Khattab 2002), where they may find employment in the public sector (social services, the Arab education system, the local municipalities) or with private employers. Outside

this sector they are employed in several branches: at one end are menial workers in agriculture, textiles, or cleaning. Such jobs, besides being backbreaking, are typically seasonal and poorly paid. A middleman is generally involved, often a male relative of the employees, who takes a cut from their wages. The pay is per day, usually below the legal minimum wage, and does not cover sick days, vacation, and pension (Zahalka and Schwartz 2008; Nathan 2010; Sa'ar n.d.). Further along the job continuum, professional women (and men) are employed in hospitals and pharmaceutical firms, and less skilled women can find jobs also in customer service call centers and in retail (Marantz, Kalev, and Lewin-Epstein 2013), areas where they come in direct contact with a mixed Arabic- and Hebrew-speaking clientele.

For women, employment in the Palestinian enclave has complex implications. The possibility to work close to home is critical to many, given the pressure to 'be home for the children'. Another important advantage is that working in an Arabic-speaking environment they do not need to speak fluent Hebrew and are presumably shielded from racist treatment, particularly if they are veiled. However, employment in the Palestinian private sector has some clear disadvantages. As several reports (Zahalka and Schwartz 2008; Conur-Atias and Kolobov 2008; Kayan 2014) now confirm, and my own ethnographic data reaffirm (Sa'ar 2011, n.d.), women in this labor market are subject to low pay – lower than the legal minimum wage, educational mismatch, involuntary part-time employment, and generally weak enforcement of protective labor laws. And overall, while women's opting for employment close to home has some advantages, their overwhelming restriction to the enclave economy is mostly by default rather than by free choice.

Development through the Market – the New Logic of Exclusionary Integration

In the past decade or so, Israeli government officials have shown a growing interest in increasing the rates of labor force participation of female Palestinian citizens. Notably, the actual steps taken to accomplish this goal are very different from the policies that were implemented 50-odd years earlier to facilitate the workforce participation of women from the Jewish majority group. Back in the early decades of the state, Israel had a strong, centralist welfare state, which was used primarily to absorb and socialize masses of Jewish immigrants and to curtail competition from cheap Palestinian labor by subsidizing the added costs of social benefits for Jewish workers. The state welfare system was also pertinent in integrating Jewish women into paid employment by providing mothers with supportive infrastructure, tax benefits, and a shorter working day, and by creating large numbers of public-sector jobs for women. For Palestinian citizens, men and women, the benefits were much more limited, although they increased over the years, as has the access of Palestinian women to employment in the social services sector (Rosenhek 1999). Overall, the impact of the welfare system on Palestinian citizens has remained limited compared with its impact on Jews, in terms of both poverty reduction and employment. Nevertheless, despite its limitations, it has been a significant factor in their household economies. Since the 1980s, though, the Israeli welfare system has been shrinking steadily, a process which has had a negative impact on Jewish and Palestinian citizens alike. So, in a sense, Palestinian citizens are no longer alone in their relative estrangement from state welfare, and like growing numbers of Jewish citizens, they are now increasingly turning to the market for solutions. A growing private Palestinian-Israeli sector is now expected to solve the double problem of limited job selection and insufficient social services, which are increasingly offered in privatized or semi-privatized forms.

One of the corollaries of the shrinking welfare state and a concomitant rise in the number of professionals is the development of a dynamic field of educational, social, legal, and health services, which are offered in public, private, non-profit, or mixed formats. A wide range of "professional entrepreneurs" – therapists, educators, legal consultants, medical doctors and other professionals – are opening private institutions, clinics, and services within the Palestinian economic enclave, and these provide jobs for women, ranging from professionals to "pink-collar" assistants, caretakers, and menial workers. A parallel employment niche for women is, of course, retail, which is growing rapidly with the exponential growth of consumer capitalism. These developments are seen positively by the state, which aims to enhance them by offering (limited) incentives for businesses in the form of funds, loans, business hothouses, or an industrial park. State officials appointed to enhance "the Arab sector" – a common euphemism among Hebrew speakers for Palestinian citizens – propagate the idea of development-through-the-market as the ideal solution for Arab women's employment. Also, the state has become actively involved in a wide range of social economy projects that bring together agents from three main sectors: the state and municipal apparatuses, the business community, and grassroots social-change organizations.

Since the 1990s and increasingly in the 2000s, Israel started to fill up with programs, operated jointly by government offices and non-governmental organizations, with heavy financial support from philanthropists from Israel and the international community, which aim to improve the economic situation of groups on the social and geographical periphery, with particular, though not exclusive, emphasis on women. The projects commonly target women from specific populations, notably Arab, Jewish ultraorthodox, migrants from Ethiopia or the former USSR, as well as Mizrahi women from poor neighborhoods. Far fewer projects target men (primarily Jewish ultraorthodox, Arab, or new immigrants) and young people. The overarching aim of most projects is to improve the economic situation of members of these groups by giving them occupational training, either specific or general, to boost their self-confidence and increase their overall ability to make their way into the workforce.

The projects typically bring together actors from diverse locations along the state–civil society and center–periphery continuums. At the grassroots end, the partners are usually non-governmental organizations identified with women's rights, minority rights, and social-change activism. Alternatively, they may be less ideological non-profit organizations, with previous experience in education, women's health and the like, who have redirected some or most of their activity to the economic empowerment of women. At the more established end, the projects involve professionals and officials from state ministries and local municipalities who, as a corollary of privatization, are now being requested to outsource many of their activities and therefore seek to engage in cross-sectoral partnerships. On the financial side, most projects combine state money, funding from the local business community, international development money (for example from the EU), and money from the large Zionist foundations, which function as semi-private extensions of the state.

Hence the field of social economy creates interesting encounters between actors from the hegemonic establishment (the state and the Zionist business community) and their structural opponents – members of civil society organizations who traditionally seek to criticize and subvert this hegemony. It is interesting, in this respect, to note the rationale used to justify the involvement of Zionist donors in this field. Since the establishment of Israel, large Zionist foundations have played a major role in the development and operation of the state's social and economic infrastructure. Actors such as the Jewish Agency, the Joint Distribution Committee (JDC), the Jewish National Fund, the Rothschild Foundation, the Rashi Foundation, and others have been heavily involved in the development of new communities around the country. The longstanding outsourcing of state responsibilities to such bodies, which are explicitly committed to enhance Jewish and Zionist goals, and which as private bodies are not bound by the criteria of universal redistribution, has been strongly criticized as an institutional form of state discrimination (Kretzmer 1987). However, in their more recent involvement in social economy initiatives, the same foundations have made explicit efforts to include Palestinians, as part of a redefinition of their role to strengthen Israeli democracy by reducing all forms of social inequalities.

Other quintessentially Zionist actors who are increasingly showing interest in social entrepreneurship are business magnates. Several millionaires, newly wealthy from the high-tech, financial, and industrial sectors, have established foundations, sometimes forming attached non-profit organizations (NPOs) or channeling the funds directly to existing NPOs, to combat poverty and social inequalities by promoting education, employment, and wellbeing on the periphery. As I show in more detail elsewhere (Sa'ar n.d.), these tycoons characteristically see themselves as working for the national good. They typically have a sense of obvious entitlement to talk directly to policy- and decision-makers inside the state system, as well as among Zionist donors, offering generous matching funds if the government agrees to invest in enterprises they deem important.

The endorsement of Israeli-Palestinian women's economic interest by the state and its large business partners is, of course, ironic. As mentioned in the introduction, the idea of inclusion through economic contribution (economic citizenship) has developed amid frantic initiatives to reinforce the Jewish character of the state. Concomitantly, the framing of the economic wellbeing of the Palestinian citizens as a national, all-Israeli interest occurs in an odd coincidence with their exact counter-framing as untrustworthy outsiders. Also, the shrinking of the welfare state is happening precisely when the system has finally started to yield some tangible benefits for Palestinian citizens. As far as women are concerned, the enthusiastic shift towards privatization, which incidentally strikes a chord also among many Palestinians, has had mixed results. On one hand, it does indeed open up new employment opportunities, which women appear to be keen to seize. Women I interviewed and spoke to as part of my ethnographic study of the social economy field (Sa'ar 2011) consistently ex-

pressed a desire to be employed. Besides a much needed extra income, they expected that a paying job would give them an opportunity for self-fulfillment and personal growth, and would make them better role models as mothers. On the other hand, women working in the Palestinian-Israeli private sector operate in a precarious work sphere. Although presumably shielded from racist treatment and enjoying the proximity to their homes, preliminary reports on women's employment by private Arab employers (Diab 2008; Kayan 2014), as well as my own interviews, reveal widespread labor-rights violations, including extremely low-pay (well below the legal minimum wage), frequent and arbitrary redundancies, part-time positions, often no more than 4–5 hours a day, with wages in accordance with that, expectations that they will do overtime with no additional pay, and other things. Sexist attitudes and outright sexual harassment also appear to be widespread, although evidence at this point is anecdotal. Such violations are licensed by weak enforcement of protective labor laws, and a general atmosphere among many employers that their female employees are working primarily to "help" their husbands or as a form of pastime, while their primary responsibilities remain in the home sphere.

While it appears that we are facing a growth in women's labor force participation, it is not yet clear whether Palestinian-Israeli women are about to make an economic breakthrough, or whether their increased labor force participation will entail improved personal status within the household. On the optimistic side, there are signs that some women, primarily those with an academic education, are indeed enjoying improved work–life quality. The number of dual-earner families is on the rise (Stier 2013), as is the number of women who are employed in the social services sector (Shalev and Lazarus 2013), where they enjoy a good social status and less professional mismatch. Civil society organizations are another sector in which academic women can now find interesting jobs, rise to managerial positions, and combine work in an Arabic-speaking environment with frequent contacts with Jewish and international colleagues. There also appears to be a growing number of jobs for professional women in the medical and paramedical branches, and there are some indications of state initiatives to introduce affirmative action for Palestinian women in the higher education system and in career positions in state-sponsored projects. That said, it is important to bear in mind that the returns to education in many of the positions in these and similar sectors are still significantly lower compared with the Jewish-dominated public and private sectors (King et al. 2009).

On a more cautious note, when bearing in mind that most women are not highly educated, findings from around the world show that rising labor force participation among low-skilled minority women tends to intensify their labor, since they are unable to hire aid to alleviate their domestic work when they join the workforce. Not only does it not guarantee an increase in their personal autonomy or social standing, but it often puts them in a double bind, as relatives start making demands on their new earnings, push them to take out more loans against these earnings, and exert similar pressures that prevent the women from leveraging their additional income (for example, Kabeer 1994; Karim 2011). Such perils are particularly likely when the integration of women into paid employment is done through privatization and without protective intervention by the state.

Civic Inclusion through Economic Contribution – Paradoxes of Nationalistic Neoliberalism

The idea of economic citizenship is spreading rapidly around the world. In Israel, as elsewhere, a growing emphasis on independent earnings, in the dual sense of a personal right and a social obligation, now provides a discursive meeting ground for actors from very different subject positions and ideological backgrounds. The common discourse that ensues is, of course, fraught with paradoxes and contradictions. It seems to collapse together ideas about entitlement, social justice, social solidarity, and human and minority rights, which are grounded in historically opposed worldviews. In the case presented here, the contradictions are accentuated because the wellbeing of the Palestinian citizens is reframed as an Israeli interest, and the Zionist ethos of developing the homeland of the Jews is taking on a new "diversity" undertone that puts non-Jews – moreover, the quintessential Palestinian Others – right at the center of its manifesto, alongside new immigrants, Jewish single-moms, and ultraorthodox Jews. Within this discursive shift, the more specific focus on Palestinian women operates as a mitigating factor. As women, they embody the fragile and defeated component of the national Other, thus facilitating the benevolence of the Jewish state and the Jewish philanthropic apparatus. The "Orientalist" imagining of them as hapless victims of their patriarchal culture, moreover, fits perfectly into the discursive gymnastics that is needed in order to accommodate the deeply contradictory project of a Jewish and a democratic state. And so, the Israeli version of economic citizenship, which embeds the possibility of personal inclusion within an

ever-deepening orientation of collective exclusion, reflects a particular, nationalistic version of neoliberalism.

In Israel, the offering of economic solutions to problems of social inequalities and social exclusion entails an interesting spillover of liberal discourse into the management of ethno-national antagonisms. This "infiltration of market-driven truths and calculations into the domain of politics" (Ong 2006, 4) reflects a larger transformation of the liberal into the neoliberal. However, it does not necessarily mean that the normative logic of ethno-national exclusion is about to disappear. Rather, in a fashion similar to other political settings, for example in several Asian countries (Ibid.), the neoliberal logic in Israel is incorporated as an exception to the dominant ethno-national logic, which remains as blatant as ever.

One way to accommodate Palestinian citizens within the new logic of economic citizenship is by reclassifying them as bearers of "diversity," to tone down their framing as the quintessential, non-assimilating Other. It is interesting to note, in this respect, that the call to improve the labor force participation of Palestinian Israeli women started from below, through the demands of feminist and minority rights activists that the state intervene to provide more jobs, develop supportive infrastructure such as daycare and public transportation, and ensure the enforcement of labor laws. In a somewhat extraordinary development, this activism appears to have had significant success, as similar rhetoric is now heard at the very top of the political-economic pyramid. In the process, however, the idea of diversity-as-a-democratic-right has been transformed into diversity-as-economically-profitable. Thus coopted, diversity as a ticket to economic citizenship conveniently white-washes ethno-national discrimination. It shifts the responsibility for a life without poverty from the state to women, pretending that they are freely operating in the politically-neutral zone of "the market."

Summing up, the recent institutional concern with the workforce participation of Palestinian-Israeli women in the name of diversity should be considered with deep suspicion. The idea of diversity as "good for the economy" is misleading, its democratic appeal notwithstanding. Uncontrolled economic privatization is bad for most women, particularly those whose skills, education, ethnicity, and social capital entrap them on the precarious lower slopes of the economy. In the particular case of Palestinian-Israelis, the doubtful benefits of economic privatization are exacerbated by the orchestrated efforts to restrict their political rights and to de-legitimize their citizenship as a whole. Within this unbridled campaign, the sudden paternalistic concern with the wellbeing of Palestinian women is perfectly understandable; it represents the possibility of tamed, individualized Palestinians, who may be integrated into the state and the dominant Jewish society at minimal political and economic cost, and without shaking the ethnic status quo.

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Building a Neoliberal Palestinian State under Closure: The Economic and Spatial Implications of Walls and Barriers

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From Dependency to Neoliberalism

In 1947 economic sociologist Karl Polanyi pointed out that the market economy had created a new type of society (Polanyi 1947: 111): in this society, market logic pervades every aspect of life, organizations are presumed to be subject to the principle of economic determinism, and human nature is supposed to be describable in terms of "homo oeconomicus." He called upon the scholarly community to recognize the fallacy of such assumptions and reminded us that humans are not just economic, but also social beings. However, due to the institutional conquests of mainstream economics and its impact on policy-making (Yonay 1994), Karl Polanyi's words were soon forgotten. By the late 1970s and 1980s, as policy-makers faced a global recession and a crisis in the "Keynesian" welfare state, neoliberal policies were introduced to remake societies and their economies. Spurred on by global hegemons such as the Bretton Woods institutions – the World Bank and the International Monetary Fund – neoliberalism became the dominant political and ideological force shaping capitalist globalization. Developing economies, from the Middle East to Sub-Saharan Africa, which were still reverberating from the consequences of colonization, were supposed to remake their economies by following the "free market" dictates of the global hegemons.

In an increasingly globalized and interdependent world, the developmental trajectories of neither Palestine in the Middle East nor the Democratic Republic of Congo in Sub-Saharan Africa can be understood in isolation. Instead:

Neoliberal restructuring projects … have been produced within national, regional, and local contexts defined by the legacies of inherited institutional frameworks, policy regimes, regulatory practices, and political struggles. (Brenner and Theodore 2002: 349)

The contextual embeddedness of such restructuring projects has produced policies, institutions, and regulatory landscapes that have left minimal "policy space" (Khalidi and Samour 2011: 12) for local stakeholders, apart from negotiations and struggles over the prescribed neoliberal market reforms. Indeed, in order for leaders from the Global South to be heard in economic policy discussions, they have had to "learn to speak the language of the hegemonic discourse, the language of neoliberalism" (Owusu 2003: 1665). Consequently, economic development – whether in Palestine or the DR Congo – has become path-dependent on the dictates of the neoliberal paradigm. "Open" markets are supposed to help in building up non-existing or weak states and strengthening their capacities, while "open-door policies" – characterized by deregulation, privatization, and an influx of foreign capital and investment – were supposed to bolster developing economies.

Against the backdrop of a global neoliberal market place, the Palestinian national liberation movement, which had emerged in the early 1960s, was superseded by a Palestinian state-building program that is supposed to be achieved through neoliberal institution-building. What neither political activism, armed struggle, nor peaceful negotiation were able to deliver, neoliberalism was to accomplish: national liberation (Khalidi and Samour 2011; Samara 2000; PNA 2009). Palestinians were to attain national independence with the IMF, the World Bank, and the Bretton Woods institutions, as well as the United States channeling economic policies and investments, and with the occupying power,**1** Israel, on their side. The Palestinian economy was therefore "designed from the very beginning by the policies and prescriptions of globalizing institutions" (Samara 2000: 21).

For instance, export-oriented industrial zones were created in response to donor recommendations and in line with the Palestinian Authorities' (PAs') neoliberal policies (Tartir 2013). Cross-border industrial parks were to attract international or Israeli capital, make use of cheap local labor, and achieve growth through exports. Observers are divided over the effectiveness of such neoliberal initiatives:

The PA, its international sponsors, and the PA-dependent private sector see the industrial zones as a pillar of the state-building effort that will bolster the Palestinian economy and achieve sustainable development. The zones' critics argue that they reinforce and legitimize the occupation by making the Palestinians even more subservient to Israel given that the PA has to rely on the occupiers' good will for access, movement and for transfer of tax revenues. (Tartir 2013: 1)

For Gadi Algazi (2006), such "offshoring at home" – whether in industrial parks or Jewish settlements in the Occupied Palestinian Territories – serves political interests by colonizing and managing land and resources, and caters to economic and capitalist interests. Moreover, observers from the Global South have pointed out that, ever since colonial times, such economic arrangements have tended to enrich local and international elites, while local infrastructure, resources, and human capital have remained untapped and underdeveloped. At the same time, while raw materials, minerals, and resources hemorrhage away to supply the high energy-consuming developed world, economic aid packages to developing economies have tended only to exacerbate dependency relations. Aid is not trade and does not open up markets, which is so important for a country's economic viability (Owusu 2003; Sen 1999). In the Palestinian case, economic dependency had already been a long time coming.

To be sure, Palestinian economic life has never escaped its symbiotic relationship with Israel. After its 1967 war with neighboring states Egypt, Jordan, and Syria, Israel more than tripled the territory under its control, occupying formerly Jordanian (West Bank and East Jerusalem), Egyptian (Gaza, the Sinai Peninsula), and Syrian (Golan Heights)-controlled territories. As a result, the 1949 armistice line – also known as the Green Line – that up until then had been the de facto border between Israel and the Palestinian Territories, was turned into a merely administrative line; its function as a border became virtually obsolete. The subsequent influx of unskilled and semi-skilled Palestinian workers into Israel has been part and parcel of the Israeli economic miracle. Indeed:

During the 1970s and 1980s, almost one third of Palestinian employment was in relatively well waged Israeli jobs and by 1988, whole rural communities came to depend entirely on work in Israel … Due to their dependency on easily accessible, low-skill wage labor, these communities have undergone a process of de-development, stemming from the deskilling of the labor force, and from the lack of incentives to develop local economic infrastructure and resources independently of Israel. (UN/UNESCO 2005: 14–17)

While the fact that Palestine became Israel's economically dependent auxiliary may have temporarily stabilized its economy, it also simultaneously contributed to the underdevelopment of local Palestinian industries and markets, stifled the diversification of local job opportunities, exacerbated the deskilling of the Palestinian population, and was a factor in the de-development of the Palestinian Territory (UN/UNESCO 2005; Roy 1987).

The I and II Intifada and the Oslo Accords: Conditions for Economic Fragmentation

With the start of the first Intifada[2] in 1987, however, the Israeli government re-imposed the Green Line's function as a full-fledged border. As a result, legal economic interchange was minimized – unlike cross-border criminal activities, which flourished – and foreign workers from Thailand, China, and Romania started to replace the former Palestinian workforce within Israel. Until 1993, economic links between the West Bank and Israel came to a virtual standstill, with severe economic consequences for West Bank Palestinians (Brawer 2002). However, with the beginning of the peace process and the signing of the 1993 *Oslo Accords I*, Palestinians were assured limited self-government. "Oslo" was to reduce Palestinian dependency on Israel and provide the conditions for Palestine's economic sustainability. At the time, the Palestinian Territories were divided into territorial entities that were subject to different types of Israeli and/or Palestinian rule. The West Bank was not only split into Areas A (under Palestinian civilian and military control), B (under Palestinian civilian control and Israeli military control), and C (under Israeli civilian and military control), but was also severed from Gaza (Figure 1)[3].

See Appendix, Figure 1

This territorial arrangement provided the condition for the bifurcation of the West Bank territory. In fact, the 1995 *Oslo II* agreements:

turned the West Bank into a series of cantons separated from each other by areas under Israeli control … by December 1999 the Oslo agreements had created 227 separate areas in the West Bank under full or partial control of the PA. The overwhelming majority of these areas … are less than 2 km2 in size. Most important, Israel controlled the territory between these enclaves, effectively turning them into bantustans. (Roy 2001: 11)

This territorial fragmentation brought about a "Bantustanization" of land and labor (Farsakh 2002). This spatial reality transformed "Palestinian areas into de facto labor reserves out of which Palestinians cannot easily exit without a permit issued by the Israeli authorities" (Farsakh 2002: 14).

The encirclement of Palestinian-controlled territories by Israeli-controlled roads, settlements, and territories to which Palestinians have limited or no access has fragmented the region into social and economic islands (World Bank 2010), that are surrounded by an array of physical, administrative, and legal barriers and closures. This territorial fragmentation, instead of enabling economic development, has contributed to the West Bank's economic fragmentation and disintegration and has curtailed economic opportunities.

Indeed, the modus vivendi crafted by the *Oslo Accords I* has resulted in what Palestinian anthropologist Khalil Nakhleh (2014) has dubbed "economic neo-colonialism." This characterizes the dual process of settler colonization and donor-led economic neoliberal policies that favor foreign investment and an export-oriented growth strategy, complemented by foreign aid (Samara 2000). Consequently, since 1994 the PA has received approximately 23 billion US dollars in aid, and now has an internal and external debt of over 4.3 billion US dollars. As a result, the PA has been unable to pay the wages of over 170,000 public employees at the end of each calendar month (Nakhleh 2014). The Palestinian economy remains highly dependent not only on international aid, but also on the Israeli economy, as 90 percent of Palestinian trade is channeled through the Israeli market, over 70 percent of Palestinian consumer goods are imported, and only 30 percent are produced locally (Karim/Farray/Tamari 2010: 40–45). For Sara Roy (2001), it was this post-Oslo reality of "cantonization" and the encirclement of the Palestinian community by a web of physical and bureaucratic obstacles that, together with stalemate in the peace negotiations in the late 1990s, contributed to Palestinians' collective dismay, which reached its apogee in the second *Intifada*.

Cantonization and the Wall System

In the wake of the second Intifada in 2000 Israeli security concerns have increasingly overridden the economic viability of the Palestinian Territories. Indeed:

Movement and access restrictions have defined Palestinian economic and social well-being for two decades, and dramatically so since 2000. (World Bank 2010: 11)

While the Oslo process had left Palestinian society weakened and fractured, the increase in various closure mechanisms after 2000 constituted a "shock" to the Palestinian economic system (UN/UNESCO 2005). In 2002 the Israeli government started to build the Separation Wall,**4** which is adjacent to, yet diverging from, the internationally recognized 1949 armistice line between Israel and the West Bank. When completed, it is projected to be 721 km long (525 km of which is to run within West Bank territory) and will be more than twice as long as the Green Line.

Already the early Zionist Vladimir Jabotinsky used the metaphor of an "Iron Wall," emphasizing the need for a strong Jewish presence in Palestine that would eventually force Palestinian Arabs to accept the Zionist colonization of their land. He argued that, as any native population would never voluntarily agree to being colonized:

*the only way to obtain such an agreement is the iron wall, which is to say a strong power in Palestine that is not amenable to any Arab pressure. In other words, the only way to reach an agreement in the future is to abandon all idea of seeking an agreement at present.***5**

Indeed, the Wall and "the closure creates a colonial 'there' and 'here' of a new kind, nicely separated" (Algazi, 2014:4). While Israeli peace activists and critics have questioned the closures and the construction of the Wall as a continuation of long-standing policies of colonization, for most people the closures sustain a separation of the Jewish state from the allegedly hazardous, dangerous, and uncivilized "other" (see, for example, Bar-Tal/Antebi 1992).**6**

It was, however, not until 2002, at the height of the second Intifada, that the then Prime Minister Ariel Sharon solidified Vladmir Jabutinsky's metaphorical vision into bricks, mortar, and steel wire (Shlaim 2000). The terms used to describe the West Bank barrier are iconic examples for evoking certain cultural meanings and political stances. While for the Israeli government the barrier is a political

device for implementing a new national security policy, for the Palestinian government it is a repressive measure that encroaches on their territory, restricting mobility and destroying the livelihoods, social fabric, and welfare of Palestinian communities. Such diverse meanings inform the terms used to describe the barrier. While for its proponents it is the "Security Fence" or "Anti-Terrorist Fence," signifying permeability, transparency, movability, security, and good neighborliness – as in Robert Frost's poem, "Mending Wall," which suggests that "good fences make good neighbors" – for its opponents it is the "Apartheid," "Segregation," "Separation," "Colonization," "Demographic," or "Annexation Wall," underscoring its ethnic, territorial, and political implications.

Israel's Separation Barrier is neither an isolated phenomenon nor an anomaly in today's globalized world. Rather, since the fall of the Berlin Wall in 1989, a "new age of the wall" has emerged. The renaissance of walls, barriers, and fences and the emergence of a hardening of borders around the globe has been spurred by the post-1989 emergence of global capitalism, which has produced unprecedented wealth, unmatched economic opportunities, and stark inequalities. These new bordering mechanisms are intended to keep waves of illegal immigrants from the economic periphery at bay, increase national security, curb terrorism, minimize ethnic violence, and inhibit smuggling and drug trafficking.

Walls are also where politics intersects with economics. While some critics underscore the cost of walls and closures to governments (Hever 2013), others point out that they are part of a "security-industrial complex" that has made security a growth industry and a profitable business (Vallet et al. 2013). Not only military companies and homeland security industries, but also international oil companies and arms manufacturers have managed to increase their growth. For instance, companies such as the Israeli firm Elbit have won lucrative contracts to provide security surveillance technology for the US–Mexican border (Haaretz and Reuters 2014).

Not only is Israel's Wall/Fence part of a global trend towards re-bordering national, territorial, or ethnic boundaries, and fits in with the economic logic of an ever-growing "border industry" (Vallet/David 2013), but it is also the summation of previously established Israeli-imposed barriers post-Oslo. Indeed, the Wall is part of a "wall system" that contains various exclusionary administrative policies and physical obstacles, which have been developed over decades (Weizman 2004: 5; Zink 2009). Exclusionary policies comprise restrictive permit systems that are administered by the Civil Administration's District Coordination and Liaison Office (DCL), which regulates Palestinians' movement across the West Bank and into Israel, and physical obstacles, including (as of 2014) over 490 closure mechanisms,**7** such as manned checkpoints, temporary roadblocks, Jewish settlements, and Israeli-controlled no-go areas, as well as the "forbidden road system" (which includes roads primarily for Israeli use to which Palestinian access is regulated or prevented). As a result, the Wall has increased the already pervasive disintegration of the West Bank "into a series of Palestinian enclaves. Each Palestinian enclave is geographically separated from the other by some form of Israeli infrastructure, including settlements, outposts, military areas, nature reserves and the Barrier" (UN OCHA 2007: 70). Consequently, the post-2000 territorial-legal geopolitics and spatial arrangements have brought about an "economic fragmentation" (UN/UNESCO 2005: 10) that has entailed the breakdown of economic relations with Israel, between districts within the West Bank, producers and their markets, and employers and their employees, as well as between rural and urban communities, resulting in forcibly accelerated urbanization.

The Geopolitics of Closures: Forced Urbanization and Spacio-cide

The "economic neo-colonialism" that has interlinked colonialism with neoliberalism has also gone hand in hand with "spacio-cide" and its socio-economic consequences (Farsakh 2002; Nakhleh 2014; Yiftachel 2009).**8** For Sari Hanafi (2009) the Israeli colonial project in the Palestinian Territory is indeed "spacio-cidal" in that it targets the landscape. It is a "spacio-cidal" project in an age of literal agoraphobia – the fear of space and its presumably hostile human elements – which leads to the fragmentation of landscape, its elimination for Palestinians, and its annexation and control by the Israeli state. As a result, Palestinians' spatial realities have developed in line with neoliberal geographical transformations around the globe. There have been "geographically uneven, socially regressive, and politically volatile trajectories of institutional/spatial change" that are associated with neoliberal "reforms", which have brought about the "creative destruction" of "political-economic spaces at multiple geographical scales" (Brenner/Theodore 2002: 349). Arguably, Palestinian spatiality and therefore the ability for it to be administered on the basis of political sovereignty has been *"creatively destroyed"* by the fraught geopolitics of the region.

The neo-colonial spatial reorganization of space into an ethnically bifurcated territory and Palestinians' loss of territorial control over land and natural resources (Lavorel 2013) have driven peasants and residents off the land and into urban centers. Israeli and Ottoman laws continue to be utilized to rearrange the ethnic geography of Israel/Palestine (Kadar 2001), causing an influx of Palestinians into their cities. Almost three-quarters of the Palestinian population in the Gaza Strip and the West Bank, including East Jerusalem, are urbanized (81 percent in the Gaza Strip and 69 percent in the West Bank) (PCBS 2010: 205).**9** The eruption of the first Intifada in 1987 and the subsequent dissemination of closure mechanisms across the territories rapidly accelerated this urbanization process (El-Atrash 2014: 27–29), as well as the outflow of Palestinians from the Palestinian Territory.

The construction of the Wall further limited the availability of land for future spatial development by isolating approximately 9.4 percent of the West Bank's territory in the "seam zone," the territory trapped between the Wall and the Green Line (UNOCHA 2013). While the areas for spatial development are ever shrinking due to the "wall system," Palestinian demographic growth rates have been rising rapidly, increasing the population density in urban areas by 34 percent between 2002 and 2013 (see El-Atrash 2014: 27; Coon 1992; PCBS 2007), while population density in rural areas has decreased. This sudden increase is due to many factors related to the Israeli-imposed closures (most importantly the Wall), which have forced Palestinians to move from the ever more sparsely populated rural areas into the main urban centers in order to have better access to social services, such as hospitals, schools, and universities.

The Wall and closures have transformed Palestinians' relationship to their agrarian landscape by replacing traditional links to the land with modernist capitalist notions of the utility, production-capacity, and profitability of land (Anani 2007). On top of that, the accelerated migration from Palestinian rural areas to the urban centers has negatively affected the agricultural production–consumption cycle of agri-economics. On the other hand, there has been a dramatic increase in the urban service sector (Yiftachel 2009). Indeed, the urban service sector produces the largest share of Palestinian GDP (26.9 percent in the Gaza Strip and 17.7 percent in the West Bank (PCBS 2013:55)). The city of Bethlehem provides a representative case for analyzing the socio-economic repercussions of the Wall and its effect on rural de-development and urban conglomeration.

The Wall in Bethlehem: A Theater of Urban Overcrowding and Rural Fragmentation

Bethlehem has developed and expanded over the past few years and now constitutes the urban hub and service center of the Bethlehem city-area, which also includes Beit Jala and Beit Sahour. The Wall was started at Rachel's Tomb, on Bethlehem's northern border with Jerusalem. It now extends to 74.8 km (with only 3.2 km being aligned with the Green Line) and segregates 159,793 dunums from Bethlehem's city-region (POICA 2009), which occupies 607.8 km2 of land and has 199,466 inhabitants (PCBS 2012). Due to the geo-political territorial arrangements established in the 1995 *Oslo II* agreement, more than 94 percent of Bethlehem's residents live in less than 14 percent of the city-region's total area, which falls under Areas A and B and are therefore under Palestinian planning jurisdiction (ARIJ 2013). In the remaining area, classified as Area C and thus under Israeli control, the Wall and the settlements perpetuate a matrix of Israeli infrastructures that occupy more than 18 km2 of Bethlehem city-region's land.

The Wall compartmentalizes Bethlehem's city-region into three spatial zones: the "eastern" and "western zones," as well as the "urban center" (see Figure 2). The urban center is the main service provider for the region and contains many archeological and tourist sites, including the Church of the Nativity, that was built over the cave that marks the birthplace of Jesus. It houses 94 percent of the total population of the city-region. Unlike, the "urban center," the "eastern" and "western zones" are under Israeli control and are sparsely populated. The "eastern zone" is dominated by Israeli settlements, outposts, by-pass roads, and closed military areas, which sever Bethlehem's city-area from the Dead Sea, a tourist attraction with great economic potential. The "western zone" – which is known as Bethlehem's "breadbasket" – is crisscrossed by the Wall, affecting 25,000 inhabitants in nine Palestinian rural communities, severing peasants from their lands and hindering residents' access to social services in the urban center. Upon completion of the Wall in that region, the "western zone" will be the largest "seam zone" in the West Bank.

Before the outbreak of the second Intifada approximately 18 percent of waged workers in Bethlehem were employed in the tourist industry (UNOCHA/UNSCO 2004: 14). After the Wall's construction, both the tourist and the agricultural sector's contribution to the local economy

rapidly diminished, and they employed only 4.3 percent and 1 percent of Bethlehem's labor force, respectively (CCC 2012). Similar economic decline has befallen Bethlehem's health and education facilities, with rural facilities being disproportionately affected. For instance, in 2007, the economic contribution of education and health care in Bethlehem's city-area were 6.6 percent and 10.1 percent, respectively, but only 2.6 percent and 5.5 percent for Bethlehem's city-region (PCBS 2008: 44).

In Bethlehem, as well as across the West Bank, the Wall has established a Kafkaesque reality, posing formidable physical, spatial, bureaucratic, and social challenges. Due to its confiscation of land and natural resources it impedes sustainable spatial development across the Palestinian Territory, which would be crucial for Palestinian state-building efforts. Moreover, the Wall's ongoing redefinition of the spatiality of Palestine's urban and rural communities has severed people from their land, producers from consumers, and rural communities from their urban centers. To be sure, while the closures had already severely weakened the Palestinian economy, the Wall has constituted a "shock" to its very sustainability (UN/UNESCO 2005).

See Appendix, Figure 2

Conclusion

Karl Polanyi cited Aristotle to emphasize that humans are not just economic, but also social beings. Concerns for human rights, social equality, and historical lessons that question the wisdom of constructing barriers with a view to establishing long-term peace and international security, however, have been subordinated to the intertwined logic of the political and economic gains – for some – of expanding and securing the control of states over territories and people (Leuenberger 2013; Scott 1998; Sterling 2009). The spatial developments in Palestine, and Israel's administration and control over population flows through the establishment of various exclusionary mechanisms – including the Wall – have been driven by local politics and economics and have become part and parcel of the logic of a new global security-industrial complex. Not only has the politics of occupation been driven by a neoliberal agenda, but also the very making of the Palestinian state was supposed to be a neoliberal economic miracle. Political agendas of national liberation thus became subsumed by the dream of neoliberal reform as a new form of political state building. Indeed as Neil Brenner and Nik Theodore (2002) observe, neoliberalism is no longer merely one model of

> *state/economy relations that national governments may choose to promote within their territories … [but rather] the evolution of any politico-institutional configuration following the imposition of neoliberal policy reforms is likely to demonstrate strong properties of path-dependency, in which established institutional arrangements significantly constrain the scope and trajectory of reform. (Brenner/Theodore 2002: 361)*

Neoliberal agendas, although transformed and shaped by particular institutional landscapes and power configurations, achieved dominance in the late twentieth century. National governments and local stakeholders from the Global South have only recently starting to "talk back" to the neoliberal agenda setters. At the same time, the failure of unbridled neoliberal "reforms" has given policy-makers and academics pause concerning how to remake policy programs and develop academic understanding, that take into account local development trajectories without marginalizing local capacities and social, economic, and political needs. Economists are increasingly arguing for "a broader view of development that focuses on the economic, social, political, environmental and cultural aspects of a society" (Owusu 2003: 1661; see also Sen 2009) and that propagates a more human-centric and holistic approach, so as to alleviate some of the pitfalls of rapid globalization, which has produced stark inequalities, hand in hand with swathes of social problems, ranging from poverty and social delinquency to terrorism. As the World Bank's president has argued, "the world will not be stable if we do not deal with the question of poverty. If it is not stable, we will be affected by migration, crime, drugs and terror" (Wolfensohn, cited in Owusu 2003: 1667).

In the meantime, the World Bank's (2010) concern is the sustainability of the Palestinian economy under conditions of closures. The World Bank maintains that the most efficient way to improve economic opportunities in Palestine and tackle the pervasive social problems would be to lift movement and access restrictions. Given the renewed stalemate in peace negotiations since 2014, however, economic measures that would circumvent mobility restrictions and increase Palestinian self-sufficiency and reliance are some of the only measures that could improve Palestinian economic life. Because of the fragmentation of the Palestinian economy, new centers of localization with increasingly diverse industries would circumvent the mobility restrictions and boost skill development, thereby facilitating economic activities. In a fragmented market such local resource development can reduce "economic vulnerability" (UN/UNESCO 2005: 45).

Again, the lessons from Palestine are not unlike those learned across the Global South, only in the West Bank and Gaza the conditions are worsened by the troubled geopolitics of the region. Elsewhere, globalization without protectionism has threatened the social, political, and economic sustainability of developing countries (Sen 2009), but "economic neoliberalism" threatens the West Bank and Gaza even more because of its dependency on Israel (economically and in terms of policies) (Samara 2000)) and inescapable territorial fragmentation. The call on Palestinians to localize production and consumption facilities and to develop local resources and skills is particularly pertinent in a fragmented territory over which Palestinians' sovereignty claims are merely patchy. Then again, the need for local capacity-building so as to sustain local infrastructures, people, and economies is a call that reverberates across developing economies in the Global South. The West Bank and Gaza are particularly pertinent examples of the pitfalls associated with the need to establish a functioning state and a viable political economy in a globalized world at the beginning of the twenty-first century.

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Endnotes

1Under international law, the Palestinian Territories are under Israeli occupation. The Israeli government, however, contends that due to Israel's need to defend itself and its replacement of Jordanian rule over the West Bank, its presence in the West Bank has a unique legal character (Ayoub 2003).

2The term "intifada" means "shaking", which for some Israelis implies a Palestinian war against Israel, and to Palestinians signifies a popular uprising against an occupying regime.

3For up-to-date closure maps of the West Bank and Gaza, see UN OCHA Jerusalem: http://www.ochaopt.org/maps.aspx?id=96 .

4The International Court of Justice (2004) declared that what it referred to as the "Wall" (this term was used as it was considered to be most descriptive of its physical consequences for freedom of movement on the ground) to be illegal under international law. http://www.icj-cij.org/docket/index.php?p1=3&p2=4&case=131&p3=4 .

5For the full 1923 text written by Vladimir Jabotinsky see http://www.jabotinsky.org/multimedia/upl_doc/doc_191207_49117.pdf

6It has to be noted that, while the negative consequences of the closures and the Wall become ever more obvious for Palestinians, they at the same time signify the dissolution and softening of boundaries for the Israeli security forces who, under the guise of security, may penetrate into the Palestinian territories at any time, "walking through [the very] walls" (Weizman 2006: 8) that contain the local population (Algazi 2014).

7For up-dates see maps and reports on closures and access, available at UN OCHA.
http://www.ochaopt.org/mapstopic.aspx?id=106&page=1

8The average per capita income in Israel is 32,000 US dollars as against 1,000 US dollars in the Palestinian Territory, indicating the growing imbalance in terms of socio-economic conditions (Karim/Farraj/Tamari 2010: 42).

9Palestine's urbanization level is higher than other Arab States (which have an average of 57 percent of their population living in urban centers, against a global average of 51 percent). Israel, on the other hand, has an almost 92 percent urban population (UNDP 2011: 160–165), which arguably has to do with the establishment of Israeli communities on the periphery of the main cities (Alfasi/Fenster 2014).

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Appendix

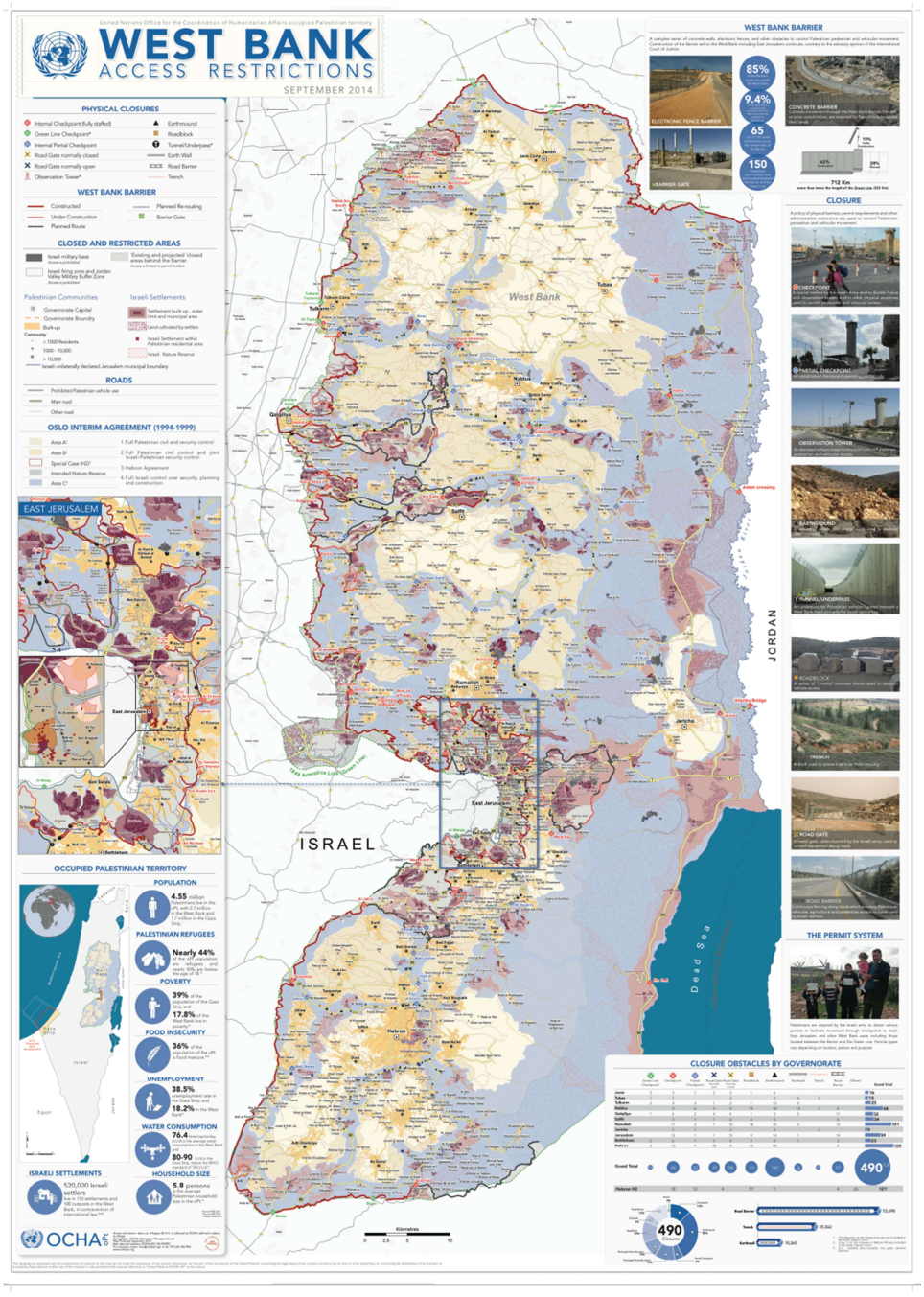

Figure 1: UN OCHA West Bank Access Restriction Map, September 2014

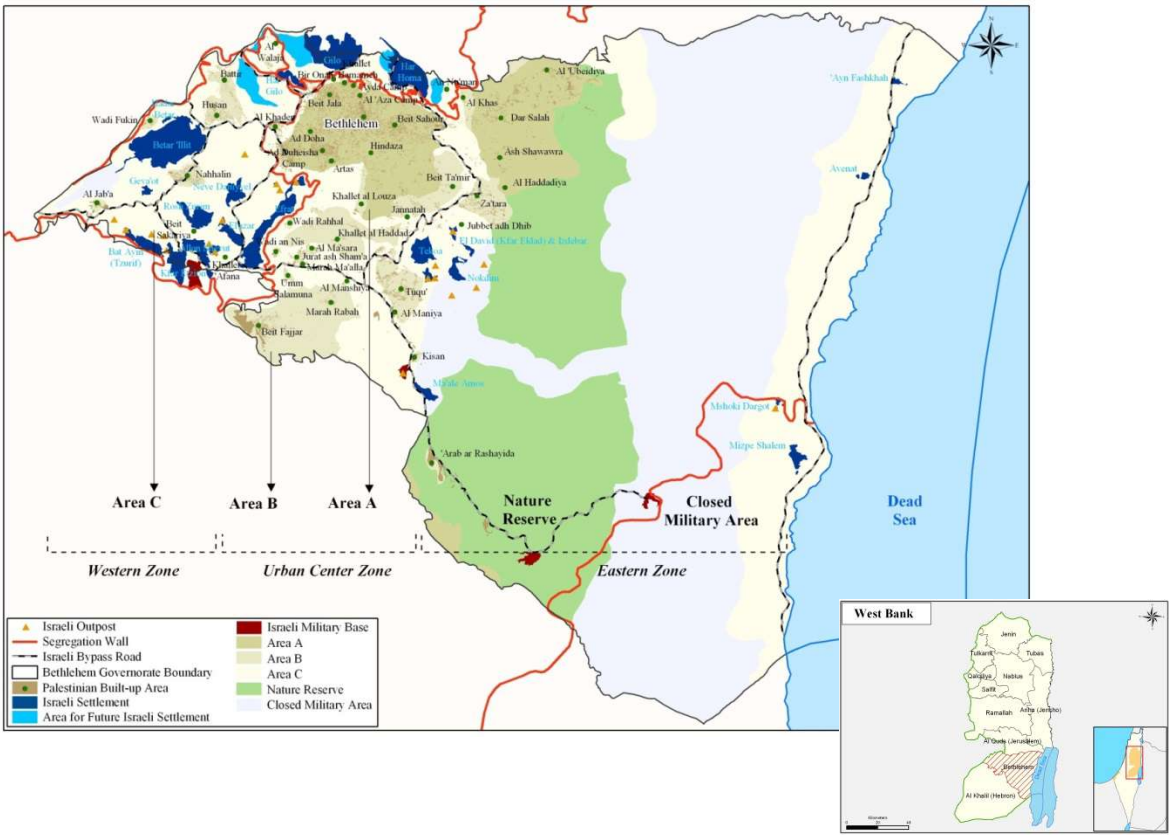

Figure 2: Geo-political Classifications of Bethlehem City-region by the Wall, Scale 1:175,000 (ARIJ 2013)

Interview

Asaf Malchi interviewed by Asaf Darr

Asaf Malchi *received his master's degree in political science specializing in urban planning from the Hebrew University in Jerusalem. Malchi is currently a doctoral candidate in the Department of Public Policy and Administration at Ben-Gurion University in the Negev. His research subject is the Institutions and Occupations Rewards of Minority Groups in Military Service. Since 2008, Asaf has been managing the ultra-Orthodox employment research study for the Research Department at the Ministry of Economy. He has been examining and focusing on employment trends of the ultra-Orthodox community in Israel and has been assisting decision makers in formulating their public employment policy. Also, in 2012, Malchi partnered with others to establish and manage the "Haredi Society Research Seminar" at the Jerusalem Institute for Israel Studies which provides a platform for various scholars studying the ultra-Orthodox community in Israel. He is also a research colleague in the Israeli Democracy Institute.*
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1 How do you define an Ultra-Orthodox [or Haredi] Jew?

The Ultra-Orthodox population in Israel is a very heterogeneous sector, but it has some common characteristics and basic values. Its main characteristic is that it is an "enclave society" that stands apart from the main culture and modern society (Sivan, 1991). The second unique characteristic of this population is the fact that most of the men spend most of their time studying the Torah and the Talmud and therefore this society can be defined as a "scholar society" (Hevrat Hlomdim) (Fridman, 1991). In terms of a broad spectrum we can say that the Ultra-Orthodox population in Israel has several main attributes. They see studying the Torah and the Talmud as their main value. They have a radical and rigorous interpretation of the Jewish law that is combined with total faith in God. The individual is subjected to close social supervision by the community. They share a conservative and puritanical way of thinking and an entirely segregated education system for boys and girls. Finally, Ultra-Orthodox Jews have special customs, norms and dress codes and they live in separated neighborhoods and towns, which is another indication of an enclave society.

2 What percentage of the Israeli population do Ultra-Orthodox Jews represent?

Although there isn't one single acceptable approach that all demographers use regarding the most accurate way to define and measure the size of the Ultra-Orthodox population in Israel, according to one recent estimation it accounted for 11 percent of Israel's population in 2013. The Ultra-Orthodox population among all Jews is roughly 14 percent and growing. At the beginning of the millennium (2002) the Ultra-Orthodox population made up only 9 percent of the total population.

3 What percentage of Haredi men participate in the labor force?

During the past decade the labor market participation of Haredi men in Israel has increased. Officially, in 2000 only 38 percent of Haredi men were employed. Thanks to current internal trends in the Haredi sector (such as the pragmatic attitude of several leading Rabbis) and a proactive government policy that includes large budgets for employment centers catering specifically for this sector, the percentage of Haredi men who participate in the labor market has increased to 44.5 percent (last quarter of 2014).

4 What percentage of the Haredi women participate in the labor force?

Haredi women's labor market participation in 2014 is 69 percent. In the year 2000, the figure was only 46.5 percent. It is important to emphasize that in the Haredi population in Israel, it's very common to find Haredi women supporting their husbands, while the latter invest most of their energy, efforts and time in Torah studies (in yeshivas). This is the social norm in most Haredi communities, and the main reason why Haredi women work much more than their spouses.

5 Historically, why have Haredi men refrained from joining the labor force?

There are several reasons why Haredi men have tended to refrain from joining the labor force, something that distinguishes this sector in Israel from other Ultra-Orthodox

communities all over the world, and from previous periods in the modern history of the Jewish nation. It would be fair to say that key to understanding this unusual phenomenon is the unsolved relationship between military service in Israel, which Haredi men tend to avoid, and the labor market. In May 1948, in the first days of the young Israeli state, in the middle of the terrible battle between the Arabs and the Jews, the first Prime Minister of Israel, David Ben-Gurion, met the leader of a small and fragile Ultra-Orthodox enclave community in Israel, Rabbi Avraham Yishayahu Karelitz (a.k.a. The Hazon Ish). They decided to release 400 young yeshiva students from recruitment to the army, on condition that they only study the Torah and not work or acquire other skills. Today, there are two main reasons that Haredi men refrain from the labor force: first of all, the higher value given to studying the Torah rather than to skills that would improve their labor market position and their employability, together with the entitlement to avoid military service. Secondly, they fear losing the high social status of the Talmud scholar, which is highly valued in their community, as well as being exposed to norms and values of the secular and modern labor market that are very different from those of the Ultra-Orthodox way of life.

6 Do you see increasing willingness among the Haredi population to integrate more into the Israeli economy?

In the past decade, and especially since 2002, there has been a strong and consistent tendency among the Haredi population in Israel to better integrate into the economy and the labor market. This is because of great internal and external changes in Haredi society, as well as in the Israeli economy. The main reason for this change is the new government policy of cutting welfare budgets and encouraging employment, especially among Haredi men. The second reason is internal changes within Haredi society, including a more pragmatic Rabbinic leadership, as well as consumer changes and the rise of marginal groups in this society (modern Haredi) that put more emphasis on the Haredi contribution to Israeli society in general, including recruitment to the IDF.

7 How does the Haredi population envision their role in the Israeli economy?

The rhetoric and traditional attitude of most of the Haredi society and the old Rabbinic leadership view their role for the Jewish people as protectors and custodians of the Torah and its ancient traditions. This is one of the main reasons why, for many years, most Haredi women, but especially men did not take an active part in the flourishing Israeli economy.

8 What are the greatest obstacles to integrating them into the labor force?

I believe that the main obstacles to full integration of Haredi men in Israeli society is the absence of fundamental skills and knowledge, such as having the ability to read and write English, computer skills, coping with schedules and deadlines, as well as other skills that are not taught in the yeshiva (employability skills). Another obstacle is negative stereotypes or stigma among non-Haredi employers, who don't really know how to deal with Haredi men, and most of whom don't believe that Haredi men can be efficient workers.

9 What strategies do you recommend in order to facilitate better integration of this population?

The main thing that the Israeli government should do to increase the integration of Haredi society into the mainstream economy is to provide tools and opportunities for those wishing to take academic courses or technical and engineering courses. In addition, young Haredi men must be given access to learning general reading skills and basic secular education alongside Torah and Talmud Studies. Only in this manner can future generations of Ultra-Orthodox Israelis become better integrated in the mainstream economy and society of the country.

New Frontiers in Economic Sociology: Socio-Economic Approaches to Sustainability

Constructing Sustainability: Reframing Environmental Considerations and the Market

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In May 2014, four of the largest environmental advocacy organizations in the United States co-sponsored *Fortune* magazine's annual "Brainstorm GREEN" conference, a gathering of corporate, non-profit and government professionals working on sustainability, held at the Ritz-Carlton luxury hotel in Laguna Beach, California. The environmentalists spoke at strategy panels alongside executives from car companies (General Motors, BMW), technology firms (Microsoft, Dell), agribusiness (Cargill) and retail giants (Wal-Mart, Proctor & Gamble). The sessions had titles such as "Show Me The Money," "Managing Natural Capital," and "Marketing Nature." Clearly, by 2014, "sustainability" has arrived in markets, interacted with and spawned different forms of value, and become commodified – precisely the processes that have long been of interest to economic sociologists. As economic sociologists, we can and should play a role in theorizing sustainability, connecting it to the key questions that have helped us interrogate socio-economic relations, practices, and institutions.

It is tempting to make the first theoretical task one of defining what, precisely, sustainability is. Its faddishness and ubiquity have served only to muddy attempts to engage with it. Sustainability debuted as a policy principle in the context of economic development in the late 1980s; "sustainable development" at that stage was understood as development "that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development 1987:43). But as sustainability has migrated into new contexts, the concept has taken on additional valences and complexity. For instance, in some quarters, it is about "triple bottom line" thinking: the prosperity of people, planet, and profit. In others, it is a more radical vision of collective prosperity disentangled from the imperatives of relentless and carbon-intensive consumption. In still others, it is a technical matter of innovation in energy, transit, supply chains, urban spaces, and workplaces. The multiplicity, occasional overlap, and potency of these meanings should warn us off trying to impose hard and fast boundaries around what sustainability is or can be. We ought instead to ask the questions: How is "sustainability" constructed as an economic principle and mobilized in markets, firms, and economic practices? What is made possible in its name? Below, I offer three broad angles from which economic sociologists might press further, taking the contours of sustainability themselves as the object of empirical inquiry: (i) sustainability in markets and economies, (ii) sustainability with markets and economies, and (iii) sustainability of markets and economies.

Sustainability *in* Markets and Economies

Sustainability *in* markets and economies refers to the ways in which sustainability appears as a discursive frame in market activities and economic life. In other words, it examines the social processes through which sustainability is made "marketable," constructed as something that might increase consumer appeal, bolster firm reputation, attract new employees or investors, and thereby come to be regarded as a source of economic value. A robust and growing literature on "corporate sustainability" has documented these developments, but often focuses on questions of motivation and effectiveness: why companies "go green" and whether their environmental impacts change as a result (see Banerjee 2008; Bansal and Roth 2000; Bartley 2007; Hoffman 2001; Ramus and Montiel 2005). In contrast to other environmentalist frames, which emphasize difficult trade-offs, sacrifice for the greater good, and humility in the face of nature, corporate and other market actors have interpreted sustainability as part of a "transition," as a source of new, profitable opportunities (Janković and Bowman 2013) and "win-wins." Economic sociologists are equipped to mount a rigorous examination of the symbolic meanings of sustainability as it enters into systems of production, consumption, and exchange, and might consider, for example, how this interpretation generates moral claims about economic practice, and what kinds of obligations those claims create. We might ask

whose professional interests and which forms of expertise influence how sustainability is defined and mobilized in different contexts. We could capture how attempts to enhance sustainability reframe the meanings of different economic practices, objects, and relations. In brief, theorizing sustainability *in* markets means taking seriously the plasticity of the concept for making possible new economic arrangements.

Sustainability *with* Markets and Economies

Whereas sustainability *in* markets addresses how ideas of sustainability are brought into market processes, sustainability *with* markets reverses the relationship, examining the application of market concepts to environmental questions. It refers to the use of market devices, instruments, theories, and economic valuations to "solve" problems of resource use, ecological degradation, climate change, and so forth. For economists (as well as policymakers influenced by them), this is a matter of figuring out how to "price-in" externalities so that markets and economies respond to them more adequately. But how does sustainability become this object of economic knowledge and intervention? Economic sociologists, particularly those inspired by performativity and the science-studies approach more generally, can call attention to the conflicts, erasures, disciplinary implications, and the precarity of knowledge production involved in such efforts to measure, commensurate, quantify, and value nature and environmental impacts (Asdal 2008; Fourcade 2011; Freidberg 2013; Lohmann 2009; MacKenzie 2009; Nyberg and Wright 2013; Stephan 2012). When we look to calculative agencies, price mechanisms, and markets to "redesign" our relationship with the ecological world, we enhance certain modes of governance and social provision and foreclose on others (for instance, the assertion that carbon markets can "efficiently" solve excessive greenhouse gas emissions forms part of an argument against "unnecessary" regulation). Economic sociologists can and should be part of theorizing how, why, and to what effect we have increasingly come to refract the pursuit of environmental improvements through the lens of market-based solutions and economic fixes.

Sustainability *of* Markets and Economies

The sustainability *of* markets and economies refers to how various patterns of production, consumption, and exchange might be more or less environmentally intensive – are there existing or possible economic arrangements that, for instance, lower our carbon footprint and mitigate any further effects of climate change? The relational practices set in motion by the architecture of markets, the embeddedness of economic actors in social structures, and the interactional development of shared meanings, strategies, and objectives all affect the resource-intensiveness and wastefulness of our structures of production, consumption, and exchange. Economic sociologists can illuminate how histories of economic and political development have patterned the relationships of political systems to energy use (Mitchell 2009), of growth to nature (Moore 2011), and of individuals to consumerism and waste (Jorgenson 2003; Shove 2010). We can question how imperatives to (re)organize economic life in more "sustainable" ways both emerge from and result in a complex set of interactions.

The Reality of Sustainability

This third angle – the sustainability of markets and economies – most directly targets an existential question that motivates scholarly interest in sustainability more generally: is sustainability "real"? Is sustainability a laudable and achievable organizing principle of capitalism? Or is capitalism, in its very essence, "unsustainable"? Are the participants in Brainstorm GREEN on to something, or are they merely promulgating empty rhetoric? In environmental sociology, this has often been framed as the debate between ecological modernization theory and the treadmill of production. Ecological modernization theorists argue that capitalism can (or even must) be reformed to achieve "sustainability"; it has the tools for its own repair (Spaargaren and Mol 1992). Treadmill-of-production theorists, by contrast, locate ecological degradation at the core of a monopoly-capitalist system that cannot reconcile ecological sustainability because it depends upon increasingly resource-intensive production for its growth (Gould, et al. 2004). Economic sociologists can and should participate in this debate, with a constructionist approach that does not presume *a priori* what sustainability is, does, or looks like. We might reframe the question to ask not "is sustainability real?," but rather, "how have we made sustainability real?"

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Endnotes

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Book Reviews

Book: Aronczyk, Melissa, 2013: *Branding the Nation. The Global Business of National Identity.* New York: Oxford University Press.

Reviewer: Simone Polillo, University of Virginia, sp4ft@virginia.edu

In *Branding the Nation*, an engagingly written, sophisticated book on the determinants and significance of national branding campaigns, Melissa Aronczyk asks two main questions: how have marketing agencies, particularly international ones, become so central to the presentation and shaping of national identity, both domestically and internationally? And second, does the nation still matter in a time of heightened globalization, seemingly unstoppable crisis, and virtually unchallenged market dominance? Unlike a long and well-established literature on the sociology of development, primarily focused on the ways in which globalization creates opportunities for countries to present themselves as different and unique, thereby enhancing their prospects for upward mobility in the international division of labor, Aronczyk looks at the branding process with very critical eyes. She presents it as a top-down process, orchestrated by a "transnational promotional class" located predominantly in London, that draws on the US managerial literature on competitiveness for its ideological cohesion, and on quantification through surveys that probe how "the world" sees a particular focal country for its legitimacy. This transnational promotional class consults with national governments to construct impactful images of the nation (ultimately embodied by a logo supporting a core idea or slogan) with the goals of making the nation attractive to foreign capital, and increasing its competitiveness by shaping how it is perceived by international capital markets.

Two aspects of the branding process make it particularly problematic. First, despite its insistence on quantifiable metrics in order to assess the potential of a proposed campaign at the planning stage, once the brand is created, the transnational promotional class never admits failure: the responsibility for any promised outcome that does not materialize is squarely laid at the government's feet. Thus branding is asymmetric in its consequences. Second, the branding process ultimately has to lead to just one message, spoken with just one voice: this necessarily means the suppression of alternative narratives, the homogenization of difference and the dampening of political conflict. Thus branding contributes to both the depoliticization of decisions that, were they taken on a more participatory basis, could enhance rather than weaken the democratic process; and the perpetuation of the myth that markets, and the economic logic they embody, are better mechanisms of governance than the political process, precisely because they allow the shedding of differences in the name of competitiveness.

I do not want to give the impression that this is exclusively a theoretical book. While the first two chapters indeed focus mainly on situating the argument in a broadly critical and rather abstract literature on globalization as neoliberal finance capitalism, the second half of the book is empirical. One chapter (perhaps the best in the book) discusses in great depth how the Polish government branded its nation as one of "creative tension," a phrase which was supposed both to make sense of Poland's troubled historical relationship with Russia and the West, and to correct an alleged perception of its status (by domestic and international audiences) as "abnormal." "Creative tension" captured and domesticated the contradictions of Polish "national character." And yet, paradoxically, there was no easy way to translate the phrase into Polish! The consultants therefore also had to embark on an educational project aimed at teaching the Polish people how to use the phrase (and what alternatives to use when the phrase was not properly understood.) Moreover, the brand was couched in a rather exclusionary language, driving a wedge between the older generations (identified with a difficult past Poland wanted to shed) and the creative and pro-market youth, the true actor in this narrative of progress. This chapter is thus particularly successful in highlighting, and providing concrete evidence for, the contradictions and pitfalls of national branding.

Another chapter deals with the debates around the branding of Canada, a country priding itself on its diversity, yet troubled by a perception that it is "mediocre." Here the analysis is a little confusing, as Aronczyk's frame around issues of multiculturalism and pluralism does not sit well with the perceived problems branding consultants are called in to address. There is, in other words, a gap between the empirical evidence and the theory. A third em-

pirical chapter extends the analysis to nine additional cases, and while this necessarily requires a compromise in terms of depth, the discussion of the branding experiences of Georgia, Chile, Jamaica, Germany, Sweden, Estonia, Botswana, Uganda and Libya is informative and gives a sense of the global importance of the problem.

I have two small points to make by way of critique, but they should not take away from the main contributions of the book. First, like the critical literature on globalization Aronczyk uses as a theoretical starting point, her analysis at times exaggerates the power of the globalization process, and the homogeneity it allegedly imposes on states. But many would argue that globalization is multiple and uneven rather than uniform and univocal. Second, and relatedly, it is unclear whether national branding has the far-reaching consequences for the state and the nation theorized by Aronczyk, and specifically, whether all nation-states will have at some point or another to submit themselves to the prescriptions of this transnational promotional class, or whether there is a world-system dynamic at work, making some countries more susceptible than others. Also, it is unclear whether national branding, with its heyday in the period the book focuses on (the early 2000s), will continue to exercise its influence in the current phase of globalization. It is true that nation-states across the board have been increasingly engaging in self-presentational and reputation-boosting practices since World War II, for instance practicing what Olick calls the "politics of regret." But this is a different literature from the one Aronczyk draws on. The book opens up interesting new venues for research, which will productively inform and advance our understanding of the nation and the state under globalization.

Book: Borch, Christian, 2012: *The Politics of Crowds. An Alternative History of Sociology.* Cambridge: Cambridge University Press.

Reviewer: Michael Reif, Institute for Sociology, University of Göttingen, Michael.Reif@sowi.uni-goettingen.de

In "An ABC for the History of Sociology" Jennifer Platt (2008) lists why one "may be interested in work on the history of sociology". Incidentally, she writes that historical work might help explain why the once important concept of "mass society" has faded away. In *The Politics of Crowds*, this question is touched upon by Christian Borch, professor with special responsibilities in political sociology at Copenhagen Business School, but in a much broader context than is customary. After reading the book, one knows a good deal more about an almost forgotten strength of sociology: reasoning about crowds in modern societies. Shedding light on this intellectual tradition, it also deepens our knowledge of sociological theory. It thus is a fine combination of history of sociology, reasoning about sociological theory and, consequently, theoretical agenda setting.

The main thesis is relatively simple: The starting point of the book is the observation that the topic of crowds was central to sociology during its intellectual formation. The crowd was a classic theme for sociologists such as Gabriel Tarde, Georg Simmel and Robert Ezra Park. It had to be taken into account when studying modern society. During the process of sociology's disciplinary formation, however, it lost its place at the center of sociological reasoning. The notion was reconceptualized successively: from crowds to masses, from "mass society" to collective behavior and social movements and finally beyond recognition. These are the major steps Borch traces in his analysis of the evolution and transformation – or rather the reconceptualization – of the crowd as a semantic concept from the nineteenth to the twenty-first century.

The Politics of Crowds is lucidly written and very well researched. It consists of eight chapters framed by an introduction and a short epilogue. The first four chapters deal with the intellectual roots of crowd thinking in France, Germany and the United States. The development of the topic after World War Two is analyzed in the last four chapters. The book has several strengths and not all can be highlighted here. One clearly derives from its title. *The Politics of Crowds* has three meanings creating a productive tension. First, it means the struggle over the demarcation of the discipline of sociology. The issue of "the crowd" was part of the debates concerning sociology's definition, as well as its demarcation from neighboring fields. Secondly, the crowd was problematized from different angles in the political spectrum. Third and finally, Borch interprets the evolution of crowd thinking with regard to different political contexts throughout history. Due to these changing aspects of the politics of crowds, the argument goes, the intellectual treatment of the subject has changed. And in the end, indeed, it faded away as a research topic of sociology.

Particularly valuable is the part on the intellectual traditions of crowd thinking in France, Germany and the United States, covering the period from the late nineteenth century until the 1930s. The relations between all three meanings of crowd politics show up best in these three chapters. In each case study, the author carefully traces the evolution of the crowd topic and shows how it was reinterpreted. I find it very illuminating how the crowd problematic was part of the struggle over the definition of the discipline of sociology, the politics of definition. Borch, for example, identifies how Emile Durkheim's and Talcott Parsons' definitions of sociology had an impact on the crowd topic in France and the United States, leading finally to its exclusion from the discipline. Moreover, he links these intellectual trajectories or rather histories of crowd semantics to the problematization of crowds, which differs due to the social and political horizons in the three countries: conservative in France, leftish/Marxist in Germany and liberal in the United States. An example of how these differences concerning crowds were emphasized in the French and German contexts is the problematization of the crowd in relation to modern democracy: "Whereas Le Bon had feared democracy, because he believed it to instigate the rule of crowds, Michels' analysis demonstrated that crowds will never rule" (p. 95). The author also discusses crowd semantics and their shifts in the context of the wider political circumstances. The German case study, dealing with crowd thinking and its links with the working classes and political development before, during and after the First World War, is particularly interesting. 1

Another merit of the book is the elaboration of the relations between the works of different authors in terms of the crowd topic. After reading the book one knows more about the intellectual connections between – to name but a few – Gustave Le Bon, Sigmund Freud, Theodor Geiger, Elias Canetti, David Riesman and Peter Sloterdijk. This short list indicates that the author goes beyond the realm of sociology, which is necessary especially for the period since sociology shifted the crowd to neighboring disciplines. In order to investigate crowd semantics in "postmodern conditions", which Borch does in the last chapter, it is even essential to consider non-sociological work. These interesting connections between theorists of crowds lead us to the books' subtitle and a critical question.

Why is this work an *alternative* history of sociology? It centers on a topic that once was important for sociology but almost got lost, the marginalized tradition of crowd reasoning. It focuses mainly on the works of thinkers usually not included in the canon of sociology. Accordingly, although *The Politics of Crowds* is a fascinating book in the history of sociology I think that the author should have made more effort to show how it differs from other histories of sociology. Merely to claim that it is alternative seems insufficient, since several ways of writing its history exist (Moebius 2004). It would be interesting to learn more about the characteristics of Borch's approach, which he develops in the introduction, especially how it differs from other possibilities of composing sociology's history. Thus I felt the absence of a discussion of his semantic history approach vis-à-vis other approaches (e.g. Chapoulie 2009), one in which he would elucidate in what respects this is an alternative history of sociology.

This, of course, is a minor criticism. The book certainly increases our knowledge about the history of sociology. The author rediscovers almost forgotten theoretical concepts and ideas and partly neglected authors. Moreover, thinking about crowds provokes questions that can lead to new ways of thinking about modernity and society, as well as new perspectives on current research problems. This is a strength of the history of sociology in general and hence of *The Politics of Crowds*.

And what of economic sociology? The book might be of only minor interest to economic sociologists since it does not deal directly with any of the subjects of the field. However, the history of sociology could be the foundation for new research questions. And this work contains such a foundation by offering an interesting agenda for sociology, particularly for economic sociology. In the epilogue, the author suggests that the notion of crowds, as well as the notion of "suggestion", which was central to the works of Le Bon and Tarde, is useful for studying contemporary phenomena of modern capitalism. He mentions the actions of traders and their depiction of the market, as well as financial speculation. This outlook for future research is a good end for the book, but not the end of Borch's encounter with the topic. In his ongoing research project "Crowd Dynamics in Financial Markets" he follows the intellectual tradition of crowd thinking and applies it to phenomena economic sociologists are probably more interested in.2 However, there is no doubt that for a thorough understanding of crowds in the realm of financial markets the theoretical insights Christian Borch demonstrates in this history of sociological crowd semantics are indispensable.

Endnotes

1The original publication dates are mentioned in the text by Borch, of course. However, the bibliography does not contain them. This is something of an inconvenience in a historical work.
2Information about the research project can be found online: http://info.cbs.dk/crowds.

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Book: K. Bluhm/B. Martens/V. Trappmann (eds), 2014: *Business Leaders and New Varieties of Capitalism in Post-Communist Europe.* Routledge: London and New York.

Reviewer: Michał Polakowski , International Centre for Research and Analysis. Warsaw, mpolakowski@icra.pl

What are the current characteristics of Central European economies and what is the role of business leaders in governing these economies? How do business leaders see their role in companies and what is their perception of industrial relations, trust, cooperation and other values essential for economic activity? *Business Leaders and New Varieties of Capitalism in Post-Communist Europe*, edited by Katharina Bluhm, Bernd Martens and Vera Trappmann, aims to answer these questions. The various chapters of the book address the issues from different angles: historical and contemporary, institutional and personal. This last aspect is made possible by a unique survey conducted in Hungary, Poland and Germany. The inclusion of Germany (and subsequent analysis of eastern and western European countries) provides considerable insights into the ideational evolution of business elites after reunification. It also creates an opportunity to compare the eastern European cases with a developed market economy.

In the introductory chapter the editors set the scene for the following chapters by reconstructing debates on the applicability of the "varieties of capitalism" approach to the post-communist context. Key to this discussion is the interplay of business elites and the new capitalist order in Central Europe. Importantly, the authors point out that given the strong ideational pressures regarding the shape of capitalist institutions (deregulation and liberalization) and the impact of German companies on Central European economies, one would expect significant institutional similarities. A similar process characterizes economic discourse. However, as the authors put it, institutions in the countries analyzed display striking diversity.

The book's underlying hypothesis is that the ideational convergence went further than the institutional convergence, the former – in the form of neoliberalism – being pervasive also in western Europe, leading to neoliberalism and the market economy becoming synonymous, and the latter displaying inertia due to historical legacies.

As the editors emphasize, both the elite approach, and the "varieties of capitalism" approach, as applied to Central European countries, tend to treat the economic regimes as static. The authors find two major difficulties when applying the "varieties of capitalism" approach to Central European countries: first, the original approach refers to the most developed market economies; second, the locus of such economies is the nation-state. However, the economies of Central and Eastern Europe are only part of the bigger chain of transnational economic exchange. Therefore, acknowledging the challenge of direct implementation of the "varieties of capitalism" approach in Central and Eastern Europe, the authors prefer to talk about foreign-led or dependent market economies, while at the same time treating international influences with caution, acknowledging the major role of historical legacies in market making. Finally, the authors depart from the "pure" version of the "varieties of capitalism" and try to combine it with a Polanyian perspective, which due to the metaphor of the "double movement", is more analytically suitable to accommodate the process of market-making and its related policies.

The first three chapters analyze the context of transition for each of the countries studied, but also business leaders. Importantly, the authors approach each country from slightly different angles and a number of national peculiarities are brought to the surface. Accordingly, the chapter on Poland outlines its type of capitalism: strong reliance

on foreign companies, lack of a long-term developmental strategy, several obstacles to entrepreneurship and a weak civil society. This configuration leads to several inconsistencies within the model, legally defined as a "social market economy", but in practice following neoliberal prescriptions. Due to such an imitative and inconsistent strategy, several contradictions persist. The Polish model of capitalism has to a significant extent been shaped by foreign investors. A survey among business leaders reveals several interesting cleavages, especially between businesses leaders employed in foreign and in domestic companies, which reflect the institutional inconsistencies.

In the following chapter, the authors attempt to locate Hungary in the "varieties of capitalism" framework. This chapter relies strongly on long-term historical developments, including reformist state socialism. The authors argue that, contrary to other post-socialist countries, in Hungary the economic (and political) system change was preceded by the change of business elites. This was a major factor enabling extensive privatization of Hungarian companies, and resulted in a "small transition" from socialist to the dependent market economy. In the short term this strategy proved successful, but in the long run it has contributed to the structural instabilities of the economy.

The third case study focuses on Germany, with particular attention to the east–west divide. The authors conclude that Germany has undergone a double transition: the first one in terms of unification and a parallel one in terms of the meaning of the "German model". Germany represents a unique experience in this respect, as the institutional framework from the west was implemented in the eastern part of the country. However, due to the inability of economic actors in the east to comply with the stringent requirements, the whole model started to erode. Importantly, the origins of the business leaders concerned affects their perception of the "German model". At a general level, the leaders display homogeneous views in accordance with the principles of the model, but when analyzed more in detail significant diversity appears. While only a minority of respondents support the "pure" German model, the majority do subscribe to some version of it. Therefore, the hypothesis of a farewell to the western German model is not clearly confirmed.

The second part of the book consists of a number of chapters on more specific, often cross-country analyses using the collected quantitative data.

The study by Janky and Lengyel gives unique insight into contractual trust in the post-socialist context. This is the first study of this type covering Central and Eastern Europe, which puts the issue of social cohesion into a framework of economic relations. The chapter starts from an important point, often missing in the comparative literature on the political economy of post-socialism: during the socialist era there was a variety of political-economic structures, and consequently, after 1989, the structures of the newly constructed capitalist order have faced different historical legacies. By analyzing various forms of trust, the authors conclude that, contrary to the expectations, the levels of trust in the western and eastern parts of Germany are similar and significantly higher than in Hungary and Poland. However, eastern lands share several features of Hungary and Poland: the lack of institutionalized norms and reliance on personal networks.

Similar findings are presented by Bluhm and Trappmann regarding cognitive concepts of corporate social responsibility. Once again, the German managers' views (and activities) are closest to the neocorporatist concept. At the same time, the paradoxical finding is that there is a strong support for state intervention in Poland (often labeled "neoliberal"). The authors depart from a traditional differentiation between explicit and implicit CSR and replace it with more nuanced concepts of minimalist, liberal and neocorporatist companies' responsibilities and the concept of statism. Interestingly, only half of the surveyed companies fall into one of the four categories, with the biggest support for neocorporatism. Once again, Hungarians, Poles and, to a lesser extent, eastern Germans express their support for the idea that companies should have less influence.

The chapter by Trappman, Jasiecki and Przybysz analyzes the perceptions of formal labor representatives in the three countries, as well as those of members of employers' organizations. The latter aspect of labor relations, covered in this chapter, is particularly important, as it has been less researched. Employers' representation density grows with the size of companies in the whole sample; however, it is considerably smaller in Hungary and Poland. Also, anti-union sentiment is stronger among smaller companies, as well as among business owners. Poland remains the country in which business leaders show least support in this respect. Importantly, the leaders' attitudes to industrial relations are strongly driven by the institutional environment, for example the existence of labor organizations.

The final chapter of the book deals with the drivers of business leaders' influence. The authors, Bluhm and Martens, show that the first-generation business elite is being slowly replaced by a new one. However, the differences in attitudes that one could ascribe to the elites socialized in market economies, compared with the older one, are not as great as one might expect. Importantly, significant differences exist between countries.

This book is an ambitious (and successful) attempt to map out the varieties of capitalism in post-communist Europe, mainly from the micro-perspective. Such an approach, based on a large sample of interviews, is a major contribution both to mapping the characteristics of business leaders in the regions, but also to understanding the factors behind particular values, beliefs and actions.

The authors find several inconsistencies at the institutional level in the studied economies, which corroborate previous research. However, such inconsistencies – often contradictions of views on particular issues – are also visible on the individual level of business elites. Therefore, the book provides microfoundations for the capitalist model in Central Europe. An important feature of the book is that the survey was conducted in 2009 and 2010, when the beliefs of business leaders became more sharply defined and their actions more deliberate.

The book opens up a future research agenda in at least two respects. First, it seems essential to include other countries from Central and Eastern Europe to make it possible to map the post-socialist variety beyond the Visegrad group. Second, the contributions in the book signal important differences among business leaders, which call for a more thorough examination of involvement in employers' associations, the mechanism through which leaders' views are channeled into the political sphere.

To sum up, the book is a collection of articles which contribute much to our knowledge of post-socialist varieties of capitalism. The differences between these countries are more pronounced than is usually argued, which has its source in institutional structures. The uniqueness of the data and the multifaceted analyses collected in the volume, as well as the balanced mix of background information and specific topics contribute to the attractiveness of the book, which is essential not only for students of Central Europe, but also for those interested in comparative political economy.

PhD Projects

Face to face meetings and globalization: networks and collective learning at a trade fair for TV programs in Sub-Saharan Africa

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The aim of this research is to study the role of trade fairs in the globalization of markets. Despite the development of communication technologies and a digital economy, actors in global markets still need physical locations where they can physically meet, such as professional trade fairs, exhibitions or conventions.

In this research, I analyze the social construction of a market for TV programs in Sub-Saharan Africa through the study of a trade fair at which buyers (TV channels) and sellers of TV programs (studios, distributors and producers) are able to meet, negotiate, discuss, and close deals. I try to understand the role of this event in transforming the ways in which TV programs are "exchanged" in Africa and in the integration of the African TV programs market into the global one. TV program distribution at the global level has long been considered a market, but until recently in Sub-Saharan Africa, TV channels used to acquire programs "free of charge" in various ways. Political, economic, and technical developments have slowly transformed this sector into a market. The trade fair examined in this research has been organized since 2009 in different major African cities. It has a central role in this evolution because it is the first to bring this industry together in microcosm.

In more detail, I study the collective learning process among the attendees of the trade fair. I followed this event over three years and conducted three surveys in order to collect social network data and analyze informal information exchange relationships between attendees. I look at:

1 How the organization of this trade fair is part of the transformation of TV program distribution in Africa. I particularly underline the role of the organizer of the trade fair who created this marketplace and who schedules the meetings between attendees, thus matching supply and demand using several technical devices.

2 The coexistence of different ways of defining the value of a program at this trade fair. There are four different evaluation procedures emphasizing different dimensions of the products. The actors at the core of the network of information exchanges have a specific evaluation procedure and use their central position to institutionalize their definition of the value of programs.

3 How the network of informal relationships between participants has evolved over time. More than a set of contacts between buyers and sellers, network analysis reveals a market segmented into groups with different stakes and different 'visions' of the regulation of this market.

Combining qualitative, statistical and social network methods, I try to underline the complex co-evolution of norms and structure in the institutionalization of the market.

The social construction of prices: the impact of culture, networks, and institutional rules on stock quotations

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Prices in market economies are supposedly based on processes of supply and demand. In my dissertation, I challenge this conventional economic wisdom, arguing that stock quotations are also a result of the embeddedness of stock markets in culturally constrained frames of meaning, networks, and institutionalized rules. Economic sociology is well aware of such social forces in the constitution of markets, but most sociological investigations lack both theoretical and empirical evidence of how different types of market conditions influence prices.

Taking field theory as a starting point, three strings of price formation explanations are combined analytically, allowing us to consider the interaction of cultural frames, network positions and institutional regulations. Empirical-

ly, the construction of prices in US and German stock markets between 1995 and 2012 is compared. First, both historical financial traditions are described. Their impact on prices is tested in terms of household preferences and other socioeconomic variables in a fixed effect regression model. Secondly, the longitudinal network structure of stock listed companies is examined. Thirdly, the amendment of stock repurchase laws in Germany in 1998 provides a quasi-experimental setting for investigating different types of rule-based trading effects.

All three dimensions prove to be significant for the construction of stock market prices: (a) economic liberal traditions produce financial decisions on the part of households that have a strong positive impact on relative stock market capitalization, but vice versa in coordinated economies; (b) network topologies are also affected by these divergent cultural frames: relations in the S&P 500 are compartmentalized in many homogeneous sectoral clusters with finance companies as the most influential clique, whereas the German HDax network is characterized by a centralized structure and rather asymmetric cross-sectional relations, dominated by traditional industrial firms; (c) the informal rule of stock repurchases is well established in the United States, while in Germany it has only a short-term effect and even produces highly negative outcomes in the long run, hence, for private investors. Finally, the three dimensions are discussed in relation to each other, concluding that the combination of field theory and econometric methods widens the usual economic perspective and provides fruitful new insights into the social construction of prices.

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