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From the "Socialist-collectivistic" welfare state to "McIsrael": The evolution of the Israeli welfare state

Abstract

The Israeli welfare state has sometimes been perceived as the most socialist outside the Eastern bloc and has been described by scholars with the use of terms such as "constructive socialism" or "socialist-collectivistic welfare state". The creation of such a welfare state in Israel would not have been possible without the long dominance of the Mapai workers' party on Israel's political scene. The General Organisation of Workers in Israel, established in 1920 and called Histadrut, played a vital role in shaping the Israeli welfare state and exerted an impact on Israeli social policy for many years. However, just as was the case with Central and Eastern Europe, when liberal-conservative parties came into power in Israel – parties that were not interested in the development of social programs – the Israeli welfare state evolved from one with a collective and social orientation to an ultra-liberal welfare state, denoting almost complete Americanisation of socio-economic life, descriptively termed "McIsrael." This article aims to analyse the evolution of the Israeli welfare state to test the validity of comparing the Israeli model to post-communist welfare states in Central and Eastern Europe.

Key words: welfare state, social policy, Israel

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Introduction

In his seminal book *The Political Economy of Israel*, Ira Sharkansky termed Israel "the most socialist country outside the Eastern Bloc" (1987, p. 10). This stemmed from the fact that during almost the first three decades of its existence, Israel's welfare state resembled the communist welfare state in Central and Eastern Europe (Zilberfarb, 2005). However, if the economic aspect is taken into account, there is no unanimity among scholars on whether the Israeli economy was transformed in the 1970s from socialist to capitalist (Aharoni, 2014) or perhaps from a quasi-socialist or social-democratic version of capitalism to an ultra-liberal economy (Krampf, 2018; Ram, 2008).

This article aims to analyse the evolution of the Israeli state to answer the following research question: is it legitimate to compare the Israeli welfare state – sometimes termed as "constructive socialism" (Patish, 1990) – to the post-communist welfare states of Central and Eastern Europe? In the last decades, Central European welfare states have moved from communism or real socialism to liberalism or a liberal-conservative hybrid (Bohle & Greskovits, 2007; Chaczko & Grewiński, 2021; Elster et al., 1998; Inglot, 2008; Orenstein, 2008; Szikra & Tomka, 2009). As noted above, Israel followed a similar route: from a socialist-collectivistic state to the almost complete Americanisation of social and economic life, evocatively termed "McIsrael" (Azaryahu, 2000; Manos & Gidron, 2021).

The road to post-communist welfare states in Central and Eastern Europe and their character

From a historical perspective, Central and Eastern European welfare states, i.e., Czech, Polish, Hungarian, and Slovakian, followed a four-stage path of development: (i) imperial origins (1880–1918); (ii) incomplete institutional consolidation during the period of the interwar independence (1919–1939); (iii) over four decades of adaptation, expansion, and crisis of welfare states under the communist rule (1945–1989); (iv) the period of "transformation shock" preceding their accession to the European Union (1989–2004) (Inglot, 2009, p. 74). The fourth stage of the development of Central and Eastern European welfare states seems particularly significant, whereby the period of dominance of communist parties and communist social policy was followed by what James G. March and Johan P. Olsen call the contestation of the communist order:

> *Actors are likely to learn from disasters, crises, and system breakdowns – transformative periods where established orders are delegitimized, are challenged, or collapse. Then, institutions and their constitutive rules are discredited as unworkable and intolerable and change initiatives are presented as emancipation from an order that is a dysfunctional, unfair, or tyrannical relic of an unacceptable past, as was, for example, the case when communist regimes in Central and Eastern Europe collapsed* (March & Olsen, 2009, p. 489).

The collapse and criticism of the communist system resulted in the neo-liberal evolution of Central and Eastern European welfare states (Deacon & Hulse, 1997; Dawisha & Ganev, 2005; Kowalik, 2009; Zawadzki, 1996), which in many respects constituted an opposition of the earlier system, albeit still rooted in the old institutions. Mirosław Księżopolski notes that the basic difference between social policy in laisser-faire states and ex-communist states (of the so-called real socialism) lies in the fact that in the former social security and welfare of the citizens are ensured by the state's involvement in the sphere of consumption, with the least possible interference in the sphere of production. By contrast, in communist welfare states special attention is given to the primary distribution of national revenue, hence state interference occurs already at the level of production. This is achieved mainly by attempts to guarantee full employment: the certainty of employment constituted the foundation of the social security system in the communist welfare state. It can be called the first pillar characteristic of the system. The second pillar of the communist welfare state was high state subsidies for basic goods and services. The third pillar was a well-developed system of social benefits, especially those the citizens were entitled to in case of unexpected events, such as illness, accident, disability, etc. (Księżopolski, 1993, pp. 12–13). Other scholars of communist welfare states reach similar conclusions. For example, Ludmiła Dziewięcka-Bokun argues that the "socialist experiment" meant that through its structures the communist state accepted the role of a guarantor of the whole system of social security. Means of production were almost completely socialised and centrally managed (Dziewięcka-Bokun, 2000).

Tomasz Inglot posits that the communist welfare state constituted a combination of three components: (i) unified social insurance, i.e., existing pre-communist rudimentary structures of the welfare state, in particular legal acts and institutions related to insurance in case of illness or accident, pension programs, etc.; (ii) "socialist" programs and policies, i.e., new laws and institutions related to social policy – full employment, national health service, affordable housing, family programs, and additional limited, means-tested benefit schemes; (iii) the Stalinist model of social policy, that is socialist norms and practices of supervising and managing the social policy borrowed from the Soviet Russia: organisation, financing, and administration of all social programs within the centralised framework of economic planning and monopolistic political control (Inglot, 2008, p. 26).

A question that arises at this point is: how does Israel compare to this pattern of development and nature of Central European welfare states?

Socio-political conditions of Israel's socialist-collectivistic welfare state

The emergence of the socialist-collectivistic welfare state in Israel would not have been possible without a long-term dominance of the workers' party of Mapai (an acronym for Heb. *Mifleget Poalei Eretz Yisrael*, Workers' Party of the Land of Israel) and without the popularity of socialist ideas in the Israeli society (Mendes, 2014). With the exclusion of the pre-state period, the leader of the left-wing Mapai party

was the head of all Israeli governments until 1977 (see Table 1). In his attempt to diagnose the sources of Mapai's dominance in Israel, Benjamin Akzin (1955) pointed out two essential factors that had a bearing on this phenomenon. First, the social role of the party characteristic of the Zionist pre-state period became the norm. The Zionist organisations' orientation towards social work before 1948 (the absorption of immigrants) resulted in the creation of strategies emulating this pattern. The Zionist organisations discovered a great role of direct social work as a method of acquiring supporters. Transposing its earlier experience onto the framework of state politics, Mapai was able to penetrate the electoral market to the highest degree, skilled as it was in making the masses of Jewish immigrants dependent on itself. Functioning in accord with a mass model of a political party (Katz & Mair, 1995), Mapai organised most aspects of life for its members: from employment and healthcare, through education and recreation, to social security and social assistance. Mapai's model of a mass party perfectly fits the needs of the constantly growing Israeli society. The party continued to socialise and mobilise the masses with the view of integrating its members and ensuring their loyalty and stable support were reflected in the election results. In return, the social clientele – especially new arrivals – benefited from party membership as the party took care of their social welfare (Yishai, 2001).

Secondly, the voluntarism symptomatic of the pre-state period in Israel assumed the character of ethics. Social relations at that time were shaped not only on the basis of the ideas of civic community, but also of emotional closeness and the roles played by the members of the socialist-collectivistic society. In accord with the dominant statist and socialist tendencies, leftist Zionist organisations, especially Mapai, construed the image of a Jewish inhabitant of Palestine as a pioneer who willingly chooses collective good over individual good (Yanai, 1996).

Israel's "Founding Father" and the symbol of Mapai, David Ben-Gurion represented political thought termed *mamlachtiut*, which is "state-forming policy". This encompassed, among others, a moderate stance on religious issues and statist tendencies, the development of state institutions and their dominant role in given aspects of public life. To put it differently, *mamlachtiut* translated into subordination of individual interests to the interests of the state. A special role in the system fell to the Israeli army, one of whose functions was the shaping of a community, nationality, and collective Jewish identity. The forming of state consciousness in Jewish immigrants was thus one of the major aims of the doctrine of *mamlachtiut* (Dahan 1999; Peled, 1992). The leftist values of the dominant Zionist political parties were smoothly adapted in the new state, becoming practical principles operative in the first three decades of Israel's existence.

Mapai's dominance stemmed not only from the social prevalence of pioneering values associated with the party, but also from the Israelis' acknowledgement of the party's special role and its identification with the creation of the Jewish state. Public opinion's recognition of Mapai's principal role in the Zionist process of Israel's creation had a bearing on the perception of the party's special function in the political system (Akzin, 1955). The stability of the system dominated by the Zionist left derived from the voters' ideological attitudes shaped during the pre-state period and from the authority of outstanding party members. David Ben-Gurion, Yitzhak Ben-Zvi, Chaim Weizmann, Golda Meir, and Moshe Sharett participated in the creation

Table 1. Prime Ministers and ruling parties in Israel between 1949 and 1977

The date of the government's formation	The Prime Minister and their political party
10 March 1949	D. Ben-Gurion – Mapai
1 November 1950	D. Ben-Gurion – Mapai
8 September 1951	D. Ben-Gurion – Mapai
24 December 1952	D. Ben Gurion – Mapai
26 January 1954	M. Sharett – Mapai
29 June1955	M. Sharett – Mapai
3 November 1955	D. Ben-Gurion – Mapai
7 January 1958	D. Ben-Gurion – Mapai
17 December 1959	D. Ben-Gurion – Mapai
2 November 1961	D. Ben-Gurion – Mapai
26 June 1963	L. Eshkol – Mapai
22 December 1964	L. Eshkol – Mapai
12 January 1966	L. Eshkol – Labour/Mapai
17 March 1969	G. Meir – Labour/Mapai
15 December 1969	G. Meir – Labour/Mapai
10 March 1974	G. Meir – Labour/Mapai
3 June 1974	Y. Rabin – Labour/Mapai

Source: Mahler, 2004

of autonomous Israel, among others by signing the Declaration of Independence. Their authority, achievements, and active role in the fight for statehood generated public esteem, while at the same time they were identified with Mapai. Mapai's connection with the founding of sovereign Israel endowed the party with a special socio-political role, recognised unanimously by public opinion. This unique perception of the party was reflected also in the Parliament, where the remaining parties automatically assumed secondary roles in coalitional negotiations, positioning themselves as complementary, and not alternative, elements (Chaczko, 2011).

The road to the socialist-collectivistic welfare state in Israel

Israel's welfare state had its roots in the Zionist policies of the pre-state period. Zeev Rosenhek argues that the social functions in the Zionist project of Eretz Yisrael (Eng. *Land of Israel*) were to function as a mechanism to manage the conflict between Arab and Jewish population: social services offered to Jewish immigrants functioned

as a tool to subsidy the costs of reproduction, enhancing their position in the competition with the much cheaper Arab workforce (Rosenhek, 1998). A special role therein fell to the General Organisation of Workers in Israel, established in 1920 and called Histadrut (Heb. *Ha-Histadrut Ha-Klalit shel Ha-Ovdim B'Eretz Yisrael*), which David Ben-Gurion describes as follows:

> *The Histadrut is not a trade union, not a political party, not a cooperative society, nor is it a mutual aid association, although it does engage in trade union activity, in politics, cooperative organisation and mutual aid. But it is much more than that. The Histadrut is a covenant of builders of a homeland, founders of a state, renewers of a nation, builders of an economy, creators of culture, reformers of society. And this covenant is based not on a membership card, not on legislation, but on a common fate and destiny – a commonality for life until death* (Shindler, 2013, p. 22).

The Histadrut was formed by members of the Zionist left as an organisation of workers (see Diagram 1). It was simultaneously a trade union, employer in many sectors, and provider of social services. Until the 1980s almost 70% of Jewish employees in Israel belonged to this organisation. Originally, the Histadrut was active in four major areas: trade union activity; cultural and social activity (sports, newspapers, magazines, films, women's organisations); entrepreneurial activity (including various co-operatives, financial institutions, manufacturing); and activity bordering on public sphere (educational system, insurance, medical services) (Plunkett, 1958). The significant role of the Histadrut in social policy resulted in the creation of two sub-systems of the welfare state emerging in the 1920s. On the one hand, it was the Histadrut itself as a key factor for the creation of the social dimension of the Jewish state, providing social security, healthcare, unemployment benefits, professional counselling, or subsidised housing. The second element of the system was the pre-state political institutions, such as, for example, the Jewish National Council (Heb. *Va'ad Le'umi*) or the institutions of the Zionist movement that residually and selectively operated local social programs for the sake of Jewish communities in danger of poverty. These programs included such elements as healthcare, educational, and residential services. Both sub-systems were controlled by Mapai dominant both in the pre-state period and later (see Diagram 1).

With the subsequent waves of Jewish immigration to Israel (Heb. *aliyah*), the significance of social policy increased, as the immigrants' dependence on Israel's public institutions grew. This enabled the state to organise residential areas in the state's peripheral zones as a way to attain both social and geo-political goals. By dispersing immigrants throughout almost the whole territory of Israel, it was possible to make use of the hitherto unoccupied land and to foster social and economic development of this group. Another way to ease the socio-economic costs of immigration, including low wages offered to immigrants, was through programs of employment costs benefits, which ensured that this social group would be given minimal income and thus nullified the economic discrepancies present on the job market.

The Israeli welfare state came of age at the beginning of the 1950s. The Histadrut still played a key role in Israel's social policy, especially in healthcare and the pension

system (see Diagram 1). Linked with the Histadrut, the non-state Sick Fund offered health services to the majority of Israeli employees. Similarly, the pensions for members of the Histadrut were higher than state pensions (paid on the basis of the social insurance law of 1953). It was in the 1950s that the first state insurance programs were introduced, and the National Insurance Institute of Israel (Heb. *Ha-Mossad Le-Bituach Leumi*) was founded as a public institution that served as an organisational and administrative basis for the development of the Israeli social insurance system. In 1953 the first program of child allowances was established, paying monthly benefits to the parents of Israeli children:

> *It was aimed at improving the life conditions of the large Jewish families from Oriental origin, in this way neutralizing political threats to the Labor Party that might emerge due to the harsh socioeconomic situation of this population. As a consequence of the program's gradual extension in terms of both coverage and benefit levels during the 1960s and 1970s, the child allowances scheme eventually became a central component of the Israeli welfare state, contributing significantly to the reduction of poverty rates, especially among the Jewish population* (Rosenhek, 2002, p. 21).

During this period, state institutions were strengthened as a major agent in managing the economy, immigration and settlement, industry, as well as social and residential

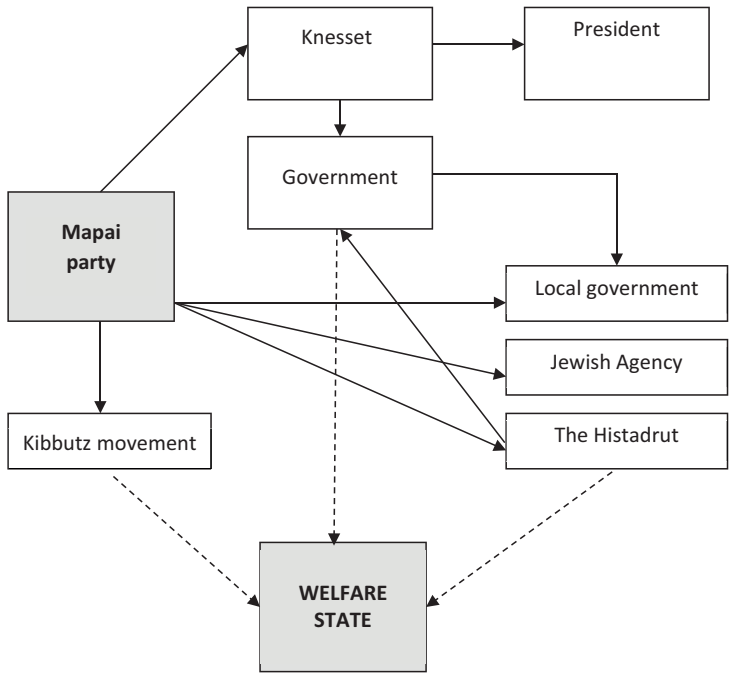

Diagram 1. The system of the impact of Mapai (Workers' Party of the Land of Israel) on the Israeli welfare state until the 1970s

policy. A highly politicised and strictly regulated economy arose (based on state subsidies) with a dominant public capital and a much smaller private capital. Michael Shalev called it "the system of 1948," referring to the functioning of the state (including the ruling Mapai party) as the headquarters managing the society and economy – and not the other way round (Shalev, 1992) (see Diagram 1).

Due to increased industrialisation, economic boom, and the stabilisation of the international situation, the 1970s was the golden era of Israeli's welfare state. Economy-wise, the biggest progress was made in the industry, which became the main tool for employing immigrants, especially in the production of metal, machinery, chemicals and fertilisers, copper and phosphates, as well as in the electronic industry. At that time Israel started manufacturing items such as paper, tires, radios and refrigerators, which had to be imported before. New maritime ports in Ashdod and Eilat were created, while the trade fleet grew to over 100 vessels (Chaczko, et al., 2018). Defence expenses increased systematically, and their substantial part was directed by state institutions into the Israeli industry, exerting an influence on the state of the economy. The GDP in 1972 was almost 80% higher than the GDP in 1966 (Barkai, 2007). This enabled state institutions to invest in the welfare state. It was believed that the state would safeguard social stability by reducing socio-economic tensions and by integrating immigrants and other underprivileged groups with mainstream Israeli society. In practical terms, existing social programs were expanded at that time and new projects were introduced, including those of a state-wide character. For example, child allowance was increased, while in 1972 state unemployment benefit was introduced for the first time in Israel (Gal, 1997). The process of broadening the state's social functions is perfectly illustrated by the data on the increase of social spending: in 1970 social spending amounted to 13% of GDP, to reach 20% a decade later (Doron, 1985). Exerting almost total control of economy (centralisation) and indicating social directions of development (community, pioneering), the Israeli state was also fully responsible for its citizens' social security. Socio-political life at that time thus had a socialist-collectivist dimension and, in this respect, resembled the welfare states of Central and Eastern Europe.

The road to the post-socialist-collectivistic welfare state in Israel

As a result of the Six-Day War, a new reality started to be shaped, known as "the system of 1967" (Shalev, 1992), which radically transformed the key elements of the Israeli state. In the 1970s the structure of the Israeli economy and labour market became progressively more dualist. Private capital slowly entered various sectors of the economy, nominally controlled by the state or by the Histadrut, and was often related to the dynamically developing military industry (Shalev, 1998). In the mid-1970s the Israeli economy was in crisis. At that time annual inflation rate grew from 35% in 1977 to the staggering 400% in 1984. There were a few reasons for such a state of affairs. On the one hand, it was a result of another war – Yom Kippur – and the petroleum crisis, when the decisions of crude oil manufacturers resulted in an almost five-fold increase in the price. On the other hand, defence expenses continued to increase, exerting

a heavy burden on the state's budget, using as much as 25–30% of GDP (Barkai, 2007). What is more, in 1977 Mapai's rule came to an end, while liberal-conservative groups rose into power, and they were not interested in the development of social programs at the heart of the welfare state. The winner of the 1977 parliamentary elections – the coalition Likud (composed of the conservative party Herut and the Liberal Party) emphasised the necessity of economic reform:

> *During its long years of reign the Labor Party* (…) *established an economic system that is an unsuccessful mixture of capitalism, socialism, and anarchy whose aim was to perpetuate the control of the ruling Labor Party* (…) *The Likud Party will aspire to establish a free market economy, based on efficiency, entrepreneurship and competition. The Likud Party will reduce the level of government and public establishment's involvement in the economic activity and endeavor to gradually decrease government supervision of economic activity* (Zilberfarb, 2005, p. 15).

And this is precisely what happened. On October 28, 1977 the new government headed by Prime Minister Menachem Begin (the first government without a left-wing party in it) (Shindler, 2015) proclaimed "an economic revolution," which in the first place amounted to the liberalisation of the foreign exchange market. That constituted the beginning of a transition to laissez-faire economy. As far as social policy is concerned, social allowances were lowered, the criteria for granting them were toughened, some social services were privatised, and the role of the Histadrut was significantly restricted. The organisation was forced to sell its numerous economic assets, and was deprived of its healthcare and pension schemes, thereby losing its dominant position in the healthcare and social security systems (Grinberg, 2017). As a result, the Histadrut membership decreased from 1.5 million in the mid-1980s (approximately 75% of the workforce) to 700,000 (circa 30% of the workforce) at the beginning of the 21st century (Barkai, 2007). The socialist-collectivistic doctrine – or, to use Uri Ram's terminology, "a quasi-socialist socio-economic thought" (2008) – that had dominated Israeli society before was slowly pushed out by the free market and individualism.

Another turning point for the development of the Israeli welfare state (after 1968 and 1977) was 1985, when as a result of the elections held a year before a political balance was achieved between the left-wing Labour Party and the right-wing Likud Party (44 and 41 members of parliament, respectively, out of 120 members altogether). The only way to form a government was through the government of national unity, whose chief aim was the stabilisation of economy then bordering on collapse (with inflation reaching 400%). Ben-Zion Zilberfarb notes that the reason was the necessity to cut the budget deficit, but there were two additional factors that have contributed to the emergence of consensus about the need to move to a free market economy and reduce the level of government involvement in economic activity:

(i) one factor was the collapse of the communist countries which had formed the USSR. It gave further legitimacy and support to the argument for a reduced role for the government in the economy;

(ii) a second factor was the economic difficulties faced by the companies owned by the Histadrut (Zilberfarb, 2005, p. 17).

In 1985 Israel initiated a plan for economic stabilisation. Product price-control mechanism was abolished, governmental spending and debt were restricted (state subsidies were terminated), privatisation programs were introduced, the income system was controlled, the currency was devalued, and a laisser-faire foreign exchange policy was enforced (Manos & Gidron, 2021). Sami Peretz (2018) describes Israel's transformation from a socialist to a capitalist economy in 1985 as the most important moment in the state's economic history. Naturally, also the state's involvement in social affairs was significantly limited. For example, the government's spending on education decreased from 86% of all costs in 1980 to 74% in 1987; healthcare system expenses were lowered from 51% of total costs in 1985 to 45% in 1990 (Manos & Gidron, 2021). In turn, in the public service sector, many positions in administration and social services were liquidated, whether through the elimination of the status of civic service or through the consignment of their tasks to agencies of temporary employment and sub-contractors (Mundlak, 2017). In this context, the scholars of the evolution of the Israeli social policy mention the process of "welfare state retrenchment":

> *Welfare state retrenchment was concentrated on programs that support economically vulnerable sectors: child allowances (especially beneficial to two large and poverty-prone minorities, Arab citizens and ultra-Orthodox Jews), minimum income and other selective benefits to the needy, and housing assistance. Together these types of benefit went from accounting for one-quarter of social spending in the mid-1990s to only one-tenth today. The slack was taken up primarily by public employee pensions and a range of 'loyalty benefits' by which the state compensates specific categories of citizens for contributing to highly valued national priorities, most notably in the military sphere but also related to Jewish immigration and memorializing the Holocaust* (Mandelkern, & Shalev, 2018).

The Israeli welfare state was shrinking, but the state was developing economically. The 1990s was a period of systematic increase in Israel's GDP, with the apex of 7.5% in 2000. The unemployment rate at that time was about 10%. When in the mid-1990s the era of Prime Minister Benjamin Netanyahu started (he served as Prime Minister in the years 1996–1999 and 2009–2021), neo-liberal tendencies strengthened, based on the American economic model characterised by individuality, competition, and private property. As a staunch supporter of free market and a limited role of public administration, Benjamin Netanyahu embraced existing global economic trends: he lowered corporate taxes, continued cuts of social allowances, and dismissed four thousand governmental employees. He also privatised the state airline El Al, the state shipping company Zim, and the telecommunications giant Bezeq (Pfeffer, 2018). Social spending decreased in comparison to the 1970s, when it amounted to over 20% of GDP. In 2019 Israel's social spending totalled 16.3%, significantly less than the average for the OECD countries (20%) and over two times less than for the leaders of social spending, i.e., France and Finland (see Table 2). Israel became a post-socialist-collectivistic welfare state inasmuch as it was an era of the dominance of ultra-liberalism and globalisation processes, which Uri Ram

Table 2. Social spending (public, % of GDP, 2019)

COUNTRY	% OF GDP
France	31.0
Finland	29.1
Denmark	28.3
Germany	25.9
Sweden	25.5
Poland	21.3
UK	20.6
OECD – total	20.0
Czech Republic	19.2
United States	18.7
Hungary	18.1
Slovak Republic	17.7
Switzerland	16.7
Israel	**16.3**
Colombia	13.1
Korea	12.2
Turkey	12.0
Chile	11.4
Mexico	7.5

Source: OECD data

summed up by enumerating the following tendencies noticeable in Israel: polarisation, postfordisation, Americanisation, McDonaldisation, and postnationalisation (Ram, 2018).

Conclusion

Sami Peretz suggests that Israel would not have survived the difficult (wartime) beginnings of its statehood without a strong community and solidarity created by the socialist welfare state and the government's strong involvement in economic and social life. By the same token, Israel would not have survived until the present time, had it not replaced its youthful romanticism with a pragmatic socio-economic policy (Peretz, 2018). One may disagree with this statement, but there can be no doubt

that the Israeli welfare state evolved from a socialist-collectivistic to a liberal welfare state, with one of the lowest social spending rates out of the most developed states of the world (OECD).

As shown above, the development of the socialist-collectivistic welfare state in Israel had political and ideological reasons. Mapai party, dominant in the pre-state period and then in 1948–1977, worked hard to socialise and mobilise Jewish immigrant masses by taking care of their social needs (in exchange for their electoral support). Thanks to its rootedness in the state and other institutions (the Histadrut), the party was able to shape the functions of these institutions in the manner characteristic of the socialist-collectivistic ideology. On the other hand, in accord with the statist and socialist tendencies dominant until the 1970s, Mapai construed the image of an Israeli as a pioneer who values collective good over individual good. The transformation of the socialist-collectivistic welfare state, in turn, was spawned by economic and ideological factors. The economic crisis of the 1970s and 1980s led to the reevaluation of Israel's social policy, as it was decided that guaranteeing social security was becoming an excessive burden on Israel's domestic economy. There was a substantial departure from the previous model of social policy towards the American model, characterised by the restricted role of the state in providing social services, selective access to services, and – in general terms – leaving social security in the hands of the citizens themselves, who in turn are dependent on the forces of the market in this respect. This was related to the political dominance of the conservative-liberal party (Likud) and neo-liberal politicians (Benjamin Netanyahu).

Naturally, Israel's welfare state continued to offer its citizens basic social services and benefits. However, low social spending and limited access to various social programs weaken the social policy's ability to efficiently tackle poverty and inequality in Israeli society (Shalev & Gal, 2018). Despite economic prosperity, many social groups in Israel are marginalised and social inequalities increase (Chaczko, 2014), as suggested by the country's high Gini index (0.42 in 2010; 0.37 in 2018).

On account of the character of the Israeli welfare state analysed in this article, it is not fully legitimate to compare it to communist welfare states, especially if one takes into account the criteria developed by Tomasz Inglot (2018) and discussed at the outset of this article. Israel was not a communist state, where patterns developed in Soviet Russia would be deployed. The adaptation of leftist values to the Zionist-Israeli conditions resulted in a creation of a welfare state of a rather unparalleled specificity: it was a socialist-collectivistic-national model functioning within a democratic system and influenced by an ongoing migration to Israel.

Nevertheless, one may note a certain similarity of the Israeli welfare state to a general trajectory of transformation in the social policy of Central and Eastern European states, as these countries have in recent years moved from real socialism to liberalism or a liberal-conservative hybrid (Bohle & Greskovits, 2007; Szikra & Tomka, 2009). In Israel's case, in turn, as argued above, the pioneering ethos of collective work was replaced by Western capitalist culture, while the traditional values present in the Israeli society since the Zionist times, i.e., equality, solidarity, and collectivism, were superseded by values typical of liberal orientation, namely individualism, market competition, and private property. Thus, a general conclusion may be formulated

that the transformations of welfare states do not necessarily respect state or continent borders but are likewise contingent on global trends in social policy operative at a given time.

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