

Bullets and Benefits in the Israeli Welfare State

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Classic studies of the relationship between war and welfare – such as Titmuss’ essay on the impact of the Second World War on British social policy (Titmuss 1958) and Skocpol’s influential study of the widows’ pensions introduced following the US Civil War (Skocpol 1992) – concern the impact on social policy of a protracted war. In this context the United States and the United Kingdom represent two very different paths, which can be defined respectively as *targeted compensation* and *social citizenship*. In the United States the social policy response to the Civil War, and later on to the Second World War (Campbell 2004), followed a targeted model aimed at compensating soldiers and their families for their military contribution and sacrifice. The result was a segmented system of “military social welfare benefits” with its own social insurance and social assistance programmes (Gifford 2006a:392). In the United Kingdom, on the other hand, it has been claimed that the war (which inflicted civilian as well as military casualties) gave added moral and political force to prewar initiatives aimed at introducing social rights of citizenship via a comprehensive and universal welfare state (Marshall 1950; Titmuss 1958).

The 10 month Arab-Israeli war that followed Israel’s unilateral declaration of independence in May 1948 was the first and only time that Israel experienced protracted full-scale warfare. In its aftermath, welfare state development followed the US model rather than the UK one. Policies were invented *de novo* for compensating war widows, disabled servicemen and the parents of fallen soldiers. At the time the state was faced with a massive influx of immigrants and was severely short of funds, and the tasks of populating, defending and developing the country were considered much higher priorities than social citizenship, for which no prior institutional or discursive foundations had been laid. On the contrary, sovereignty only accentuated the segmented policy paradigm inherited from the pre-state period (Rosenhek 2003), with veterans’ benefits overlaid onto a mosaic of social protection

that included separate and very different systems for organized workers, recent Jewish immigrants, and the indigenous Arab population.

It was not inevitable that the initial creation of a dedicated system for veterans' benefits would predetermine future policy development. In Canada, for instance, the Second World War was followed by "generalization of military welfare practices" to civilian sectors (Cowen 2005:675). In Israel, however, military-related benefits had a crowding out effect. The generous treatment of those disabled in war and the survivors of those killed in military conflicts made it harder rather than easier for non-military disabled and survivors to win the right to similar treatment. Instead of diffusing *functionally* to other citizens sharing the same plight, the military model of targeted compensation spread *sectorally*, throughout the military and para-military sphere. Over time, the new beneficiaries included members of the police force and civilian victims of terror attacks. Within the armed forces, non-combatant soldiers and even soldiers injured in car accidents while on leave came to enjoy access to the same generous compensation for injury or death originally intended for combatants. Both the demand and supply of military-related benefits was continuously refueled in Israel because, as a nation-in-arms engaged in a permanent and often violent territorial conflict, the relationship between war and social policy became an ongoing one.

Israel's ongoing military conflict and the short outbreaks of war that have characterized its history make it distinctive among welfare states. As such, the analysis of the link between war and social politics in this case requires a partly different approach to that adopted in the other case studies included in this volume. Following the historical experience of the last century in Europe and the rest of the developed world, the rest of this book is framed around major episodes of military conflict and their accompanying phases of war preparation, war itself and the aftermath of war. In Israel, the founding conflict was a bloody one, but its scale and duration were of a far lesser order than those experienced by combatants in the global wars of 1914-18 and 1939-45. At the same time, Israel is unique among developed democracies in experiencing a state of continuous war preparation and violence that few expect to end in the near future. This blurring of war preparation, a mobilization period and a postwar period during most of Israel's history make the analysis of the causal links between war and social politics complex. Yet, the direct links between war and social policy, at least with regard to the establishment and growth of system of social

rights linked to war, offer an interesting perspective on the subject of this volume. In view of the distinctive policy regime that developed in Israel, the focus is on documenting the dualistic character of social rights and explaining the institutional and political dynamics that have driven the evolution of military-related benefits.

The chapter is structured as follows. The first section sets the scene by providing an overview of key features of both welfare and warfare in the Israeli context, and their main implications for military-related benefits. Section 2 introduces programmes linked to war and the military that have been established since the founding of the state and then analyses their growth over time, describing changes in both costs and conditions. In addition, the generosity of benefits intended to compensate the injury or death of combat soldiers is compared to parallel civilian programmes. Section 3 discusses two salient dimensions of the politics of military-related benefits in Israel: public opinion regarding benefit deservingness, and descriptions of recent initiatives to either expand or contract benefits. The chapter ends with some brief concluding observations.

1. SETTING THE SCENE: WELFARE AND WARFARE IN ISRAEL

1a. The welfare state

A Mediterranean welfare state incorporating elements of all three of the welfare regimes identified by Esping-Andersen (Esping-Andersen 1990), the Israeli welfare state offers a relatively wide-ranging set of services and benefits to the country's citizens. However, low levels of social spending (placing it near the bottom among OECD countries¹), limited access and generosity in various programmes, and unequal benefits for similar risks undermine the capacity of social policy to deal effectively with poverty and inequality in Israeli society.

Initial efforts to establish social protection institutions in Israel were undertaken immediately after independence in 1948 with the establishment of the foundations of a national social security infrastructure. However, social policy continued to bear the imprint of the pre-state era, when Jewish institutions created a highly uneven welfare mix based on multiple and segmented providers and recipient groups. This configuration, similar in some

¹ <http://www.oecd.org/els/soc/OECD2014-Social-Expenditure-Update-Nov2014-8pages.pdf>, accessed 16 October, 2015.

ways to the Conservative welfare regime historically promoted by authoritarian regimes in Continental Europe, was intended to serve the goals of Jewish immigration and settlement under conditions in which the Jews were a minority and lacked sovereign powers (Rosenhek 2003).

Roughly two decades after the state was established, following mass immigration and rapid economic development and in the wake of unrest among the subordinate Jewish ethno-class, the early 1970s saw major expansion of social programmes (Doron and Kramer 1991). These included the introduction of unemployment and disability insurance and the universalization of child benefits. In addition, state-funded child care and public housing were significantly expanded. In the 1980s, two additional planks of social protection were introduced - a nationally administered social assistance scheme and a long-term care benefit programme. In more recent decades, healthcare has become fully universalized, occupational pensions have been mandated and specific benefit programmes for single parents have been adopted. To a large degree the Beveridge approach, with its emphasis on universal, social insurance based benefits, served as the model for this expansion (Doron 1994). Nevertheless, categorical noncontributory universal benefits have always played a major role in the Israeli welfare state, notably in serving as a means of compensating victims of the Arab-Israeli conflict and of dealing with the needs of Jewish immigrants and their integration into society (Gal 2008). The Israeli welfare state thus combines segmented social provision alongside a more universal system covering citizens not included in these categorical programmes.

Initially, the Israeli welfare state appeared to be moving towards a more social-democratic model as the result of more universal services, greater state involvement in welfare, wider coverage of needs, and the introduction of more wage-related and better-indexed benefits. However, from the 1980s onwards efforts to privatize social services, to target benefits, to move benefit recipients into work and to cut social spending have been common (Doron 2001; 2007). These efforts peaked during a period of recession and neo-liberal political dominance in the initial years of the new millennium . At the same time, even before this era of restraint and retrenchment, social spending in Israel was comparatively low and lacking in some crucial social-democratic hallmarks (Shalev 1989).

Seen as a whole, the Israeli welfare state is a relatively comprehensive system that offers benefits and services, which provide support and resources to deal with a wide range of needs and contingencies. However, the generosity of the benefits (particularly for the poor), the quality of the services and access to them are often limited. As is the case in other Mediterranean welfare states, the family remains a major source of welfare provision in Israel, while clientelism that is linked to continuing segmentation and differentiation between recipient groups still plays a major role in the social welfare system (Gal 2010). The Israeli welfare state has been relatively unsuccessful in overcoming income inequalities created within an ever more polarized labor market, in reducing differential access to social services (exacerbated by rapid privatization and commercialization), and in dealing with poverty. Inequalities and social exclusion are exacerbated by specific demographic, ethnic and political characteristics of Israeli society (Hemmings 2010). These include large families among the Arab and the orthodox Jewish communities, the low level of labour market participation among members of these communities, and the reluctance of many Israeli citizens and elites to channel state support to these two vulnerable populations. As a result, poverty levels in Israel remain high with nearly a fifth of all families and a third of all children live below the poverty line.

1b. Guns versus butter?

A detailed study comparing Israel with five OECD member countries, based on data for 2007 from the Social Expenditure Database (SocX), has shown that, relative to GDP, both overall expenditure (public and private) and welfare state spending in specific functional domains are markedly lower in Israel than in other affluent democracies (Shalev, Gal and Azary-Viesel 2012). Could Israel's modest social spending be the result of its massive military burden? World Bank estimates for 21 high-income OECD countries including Israel indicate that in recent years (2011-14) Israel devoted 5.7 per cent of its GDP to military spending, compared with only 1.3 per cent in the median country and 4.0 per cent in the United States, the other exceptional case.² Long-term trends in the principal components of public spending in Israel show that while the defence burden has contracted dramatically since the mid-1980s, as have domestic expenditures unconnected to the welfare state, social spending has been

² <http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS> accessed 4 November 2015.

remarkably stable.³ Except for a bubble in the early 1990s due to the influx of one million immigrants from the Former Soviet Union, since 1981 transfer payments have been valued at between 11 and 13 per cent of GDP. Civilian public services, a category dominated by education, health and other social services, have also accounted for a stable share of GDP, typically around 17 per cent. In contrast, in the years 1981-1992, the defence share fell from 20 per cent to 10 per cent and has declined further but more gradually since then. These aggregate trends clearly suggest that the military burden and the cost of the welfare state are governed by quite different institutional and political forces.

While several sophisticated quantitative studies have addressed the economic effects of defence spending in Israel (e.g. Mintz and Ward 1989; Cohen et al. 1996), none have probed the question of whether Israel has experienced short- or long-term tradeoffs between guns and butter. Another plausible linkage between welfare and warfare is that wars stimulate later social spending, as Titmuss (1958) famously suggested was the case in Britain following the Second World War. However, an attempt to identify changes in social spending in the wake of major episodes of military conflict found no indications of this effect in Israel (Gal 2007). Bivariate correlations over time offered little evidence for either a positive or negative relationship between annual changes in social and military spending.

1c. War, militarism and benefits

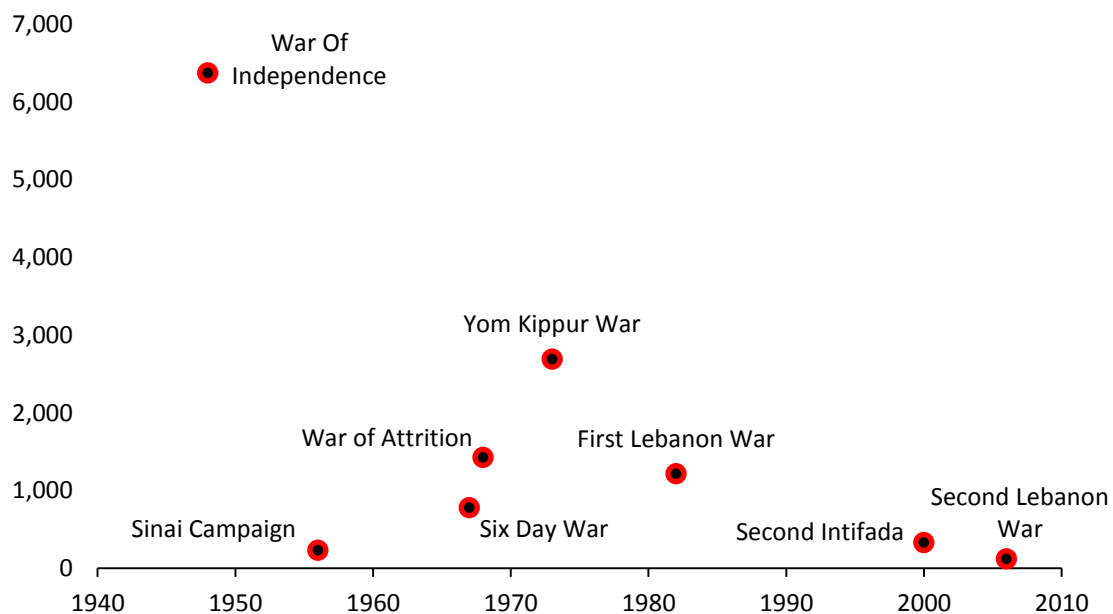
As noted at the outset of this chapter, the nature of war and the role of the military in Israel differ substantially from the recent experience of western countries. Figure 1 documents that since the first substantial war sparked by the foundation of the State of Israel, the evolution of the Israeli-Palestinian and Israel-Arab conflict has been marked by a series of conflicts that entailed fewer Israeli casualties and were generally quite brief.⁴ In the interim, Israel has experienced persistent violence in the form of border conflicts, violence by and against Palestinians in the occupied territories, terrorist actions against Israeli civilians, and small and large-scale Israeli military activity in the occupied Palestinian territories. The

³ Table 6.A.2 (general government expenditure), Bank of Israel Annual Report 2014.

⁴ Two exceptions are the “War of Attrition” between Israel and Egypt that persisted for three years at the end of the 1960s, and the First Lebanon War. However, while the latter officially lasted three years (1982-85), most of the fighting was over after the first two months.

number of Israeli victims of terrorist actions has varied substantially over time. A peak was reached during the second Palestinian Intifadah, when the number of fatalities exceeded 450 in one year (2002), but according to official sources even in relatively quiescent periods the annual number of killed and wounded has rarely been less than 300.⁵

Figure 1: **A timeline of Israel's wars**
showing the official number of military casualties



Source:

http://www.mfa.gov.il/mfa/aboutisrael/history/pages/the_arab-israeli_wars.aspx;
http://www.jewishvirtuallibrary.org/jsource/History/casualty_table.html, accessed November 20, 2014

Even in the absence of either low or high-intensity warfare, in Israel war preparation is a central feature of the routines of individual citizens and the society as a whole (Kimmerling 1985). To create the capacity to mobilize a large military force, from the outset compulsory universal conscription was instituted for Jewish citizens, followed by decades of annual reserve duty for many that added an additional rationale for military-related entitlements.

⁵ Data from <http://www.jewishvirtuallibrary.org/jsource/Peace/osloterr.html> and <http://www.mfa.gov.il/MFA/Terrorism-+Obstacle+to+Peace/Palestinian+terror+since+2000/Victims+of+Palestinian+Violence+and+Terrorism+sinc.htm> accessed 4 September 2015.

Israel's military is based on a conscript army alongside a much smaller permanent force made up of career commanders, experts and support staff (Cohen 2010). Military service is, in principle, compulsory for both men and women, but some segments of society are exempted, including Arab citizens,⁶ married women, ultra-orthodox men engaged in religious studies and all ultra-orthodox women. After completing 2-3 years of compulsory service beginning at the age of 18, most male conscripts and some female soldiers become part of a reserve force that has typically required roughly one month of service annually until middle age.

Against this background, war and war preparation play a central role in both public affairs and the everyday lives of Israelis. The military chain of command, and the Ministry of Defence, which is responsible for the military budget, enjoy immense autonomy and access to resources in comparison with civilian authorities. War preparation, security concerns and the military are focal preoccupations of both politics and everyday life in Israel. Not only does the military sphere pervade the personal and collective lives of Israelis, but they honor and elevate it above other spheres of public life. For example, a 2014 survey found that 88 per cent of Jews in Israel express trust in the IDF (Israel Defence Force), above the proportion that trust the country's highly-regarded President (71 per cent) and far higher than the figures for the police (45 per cent) or the *Knesset* (the Israeli parliament), which is only trusted by 25 per cent.⁷

Given that military values and perspectives are internalized in both individual citizens and social institutions, a sizable literature has developed on the topic of militarism in Israeli society and politics (recent collections include Lomsky-Feder and Ben-Ari 1999; Sheffer and Barak 2010). Militarism in Israel has been variously described as “cognitive” (Kimmerling 1993), “cultural” (Ben-Eliezer 1998) and “contractual” (Levy, Lomsky-Feder and Harel 2007). In our view, all three adjectives are accurate. The military sphere and military considerations enjoy unrivaled prestige and primacy amongst Jewish Israelis. At the same time, and hardly unique to Israel, relationships between citizens and states are permeated by notions of

⁶ Some minority sectors of the Arab population, primarily the Druze (population: 120,000), historically allied themselves with the Jewish community and participate in military service.

⁷ Hermann et al. (2014) Fig. 2.5

exchange, including the exchange of military service for material and symbolic benefits (Levy 2013). A Republican interpretation of citizen rights and obligations provides the cultural glue that binds bullets and benefits together, elevating the exchange relationship to a higher plane. In the Israeli context, Republicanism is closely linked to nationalism.

Zionism, the Israeli state ideology, is the aspiration for a national home for Jews in which they enjoy demographic, territorial and political dominance. This places the Arab citizens of Israel – one fifth of the total – in a highly anomalous position.⁸ But as a self-styled liberal democracy, Israel cannot legally or morally earmark social entitlements solely for Jews.

This dilemma has been resolved by a widely accepted Republican discourse, according to which special treatment is justified by the contribution of individuals or whole sectors of society to the common good, as the state defines it (Peled 1992; Shafir and Peled 2002). This discourse originated during the half century of Jewish settlement of Palestine that predated Israeli sovereignty. Thus, after statehood, compensation for military sacrifice joined and reinforced an earlier tradition of glorifying and reserving privileges for national heroes – pioneers, emissaries and watchmen. The sovereign state of Israel, equipped with unprecedented capacities for redistribution through taxes and transfers, has made use of these capacities to institute an array of “loyalty benefits” that target not only soldiers but also Jewish immigrants, ultra-orthodox Jewish men engaged in religious studies, and other categories (Shalev 2010; Friedman and Shalev 2010).

The resulting inequalities of social rights distinguish first and foremost between Arab and Jewish citizens, but also differentiate among Jews. In the military sphere, Arab exclusion from entitlements is total and almost universal, since the vast majority of Palestinian citizens of Israel are exempted from compulsory military service. Among Jewish citizens inequality is a matter of degree. Benefits are stratified between individuals sharing identical circumstances (such as the physically disabled, widows and orphans), depending on whether military service was the source of their misfortune.

⁸ Arab citizens are Palestinians who remained inside the borders established by the armistice that ended the 1948-49 war, and their descendants. They are distinct from Palestinians living in the territories occupied by Israel since the 1967 war. Residents of East Jerusalem constitute a third category – they are governed by Israel and have the legal status of permanent residents.

The scope and continuity of military effort have generated a dynamic of continuous expansion of compensatory benefits that governments have great difficulty in restraining. Deeply embedded Republican norms, linked as they are to individual and collective existential anxieties, are reflected in public opinion and legitimate the efforts of organized lobbies of beneficiaries. These political forces exert compelling influence on state actors, both political and bureaucratic. As a result, military-Republican entitlements enjoy a high degree of immunity from the application of economistic criteria, such as efficiency or affordability. As we shall see, this has been consequential at three different policymaking moments: pressure to introduce new benefits; benefit expansion over time via new categories of eligibility, softer qualifying rules and rising generosity; and the resistance of benefits to retrenchment.

2. WAR-RELATED BENEFITS

2a. Compensatory benefit schemes⁹

Since gaining statehood, Israel has adopted a number of diverse programmes intended to offer compensation to participants in, or the victims of, military actions. More specifically, six major compensatory benefit programmes linked to military conflict have been introduced in the Israeli welfare state. Three of these derive directly from warfare: benefits for disabled veterans, for the widows of fallen soldiers, and for the parents of fallen soldiers. The other three programmes are designed as compensation to soldiers performing compulsory and reserve service or civilian victims of terrorism.¹⁰

Before briefly describing these schemes, we note that other forms of preferential policies intended to compensate for military service and its consequences have also been adopted over time in Israel. A vast array of benefits are offered to bereaved family members.¹¹ The

⁹ This section of the paper is based in part on Gal (2007).

¹⁰ In addition to these programmes, there are others that offer compensation to Holocaust victims residing in Israel. Of particular relevance to this article is the Victims of the War Against the Nazis Act, which was adopted in 1954 after a struggle by soldiers who fought against the Nazis during World War II and were injured. The legislation provides compensation to the veterans though, in contrast to the programmes intended for veterans of the Israeli military, this programme is administered by the Ministry of Finance rather than the Ministry of Defence (Yablonka, 2000). As the Act relates to victims of war injured prior to Israel's establishment, it is beyond the purview of this chapter.

¹¹ <http://www.mishpahot-hantzaha.mod.gov.il/he-il/ShikumF>; and in English, <http://embassies.gov.il/hague-en/Departments/Defense/handbook.pdf>.

Ministry of Defence makes a major effort to integrate disabled veterans into the labour market and into higher education. They have been eligible for preference in receiving civil administration positions and in a number of other specific sectors of the economy. In addition, disabled veterans are eligible for diverse in-kind benefits, such as access to better health and fitness services, housing and transportation. Military service *per se* grants veterans points in access to state financial support for housing and education, and tax exemptions.¹² As with other benefits linked to military conflict, these have tended to expand and become more generous and accessible in the wake of outbreaks of war and the inevitable increase in the number of victims.

The Disabled Veterans programme was introduced very shortly after the establishment of Israel in 1948 as the country's first social welfare law (Gal and Bar 2000). The law came in the wake of the bitter war of independence that led to the deaths and injury of thousands of Israelis. From the outset the law was intended, in the words of David Ben Gurion, the first prime minister, to fulfill "part of the debt that we owe those who with their bodies helped liberate the nation and the homeland" (*Knesset minutes*, Sep. 5, 1949, p. 1572). To compensate for disabilities incurred because of military service, the law granted a basic cash benefit, calculated on the basis of medical disability and a civil service wage. Means testing mechanisms were not employed in this programme. Nevertheless, special assistance was provided to disabled veterans with no additional sources of income, and in the initial years, benefit levels were reduced in accordance with earnings if the veteran returned to work. Disabled veterans are also eligible for a variety of medical and occupational rehabilitation services, business and home loans, and access to personal social services. Under the 1949 legislation, a special department within the Ministry of Defence administers both cash and in-kind benefits. The law also granted official recognition to the representative organization of disabled veterans and within a short time this organization became a particularly powerful and well organized voice for disabled veterans (Nacht and Kleyff 1955).

¹² As noted earlier, as a result of being exempted from military service, Arab citizens are not entitled to its corollary benefits. In some cases, this Republican logic has been invoked with the express (though not necessarily publicly stated) purpose of dis-entitling Arab citizens. For more than two decades, this was true of a substantial portion of the child allowance in Israel (Rosenhek and Shalev 2000). However, attempts since the mid-1990s to reinstitute this arrangement were blocked by political opposition and/or disqualification by the Supreme Court.

Programmes for the dependents of fallen soldiers were adopted as part of a single piece of legislation in 1950, the year following the passage of the programme for disabled soldiers. The law offered war widows universal benefits primarily according to the number and age of their children. The age of the widow and initially the level of any additional sources of income also affected the benefit level (Danziger 1978). In addition to widows and orphans, the law also sought to provide benefits for other dependents of fallen soldiers, in those cases in which concrete economic need could be proven. Thus, the (primarily elderly) parents of fallen soldiers were eligible for benefits, but these were initially contingent on proven need through means-testing, and on the lack of additional siblings able to offer financial support to parents in the case of the death of a son in war.

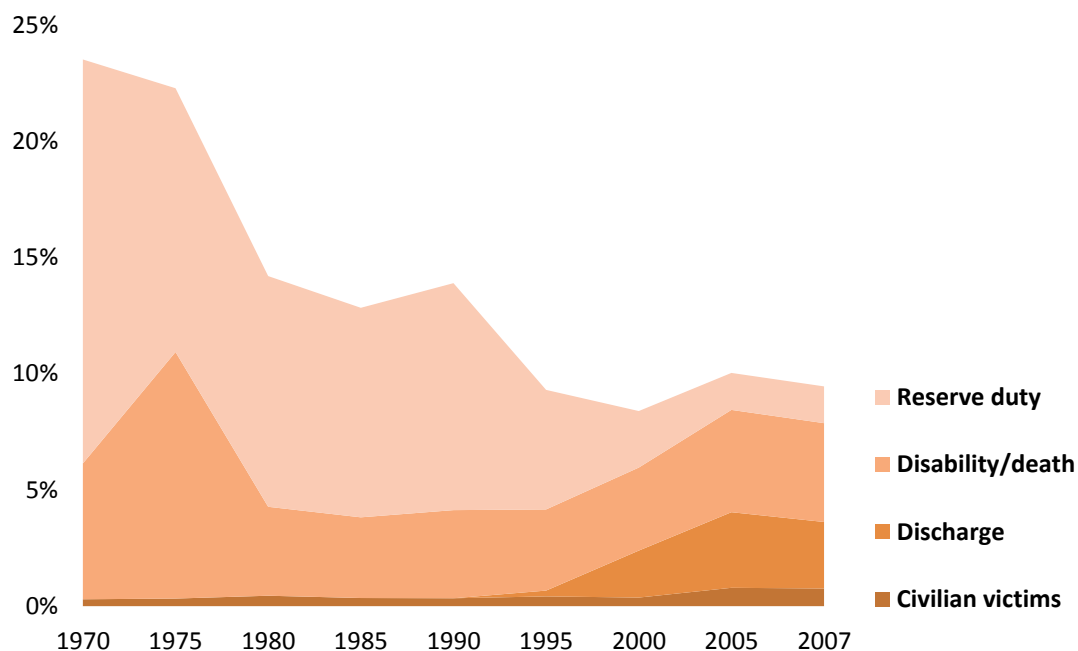
The programmes for disabled veterans and for bereaved families served as the basis for the Victims of Hostile Action programme, which was adopted in 1970 (Yanay 1994), and was intended to replace existing programmes that offered assistance to civilian victims of military conflict as integral parts of the local welfare services. The 1970 law provided financial compensation and rehabilitation services to civilian victims of terrorist attacks in Israel proper or against Israeli targets abroad. Individuals injured or the families of those killed as a result of hostile actions were granted benefits and services that, on the whole, mirrored those provided to disabled veterans and the families of the fallen. However, unlike these programmes, this law is administered by the civilian National Insurance Institute, Israel's social security agency.

For citizens inducted into the army as conscripts, both initial compulsory service and reserve duty after its completion are compensated by cash benefits. In the former case, this is a relatively recent innovation, consisting of a discharge benefit (dependent on time served and the type of service) granted following the completion of a full term of duty. The programme directed to reservists is designed to deal with absence from work and consequential loss of earnings. Financial compensation for individuals serving in the military reserves was first introduced in 1952 (Nitzan 1975). Funded through employer contributions, it initially provided wage-earners partial compensation for workdays lost due to reserve duty.

2b. The evolution of cash benefits

The link between war and welfare in Israel is reflected not only in the number of diverse programmes adopted in order to provide financial compensation for war victims and participants in military service, but also in the extent of the resources devoted to them. Together, all six war-related compensatory cash benefit programmes have accounted for a significant although varying proportion of total spending on transfer payments in the Israeli welfare state. Figure 2 offers quantitative evidence of this role over a period of nearly four decades. While at the beginning of the period these benefits together comprised nearly one-quarter of all spending on cash benefits, between the mid-1970s and the mid-1990s this proportion fell dramatically. Yet even following this decline benefits linked to war and military service continued to account for about one-tenth of all social security spending in Israel. To put this figure in perspective, in 2007--the latest year for which we have full data-- it was equivalent to the amount spent on universal child benefits (in a country with an exceptionally high fertility rate), and twice the government's expenditure on Income Support (social assistance).

Figure 2: **Main war-related cash benefits as a proportion of total transfer payments**



Sources: National Insurance Institute, *Statistical Quarterly*, various years; Ministry of Defence, *Annual Report of the Rehabilitation Division*, various years.

When attention is paid to the individual components of total expenditure, a different picture emerges. The three programmes that compensate injury or death in battle (grouped under the heading “Disability/death”) temporarily peaked in the wake of the October 1973 war. Subsequently the share of this category in total transfers remained stable throughout the 1980s and 1990s, and in the 2000s it rose, a reflection of the robustness of these benefits at a time when many non-military cash benefits were cut.

In contrast, the budgetary significance of wage replacement for reservists has declined dramatically over the years, which is the sole reason for the overall decline in the economic significance of war-related benefits. At the beginning of the period, the Israeli-Egyptian “War of Attrition” was in full swing, while non-military cash transfers were stagnant (although poised to enter a period of rapid expansion). As a result of this combination of circumstances, in 1970 benefits for reservists accounted for an astonishing 17.4 per cent of all transfer payments. By the late 2000s this proportion had shrunk to only 1.6 per cent. The key transition was made during the 1990s, the result not of changes in the security situation but of a change in the financing of benefits for reserve soldiers that incentivized savings in this area of military spending.

The last noteworthy trend documented in Figure 2 is the emergence in the new millennium of an additional type of reward for compulsory service. Conscripts have long been paid a tiny symbolic salary, but in response to the growing magnitude and political salience of “draft dodging”, cash grants (as well as in-kind benefits not measured here) have been granted to those who complete their service. By the mid-2000s, this component accounted for nearly 3 per cent of all transfer payments.

The most recently available data, from the budget for 2014, indicate that allocations to the Ministry of Defence for “commemoration” (predominantly cash benefits for bereaved parents and widows) and “rehabilitation” (predominantly cash benefits for the militarily disabled) reached 1.6 and 3.4 billion shekels respectively, together representing 9 per cent of the Ministry of Defence's budget. This figure probably understates the true scale of these

programmes, especially for the bereaved, since the Ministry of Finance claims that, in recent years, actual expenditure on commemoration has exceeded the budget by as much as 1 billion shekels.¹³

2c. Dynamics of programme evolution

The development of the programmatic characteristics of the various war-related programmes over time¹⁴ reveals the path-dependent effects of benefits for the disabled. The large constituency of disabled veterans and their well-organized and influential representative organization have typically taken the lead, with beneficiaries of the other programmes following in their footsteps. The direction of change has been overwhelmingly towards more liberal definitions of the categories determining access to the programmes, and rising generosity of benefits and related services. The eruption of large-scale military action has often influenced the timing of major change in programmes. Thus, even if demands for cutbacks in benefit levels or accessibility were tabled prior to the outbreak of wars, public sympathy galvanized immediately afterwards tended to enable organizations representing war victims to overcome efforts by public officials, fearful of increased public outlay, to limit or defer these demands.

In the years since its adoption, the disabled veterans programme has been the subject of numerous amendments. The original law covered only individuals injured during active military duty in Israel's first war (1948-49). However, coverage gradually grew to include soldiers injured or taken ill in the course of (and not necessarily due to) military service any time after that war, and also those injured in military action by Jewish underground forces during the British Mandate prior to statehood. In the wake of the June 1967 war, coverage was further widened to include soldiers injured in car accidents on the way to, and returning from, military service, be they conscripts or reservists. Definitions of disability have been broadened over time to include additional injuries and illness. Basic benefit levels have been constantly raised, additional benefits for diverse special needs have been introduced and, as noted earlier, a variety of in-kind services and tax breaks are now offered to disabled veterans. Moreover, while, in the original legislation, benefit levels were tapered according

¹³ <http://www.themarker.com/news/1.2473565>; <http://www.themarker.com/news/1.2158503>.

¹⁴ This section of the paper is based in part on Gal (2007).

to income from work, in 1955 the link between benefit levels and earned income was severed, thereby enabling disabled veterans to integrate into the labour market without suffering any loss of benefits (Gal 2001).

Benefits for the wives and parents of fallen soldiers have undergone a similar process, albeit at a delayed pace. While initially benefits were limited primarily to widows with children and were tapered according to income level, these limitations were removed over time so that monthly benefits are now paid to all war widows, rising with the number of dependent children under the age of 21. Benefit levels have also risen significantly over time. An outburst of public activism on the part of war widows in the wake of the 1967 war led to the establishment of a representative organization of war widows, to intense public pressure on decision-makers and consequently to major increases in benefit levels and accessibility in the years immediately following that war (Shamgar-Handleman 1986).

Unlike widows, the parents of fallen soldiers were the subject of primarily symbolic recognition by the state until after the 1973 October War. Cash benefits, instituted in the early 1950s, were reserved for those parents who could prove economic dependency on the fallen soldier and a lack of additional sources of support, primarily from other adult children. During the first three decades following adoption of this law, limitations on access by bereaved families to benefits were liberalized, but it was only in the wake of the October War that these were finally dropped. In contrast to the Arab-Israeli wars of 1956 and 1967, which were carefully planned, militarily successful and popular, the 1973 conflict took Israel by surprise, was more prolonged, gave rise to many more casualties (Figure 1), and was followed by significant public criticism (Lebel and Leyin 2015). Legislation introduced in 1976 determined that neither the age or income level of the bereaved parents, nor the existence of additional siblings would be taken into account in determining access to benefits. As a result a unique system emerged, under which all bereaved parents were eligible for monthly benefits. Receipt of a universal minimum benefit was justified as covering costs related to commemoration of the victim (travel to and from the grave, participation in memorial ceremonies and personal commemoration), while higher, means tested benefits were targeted to low-income bereaved parents. The employment of a means test and the differentiation between parents led to much bitterness among the bereaved parents and their organization. As a result of their growing activism, the means test was later liberalized

and benefit levels were also raised significantly (See Laron 2003 and section 4b below). In 2008, the means test was abolished.¹⁵

State support for civilian terror victims is formally based upon the programmes for disabled veterans and bereaved families. Consequently, changes in these two laws have also led automatically to improvement in the Victims of Hostile Action programme.

Finally, coverage of the programme for compensation of reservists has also gradually been expanded over time and now includes the self-employed, as well as unemployed reservists and even individuals not in the formal workforce, such as students. Compensation levels have increased to 100 per cent of normal earnings, and cover any reserve service in excess of one day per year.

These brief descriptions make it clear that over the years war-related benefits in Israel have experienced both eligibility creep and benefit creep. The following sub-section provides indications of benefit creep for two key programmes. Regarding expansion of eligibility, several indirect indications are noteworthy. Based on detailed analyses of official statistics on military casualties in recent years, an Israeli blogger claims that only a tiny fraction of those officially recognized as “fallen soldiers” met their deaths in battle. The leading causes of soldiers’ mortality are road accidents, suicides, and (until 2014) disabled veterans who died of natural causes long after their injury.¹⁶ Similarly, a public commission of inquiry into benefits for the military disabled (the “Goren Committee”, www.vaadatgoren.gov.il) reported that, as of 2009, the Rehabilitation Division of the Ministry of Defence had more than 58,000 active clients with at least 10 per cent disability, of whom only 35 per cent were injured in the course of “operational activities” (including training accidents). The most common causes of disability were illness, car accidents and work accidents (Goren Committee 2010:83,93).

¹⁵ https://www.mishpahot-hantzaha.mod.gov.il/mhn/parents/BENEFITS/Pages/tagmool_hodsi.aspx accessed 20 February 2016.

¹⁶ Blog: https://eishton.wordpress.com/heroes_are_born_in_their_death. Official commemoration site: <http://www.izkor.gov.il>.

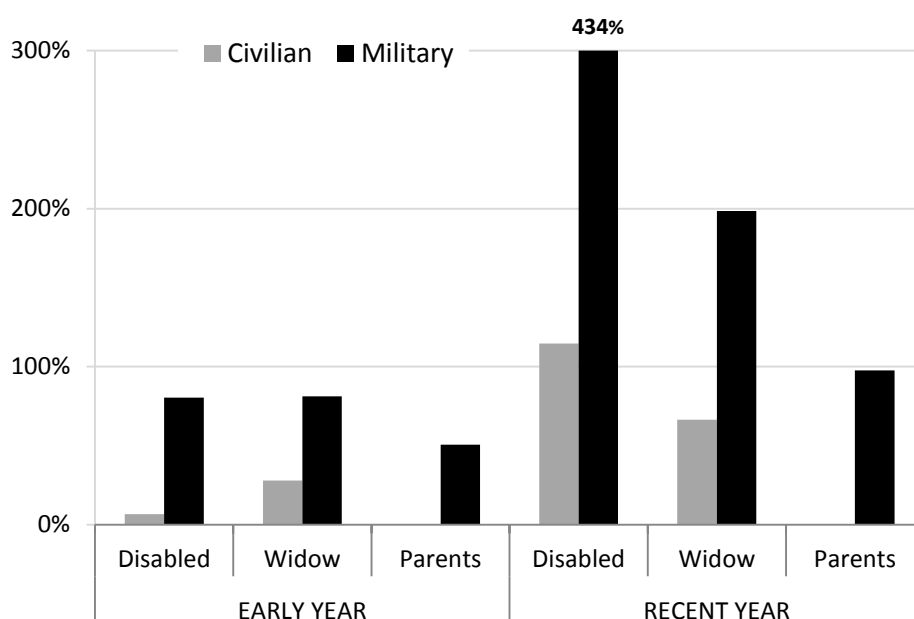
2d. Benefit generosity

Not surprisingly, the most publicly sensitive war-related benefits are those designed to compensate soldiers or their families for injury or death. Since each of the relevant risks – disability, widowhood and parental bereavement – has a counterpart in civilian life, it is possible to compare the generosity of military and non-military benefits. While it has already been pointed out that the former are more generous than the latter, the gap varies across different risks. It is also of interest to establish the extent to which military benefits have grown over time relative to their civilian counterparts. Differential growth may have caused the gap between military and civilian welfare provisions to widen.

To assess these questions, Figure 3 presents data on maximum benefit levels¹⁷ for civilian and military recipients at two points in time – the first being the earliest year for which data are available (1970, except in the case of disability for which there is data for 1955) and the second being a more recent year (2004). To ensure comparability, all figures have been calculated relative to the average wage in the relevant year – which is also a convenient standard for assessing the adequacy of benefits.

¹⁷ The rates for the disabled are for those having 100 per cent disability, widows' benefits assume dependent children, and none of the recipient groups are assumed to have other sources of income.

Figure 3: **Comparative generosity of civilian and military benefits relative to the average wage**



Several findings are evident. First, regardless of either the risk or the period, military beneficiaries receive far more generous compensation than their civilian counterparts. (Comparison is not possible for bereaved parents, since there is no comparable programme for civilians). Second, over the years both civilian and military benefits have become markedly more generous, but without any trend towards equalization. Third, the growth of benefits for the militarily disabled has been especially noteworthy. In the mid-1950s militarily disabled beneficiaries received exactly the same amount as war widows. By the mid-2000s both groups had experienced substantial improvements, but benefits for the former category grew more than twice as fast as those for the latter. Fourth, the parents of fallen soldiers were always the least compensated category relative to other war-related entitlements, and their benefits grew less rapidly. Finally, it is important to note that with the ending of means-testing for both widows and bereaved parents over the course of the period studied here, the maximum benefits shown in the charts have been generalized to all beneficiaries. This has greatly amplified the fiscal impact of rising benefit rates.

Turning now to the evolution of each benefit category, we begin with disability. In 1955 an individual fully disabled for non-military reasons was eligible for means-tested social assistance equivalent to a mere 6.7 per cent of the average wage, much less than the 85 per

cent provided to disabled veterans with similar needs. A universal disability programme was finally adopted in 1974 and the result was growth in access and benefit levels for the regular disabled. However, while the disabled clearly benefited from the welfare state expansion in the 1970s, the gaps between individuals with similar needs that are a consequence of different circumstances have remained. While a fully disabled and totally dependent individual in Israel is eligible for a basic cash benefit and allowances for assistance and travel that constitutes 115 per cent of the average wage, a disabled veteran in a similar situation receives benefits equaling well over four times the average wage. Moreover, while disabled veterans suffering medical disabilities of 20 per cent and over are eligible for monthly benefits, a threshold of 40 per cent disability is demanded of non-military linked disabled individuals. Finally, while income from work is not deducted from the benefits paid to disabled veterans, this type of income can limit or even deny benefits to other disabled individuals.

Similar gaps can be discerned in the case of widows. While war widows are eligible for universal benefits, other widows are only eligible for survivor benefits which have strings attached (the spouse must have worked and paid into the social security fund for a minimum qualification period of 12 months, and part of the benefit is means-tested). Both receive additional amounts for children under the age of 21. A typical example is the benefit provided to a 40 year old widow with two dependent children and no additional sources of income. While the gap between war widows and other widows was relatively small in 1970 (their benefits were 81 per cent and 41 per cent of the average wage, respectively), this grew significantly by the beginning of the 2000s with war widows receiving benefits equivalent to double the average wage while other widows with dependent children had to make do with 67 per cent of the average wage, an income level just over the poverty line (53.7 per cent of the average wage).

No similar comparison is possible between bereaved families of fallen soldiers and those in which the offspring died under other circumstances, as there are no programmes intended specifically for such families. Nevertheless, in order to illustrate the difference between the circumstances of bereaved families of fallen soldiers and others, it is worth noting that in comparison to the 98 per cent of the average wage for which the bereaved parents of a fallen soldier with no additional sources of income or dependent children are eligible, other

bereaved couples lacking any income are eligible for Income Support (the general social assistance programme) equivalent to 27 per cent of the average wage. Moreover, eligibility for Income Support is dependent upon stringent means- and work- tests.

Clearly the Israeli welfare state offers generous and easily accessible compensatory benefits to the victims of, and participants in, military activity and devotes a significant chunk of its social security budget to this purpose. At the same time, individuals suffering from similar needs but due to different circumstances are faced with much tougher eligibility conditions and much less generous benefit levels. Though expansion of the welfare state has led to greater expenditure on non-military linked programmes and to more generous benefits, the gaps between the different types of programmes remain very stark.

3. UNDERSTANDING BENEFIT SPIRALS

3a. Loyalty benefits and their logics

Joseph Trumpeldor, a Zionist hero mortally injured while defending the settlement of Tel Hai in 1920, is believed to have said as he died that “It is nothing, it is good to die for our country” (Zertal 2005:14). In August 2014, shortly after the cessation of Israel’s invasion of Gaza (which enjoyed strong public support), a public opinion poll asked Israeli teenagers on the eve of being drafted to what extent they agreed with this sentiment. One quarter strongly agreed, another quarter disagreed, and the remainder were supportive.¹⁸

For a citizens’ army to avoid the problem of free riders, soldiers and their families must not only believe that the military performs an essential function, they must also be motivated and proud to serve their country. The other side of the coin is the obligation that their readiness to contribute imposes on the state, the duty to underwrite the welfare of soldiers and their families. This is the Republican logic of exchange inherent in all loyalty benefits, defined as transfer payments granted to those who serve the symbolic or substantive interests of states (Shalev 2010). Their cash component is combined with glorification of the recipients’ contribution to the common good. In effect, the welfare state becomes an instrument for laundering what is objectively an exchange relationship. Concern for the welfare of those who serve, rather than outright payment for services rendered, allows

¹⁸ <http://reshet.tv/%D7%97%D7%93%D7%A9%D7%95%D7%AA/News/Politics/Security/Article,159855.aspx>

recognition to camouflage redistribution (cf. Fraser 1995). For their part, the recipients of loyalty benefits are expected to respect the myth that they are motivated by loyalty rather than self-interest. As disabled veterans and the survivors of fallen soldiers have done in Israel, they may serve as emissaries of the state, encouraging loyalty and sacrifice by setting an example for others.

As noted earlier, the political culture surrounding Jewish settlement and state-building in pre-state Palestine, which continued to flourish after sovereignty, was heavily impregnated with Republican expectations of individual sacrifice for the sake of collective goals and needs. Specifically Israeli conditions also shaped the way in which the new state interpreted its obligations to soldiers and their dependents. Prior to sovereignty and the ensuing war the Jews were a minority in Palestine. Expanding their presence by immigration and settlement depended on maximal participation in economic activity. Consequently it was believed that limited collective resources would be better spent on creating the infrastructure for more employment than on handouts to the needy. Ideologically, this became an important element of the politically dominant labor movement's ideology of "constructive socialism" (Shalev 1992).

Respecting the centrality of employment as the appropriate path to a socially acceptable standard of living, the war-related cash benefit programmes created soon after statehood aimed primarily to make up for the absence of breadwinning capacities. The rhetoric surrounding the disability allowance for permanently injured soldiers was unique in including an explicit element of compensation for loss. Nevertheless, the official justification was the goal of replacing earnings that would have been available to the war-disabled had they not suffered an injury. Similarly, cash benefits were initially awarded to the parents of a fallen soldier if it could be shown, which was often the case, that he had (or would have) supported them financially and that they lacked any other means of support. The same logic was applied to war widows, underlined by a provision that in the event of remarriage (and hence the presence of a new male breadwinner in their lives) they would forfeit their benefit. Finally, when income maintenance for reserve soldiers on active duty was partially converted to a social security programme in 1951, the amount of compensation was dependent on whether they were married and had children.

Reviewing this early history in retrospect it is not difficult to see why, in a context in which the state's need for a nation in arms was continuously reaffirmed, the initial system of military loyalty benefits gave rise in the longer term to an expansionary dynamic. Because benefits were both defined and rationalized in order to fulfill the state's paternalistic obligation to prevent unjust economic distress, rather than to compensate soldiers for services rendered, inequalities were created within the beneficiary group between those with full entitlements and those with lesser needs. Yet in every case the sacrifice made by the recipients, and the honor conferred on them by the state, were identical. Moreover, this honor could be converted into a political resource. So too could the solidarity and collective identity granted by their membership in a distinct and prestigious social category. In the case of the bereaved parents and the militarily disabled, this cultural capital was buttressed by the organizational and political capacities gained through official membership associations founded with the support and encouragement of the state. While the organization of bereaved parents in particular fulfilled its designated role of promoting Republican sacrifice, like other such bodies it was also an effective platform for interest group activity.

In summary, the foundational practices and discourses initiated by the state invited a dialectic of escalating demands, at the same time awarding capacities which rendered those demands effective. The next two sections add empirical substance to this interpretive framework. The first analyzes public opinion on social justice in Israel. A significant body of research exists on this topic (e.g. Sabbagh and Vanhuysse 2006; Shalev 2007; Lewin-Epstein, Kaplan and Levanon 2003), but no published study has directly measured the Republican principle of deservingness, or explored the hierarchy of deservingness by measuring gaps in support for military and civilian social protection. The second section provides some concrete glimpses of the political dynamics underlying successful bids to improve military loyalty benefits, and the very limited conditions under which retrenchment has proven possible.

3b. Public opinion

An important underpinning of the generous benefits secured by war-related beneficiary groups is the broad consensus among Jewish Israelis, which holds the soldiers of Israel's citizen army in high regard, believes that a strong military is essential to Israel's survival, and

subscribes to the Republican notion that citizens' readiness to make sacrifices for the state should be matched by the state's readiness to safeguard their welfare and compensate them for personal costs. These beliefs, expectations and values tend to peak during and after wars and periods when perceived security threats are high. They provide powerful public legitimacy for military-based loyalty benefits, and make it difficult for public figures – whether elected politicians, appointed officials, experts or commentators – to oppose demands for improvement.

Unfortunately, while researchers have drawn on public opinion polls to document the strong degree of support in Israel for an active role for the state in combatting poverty and inequality and providing public services (e.g. Peres and Yuchtman-Yaar 1992; Cohen, Mizrahi and Yuval 2008; Shalev 2007), little evidence is available on public attitudes to war-related benefits or loyalty benefits more generally. However, a small survey was carried out in 1995 with the aim of evaluating public perceptions of the adequacy of cash benefits and services for different types of bereavement in Israel (Florian, Malkinson and Kasher 1999). The results suggested that the Jewish public is both aware of, and approves of, the advantageous cash benefits and support services to which families that experience bereavement due to either military service or terrorism are entitled.

More recent and richer evidence is available from unpublished studies directed by Michael Shalev. One of these studies analyses a large nationally-representative survey conducted in 2011, which examined support for both the Liberal and Republican principles of deservingness in relation to social transfers and services as a whole. The results are of interest in the present context because of the centrality of the Republican principle to the legitimization of loyalty benefits in general, and war-related benefits specifically.

Table 1: Rates of strong support for Liberal and Republican principles of deservingness, by social sector

	Formal Liberalism	Republican- ism
Non-religious	47%	58%
Observant	27%	63%
Ultra-orthodox	49%	42%
FSU* immigrant	30%	47%

Arab	65%	28%
Total	45%	51%

*Former Soviet Union

Notes: After being given a broad definition of social rights, respondents were asked for their extent of agreement (5-point scale) with the following statements: “Israel should award equal social rights to all citizens” (formal liberalism), and “Israel should award additional social rights to people who have contributed to the state, such as discharged soldiers, participants in national service and residents of confrontation areas” (Republicanism). The source is a national sample survey (n=1,000) conducted in October 2011 under the auspices of the Taub Center for Social Policy Studies in Israel.

Table 1 shows that roughly half of the entire sample expressed strong support for each of the two deservingness principles. However, opinions varied with the major social and political cleavages that divide Israeli citizens – nationality (Jews vs. Arabs), religiosity and origin (here represented by immigrants from the Former Soviet Union who arrived in Israel after 1989). Observant Jews and Russian immigrants stand out for their lesser readiness to embrace the Liberal principle, while Arab citizens are understandably in favor of equal treatment but reluctant to strongly endorse the Republican principle (although a surprisingly large minority did). Results not shown here indicate that when both strong and weak supporters are combined, the combination of Liberal and Republican principles won the support of between 60-70 per cent of respondents from all five social sectors. In other words, regardless of their differences, Israelis see no contradiction between equality of social rights and differential benefits for those who serve the collective interest represented by the state.

A more detailed investigation, albeit one based on a smaller and less representative sample, provides enlightening comparisons between attitudes to entitlements linked to military service and non-military benefits.¹⁹

¹⁹ The survey was implemented via the internet in the summer of 2010. It was conducted by a small group of students at the Hebrew University who drew primarily on their personal networks to create a convenience sample that provides at least 400 Jewish respondents (the precise number varies with the question). The sample incorporates significant variation in background factors likely to be of relevance to the attitudes of interest, but its composition is far from representative. Respondents tend to be young (70 per cent under 35), Israeli-born (82 per cent) and highly educated (nearly two-thirds have 15 years or more of education). They are also disproportionately secular and center/left in their political orientation. Nevertheless, 21 per cent

Table 2: **Support for granting material and symbolic benefits to military and non-military beneficiaries**

	Cash benefits or tax concessions	Days of honor	Neither money nor honor
Yeshiva students	13%	4%	84%
New immigrants	78%	14%	19%
Holocaust survivors	86%	60%	8%
Reservists	82%	48%	10%
Military disabled	87%	42%	8%

Source: See footnote 18

Table 2 indicates that the two groups of military beneficiaries have very similar profiles: a large majority of respondents favored rewarding them by redistribution through the tax and transfer system, and a large minority supported granting them recognition in the form of national honor days. Of the three non-military groups, only Holocaust survivors enjoy the same profile, in fact they garnered even more support for symbolic recognition. In contrast, while financial assistance for Jewish newcomers to Israel is widely sanctioned, not many respondents saw a need to publicly honor them. Finally, and not unexpectedly given the sample's bias in favor of educated and non-orthodox Israelis, a very high proportion (84 per cent) did not approve of either recognition or redistribution in favor of ultra-orthodox Yeshiva students.

described themselves as either observant or very observant, and nearly one-fifth said they support religious parties or those to the right of the Likud.

Table 3: **Readiness to grant preferential treatment to different beneficiaries**

	Strongly deserve preferential treatment	Means testing in case of preferential treatment
Large families	17%	49%
Solo mothers	34%	69%
Young couples	37%	55%
General disabled	34%	48%
Accident disabled	32%	49%
Military disabled	49%	33%

Source: See footnote 18

Table 3 compares attitudes towards the three categories of disabled persons that receive differential benefits, and three civilian groups often seen as deserving of government assistance (large families, solo mothers and young couples who don't yet own their own home). The first column summarizes responses to a question asking whether each of these groups ought to receive preferential access to social transfers and services if it was not feasible to provide them universally. About one-third were strongly supportive of preferential treatment for four of the six categories of beneficiaries. Military disabled, on the other hand, were far more likely to be seen as deserving preferential treatment (half of the respondents). In instances where respondents said they favored preferential treatment, they were asked whether it should be conditional on a means test. The second column of the table shows that this was much less likely in the case of the military disabled than any other category of beneficiaries.

3c. Dynamics of expansion and contraction

Earlier in this chapter we referred to two different conceptions of the state's obligation – compensation and paternalism. If the role of loyalty benefits is to compensate citizens for the burdens they shoulder in its name, the right to benefits should be universal and unrelated to the economic situation of recipients. If, on the other hand, the benefit springs from the state's responsibility for the welfare of those who contribute to collective projects, benefits should be selective and contingent on need. At the time of their establishment some military-related benefit programmes were compensatory (e.g. disability), while others were paternalistic (e.g. war widows and reservists). In the course of time, pressures

emerged on the part of actual or potential beneficiaries to either introduce or reinforce the logic of compensation.

According to Lebel (2009:17): “For years, Israel’s bereaved families had acted as those responsible for imparting general values, shapers of the public-symbolic discourse who could promote collective values and influence the ‘general good’. As the twenty-first century began, they started organizing as a private interest group focused on particularist–personal interests.” But self-interest is always part and parcel of the Republican logic of exchange, along with loyalty and solidarity. The parents and the widows of soldiers who lost their lives in military service indeed took advantage of their hallowed status by converting it to pecuniary gain. At the same time, they risked placing the legitimacy of their struggle at risk if they unduly exposed its rent-seeking, exchange-oriented face. The two groups of beneficiaries dealt with this dilemma differently.

Beginning in 1998, bereaved parents waged a successful struggle to receive a generous flat-rate benefit that would end means testing and do away with burdensome procedures for reimbursement of recognized expenses. Given the high status and institutionalized public role of the parents in legitimating military sacrifice, behaving purely as a pressure-group would have undermined their status and influence and questioned the private meaningfulness of their bereavement. Accordingly, as shown by Laron (2005), the parents embraced the traditional glorification of military sacrifice to frame their struggle, without questioning in any way the duty of citizens to pay a personal price for national security. Their criticism was directed at the state for inadequately fulfilling its obligations. Moreover “the state” as such was not the object of their critique, but only the Rehabilitation Division of the Ministry of Defence, the body responsible for implementing and justifying the existing needs-based benefit.

Rather than demanding outright replacement of the principle of need by the principle of compensation, the parents sought to redefine the notion of need as *loss of potential income*, instead of *low income*. They claimed that bereaved parents suffer economically irrespective of whether their son was a breadwinner, because bereavement has detrimental psychological effects on their earnings capacity. Furthermore, they insisted that the resulting economic burden afflicts all bereaved parents, regardless of their poverty or affluence. Eventually this revised reading of the parents’ needs morphed into official

embrace of the compensatory principle. In November 2007, the Prime Minister announced that “from now on families of the fallen in the wars of Israel will receive equal compensation, reflecting the state’s attitude to the fact that the unbearably heavy price they paid cannot be a function of their economic situation.” (cited by Lebel 2009:26)

In the case of military widows, the struggle to transform their benefit from a paternalistic to a compensatory one focused on a matter of eligibility rather than generosity. The aim of the pension was to make up for the loss of a breadwinner, so that widows who subsequently remarried forfeited their entitlement.²⁰ Most women who found a new partner avoided disqualification by cohabiting without remarrying, risking disqualification if their status was discovered. In 2007, when a committee of inquiry recommended enforcing the disqualification of cohabiting widows as a cost-cutting measure (Brodet 2007), the response was “an extensive public campaign by IDF widows, assisted by PR agencies, political lobbyists, and legal and media consultants” (Lebel 2009:28). Ministry of Defence officials argued that on remarriage or re-partnering widows were no longer in need of the income provided by their pension, and that the formation of a new union was a sign of their “rehabilitation”. In response, the leader of the widows’ organization insisted that the function of the pension is compensation. Explicitly invoking the logic of Republican exchange, she described the benefit as “the nation’s appreciation of our loss” and warned that, if it was rescinded, soldiers would lose the incentive to contribute and Israel’s security would be breached.²¹ In mid-2008 legislation was passed annulling the provision to revoke pensions on remarriage.

An important difference between these two campaigns is the extent to which the complainant groups were committed to, and actively engaged in, legitimization of military sacrifice. While, as noted, bereaved parents were heavily involved in glorification, war widows were engaged in a more individualistic project of recovery from trauma. This difference helps explain why both the discourse and the tactics of the parents’ struggle were

²⁰ This arrangement is not unique to Israel. For example in the UK the disqualification of widows pensions for those remarrying or in new partnerships was not lifted until 2015 (Lamiat Sabin in *The Independent*, 8 November 2014).

²¹ Quotations from the widows’ organization’s website (cited by Lebel 2009:29) and the protocol of the Knesset Work, Welfare and Health Committee meeting of 29 July 2008.

more reserved than those of the widows. However, since both groups receive loyalty benefits in return for symbolic rather than substantive services, discourse is their primary weapon and their repertoire of political action is limited. A third illustration of the politics of military benefit expansion is the case of reserve soldiers, who are engaged in substantive exchange.

As indicated earlier in the paper, compensation for reserve duty in Israel has long been effected through the social insurance system and takes the form of wage replacement. From the mid-1990s until the passage of legislation in 2008 introducing an expanded benefit package, reservists engaged in a protracted, explicitly materialist and sometimes heavy-handed struggle for improved benefits (Yakter 2011). They complained that the true extent of their sacrifice merits more than wage replacement, which in any case tends to be incomplete. Their sense of injustice has been amplified because the burden of combat duty in the reserves has become concentrated on an increasingly selective segment of those nominally eligible. Activist reservists contend that the myth of equality of sacrifice of the nation in arms is a sham. Instead of being treated as “suckers” they demand “fair exchange”, claiming that only those who give should get. Their means of struggle were also different from the other groups, most closely resembling self-interested material conflicts in the civilian sphere. This included use of the strike weapon, in order to capitalize on the army’s need for their services. Nevertheless, reservists had to fight longer and harder to receive less substantial concessions than bereaved parents or war widows. The sacrifice of life creates a claim that is harder to resist, and the military has room for reducing its dependence on the soldiering of reservists by relying more on conscripts engaged in compulsory service, who are younger and more obedient.

Reserve duty is also an interesting case from the viewpoint of cost control, a primary concern of the Ministry of Finance. Treasury officials have succeeded in constructing a variety of sturdy institutional barriers that constrain both the budgetary autonomy of operational ministries and the decision-making powers of elected officials – except in the area of defence (Ben-Bassat and Dahan 2006; Lifshitz 2000). During the late 1970s and early 1980s, a period of growing macro-economic and fiscal crisis, the military’s reliance on reservists – and consequently the economic burden on employers and the state budget – grew immensely (Levy 2007). In 1985, when an ambitious economic plan was introduced to

combat hyperinflation, the Ministry of Finance quietly introduced a provision incentivizing the military to economize on reservists by permitting savings from unutilized days of reserve duty to be transferred to other budget lines. A decade later the old system of financing, based on a payroll tax levied by the social insurance institution, was cancelled altogether. Under the new law, the financing of wage compensation for reservists became part and parcel of the annual defence budget, financed by the state's general revenues. Since the cost of reservists' compensation was now fully born by the Ministry of Defence, it responded by voluntarily reining in the use of reservists. Budgetary self-discipline achieved by changing the institutional rules by which benefits are financed, thereby creating incentives to economize, proved to be an effective alternative in this instance to a frontal attack on the rights of beneficiaries. Since this approach is apparently not feasible in relation to other types of military-related benefits, the Treasury has made repeated attempts to directly rein in benefit eligibility and generosity. Its preferred instrument – but one which has so far achieved few concrete victories – is the establishment of expert committees that are insulated from the pressures faced by elected officials.

The most prominent example of this is the Goren Committee, that was established by the government in November 2009 to submit recommendations regarding the criterion for determining eligibility for disabled veterans. In its recommendations, submitted at the end of 2010, the committee suggested that the eligibility threshold for benefits for disabled veterans be raised and that soldiers injured while on leave not be granted benefits. Similarly, it distinguished between career soldiers and conscripts and reservists, limiting benefits for career soldiers only to cases in which the injury or illness could be directly related to their military service (Goren Committee 2010). After drawn-out negotiations with the representative organization of disabled veterans, the government formally decided to adopt the recommendations and to introduce legislation based on the recommendations in July 2013.²² However, efforts to push the piece of legislation through the Knesset stalled. A committee established by the Prime Minister in 2013 to restructure the entire defence

²² See a press release by the Prime Minister's Office on this: <http://www.pmo.gov.il/English/MediaCenter/Spokesman/Pages/spokegoren010113.aspx>.

budget supported adopting the Goren Committee recommendations.²³ At the time of writing, five years after the recommendations were submitted, it is still not clear whether this will indeed occur.

4. CONCLUDING OBSERVATIONS

Israel is a relatively new state, established after World War II. Clearly the Holocaust was not only a major factor in the justification of the establishment of a Jewish nation, but the influx of Holocaust survivors from post-war Europe had a marked impact on the country during its initial decades of existence. Nevertheless, apart from a number of specific social programmes aimed at compensating victims of the Nazis, Israeli social policies were not affected directly by the world wars. In that sense, Israel is a distinctive case among the welfare states discussed in this volume. It also differs from the other cases examined here in that, throughout its seven decades of existence, war (or the threat of war) has remained an integral part of Israeli political and social life. The country has been in a constant state of war preparation, which has been punctuated by short outbreaks of violent conflict.

Given the specific form that war and military readiness have taken in the Israeli case, the distinction between three stages of war – preparation, mobilization, and aftermath – blurs in the Israeli case. However, the need to maintain war readiness and to ensure mass support for this effort make it possible to identify the direct impact of war upon social policies and, in particular, the effort to achieve legitimacy through social policy (see the Introduction to this volume). This chapter has discussed the impact of a variety of causal factors linking war to the social policies adopted in Israel. They include economic resources and hegemonic ideas, alongside the major role of interest groups and path-dependent institutional legacies.

The analysis in this chapter indicates that in Israel, war and warfare did not shape “national” social policy so much as create a distinct system of redistribution and services for military service and the risks associated with the Israeli-Palestinian conflict. From the outset this system was deeply intertwined with a “Republican bargain”, under which citizens trade sacrifice for both monetary and symbolic compensation. The path was set in the early years

²³ <http://www.haaretz.com/israel-news/.premium-1.666935>.

following Independence, but not only because the new state had to deal with the technical and political consequences of a costly state-making war. It also reflected severe resource constraints, and two path-dependent legacies of the state-building era: a tradition of rewarding voluntary sacrifice, and the institutionalization of multiple segmented systems of social protection differing in their financing, administration, clientele, and logics of entitlement.

From the cross-national perspective provided by the case studies in this volume, it appears that when states respond to protracted mass warfare by creating benefits targeted at war victims of one kind or another, they face two choices. One is whether to channel these responsibilities primarily into universal programmes (“topped up” no doubt by categorical benefits expressing the nation’s gratitude), or alternatively to establish an independent system of social welfare for soldiers and their families. Israel, like the United States, chose the second of these paths. Having done so, as in any social policy decision, choices were made between providing unconditional benefits or conditional entitlements that depend on need. The first approach implies compensating all those who pay a price, irrespective of need. The second involves only a paternalistic welfare obligation to replace lost income or meet the collateral needs of dependent family members.

The choice between these two models appears to be contingent on how the respective obligations of citizens and states are defined in a given national and historical context, a function of both culture and politics. After World War Two, and the political lessons learned from the backlash that followed the government’s miserly treatment of veterans of the previous war, the United States – a rich country positioned to dominate international economics and politics – adopted a generous and universalistic approach to veterans’ benefits. Facing very different circumstances, the Israeli government largely opted for paternalistic, needs-based benefits. Yet the continuing centrality of violence and war preparation, and the political dialectics immanent in a Republican bargain, rendered Israel’s system of war-related benefits increasingly accessible, generous and universal, while preserving its segregation and institutionalizing deep and, in many cases, growing inequalities between beneficiaries with identical needs who are covered by different systems.

Underlying these horizontal inequalities are what may be termed the positive externalities of war for those eligible for special-purpose categorical programmes, and its negative externalities for those who are not. As Gifford observed in a study of the analogous case of the United States, “As both potent political symbols and members of a well-positioned interest group, armed forces not only absorb finite resources, but also create discursive obstacles to other groups seeking benefits from the state.” (Gifford 2006b:478-9) We would add that these obstacles are not only discursive, but also political and institutional.

Finally, an issue of central importance in evaluating the impact of war on welfare is its effects on gender inequality and gender roles. The content of the Republican obligations of Jewish citizens type-casts the national mission of men as warriors and women as their mothers and wives (Berkovitch 1997). It follows that many of the compensatory benefit schemes discussed above are inherently gendered, most obviously in the cases of programmes for war widows and the war-disabled. Research has documented maternalist and patriarchal biases in Israeli social policy generally, biases that were particularly marked in the early years of the state (Ajzenstadt and Gal 2001).

It might appear at first glance that military-related benefits would be less gendered than others, since conscription is compulsory in Israel for women as well as men. For two reasons this is not the case. First, in practice, due to a variety of exemptions (including for all married women) female conscription is substantially less universal than for men. Second, and more importantly, men and women generally perform distinct roles in the military, and traditionally women have been further devalued and subordinated by its blatantly masculine culture (Izraeli 1997). While gender segregation of military roles and duties is no longer as complete as it was in the past, only a very small minority of women are given combat duties, and, in a more subtle variation on traditional gender roles, increasing numbers of women train and support male combat soldiers (Sasson-Levy 2003). Moreover, it has been shown that if anything there is “continuity and intensification of gender inequality during war operations” (Dlugosz 2014:2)

As extensive scholarship has demonstrated (Sasson-Levy 2011), the implications of war and war preparation for gender relations in Israel are far more extensive than differences in entitlement to loyalty benefits. On the one hand, the national conflict and its associated risks and obligations shape the childhood and adult socialization of both women and men, in

turn defining parental and spousal roles that perpetuate gender divisions between the private and public spheres. On the other hand, gender relations in the context of military service have fateful implications later in life, affecting both lifestyles (sexual relations, marriage patterns) and work roles and attainments (choice of professions and wage inequality). It is well established that men are far more likely to acquire social, military and human capital in the military, that is convertible to economic and status rewards after completing their compulsory service and is nurtured by their continuing obligation to perform reserve duty, an obligation from which most women are exempt (Israeli 1999). It has become increasingly evident, however, that the gendered implications of military service are sharply differentiated by ethnic and class divisions, such that women from more privileged backgrounds are increasingly able to obtain advantages (e.g. Lomsky-Feder and Sasson-Levy 2015).

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