

Learning and Informal Institutions: Institutional Change via Alternative Politics in Israel

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1. Introduction

During the 1980s and 1990s many groups and individuals in Israeli society employed non-established initiatives to create alternatives, often illegal or semi-legal, to governmental services. The 1980s were characterized by a significant growth in the "black-market economy" – particularly regarding illegal trade in foreign currency, "gray-market medicine" – expressed in a semi-legal private supply of health services using public facilities, "gray-market education" – expressed in the occupation of privately paid teachers and the evolution of independent private schools, and pirate cable networks – all of which are alternative provision of governmental services (Lehman-Wilzig, 1992). Indeed, during the 1980s it became clear that almost only unilateral initiatives of this kind could help people improve their outcomes. In this paper we explain these processes by the re-appearance of deeply rooted political culture in Israeli society which influenced learning processes. This created the grounds for the evolution of substitutive informal institutions which were later transformed to formal institutions.

Mantzavinos, North and Shariq (2004) suggest that institutional change should be analyzed as a part of a process where a certain institutional reality influences individual and collective beliefs, thus triggering an individual and collective learning process which eventually leads to institutional change, specific policies and to outcomes in terms of economic performance. The learning process is based on finding existing or new methods for solving social problems, i.e., shared mental models. From a different perspective, Helmke and Levitsky (2004) suggest a research agenda for the study of informal institutions in a comparative perspective thus emphasizing social and political aspects of institutionalization. Given their typology, substitutive informal institutions – such as alternative provision of governmental services or public goods in rural northern Peru, in rural China as well as in Israel – achieve what formal institutions were

designed, but failed, to achieve, and they emerge where state structures are weak or lack authority.

In keeping with Helmke and Levitsky (2004), we argue that substitutive informal institutions in the form of alternative provision of governmental services evolved in Israel when groups of citizens (subjectively) characterized the socio-political environment by three structural conditions: ineffective formal institutions, government failure combined with blocked conventional democratic channels of influence and compliance with the spirit of the formal rules. The effectiveness of the relevant formal institutions is measured by the extent (high or low) to which rules and procedures that exist on paper are enforced and complied with in practice. Government failure is defined as inefficient provision of governmental services, which may appear in various degrees, motivating citizens to adopt a wide variety of strategies (Weimar and Vinning, 1998). The degree to which conventional democratic influence channels are open is measured by citizens' view regarding the availability of "voice" options. The level of compliance with formal rules is expressed by citizens' interpretation of whether following informal rules is expected to produce a substantively similar (convergence) or different (divergence) result than that expected from strict and exclusive adherence to formal rules. When citizens view formal and informal rules as converging, there is a high level of compliance with formal rules.

We apply the framework developed by Mantzavinos et al. (2004) to explain how in Israel these conditions triggered learning of an existing, yet for long time unused, shared mental model, i.e., problem solving by unilateral initiatives. This mental model was deeply rooted in the Israeli political culture as shaped in the pre-state period. Such changes in the belief system then led to behavioral change and to the evolution of substitutive informal institutions. The alternative institutions created in this manner then signaled the direction for a formal institutional change to politicians.

These changes in the belief system of Israeli society led to the evolution of substitutive informal institutions in several respects. First, such institutions were created to solve specific problems which the government did not handle efficiently. Second, the nature of relations between citizens and politicians was informally transformed from a top-down orientation into a bottom-up orientation. Third, the principle of separation of powers was informally transformed such that far more power than ever has been given to the judicial branch over the legislative and executive branches. Fourth, in all these respects the emergence of substitutive informal institutions triggered some forms of formal institutional change.

In the next section we explain the theoretical framework of the paper and in the third section we apply it to the Israeli case. The fourth section discusses the main insights of the paper.

2. Learning, Informal Institutions and Institutional Change via Alternative Politics

In this section we present two theoretical frameworks which will be used in the empirical analysis to explain the evolution of substitutive informal institutions leading to formal institutional change via alternative politics.

Individual and Collective Learning as a Basis for an Institutional Analysis

In a recent paper, Mantzavinos et al. (2004) explore the cognitive processes of individual and collective learning and tie them to institutional analysis. Referring to individual learning, they adopt an approach that views human learning in regard to problem solving, i.e., any human activity concerns problem solving, and the individual is constantly engaged in learning ways to solve problems – either existing or new ones. Mantzavinos (2001) and Mantzavinos et al. (2004) suggest a theory of learning which can be summarized as follows. The elementary units of

knowledge are rules defined as suggestions that propose the classification of environmental messages or internal information of the organism in a certain manner. A number of rules and rule clusters organized together in the form of one or more default hierarchies give rise to a mental model, i.e., a coherent, but transitory set of rules that enables the organism to form predictions of the environment based on the available knowledge. Mental models are flexible knowledge structures created anew each time from the ready-made pool of rules.

A mental model serves the individual in forming solutions to given problems. When this, as well as inferential strategies, does not solve the problem, the individual is forced to form new, creative, mental models and to try new solutions. A belief is formed when environmental feedback confirms the same mental model so many times it becomes stabilized, and a belief system is defined as the interconnection of beliefs (Mantzavinos et al., 2004).

It follows that individuals learn existing or new ways to solve problems through direct interaction with the environment. Therefore, norms, values and ideas transformed to the individual through cultural and educational mechanisms play a significant role in the learning process and the creation of mental models.

Referring to collective learning, when individuals communicate with each other to try to solve their problems, the direct result is the formation of shared mental models, which provide the framework for a common interpretation of reality and give rise to collective solutions to the problems arising in the environment (Denzau and North, 1994; Mantzavinos, 2001).

Finally, Mantzavinos et al. (2004) integrate all the variables into a scheme of institutional change. At the first stage a certain reality is interpreted by all players, and the shared mental models are applied to solve specific problems. If they are not useful enough, the shared mental models are altered in a process of collective learning until the content of the shared learning is the same or similar for a number of periods. When the shared mental models become relatively inflexible, shared belief systems are shaped. Once all the players have formed the same mental

models, the institutional mix may start solving a variety of social problems in a certain way. The institutional framework, i.e., the different ways to solve social problems, is learned and applied by all players, thus influencing market interactions and economic performance.

This framework is applied in the current paper to explain the evolution of a belief system and informal institutions in Israeli society since the 1970s. Yet, since the term informal institutions has been applied to a dizzying array of phenomena (Helmke and Levitsky, 2004), we discuss it and clarify how it will be applied in our framework.

Informal Institutions

In a recent paper, Helmke and Levitsky (2004) suggest a research agenda for the study of informal institutions and comparative politics. Given the standard definition of institutions as rules and procedures that structure social interaction by constraining and enabling actors' behavior, Helmke and Levitsky (2004:727) borrow from North (1990) and Brinks (2003) and define informal institutions as "...socially shared rules, usually unwritten, that are created, communicated, and enforced outside of officially sanctioned channels". Formal institutions are different in the sense that they are widely accepted as official.

Based on this definition, Helmke and Levitsky (2004) suggest distinguishing between two dimensions that lead to a fourfold typology of informal institutions. One dimension concerns the degree to which formal and informal institutions converge, i.e., whether following informal rules produces a substantively similar (convergence) or different (divergence) result than that expected from strict and exclusive adherence to formal rules. The second dimension is the effectiveness of the relevant formal institutions, i.e., the extent (high or low) to which rules and procedures that exist on paper are enforced and complied with in practice. Given that there are two categories in each dimension, Helmke and Levitsky (2004) reach a fourfold typology of informal institutions:

when formal institutions are effective and outcomes converge, informal institutions are complementary; when formal institutions are effective and outcomes diverge, informal institutions are accommodating; when formal institutions are ineffective and outcomes converge, informal institutions are substitutive; and when formal institutions are ineffective and outcomes diverge, informal institutions are competing.

Complementary informal institutions address contingencies not dealt with in the formal rules or facilitate the pursuit of individual goals within the formal institutional framework. Accommodating informal institutions create incentives to behave in ways that alter the substantive effect of formal rules, but without directly violating them. Substitutive informal institutions achieve what formal institutions were designed, but fail, to achieve, and they emerge where state structures are weak or lack authority. Competing informal institutions structure incentives in ways that are incompatible with the formal rules, meaning that to follow one rule, actors must violate another.

Alternative Politics as Substitutive Informal Institutions

The concept of alternative politics has been developed to describe a situation where people are dissatisfied with policy outcomes but cannot, or do not want to exit or protest (voice) – usually because they believe that conventional democratic influence channels are blocked. People are likely to be dissatisfied with policy outcomes due to government failure, i.e., inefficient provision of governmental services, which may appear in various degrees, motivating citizens to adopt a wide variety of strategies (Weimar and Vinning, 1998). The degree to which influence channels are open is measured by citizens' view regarding the availability of "voice" options. We argue that when citizens believe that they are facing a situation of blocked conventional democratic channels of influence they look for alternative ways to improve outcomes and political performance, or in

the terms of Mantzavinos et al. (2004), people attempt to find new ways to solve social problems that after a process of collective learning may also lead to transformation of the belief system.

Alternative politics may be viewed as such an alternative method of solving social problems, i.e., citizens create alternative supply of a certain governmental service, or a public good, through illegal or semi-legal channels. By doing so, the public solves its immediate shortage and threatens the monopoly held by politicians, thus potentially leading them to change policy according to the demands signaled by society. While the standard model of institutionalization explains how institutions and the need for governmental services evolve due to market failure (Mantzavinos et al., 2004), in this dynamic society responds to government failure and provides public services via non-governmental or semi-private channels.

In the terms of Helmke and Levitsky's typology (2004) such alternative provision of governmental services can be identified as either accommodating or substitutive informal institutions depending on the extent to which formal institutions are effective. In the Soviet Union, alternative politics arose due to government failure under effective formal institutions and, therefore, it can be typified as accommodating informal institutions. In comparison, in rural northern Peru, in rural China, and, as will be explained, in Israel, government failure leading to alternative politics, but also ineffective formal institutions and, therefore, alternative politics in these societies can be typified as substitutive informal institutions.

3. The Evolution of Alternative Politics as Substitutive Informal Institutions in Israel

In this section we explain the learning process through which Israeli society underwent regarding problem-solving mechanisms transforming the strategies adopted by individuals and social movements for influencing policy and politicians.

Structural and Cultural Starting Conditions

Israeli society and political culture were shaped under the rule of the British Mandate in Palestine from 1917-1948. These decades have been described and analyzed in numerous books and articles (to mention just a few: Horowitz and Lissak, 1978; 1989; Eisenstadt, 1967; 1985; Etzioni, 1959; Kimmerling, 1985; Migdal, 1989; 2001; Shprinzak, 1986; Lehman-Wilzig, 1992). The main insights suggested by these studies can be summarized as follows.

In the three decades prior to the establishment of the State of Israel in 1948, the Jewish community in Israel had a relatively large measure of autonomy in managing its own affairs in most fields of life. British mandatory authorities enabled the Jewish community to create a political party system based on a form of democratic election, establish economic and industrial organizations, and run autonomous systems of public health, social welfare, and education. This autonomy did not include the permission to freely settle the country, to have independent military organization and to enforce the rule of law. The British policy of undermining independent initiatives of the Jewish community in these areas of life became very tough in the 1930s and 1940s due to the intensifying conflict between the Jewish and Arab population.

These structural conditions led the Jewish leadership to form a twofold strategy which became the milestone of the Zionist ethos. First, whenever it was possible and authorized by the British Mandate, the Jewish leadership created independent organizations, alternative to those of either the British Authorities or the Arab community, to accelerate economic development, provide public services such as health, education and welfare, and develop infrastructure such as electricity, roads, water supply and building construction. The Arab community did not apply such a strategy for reasons not discussed here. Thus, the idea that the Jewish community could not trust others and had to create its own institutions and organizations gradually became a building block of the Zionist ethos. Second, facing significant threats from the Arab population

and a British ban on wide Jewish immigration, as well as the aspiration to expand the Jewish settlement in Palestine as much as possible, the Jewish leadership gradually built illegal para-military forces which had three main goals: fighting the Arab para-military forces, organizing illegal Jewish immigration and establishing and defending illegal settlements. These channels of activity became the strongest building block of the Zionist ethos as well as of the values that have been endowed via the educational system after the establishment of the State of Israel (Horowitz and Lissak, 1978). We should emphasize that these channels of activity were not only "alternative", but also illegal as far as the British mandatory law was concerned. British mandatory authorities were faced by new facts and realities that they finally accepted.

We argue that the process of Jewish institution building in the pre-state period, which was illegal in several important respects, had significant influence on the political culture, belief system and the approach to conflict and problem solving in Israeli society after 1948. In other words, the ethos that was endowed to generations of Israelis included the idea that acting via unilateral initiatives on the margins of the system of formal rules and even outside this system is not only permitted, but even serves national goals. To a large extent, this was the *modus operandi* of Israeli society (Shprinzak, 1986; Migdal, 1989; Lehman-Wilzig, 1992).

Yet, due to a high level of centralization, the Jewish institutional setting enabled politicians to repress similar initiatives directed towards the Jewish system itself (Shprinzak, 1986; Horowitz and Lissak, 1989; Aharoni, 1998). The Labor Party, which led a coalition government during the 1950s and 1960s, had a socialist orientation and therefore maintained close involvement of the state and public administration in the economic system (Aharoni, 1998). This centralism prevented the development of alternative power centers such as interest groups and significantly slowed down development of a civil society based on liberal values (Horowitz and Lissak, 1989).

Structural and Cultural Changes and the Evolution of Alternative Politics as Substitutive Informal Institutions

A significant change in the development of Israeli political culture came in 1967 with the Six Day War (Naor, 1999; Barzilai, 1996). It gave rise to nationalistic and religious feelings regarding the holy places in the West Bank. That change in the atmosphere was also expressed in attempts of religious people to establish illegal settlements in the West Bank. These events expressed the re-appearance of the mental model that characterized the pre-state period, i.e., solving social problems through unilateral initiatives. The first initiative was in Hebron in 1968, and it ended with a local agreement. Yet in the mid-1970s, the creation of illegal settlements became the core activity of a large grassroots movement – Gush Emunim – the young guard of the mainstream Zionist National Religious party (Lehman-Wilzig, 1992). In their settlement activity, they applied a strategy similar to that used by the Jewish leadership during the British Mandate, i.e., well-planned overnight forays. By the time the sun rose in the morning, several families were already living in temporary shelters with the Israeli flag waving over their settlement. At first, there were several clashes with the government and the army, but in several instances the government actually gave up and cooperated with these illegal initiatives (Lehman-Wilzig, 1992). Within a few years, the rules of game regarding settlements in the occupied territories had changed, and with the rise of the right-wing party, Likud, to power in 1977, settling the West Bank and Gaza Strip with Jewish settlements became formal policy. This led to a situation where over two hundred thousand Jewish-Israelis have settled in these territories, distributed such that the situation is almost irreversible (Benvenisti, 1986; 1988).

This process can be explained using Mantzavinos et. al. (2004) framework. Given the rise of nationalistic and religious feelings regarding the holy places in the West Bank, several religious sectors viewed the unwillingness of the Labor-led government to settle the territories as

a government failure (Shprinzak, 1977). They also faced a situation which they interpreted as blocked influence channels after their prolonged political pressure within their own party and against the broader Labor coalition had failed (Leham-Wilzig, 1992). Formal rules were not effectively enforced due to the relative weakness of the Labor-led government as well as the re-appearance of the Zionist ethos (Horowitz and Lissak, 1989); yet, those religious sectors complied with the spirit of the formal rules, meaning that they did not want to transform the political structure nor did they want to replace the party in power. They simply wanted to bring about a policy change regarding the occupied territories. These conditions pushed the Gush Emunim movement to look for a mechanism to solve the social problem they were facing. They interpreted this problem as similar to those that the Jewish community had faced in the pre-state period (Shprinzak, 1977) and hence viewed it as an "old problem". As explained by Mantzavinos (2001), people in such situations employ, unconsciously, solutions as designated in the respective class and, in this case, the employment of unilateral initiatives. Furthermore, in their justifications and terminology, settlers used the Zionist ethos and even called themselves the "true Zionists" (Shprinzak, 1977; Ra'anan, 1980). We can infer that they employed the shared mental model that had been developed during the pre-state period as a useful means of solving social problems. In doing so, they created alternative paths of settlement, meaning that they formed substitutive informal institutions. The strategy of unilateral (private) initiatives has proven useful for enforcing specific policy on the government, and it has gradually been institutionalized in the formal rules of game. It has also been translated into specific policies and led to outcomes with significant political implications.

The process analyzed so far signaled the evolution of substitutive informal institutions in many other fields in Israeli society. In 1977 the Labor party lost its dominant position after 29 years of leading the country, and the right-wing Likud party formed a coalition government. These events unveiled the deep fragmentation and divisions in Israeli society, which also found

expression in the evolution of mass movements – notably, Peace Now and Gush Emunim, that expressed the left-wing and right-wing positions, respectively, regarding the Arab-Israeli conflict. Yet, for various reasons, the newly elected government failed to implement reform plans between 1977 and 1983 and Israeli society experienced political, social and economic crises (Zalmanovich, 1998; Harris, Katz, Doron and Woodlief, 1997). The political system was transformed into a fragmented system characterized by an increasing number of parties and great difficulty to create coalitions. The unstable situation led the Likud Party and the Labor Party to form a national unity government in 1984, agreeing on an economic plan and a partial withdrawal from Lebanon. However, they could not reach agreement on many other issues, and thus this government and its successor in 1988 created a political stalemate (Horowitz and Lissak, 1989; Arian, 1997).

These dynamics created the impression among the public that the political system was facing a deep crisis which was termed among experts and citizens a governability crisis, i.e., inability to govern efficiently and provide public services (Horowitz and Lissak, 1989; Arian, 1997). Israeli public experienced a continuous government failure in providing public services combined with blocked influence channels. In addition, formal rules in many fields of life have been ineffectively enforced (Barzilai, Yochtman-Yaar and Segal., 1994; Barzilai, 1996), yet the majority of the population complied with the spirit of formal rules. People accepted the democratic rules of game, but regarded the fragmented social structure and the inefficiency of politicians and public administrators as the sources of problem (Barzilai et al., 1994; Arian, 1997).

Given these structural conditions, large sectors of Israeli society attempted to find alternative means of solving social problems through existing or new shared mental models. Similarly to the process analyzed earlier regarding the settlers, these sectors also interpreted the problem of government failure combined with blocked influence channels as an "old problem"

due to the strong influence of the Zionist ethos on Israeli society through the generations (Barzilai, 1996) and the dominance of unilateral initiatives as a way to solve personal problems in the previous decades (Shprinzak, 1986; Lehman-Wilzig, 1992). As a result, similar to the rationale explained earlier, numerous individuals and groups in Israeli society unconsciously employed solutions as designated in the respective class, and in our case the employment of unilateral initiatives. The 1980s were characterized by a significant growth in the "black-market economy" – particularly regarding illegal trade in foreign currency, "gray-market medicine" – expressed in a semi-legal private supply of health services using public facilities, "gray-market education" – expressed in the occupation of privately paid teachers and the evolution of independent private schools, and pirate cable networks – all of which are alternative provision of governmental services, i.e., substitutive informal institutions (Lehman-Wilzig, 1992). Indeed, during the 1980s it became clear that almost only unilateral initiatives of this kind could help people improve their outcomes. Furthermore, most of these initiatives were institutionalized via the formal rules of game and became part of governmental policy. These rules became much more decentralized – particularly in the fields of foreign currency trade and the communication market (Bruno, 1993). In the fields of education and health care, the government changed the rules in the direction signaled by society and initiated several reform plans towards decentralization (Yogev, 1999; Chernichovsky, 1991). These institutionalization processes had a direct impact on specific policies and outcomes, and in the 1990s Israeli economic and administrative systems became much more decentralized than in the previous decades.

Thus, substitutive informal institutions evolved as a central strategy of social movements and individuals for solving social problems in Israeli society. They also marked the path towards formal institutional change and formation of specific policies as theorized by Mantzavinos et al. (2004). These processes intensified during the 1990s when unilateral initiatives and alternative politics were expanded to a wide variety of fields.

In the field of internal security, the feeling of many Israelis that the police did not provide sufficient security triggered the evolution of privately paid security services, protecting against crime and theft in many neighborhoods and small towns (Zinger, 2004). In the field of social welfare, given the growth in socio-economic gaps and the failure of the government to provide sufficient support for the poor, Israeli society has witnessed tremendous growth in the number of voluntary organizations for helping weaker groups of society, both in terms of financial support and consultation (Gidron, Bar and Katz, 2003). In the field of religious-state relations, due to the monopoly of the Israeli religious authorities regarding marriage and divorce procedures, many Israelis who felt uncomfortable with this monopoly adopted unilateral initiatives of civil marriage procedures outside of Israel – especially in Cyprus (Lehman-Wilzig, 1992). As this became a wide-spread phenomenon, Israeli authorities and courts had no choice but to recognize these marriages. In this manner, substitutive informal institutions led to formal institutional change which actually created a separation between religion and state in a very important respect.

The emergence of these informal institutions as well as the others analyzed thus far express an even deeper change of informal institution, i.e., the nature of relations between citizens and politicians in Israel. While in the 1950s and 1960s these relations were informally based on a top-down approach in the sense that policies were decided through the highly centralized system with very limited participation of citizens, in the 1980s and 1990s the nature of these informal relations has been transformed, and they have been based on a bottom-up approach. In this new informal status-quo, citizens identify policy problems and solve them unilaterally by forming substitutive informal institutions. In doing so, they actually signal the required institutional change to politicians and thus institutional changes as well as specific policies and outcomes are initiated from bottom up.

Furthermore, in this process the legislative and the executive authorities were weakened while the Supreme Court, which enjoyed public legitimacy and trust, strengthened a lot (Mizrahi and Meydani, 2003).

4. Discussion

The paper shows how complex and allegedly unrelated dynamics and changes can be explained by the same cultural heritage. Furthermore, it demonstrates the difficulty of tracing learning processes as well as belief change and shows how viewing human behavior as problem-solving activity can help trace the sources of social learning.

Specifically, the analysis of the Israeli case points to three structural conditions for the evolution of substitutive informal institutions in the form of alternative provision of governmental services: ineffective formal institutions, government failure combined with blocked influence channels and compliance with the spirit of the formal rules.

Under these conditions, citizens may apply one of three alternative problem solving approaches: exit, neglect, or unilateral initiatives (a “do-it-yourself” approach). The two first approaches are passive, in the sense that people who adopt them gave up any active involvement in society (Hirschman, 1970; Rusbult and Lowery, 1985; Lyons and Lowery, 1986). The third approach suggests that when people are dissatisfied with outcomes and they believe that all the existing mechanisms to influence and solve social problems are blocked, they think of the situation as the preemptive institution-free situation. In this case, survival is understood in terms of unilateral initiatives, in the sense that these initiatives are independent of the existing institutional setting and are coordinated neither with the government nor with other sectors in society. When, due to government failure, this problem solving approach is applied by citizens to improve outcomes and proves successful, it gradually becomes a mental model and through

collective learning it also becomes a shared mental model, i.e., a transformation of the belief system. Since such informal institutions threaten government monopoly, they are likely to generate transformation of formal institutions.

In Israel, all three options – exit, neglect and unilateral initiatives – have been used by various groups in society. Yet, the third strategy is the most influential one in terms of political participation and institutional change because it is an active strategy which fuels other processes. The empirical analysis showed how structural conditions triggered learning of a shared mental model that was deeply rooted in the Zionist ethos as was shaped in the pre-state period – a problem-solving approach characterized by unilateral initiatives. To a large extent, this cultural evolution is unique to the Israeli case (Horowitz and Lissak, 1978). Many societies under colonial rule have not invested so much in institution building and, therefore, the transformation to the phase of independent state was very problematic with the continuation of other informal institutions such as competing ones (Helmke and Levitsky, 2004).

Two alternative interrelated explanations of the Israeli case should be discussed in relations to our explanation. First, since the 1970s onwards Israeli society experienced a Westernization process through which it has been exposed to capitalist/market values, to international media as well as international liberal economy (Horowitz and Lissak, 1989; Arian, 1997). It may be well argued that such processes, through which individuals became aware of their power, increased private entrepreneurship in the direction of unilateral initiatives. The second, interrelated, alternative explanation may claim that what we term here as unilateral initiative or alternative politics is nothing more than a natural process for individuals in a market-driven economy – that is, citizens internalize the entrepreneurial nature of liberal economy and provide solutions by their own.

We completely agree that Israeli society went through a Westernization process and has been exposed to international liberal economy. Yet, the essence of liberal or market economy is

competition and entrepreneurship under the rules of game or the formal institutional setting rather than trying to establish alternative rules of game. In other words, Westernization influences only provided tools for many Israeli citizens to act unilaterally but the core reason for adopting such a strategy was the influence of deeply embedded political culture. We can certainly reject the claim that acting unilaterally on the margins of law is expected according to the liberal economy paradigm.

Thus, the empirical analysis showed that the changes in the belief system of Israeli society led to the evolution of substitutive informal institutions in several aspects. First, such institutions were created to solve specific problems that were not efficiently handled by the government. Second, the nature of relations between citizens and politicians was informally transformed from a top-down orientation into a bottom-up orientation. Third, the principle of separation of powers has been informally transformed such that the judicial authorities were given far more power over the legislative and executive authorities. Fourth, in all these respects, the emergence of substitutive informal institutions triggered some forms of formal institutional change.

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