CHAPTER ONE

Introduction

The 1950s were a time of social fluidity in Israel. Before the state was established in 1948, the Jewish population in the area numbered about 600,000, and the non-Jewish close to 900,000. During the war that surrounded statehood, the indigenous Muslim population was reduced to about a fifth of its original size.[1] Then, over the next ten years, nearly a million Jewish immigrants arrived from more than twenty different countries, nearly tripling the Jewish population. This all occurred as the protostate institutions that Jews and others established before independence were transformed into full-fledged institutions capable of self-government and as the economy grew rapidly. In other words, for better or for worse (depending on one's politics), what emerged was as close to a new society as sociologists can hope to find.

This book focuses on the labor market experiences of the new Jewish arrivals. Initially, they were a diverse group. From each country of origin, peddlers immigrated with professors, the unschooled with the well-educated; quite literally, a number of separate, independent stratification systems were mixed together in Israel's dynamic environment. However, despite this heterogeneity, the Jewish sector that emerged was divided into two groups: "easterners" from Muslim countries,[2] known collectively as Mizrahim, and "westerners" from Christian countries, known collectively as Ashkenazim.[3] By the time the first Israeli-born generation reached maturity, Mizrahim had significantly lower educational and occupational attainments than Ashkenazim. Moreover, the initially large internal differences—between Polish and Russian Ashkenazim, for example, or between Iraqi and Yemenite Mizrahim—had been significantly reduced (Nahon

1987; Amit 2001). This process of "dichotomization," or the distillation of two ethnic groups out of an initial state of heterogeneity and the production of ethnic inequality between them, represents a particularly dramatic instance of what Omi and Winant (1986) called "racial formation" and what in the Israeli context, I am calling "ethnic formation." [4]

As in most modern industrialized societies,[5] these economic disparities have proven to be stable over time (Shavit et al 1998; Cohen et al 1998). But unlike most, it is possible in Israel to locate a historical period in which ethnic diversity in class position was transformed into an entrenched ethnic hierarchy. This is important because pinpointing the sources of ethnic inequality is difficult in stable, established societies. Forms of power and advantage—economic, political, and cultural—converge over time, as particular groups establish dominance over resources. When class and ethnicity are enmeshed, the observed impact of ethnicity on success is not necessarily an indication of its real importance. Thus, even when it can be shown that ethnic inequality is reproduced largely through class factors (e.g., Hout 1984, Farkas et al., 1997), sociologists are in dispute over the meaning of these findings. Some, such as Wilson (1980, 1987) on the U.S. case, argue that the prominence of class demonstrates that racial/ethnic discrimination in the labor market is no longer an important determinant of life chances. Others, such as Parkin (1979), posit dynamics that allow ethnic elites to capitalize on the prior association between class and ethnicity to disguise ethnic discrimination as a class-based outcome. Concern over this issue extends far beyond academic circles. From the publication of *The Bell Curve* (1994) to the debate over affirmative action, the question of whether ethnic discrimination has simply gone underground continues to shape social policy and spark debate. By studying an ethnically stratified modern industrialized society at its formation, before class and ethnicity were fully enmeshed, we can consider ethnicity as an axis for social closure, less encumbered by preexisting race/class correlations or institutionalization of advantage.

In this book, I examine the process of occupational attainment of Jewish immigrants during their first encounter with Israel's labor market, that is, the encounter that would set the stage for later generations' attainment possibilities. I show that even if the perpetuation of ethnic inequality in Israel is correctly conceptualized as a class-based dynamic (Kraus and Hodge

1990), its genesis is not. In 1961, ethnicity conditioned an individual's ability to translate prior achievements, such as education and occupation abroad, into Israeli occupations. Thus, in a case in which class and ethnicity were not initially fully correlated, this modern industrialized society distributed occupations along ethnic lines directly.

But far more interesting than the fact of an ethnic impact is the nature of the pecking order that developed, and it is here that the complexity and importance of the Israeli situation emerges. As noted, the Jews who immigrated to Israel came in country-of-origin groups. Each country was unique in its history, communal organization, overall attainment levels, and often even language and religious and cultural customs. But in Israel, Jews were portrayed as already divided into Mizrahim and Ashkenazim (Shenhav 2006) These binary categories were drawn from the global east/west or Muslim/Christian divides (Shohat 1988) and were employed by gatekeepers from the first days of the immigration (Tsur 1997), and it was they, not the country-of-origin grouping, that eventually meshed with class (Nahon 1987; Amit 2001). This process of dichotomization, in which ethnic boundaries shifted in part through the distribution of resources, is one of the more interesting features of Israeli society. But although we know that dichotomization eventually occurred, we know little about how or when.[6] Thus the question of this book is not just whether ethnicity affected attainment in the first encounter with labor market but how that effect interfaced with the known outcome of dichotomization.

The answer is not simple. Prior work implied that employers and state agents imposed the new binary categories on the arriving immigrants by immediately distributing resources according to the Mizrahi/Ashkenazi distinction (Bernstein and Swirski 1982). Thus, one expected outcome is that in the first encounter with the labor market, gatekeepers would distribute occupational prestige according to the binary, and not country-of-origin, categories. And indeed, among the six largest countries of origin Romanians, Poles, and Soviets, who were Ashkenazi, received similar and relatively high returns to education, while Yemenite and Moroccan immigrants, who were Mizrahi, received similar and relatively low returns. ("Returns to education" refers to the extent to which higher educational attainment results in higher prestige occupations, income, and the like.) What makes the outcome complex is that Iraqi immigrants, who were also

Mizrahi, received *Ashkenazi*-level returns to education. Thus, by 1961 the distribution of occupational attainment only partly followed the expected dichotomization pattern, and more to the point, the experience of Iraqi immigrants was antithetical to what has been a prominent framework for the analysis of Israeli ethnic inequality.

I dub the Iraqi returns to education the "Iraqi paradox" because without Iraqis in the picture, dichotomization would appear to be the straightforward result of labor market discrimination along binary lines. I then explore what the paradox tells us about Israeli ethnic formation and about the use of the dichotomization framework to conceptualize it. Following Emigh's (1997) "negative case methodology" I do not recommend rejecting the dichotomization framework but rather expanding it so that it can account for the Iraqi pattern as well as that of the other five countries.[7] This is appropriate because we know that resources were eventually distributed by the Mizrahi/Ashkenazi distinction (Nahon 1987; Amit 2001) and that the Iraqi paradox therefore indicates not that dichotomization didn't occur, but that it was not immediate or straightforward. The exploration of the Iraqi paradox is therefore guided by three questions: (1) Why did Iraqis do so well in the first encounter with the labor market? (2) Can the explanations for their success be related to their later downward mobility? And (3) how much alteration of dichotomization theory is needed to account for the Iraqi experience?

I consider two plausible stories. The first is that Iraqis did experience discrimination in the first encounter with the labor market but successfully fought back and that the discrimination continued until Iraqi attainments were finally curtailed. This story is in line with dichotomization theory as it exists now, because it implies that Israeli society was for some reason characterized by a consistent and multifaceted push to reduce the attainments of all Middle Eastern Jews to the same level. This contention is supported by evidence that in placing immigrants in residential locations, state agents discriminated against Iraqis to the same degree as Yemenites and Moroccans. In addition, there is evidence that in the next generation the school system discriminated against the children of Iraqi immigrants. These findings imply that the discriminatory apparatus was pervasive and was characterized by a level of cooperation among different groups of gatekeepers that is more in line with Marx's conceptualization of a united ruling class than with the more multifaceted conceptualizations that predominate today. With regard to modern industrialized societies as a whole, it

implies not only that they can discriminate along ethnic lines directly, but also that they can do so in a concerted and forceful way.

But other findings suggest a second story. Some of the cultural differences between Iraqis and the two other Mizrahi country groups corresponded to important features of Israeli identity and social goals. The Jews who established and immigrated to Israel were deeply committed to developing a modern, western society, and more Iraqi individuals fit this ideal than Yemenite and Moroccan individuals.[8] It may be that because of this greater conformity, there was simply no desire to discriminate against Iraqis. This argument is further supported by findings that when Moroccans conformed to the Israeli conception of modern, western behavior, their returns to education approached those of Ashkenazim, and when Iraqis did not conform to this conception, their returns dropped to the level of other Mizrahim (Chapter 7).

In short, these and other findings in this book suggest that Israel's gatekeepers were primarily interested not in creating ethnic inequality—although that is certainly what they did—but in marginalizing and managing what they variously referred to as the *eastern*, *Arab*, *Levantine*, or *Oriental*. They believed that origins in a Muslim country made one eastern, and the dichotomy between Muslim and Christian countries strongly shaped their expectations regarding individual immigrants who sought jobs in the new economy. At the same time, the consistent finding of this book—of an ethnic hierarchy in returns to education that was flexible, and whose flexibility was systematically related to demonstrable westernness—suggests that it was the project of westernization, not of producing an ethnic dichotomy, that remained the guiding logic behind the distribution of resources in the first encounter with the labor market. As a whole, these findings suggest that Mizrahim were evaluated at a group level and an individual level simultaneously; at the communal level all Mizrahim were taken as eastern and signaled a negative contribution to the collective, but at the individual level, they were considered separately, and westernness could become more salient.[9] This second explanation requires an expansion of dichotomization theory. Prior work has focused largely on the material reasons for ethnic exclusion and has paid less attention to motivations rooted in culture and identity. The incorporation of these additional dynamics provides for a fuller understanding not just of the Iraqi paradox but also of Israeli ethnic and national formation generally.[10]

IMPLICATIONS

Charting this process of dichotomization is important for understanding *how* Israeli society developed. But it is also a fascinating window into *why* ethnic discrimination occurred in Israel, and by extension, one mechanism through which racial/ethnic discrimination can occur in other societies as well. And that, in turn, is its main contribution for students of race/ethnicity worldwide. The book demonstrates that "ideological" factors such as identity and global hegemonic discourses are capable of shaping internal social cleavages. These ideological factors can affect such things as where boundaries are placed around groups, whether ethnic difference becomes an axis of social inequality, and which individuals within ethnic groups are excluded and which are included.[11] As such, this book joins a couple of seminal works that have similarly explored moments in which identity appears at least as important as material interest in explaining racial/ethnic dynamics: Roediger's *The Wages of Whiteness* (1991) and Almaguer's *Racial Fault Lines* (1994). That this is the only book of its kind to use a large-scale, representative data base (the 1961 Israeli census) to make such an argument makes it particularly important.

Three other, related contributions from my work are worth underscoring. First, the book highlights ways that the emergence of social *groups* can be related to the emergence of social *exclusion*, or, put differently, it addresses classic sociological questions about why ethnic difference sometimes leads to exclusion and sometimes doesn't. Some researchers conceptualize the impulse to exclude as following directly from the identification of group difference (van den Berghe 1987), while others suggest the opposite pattern, in which the identification (or strengthening) of group difference occurs when there are scarce resources over which groups might compete (i.e., the impulse to exclude leads to a search for groups to exclude) (Barth 1998). In Israel, however, neither link is appropriate. Rather, both the redrawing of group boundaries and the emergence of exclusion along the new lines were shaped by a third factor: concerns over producing, or portraying, the self as western. Moreover, when one widens the historical window it becomes clear that these concerns shaped Jewish ethnic relations for more than a century prior to immigration but did not always lead to social closure. Instead, groups perceiving themselves as more western sometimes expended significant resources to westernize, and therefore include, groups they saw as eastern.

In fact, as I will discuss, a review of the literature suggests a four-part classification of reasons that ethnic group boundaries might shift or strengthen, and each reason suggests a different relationship between difference and exclusion. The Israeli case belongs in the "relational" category, in which one group defines itself through defining another. Alternatively, new ethnic boundaries might be created because of lack of information—as when whites classify Japanese and Koreans as Asians—or because of a change in scale—as when immigrants from different parts of Italy, upon arrival in the United States, begin to see a shared Italian identity as more salient than it was previously. This study of Israel suggests that a relational dynamic can create intense commitments to particular ethnic contrasts, but the drive to exclude can wax and wane. In contrast, when one group excludes another to monopolize resources, there may be an intense commitment to exclusion, but little commitment to any specific set of group boundaries, or to excluding one group rather than another (Parkin 1979). In cases of lack of information or change in scale, no systematic relationship between exclusion and group formation may be in place. Within this classification scheme, Israel is not so much unique—Almaguer (1994) and Roediger (1991) make parallel arguments about the United States—as it is an example of a type of ethnic dynamic that is less often researched.

In a second general contribution, I follow Almaguer (1994) in arguing that identity concerns can affect how ostensibly neutral resources such as occupations are distributed in ostensibly neutral arenas such as labor markets. This conflates race and class in interesting ways. In an argument that is parallel to my argument that most Jewish elites wanted to produce Israel as western, Almaguer argued that just after the occupation of California, Anglo immigrants wanted to produce a "free labor" state. Since specific groups of nonwhites were associated with unfree labor to differing degrees, racial categories were infused with class symbolism, and vice versa. This intertwining partly explains why race affected the distribution of occupations, as well as why some racial groups experienced more discrimination in labor markets than others.[12] Similarly, I argue that in Israel, higher status occupations were often seen as representing the modernity and westernness of Israeli society. As such, they seemed appropriate for people who were not only technically qualified but also culturally western, or at least European. My argument and Almaguer's argument share the basic premise that occupations can be infused with racial/ethnic/national meaning and can thus

become building blocks for collective identity. In this way, identity concerns can affect the distribution of material resources without material interest, in the classic sense of increasing personal wealth and power, necessarily playing a role. Thus, this book offers one explanation for how racial/ethnic exclusion can be ingrained into the fabric of modern industrialized societies, even as their economic structures and democratic ideologies mandate that human capital be the main determinant of attainment.[13]

A third contribution is methodological. To chart ethnic formation, this book blends the insights of stratification research, which asks how resources are distributed among groups, with the insights of racialization theory, which asks how those groups are created. In most work, these questions are addressed with different methodologies. Quantitative status attainment models, similar to those used in this book, ask how ethnicity and class background account for outcomes such as occupational prestige or educational attainment. In these models, the individual is usually the unit of analysis, and ethnicity is usually conceptualized as a characteristic of individuals. Racialization work, in contrast, often uses historical-archival materials to track changes over time in ethnic group boundaries or the meanings attributed to them, and treats ethnicity as a set of contrasts between groups and as a characteristic of whole societies, rather than a characteristic of individuals. Or, as Telles (personal communication 2002) put it, quantitative work tends to take ethnicity as an independent variable that affects other outcomes, while qualitative work tends to take ethnicity as the outcome itself.

However, to understand Israel of the 1950s—as a moment of state, national, and ethnic formation, as well as a moment of individual competition for a pool of resources as immigrants tried to build new lives—it is necessary to conceptualize ethnicity as both outcome and cause, individual resource and social structure, and to examine links between social and personal identity and the ability of individuals to obtain positions in an emerging social structure. My contribution is to show that analytical techniques developed in the field of stratification can be tools for understanding ethnicity as a fluid construct. Two technical moves specifically treat ethnicity as fluid: (1) attending to the interplay between two ethnic categorization schemes—country of origin and binary ethnic category—at a critical juncture in time, and (2) translating the components of ethnic

meaning during this period of flux into quantitative variables. I will show that although the data in this book constitute a snapshot of the momentary outcome of a range of encounters across a thirteen-year period, that snapshot nevertheless provides an important window into the complexity and historical interplay that shaped it.

The above discussion shows how I use the Israeli case to address some classic sociological questions. Among them:

- Why does ethnic difference sometimes lead to labor market discrimination and sometimes not?
- What can an understanding of ideology and identity add to materialistic accounts of labor market inequality?
- How can racial/ethnic exclusion be ingrained into the very fabric of liberal, democratic, modern industrialized societies, even as their economic structures and democratic ideologies mandate that human capital be the main determinant of attainment?

In Israel, the answers all revolve around identity. Individuals experienced labor market discrimination not when they were ethnically different, per se, but when they were perceived as too "eastern"; this occurred because gatekeepers did not want to lose ground on the project of westernizing Jewish societies, and patterns of ethnic preference were not incidental but rather central to the formation of this modern industrialized society, as a modern industrialized society and a western entity.

In underscoring how important "east" and "west" were to Israeli social formation, this book also addresses questions relevant to students of Israeli society, Jewish studies, and Middle East studies. In addition to explaining how Israel ended up with only two Jewish ethnic groups, when it apparently started with many more, the book can answer two other historical questions:

- How did Israeli Jews end up using the global east/west dichotomy to inform ethnic divides when the self-conscious and even enthusiastic "ingathering of the exiles" sought to *blend* cultures from Muslim and Christian countries, thereby undermining global east/west divides?
- Why were Palestinian non-Jews, especially Muslims, also excluded from the emerging society?

Here, too, I argue, attention to the Jewish ambivalence toward the eastern is necessary. Jews, both before and after the immigration to Israel, often

experimented with hybrid east/west identities and often even romanticized Jewish communities regarded as eastern (Kramer 1999; Aschheim 1982). However, with the mass immigration of Jews from the Middle East, the threat to the ability to emerge as western increased. To some extent Israel did continue to present a hybrid self-image—as a western society with eastern "flair"—but the primary focus was on being accepted as part of the west and not being conflated with other Middle Eastern countries (Eyal 2006). As such, Israelis became more interested in marking east/west differences than in collapsing them. The effect of the compulsion to become western probably cannot be overestimated; as I argued in another work (Khazzoom 1999), discomfort with the eastern or Arabic can help explain geographic and labor market exclusion of Palestinians,[14] beliefs that traditional Jewish religious practice were Oriental can help explain the religious/secular split within Israel's Jewish sector, and beliefs that westerners are more gender egalitarian and sexually free can help explain why the early state was officially supportive of nontraditional roles for women, and why it is currently supportive of gay rights. Most important, however, the history of Jewish identity and ethnic relations, in which the tendency to exclude the eastern waxes and wanes, suggests that Israel's current support of global east/west splits is also mutable (see also Eyal 2006).

ORGANIZATION OF THE BOOK

The next three chapters provide background for my analyses. Chapter 2 sketches out the history of the Israeli state and discusses some details about the labor market in the 1950s. Chapter 3 provides theoretical background, including prior work on the question of why ethnic groups exclude each other and on dichotomization and categorization practices in Israel. Chapter 4 is quantitative and asks to what extent the immigrants arrived in Israel with resources and cultural practices already clustered into the binary categories. I also assess the argument, common in lay as well as academic work, that one reason resources were distributed along binary lines is that Ashkenazim spoke Yiddish and so could understand each other.

The next four chapters present the main empirical analyses. Chapter 5, also quantitative, presents the Iraqi paradox and shows how it challenges prior implications that gatekeepers discriminated against Mizrahim to monopolize resources for Ashkenazim. Then, having found material interest

insufficient to understand the specifics of Israeli resource distribution, in Chapter 6 I use the historical record to find an alternate explanation. This chapter makes the argument that the goal of westernization originated in the Enlightenment, spread at least to the elite of Jewish communities around the world, became embedded in the Zionist project, and can account for patterns of inclusion and exclusion among Jewish communities prior to the immigration to Israel. Given its explanatory power for Diaspora dynamics, I argue, westernization projects are likely to have explanatory power for Israeli ethnic and national dynamics as well.

Having established a new analytical framework based on textual analysis of historical data, in Chapter 7 I return to quantitative analysis. I use Israel's 1961 census to determine whether Mizrahim could increase their returns to education if they had had characteristics that were read as western in Jewish discourses. These "western" characteristics are conceptualized as cultural capital, but capital that signals progress on a shared project of cultural change rather than an upper-class background. The chapter shows that the Iraqi paradox occurred because more Iraqi individuals were able to demonstrate progress on Jewish cultural change projects than individuals from Morocco or Yemen. Once this difference in ability to prove westernness is accounted for, it becomes clear that Mizrahim from different countries did indeed have similar labor market experiences, in that when they were able to prove westernness, they obtained returns to education that were in line with those of Ashkenazim, and when they were unable to prove westernness they obtained very low returns to education. Thus, Chapter 7 makes two points: (1) perceived westernness and easternness was an important driving force in the treatment of Mizrahi immigrants in the 1950s, and (2) because only Mizrahim had to prove westernness, the binary categories did have salience in the labor market. This latter point means that the dichotomization framework is valid for the analysis of Israeli ethnic formation, though with some adjustments to account for more complex motivations than have previously been realized.

In Chapter 8, I return to the basic task of asking how, technically, dichotomization occurred, by considering the impact of residential location on labor market outcomes. The surprise here—what one might call the Moroccan paradox—is that Moroccans who were relegated to single industry, low opportunity areas (development towns) had better returns to education and better overall attainment than Moroccans who lived elsewhere. This

appears to have resulted from a queuing effect; because fewer Ashkenazim were in the towns to take the higher status jobs, Moroccans had a better chance of obtaining them. One result was that in the towns, Moroccans who could not prove westernness were able to obtain the kinds of returns to education normally reserved for western-appearing Mizrahim. The implications for dichotomization, however, are complex. Though gatekeepers placed Mizrahim—from all countries—in development towns at higher rates than Ashkenazim, Iraqis and other Mizrahim from the Asian continent were more likely to move out. Thus the towns were initially mechanisms for generating dichotomization, but because they became Moroccan rather than Mizrahi spaces, they took a role not in dichotomization but in the placement of Moroccans into the ethnic hierarchy.

As with earlier chapters, Chapter 8 finds complex relationships between ethnicity and attainment in the first encounter with the labor market but still no answer to how dichotomization technically happened. In fact, not only is it the case that by the end of the first encounter with the labor market Iraqi experiences were still similar to those of Ashkenazim, but it is also the case that most dynamics that were set in motion at that time would tend to undermine rather than generate dichotomization (Iraqis but not Moroccans or Yemenites obtaining a solid position in the middle class, Moroccans but not Yemenites or Iraqis being concentrated into development towns). The analysis therefore moves on to briefly examine the next logical encounter, when educational attainments were distributed to the immigrants' children through the national school system. Here, finally, I find a dynamic that caused Iraqi attainment levels to drop to those of other Mizrahim: in the schools, Iraqi boys experienced ethnic discrimination, such that they obtained no returns to their fathers' occupational attainments. Thus, the final answer to how dichotomization occurred appears to involve a second-generation shift in Israeli distributive practice, such that Iraqi immigrants, who ended the first encounter with Israel's distributive system with significant occupational resources, were not able to translate this success into educational success for their children.

Although analysis of the second generation is beyond the scope of this book, Chapter 9 does consider several explanations for this shift in patterns of ethnic preference. Two are related. First, the binary classification scheme became less flexible over time. Second, there was a change in gatekeepers from the first to the second generation; while the gatekeepers of the

1950s were largely veterans, teachers were more likely to be new immigrant Ashkenazim who, for a variety of reasons, had stronger interests in discriminating against all Mizrahim and fewer interests in attending to subtle distinctions in westernness among different Mizrahim. Chapter 9 can thus be read as a story of routinization, in which a flexible system of ethnic preference established by the first generation of gatekeepers, in response to a set of concerns about identity, became increasingly inflexible, as new immigrants organized their material activity around the patterns established by the first generation. To the extent that this implies anything about societies generally, it is that ideological interests are most prominent at the formative period of a system of racial/ethnic inequality but lose prominence over time. Such a contention gains some support from the observation that other works that argue for ideological motivations—namely Almaguer (1994) and Roediger (1991)—also concern moments of significant flux. Thus, in reference to the arguments described at the beginning of this chapter, it may be that not only discrimination itself goes underground over time, but the nonmaterial sources of patterns of ethnic preference do as well.