A BRIDGE TO THE DIASPORA –
LOCAL GOVERNMENT AS A BRIDGE
TO JEWISH COMMUNITIES

A Panel Session of the First Local Government Conference
The Harold Hartog School of Government and Policy
Tel Aviv University

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Director of the Israel Region of the Jewish Agency

Dr. Moti Brill
Mayor of Arad

Mrs. Ruth Cheshin
President of the Jerusalem Foundation

Rabbi Yechiel Eckstein
Founder/President of the International Fellowship of Christians and Jews (Friendship Fund)

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Contents

A Note from the Head of the School...................................................................................4

A Note from the Senior Vice President, Israel and Overseas, Jewish Federation of Greater Los Angeles................................................................................................................5

A Note from Dr. Avi Beker, Head of the Jewish Policy Program
Edited Transcript....................................................................................................................6

Greetings and Introductions:
Professor Yossi Shain, Head of the Harold Hartog School of Government and Policy...........................................................................................................................10

Mr. Nachman Shai, Director General of United Jewish Communities-Israel

Panelists:
Dr. Avi Beker, Head of the Program on Jewish Policy, Harold Hartog School of Government and Policy ..................................................................................................................10

Mr. Martin Karp, Senior Vice President, Israel and Overseas, Jewish Federation of Greater Los Angeles ...........................................................................................................................13

Mr. Ephraim Lapid, Director of the Israel Region of the Jewish Agency ..............................................................................................................................14

Dr. Moti Brill, Mayor of Arad ........................................................................................................16

Mrs. Ruth Cheshin, President of the Jerusalem Foundation ..............................................18

Mr. Shmuel Ben-Tovim, Chairman of the Jewish Agency’s Israel-Diaspora Relations Task Force, former Mayor of Kfar Shmaryahu ...........................................19

Rabbi Yechiel Eckstein, Founder/President of the International Fellowship of Christians and Jews (Friendship Fund) .........................................................................................21

Appendix 1: Position paper submitted to the Local Government Conference ........24

Appendix 2: Related Media Articles ................................................................................36
The First Annual Local Government Conference
Harold Hartog School of Government and Policy
Tel Aviv University

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A Note from the Head of the School

From 30-31 May 2005, the Harold Hartog School of Government and Policy held the First Annual Local Government Conference, in which many of the critical policy and management challenges facing local government in Israel were discussed and debated by professionals, academicians and members of Knesset. As part of the conference, the School and the Los Angeles Jewish Federation were proud to host a workshop on the topic, “A Bridge to the Diaspora – Local Government as a Bridge to Jewish Communities.”

The panel brought together leading figures involved in work with philanthropy activities directed towards Israeli local authorities, in an effort to assess the changing and complex nature of that relationship. Included were both representatives of those who support Israeli local government (federations and the Jewish Agency) and recipients (mayors, heads of foundations) who have enjoyed the munificence of Diaspora philanthropy. An important addition was the founder of the International Fellowship of Christians and Jews (Friendship Fund), which has in the past few years become the most important and significant supporter of Israeli local authorities.

The session was chaired by Mr. Nachman Shai, Director-General of United Jewish Communities-Israel. Panelists included Dr. Avi Beker, Head of the Jewish Policy Program at the Hartog School (whose paper included in this booklet served as the basis for the panel discussion); Mr. Marty Karp, Senior Vice President, Israel and Overseas, Jewish Federation of Greater Los Angeles; Dr. Moti Brill, The Mayor of Arad; Brig. Gen. (Res.) Ephraim Lapid, Director of the Israel Region of the Jewish Agency; Mrs Ruth Cheshin, President of the Jerusalem Foundation; Rabbi Yechiel Eckstein, Founder/President of the International Fellowship of Christians and Jews (Friendship Fund) and Shmuel Ben-Tovim, Chairman of the Jewish Agency’s Israel-Diaspora Relations Task Force and former Mayor of Kfar Shmaryahu.

The workshop comprised a further outstanding example of the Local Government Conference’s capacity to bring local government to the fore, in all its diverse capacities. We would like to give special thanks to the Los Angeles Jewish Federation for their assistance in relation to the workshop and the conference. The Los Angeles Jewish Federation was in fact one of the very first funders to support our initiative.

We also wish to acknowledge the support of The Pears Foundation, the Center for the Empowerment of Citizens in Israel (CECI) and the Friedrich Ebert Stiftung (FES) for sponsoring the workshop and for their overall support for the conference.

Yours sincerely,

Professor Yossi Shain
Head of the Harold Hartog
School of Government and Policy
A Note from the Senior Vice President, Israel and Overseas, Jewish Federation of Greater Los Angeles

The Los Angeles community has been a pioneer in efforts to forge relations between the Diaspora and Israel through local government. We are proud of our eight year long relationship with the municipality and people of Tel Aviv. It was, therefore, only natural that we should support the Harold Hartog School’s inaugural local government conference and the session looking at local government as a bridge to the Diaspora. We commend the sponsors of this event for highlighting this crucial aspect of local government activities in Israel and hope that the issue will enjoy greater academic and public policy attention.

This publication documents the important deliberations at the conference and sets out an agenda for future consideration.

Martin L. Karp
Senior Vice President
Israel and Overseas, Jewish Federation of Greater Los Angeles
A Note from Dr. Avi Beker
Head of the Jewish Policy Program

Those who have dealt with the study of Jewish philanthropy to Israel since the establishment of the State may identify dramatic changes on a number of levels, including the sources of donations, patterns of giving, and involvement of donors in fund allocation and the operation of projects. There has never been so varied, diverse, and decentralized a market of fundraising activities and donations to the State of Israel and its citizens.

As shown in our conference, the ties between local government in Israel and the Diaspora underscore the full range of political streams within the sphere of financial donations to Israel, as well as the range of social and religious aspirations of both donors and fundraisers. Some raise money to support Israel’s image, while others specialize in the overseas training of sniffer dogs to detect explosive materials for the Israel Defense Forces. Some work towards the enactment of an Israeli constitution, while others donate for or against the development of a system of direct prime ministerial elections. There are those who transfer money solely to the Jewish settlements, and others who transfer funds to identify and protest against civilian outposts located in the settlement areas. There are left-wing bodies funded by European governments and funds to fight against what appears to the respective governments as excessively right-leaning policies, whilst at the same time, there are right-wing organizations which receive support from Christian sources to fight what they perceive as overly left wing policies. There are Jewish funds and donors who contribute to the development of Arab-Israeli communities and there are right wing groups who are supported by Christian funds who believe in the Messianic vision of Israel. Today, there are very few needy local authorities in Israel which are not supported by the U.S. based evangelical Christian “Friendship Fund”.

Jewish Philanthropy, particularly in the United States, was always the main driver behind community organization, leadership recruitment and the establishment of community agendas and priorities. Therefore, the study of the shifting patterns in Jewish charity and the changes mechanism of fundraising, is a major resource for the understanding of Jewish life in the Diaspora, the strength of Jewish identity and the its impact on Israel-Diaspora relations.

Dr. Avi Beker
Head of the Harold Hartog School of Government and Policy
Mr. Nachman Shai

“It is increasingly difficult for established organizations to raise funds, although numerous private initiatives and non-profit organizations are managing to raise funds here and there. On the whole, the business of donations is becoming more and more problematic as time goes by.”

Mr. Nachman Shai is the Director General of United Jewish Communities-Israel. A former Director of the Israel Broadcasting Authority, Nachman rose to prominence as the calming voice of the Israel Defense Forces during the Iraqi Scud missile attacks during the 1991 Gulf War when he was the IDF spokesman.

Dr. Avi Beker

“Today, the Diaspora increasingly views the local authority as a channel for communication, rather than going through the larger state, with all its bureaucracy. This gives local authorities greater potential and more opportunity, but also presents them with sizable challenges.”

Dr. Avi Beker was formerly the Secretary General of the World Jewish Congress and has been involved in many international diplomatic campaigns and in cultivating Israel-Diaspora relations. He graduated from Tel-Aviv University in Political Science and Jewish History and received his Ph.D. in Political Science from the Graduate Center of the City University of New York. Dr. Beker currently leads the Jewish Policy Program at the Hartog School of Government and Policy, and lectures on international relations, diplomacy and Jewish policy at the Hartog School and at the Ashkelon College. He also writes a column for Haaretz and serves as a consultant on international affairs.

Mr. Martin Karp

“At the end of 1997, the Los Angeles community began a joint project with the Tel Aviv municipality. The working assumption was that the basis for the relationship does not start with philanthropy, but rather with people opposite people.”

Mr. Martin Karp is the Senior Vice President, Israel and Overseas, of the Jewish Federation of Greater Los Angeles. The Federation is the central planning, coordinating and fundraising body for 18 local and international agencies that offer the entire LA Jewish community a broad range of humanitarian programs. The United Jewish Fund, the annual fundraising campaign, supports these programs and is the largest single year-round fundraising endeavor in the Jewish community.
Brig. Gen. (Res.) Ephraim Lapid

"Partnerships between Jewish communities and local authorities are not like partnerships of twin cities, where the relationship is between municipalities. In partnerships with Jewish communities, the communities don’t want to deal with the mayor, but with a fellow volunteer activist, whose activities are in addition to his job and not a part of it."

Brig. Gen. (Res.) Ephraim Lapid is the Director of the Israel Region of the Jewish Agency. He served as spokesman for the Jewish Agency and the IDF. He held several senior positions in the IDF including, Senior Intelligence Officer and Commander of IDF Radio Station. Lapid received an M.A. in Political Science and is a graduate of the National Security College.

Dr. Moti Brill

"The most important challenge for Israelis is to learn the rules of order: how to conduct a meeting. Every American knows them. The language is difficult for us to begin with, because our mother tongue is Hebrew and theirs is English, so there is a gap right away. We have to learn how they work, what they do, how they think."

Dr. Moti Brill is the Mayor of Arad, one of the Israeli cities taking part in the Jewish Agency’s “Partnership 2000” project. He holds a doctorate in nuclear engineering and spent most of his life working in the laboratories of the Negev Nuclear Research Center in Dimona. He also spent much time as a lay leader for his community before becoming mayor.

Mrs. Ruth Cheshin

"Once, Meyer Weisgal or Teddy Kollek could sit with a donor over a drink, shake hands and close a donation. Those were Jews for whom the memory of the Holocaust was fresh and who were excited by the “miracle” of the Jewish state. Things are completely different now. Today, there is a much younger audience that is less connected with Israel, that wants to be involved and that wants the other side to give money too."

Mrs. Ruth Cheshin co-founded the Jerusalem Foundation in 1966, and has served as its director since. Under her direction, the foundation has raised over $720 million and completed many thousands of projects affecting the lives of Jerusalemites, in the fields of culture, education, community and coexistence. In addition, Mrs. Cheshin serves as board member for numerous important cultural and educational institutions in Jerusalem, most of them created and supported by the Jerusalem Foundation. She is also a member of the Board of Directors of Teva Pharmaceuticals. Ruth is Chairperson of the Board of Mishkenot Sha'ananim and Lay President of the Jerusalem Foundation.
Mr. Shmuel Ben-Tovim

“Philanthropy has a strategy, which states that garnering donations and resources is essentially a marketing activity. We must identify the customer, in this instance the donor, understand his needs and the purpose he is seeking, and most of all, pay attention to the importance of allowing him to choose the product.”

Mr. Shmuel Ben-Tovim is chairman of the Jewish Agency’s Israel-Diaspora Relations Task Force at the Union of Local Authorities and former Mayor of Kfar Shmaryahu. He currently serves as the new economic attaché at the Israeli Embassy in London.

Rabbi Yechiel Eckstein

“The municipalities and the mayors are really at the forefront of the battle. Every time we looked at the situation in the cities, we saw cutbacks. Three years ago, we decided to help the mayors directly. Since then, we have donated some 50 million shekels directly to the towns.”

Rabbi Yechiel Eckstein is an Orthodox Jewish Rabbi and Founder/President of the International Fellowship of Christians and Jews (Friendship Fund). He is also President of the Meir Panim and Koach Latet, both relief organizations and serves as National Co-director for Inter-religious Affairs, in the Anti-Defamation League (ADL). He is also a Jewish Agency board member.
Greetings and Introductions:

Professor Yossi Shain: Our discussion will focus on local government as a bridge to Jewish communities. This is a complex and important subject, which, contrary to conventional wisdom, is not limited to the Jewish people, but concerns many countries and peoples with their own diasporas. Modern local authorities throughout the world deal with Diaspora issues on a daily basis. Dr Avi Beker heads up the, Jewish Policy Program at the Harold Hartog School of Government and Policy, a program which attempts to address the subject of people as a policy issue.

Nachman Shai: We are here to discuss the relationship between the bodies that raise funds, the “givers”, and those who use them, “the receivers”. I represent the United Jewish Communities and the North American federation, two bodies who work hard to collect an annual $850 million. Of that sum, $600 million remains in the United States for use within American Jewish communities, while $200 million is shared between the Jewish Agency and the American Jewish Joint Distribution Committee.

Sweeping changes are taking place among donors in the Jewish world in general and in North America in particular, most of which stem from the fact that the community is shrinking in size. Statistics from a survey we conducted in the early 1990s show a population of some 5.7 million Jews. A similar survey carried out 10 years later reveals that number had dropped to 5.2 million – a decline of around half a million Jews. This is hardly surprising considering that the rate of intermarriage and assimilation in North America has reached 50 percent, which is a truly astounding figure.

These figures deeply affect our organization’s ability to raise funds and transfer them to recipients in both Israel and the Jewish world. These demographic changes also affect the donor profile. Donors are becoming older, young people are drifting away, and donations are generally smaller. It is increasingly difficult for more established organizations to raise funds, although numerous private initiatives and non-profit organizations are managing to raise funds here and there. On the whole, the business of donations is becoming more and more problematic as time goes by.
Dr. Avi Beker:

I would like to focus on “unique” added value within philanthropy. The word unique in this sense has a double meaning. In one sense, it is unique because it allows for the possibility of increasing the local authority budget with funds linked to “development” goals. This additional funding can not only solve deficit problems, but can facilitate community activities. It is also unique in the sense that it offers an excellent opportunity for developing the relationship between Israel and the Diaspora.

Today, the Diaspora increasingly views the local authority as a channel for communication, rather than going through the larger state, with all its bureaucracy. This gives local authorities greater potential and more opportunity, but also presents them with sizable challenges. Most of the money donated by North American Jews is directed toward projects within the United States, 85 percent of which have no Jewish connection whatsoever. This shows a tremendous philanthropic potential which could be tapped if we could establish a sense of connection with our American Jewish Diaspora.

For local authorities, fund raising abroad is a complex profession, demanding specialized knowledge and qualifications. The partnership market is a diverse and unorganized one, representing a mixed bag of institutions, funds and donors from all parts of the political, social and religious spectrum. Local authority heads now have to manage their fiscal policy in a much more competitive and sophisticated market, which requires knowledge, advanced preparation and the presentation of projects tailored to suit the very specific demands of the donors. Local authorities must start showing more openness and flexibility towards donors, who increasingly demand full partnership and involvement, at all levels of project management.

In the past, projects have failed and will continue to do so as a result of communication gaps, differences in mentality and the inability to communicate sufficiently well with guests from abroad. We have to learn from these past errors and come prepared to all meetings between donor and receiver. Today we are also more aware of the fact that some donors and funds come with a political agenda. Much discussion centers on the issue of Christian donors, who currently constitute a dominant force in philanthropy to Israel. There are also Jewish foundations who donate mainly to the settlement blocks, seeing themselves as intrinsically connected to the political struggle over issues such as disengagement. By contrast, there are also those who donate to co-existence projects and there is a growing trend of increased donations to Arab authorities by world Jewry. I believe this to be a welcome development which can improve the atmosphere in Israel, but which can also open a very interesting window for dialogue between Jews and Arabs, via joint donation projects.

The Jewish Agency, meanwhile, is becoming more involved in ground-level activities, striving “to improve and strengthen the loosening bonds of Israeli society”. Their aim is “to preserve Israeli society’s Jewish character.” This is basically a reversal of roles, with the Jewish Agency trying to rectify what is sees as a malfunction or failure in society.

We in Israel always believed ourselves to be the center of the Jewish world and tried to improve and strengthen Jewish identity in the Diaspora, but today, the Diaspora is attempting to influence Israel’s Jewish character via donations. This involvement always has a clear
agenda spelled out from the minute the partnership is forged, but local authority heads and their staff need to know this when they embark on these joint projects.

Certain donors want to be involved for the duration of the project, to make decisions about targets and goals and, to collaborate to ensure the project is carried how they want. This is a challenge, but also an opportunity for mayors to nurture a closer relationship with Jewish communities abroad. Often there are significant differences between Israeli communities and the foreign donors funding the project. In the Diaspora, community leaders tend to be professionals from all walks of life, from professors to businessmen and even millionaires. Unfortunately, local authorities in Israel do not always have suitable partners for dialogue with them.

A new and revolutionary development is that of the partnerships being established between Christian donors, mainly Evangelicals, and local authorities in Israel. Despite the controversial nature of this partnership, local government in Israel accepts it as a welcome phenomenon. In an interview with Haaretz in May, Karmiel Mayor Adi Eldar describes this as “one of the nicest projects established in Israel over recent years. The Friendship Fund supports the weakest members of Israeli society in place of the state, which does not succeed in helping. The fund operates without setting conditions, without bureaucracy. If they weren’t giving, no one would be giving. There would simply be no money.” There is certainly some criticism in Israel over the alleged hidden agenda some Christians may have in donating money to Israel. We have repeatedly investigated these claims and have not found there to be any missionary activity through the transfer of such funds.

We at the School of Government and Policy offer local authorities our full cooperation through seminars prior to meetings and joint projects, because this is unique added value which is not worth missing out on.
Martin Karp:

Our discussion focuses on monetary contributions. I would like to add some comments about the importance of non-philanthropic relationships and their importance in building Jewish peoplehood.

I represent the Los Angeles Jewish Federation. In addition to strengthening the local community, the Federation also has a communal obligation to bear global collective Jewish responsibility. It is our duty to help Jews in the Commonwealth of Independent States to set up communities and also to work with the State of Israel on immigration and absorption of new olim in Israel.

Unfortunately, however, the Israeli government no longer has a clear order of priorities concerning the role of the Diaspora and the State of Israel. During Project Renewal in the 1980s, for example, there was a clear definition of roles, of direction. Now everything is vague.

In 1996, the Los Angeles Jewish Federation discovered that Israel does not even appear on the radar screens of our younger generation. At that time, we also learned that the younger generation in Israel also has no inkling of reality of life in the Los Angeles Jewish community. At the end of 1997, the Los Angeles community began a joint project with the Tel Aviv municipality called the Tel Aviv-Los Angeles Partnership. The working assumption was that the basis for the relationship does not start with philanthropy, but rather with people to people, and community to community endeavors. We built a partnership relationship in the fields of education, culture, and health and human services.

We now have eighteen twinning projects involving schools and a waiting list for more. Another example is a joint project with Tel Aviv University and the Tel Aviv Municipality to bring graduate students to Israel for two years. The project is called TASP, the Tel Aviv Teach and Study Project. Next year there will be 31 participants in TASP in Tel Aviv, teaching English in Tel Aviv schools and studying toward their MA in teaching English as a second language at Tel Aviv University. An average of 40 percent of these students becomes olim.

The foundation of this effort is partnership, but one of the side results has been strategic earmarked donations in support of the program. For example, we built a task force between the two communities, focusing on food insecurity and poverty in both communities. Thanks to the strategic interest between the two communities, we received several donations for Tel Aviv, donations that enabled us to establish a new project – an experimental daily breakfast program for 1200 elementary school children in Jaff and South Tel Aviv. Israel-Diaspora relations cannot exist on the basis of philanthropy alone. In order to ensure the future of the Jewish people we must strengthen the mutual support between Israel and the Diaspora and develop personal relationships between the two communities.
Brig. Gen. (Res.) Ephraim Lapid:

Donation is an essential way for the world’s Jews to participate in the Israeli experience, at both an individual and a community level. We must not, however, limit ourselves to examining only the monetary scope of their donations. Around five billion shekels is donated to Israel annually. In relation to a state budget of 260 billion shekels, this does not sound a very significant sum in itself, but it is highly significant in terms of what it represents.

Words like tikkun olam (repairing the world), tzedakah (charity), and chesed (acts of kindness) are heard in every Jewish community. In Israel, however, these words fall mainly within the religious domain. Tikkun olam, especially, is a term reserved for the religious and not something discussed among secular Israelis. In the Diaspora, however, tzedakah, chesed, tikkun olam and the desire to participate, play a central role in community life. So we should view donations as a significant component in strengthening connections, as an ideological strengthening, if you will.

The bridge to the Diaspora is not built solely via the dollar or the shekel. It is composed of three layers, the first of which is immigrant absorption. Many local authorities in Israel were built by the Diaspora in the most literal sense, through immigrant absorption. Good examples of this are the cities of Karmiel, Be’er Sheva, Kiryat Gat, and Upper Nazareth. What are new immigrants? They are Diaspora Jewry, in the most literal sense of the term. Thus, local authorities see great importance in strengthening the connection with worldwide Jewish communities, not only in the philanthropic sense, but also as a significant source for enlarging their city. Take for example, the municipalities in Netanya and Ashdod, where the mayors and local authorities nurture ties with the Jewish community in France, or in Kiryat Yam, which nurtures a connection with Argentina. These are examples where the connection between Israel and the Diaspora manifests itself very concretely at a local level.

In many ways, immigrant absorption is the most important message for aliyah itself. The message that the new immigrant who arrives in Upper Nazareth or Tiberias, sends back to his community is stronger than any brochure or promotional film. The local authority’s duty, therefore, does not end on the day the oleh arrives in the city, but continues with the strengthening of the connection between veteran Israelis and olim.

The second aspect of the local authority’s work is the matter of Jewish-Zionist education. The Jewish Agency speaks clearly and in absolute terms about the strengthening of Jewish identity. If there is to be a future for the Jewish people, aliyah and Jewish education are the two most effective ways.

Local authorities currently play a big part in at least two important programs in Israel: one is Birthright – which brings young people from around the world to travel in Israel for 10 days; the other is a newly-launched government travel program, in which youths from across the globe come for a longer period.

I also want to comment on the concept of lay leaders, those volunteer public activists within Diaspora communities. We in Israel take a very different view of things. Partnerships between Jewish communities and local authorities are not like partnerships of twin cities, where
the relationship is between municipalities. In partnerships with Jewish communities, the communities don't want to deal with the mayor; but with a fellow volunteer activist, whose activities are in addition to his job and not a part of it. We have not come to terms with this concept yet and I feel it needs to be clear that a lay leader working in a partnership with Diaspora communities should be a local activist.

I also believe it is the local authority's role to explain Israeli issues to world Jewry. Every meeting held by local authorities includes explanations of matters reaching far beyond the local scene, such as the Arab-Israeli conflict. Sometimes this can be more important than what is said by official Israeli spokespeople.
Dr. Moti Brill:

On September 11, 2001 I returned home from my job at the nuclear reactor in Dimona. The television was on and I saw planes crashing into the twin towers. Arad has a partnership with communities in New Jersey and Delaware. Some of our communities are just across the river from where the attacks happened and some of their people work in New York. I tried to contact members of the federation, but there was no answer, the telephones didn't work. So I sent them an e-mail saying, dear friends, if you need our help, please let us know, we will do what we can, from Arad. This story is important in order to understand that when one speaks about the connection between Diaspora Jewry and Israelis, there are essentially two aspects to consider: the philanthropic, monetary aspect, and the Zionist aspect.

I began as a lay leader, as a scientist at the reactor in Dimona and worked my way up to the Mayor's Office. Partnership 2000 influenced my decision to switch to public action. The American chairman of our partnership persuaded me that the only way to change Israel is to leave private life and to go into public work.

I became chairman of reciprocal relations between Arad and the communities in New Jersey and Delaware. On one of my trips to visit our partner communities, I was shown a graph showing the assimilation process and the disappearance of affiliated Jews. Statistically, the last Jew in America is supposed to disappear altogether sometime between 2030 and 2050. This hit me like a punch in the stomach, and from that moment on I have invested a great many hours and days, as well as many trips to the United States, in order to try to stop world Jewry from disappearing. I felt it to be my Zionist responsibility. The philanthropic aspect, however, is also important. As a development town in the eastern Negev, Arad needs a lot of money.

As a former lay leader who later became a professional, I will give you three tips:

(1) Don't start before you understand how a federation works. Mistakes could cost you dearly. Learn what a federation is, understand it, and understand its composition.

(2) In an American federation, the head of that federation is a lay leader, a volunteer who is usually very wealthy. Under him is the director general, who is a paid worker. The director general relies on volunteers. When a federation's delegation comes to Israel they encounter culture shock. Across from them sits the head of the local authority, along with staff from the local council or municipality and they are not all sitting as equals. They relate to the professional, to the salary earner, as their employee. As someone who has switched from one side to the other, I can tell you that there are things that I dare not do, but as a volunteer I did quite often, including speaking to them bluntly and telling them what I believe. Today I am a salaried employee. I have to do the authority's work, so I treat them differently and I have to treat their volunteers with respect.

(3) The most important challenge for Israelis is to learn the rules of order: how to conduct a meeting. Every American knows them. The language is difficult for us to begin with, because our mother tongue is Hebrew and theirs is English, so there is a gap right away. We have to learn how they work, what they do, how they think.
For almost 10 years now I have been involved in Partnership 2000. It is a very rewarding investment. The people there are great and they have invested tremendous resources and so much love, in us and in our community, as well as an awful lot of money.
Ruth Cheshin:

As president of the Jerusalem Foundation, I am responsible for both raising funds and disbursing them. Teddy Kollek, who established the foundation, said, “I don’t want to raise money the way all the appeals collect funds, for general goals, and only afterward someone decides how it is distributed.” Here, every penny we raise is always designated in advance for a specific purpose: whether for assisting children with homework at community centers, which costs tens of thousands of dollars, or for building a $5 million community center. Every penny is always earmarked from the outset. That is what makes us unique in the fundraising field.

The accepted trend these days is that donors want to know where their money is going. Once, Meyer Weisgal or Teddy Kollek could sit with a donor over a drink, shake hands and close a donation. Those were Jews for whom the memory of the Holocaust was fresh and who were excited by the “miracle” of the Jewish state. They were happy to give their money and hardly ever wanted to know where it was going. Things are completely different now. Today, there is a much younger audience that is less connected with Israel, that wants to be involved and that also wants the other side to give money, too. Our main difficulty is showing that we are also raising funds in Israel.

The Jerusalem Foundation is different from other foundations. We do not work with the Federations but with dozens of other bodies, such as community centers, synagogues or, individual wealthy Jews who want to see their name on a building or who are looking for a cause that interests them. The trick is to find them, reach them and convince them of the importance of what you are doing. We also do not only work with the United States. We have eight branches throughout the world in various places where we raise funds. There, of course, there are no federations and we collect money mainly from organizations and private individuals. It is important to try and understand how to reach that audience.

Raising donations is not something that can be done off-hand. The head of the local authority has an advantage in that he can advocate the purpose of the donations, but in order to raise money efficiently, he needs a professional.
Shmuel Ben-Tovim:

My perspective is influenced by two issues: one of which is experience. I have been involved in this field for over 25 years, as a state emissary as a founder of the Israeli forum, and more recently as a key participant in a special relationship with the San Francisco Jewish Federation. The second source of influence is this honorable forum at Tel Aviv University.

With your permission, I would like to use a few brief concepts from the world of marketing. Philanthropy has a strategy, which states that garnering donations and resources is essentially a marketing activity. We must identify the customer, in this instance the donor, understand his needs and the purpose he is seeking, and most of all, pay attention to the importance of allowing him to choose the product. Marketing theory puts huge important on giving the customer value. This means every customer ultimately wants his shekel to provide him with the greatest return, and this is truer than ever concerning the donor. He too wants to see the most value from his donation and the question is how this value is measured.

What motivated donors in the past? Identification with history, solidarity with Israel, etc. What is important in the old model is an understanding that the marketing pipeline was a long one. A donor would go to a federation or to some other intermediary or agency which would then distribute the funding to various recipients. The intermediaries were the dominant players and the donor was effectively the client of the collection organization and not the client of those who ultimately benefited from the donation.

Now, let us switch to the model of management guru Professor Michael Porter (of Harvard University), who lays out four criteria to define the value sought by the donor:

(1) The donor wants the most worthy recipients. He wants to deal with a trustworthy, professional body that will make the best use of his money.

(2) He is looking for strategic joint efforts. He does not want to work alone, because working as a group reduces the risk and creates a larger reservoir of money and knowledge.

(3) Improved performance over time. He does not want the professional body using the money to disappear immediately after the donation is used up. He wants to see a continuing effect of accumulated knowledge.

(4) A knowledge base that he can use over time, even if he is no longer donating - what the business world calls exit strategy. He wants to know that even when he leaves, there is a continuing effect of his donation. As a businessman, he will want a high level of performance, a unique positioning, giving him the sense he has done something that others did not.

What is interesting here is that this whole model was not written specifically about donations for Israel. It concerns every kind of philanthropic situation. In the new model, we are effectively seeing a new marketing pipeline that has all sorts of intermediary bodies, but which creates direct contact between the donor and the recipient, so that the fund raiser, in this case the local authority, can view the donor as its client in every way.
I would like to insert a parenthetical remark about how the San Francisco community works in Israel. About 20 years ago it decided to transfer money directly to Israel working through a local advisory committee called the Israel Amuta (non-profit organization) - San Francisco Federation, which I led for a number of years. What this non-profit organization does is to set the criteria for a donation’s destination, whether for pluralism, for narrowing social gaps, for the periphery, etc. Over the years, it has effectively been operating as a venture capital fund, which takes money, identifies a project, finds a group willing to promote it and distributes the donations in various ways.

About two years ago, a group from San Francisco sat with a group of our people and we applied Porter’s model to our operating goals. We took the three concepts: venture capital, initiatives, and strategic partnerships, each of which we examined using Porter’s criteria. Of the three, only strategic partnerships met all the criteria satisfactorily. The San Francisco Federation therefore decided to take its million dollars and leverage them via the partnership method. Today we can point out the trends and the results.

The first result can be seen in the Galilee panhandle in a project involving six local authorities: Kiryat Shmonah, Metula, Yesod Hamaalah, the Upper Galilee Regional Council, the Mevo’ot Hermon Regional Council and the Tova Zangria Regional Council. These communities have received in the region of $150,000-$200,000 annually for some twenty projects. Aside from the six local authorities, the project also included IVN, a high-tech philanthropy network; the Sacta-Rashi Foundation, which has a strong track record in education; various Canadian communities, the Jewish Partnership organization and Israel’s Education Ministry.

It has also done the same thing on the issue of equal opportunity; in this case the promotion of early childhood projects in the Arab sector. Again, we entered a partnership with the Joint, the New York Jewish Federation, the Ess Family Foundation, The Levi Strauss Foundation in San Francisco, which has been involved in early childhood projects for many years, the Gilo Family Foundation and government ministries.

The results can be seen in the before and after figures: before, the Galilee panhandle was guaranteed $200,000 to $300,000 in guaranteed resources that were decided annually. Now, we guarantee a total of $1.2 million annually with a commitment for three years. That is a total of around 7.5 million shekels for a three year program for advancing education in the Galilee panhandle. From this we can conclude that critical mass has been formed for making change through alterations to philanthropic strategy. There is a tremendous accumulation of knowledge here. Ultimately, a knowledge center developed, a field of knowledge was created that, even after San Francisco says good-bye to all these projects, is of special significance and is a model and a work pattern that will accompany us for years to come.
Rabbi Yechiel Eckstein:

Everything you have heard up until now does not touch on the situation concerning fund raising from the Christian world by supporters of Israel. The Friendship Foundation is made up of 400,000 non-Jewish donors who contribute with real dedication. These are simple people who donate $15 or $20 every month through what the Mishna calls ‘unconditional love’. We started our activities in Israel three years ago. In addition to everything we do with the Prime Minister’s Office, the Welfare Ministry, the Absorption Ministry, the Joint and the Jewish Agency, we make decisions directly with city councils.

The municipalities and the mayors are really at the forefront of the battle. Every time we looked at the situation in the cities, we saw cutbacks. Three years ago, we decided to help the mayors directly. Since then, we have donated some 50 million shekels directly to the towns. When we looked at the towns, at the councils and the budget, we saw there was a shortage of basic things: a child without glasses, a single parent who cannot afford food for her children, people who have to go to hospital for dialysis but have no money for bus fare. How can this be happening? It is shameful that this is happening, shameful that donations are required for such basic things.

But that is the reality of the situation and we have no political interest. Yesterday we began a special project with the Druze villages. We are now assisting 93 towns through the fund for special needs, doubling what the Welfare Ministry is giving to each town. When we saw the situation amongst the Druze, however, we decided not to double the government allocation but to quadruple it.

Last year, we created a project to donate jackets to disadvantaged children in a hundred towns. Five of those towns refused because they preferred to not receive a coat for their children in the winter, rather than to accept money from non-Jews. There are people like that in our country.

One of our current goals is to help four distressed towns with an annual donation of $2 million each. If that succeeds, we will go on to other towns.
Dr. Avi Beker introduces the session topic to the audience.

Panelists listen in, from left to right, Martin Karp, Dr. Moti Brill, Shmuel Ben-Tovim and Brig. Gen (Res.) Ephraim Lapid.
Brig. Gen (Res.) Ephraim Lapid delivers his address.

Rabbi Yechiel Eckstein pictured with Adi Eldar, Chair of the National Union of Local Authorities, receiving the award for most notable contribution to Local Government.
Appendix 1: Position paper submitted to the Local Government Conference

The Changing Nature of Jewish Philanthropy Partnerships Between Local Government and Diaspora Communities

By Dr. Avi Beker

A Dynamic, Competitive and Changing Market

Those who have dealt with the study of Jewish philanthropy to Israel since the establishment of the State may identify dramatic changes on a number of levels, including the sources of donations, patterns of giving, and involvement of donors in fund allocation and operation of projects.

Fundraising in Diaspora communities for municipal authorities in Israel has become a complex profession, requiring knowledge and special skills. The philanthropic marketplace is varied and unruly, and represents an amalgam of institutions, funds and donors from all corners of the political, social and religious spectrum. The local authority head is today required to navigate financial policy in a marketplace which is very competitive and more sophisticated than ever, that demands knowledge and prior preparation before the commencement of negotiations, and requires the presentation of projects that will be suitable to the very specific demands of donors. It is up to local authorities to display more openness and flexibility to donors who demand complete partnership and involvement, sometimes on all levels of project management.

Over the years, several models for cooperation between local authorities and overseas Jewish communities have evolved: twin city projects which also included financial support (particularly from Germany), assistance from international funds, help through the Jewish Agency and Jewish appeals, direct assistance through Jewish funds and donors, as well as, more recently, from Christian funds such as the “Friendship Fund”.

There has never been so varied, diverse, and decentralized a market of fundraising activities and donations to the State of Israel and its citizens. Today, it is possible to identify the full range of political streams within the sphere of financial donations to Israel, as well as the range of social and religious aspirations of both donors and fundraisers. Some raise money to support Israel’s image (such as Israel Channel 2’s “The Ambassador” programme, which was sponsored by John Lowe), while others specialize in the overseas training of sniffer dogs to detect explosive materials for the Israel Defense Forces. Some work towards the enactment of an Israeli constitution, while others donate for or against the development of a system of direct prime ministerial elections. There are those who transfer money solely to the Jewish settlements, and others who transfer funds to identify and protest against civilian outposts located in the settlement areas. There are left-wing bodies funded by European governments and funds to fight against what appears to the respective governments as excessively right-leaning policies, whilst at the same time, there are right wing organisations which receive support from Christian sources to fight what they perceive as overly left wing policies. There
are Jewish funds and donors who contribute to the development of Arab-Israeli communities and there are right wing groups who are supported by Christian funds who believe in the Messianic vision of Israel. Today, there are very few needy local authorities in Israel which are not supported by the U.S. based evangelical Christian “Friendship Fund”.

Altruistic Philanthropy: Christians and the Local Authorities

In the past, the Jewish Agency served as the central source of philanthropic transfers from world Jewry to local authorities. Today, it is faced with a long list of funds and individual donors which transfer even larger sums of money. A dramatic and central change has occurred with the appearance of Christian supporters of Israel who raise money for projects within local authorities. Paradoxically, such Christian donations symbolize slowly diminishing patterns of giving from the Jewish world.

Their central characteristics include:

1. a stronger central mechanism for collecting funds, based on millions of individual donations;

2. emphasizing the religious basis of fundraising, with reference to terms such as the ‘ingathering of the exiles’ and the ‘salvation of Israel’;

3. fundraising activities based on an almost Messianic enthusiasm, which presents Israel’s struggle as one of ‘David against Goliath’, that is, Israel against a cruel adversary of religious Islamic terror, which threatens all of humanity;

4. unconditional assistance for social projects which help underprivileged members of Israeli society; and

5. no requirement to be involved in the allocation funds or in the operation of projects.

In 2004, the Christian Friendship Fund, presided over by Rabbi Yekhiel Eckstein, donated 100 million shekels towards absorption and social welfare in Israel. Most donations arrived directly to the local authorities themselves. Mr. Adi Eldar, Chair of the National Union of Local Authorities and Mayor of Carmiel has said,

“This is one of the nicest projects that has been set up in Israel in recent years. The Fund supports the weakest members of in Israeli society, those who the State is unable to provide for ... The fund operates without any pre-conditions and without bureaucracy. If they didn’t give, no-one would. The money just wouldn’t be there otherwise.”

Is there any reason to be concerned about the Fund’s hidden agenda? Are their donations really unconditional? Says Eldar: “This money smells good. It is important to remember that the State of Israel accepted restitution payments from Germany which was a much more problematic source of aid money”.

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Eli Barda, mayor of Migdal HaEmek, which received some 300,000 shekels in 2003 from the Friendship Fund explains: “It personally doesn't bother me that they are evangelical Christians. The donation is unconditional and there is no connection between those who receive the donations and the Christians who donated.” Not everyone shares Eldar and Barda's perspective, but statistics show there were only five local authorities that refused Christian donations for clothing.

Those who oppose Christian donations represent an unusual coalition, made up of ultra-orthodox ‘Lithuanian Misnagdim’ and left-wing individuals, who warn against a hidden agenda behind Christian philanthropy. Some ultra-orthodox, and a small number of religious Zionists (in particular, Jerusalem’s deputy mayor, Mina Fenton, of the National Religious Party) suspect that the evangelical Christians have missionary intentions. In their sermons and publications, Christians do not hide their belief that after the Jewish ‘ingathering of the exiles’ which they interpret as the promise of the Prophets, the full Christian redemption will begin, encompassing everyone. Their perspective is that Israel is the designated arena for Christ’s return, so that if Israel does not exist, Christ will have no place to which to return. According to Rabbis from the ‘Degel HaTorah’ party, it is forbidden to use Christian funds, not only for education and study of the Old Testament, but also for charitable organisations that supply food to the needy, such as soup kitchens. Rabbi Yekhiel Eckstein, who heads up the Friendship Fund, however, is himself an orthodox Jew who was ordained in the ‘Yeshiva University’, which is tied to the American orthodox movement and is considered a modern orthodox institution. Rabbi Eckstein, who defines himself as a commandment-keeping and strictly Jewish law abiding Jew, emphasizes that when the Chief Rabbinate of Israel was asked for its view on the issue, it abstained from ruling against the activity. Left-wing circles reject the Christian right, mainly due to their rightist political stance and their support for the settlers, and again due to the ‘hidden agenda’ of Messianic redemption and the eventual conversion of Jews to Christianity.

The nationalist rightist camp and most representatives of the local authorities respond to these views by claiming that it is a waste of time to argue about such things before the Messiah actually arrives, and that when He does, they will re-address the question. Those who strongly advocate Christian-Israeli cooperation, stress that in view of its diplomatic situation, Israel should not reject the friendship of those who consider themselves its enthusiastic allies. Ron Nahman, the mayor of the West Bank town of Ariel, praises evangelical Christians with whom he has had contacts for the past 18 years. His view is supported by Knesset member and former minister Benny Elon, who recently published a book aimed at Evangelical Christians, which deals with the religious connections between the Jewish people and the Land of Israel. As previously stated, there has been no sign, either public or covert, of any missionary activity being undertaken by the Friendship Fund in association with their work with Israeli local authorities.

**Philotphropy as a Tool of Identity**

Within Jewish communities, particularly in the United States, mechanisms of fundraising and charity are the main driver behind community organization, leadership recruitment and the establishment of community agendas and priorities. Processes of assimilation and decreased interest in Israel are reflected in the levels of donations.
According to the *Chronicle of Philanthropy*, six of the 10 biggest donors in 2002 (with mega-donations ranging from $100 to $375 million) were Jews, and none of them made meaningful donations to Jewish causes. Jews also stood out as donors in the last election campaign, estimates indicating that 75% of contributions were directed to the Democratic Party, with 25% to the Republican Party. Today, only 20% of Jewish donations go towards Jewish causes, compared with 50 years ago when about half of all donations were channeled towards specific Jewish needs. The changes in donation patterns to Israel are no less dramatic: after the Six Day War in 1967, 70% of all donations were directed towards Israel, as opposed to only 25% today.

This does not mean that Israel receives less funds from U.S. Jewry. In absolute terms, Israel today receives much more than it did immediately after the Six Day War, but donations now come through alternative independent funds, private donors, postal collections and other means. Bank of Israel statistics for contributions to “national institutions” show that a dramatic change has occurred. In 1990, the Jewish Agency and its institutions received $565 million from Jews the world over, but by 2000, this figure had reduced by some 50%, with the Agency receiving only $270 million. However, despite this, according to the Bank of Israel, there has been a substantial increase in direct contributions to the third sector, or to non-profit organizations in Israel: from $547 million in 1990 to $2.25 billion in 2000 – an increase of 400%. This has involved the independent fundraising structures of hundreds of organizations in Israel – including universities, hospitals, local authorities with development funds or mayors who raise money themselves, voluntary groups, right and left wing political groups, soup kitchens and yeshivas. It is clear that the potential for fundraising for Israel as a whole, and for activity at the level of the local authority, is great, but to date remains largely unfulfilled. Attractive programs and projects that offer cooperation and a strengthening of the donor’s Jewish identity in the Diaspora would be welcomed.

In February 2005, Michael Steinheart, one of American Jewry’s largest donors, wrote an article for the Jerusalem Post, provocatively entitled: “Save Jews, not Harvard”. The writer, who has contributed greatly to Jewish education and to the “Birthright Israel” program (which brings Jewish youth to Israel) states that Jewish donors, especially the younger non-orthodox ones, donate very little to Jewish causes and are not meeting the urgent challenge of strengthening Jewish identity in the face of intermarriage. Jews are giving ever-growing contributions to more general causes in American society, such as welfare and education, preferring to have their names bandied amongst those of donors to Ivy League colleges such as Harvard (whose funds have accumulated over $22 billion), and giving much less to the urgent educational needs of Jewish education in America. Steinheart, himself a non-religious Jew, argues for the urgent need to reassess Jewish life style, including its willingness to adopt the values of Jewish tradition and to make a larger investment in Jewish education in order that the future of American Jewry may be assured.

A US study published in February 2005 by two well-known researchers, Gerald Bubis and Steven Windmueller, found that most leaders of the Council of Jewish Federations believe that the fandangled attempt at a triangular union aimed at merging the Federations with the apparatuses of the United Jewish Appeal and the United Israel Appeal, has failed. Discussions regarding the union were ongoing for seven years and were hailed as the most substantive change in the organizational structure of American Jewry in the twentieth century. Today,
many fear that the union caused the management of the Federations system to become cumbersome, a particular failure being the effort to improve and make efficient the system of raising and distributing funds to Jewish causes in America and overseas, including allocations to the Jewish Agency for Israel.\(^7\)

The main beneficiaries of this union are the large Federations within the American Jewish community (cities with large concentrations of Jews, such as New York, Los Angeles, Miami, Chicago, etc), whilst the biggest loser is Israel, which receives even smaller cuts of fundraising budgets. As a result of the merger, leaders of the larger communities are closer to the fundraising pie, with the result that smaller congregations, including Israel, receive less of it.\(^8\) The statistics recently acquired are not encouraging. Studies show a drastic decrease in support for Israel amongst young people, and especially among children of mixed marriages. There is also a significant decrease in the number of donors to Israel: in 2004 only 543,000 Jews contributed to central fundraising campaign of the United Jewish Communities, constituting a 40% decrease in the number of donors compared to the 1990s.\(^9\)

In order to get to the funds distribution mechanism, Israeli mayors must learn about the priorities of the Federations and of donors, as well as to speak their language, and how to create a flexible mechanism whereby the Israeli community knows how to meet the spiritual needs of Jewish identity which underlies Jewish philanthropy.

### The Community Structure (The Jewish Agency)

The transition to a community based structure in the Jewish Agency’s strategic plan represents a practical need for such a model, but is also meant to provide a dual response to new trends in Jewish philanthropy; that being to involve the donor at the community level and to strengthen the human involvement in the giving process. The main goal, as defined by the Jewish Agency, is to strengthen the global Jewish community, whilst placing Israel in its center.\(^10\)

The new policy of the Jewish Agency represents the updating and upgrading of Partnership 2000 to become a ‘stimulus for community construction’. Within this context, the local authority is actually defined as a ‘comprehensive strategic partner’ because of its role in managing the community. The change in project definitions and in the order of priorities by the Jewish Agency’s management thus provides a window of opportunity for local authorities.

The vision consists of a partnership between four sectors, bridged by the Jewish Agency:

* First sector – The State and municipal bodies
* Second sector – The business community
* Third sector – Philanthropists and non-profit organizations
* Fourth sector – Jewish Diaspora communities

The program emphasizes the ability of the Jewish Agency, due to its experience and spread through Israel and the world, to “initiate, operate, and promote”. According to the document “there is no other organization that fulfills this range of qualities”. The document
also represents an awareness of the need for renewal and improved efficiency in face of an increasingly competitive market. The report also states that there is a need “to strengthen the weakening rings of Israeli society” against the ethnic and cultural divides that threaten it and which “undermine its founding ethos”. Assistance from the Jewish Diaspora is perceived as an important strategic connection for the preservation of the identity and Jewish character of the State of Israel. This concept reverses the traditional link between Israel and the Jewish Diaspora.

The Jewish Agency notes the changes that have occurred in the Jewish Diaspora, in its needs and its giving patterns. The report finds that changes “in the Jewish world, in its needs and its links to Israel” must be acknowledged. There is also recognition that “the social organizations of the third sector are becoming more competitive amongst themselves” (including towards the Jewish Agency) and there is an emphasis on the dramatic change in philanthropy from within the third sector itself in which “its access to resources, which were previously under exclusive control of the Jewish Agency, have become more open and widely available.”

Also the plan emphasizes the need to improve the “ability of the Jewish Agency to function in the competitive environment in which it operates”.

Behind the innocent term, ‘the second floor’ lies a policy change intended to preemptively refute the criticism of the partnership structure. The sides realize that the old framework has become obsolete and that it is no longer possible to be satisfied with vague endorsements between the three partners, “the Jewish nation, the Government of Israel, and the Jewish Agency”. This partnership remains as is, but the modes of operation are rapidly changing, and the document stresses the need for penetration and involvement at the community level in all layers and sectors of society. The report explains that only by adopting the new program will the Jewish Agency be able to maintain its position as a leading organization which gives recourse to the contemporary challenges of Israeli society. This notion was recently expressed in Beer-Sheba (March 2005) where, according to the Jewish Agency, a first of its kind meeting took place that brought together for a work meeting, donor representatives, the government and the local council. The participants included Vice Premier Shimon Peres, Beer-Sheba Mayor Yaakov Terner, and representatives from 16 Jewish donor organizations from abroad who have collectively donated over 150 million dollars to the city’s development in recent years. The meeting – dubbed ‘The Beer-Sheba Conference’ – came as the result of a joint initiative between the Montreal Jewish community, the Jewish Agency and the Municipality of Beer Sheba. A press release distributed by the Jewish Agency emphasized that the meeting was the first of its kind and represented a “new model for philanthropy”. The effort in Beer Sheba and its subsequent marketing as “the first of its kind” demonstrates the shift that has been apparent for some time, towards direct involvement by donors in the activities of the recipient local authorities.
Shaping Society Through Philanthropy

Despite the careful phrasing of the Jewish Agency report, the dramatic meaning of its suggested reforms is clear. The document asserts that under the new format, there is no intention to “assist social services or to utilize monetary support packages for the needy”. In addition, there is a clear trend against investments in physical and economic infrastructures. The report clearly states that the traditional social perception of the Jewish Agency as the sole source of funding and action, no longer applies. Today, the focus is the community and its development, with an emphasis on human and social capital. The key idea is the transition from operational philanthropy, to philanthropy that shapes society.

These formulations indicate why local authorities prefer Christian support, which is completely free of donor involvement and allows the direct flow of funds, without conditions or limitations, to food and welfare projects.

This new approach also has implications for program development. The Agency’s report recommends programs based on training community managers, fostering education, volunteering, entrepreneurship and empowering underprivileged populations. It also involves many partners including government, the Council for Higher Education, and various colleges throughout Israel. In addition, as the report states, it is clear to those shaping the Jewish Agency’s new policy that the local authorities are at the center stage of activities, as they are the body that is active on the ground and which is capable of offering donors an arena in which they can be involved. Thus, the new trend appearing in Jewish Agency strategy is to grant Israeli local authorities an advantageous position in terms of overseas fundraising, and requires the authorities to have the ability to intelligently market their comparative advantage in their struggle over donors’ hearts.

On the other hand, local authorities must also understand that donor involvement implies a change in their own operating patterns in accordance with the demands and worldview of the individual donors. The strategic plan emphasizes the need for “strengthening the Jewish, democratic and pluralistic character of Israel”, with an emphasis on incorporating Jewish communities abroad by involving their representatives in project management and professional oversight. These new needs also create new more complex frameworks of partnership that occasionally include numerous communities. Thus it is also possible to find multiple partnerships such as: Philadelphia-Minsk-Netivot-Azata, or Chicago-Kiryat Gat-Kiev etc. Linkage to communities from the former Soviet Union is crucial to the structure of Jewish solidarity but also makes certain operations cumbersome and requires allocations to more than one partner. Thus in the aforementioned examples, Philadelphia and Chicago simultaneously assist Minsk, Netivot, Kiev and Kiryat Gat.

The report calls for the development of a global Jewish identity that requires the strengthening of cultural bonds with the Diaspora. For this purpose, museum directors, theatres, etc are being mobilized for the creation of a framework of Global Jewish culture. The report consists of several different levels of participation: direct participation (tens), continuous and indirect participation (hundreds), informal involvement of wider audiences (tens of thousands). For coordination and activation purposes a “center for Global Jewish contact” is being planned.
The Jewish Agency’s report also reveals an awareness of the considerable development that has been made in the third sector in Israel. Local authorities also must understand that NGO’s in the third sector are increasing, especially within the fields of education and welfare. It has yet to be discovered how to integrate the third sector into philanthropic activities, because in most cases, for donors as well as in the eyes of society, the third sector represents the community interest as against that of the establishment. Compared with 12,000 associations in 1982, there are today over 30,000 which are financed by tens of billions of shekels, mostly from the government and the rest as income or donations.

A Change in Direction and Adaptation

The unruly market of donations, funds, donors and establishments today requires expertise in the understanding of the processes and sources of funding. Even appeals to establishment bodies such as the Jewish Agency, today require local authorities to utilize more complex tools to undertake their projects. Furthermore, it is important to note that there are today in the USA about 8000 Jewish family funds, of which about one-third donate money to Israel. In 2002, a total of $972 million of donated money was transferred to Israel.\textsuperscript{14}

Today’s new generation of donors is more educated, sophisticated, and shares less experiences with the Jewish collective memory (such as the Holocaust, the establishment of the State, etc). Donors wish to define for themselves the destination of the donation and they follow meticulously the manner in which funds are being utilized. They desire to be partners in planning, fund allocation, decision-making and control mechanisms, and they have interest in involving their communities, families, friends, etc in the process. On the Israeli side, they also expect to see involvement of not only politicians, but also of volunteers and community leaders. Along with this comes an understanding and a deep realization that a donation to Israel is an important instrument in strengthening Jewish identity. In times of crisis, such as in the aftermath of a wave of suicide bombings among the civilian population of Israel, the reaction is one of solidarity and volunteering which unifies the Jewish Diaspora in mutual assistance. The shock of terrorist attacks has been utilized by fundraisers in the U.S. as a central factor in increasing funds donated to Israel. For example, during the New York Federation’s aid campaign for the building of trauma treatment centers in Israel, partners were forced to overcome suspicions and differences in mentality, in order to build a system that would be able to function efficiently. The organization in New York gathered the data and drew professional lessons for future cooperation.\textsuperscript{15}

The well-known “Birthright Israel” program demonstrates the tensions that can exist toward the establishment and the need to adapt and remain flexible. The “Birthright Israel” program (which has to date brought almost 100,000 Jewish youths from the Diaspora to Israel) demonstrates the need to understand the processes and their ability to be modified to fit the specific needs of the community. “Birthright Israel” was born as a protest against the establishment, on behalf of forces in Israel and the United States. After many arguments and challenges, “Birthright Israel” became the flagship program with which everybody wished to be associated. The process began when independent donors in the United States (such as Michael Steinhardt) and politicians in Israel (such as Yossi Beilin) attempted to break
through the barriers that had divided Israel-Diaspora relations by actually changing the entire framework of the relationship. Beilin maintained that Israel couldn’t behave like a poor beggar asking for aid whilst the financial situation of most Israelis was better than many Diaspora Jews. At the same time, Diaspora donors were expressing concern regarding assimilation and intermarriage rates amongst their children and were therefore keen to locate the ‘identity’ component that would provide a source of rejuvenation of Jewish life and relight the hidden Jewish spark in their children. In 1994, Yossi Beilin presented the idea of “Birthright Israel” to the General Assembly of the Jewish Federations in North America. The idea was to give free vouchers to young Jews around the world, who would come to Israel as part of an organized tour within an educational framework, before beginning their university studies. After numerous debates and applications of pressure, primarily by Charles Bronfman and Michael Steinheart who both have active funds for Jewish continuity, the “Birthright Israel” idea was finally adopted as a central national venture, and was presented to the American Federations in 1998 at their conference in Jerusalem.

“Birthright Israel” was formed as a joint venture between the Israeli government, donors, and the Federations. At a certain stage, the Israeli government bore the bulk of the financial burden due to difficulties in fundraising by the Federations. Supporters of the program claimed that it was the State of Israel’s duty to assist the Diaspora, in that eventually it was Israel that would benefit from the visits and from potential immigration. Faced with the new “Birthright Israel” structure, the local authorities acted passively, only indirectly participating in programs and tours. Today it is clear that an authority which is wise enough to offer its services and educational infrastructure for programs such as these, will also be able to create a stream of income for its residents, whilst simultaneously strengthening their bond with the Diaspora.

At first the Jewish Agency was not enamoured by the “Birthright Israel” initiative, which usurped its primary positioning in the field of relations with Diaspora youth and their trips to Israel. After failing to win the battle, however, and when the program took off with great success, the Jewish Agency joined the initiative and became an active partner within it. Recently, the Jewish Agency cooperated with the Israeli government to create a new program called “MASA” (Journey). This program presents an alternative or a continuation to “Birthright Israel”. “Masa” markets programs that encourage a prolonged stay in Israel, within the framework of study programs that run for a semester, year or longer. The new program presents a challenge for higher education institutions and private colleges throughout Israel.

Arabs

In recent years there has also been a marked increase in Jewish donations to the local Arab authorities, through a realization that such aid strengthens coexistence efforts and the peace process. In the past there were cases where the Jewish Agency’s policy and the aid given by funds to Jewish authorities were considered to discriminate against Arab townships. Haaretz writer Arie Caspi went as far as calling the Jewish Agency’s neighbourhood restoration project an act of “racism”. Today, there is a great involvement in Arab towns by the American Jewish Joint Distribution Committee, federations and private funds. There are institutionalized bodies
that operate in the field, such as the New Israel Fund, which represents liberal donors in the United States and which has been operating within Arab local authorities for several years, as part of the pluralist coexistence perception, also on the Arab side.

The “Joint” has been operating in Arab villages since the founding of the State of Israel (through the same channels as the Jewish Agency). Since the 1990’s there has been a trend towards “exclusive investments” for the Arab sector. Amongst the funds which operate within the Arab sector are: the “Everett Foundation” (a family fund from New York) which operates mainly within the Druze sector of Israeli society and assists, amongst other things, in helping youths pass their matriculation exams ($2 million has been transferred to date for this purpose); the “Lurie Fund” of San Francisco which operates within the Bedouin community; the “San Francisco Federation” which supports projects for infants within Arab townships; the “Abraham fund”, founded 15 years ago by Alan Silika, which transfers funds for the purpose of advancement of coexistence, for cooperative educational projects, and for training local police in the Arab sector. After the October 2001 riots, the fund initiated Arab language courses for Jews. There is also the “Forum for Civil Agreement”, initiated by Rabbi Michael Melchior, which links worldwide Jewish donors to the Arab sector.\textsuperscript{17}

Also within Arab authorities it is important to develop awareness and preparation for encounters with such donors. There was recently an unpleasant incident in the town of Shfar’am, following Mayor Orsan Yassin’s decision to dedicate a town square to Jewish philanthropist Edmond Safra, whose family has for years donated to the city’s computer project. Yellow paint was splashed on the stone bearing his name in the town square, following which the council, with a large majority vote, decided to overrule the mayor’s decision. The opposition leader also felt uneasy about the incident, explaining that the process was improper, due to the fact that no preliminary discussion had taken place in the naming committee, but rather the decision had been retroactively affirmed.\textsuperscript{18}

Irwin Green, a 95 year old Jewish millionaire from Detroit, received an honorary citizenship from the town of Nazareth in 2004, following his donation for the city’s grandiose new child development centre. He had initially wanted to donate the money for the purpose of building a joint tennis centre for both Nazareth and Nazareth Elite, but as a result of pressure from Nazareth Elite to build the centre within its boundaries, he decided to build the centre only in Nazareth.\textsuperscript{19}

The Intifada and the Arab Israeli riots managed to deter a number of donors and somewhat impeded this new trend, although at the same time, there were others who thought that it would be worthwhile investing in the improvement of Jewish-Arab relations. The total expenditure of such funding is still only around NIS 50 million per annum, but a dynamic is developing which includes political assistance, as well as meetings between Israeli Arabs and leaders and donors from the Jewish Diaspora.

In February 2005, a major frenzy ensued following the Israeli Attorney General’s decision to alter arrangements with the Jewish National Fund regarding the distributions of land in Israel. The JNF is also an organization that lives off Jewish donations and is today being required to adapt itself to a changing legal framework and to stand up to legal requirements of legal equality in issues regarding Jewish and Arab local authorities.
Tools for Follow Up and Policy Recommendations

Joint projects entail countless pressures. There are successes but there are also failures. There is very little research that tests and analyses the relationships between partners in such joint ventures. In particular, there has not been any attempt to discover the reasons for failures that have been accompanied by the customary finger pointing by both sides, and have occasionally ended with total project abandonment by private donors and federations. Neither side has any interest in emphasizing such outcomes. In conversations with Federation leaders, much criticism can be heard regarding political blunders made by local authorities and the inability to advance projects without proper agreement for the direct involvement of Diaspora representatives. Mayors, on the other hand, complain about the patronizing and arrogant attitudes of donors, and their attempts to dictate preferences, interfere in local politics, and import social and religious traditions into the community that may not be acceptable to the Israeli social structure. Occasionally, the gap between the sides can also be seen through differences in mentality and community culture between Israel, where the community is tied to and feeds off the local authority, and the Diaspora, where organizations are voluntary and built by a leadership which is developed and financed directly by the community.

Recommendations

- The dramatic changes in philanthropic patterns toward Israel are forcing Israeli Mayors to adopt pedantic preparation, staff training, and early coordination of fundraising campaigns. The market is highly competitive and each potential donation source has its peculiar characteristics and requirements that demand proper preparation. Some local authorities now incorporate professional mechanisms or high-level fund raising advisors, but on the whole, most operations are not professional.

- Funds donated by Christian supporters of Israel are already an integral and significant part of the monetary donations received by Israeli local authorities. More should be done to learn about the fundraising mechanisms and the sensitivities regarding this matter amongst Jews both in Israel and the Diaspora.

- There is great potential for donations to community projects within local authorities. These can maximized by creating an adequate infrastructure for projects and by constructing a cooperative system that will involve all the elements of independent voluntary leadership from the community, along with the political establishment embodied by the local authority.

- Projects that appeal to the hearts of the foundations and other overseas donors should be preferred, in light of changes in the agendas of Diaspora Jewry. Emphasis should be placed on programs that strengthen Jewish identity amongst youth, as well as their feelings of connection to Israel. It would also be worthwhile developing programs with universal dimensions, such as programs to promote Tikkun Olam, which would aim, for example, at bringing young volunteers from Israel and the Diaspora to needy countries throughout the world. Such programs demand a framework of involvement and continuous partnership.
• In the research field, a project which maps philanthropy to Israel is required, including a scan of the third sector’s activities, as well as feedback reports regarding the various partnership projects. This type of research would enable new trends to be recognized and future policy to be formulated.

• The School of Government and Policy at Tel Aviv University can assist in improving knowledge, preparation and professionalism in the philanthropic field, as well as connections to Diaspora Jewry. It is recommended that training and advanced studies workshops be established that will interlace existing knowledge with reports from past projects, all with the aim of teaching, enriching and learning lessons. It may also possible to develop a special stream in philanthropy and fund raising, together with the local authorities system in Israel.
Appendix 2: Related Media Articles


There is a growing unease among the leadership of the American Jewish community regarding the new framework uniting all the communities - the United Jewish Communities umbrella organization of the Jewish Federations - that went through a dramatic structural change in 1991. The changes in the organization are linked to changes in the pattern of philanthropy in the Jewish community in the U.S., and that has an impact on donations to Israel. A recent study by the well-known researchers Gerald Bubis and Steven Windmueller shows that most Federation leaders think that the attempt to unify the Federations with the United Jewish Appeal and the Israel Bonds Campaign has failed. Discussions about the unification went on for seven years, and were considered the most significant change to the structure of the organized Jewish community in the 20th century. Now many are concerned that the unification has caused undue complexity in the management and improvement of collecting funds and disbursing them to the Jewish communities in the U.S. and "overseas," a definition that includes allocations to the Jewish Agency, meaning Israel.

Despite the leadership’s good intentions, says the study, the system fell victim to political struggles and unrealistic expectations. According to the researchers, who interviewed 88 of the activists involved in the unification process, the large-city federations benefit most from the system and Israel is hurt the most, with its portion of the allocations becoming the smallest. The merger increased the influence of the large communities over the disbursement, and therefore less money goes to the smaller communities and Israel.

In Jewish communities in the Diaspora, especially the U.S., donations and charity are the engine behind the community organization, enlisting leaders and forming the priorities of the community agenda. Processes such as assimilation or loss of interest in Israel are expressed in the level of contributions. According to the annual report summarizing philanthropic activity in the U.S, six out of the 10 largest donors - with donations between $100 million $375 million - were Jews, and none of them made any significant donation to Jewish needs.

Only 20 percent of the donations by Jews are directed to Jewish concerns, while 50 years ago that proportion was 50 percent. The change in donations to Israel is no less dramatic. After the Six-Day War, 70 percent of the money from the United Israel Appeal reached Israel. Now only a quarter does.

In a Jerusalem Post article by Michael Steinhardt, one of the largest Jewish philanthropists, the headline shouted "Save Jews, not Harvard." The writer, who has contributed a fortune to Jewish education, argues that Jewish philanthropists, especially the young and non-Orthodox, rarely give to Jewish needs and are not responding to the urgent challenge to strengthen Jewish identity in light of the dangers of assimilation.

Jews are tending to donate toward the general needs of American society and not the desperate needs of Jewish education in the U.S. Steinhardt, who is not religious, argues that it is necessary to reexamine the Jewish lifestyle, adopt traditions and invest large sums in education to guarantee a Jewish future in the U.S.
The decline in donations to Israel runs parallel to the changes in the patterns of giving, which have created competition for donors. Alongside the Jewish Agency, there is a significant growth in the activity of Jewish funds and individual donors. As opposed to the past, there are more aggressive demands being made by donors, including Federations that give through the Jewish Agency, for greater involvement in setting the purpose of the money.

A substantial portion of the Federations and donors are determined to set a political agenda through their donations: to strengthen bodies that support democracy or pluralism in Israeli society, to help the left or right, to donate directly to settlers or Israeli Arabs. The Federations and the funds demand integration of their representatives in the execution of projects, with the goal of nurturing community frameworks in Israel, and out of the belief that by doing so, they are helping to strengthen Jewish identity in the Diaspora.
Avi Beker, "Christian donations welcome here" - Haaretz, 31 May 2005

The local government conference currently being held at Tel Aviv University deals with a wide range of subjects relating to the local authorities’ activities: the financial crisis, planning and lands, unifying councils and reforms, violence and fighting corruption, local communications, quality of life, education and society, and ties with communities abroad.

The university’s School of Government and Policy, which prepared the academic framework for the discussions, provided surveys, criticism and recommendations written by experts on all these subjects. But it is the ceremonial event that will take place today - during which Rabbi Yechiel Eckstein, president of the International Fellowship of Christians and Jews (IFCJ), will receive an award for his contribution to local government - that exemplifies more than any academic research the dramatic change that has taken place in the sphere of donations to municipalities and local councils in Israel.

The data presented to the conference indicates a drastic reduction in the amount of donations to local authorities funneled through the Jewish Agency, compared with a sharp rise in the sums from Jewish foundations and Jewish donors to projects that are directly administered by the Jewish federations.

A real revolution has occurred, however, in the field of donations emanating from the Christian world. Today these contributions represent the major form of assistance for welfare projects in local government; there is hardly a needy local council in Israel that does not get assistance from the fellowship’s foundation. In 2004, the foundation gave a NIS 100 million grant for projects involving immigrant absorption and welfare in Israel, most of which fell directly under the aegis of the local councils.

"This is one of the best projects established in Israel in recent years," Adi Eldar, chairman of the Union of Local Authorities, said of the Christian foundation. In an interview to Haaretz half a year ago, Eldar said: "The fund supports the weakest members of society in place of the state, which has not managed to help. The fund operates without setting conditions, without bureaucracy. If they weren't giving, no one would be giving. There would simply be no money."

Eldar added: "This money has nothing but a good smell. We should remember that the State of Israel took reparation payments from Germany, and that was a much more problematic source of financial assistance."

The advantages of donations from a Christian source can therefore be attributed to the lack of bureaucracy as compared with the state budget, or donations to the Jewish Agency, the United Jewish Communities, the federations and the other Jewish funds which all involve convoluted bureaucracies and include stipulations on the part of the donors about whom they want to give to, the planning, the allocations and the supervision. A series of joint projects between the local authorities and the Jewish communities went down the drain because of differences in mentality and approach between Jews in the Diaspora and local government officials.

The donations from the Christians bring to mind the donating patterns of the UJA and the Jewish Agency (and even the haluka charity funds that were distributed to the Jewish yishuv
before the establishment of the state), which are a dying phenomenon now. The Christian foundation is based on a central fund-raising mechanism that receives a steady flow of millions of small donations from ordinary citizens, particularly Evangelical Christians, who are stirred by sermons full of religious fervor about "the chosen people" and the coming of the Messiah.

In much the same way as the United Jewish Appeal in the past, the donations spring from a sense of zeal with messianic attributes, which presents Israel's struggle as that of David against Goliath, the Islamic terror that threatens mankind. And what is no less important to the head of local authorities in Israel is the fact that the assistance for the social projects comes with no strings attached, and in the best case scenario, if it is carried out effectively and honestly, it can help cover the growing debts in the welfare budgets.

The opponents of donations from the Christians are a strange coalition of ultra-Orthodox Jews from the Lithuanian stream, a small section of the national religious camp and left-wing activists. The left is opposed to the right-wing Christians mainly because of their political positions and support for the settlers and therefore it harps on the Evangelists' eventual aim - getting the Jews to convert when the Messiah comes.

Indeed, in their sermons and publications, the Evangelists do not hide their belief that once the ingathering of Jewish exiles is completed, as they interpret the promise of the prophets, the Christian redemption will take place and include everyone. They claim that Israel is where Jesus will be resurrected and, if Israel does not exist, there will be no place for his Second Coming.

It is important to stress that there are no signs that the donations or the fellowship itself are connected to missionary preachings. Eckstein is an ordained rabbi from the Orthodox Yeshiva University of New York, and he makes certain to stress that his work has the blessing of his teachers. The right-wing nationalist camp that is associated with the Evangelical organizations and the heads of the local authorities react to accusations by saying that it is a waste of time to argue about the hidden intentions of the donors before the coming of the Messiah: "Let's wait and see who will come."
Footnotes

1 Haaretz, 7th January 2005.


4 Based on research from the ultra-orthodox newspaper “Yated Ne’eman”; “Major US Missionary Group Channeling Millions of Shekels into Israel through Keren Yedidut”. From Yated Ne’eman, in Dei’ah Dibur 27th May 2004, http://chareidi.shemayisrael.com/


8 See Avi Beker "They Prefer to Donate to Harvard" Haaretz, 22nd February 2005.


10 Strategic Plan of the Jewish Agency’s work plan for 2003, drafted by Dr. Yigal Donitz, Director of the Planning Division at the Jewish Agency, pg 2.

11 Shem, pgs 3 and 9.


13 Strategic Plan, Shem, pgs 5-8.

14 Haaretz, 10th December 2003.


17 Haaretz Newspaper, 18th October 2004.


19 Haaretz Newspaper, 18th October 2004.