

# On the Establishment of Agricultural Migration Industry in Israel's Countryside

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*Migrant workers have become an integral part of the Israeli economy since the 1990s, including agricultural workers who are an essential part of Israel's agricultural economy. This paper recounted the early stages in the establishment and growth of the agricultural migrant worker industry in Israel when control of this industry was in the hands of the largest organization representing the Israeli farmer, the Moshav Movement (MM). The Israeli Moshav (Pl. Moshavim) is a semi-cooperative agricultural community composed of individual family farms. When the migration to Israel of migrant workers began, the MM had an active and crucial role in the arrival and employment of migrant agricultural workers, laying the foundations that established the country's agricultural migration industry. In this paper, I will argue that although the recruitment and handling of migrant workers have been portrayed as a great service for needy farmers by a non-profit organization, in actuality, the profit gained in importing migrant workers provided the MM with an economic lifeline during a time of financial crisis. I will also detail the changing power relations among the three players involved in labor migration import: The State, the MM, and the private manpower and recruitment companies. This paper is based on in-depth interviews with various persons involved in the historical process and on the content analysis of documents, minutes from Israeli Parliament meetings, court writings, and the popular press.*

*Keywords:* Agricultural migrant workers, Israel, Thailand, Migration industry, Recruitment companies

The Israeli *moshav* (pl. *moshavim*) is a type of semi-cooperative agricultural community composed of individual family farms. Though characterized at times by cooperative purchasing of supplies and marketing of produce, the family or household is the basic unit of production and consumption. Since the early stages of labor migration to Israel, the *moshav* settlements have been the central landing place for agricultural migrant workers, more than any other type of settlement in Israel (Kurlander and Kaminer, 2020).

The Moshav Movement (MM) is the umbrella organization of the *moshavim* in Israel, representing their interests on various issues and in State and political

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contexts, including land rights, the State's agricultural and rural policies, and economic development in rural areas. Beginning in the 1980s, another significant role was added to the MM: recruitment and placement of agricultural migrant workers. For more than a decade (until the early 2000s), the MM functioned as the agent for migrant workers, mainly from Thailand. For part of this time (1994-1998), the MM even enjoyed a centralized status in bringing, placing and handling migrant workers during their stay in Israel on behalf of the State. During this formative period in Israel's agricultural migration, the MM had a significant role in shaping the migration industry. Early in the 2000s, the MM ceased to participate in importing migrant workers for reasons that will be described here at length, mainly due to the threat of a major lawsuit. Since 2012 and to this day, the MM has once again become involved, establishing an MM-owned subsidiary that deals with the accompaniment of agricultural migrant workers.

In this article, I intend to examine the growth progression of the agricultural migration industry and investigate the relationship between the State and the birth process of the labor migration industry. Specifically, I would like to understand (1) how and why the organization representing the potential employers of migrant workers (i.e. the farmers) was allowed to engage in the recruitment and brokerage of those workers, and (2) why that organization (the MM) was granted a semi-monopoly over foreign agricultural laborers while in other industries this right was given to private companies.

Answering these questions will contribute to the understanding and knowledge of Israel's labor migration industry by examining its early stages and how the resulting relationship between the State and the migration industry has evolved. Also, the examination of the non-profit labor migration industry sharpens and expands the discussion about the profit element among those involved in the migration industry.

I shall examine how the MM shaped the migration of agricultural labor to Israel and the way in which being involved in labor import shaped the MM. The contribution of this article lies in its examination of the migration industry from its initial stage and through the process of its institutionalization, highlighting the roles of the State, non-profit agricultural organizations, and private companies. The discussion underscores the role of profit-driven vs. non-profit parties. I will argue that the deep involvement of the MM in the agricultural labor migration occurred for two reasons: first, migrant laborers were known to have a significant role in Israeli agriculture in general and especially in the moshavim. These family-run farms typically needed extra working hands. Second, the import of migrant workers was a significant source of income for the MM, from both recruitment fees paid by the migrants and commission fees paid by the farmers. During the economic crisis of the 1980s in Israel, this income was a lifeline for the MM organization.

I will also examine the granting of centralized status to the MM on behalf of the State as part of a privatization process known as 'minor privatization', meaning non-market privatization to non-profit organizations that do not operate according

to business or competitive criteria (Galnoor, 2018). Since the State gave the right to manage the recruitment and placement of migrant workers in other sectors (i.e. home care and construction) to private companies and encouraged competition between them, one may ask why this type of competition was eliminated in the agricultural sector and the MM given preferential status in handling migrant workers. In fact, why, in a period when the neoliberal economy had intensified, was centralized status given to one organization, and precisely to a non-profit organization that represented the interests of employers (i.e. farmers)?

## THEORETICAL FRAMEWORK

Research on the recruitment of migrant workers began in the 1970s and 1980s, along with the rise of historical-structural theories. The rise of this approach in the study of migration resulted from the critique of neoclassical theories, as well as the rise and establishment of large-scale recruitment programs after World War II.

As the years went by, with the decline of countries' mass recruitment programs, the import of migrant workers came under scrutiny in research over the appearance of recruitment that was not necessarily on behalf of the State. In the late 1980s and early 1990s, theoretical approaches developed (Calavita, 1992; Cornelius et al., 1994; Freeman, 1995; Sassen, 1988) that examined not only the level of the individual but the integration between subjective and individual factors and the political, economic and geographical environment. Within this theoretical approach, by the nineties, the mezzo level was more and more recognized as a subject of inquiry (Castles & Miller, 2014; Faist, 1997).

The study of the mezzo level helped understand the different mechanisms that make migration a self-sustainable phenomenon: The commercialization of labor migration is one of them (Xiang & Lindquist, 2014; Khan, 2019). Recognition of the commercialization of labor migration meant the acceptance of situations in which intermediaries such as businesses, entrepreneurs, and services, assist international migration from a motivation to profit (Harney, 1977; Hernández-Leon, 2008). Aspects of this have been referred to in the literature as 'migration industry/ies,' 'migration business' and 'migration infrastructure'.

This area of thought began as early as the 1970s with Harney's (1977) research but became a full and vibrant theoretical field in the second decade of the 21st century (Lindquist, 2010; Friese, 2012; Lindquist et al., 2012; Light, 2013; Nyberg – Sørensen, 2013; Gordano, 2014; Hayes, 2015; Cranston et al., 2018) and continues today (Axelsson et al., 2021; Van Eerbeek & Hedberg, 2021; Zhang & Axelsson, 2021). The theme of the migration industry as facilitating migration was common throughout the thirty years during which the concept of the migration industries developed, to the present day: from the first definitions in the 1990s (Goss & Lindquist, 1995; Salt & Stein, 1997) to those of the first decade of the 21st century

(Elrick & Lewandowska, 2008; Hernández-León, 2005, 2008; Kyle, 2000), and ending only in the last decade, the 2010's (Cranston et al., 2018; Gammeltoft-Hansen & Nyberg-Sørensen, 2013; Lindquist et al., 2012). Even researchers who did not see migration industry at all as an analytical concept, but as an idiomatic phrase (Spener, 2009) or an effective metaphor for gathering different participants under one roof, used the 'migration industries' expression as something that facilitates movement (Boswell & Geddes, 2011).

Within this theme of 'migration industries as a migration facilitator', lies the research that deals specifically with migrant recruitment and brokerage. Many studies have dealt with the changing aspects of recruitment methods (Findlay & McCollum, 2013) as well as the exploitation involved, and have called for change (Belanger, 2014; Pittman, 2016), including an attempt on the part of countries of origin to exert influence (Farbenblum, 2017) possibly through bilateral agreements (Kurlander & Cohen, 2022). Many studies dealing with aspects of recruitment in the labor migration industry focus on the agricultural migrant workers (Findlay & McCollum, 2013; Pereira et al., 2021; King et al., 2021; Hedberg & Olofsson, 2022), as does this study.

Researching the migration industry provides us not only with an empirical understanding of how people migrate, but also an analytical way to understanding the social, economic, and geographical complexity of the migration process. Moreover, studying the migration industry makes it easier to understand contemporary expressions of interaction between economy, nation states, NGOs and the migrants themselves (Cranston et al., 2018).

The definition of the migration industry most relevant to this paper is that of Hernández-León (2008, 159): "an ensemble of entrepreneurs, firms and services which are chiefly motivated by financial gain". In this definition, the word "chiefly" stands out, i.e. those driven primarily by monetary gain, an addition that did not appear in his early definitions (Hernández-León, 2005) but continued to appear in his later writing (Hernández-León, 2013, 2009). It follows, then, that non-profit factors are included under his definition of the migration industry, a point discussed by other researchers (Cranston et al., 2018; Beech, 2018).

At the same time, while migration and manifestations of the migration industry can be seen in different periods in history and in a variety of economic configurations, its prosperity is owed to the market economy and to neoliberal economic policies in particular. The use of migrant workers as a cheap and accessible labor force and as a 'shock absorber' in the transition from one socio-economic policy to another, as well as a mean of disciplined to a country's civilian labor force, had been reviewed in the literature that preceded the in-depth discussion of the migration industry (Calavita, 1994; Jessop, 1996; Piore, 1979). However, the place of migration industries as a result of neoliberal economic policy configurations has been gaining momentum in the last decade.

A prerequisite for the development and prosperity of the labor migration industry lies in the neo-liberal concept that encourages a free market for services and entrepreneurship, and the transfer of public services to outsourcing, such as in migration management and supervision (Cranston et al., 2018; Hedberg and Olofsson, 2022). As part of the implementation of neo-liberal policies the State transferred roles it was not interested in performing to the migration industry (Surak, 2011). There were many reasons for this, such as assuming that the private sector would manage these services more efficiently, or from a desire to reduce costs and minimize risks (Menz, 2013). In fact, privatization meant rescinding the State's responsibility for immigrants' rights and the conditions of their recruitment and movement (Kemp & Rajjman, 2014; Kushnirovich, Rajjman & Barak-Bianco, 2019). As a result of privatization, the State profits twice: first, someone else takes on the role that it is not interested in fulfilling; and second, it accrues additional income from fees for the legal right to fulfill this role.

This procedure, where the neoliberal State imposes tasks on the private market and enjoys avoidance of responsibility but retains the right to intervene and regulate, was identified as early as the late 1990s in a variety of studies (Grabosky, 1995; Jones et al., 1997; Kendall, 1997; Morris, 1998) and was termed "governing from a distance" or "network governance". The literature on migration management (Chisari, 2012; Tseng & Wang, 2013; Geddes, 2015; Khan, 2019) also began to address this procedure by the State in the second decade of the 21st century, as part of the adoption of neoliberal migration management policies by private companies (Tseng & Wang, 2013; Rajjman & Kemp, 2016; Kushnirovich et al., 2019; Hedberg and Olofsson, 2022).

Studies from the past decade (Gammeltoft-Hansen & Nyberg Sorensen, 2013; Menz, 2013; Surak, 2013) have shown that as a result of the spread of the neoliberal trend to outsource and privatize, countries are greatly increasing their involvement in the establishment and maintenance of large parts of the migration industry. But it should not be assumed that this movement is one-directional and that the State decides on regulation and the migration industries merely implement the policy. In fact, the migration industry has an integral part in shaping policy through its interactions with other countries and with migration bureaus and agencies (Axelsson et al., 2021; Kurlander, 2019; Kurlander & Cohen, 2022; Zhang & Axelsson, 2021). It is most significant that the migration industry maintains interaction with both ends of the migration corridor (Zhang & Axelsson, 2021; Kurlander, 2019)

## METHODOLOGY

This paper is based on a doctoral dissertation (Kurlander, 2019) and the data relevant to this article were collected using the qualitative method. The two research tools used were content analysis of texts and semi-structured in-depth interviews.

Content analysis was performed on a wide range of texts: minutes from committees in the Israeli Parliament (Knesset), lawsuits and appendices of the litigation, as well as newspaper clippings from popular newspapers. Semi-structured in-depth interviews were conducted with various people involved in the field of interest. Interviews with past and present representatives of the MM as well as representatives of private recruitment and placement companies in Israel and Thailand were included in this paper, as were interviews with government officials and policymakers. A total of 58 interviews were conducted in Israel, all between the years 2010-2014. The 24 interviews conducted in Thailand were done in February 2013.

## BACKGROUND

The end of the Six Day War in 1967 marked the beginning of integration of non-Israeli workers into Israeli agriculture, largely Palestinians and volunteers from overseas. With the end of that war, Palestinian workers from the West Bank and Gaza began to enter the Israeli labor market, eventually reaching 25% of the agricultural working sector in the mid-1980s; that is, about 110,000 Palestinian laborers (only half of them legally, i.e. holding work permits) (Bartam, 1998). To this day, Palestinian laborers are migrant workers who arrive from their homes outside Israel's borders, and return to them on the same day, i.e. daily commuters.

At the same time, volunteers from an array of countries around the world began to arrive to work in Israeli agriculture. Their influx vastly increased after the Six Day War, when Israel's lightning victory caught the world's attention, and a wave of volunteers, Jews and non-Jews, came to help the Zionist enterprise and settlement. These workers came on volunteer visas issued by the Israeli government and were absorbed mostly in kibbutz settlements, whose unique form of social and economic life attracted the volunteers. The kibbutzim thus received a non-employee workforce, a format that was actually contrary to their socialist ideology (Kaminer, 2019). Volunteers also came to the moshavim, though far fewer compared to the kibbutzim, and their arrival was the responsibility of the MM's Department of Volunteering<sup>3</sup> (Kurlander, 2019). Even though, compared to the kibbutzim, these were negligible numbers, volunteers to the moshav farmers were of great importance, especially in the Arava region in southern Israel (Kaminer, 2019).

The Israeli economic crisis of the early 1980s and especially the soaring inflation led to the collapse of corporate agricultural purchasing organizations in Israel. For decades, purchasing organizations had been engaged in the sale of agricultural equipment on deferred payment, raising credit, providing securities, operating agricultural industries to create agricultural input, and processing and preserving agricultural produce (Schwartz, 1995). Their collapse in the mid-1980s was due, among other things, to the engaged credit debt so easily granted to farmers, in parallel with the decline in the real price of agricultural products (Ibid). As a result, a deep eco-

conomic crisis erupted and threatened the continued existence of the entire agricultural sector. The State did not remain indifferent to the acute crisis of its rural areas and devised a two-fold plan of assistance (Giladi, 1998)) in debt arrangements, most of which later became debt write-offs; and 2) reducing the labor force by bringing in migrant workers, thus creating an even more flexible and available labor force than the previous Palestinian labor force (Kurlander, 2019).

The change in Israel's socio-economic policy at the end of the 1980s to a new liberal socio-economic policy allowed manpower companies to occupy a larger part in the Israeli labor market. These companies promoted the idea of bringing migrant workers to Israel from abroad. Coincidentally, the outbreak of the first *intifada* (Palestinian uprising) in 1987 gave rise to increasing hostility among the public towards the employment of Palestinian migrant workers as well as practical difficulties - delays in the arrival of Palestinian workers due to border closures imposed intermittently (Kemp & Rajjman, 2008; Kurlander, 2019).

The economic crisis of the 1980s, combined with the outbreak of the first *intifada*, created fertile ground for a change in socio-economic policy in Israel to a neo-liberal policy. The migrant workers in Israel had a significant role in Israel's transition in socio-economic policy, as previously mentioned here (Shafir and Peled, 2002; Kemp & Rajjman, 2008). As shown above, capitalist countries' need for migrant workers stems from the existence of a segmented labor market structure and results in the subsequent use of migrant workers as shock absorbers in the labor market (Piore, 1979; Calavita, 1994).

Another aspect in the transition to neoliberal economic logic lies in the virtual surrender of the State to the pressures from those who benefit from the import of migrant workers. The clientelist model proposed by Freeman (1995) helps in examining the activities of pressure groups with interests at stake, and how they influence policymaking and the design of the immigration program. Despite its limitations, the relevance of this theory to the Israeli immigration program has been shown in early studies (Kemp & Rajjman, 2014; Rajjman & Kemp, 2007; Kushnirovich et al., 2019)

Around the same time, workers from Thailand<sup>4</sup> began to arrive under volunteer visas, first organized by a private travel company and then under the auspices of the MM Department of Volunteers (Kurlander, 2019). Farmers were enthusiastic not only about the cheap labor but also the quality of the Thai workers' labor (Kemp and Rajjman, 2008; Kurlander, 2019). Officially, migrant workers to Israel in those years arrived with two-year visas (Kurlander & Kaminer, 2020). Unofficially, most migrant workers from Thailand would leave and re-enter Israel, staying for longer periods facilitated by changes in details on their passports (Shoham, 2017). This practice ceased with the application of biometric technology on the entry permits into Israel in 2004. In 2003, visas were extended and to this day migrant workers may remain up to 5 years as temporary workers in Israel. Due to the diverse nature of the agricultural economy in Israel, seasonal migration does not exist, despite various attempts by the State to institute such an option in the past decade (Kurlander, 2019).

## PHASES OF ESTABLISHMENT OF AGRICULTURAL MIGRATION INDUSTRY IN ISRAEL'S COUNTRYSIDE

### *Phase 1: Means of Pressure to Increase the Quota*

In 1991, an inter-ministerial committee, the Eilat Committee, convened to examine the status and conditions of migrant workers. This committee, the first to discuss a quota on migrant workers in Israel, was composed by those who held positions in Israeli government ministries. Also seated on the committee was a member who was not a public figure nor appointed by the State - the MM, with a clear interest in raising the number of legal permits for migrant workers.

Since then and to date, different pressure groups have sought to influence the size of the migrant worker quota to the different employment sectors. The Eilat Committee was the first expression of the influence of pressure groups and in our case, the issue of bringing migrant workers to rural areas. Even then, the MM was deeply involved and, as one government minister said, the approved quotas were "in step with the opinion of the MM."

In 1993, farmers' representatives and the MM increased pressure to increase the quota of migrant workers to the agricultural sector by sending letters to senior government officials and petitioning Israel's High Court (2611/93). These efforts were prompted by two occurrences: 1) an increased quota for the construction industry, and 2) five incidents in which farmers were murdered by Palestinians they employed, on hate-fueled 'nationalist' grounds. Those incidents led to Palestinian migrant workers being marked as 'threatening' and 'dangerous'. The growing pressure and the petition led to the formation of the Paran Commission in March 1994, with the aim of formulating procedures for bringing migrant workers into the country. In addition to representatives of government ministries and public officials, the MM also had a seat on this committee as well.

Two weeks after its establishment, the Paran Commission submitted recommendations to increase the quota of migrant workers, triggering the MM's withdrawal of its petition to the High Court. By the end of 1994, the number of migrant workers in agriculture stood at 5,000. As the representatives of the farmers and the MM wrote in a later petition<sup>5</sup>:

"The decisions of the government and the ministers in this matter [the quotas] were not made casually, but only after comprehensive and thorough examinations carried out by the relevant government ministries. Requests and recommendations were submitted from the Ministry of Agriculture and a long and difficult public struggle was waged by the farmers and the growers' organizations, headed by the Movement itself, which even filed a petition in this esteemed court."

That is, the MM led and conducted a campaign of pressure as an interest group to increase the migrant workers' quota over the years; the State Comptroller's report

for 1996 stated that the committees for determining the quota and its distribution too heavily involved the main beneficiaries of that quota distribution: the MM in agriculture and the Association of Contractors and Builders in all matters related to construction.

### *Phase 2: Obtaining Centralized Status*

In the early 1990's, the State of Israel granted the handling, recruitment and control of migrant workers in all sectors to private recruitment and manpower companies. The State granted these companies the responsibility for issuing State permits to import migrant workers, freeing itself from the responsibility of the recruitment process. The State's attitude towards private recruitment and manpower companies can likely be attributed to the trend toward privatization that intensified with the transition to a nationwide neo-liberal policy.

While in the construction and home care sectors the State transferred the responsibility of migrant workers to private companies, it decided in 1994 to give the MM a central status in bringing agricultural workers from overseas. Until 1994, agricultural migrant workers came to Israel through the MM and six private recruitment and manpower companies (Pilowski, 1999; Kurlander, 2019).

As a result of the Paran Commission's decisions, the private recruitment and manpower companies ceased to exist as independent bodies and became subsidiaries of the MM. Now, the MM had become the primary agent for handling agricultural migrant workers.

### *Phase 3: The MM Establishes Patterns of Action*

In its four years of a centralized status, the MM established patterns of action and norms for recruitment and handling of migrant workers. These patterns and norms constitute the core of the migration industry that has evolved in Israel. They also shape the relationship between the sending (Thailand) and receiving (Israel) countries and are responsible, in large part, for the consistency of the migration corridor between the two countries.

The responsibilities of the MM for the recruitment and handling of migrant workers in those days included obtaining permits and visas from the Israeli Employment Office of the Ministry of the Interior for all required forms, applications and fees; contracting with Thai recruitment companies for the purpose of locating workers; contacting the Labor Department in Thailand and being acquainted with its procedures (their approval is required for Thai workers to go abroad); making arrangements with airlines for the purpose of flying the employees back and forth in large numbers on short notice; contracting with insurance companies for migrant workers' medical insurance; forming agreements with companies to attend to the needs of migrant workers in Israel; engaging with financial institutions in Israel and Thailand to enable employees to transfer their remittances to their families;

establishing a computerized system that keeps updated data about the workers, their permits and their placement in the various farms; assisting in training workers and improving their skills such as learning to drive tractors and obtaining driving permits; and solving a variety of problems such as workers' personal problems, workers who resigned or illegally went to work for a different employer, farmers-employers who do not provide proper care or conditions or withhold laborers' wages, workers who need to return to Thailand for personal reasons, and more.<sup>6</sup>

The MM selected and supervised six Israeli manpower companies whose role it was to handle the workers from the moment they arrived in Israel until their departure (Cohen, 1999; Pilowski, 1999). That is, the MM, just before receiving its centralized status, offered six private companies that had previously worked *alongside* it, to work *for* it once it received its centralized status, and those companies, having no choice, agreed. The role of those companies under the MM was diverse: to issue ID cards in lieu of the passports deposited with the MM upon entry to Israel, to supervise the living and working conditions of migrant workers, to organize cultural events, to monitor workers' health problems, to mediate conflicts between employee and employer, and to intervene when rules of conduct were violated, criminal acts took place, and mobility and/or departure of employees occurred (Cohen, 1999). This work was done by personnel, mainly female, placed in the various settlements (Kurlander and Kaminer, 2020).

Officially, according to contracts, those companies received a payment of \$125 (excluding VAT) from the MM for each year of handling each migrant. This amount was deducted from the amount paid by the migrant workers to the MM. Furthermore, the companies were allowed to collect \$65 from the employer/farmer for provision of services to each migrant worker. According to the financial report of the MM as of December 31, 1996, it collected a recruitment fee of \$770 from the migrant for a two-year work period. This amount was divided as follows: \$420 for the flight ticket, \$293 for the companies for a period of two years (including VAT) and \$57 to cover MM expenses (including VAT). In 1996 there was no law or provision prohibiting the collection of recruitment fees from migrant workers, so this collection was not illegal by Israeli law.

Although the amounts stated above sound modest, nevertheless, a significant profit was made. These sums were revealed in a lawsuit filed in Labor Court in 2000.<sup>7</sup> According to the lawsuit, the MM held \$770 for each employee upon arrival in Israel, part of the deposit for two years' work. And even though, the lawsuit claims, most of the workers did not work all the 24 months for which the money was collected, they were not reimbursed. That is, a cumulative profit of over \$10 million was taken as a deposit and left in the MM's coffers. Also, according to the claim, a demand for payment from the workers for their return flight ticket to their country constitutes a breach of agreement on the part of the MM and means that the latter earned a prohibited profit and received a benefit. The lawsuit also showed that there is no dispute about the collection of the recruitment fee, even if it is not clear what

part of the amount was involved. In 2000, when an amendment was passed in the Labor Law prohibiting Israeli recruitment and manpower companies from collecting fees from migrant workers abroad, the companies charged recruitment fees in the countries of origin rather than in Israel, in order to circumvent this prohibition.

Nurit<sup>8</sup> was among the most powerful people in the MM, and in an interview she recalled how the power relations between the MM in Israel and the companies in Thailand were formed, how Israeli officials assisted the MM and what its relations were with officials in Thailand:

“When I first flew [...] I did not know how to get things done in this foreign country [Thailand] [...] I contacted manpower offices ... there ... no problem reaching them. You turn to the Thai Labor Ministry [...] I said I wanted to meet with the Director General of the Ministry of Labor. They made an appointment for me immediately. I was helped a lot by our embassy, I wanted them to know that we came from the MM after all. [...] We enlisted the help of the embassy to arrange the meetings, and it just flowed. Once we made the initial contact and got to know them and were given names of some 7-8 offices ... [...]. That’s how the Thai activity began. “

Nurit’s remarks confirm that the MM utilized recruitment companies in Thailand to locate potential migrant workers, to evaluate them as required and assist in the preparation of their documents. In the following quote, Don Chai, one of the owners of a large recruitment company in Thailand, speaks of the process of weaving ties between his company and the MM:

“The MM came to Thailand and held all kinds of meetings and interviews for recruitment companies in Thailand [...] Slowly the number [of workers] went up and up, the MM did a good job. After three or four years, each of the six companies that worked with the them arranged about the same number of visas, so there was no major competition, and we charged about the same, we worked together [...] In the 1990s we collected a little money, only 45,000 baht, and the MM also charged a small amount, if I remember correctly, 770 dollars.”

This means that the MM not only made the connection and controlled the companies in Thailand, but also saw itself as an intermediary between the two countries. Meanwhile in Israel, the companies that the MM allowed to continue working under its auspices benefited from a lack of competition and many employee allocations, as narrated by Yigal, who was at the head of one company in those years:

“When I started working twenty years ago, everyone wanted to be around me, whether it was a Knesset (Israeli Parliament) member, whether it was a minister ... I rented out airplanes, Jumbo jets. In those days the workers would come for only two years. Our earnings were good and the commission on each Thai worker was very small because we worked on masses of people. Every year or two I had to replace 50% of the workers. There were times when I had to change 3,000-4,000 workers a year. It was a non-stop airlift.”

Yigal, like other interviewees in my research, noted that in retrospect, the period of centralization of the MM will be remembered with nostalgia as a good period for both policymakers and recruitment and manpower companies in Israel and Thailand.

As can be seen the MM was responsible for a complex system handed to it by the State of Israel. Hence the MM wielded a significant degree of power. The extensive power of the MM and its operations in the formative years led to the establishment of its patterns of action and the prevailing norms for the recruitment and handling of migrant workers, as well as the creation of relations between the countries and the establishment of transnational ties. Thanks to its centralized power, the MM established a relationship of control with the Thai recruitment companies, and perceived itself as an intermediary between the two countries and between the companies in Thailand and in Israel. Although recruitment fees were illegal in Israel (from 1999-2006) and in Thailand (from 1985, except for a negligible fee), the trans-national character of the recruitment process allowed for a profit to be made by circumventing the restrictions placed by the two countries (Kurlander, 2019).

#### *Phase 4: End of the MM's centralized status*

In May 1998, the director general of the Israeli Employment Office<sup>9</sup>, announced the termination of the MM's centralized position:

“The existing method is illegal and does not give equal opportunities to other bodies to import workers in agriculture, and perpetuates a monopoly that gives a clear preference to the MM. The system does not provide for a fair allocation to Israeli farmers. However, the CEO praises the logistical organization of the MM in everything related to the import of migrant workers in agriculture [...] The CEO has accepted the generous offer of the MM [...] CEO to coordinate and distribute the applications for migrant worker employment in agriculture since the MM has a database and continuous contact with many farmers [...]”

The quote reveals the duality in the State's position: first, the declaration that the method is “illegal” but nevertheless, it continues to recognize the unique status of the MM to represent farmers. Moreover, the quote expresses a preferential attitude towards the MM, including a commendation and recognition of the CEO's “generosity” to continue working. The partnership between the policymakers and the MM is reflected in the tone of the quotation.

The MM was given one year (from July 1998 to July 1999) to re-organize and abolish its centralized status. The MM immediately chose to fight the decision, and a day after the decision to revoke its centralized status, it was submitting a petition to the High Court (7112/98), detailing the main reasons for which the State sought to revoke its status:

“The Movement has gained a great reputation over the years with the farmers thanks to its effective treatment of the issue, and the farmers' utilization

of the Movement's services was not due to some necessity imposed on them, but thanks to tireless hard and efficient work and considerable investment of resources by the Movement [...] This reputation was probably 'icing on the cake' in the eyes of various parties, including officials in the Ministry of Labor and Welfare and the Employment Service and/or commercial parties who sought "shares" from the matter, and to that end tried to harm the Movement and its activities without taking into account the many farmers (...)."

But petitioning the High Court was only one step taken by the MM. Over the year granted them to abolish their status, the MM's members used their power and connections in Thailand to prevent private Israeli companies from entering the industry. Proof of the MM's attempts to solidify its exclusive status with Thai authorities can be seen in the following official letter dated August 5, 1998, from the Director General of the Labor Department in Thailand, Son Suppanakorn, to Shmuel Berkovich, of the MM:

"Other issues will be omitted since we have been advised by the Office of the Israeli Employment Service, Minister of Labor and Social Welfare, of the policy on re-allotment of all agricultural workers. The agreement with any organization on exclusivity in providing and procurement of Thai agricultural workers to work in Israel may not conform to the new policy of the Israeli government".

In the letter, the director of the Thai Department of Labor testifies to the MM's attempt to establish an exclusive relationship, but refuses to comply thanks to the intervention of the Israeli Minister of Labor and Welfare at that time.

In December 1998, the MM received a license to operate as a private recruitment and manpower company like all other companies in Israel. The migration industry for agricultural was officially breached. But the MM, which still enjoyed many connections in the field, managed to hold its position vis-à-vis the State in all that concerned allocating workers among the farmers who requested them. That is, the MM sought to hold on to the exclusivity, albeit unofficially.

Israeli private recruitment and manpower companies did not remain indifferent to this occurrence. Haim Schwartz, owner of a private recruitment and manpower company that sought to engage, stated in an affidavit<sup>10</sup>:

"The respondents (i.e. the State) did the [Moshav] Movement a favor, allowing it, despite the illegality, to prepare for the transition to the new method, in which visas are issued to farmers through the companies that handle them. However, the [Moshav] Movement chose to thwart the respondents' decision by using its previous contacts in the country of origin of the migrant workers (Thailand) and acting to gain priority over its competitors. Apparently, the MM took advantage of the interim period granted them in order to solidify, in effect, its joint work with the authorities dealing with migrant workers in their country of origin, thereby closing the door to competing companies regarding the possibility of importing migrant workers. This stands in stark

contrast to the spirit of the respondents' decision to open the market to all companies equipped with the appropriate licenses as stated above."

The private companies that used to work under the supervision of the MM as well as new companies that wanted to engage in the recruitment of agricultural migrant workers were not the only ones who opposed the MM's centralization. Opponents also included farmers and Thai and Israeli policymakers. Some of those groups (private companies, policymakers and farmers) were often partners in coalitions acting against the preferential policy. Certainly, some of the resistance groups wanted to benefit financially from the recruitment fees of the migrant workers, but others such as the farmers and farmers' unions, led by the Citrus Growers' Organization, protested against the system, maintaining that the MM did not provide them with adequate numbers of migrant workers.

Complaints about the conduct of the MM also related to maintenance of the living conditions and treatment of migrant workers, and these even reached the Knesset (Israeli parliament). In a proposal for the agenda raised by Knesset member David Magen, it was stated as follows:

"More than 800 complaints have been filed against the MM for violating the rights of migrant workers from Thailand. These are mainly withholding of wages, non-provision of medical care and non-payment of the minimum wage. This was presented by Thailand's ambassador to Israel [...] at a meeting held this weekend."

In the quote, and according to many interviews I conducted with representatives of companies, these groups and individuals did not cease to protest the status of the MM and pressured the government on this issue. For this reason, along with irregularities that came to light (and were described in this article), the State's policy changed toward the central status of the MM, finally bringing it to an end.

The MM continued to recruit and handle agricultural migrant workers until 2001. The reasons it ceased to do so were varied, but the main reason seems to be the huge claim filed in 2000 over the monies, more than \$10 million, taken as a deposit illegally from Thai migrants and never returned to them. The lawsuit was pending until 2003 but due to a technical legal issue was suspended for a while and eventually dismissed. Nevertheless, the court ruled that there was indeed an employee-employer relationship between the MM and the migrant workers. This decision left the MM open to further lawsuits and apparently led to the closure of the unit that dealt with the migrant workers. The MM resumed being a company in 2012 with the establishment of a subsidiary, 'A Glance at the Moshavim'.

## DISCUSSION AND CONCLUSION

This article has recounted the clear source of power held by the MM, both from below (bottom-up) and from above (top-down) which created its great control and influence. In its role as the largest organization representing Israeli farmers (i.e. 'from below'), the MM had an organized mechanism in place to meet the needs of farmers who, in those years, were increasingly interested in the cheap labor of migrant workers. At the same time, 'from above' was the clientelist situation established when the MM's leaders applied to obtain central status in the handling of agricultural migrant workers.

As mentioned, previous studies have already addressed the relevance of the clientelist model in examining the activities of self-interested pressure groups and the way in which they influence policy-making and design migration strategy, especially in the matter of migrants' quotas. However, until now full attention has not been given to the MM's role in establishing a migration industry and the profit it gained from it.

In this article I showed the process of how the MM morphed into a hybrid organization with one branch functioning *de facto* as a private recruitment and manpower company, while the other maintained its presence sustaining the *moshav* working settlements, representing the public interest in preserving Israeli settlement and agriculture. Although the MM was defined as a non-profit company, it began collecting recruitment fees from migrant workers before this was prohibited by law in Israel, and later these payments became the prevailing norm, despite their illegality from the end of the 1990s. Also, the allegations against the MM of profiting and receiving benefits were among the reasons that the MM ended its involvement in the import of migrant workers and relinquished its centralized position; however, the patterns of action and procedure remained in place years later.

The period of the centralized status of the MM is a fascinating case study for the intersection between the federal government and the migration industry. Although there had already been an infrastructure of private businesses in Israel for recruitment and handling of agricultural migrant workers (i.e. manpower companies), they were deprived of the right to continue engaging in this field and centralized status was granted to one organization, the MM. Apparently, this occurred because the MM represented the farmer-employers of those migrant workers in the agricultural sector and cast itself as a non-profit organization whose mission was to support the Zionist vision of a commitment to the Land for the sake of all the Israeli people and not just the farmers. Second, I further argued that in many respects, the preservation of State regulation and oversight represented a balance between the ideology of the neoliberal economy that began to flourish at that time and the social-democratic economy on which Israel was founded.

The centralized power of the MM generated many complaints from farmers about unfair quotas in permit allocations from private manpower companies who wanted to break the MM's grip and enter the migrant import market, as well as complaints

from the Thai government about the treatment of workers in Israel and complaints about severe irregularities on the part of the MM. Thus, the State's attempt to evade responsibility from the complex migrant recruitment process encountered an unexpected result in the form of a growing and strengthening entity that bypassed State policies and was received with resistance by others involved.

## NOTES

1. The original name of the specific department was "Aid Alliance"
2. Thailand established itself as a country of origin and after signing of bilateral agreement as a sole country of origin (Kurlander, 2019; Kurlander & Cohen, 2022). The beginning of the connection between Israel and Thailand in terms of labor migration lies in a historical event related to an Israeli travel agent, Uzi Vered by name, who contacted in the 80s a university in Thailand for training students in agriculture and the Thai army who wanted to learn from Israel about establishing settlements in border areas (Kurlander, 2019; Kaminer, 2019).
3. HCJ 7112/98 Petition for an Interim Order 11-11-98 Section 17
4. HCJ 7112/98 Petition for an Interim Order 11-11-98 Section 28
5. Thawat Obmalee and ten others against the MM 3062/00
6. All the names used in the article are fictitious.
7. Moshe Damari in Law claim 5503/00 -932 (21.5.2000): Tel Aviv labor court
8. According to HCJ 7112/98, Affidavit of Response on behalf of Respondent No. 4 Haim Schwartz, Amit Real Estate Services and Investments Ltd., paragraphs C and D.

## ETHICAL STATEMENT

The collection of empirical materials was approved by the Committee for the Examination of Human Studies in the Faculty of Social Sciences at the University of Haifa, approval number 097/12 from May 20, 2012.

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