Neo-Liberalism, Sovereignty, and the Crisis of Representation in Israel

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The pervasive discontent with politics, parties, and parliament in Israel can be characterized as a crisis of representation. In political science literature we can find several explanations for the emergence of a crisis of representation. As Pharr, Putnam, and Dalton (2000, 6) claim, "[t]he collapse in citizen engagement with political parties is as close to a universal generalization as one can find in political science." In the present paper I want to propose that the crisis of representation in Israel stems from a feeling that actual politics betray the democratic promise and the idea of popular sovereignty which, *pace* Schumpeter, underlies representative democracies.

The democratic promise is based on two central assumptions: the essential equality of the members of the political community concerning political participation; and the idea of popular sovereignty, which, as concisely put by Abraham Lincoln, is the government of the people, by the people, and for the people. The present paper will discuss the relationship between the weakening of the notion of popular sovereignty and the crisis of representation.

The concept *popular sovereignty* is far from simple, and it involves unsolvable contradictions. The most central one is the contradiction between the notion of sovereignty as the rule of the one, as the necessary unity of the act of governing—between the idea of the sovereign people as a collective subject with boundaries clear enough to allow for its identification as "the people"—and the fact

that the people is constituted by a myriad of concrete individuals. This is seeing the people as the many, the monster of thousands of heads that cannot have a common will since it is constantly changing (Canovan 2005). Representation is one of the ways to solve this contradiction. As Hanna Pitkin (1967) stated, representation makes present something that is not present literally or in fact. The people as a myriad of concrete individuals become the people as a single collective subject through the process of representation.

Hobbes (1985[1651]) expressed this clearly when he stated, "A multitude of men are made one person when they are by one man, or one person, represented; so that it be done with the consent of every one of that multitude in particular. For it is the *unity* of the representer, not the unity of the represented, that maketh the person one." Thus, the process of representation makes present the unified people even though it does not exist as a unity in reality. Representation is not only the passive reflection of a pre-political collectivity, but the process in and by which the many concrete individuals become the sovereign people.

When the mechanisms of political representation are not able to re-present the people as a unity, when the process of representation does not re-present popular sovereignty, when political equality is betrayed, when there is a significant gap between the actual ways of the political system and the democratic promise, we face a crisis of representation. In the following, I will discuss briefly the concept of democratic representation, then the character of the crisis of representation, and finally the forms this crisis takes in Israel.

Representation

The claim that popular sovereignty is re-presented means that popular sovereignty is doubly mediated. Firstly, because we recognize that

the people does not exist as a pre-political unity. The people is never identical to itself and is composed of different social groups and divided by conflicts of interests. Secondly, because Lincoln's dictum notwithstanding, the people does not govern by itself but through its representatives. Understanding representation in this way means that representation is a complex, mediated process that is not limited to the electoral act or to the kind of relationship between voters and their elected representatives. It cannot be reduced to responsiveness, authorization, legitimation, or accountability (Eulau and Karps, 1977). I propose to understand representation as the translation/ reconstruction of popular sovereignty into acts of government and legislation. This act of reconstruction is not simple mirroring, but in a way we may say that—since there is no pre-political people— the act of representation constitutes both the representative and the represented (the people). Nadia Urbinati (2006, 37) makes a similar claim when she states that "[p]olitical representation transforms and expands politics insofar as it does not simply allow the social to be translated into the political, but also facilitates the formation of political groups and identities."

If the people does not exist as a pre-political unity, then the two principles that Carl Schmitt claims can form the political content of a constitution—identity and representation—are not two opposite concepts (as Schmitt claimed) but part of the same process. Identitarian democracy is not the unmediated expression of the people's will, but a different way of representation. The concept of identity assumes that the people "may be capable of acting politically by the mere fact of its immediate existence—by virtue of a powerful and conscious similarity. . . . It is then politically unified and has real power by virtue of its direct identity with itself" (quoted in Manin 1997, 151). But if we consider that there is no "natural," pre-political similarity that grounds the people's "direct identity with itself," if "we

the people" is always a result of the political process, then identity always includes a process of representation. If the people does not exist as a pre-political given, then representation is inherent to the political process since, as Schmitt himself claimed, if "the political unity of the people as such can never be present in its real identity [it] must therefore always be represented by particular persons" (quoted in Manin 1997, 151–152). The body of the people becomes unified only through its representatives, and in this case the representative is "external to the people, independent from them and cannot be bound by their will (152)."[1]

Urbinati is right in claiming that the modern political representative does *not* substitute for an absent sovereign in passing laws. Precisely because he is *not* a substitute for an absent sovereign (the people), he needs to be constantly recreated and dynamically linked to society in order to pass laws (Urbinati 2006, 20). This constant process of recreating participation is what representative democracy is about. The metonymic role that the representative plays, in which he is the part that substitutes the whole, is a complex one. The representative is not the part that replaces a pre-existing whole, but a part that constitutes the whole as such through the act of representation. The unity of the sovereign people both grounds and is a result of the process of representation.

The relation between the people and its representatives is a complex one since representatives are never truly external and independent from the people, and the unified identity of the latter is never fixed and final—its boundaries change through time. Thus, what we have is

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1   We may think of a process by which the constitution of the people as a collective subject is not the result of political representation as it takes place in liberal democracies, but is the result of shared struggles for common claims, as proposed by Ernesto Laclau (2005) in his book on populism.

a double moment of mediation by which the people is always already represented by representatives that are never completely external or independent of the people's will.

Political representation has three main forms. The first one, the form to which Schmitt referred when discussing representation as external to the people, is the Burkean form of representation. For Burke representation meant that "Parliament is not a congress of ambassadors from different and hostile interests; but . . . a deliberative assembly of one nation, with one interest, that of the whole; where not local purposes, not local prejudices, ought to guide, but the general good, resulting from the general reason of the whole" (Burke 1774). The Burkean representation is not a mediated process, but is embodied in the Parliament as the body of representatives. For Burke, the representative may unify the whole because representatives are guided by the ethics of the *aristoi*, who place the common good before their own interests; and because the nation is a pre-existent given, whose existence pre-dates the political process.

The other two forms of representation are representation by an instructed delegate and the "responsible party" form. The "instructed delegate" model of representation is an approach to democracy in which elected officials follow the expressed wishes of their constituents. In contrast to trustee representation, in this model representatives "set aside their own expertise, information, and judgments." The instructed delegate is a representative who automatically mirrors the will of the majority of the representative's constituents. As against the Burkean model, the representative has no autonomy but is merely the voice of the represented.

Within this conception of representation the people exists in one of two forms: either as a pre-political given that instructs its representatives, or as a subject constituted through the deliberations that create the mandate. In either case the people is not constituted

by the process of representation as such. Representation derives from the previous constitution of the represented as a collective subject. The relation constituting representation takes place between a people already given, and the elected representatives. The Burkean form and the "instructed delegate form" correspond to what Urbinati denominates juridical theory of representation, in which representation is a private contract of commission (granting "license to perform an action by some person or persons who must possess the right to perform the given action themselves") by two different and independent entities (Urbinati 2006, 21). Delegation with binding instructions and alienation with unbounded trust (Burke) are the two extreme poles of this model.

In the "responsible party" model "it is political parties, not individual legislators, that are the primary vehicles that articulate citizens policy beliefs and convert them into public policies" (Adams 2001, 3). The responsible party form is an example of a constant mediation and relationship between the people and their representatives. The responsible party mode of representation considers that representation is based upon political parties as collectives. In this model, collective subjects are constantly recreating themselves through the process of representation. This model requires three presuppositions: that there are policy divergences among the different parties, that parties have policy stability, and that there is policy voting on the part of the electorate. This model does not assume that the people pre-exists the representation process, but in a way, it is created as a collective by the mediations of its claims through the party system.

In contemporary democracies, all three models of representation are problematic. Burkean representation is not possible since the democratization of society during the nineteenth and twentieth centuries makes impossible the uncritical acceptance of autonomous elite of *aristoi* that embodies the representation of the nation as a

whole. Moreover, contemporary societies are complex and the plurality of cleavages (class, ethnic, gender, national) makes impossible the claim that there exists a "general reason of the whole." The "instructed delegate" model is difficult because of the size of political communities and the problems of building an "ideal speech situation" in which all the representatives may deliberate and contribute to the elaboration of a common, single wish. Finally, the "responsible party" model is problematic because of the crisis of the "mass party" and its replacement by political parties that function as public relations organizations. When political leaders and parties sell themselves and their parties to the public as any entrepreneur sells his or her products, they cannot claim that the party "articulate[s] citizens' policy beliefs and convert[s] them into public policies" (Adams 2001, 3). As a result, contemporary democracies face a crisis of representation.

Crisis of Representation

We have a crisis of representation when the presuppositions of democratic representation do not work, when we have a break between the two terms: democracy and representation, when the state institutions supposed to represent democracy (as both political equality and popular sovereignty) are not perceived as doing so.

In certain historical moments, the crisis of representation may lead to a violent break with the legal order (a new constituent moment), or to the "active and creative presence [of the] citizens" that disclose and denounce the political distance between the "real" and the "legal" nation, but do not reclaim the decision-making power (Urbinati 2006, 27–28). Nowadays, however, the crisis of representation takes the form of "disaffection." Mainwaring (2006) defines a crisis of representation as "[t]he widespread dissatisfaction with the quality

and vehicles of democratic representation." It is a situation where "patterns of representation are unstable" and citizens consider that the political system does not represent them.

Such a crisis expresses itself in citizens' attitudes and behaviors. A significant number of citizens are dissatisfied with the institutional channels of representation (whether political parties, representative state institutions or the electoral system). The behavioral indicators of a crisis of representation are actions by citizens rejecting existing mechanisms of democratic representation—for example, withdrawing from electoral participation, voting for new parties (especially antiestablishment ones), voting for political outsiders, turning to anti-system popular mobilization efforts, or joining revolutionary struggles (Mainwaring 2006).

Since political parties are the main institution that mediate representation in contemporary democracies, high electoral volatility—an indicator of voters' dissatisfaction with parties—is an indicator of a crisis of representation.[2] Persistent high electoral volatility means that people do not feel that the existing political system represents them. The rapid rise—and demise—of new parties, absenteeism, and voting for anti-establishment parties, or for political outsiders, are also signs of a crisis of representation (Mainwaring 2006).

Today, the crisis of representation is pervasive in most wealthy countries. In the United States, for example, trust in government in 1998 was only 39%. The number of American citizens who agreed with the claim that "the government is pretty much run by a few big interests looking out for themselves" grew from 29% in 1964 to 63% in 1998. In the same year, two-thirds of Americans agreed with the

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2   Electoral volatility measures the net share of votes that shifts from one party to another from one election to the next.

statement, "Most elected officials don't care what people like me think," while only a third agreed to it in 1960 (Pharr, Putnam, and Dalton 2000).

Those expressing "a great deal" of confidence in the executive branch fell from 42% in 1966 to only 12% in 1997, and equivalent trust in Congress fell from 42% in 1966 to 11% in 1997. Almost every year since 1966, the Harris Poll has presented a set of five statements to national samples of Americans to measure their political alienation: (1) "The people running the country don't really care what happens to you." (2) "Most people with power try to take advantage of people like yourself." (3) "You're left out of things going on around you." (4) "The rich get richer and the poor get poorer." (5) "What you think doesn't count very much anymore." By almost any measure, political alienation has soared over the last three decades (Pharr, Putnam, and Dalton 2000).

Data from Western European countries show a similar process. Less than 50% of the British public thought in 1987 that the national government or local councils "could be trusted to serve the public interest" (Pharr, Putnam, and Dalton 2000). During the 1990s the picture got even worse. Confidence in the House of Commons went down by half between 1985 and 1995. In Germany, the percentage of citizens who said they trusted their Bundestag deputy to represent their interests declined from 55% in 1978 to 34% in 1992 (Pharr, Putnam, and Dalton 2000). Pharr and her collaborators conclude that "the decline in political support has been especially apparent in three areas: disillusionment with politicians, with political parties, and with political institutions" (13).

A crisis of representation may originate with each of the three elements of the representation process: the represented, the mediating institutions, and the political system (parliament, state institutions). This means in the first case, the transformation of the political

community, for example, the inclusion of groups previously not represented or under-represented; in the second case, the corruption or atrophy of the mediating institutions (in our case political parties); in the third case, state deficiencies that make the process of representation inefficient,[3] (for the latter, see Mainwaring 2006).

In his analysis of the crisis of representation in Latin America, Mainwaring (2006), borrowing from Putnam, Pharr, and Dalton (2000, 25), argues that there is a decline in "the *capacity* of political agents to act on behalf of citizens' interests and desires." In his opinion, the main reasons explaining the lack of ability of national governments to implement the policies they were elected to put into practice are globalization and the neo-liberal dismantling of the state. Globalization "creates a growing incongruence between the scope of territorial units and the issues raised by interdependence, reducing the output effectiveness of democratic nation-states" (ibid.). Neo-liberalism weakens the state and, through privatization and technocracy, limits the scope of possible policies and the scope of democratic control on state institutions.

Neo-liberalism and Crisis of Representation

Neo-liberal globalization changes the relationship between territory, state, and political community. Whether we adopt the claim that the national state loses its power to local or supranational levels, or the claim that a main characteristic of the process of neo-liberal

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3   We should ask ourselves if the second element is not always secondary to the other two. For example, the entrance of the working class and other popular classes into the political space provoked the crisis of the Burkean model of representation and the emergence of the mass party. In this sense, the actual crisis of the state to express popular sovereignty may mean that we need to reformulate the mechanisms of mediation.

globalization is the constitution of a transnational state (Robinson 2001), we come to the conclusion that the state is changing. There is a profound transformation of the modern, Westphalian, national state, which provided the ground for the idea of popular sovereignty. In a process of economic and political integration, regional blocs dominated by the three great powers (the US, the European Union, and Japan) have emerged, while industrial and finance capital have been concentrated and centralized in powerful transnational groups (Costilla, Alvarez, and Perez 2000).

Neo-liberalism has limited the options for individual states to determine their social and economic policies. Though intrastate relations of forces were of fundamental importance for the successful application of neo-liberal reforms, international institutions have played a central role in determining the policies of individual states. Between 1978 and 1992 more than 70 countries undertook 566 stabilization and structural adjustment programs imposed by the IMF and the World Bank (Robinson 2001).

Among the consequences of neo-liberal policies was the transfer of power from program-oriented ministries (social services, education, labor, health) to the Ministry of Finance; and from elected functionaries to "professional" institutions such as the Central Bank. The World Bank was explicitly clear on the need to reform the state. As they put in one of their reports, reform should begin "with a few critical enclaves [that] typically include the ministry of finance, the central bank, and the tax collection agency . . ." (quoted in Robinson 2001). This transfer of power voided the very idea of popular sovereignty of much of its meaning, since areas so important as the monetary and the exchange rate policies were not controlled by representatives of the people's will. Moreover, social policies were subordinated to the demands of the international markets more than to the citizens' needs. This lack of democratic control was not an undesired side effect of the

independence of the central banks or the subordination of program-oriented ministries to the Ministry of Finance; it was one of neo-liberal policies' main goals. As Robinson claims, "[t]he movement toward Central Bank independence has the purpose of insulating the commanding heights of national state policymaking from any public control or accountability, and also of insulating these organs of the state that tie each national economy to the global economy from other organs of the national state that could come under public pressure." The World Bank explicitly stated the need to insulate the main state economic institutions from democratic pressures and control, weakening the effectiveness of the representation process. Robinson quotes a document stating that "[restructuring these organs] can mostly be achieved through executive order . . . [and should] establish effective macroeconomic management by insulated technocratic elite." The transfer of macroeconomic decision making to technocratic elites in isolated state enclaves and to the financial market, according to Robinson, "bypass[es] the formal channels of government and other social institutions subject to popular influence."

As a consequence of the process of neo-liberal globalization, national governments become part of a transnational state apparatus, and they function more as transmission belts of this apparatus than as representatives of their electors. Democratic institutions lose power to the market. As Costilla, Alvarez, and Perez (2000) claim, "many basic political questions are not placed on the agenda for public discussion . . . because it is assumed that they belong to another sphere of decision making, that of the relationship between the individual and the market."

Decisions on macroeconomical policy (which include decisions on social policy, since, as we saw, the social area is subordinated to macroeconomic considerations) are in the hands of the monetary authority, guided by—as euphemistically put by

Freeman (2002)—"benign technical expertise rather than electoral manipulation." As a result, legislatures and other representative institutions are of limited value as "channels for the expression of popular sovereignty over monetary policy" (Chander 2005).

The power of international institutions (whether supra-state, as the Dispute Settlement Body of the WTO; or market institutions, such as the international firms that assess and rank the financial risk of the different countries) becomes stronger than the "people's will." As Anupam Chander (2005) put it, "[t]he people of a democracy must be mercifully soothed when they find themselves ruled by the six men and one woman of the Appellate Body of the Dispute Settlement Body of the WTO." In discussing the subordination of the national state to the global financial institutions, David Held (1989) pointed out that the IMF can bring about a cut in the public expenditure of a great many countries, as well as the devaluation of their currencies, the elimination of programs of public health, education, and housing. The processes related to neo-liberal globalization, in sum, limit the capacity of the state "to act on behalf of citizens' interests and desires" (Putnam, Pharr, and Dalton 2000), thus eroding the principle of democratic representation.

The Israeli Case

In Israel, from the pre-state years until the early 1990s, the main form of representation was the "responsible party" model. The political system was party-centered and state-centered. The main political parties were "mass parties," party institutions were central in the articulation of policies and programs. Party affiliation was fundamental not only to the collective identity, but also to individual identity, so much so that party crises were the cause of family and community crises (as in the split of *Ahdut Haavoda*, or when Moshe Sneh and his supporters were expelled from *Mapam*).

In Israel, too, the neo-liberal transformations that took place during the last 25 years have resulted in the weakening of the state as an agent of socioeconomic policies and the weakening of the party system as a mediator of democratic representation.

As with many other countries, Israel today faces a crisis of representation. The development of this crisis of representation in Israel is of special interest for two reasons. First, the celerity of the changes that transformed a society in which, as claimed above, parties were central not only to social organization and the political system, but also to collective and individual identities, to a society where parties lost the citizens' confidence and are seen as institutions that betray the popular will. Secondly, because of the fact that a crisis of representation developed in a country with a parliamentary political system, proportional representation, and a relatively low threshold—conditions that offer a wide gamut of political options and are supposed to better reflect the needs and interests of the different social groups, and thus prevent representation crises.

When discussing the actual crisis of representation in Israel, it should be noted that this crisis must not be interpreted as the result of a loss of interest in politics as such, or indifference toward the fate of the political community. On the contrary, in international terms, Israelis are very much interested in politics. Asher Arian et al., in a 2006 report, stated that:

> Israelis are extremely interested in politics, talk about politics, and are much more knowledgeable about it than in the past. . . . Israel is a country that creates and consumes news. 73% of the respondents in the Democracy Survey 2006 reported an interest in politics, 82% reported that they stay informed about politics

daily or several times a week through television, radio, and the press, and 67% discuss political issues with their friends and their families. These rates are higher than those found in any other country we considered. (Arian et al. 2006, 11).

However, though very aware of the importance of the political sphere, only 27% believe that they can influence government policy (Arian et al. 2006, 34), and only 17% agree that politicians keep their promises after they are elected (ibid., 79). This lack of trust in the political system is a relatively new phenomenon, since "the level of trust Israeli citizens have in politicians has significantly decreased in the past few years" (ibid., 11). Nowadays, "[O]nly 17% of those surveyed agree or absolutely agree that elected politicians try to achieve what they had promised prior to being elected. 25% agree or absolutely agree that Knesset members care about what the general public thinks (21% are not sure). Only 22% of the public trust political parties, less than they trust any public institution in Israel (33% trust the Knesset, 44% trust the media, 68% trust the Supreme Court, and 79% trust the IDF)" (*The 2006 Israeli Democracy Index*).

The 2006 Israeli Democracy Index depicts all the elements that characterize a crisis of representation: "[d]eclining voter turn-out, decreasing identification with the parties, high volatility, an increasing tendency among voters to vote for the party opposed to the one they have identified in the past . . . a fragmentation of the political party system . . . the disappearance of veteran parties, the swift rise and fall of new parties, and the entry of new parties into the political system" (Arian et al. 2006, 52). The voter turnout, which in Israel was quite high (average turn out 1949–2006: 78.6%), reached an all-time low 63.2% in the 2006 elections, and only increased

slightly in 2009. Electoral volatility is also increasing, from 14% in 1984 to 37.5% in 2006.[4]

The lack of confidence in the "responsible party" model as an effective form of representation is striking. Trust in political parties reached an all time low of 22%, and the tendency is clearly a downward one. There was also an impressive drop in party membership, from 18% in 1969 to 6.5% in 2006. As part of the same process, we witness an upward trend in disassociation of parties: 68% in 2006 said that they do not support a specific party (Arian et al. 2006).

Mistrust of politicians is pervasive and also expresses the crisis of the "responsible party" model as a mechanism able to express the popular will. Sixty-two percent of the Israelis believe that politicians do not take into account the view of the ordinary citizen (39% in 1969), and only 17% agree with the statement, "The politicians we elect try to keep the promises they made in the election campaign" (Arian et al. 2006).

All these figures are symptomatic of a crisis of representation. In Israel we can find reasons for this crisis at each of the three levels discussed in the third section. On the first level, that of the represented, the transformation in the character of the political community contributes to explain the crisis of representation. The mass immigration from the former Soviet Union challenges the limits and definition of the political community.[5] Besides, the political consciousness of Israeli Arabs has changed during the last

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4   The great increase in the number of seats achieved by the Likud (from 12 to 27), the growth of Lieberman's party and the weakening of the Labor party and Meretz, all point towards the conclusion that electoral volatility is still high.

5   The figures of the Israeli Democracy Index show that immigrants from the former Soviet Union are the most alienated from the political and party systems (Arian et al. 2006).

two decades, and they see themselves as lacking real representation and increasingly demand inclusion in the political system as full citizens.

Concerning the second, that of the mediating institutions, we can clearly understand from the figures quoted above that the political party is not able to fulfill its task as mediator in the process of representation (Ram 2006, 2008). The transformations of Israeli society and of the political parties produced a crisis in the "responsible party" model. The political parties tried, unsuccessfully, to cope with the popular mistrust. In this sense, changes such as the adoption of primary elections by the major parties were a—failed—attempt to combine the "responsible party" model with the juridical model of representation.

As to the third level, that of the representatives, the neo-liberal turn means that the state and the political system are not capable of fulfilling the promise embedded in the idea of popular sovereignty. In the following, I will discuss this last aspect in more detail in order to sustain the claim enunciated in the introduction, that the actual crisis of representation stems from the perception that today the political system betrays the promise of popular sovereignty.

As we saw in the previous section, neo-liberal reforms restricted the capacity of the state to translate the people's claims into policy. The liberalization and deregulation of financial markets weakened the government's ability and autonomy to plan and put forward social and economic policies. Until the reform of the financial sector, the state was responsible for most of the credit, through the subsidy of the loans given by the banking system to "qualified firms" (Yehoshua and Yefet 1996, 598). Thus, the government had broad powers to determine the cost and the goals of credit. The government was responsible not only for the fiscal policy, but also for the monetary and exchange rate policies. As a consequence of the reform, special bonds for pension funds and insurance companies and development credits granted directly by the

state were eliminated. Firms were allowed to collect funds by issuing bonds or through the Stock Exchange. Funds that were previously invested in government bonds were freed for investment in firms. The financial reform also brought a relaxation of governmental control and supervision of banking activity and of investment. The Bank of Israel became autonomous and its monetary policy was no longer subjected to the government's decisions. The currency rate policy was modified, and instead of daily governmental intervention to establish the exchange rate, the latter is now established by the markets. As the Bank of Israel states, "since 1996 the Bank of Israel does not intervene systematically in the foreign currency market" (Bank of Israel 1999, 190). Foreign trade was deregulated, and subsidies for exports and protective taxes were eliminated. The broad privatization of public companies also limited the government's hold on the economy. In sum, the neo-liberal economic reforms within a general context of global neo-liberalization hinder the ability of the political system to put forward autonomous policies that reflect the interests and beliefs of the citizens.

Moreover, the partial recommodification of welfare services limited even more the state's ability to represent—through its policies—the citizens' claims. This is especially so concerning the pension system. By diverting pension savings to the financial markets and partially privatizing the pension system, the 2003 reform freed the state from responsibility for old-age pensions and deprived it of resources with which to finance public policies. The transference of responsibility and funds from the public system to the market represents a further constraint on the power of the state to represent the popular will. The lowering of personal income and firms' gains taxes diminished the resources the state has for financing social services, making it more difficult to translate citizens' demands into concrete policies.

In sum, the neo-liberalization of Israeli society contributed to the crisis of representation in three main ways: The first, insofar as it weakened the state, diminished the possibility for it to influence

society, and removed significant areas from democratic control, thus damaging the very possibility of representing the citizens' interests and goals. The second, the neo-liberal ideology depoliticized economic and social policies. If policies are considered as technical—and not political—issues, then representation lacks any real significance and the idea of popular sovereignty becomes an empty slogan. If economic policies are considered as independent of political agency and the same economic model is adopted by almost the entire political spectrum (as was the case for Israel, where all the main political parties adopted slightly different versions of the neo-liberal creed), we lack one of the three pre-conditions that enable the functioning of the "responsible party" model.[6] Thirdly, in a globalized post-Fordist world, the power of transnational institutions and markets severely limits the state's capacity to implement policies that are in the interest of and fulfill the needs of the population. In an exacerbation of Shumpeterian democracy, popular sovereignty is reduced not even to the choice between elites, but to the ratification of policies promoted by the transnational elites.[7]

To reiterate, the neo-liberalization of Israeli society and its insertion into the neo-liberal global model have undermined the very essence of the idea of popular sovereignty. The crisis of representation is a consequence of the voiding of the concept of popular sovereignty. Whether this crisis is sustainable (or solvable) in the long run, or whether the crisis of representation will develop into a legitimation crisis remain open questions.

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6   The failure of the Oslo process and the pervasive public feeling that there are no real alternatives for the resolution of the conflict, only "conflict management," adds to the lack of policy differences between the different parties.
7   Joseph Shumpeter considered that popular sovereignty was limited to the people's voting which of the existing elites should rule.

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