Mega Donors' Perspectives on Philanthropy and Government Relations in Israel

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Abstract Philanthropists' involvement in the development and implementation of social policies is a growing yet understudied phenomena. Captured in the model of alternative politics, in which self-provision of public services emerges when citizens face the failure of private and public mechanisms, not only in terms of obtaining sufficiently high-quality services, but also in terms of utilizing political channels to influence public policy, and poses major challenges to the political system. This dynamic of welfare states in recent decades is contested, since while it provides new streams of funding and innovative and professional capacities, it also has potential negative repercussions to democratic processes, equity and universalism of social policies. In-depth interviews with fourteen Israeli mega donors are used to show how mega donors promote relations between philanthropy and government in Israel that are based on voluntary cooptation in which the government regulates the philanthropic activity in Israel. By voluntarily granting the government a mandate to regulate philanthropic activity, the mega donors lead philanthropy into a situation in which philanthropy's autonomy may be jeopardized and its agendas may be subordinated to the priorities, preferences and business-minded worldview of the ruling elite - the political elite (government) and the business elites (mega donors).

Keywords Self-cooptation · Mega donors · Philanthropy · Government

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Philanthropy has been rapidly growing in the past decades around the world and especially in western countries. Research relates this growth to two simultaneous processes. The first process is the decline of the welfare state and of social support services (Doron 2002; Gal 2002; Salamon 1993); the second process is the flourishing of neo-liberal political and economic ideas that support free enterprise and competition (Brown 2003). The influence of these two processes is felt in Israel (Shalev 1999), as in other places around the world (Harvey 2005), by the decrease of the middle class and an increase in the gap between rich and poor, between a small group of affluent people and the group that lacks basic economic resources. The proliferation of the latter group's difficulties and needs has led to a rapid growth of the Israeli third sector (non-profit), and within it, the active involvement of very successful businesspeople ("mega donors") who use their financial and managerial knowledge and practices to develop and run philanthropic projects (Schmid and Rudich-Cohn 2012; Shamir 2007; Shimoni 2008; Silber 2007).

This essay examines a scarcely studied dynamic of welfare states, namely the involvement of Mega Donors in the development and provision of social services, and the effects that these processes can have on social policies and priorities and on the autonomy and accountability of the different actors in welfare arrangements. This dynamic is part of a well-documented process of growing involvement of private parties in the provision of social services and the implementation of social policies, which result in what is called "The welfare mix" (Ascoli and Ranci 2002; Powell 2007; Powell and Barrientos 2004). The welfare mix is a result of a transition "from the old passive to a new active politics of the welfare state" (Powell and Barrientos 2004, p. 87) towards a system in which in place of the state monopoly over the provision of social services, various combinations of government, private and nonprofit organizations engage in social policy

making and implementation. Third sector organizations, in particular, have obtained formal recognition as partners of public authorities and professional groups in policy making and implementation (Evers 1995; Powell 2007). Consequently, increasing interdependence between state, private and third sector organizations has become a characteristic of welfare arrangements in post-industrial societies, which affects not only the nature and structure of social policies and services, but also the roles and responsibilities of governments, and the politics and ideologies that govern the welfare state (Mažeikienė et al. 2014).

Based on in-depth interviews, we show the desired relations between philanthropy and government of fourteen Israeli mega donors that transfer money to philanthropy in amounts ranging from a few million shekels to hundreds of millions. The mega donors, we argue, who are significant agents in the highly competitive money and labor markets in Israel, show a considerably negative outlook toward the government, which is expressed in their low appreciation of and low confidence in the government's representatives' professional competence and "pure" interest in promoting initiatives in the fields of welfare, education and community. However, the mega donors expect, perhaps demand, that the government actively participate in philanthropic projects (including projects which they themselves develop), and regulate all the philanthropic activity in Israel. With a few minor differences, the mega donors, as we see in the two quotations above, hold the same concept of the relations between philanthropy and government. According to this concept, philanthropy (especially the philanthropy that business people are involved in) should serve as a trailblazer that, much like a hi-tech startup, uses innovation, initiative, creativity, flexibility and independence from bureaucratic constraints to develop new philanthropic projects. The government, according to the mega donors, should a) adopt these projects so that they (the donors) can hand over control and be free to produce new philanthropic projects and b) regulate all philanthropic activity in Israel in order to avoid any redundancies in philanthropic initiatives. This model represents a new variant of relations, which deviates from formalized policy making and implementation processes, but also from the alternative politics of self-provision of social services (Mizrahi 2012).

The main argument here is that both the desire of the mega donors to act in cooperation with the government, and their expectation that the government will regulate all philanthropic activity, endanger philanthropy's future independence. We use the concept of "cooptation," (Selznick 1948) noted by Najam (2000) as a common pattern of government-nonprofit relations, in which nonprofits are 'coopted' by government as a means by which to manage potential opposition. We argue, first, that by voluntarily granting the government the mandate, the power, to regulate all philanthropic activity in Israel, the mega donors essentially co-opt themselves, giving up

philanthropy's freedom to act independently of the government's considerations and priorities. Second, and perhaps more importantly, mega donors' desire to cooperate with the government and their will to give it a mandate to regulate all philanthropic activity in Israel has a great potential to promote a process in which the coalition of the Israeli ruling elite (mega donors and government) subordinates philanthropy's agenda to its own interests, priorities and temporal economic abilities.

Philanthropy and Government: Collaboration in Discontent

The relations between governments and the third sector have been widely studied (Brinkerhoff 1999; Pestoff et al. 2013; Najam 2000; Wright 2001; Young 1999, 2000) and in Israel (Almog-Bar and Zichlinski 2010; Schmid and Rudich-Cohn 2008; Shimoni 2008; Gidron et al. 2006; Gidron 1992, 2007; Gidron and Katz 1998; Telias et al. 2000; Silber 2007). However, while philanthropy is playing an increasingly stronger role in welfare states (Schuyt 2010), the relations between governments and philanthropy were studied to a much lesser extent (Frumkin 2006; Ostrower 1995; Wright 2001). In Israel, the relations between philanthropy and government have never been deeply investigated (except Litman 2014) or defined as a main research goal (Almog-Bar and Zichlinski 2010; Gidron et al. 2006; Schmid and Rudich-Cohn 2008).

The involvement of philanthropic mega donors in the development and provision of social services is often seen as one remedy for the cash shortage of welfare systems, and is even looked on favorably as a means for redistributive equality. Irvin and Carr (2005) argue that besides being a promising new source of funds, private philanthropy to local governments satisfies the "ability to pay" principle in taxation which maintains that taxes should be levied according a taxpayer's ability to pay, and lack the regressive impact of other revenue sources such as sales and fees, which on top of this are given voluntarily. In addition to that, the values and management styles of philanthropic donors are compatible with the managerial conceptions of the New Public Management that dominates public services in recent decades, and which is seen as a means of rationalizing and increasing the effectiveness of social service systems (Benish 2012; Clarke et al. 2000). Furthermore, they represent a deliberate and well planned form of policy development (McDonald et al. 2011), direly needed in social policy (Hudson 1992). Sandfort (2008) demonstrates how strategic philanthropy is compatible with best practices learned in the research of public affairs, and that it is well aligned with the evolution of social problems.

However, the literature on the involvement of mega donors also raises various concerns (Schuyt 2010). It is seen as a minor and highly variable source of revenue, making it an

ill-suited replacement for broad-based tax revenue (Irvin and Carr 2005; Scott 2009). It can affect the ideological base of welfare arrangements (Mažeikienė et al. 2014) and change social policy discourse, social problem formulation, and even abstract notions such as integration, citizenship, community and freedom (Villadsen 2007). Looking at US aid allocations, McKinley and Little (1979) found strong confirmation for a donor interest model in which donor preferences and ideologies dominate the services and systems that they fund. Ostrander (2007) contended that increased donor control has brought increased imbalance into the relationship between donor and recipient groups. Thus, donors only wear a mask of pluralism (Roelofs 2003), which results in fundamentally inequitable services, reinforcing existing inequities rather than remedying them (Reich 2006, 2012). Other critics note the risks to democracy associated with philanthropic support of publicly mandated services (Eikenberry 2007a; b). Wright (2001) claims that there is a general antipathy in the United States toward government regulation of philanthropy, for fear that the government will misuse its power. Barkan (2013a, b) argues that mega donors' involvement represent creeping plutocracy, as they are not requires to any accountability to the republic. In an analysis of mega donors' role in the charter school arena, Scott (2009) argued that philanthropy restructures public education against traditional civil rights policy agendas and is a lever for a shift of power within schooling systems. And so, philanthropists' funding of school reform policies directly shapes public policy for the poor, without the public deliberation that would have emerged if these funds were that money from public sources. The result may be further deterioration of the welfare state (O'Connell 1996).

These concerns are at the core of the concept of Alternative Politics (Mizrahi 2012; Mizrahi et al. 2014). Alternative politics conceptualizes self-provision of public services as a choice that citizens make when they face the failure of private and public mechanisms, not only in terms of obtaining sufficiently high-quality services, but also in terms of utilizing political channels to influence public policy. Such strategies, especially when they spread into many policy areas and sectors in society, pose major challenges to the political system. Alternative politics emerge when citizen dissatisfaction with public services is coupled with strong demand for specific services, affected by continuous market failure, government failure and often voluntary failure (Salamon 1995) which lead to deterioration in the quality and quantity of public services. When citizens perceive the official political system as non-responsive to the wishes and demands of citizens, and when voice strategies are seen as ineffective, then educated, well organized and well-resourced individuals or groups will set up, coordinate, supervise, and maintain alternative systems as a form of a "quasi-exit" strategy Lehman-Wilzig (1991). Thus, alternative politics strategies usually include attempts to bypass formal systems based on a combination of public and private resources and mechanisms, in an attempt to direct public resources toward their own purposes, in attempt to achieve immediate improvement in the services they receive rather than long-term or fundamental changes in the system. Since self-provision usually requires additional payments, the spread of this phenomenon may increase social inequalities. As well, since alternative politics are a response to the weakness of the political system, politicians tend to accept and support such strategies rather than object to them, further contributing to welfare state decline. These conceptions are shown in Ostrower's (1995) study of nearly a hundred mega donors in New York, the donors expressed dissatisfaction with the performance of government representatives, and particularly with the government's poor performance in dealing with social and welfare problems and its insufficient involvement in philanthropic activities. They criticize the excessive bureaucracy, the politicization of decision-making processes, and the lack of professionalism and the intolerance of new ideas in government agencies.

Another possible repercussion of the involvement of philanthropists in the development and provision of welfare state services is the risk to philanthropists of cooptation by the state and loss of autonomy. Frumkin (2006) argues that engagement with government can hamper philanthropic foundations' accountability and legitimacy. Brody and Tyler (2010) argue against advocates of more government control over charities, in light of the contributions made by private philanthropy under a traditional and limited relationship between philanthropy and government, and warn that more government control could harm philanthropists' ability to make similar contributions in the future. In her study of Giving Circles, Eikenberry (2007) posits that their involvement in working with the state has potentially negative effects for their internal democratic and participation of members. Feiock and Andrew (2006) analyze the relationships between nonprofit organizations and local governments and note that such relationships must balance the desire of nonprofits for autonomy and the equally need of government for some level of oversight and accountability, both equally legitimate. In his analysis of government contracts with nonprofits in the Israeli context, Schmid (2003) notes the structural tension between governmental control and autonomy of provider organizations as well as the development of power–dependence relations between the Government and the providers, and the implications of contracting with government for the accountability of provider organizations to their stakeholders. In an examination of the cooperation between two philanthropic foundations and the Israeli government Almog-Bar and Zichlinski (2010), p. 57) found mutual suspicion between the two parties. While the foundations saw the government as an encumbered entity in need of help, and tried to initiate changes in the "public system" in order to make it more efficient and effective, the foundations encountered

resistance from the government, which didn't perceive the foundations as sufficiently professional to run philanthropic projects and shape public policy. Gidron et al. (2006) too noted that cooperation with the government provoked fear on the part of the foundations of what they called "political intervention" and the loss of autonomy and guiding values. Such reciprocal suspicion is also described in Naama Litman's (2014) pioneering research on the attitudes of government representatives toward the philanthropy of mega donors in Israel. According to Litman, the government officials who work on a daily basis with donors do not trust their intentions and think the donors don't have the knowledge needed to run philanthropic projects that demand understanding of areas such as education, welfare or community life.

Thus, the goals of this study are to elucidate the character of philanthropy-government relations as seen from the perspective of mega donors in Israel, and to examine their implications in the context of existing literature and particularly the alternative politics model.

Methodology

The present research makes use of in-depth interviews with mega donors from the Israeli business field. At least two major considerations accounted for the decision to base the research on qualitative interviews. The first stems from a fundamental premise of Grounded Theory which says that people always assign significance to their life and to their environments when describing their personal experiences (see also Polkinghorne 1988; Gabriel 2000). By interpreting these meanings, we claim, it is possible to learn about the mega donors' understanding of philanthropy on the whole and particularly their perspective on philanthropy-government relations. The second reason originates in the hypothesis that philanthropy in Israel, particularly philanthropy led by the new generation of donors from the business field, is presently in the midst of a dynamic process of change. The underlying premises of this research hold that interviews with these donors, who are engaged in philanthropic activities on a daily basis, will make it possible to identify not only their general perspective on philanthropy but also the process of construction and reconstruction of their relation with the government – a process in which they play a major role.

The research is based on qualitative interviews with 14 Mega donors, four women and ten men. We initially contacted each of the mega donors in a letter requesting to interview them, in which we described the goals of the research. The mega donors were at first hesitant, but after several phone conversations with either them or their assistants, they gladly consented to be interviewed. All of the mega donors are either native Israelis or have been living in Israel for over 20 years. They are deeply involved in the business field, in banking,

venture capital or high-tech industries. Without exception, they personally manage their philanthropic enterprises through private foundations. All of the mega donors have academic training and oversee workers and business operations of impressive magnitude.

The data for the research was collected and analyzed in accordance with Grounded Theory (Glaser and Strauss 1967), which aims to generate insights and theories about the social world by observing the research's objects in a close and unmediated manner, as far as is possible. This method was originally developed for the use in grounded theory methodology, and is now applied more widely as a method of analysis in qualitative research. All of the interviews were recorded with the mega donors' permission, and were later transcribed in full, including jokes, incomplete words or comments that were repeated to allow for thick description (Geertz 1973). This is also how quotes are cited here. Following the assumption that like any social interaction, an interview also involves the joint construction of meanings, we strove to limit our participation during the interviews as much as possible (Mishler 1986). At the beginning of every interview we asked the mega donors to think of the first time they donated something to another person. This question triggered a reflective process during which the mega donors described their family and social history and touched upon their motivations for giving. The decision to allow the mega donors to speak freely at the outset of the interview established a working condition in which the mega donors were free to elaborate on or withhold any topic as they chose. The interviews advanced freely without having to prod the mega donors to share their experiences. During the interview we posed additional questions concerning the mega donors' considerations for making gifts, people who influenced their giving, how effective they thought their gifts were and what noteworthy experiences they encountered as philanthropists. At the conclusion of the interview, we asked the mega donors to tell about events in which they have interacted with government representatives. We asked the mega donors to elaborate on their description of certain events in an attempt to gather stories that are assumed to be rich in meanings of the relations between philanthropy and government as perceived by the mega donors.

Textual analysis was used to identify the mega donors' perspective on philanthropy and government relations. This analysis was conducted in two stages. The first stage, following Kets de Vries and Miller (1987, p. 236), included a separate analysis of each interview, in which open coding was used to extract certain "central themes" were identified which included topics, ideas, or insights mentioned by the mega donors regarding philanthropy. In the second stage each individual story was searched for signs of the mega donors' desired relations between philanthropy and government. This stage followed the constant comparative method, in which any newly collected data was compared with previous data that was

collected using selective coding – coding only for the core categories found in the first stage and related categories (Strauss and Corbin 1990).

Findings

It is difficult to identify another topic in which the mega donors had a more homogeneous position than they had toward government agencies. The vast majority of the mega donors exhibited a markedly negative attitude toward government representatives, which is articulated in their low appreciation of and low confidence in those representatives' professional competence and interest in promoting initiatives in the fields of welfare, education and community.

Disappointment

People in the government system usually don't know what they're talking about (Gil)

The mega donors expressed their deep disappointment in the government primarily when relating the performance of the government during the Second Lebanon War in the summer of 2006. The following was Dorit's description:

It amazed me. It worried me and I think it was horrifying. It is horrifying to see the condition of the bomb shelters in the areas near the border; to see the level of utter unpreparedness for that situation. In a sense, everything collapsed in terms of the ability to take care of people. Those poor people had to flee like insects to seek shelter.

The mega donors' low estimation of, lack of confidence in, and hostility toward government representatives expresses more than a general dissatisfaction with the government, like the criticism often voiced by many Israelis; it expresses their disappointment with the ineffectiveness of municipal authorities[1] and welfare agencies in those areas that are their direct responsibility. Daniela describes these feelings:

I think that this enrages people who expect the government to fulfill its duties. We pay the government money and we expect them to do what they should be doing and

to handle the situation. There shouldn't be hungry children. That just shouldn't happen. Not that I think that it would prevent people from giving!

Daniela expresses the mega donors' sweeping disappointment with the government for not fulfilling its obligation to provide basic social services. As a taxpayer, she complains about the government's inability to cope with social problems such as hunger and poverty; as a philanthropist, she is furious that she is forced to intervene in areas that fall within the government's responsibility to provide basic services. In addition, Daniela is voicing here another view that is commonplace among the mega donors, who believe that government officials are unprofessional, lack initiative and operate in a cumbersome bureaucratic system that inhibits the introduction of new initiatives. The mega donors' attitude to the government's ineffectiveness, in many cases, also reflects a fear that potential new donors in Israel will avoid joining the community of donors because of the government's negligent behavior. Such is the opinion expressed by Gil:

See, serious people won't pitch in if one worthless official, excuse my expression, or some politician at the head of some committee that needs … I've been invited to participate in committees several times. I picked up and left very quickly because people in the government system usually don't know what they're talking about… I know these committees. A committee that is strictly public – its chances of success are miniscule.

The mega donors' dissatisfaction with the government's performance is not limited to accusations of bureaucratic cumbersomeness, unprofessionalism and ineffectiveness; many of them claim that the government is indifferent to citizens' hardships. The mega donors mentioned many areas that fall within the government's responsibility, but are neglected: rising unemployment, the condition of single mothers, the condition in the country's geographic periphery, health concerns, etc. This attitude can be seen throughout the research in quotes from the mega donors. One noteworthy example can be found in Shalom's words:

I expect the state to do more… I am swamped with letters and I'm torn, there are people who need money to undergo an operation abroad… in cases where there is no solution available in Israel. I think medical insurance should cover it. Why do they need to go around begging for money? I mean it is not as if these are people looking for a luxury, when a solution is available in Israel… The State of Israel should cover this. That is my opinion.

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[1] The interviewees did not generally refer to municipal authorities often, and when they did, they were incredibly negative, following their experience with the Second Lebanon War. A single exception was one interviewee who claimed to be cooperating with three municipal authorities in Haifa, Tirat HaCarmel and Or Akiva on educational projects.

The criticism that the mega donors raise against the government's bureaucratic conduct and indifference to its citizens' distress is strengthened by the fact that Israel continues to place welfare and education at the bottom of its national priorities despite the fact that it is economically successful and can afford to do more. In Moshe's words:

> As I see it, Israel is not a weak country. It's not the 1950s. That's just not true. It's a strong state. The country … Look at the country's budget, it is growing, it's doing fine. The fact that there are hungry people – something is wrong on the most basic level… I think that we need to stop donating and to blow it up… so that the disaster will force them take it seriously, to take care of it.

Philanthropy is Not a Replacement for Government

> "[T]his is a lot and impossible to influence through philanthropy. It demands government policy" (Eyal)

Along with the critics of the government's social and welfare behavior, the mega donors point out the limitations of philanthropy. According to the mega donors, as mentioned by Dorit, Daniela and Shalom in the quotations above, philanthropy can't operate in areas that are on the national level. Eyal says:

> [I]n my opinion we are headed downhill. Our place in the global economy is continuously worsening, and in my opinion, if we won't do anything to change the situation, we will become a third world country… and this is a lot and impossible to influence through philanthropy. It demands government policy. Philanthropy can't [create] new jobs.

National problems and needs require national policy, as Eyal claims, and budget on a large scale for shelters (Dorit), poverty (Daniela) and health (Shalom). Michael and Haim argue:

> I believe … in the contribution of philanthropy and social entrepreneurship that come from individualistic motivations before it attached to the establishment… private initiatives can give added value. It is very dangerous if they (private initiatives) dictate the infrastructure. The infrastructure should be in the hand of the state (Michael)

In Sderot (A village in southern Israel that is constantly under rocket attack sent from Gaza) they started talking to

me on shelters. I said, no, no, no… so I should start building shelters in schools? This becomes crazy. Now, this is the role of the defense ministry… so I said, gentlemen, this is really the role of the government, I'm not going to go into it (Haim).

Philanthropy as a Trailblazer and Pioneering Force

> "Philanthropy… should develop new intervention models … like the business startup" (Michael)

In light of the mega donors' negative attitudes toward the government and their disappointment over the government's failure to provide adequate welfare and educational services, one might have expected the mega donors to prefer to work independently of the government and its representatives and to conduct their own independent philanthropy. Such an assumption, however, would be mistaken as it does not reflect the full range of the mega donors' position. Despite their criticism of the government and its representatives, the mega donors by and large are interested in cooperative relations with the government and they invite the government to serve as the regulator of the Israeli philanthropy.

As the interviews show, the mega donors believe that philanthropy has many advantages over the government such as the ability to operate flexibly, to use progressive management practices and to be free of bureaucracy. However, according to the mega donors, philanthropy is unable to run projects on the national level and especially on the long term. For that reason, the mega donors believe that philanthropy should serve as a pioneering force that initiates and develops new philanthropic projects to be operated for the long run by the government. The same expectation can be found in corporations and third sector organizations in Israel (Shamir 2007). In the words of Ehud and Michael,

> I had a meeting with IVN, an organization you are naturally familiar with. They really have this desire to try and take it, you know, a few levels higher and say that philanthropy does not have to operate [the programs], but it should be the one to develop the knowledge base, import expertise from other areas, to direct, support and construct the basic model. However, it should also do this in cooperation with the government from the outset so that the government can adopt it, so there are all sorts of initiatives. [Ehud]

> Philanthropy, or social entrepreneurship, should develop new intervention models in places that current models don't work, like the business startup that is able develop new things before a big corporation does it. I

see the government (the nation) as a big corporation and the nonprofit organization as the one who can develop new model. [Michael]

It seems that the pioneering role of philanthropy imagined by the mega donors is based on the exit idea taken from the dotcom industry. Like the business startup, philanthropy should function as a pioneering force and develop new philanthropic projects to be adopted by the government in the long term as Moshe says:

The state is a huge body, it moves slowly, but it has responsibility… [philanthropy] is a body that lights places that it (the state) doesn't see that are problematic; It [philanthropy] shows that the problem can be solved better by results, they (philanthropy] tells them (the government) take! Run, we will not replace you.

The Government Should Behave as a Regulating Force

What it [the government] is expecting… It should provide a guideline! (Moshe)

According the mega donors, the government is expected not only to continue projects developed by philanthropy, but also to regulate all philanthropic activity in Israel. From the interviews, one learns that the source of the mega donors' expectation for government regulation is their concern that philanthropy is "floated" by many foundations and private donors that often work in parallel on the same problems and needs. In order to overcome these redundancies and overlaps that bring with them lack of focus and waste of resources, the mega donors expect the government to establish a central mechanism that will channel the many philanthropic investments to the needed places. In David's words:

When speaking about major donors, I would like things to change. Let me tell you what I mean: today, if I have some idea that I am interested in promoting, I will invest money in it and try to raise more money. And by doing so, I will try to influence public priorities with my money, and that is actually what "impregnates" the country and forces it into a commitment. But I think things should be different… The government should be stepping in and indicating which projects are necessary: these are the things I want to promote and I am looking for a partner. So that, say, if you were a philanthropist, you would step up and say, okay, I want to do this. And the state might say: that is my fifth priority but I will

promote it because you are willing to take it on. But the state should be working according to priorities, and not taking on unplanned programs and implementing them simply because it doesn't want to lose your money… The deciding body needs to be named. It might be in the Prime Minister's Office or in another Ministry, I don't care. But somebody needs to be leading.

David is not interested in working autonomously from the state; instead, he is interested in rectifying what he sees as luck of cooperation between the government and philanthropy. He is not interested in acting dishonestly or irresponsibly, "forcing" programs upon the state's agencies. Rather, he is looking to engage in a predefined and agreed upon cooperation and mutuality. Furthermore, David even recommends that a central body be established in the Prime Minister's office that will be responsible for regulating all philanthropic activities in Israel. The mega donors' expectation of government regulation[2] seems to arise from the feeling that the area of philanthropy is over-saturated with a surplus of organizations and projects operating in similar fields. In order to correct this superfluity and redundancy, they expect the government to create a central mechanism that will direct the many charitable donations to their proper places. This opinion is expressed in the following quotes:

[The government should indicate] what it is expecting… It should provide a guideline! It should set up a body to help me: 'that is my guideline…' But to let it carry on without any oversight while everyone does its own thing!? (Moshe)

I think that if there was an agency that would do some synergy, conduct some analysis and then a synergism of several nonprofits – that would preserve resources. (Rivka)

This immense ocean needs to be directed and guided to the right places… [New philanthropic initiatives] shouldn't be determined by wealthy individuals, who happened to fall in love with whatever, and then decided that 30% of the money will go to that cause… This is the disturbing aspect of the lack of government involvement or the absence of a government support-system for this. (Ehud)
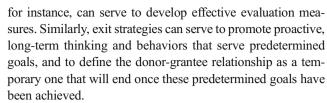
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[2] Galia Maor, President and C.E.O. of Bank Leumi expressed a similar expectation in the 2007 Maala Conference for Business for Social Responsibility (October 2007). In her conversation with the Welfare and Social Services Minister Isaac Herzog, both agreed that the government should regulate philanthropic activity in Israel, first by creating a comprehensive list of requirements to be followed by efforts to steer and guide philanthropic efforts in Israel toward those areas.

Discussion

In this study we attempt to improve our understanding of the expanding cooperation between philanthropic mega donors are governments in the development and implementation of social policies. This relationship is a contested one, as it offers much needed managerial and financial resources to ameliorate the dwindling social safety nets in developed nations, but at the same time it places long and short term risks to both sides of this relationship. Based on in-depth interviews we show the relationship between philanthropy and government that fourteen mega donors from the Israeli business elite, see as desirable. From the interviews we find that like the American mega donors researched by Ostrower (1995), and in line with the basic tenet of the alternative politics model, the Israeli donors show disappointment with the performance of government. They criticize the government for its "heavy" bureaucracy and its lack of professionalism. However, like their American colleagues, the Israeli donors are not inherently anti-government; they don't "challenge" the government, to use Frumkin's (2006) taxonomy, but rather focus on the government's poor performance in dealing with social and welfare problems and its insufficient involvement in philanthropic activities. We also find that although the donors criticize the government for its welfare and social public policy and although they enact an autonomous philanthropy (Frumkin 2006) that is free of government direction, they expect the government to take a central role in philanthropy. That is, like British philanthropists (Wright 2001), they wish to work in cooperation with the government– they see the government as holding the power needed to encourage philanthropic initiatives and expect the government to regulate philanthropic activity in Israel. This attitude suggests a departure from the alternative politics model, as described by Mizrahi (2012), to a specific variant where the mega donors involvement in is at the same time a quasi-exit and quasi-voice strategy. This variant reduces the risks to procedural democracy that is associated with alternative politics, as it doesn't totally subjugate social services to private interests, but rather willingly resigns some of its autonomy and relinquishes its resources to government.

Cooperation between philanthropy and government has other potential advantages too. Explicit cooperation with the government and its local agents (school teachers, principals), for example, can open for philanthropy a gate to the community and enable it to enrich the community with new business-oriented knowledge and/or new technologies, such as long-term planning and outcome-oriented practices. From this perspective, it can be argued that the demand that mega donors make both of themselves and of others, to use progressive management and organization practices, may help improve the organizational culture of philanthropy as a whole; the demand that outcomes be measured in terms of "social return",

for instance, can serve to develop effective evaluation measures. Similarly, exit strategies can serve to promote proactive, long-term thinking and behaviors that serve predetermined goals, and to define the donor-grantee relationship as a temporary one that will end once these predetermined goals have been achieved.

Cooperation with government's agents has also the potential to develop new knowledge out of the knowledge brought by both sides, for instance, adapting business outcomes measurement to social and educational projects. Cooperation can also reduce clashes among participants in philanthropic projects in the community: for instance, cooperative planning and budgeting of philanthropic projects has the potential to prevent conflicts over resources and in this way to contribute to effective and economic use of other resources, human and/or material. On the state level, cooperation between philanthropy and government enables the inclusion of philanthropy in public policy processes; through a shared knowledge and observation gained by both sides in philanthropic participation, philanthropy and government together will be able to improve the responses given today to the growing needs of certain groups. The mega donors' idea that philanthropy should serve as a pioneering force that, like a business startup, identifies needs and develops projects that will be run by the government can improve the quality of philanthropic projects in which the government invests. In other words, it is assumed here that by leaving the development of new educational and community philanthropic projects in the hands of philanthropy that uses ground-breaking social and organizational practices and that is relatively free from preexisting conceptual and bureaucratic constraints, the government can increase its ability to invest in high quality social and welfare projects.

However, the decision of the vast majority of mega donors to grant the government a mandate to regulate the philanthropic activity in Israel, including that in which they themselves are involved, is quite surprising and raises some questions. While it matches public attitudes that favor government control of social services in Israel (Cohen et al. 2011), mega donors' motivation behind this preference is different. The answer given by the donors is that regulation will reduce redundancy. This notion is compatible with business conceptions that have become pervasive in the New Public Management era (Benish 2012; Clarke et al. 2000). The donors' interest in cooperation with the government and in giving it the mandate to regulate all philanthropic activity in Israel together with the shared managerialism and neoliberal conception of social policies and services corresponds with, perhaps confirms, the writing and research on coalitions between ruling elites, both business and political, in western democracies, a subject that has been actively studied (Etzioni-Halevy 1997; Brezis 2013). Classic theories of elitism (Pareto and Livingstone 1935) in western democracies show that the kinds of coalitions promoted by the mega donors exemplify the way

any ruling elite in any democracy operates. Such a coalition holds cohesive power that could easily put its own concerns and preferences ahead of the public's interests. And thus, following Gramsci's reasoning (Gramsci 1971; Katz 2006), mega donors are the same time conservative and reformist, and are voluntarily co-opted by the state and used to secure acquiescence and identification with a hegemonic neoliberal world-order.

Whatever the reasons are, we argue that the mega donors' demand for government regulation represents a process of self-cooptation, a process in which philanthropy voluntarily deposits its part in determining the Israeli philanthropic agenda in the hands of the government. As the research on philanthropy and third sector-government relations shows (Brody and Tyler 2010; Eikenberry 2007a, b; Feiock and Andrew 2006; Frumkin 2006; Gidron et al. 2006; Litman 2014; Schmid 2003), this process of self-cooptation, decreases the ability of philanthropy and perhaps of the entire third sector in Israel, to operate independently of government considerations, and eventually might limit the ability of mega donors themselves to control their own philanthropic agenda.

Such considerations can reduce the motivation of business people to invest in philanthropy, especially in philanthropic projects that in their eyes are aimed at correcting governmental neglect and failure. More than that, philanthropists might reach a point at which they refuse to function as check writers or as executors of philanthropic projects in which their own considerations are limited or out of their own hands. In short, by handing over the regulation of all philanthropic activity in Israel, the mega donors reduce philanthropy's potential to influence the Israeli philanthropic agenda and risk their own opportunity to bring about societal well-being. This way they also jeopardize the future independence of philanthropy and its ability to autonomously consider its own activities.

From this perspective, there is a need to conduct additional studies in order to explore the characteristics and influences of the mega donors from the business field on philanthropy and civil society. Such research will examine the will of mega donors to cooperate with the government, and not to serve as a challenging power, for instance by advocating initiatives against government policy, as an expression of the conservative and constrained Israeli civil society (Ben-Eliezer 1999; Yishai 2008). Other research might explore how business persons, guided by market-driven values rather than values of charity and welfare, are transforming not only the practices of philanthropic foundations but also their values.

This is also the place to demarcate the limits of this study. Naturally, the findings of this study are affected by the profile of donors interviewed as well as of those whom we purposely chose not to interview, despite offers to do so. For example philanthropists who come from different organizational, business and educational backgrounds from the mega donors of this research might have demonstrated different views of the desired relations between philanthropy and government. The view of philanthropy-government relations shown here is therefore relevant to philanthropists with backgrounds similar to the mega donors of this research. Furthermore, the fact that this research is based on a relatively small number of interviews naturally does not permit me to present it as fully representing the views of all Israeli philanthropists who fit the above description. We are in no way making this claim. Notwithstanding, the correspondence of the perspectives of the mega donors that we did interview with those found in the literature and with the conceptual framework offered by the alternative politics model, suggest that our findings do manifest sufficient theoretical validity (Golafshani 2003; Maxwell 1992).

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