

**PROGRESSIVE CORPORATE LAW AS A NEW FRONTIER IN WORKERS'
CAUSE LAWYERING: THE CASE OF ISRAEL**

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ABSTRACT

This paper proposes a linkage which has not been created thus far between progressive corporate law and the cause lawyering movement in Israel. More specifically, it suggests strategies for public-interest legal organizations to pursue progressive corporate law as a new framework in workers' advocacy. Currently, the cause lawyering movement in Israel is at a crossroad: following a history of accomplishments in litigating human rights, it has recently gained a new role in representing workers. However, its achievements in this new field have so far been extremely disappointing. A case study of three leading public-interest groups analyzes high-profile workers' rights cases, which were lobbied and litigated, as well as conducting semi-structured interviews with prominent cause lawyers who were involved in these cases.

The study reveals that public-interest groups have focused on "putting out fires" in the short term, rather than on promoting workers' welfare in the long term. That is, they have addressed violations of basic rights (e.g., the right to a minimum wage), rather than coping with the broader and more fundamental problem: the widening gap in income between labor and management.

The policy recommendation presented in this paper is that cause lawyers can and should apply corporate law to engender pro-worker social change. The core premises of corporate governance shape how corporate income is distributed. Indeed, because it focuses *Maximizing Shareholder-Value*, mainstream corporate law rejects any place for workers. Nevertheless, progressive corporate law presents an alternative: it offers new models for corporations to create equitable economic growth.

Cause lawyers in Israel should use the Companies Law (1999) to litigate progressive corporate law cases. For example, under the existing provisions in this Law, managers can be held liable for dividend payments, plant relocation, and outsourcing aimed solely at benefiting shareholders at the expense of labor. Cause lawyers should also lobby for new legislation in the Knesset to introduce *Labor-Oriented Models* of the corporation, providing worker representation on the Board of Directors. The potential of implementing these strategies for cause lawyering purposes has not yet been addressed in the research literature.