

## Time for Likud, Labor and Kadima to Join Forces

by

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*Israel's international standing is in a freefall and the security risks that it faces pale in comparison to the implications of the socioeconomic point of no-return that is just around the corner. Netanyahu and Livni are meeting today. Together with Barak, this must be their hour.*

Iran is on the verge, while the terrorists just beyond Israel's northern and southern borders are able today to launch terror into all of the country's cities at a scale that we have never seen before. As if this were not enough, Israel's international standing is in a freefall. The wave of delegitimization and demonization of Israel abroad is growing to tidal wave strength.

The only country still showing any sign of willingness to stem the rising tide, which can easily turn into legal and economic sanctions against Israel, is the United States – and even there, the current atmosphere on American campuses on Israel-related issues will be soon be reflected in the national attitude toward Israel as today's college students assume their future places of leadership in government. This is the same country that is pressing Israel to decide if further construction on the other side of the Green Line is more important than the protective umbrella that it provides us in international forums.

If there was ever a time for the three parties representing the main stream of Israeli society to come together at Israel's leadership helm in order to stop the freefall in the country's ability to function internationally, it is now.

As important as the international and national security considerations are for bringing these three parties together, it is even more crucial – if that is even possible – that they come together from an internal, socioeconomic consideration. Since the 1970s, Israel's standard of living has increased, but it has nonetheless been falling farther and farther behind in relative terms compared to the leading Western economies, while rates of poverty and income inequality have reached Western peaks. For decades, Israel has been situated on socioeconomic trajectories that are unsustainable in the long run.

### **Source treatment of the primary issues is needed**

The deterioration that has continued for over three straight decades is primarily due to the fact that a large and increasing share of Israeli society is not receiving the tools and conditions for working in a modern, open and competitive economy. Source treatment – as opposed to the current focus on symptomatic treatment – must include three policy spheres: creating incentives and providing tools; creating a supportive environment; and a long-term strategic plan. These are detailed in a document published by the Taub Center in 2009 for the new Knesset and government taking office, "A Comprehensive Program for Reducing Inequality and Poverty and Increasing Economic Growth in Israel." The problem is not in a lack of solutions, but in the lack of ability to implement them from a political standpoint.

One example can demonstrate how simple the problem is to identify, how fast it is bringing the country to the point of no-return, and what should be the solution that Israeli governments have been unable to pass or implement. Among Jewish non-haredi (i.e. non-ultra-orthodox) Jewish men of prime working age (34-54), rates of non-employment are 25 percent higher than the

OECD average. Non-employment rates among Arab-Israeli men is more than twice the OECD average, while two-thirds of all prime working age male haredi Jews are not employed. This compares to non-employment rates of “just” 21 percent among similarly aged haredi Jewish men in the late 1970s, and compared to the current OECD average of 12 percent.

Already today, about half of all primary school pupils study in haredi or Arab-Israeli schools. As shown in the figure, during the last decade alone, the number of Arab-Israeli pupils rose by one-third while the number of haredi pupils rose by 51 percent. In the non-religious state schools, the number of pupils today is lower than it was a decade ago.

Besides the issue of government aid at levels that enable healthy individuals to make lifestyle choices of non-work and the enforcement of existing laws with regard to employment, there is the problem of education. In a modern economy, the demand for educated and skilled workers is steadily growing while the demand for uneducated workers is falling (in relative terms).

### Only a new government coalition can

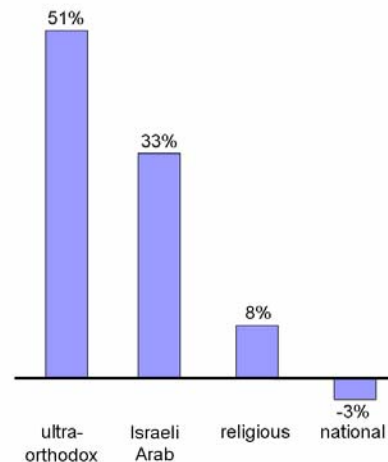
The level of education that Israeli children receive today is at the bottom of the Western world. A large and growing segment of the pupils is not receiving an educational toolbox that would enable them to become an active part of a competitive economy. A comprehensive systemic reform is needed with regard to what is taught (more focus on core subjects), on who teaches (how teachers are chosen, taught and compensated) and on the way that the system is managed, budgeted and regulated (from the school level up to the Ministry level).

In the case of the haredim and Arab Israelis, the level of education that they receive in core subjects is even lower. While each person has the right to choose the lifestyle that he/she wants, they do not have the right to prevent their children from receiving the tools that will enable them to work and make a living as adults. In the political constellations that have governed the country thus far, there is no chance that the State of Israel could establish its sovereignty in haredi schools and determine that their pupils receive – in addition to the religious studies desired by their parents – an education compatible with the needs of a competitive economy and a modern society. In these same political constellations, there is an equal chance (i.e. zero) of providing sufficiently differential budgeting for Arab-Israeli schools alongside the regulation, oversight and managerial provisions that would enable a substantial upgrade of their basic education levels.

The link between education and employment, fertility, poverty and growth is well-known. It has been shown to exist around the world and also in Israel. This is the central component (though not the only one) in increasing employment and economic growth and in reducing levels of

## Changes in Primary School Enrollment

percent changes between 2000 and 2009, by education streams



Source: Taub Center for Social Policy Studies in Israel  
data from Israel's Central Bureau of Statistics

poverty. Considering the fact that graduates of the non-religious State schools – those who have run the country since it attained independence – already belong to a minority in the primary schools, with just 39 percent of the total number of pupils, the importance of the education that is received by children in today's classrooms must be clear to all. They will determine the country's future – and if there will even be a future.

When one looks at what graduates from the non-religious State schools, those who are in the government and in the Knesset, are currently dealing with and what is on the line, it is hard to understand why they are unable to distinguish between what is truly important and what is not. Today, there are still – barely – enough Knesset members who could come together and save the country's future. In a number of years, the parties that these MKs belong to will no longer have a majority in the Knesset. By then, today's children will have become adults. If they do not receive the best education in the world today – and this must include the haredi and Arab-Israeli populations – then it will be too late to supply them with the skills that would provide Israel with the sufficient number of engineers and physicians that it will need for its subsistence and defense.

What more is needed for a wake-up call to the country's leadership?

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