

## A Zionist Dream for the 21<sup>st</sup> century

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### Zionist Dream – Part 1

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My Zionist Dream is about the type of country we should have in a fast approaching future, one where technologies and machines will replace people in ever greater numbers. This could be a better future, where we work less and enjoy higher living standards. But it may also be a future where a few very wealthy people live behind walls for protection from everyone else. The future that our children receive will depend on our ability to think ahead, plan and outline a vision that targets where we want to go. This is true for all countries. It's particularly true for today's Israel, a place where the demands and desires of certain communities may bring them fulfillment today, but will eventually result in devastation for themselves and for the rest of us. But we are getting ahead of ourselves.

If Israel so decides today, it can ensure that when it celebrates its 80th birthday in just over a decade, its elderly and disabled will not be poor, while its sick will have enough doctors and nurses amid short waiting periods and the world's best hospitalization conditions. Everyone in Israel would sign on for this small sample of the larger Dream, because it's not dependent on either religion or one's degree of religiosity. Realization of the full Zionist Dream will be possible only if we prioritize policies benefiting all over policies catering to narrow and sectoral interests.

To get from here to there, we'll need money – lots of money. Realization of the Zionist Dream requires both enlarging and reprioritizing the distribution of Israel's national pie. The path toward increasing resources passes through other parts of the Dream, providing equal opportunities for all and shutting down options for not shouldering the economic burden.

A considerably upgraded core curriculum would prepare all of Israel's children for a world with increasingly flexible employment conditions. Such a core curriculum must be mandatory in each of the country's schools. This isn't just a basic right of every child, it's the key to adult life in a country that one day will provide aid only to those unable to work and will shut the faucet off completely to those who don't want to work.

Systemic education reform should not be confined just to what is taught, it also needs to focus on who teaches and the way teachers are trained, compensated and employed. A normally functioning education system must include measures that enable accurate and constructive appraisals of the actual state of education in the country, what works and what doesn't.

Good basic education will widen the funnel into higher education – and this requires another fundamental change in approach. Israel doesn't need more people with degrees, it needs more people with knowledge. The Economy Ministry reports that for every three open positions in computers there is only one applicant, while Benjamin Bental and Dan Peled's research shows that the supply of academic degrees in technology fields is similar to demand. The problem isn't the number of Israeli graduates, it's that the quality of knowledge that many have doesn't match the requirements of a modern economy.

Machinating, cutting corners, not going the extra mile in completing projects – these are recurring themes in Israel. But a competitive global economy greatly reduces the degrees of freedom for taking shortcuts. Want a degree? Get a real one, not a piece of paper that doesn't require serious study or any knowledge of English. Building an interchange? Then do it right, without traffic lights, so that traffic will flow freely and reduce congestion. Want tourists? What's the point of investing huge amounts in advertising abroad when sewage flows freely into the sea and the rivers smell to high heaven? Want a minimum wage that protects our weakest? Then it might be a good idea to invest in enforcing the existing minimum wage instead of instituting endless increases that benefit only half of those eligible for the minimum wage.

We are proud of our improvisational abilities, but that's no way to run an entire country. Patchwork policies are no substitute for a vision that specifies where we want to go, and a strategy detailing how to get there. If we want to move Israel to a sustainable socioeconomic trajectory, then we need to revise and redefine the Zionist Dream – and then implement it.

## **Zionist Dream – Part 2**

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Israel was poorer and smaller in the years 1960-1966. Its average public civilian expenditures (that is, after excluding defense expenditures) then averaged 24% of GDP. For comparison purposes, such expenditures reached 36% of GDP in the years 2005-2014. Though lower than the average OECD expenditure over the past decade, this is still half again more than what Israel spent during the early years – a period in which Israel built hospital beds at the phenomenal rate of its population growth at the time, while building and expanding research universities at an even faster pace.

Israel's founders built a country that managed to both substantially narrow the gap with the leading nations of the world and also build solid foundations for its future. Years before the hi-tech revolution, knowledge infrastructures were built that made it possible for Israel to leap beyond other countries after the revolution began. Today's challenge is to look ahead and adjust the Zionist Dream to the 21<sup>st</sup> century.

For a young Israel in an aging developed world, the sky is the limit. The country's relatively good economic situation today provides an opportunity for establishing the foundations of a society that can be a model for others. Imagine an Israel in which all of its sick receive good treatment quickly and all of the children receive primary and secondary education at a level requiring the opening of additional Technions, Weizmann Institutes and research universities.

Such a Zionist Dream requires investments in physical infrastructures. In a small country like Israel, getting 90% of the population to within 30 minutes from places of work is an attainable goal. Construction of a transportation infrastructure that is readily accessible, quick and inexpensive will not only improve societal welfare by reducing congestion, it will also increase productivity by reducing costs associated with the transport and shipment of goods and workers – thereby increasing living standards and economic growth. Weaker populations will have greater access to places of work in the cities, while teachers living in cities will be able to teach in peripheries that will turn into suburbs, reducing poverty there and strengthening the springboard of the next generation living in these areas to a better life in the future. This is a

Zionist Dream that enlarges the overall pie and also ensures larger slices from it for those who currently are not close to the plate.

A serious upgrade of the human and physical capital infrastructures will make possible the provision of better social services in the future. That will be then, but where can we find the resources today to begin facilitating the fulfilment of the Zionist Dream? According to the World Bank, Israel's shadow economy in the years 1999-2007 was estimated to be 22% of its GDP (compared to 9% in the United States, for example). If this estimate still holds today, it implies that Israel's shadow economy reached 270 billion shekels (\$70 billion) in 2016 alone. Had we implemented a compulsory filing of income tax in Israel and seriously invested in its enforcement with a goal of cutting the shadow economy in half (still above American levels), it would have been possible to increase government income by about 50 billion shekels each year. This is an amount similar to the budget of the entire Ministry of Education, the country's second largest budget expenditure, after defense. Just as the company running the Route 6 toll road eliminated the plethora of deceptions and cheating invented by the Israeli mind to avoid paying tolls (which are indeed exorbitant), the country can also decide to reduce the very unequal distribution of the tax burden by bringing some order into the culture of "with a receipt, or without a receipt?", a common catchphrase to suggest that a customer can avoid paying the 17% value added tax on each purchase. In the Zionist Dream, each person shoulders the tax burden according to their ability, with no exceptions for either the privileged or the scoundrels.

Increasing the pie's size is vital, but it only gets us part of the way towards attaining the resources necessary for realizing the Zionist Dream. A significant change in national priorities is also needed. For these to change, there is first a need to know what these priorities actually are. In lieu of a budgetary transparency clarifying who receives money and how much, the result is a haze in which narrow and sectoral interests – some with terminal national implications – can do as they please at the expense of the general public.

The principle underlying the Zionist Dream is simple: infrastructures serving us all – defense, education, health, transportation, water, etc. – and an economic safety net for those temporarily out of work, or whose health does not enable them to work. All else are indulgences that can be considered only after ensuring the Dream's fundamentals.

### **Zionist Dream – Part 3**

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The time has come to shed the hollow slogans and restrictive labels that we place upon ourselves. They thwart the Zionist Dream from spreading its wings and soaring upward.

Israel's ethnic, cultural and religious diversity contributes to its uniqueness, providing a comparative advantage internationally when it comes to original thinking and unconventional approaches. Instead of channeling this uniqueness into creating an Israeli spirit of togetherness and exceptionalism, many political careers – and even entire political parties – are based on exploiting these differences to divide and segregate.

In too many instances, discrimination and racism created gaps between ethnic groups and between religions, phenomena that have still not been entirely eradicated. There is a need to remember the past so that we will not repeat it. But seven decades after the creation of Israel, the time has come to relegate the Sephardi and Ashkenazi labels to the history books and to leave them there. We are Israelis, and it is a good thing that we marry each other. The way

forward requires understanding that the perpetuation of income gaps in the 21<sup>st</sup> century is due primarily to gaps in education – and these are resolvable. In light of the strong link between parental education and their children’s scholastic achievements, such education gaps are essentially a market failure that countries can reduce by funneling more resources to those pupils whose parents are relatively uneducated.

Pigeon-holing the complex workings of economies into slogans limits thought and is not constructive in addressing core challenges. A free market and a modern economy are not synonymous with jungles. The invisible hand makes it possible to reach horizons that we could only have imagined in the past, but it is unable and does not need to solve all of societies’ challenges. Infrastructures and services that benefit all, that connect and provide equal opportunities, that provide care and assistance in troubled times – these are realms that require strategic vision and action at the national level.

Outdated tags such as Left and Right increase divisive clustering instead of encouraging unobstructed and practical perspectives. No side has exclusivity to concepts of justice and common sense, or to updating the Zionist Dream to the current century. Israeli governments are created on the basis of reaching out to the extremes rather than connecting on the basis of common denominators – which still commands a majority in Israel.

Our recent elections resulted in the current coalition. But the Likud could have chosen Labor, Yesh Atid and Kulanu instead. These four parties include 75 MKs that account for nearly two-thirds of the Knesset. They could have created a government capable of fulfilling the Zionist Dream – had this been its primary objective.

Instead, each side takes advantage of the opportunity, when it presents itself, to choose directions that mortgage the nation’s future. To avoid having to sit with the other side, partnerships are made with Haredi (ultra-Orthodox) parties insisting on depriving their children of the basic right to a core education that would provide them with the ability to successfully contend in a modern, open and competitive economy.

Another elephant in the room that prevents realization of the Zionist Dream is the West Bank. This is not just a story about transferring huge shares of society’s resources there for decades. In an era of missiles, the settling of civilians in the midst of a hostile population does not provide protection but instead guzzles limited military resources to protect the settlers from their environment.

In a world in which Jews and Muslims are willing to live in democratic countries with crosses on their flags and Christianity as their official religion, Jews also have a right to a democratic home of their own. But Judaism is not the proprietary domain of any stream. The time has come to grant all of Israel’s Jews the freedom to decide for themselves the degree of religion that they want in their lives. With Israel’s Arab minority, we need to build a shared future in this country. A look around the neighborhood is sufficient for understanding the alternatives.

At the end of the day, this is not simply a Zionist Dream but a Dream that will save the Zionist enterprise. The future will require a different sort of preparation than what we have known thus far. We face a world in which there will be greater movement of goods, of capital – and of people. Israel’s future depends on our most educated children and grandchildren wanting to remain here and having others with whom to work and shoulder the burden – and with whom they can feel a joint sense of purpose.