Even the experts disagree

How do we solve Israel's poverty problem?

Lior Dattel

In many ways, Israel's economic picture is robust. Unemployment is low and the economy is expanding at a faster pace than most of the developed world. In its annual report released last week, however, the Bank of Israel also noted that poverty and economic inequalities remain a persistent problem. The central bank said the main reason for Israel's poverty rate is that its tax structure is not sufficiently progressive.

The speakers on a panel discussion Thursday at the Interdisciplinary Center in Herzliya about government poverty policy had their own views. The Marker's Sami Peretz was among the panelists.

"The state is currently simply not dealing with poverty," said Elie Elalouf, chairman of a public committee on poverty. "Nothing is currently being done on a systemic basis to address poverty. The Social Affairs Ministry doesn't have a [sufficient] budget for it and it's not dealing with the issue of poverty. Nor are social workers able to deal with the poor."

Three members of his public committee are directors of social work schools, Elalouf said, and they openly admit that they simply don't teach the subject, he told his Herzliya audience. "If you ask the Education Ministry about school children in poverty, it turns out they don't even have such statistics. The only agency that deals with poverty in its annual report is the National Insurance Institute, and it presents shocking figures on both an international level and a personal level, because poverty isn't numbers. It's people."

According to the Organization of Economic Cooperation and Development -- the grouping of the world's developed economies, including Israel -- the incidence of poverty in Israel before state assistance and tax policy are factored in is not particularly high. Arguably where Israel falls down in reducing poverty and inequality is through progressive taxation and income transfers. Factoring those into the equation, Israel has the worst rate of poverty in the OECD, indeed a higher rate even than Mexico.

MK Ilan Gilon (Meretz) said the issue should looked at not as one involving people falling below the poverty line but rather how wealth should be distributed. "Every citizen must ask himself not only what he gives to the country but also what he gets in return," he said. "We are living in a system of capitalistic Bolshevism. There are few people here who are receiving more, and more people who are getting less. I want to live in a society in which there is a social safety net that I pay a premium on to the extent I can."

"I am a great believer in taxes," Elalouf said, adding that he would consolidate all of the tax structures into one graduated tax system and invest everything in the areas that he says are the state's responsibility: education, health, employment, housing and defense.

Taking a somewhat different tack was Omer Moav, a member of faculty at the Hebrew University of Jerusalem, who also teaches at the Interdisciplinary Center. One important step, he said, would be to drive down the cost of consumer items that the poor must spend money on, notably basic foodstuffs. Moav acknowledged that the state has an obligation to help those who are unable to work or who have lost their jobs. "But we would want people to act responsibly - working, having the number of children that they can support," he said. "You can't provide a safety net and have people ignore it and act irresponsibly."

With reporting by Moti Bassok and Hila Weissberg.