

One in five Israelis lives in poverty

By Barry Mason
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With just over 8 million people, Israel has over 1.7 million, more than 20 percent of the population, living below the poverty line, according to the latest report issued by the National Insurance Institute (NII) and the Central Bureau of Statistics. Issued in December, the figures relate to 2012 and will have worsened since then.

The poverty line is defined as an income half the median disposable income weighted by household size. For an individual this translates into a monthly income of less than NIS 2,820 (\$809) and for a couple less than NIS 4,513 (\$1,287) a month.

While there was a very small reduction in the overall numbers living in poverty, including families and children, from the previous year, the number of older people living in poverty jumped by 3 percent, to 22.7 percent.

Nearly all the older people surveyed said their pensions were insufficient to provide a decent life, with many citing financial cutbacks making their situation worse.

A recent report by the Foundation for the Benefit of Holocaust Victims in Israel stated that most of the 192,000 survivors are struggling to make ends meet. Two-thirds feel the level of government assistance is unsatisfactory and more than 90 percent say the government should invest more resources in their welfare.

The figures also revealed the growing numbers who are working and in poverty. Five percent of families with two or more adults working were below the poverty line--an increase of nearly half a percent from the previous year, for an overall increase of 2 percent since 1999.

The report noted the persistence of poverty among poor families with children, with around two-thirds of such families being in long-term poverty and with an average gap between household income and the

poverty line of more than a third.

Commenting on the statistics, Gidi Kroch, CEO of Israel's largest food bank offering support to the poor and hungry, said, "The statistics have not changed in years... It's indicative of the lack of planning and lack of changes being implemented to alter the poverty crisis in Israel."

The annual survey issued by the Israel National Council for the Child, "Children in Israel," showed that one-third (33.7 percent) of the more than two and half million children in Israel live in poverty. Child poverty has increased four-fold over the last 30 years, being only 8.1 percent in 1980.

The rates of child poverty are highly skewed towards Israel's Arab population, with nearly 68 percent of Arab children classed as living in poverty as opposed to nearly 23 percent amongst Jewish children. The NII report echoed the findings of a concentration of poverty within the Arab population, with nearly 54 percent identified as living in poverty, making up more than a third of poor families within Israel. The Arab population comprises only a fifth of the total Israeli population. The percentage of Jewish families classified as living in poverty is around 14 percent.

The report noted an increase in reported violent incidents against children. There were 9,399 investigations of abuse or violence against children in 2012, compared to 7,909 the previous year.

A report released in mid-December by the aid group Latet highlighted the increasing number of children not having any food to eat on some days. Half the children of families receiving social welfare had gone a full day without food, with 9 percent stealing food and 12 percent resorting to going through rubbish bins or scavenging to get food.

The Israel National Council for the Child report showed the geographical variations of the impact of poverty. For Jerusalem the figure is nearly 60 percent,

while in Tel Aviv the figure is nearly 24 percent, and in the central region it is about 16 percent. The NII report shows a similar geographical variation.

Israel is a member of the Organisation for Economic Co-operation and Development (OECD) grouping of developed countries. It ranks 26th in the World Economic Forum's Global Competitive Report, with a per capita GDP of \$31,000, and is 17th in the UN Development Index. Yet it has the third highest poverty rate among this group, with Mexico and Chile having the highest. Its GINI index of 39.2, a measure of inequality, makes it one of the most unequal countries, with a level of inequality similar to the United States.

The recently published Wealth-X report classes Israel as the fourth richest country in the Middle East, with 360 of its richest citizens having a total wealth of \$70 billion. For comparison the Israeli state's GDP is around \$270 billion. Twenty Israeli families dominate the economy and between them control around half the stock market and a quarter of the top companies.

The Netanyahu government sworn into office in March this past year has pushed through austerity measures, raising taxes and slashing benefits. This led to big demonstrations in Tel Aviv. The city has a relatively privileged layer working in the high tech industries, who earn around \$62,000 a year. But 75 percent of workers earn less than one-third of the amount earned by this higher-income layer, yet still pay European-level prices.

Sections within the Israeli population fare worse than others. Among these are the Mizrahim, Israeli Jews originating from North Africa and the Middle East. They earn 40 percent less than their European counterparts. Other impoverished groups include the ultra-orthodox Haredim, many of whom do not work, as they study full time in religious seminaries.

Around 300,000 migrant workers represent the bottom of the economic pile. They include Filipinos working in the care sector, Chinese migrants working in construction and African and Latin American workers employed in menial labour.

There has been a rise in recent months of Israelis emigrating to Germany and the United States, with many saying they are leaving on economic grounds.