

# Israel's deepening poverty, social inequality ignored in election campaign

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In the run up to the general election on March 2, there has been virtually no mention of the deepening crisis facing the Israeli working class.

Prime Minister Benjamin Netanyahu and Blue and White leader Benny Gantz's blocs both ignore the soaring cost of living, high levels of social inequality, the 26 percent poverty rate and the impact of a rising military budget on already woeful social services and public infrastructure.

Several reports, including those of Israel's National Insurance Institute (NII) and the Adva Center, an anti-poverty advocacy group, highlight the impact that decades of neo-liberal policies, introduced by Likud Prime Minister Benjamin Netanyahu when he was finance minister in the National Unity Government in the 1980s, have had on Israeli workers and their families.

According to the NII, some 26 percent of households were in poverty or near poverty in 2018. The depth of poverty had also increased, with poor families averaging an income 32 percent below the poverty line, up from 27.7 percent the previous year. This puts Israel at 10 percent higher on the Gini index of income inequality than the OECD average.

The young and the old have been particularly badly affected.

Of the 1.8 million people living below the poverty line, a massive 841,000 were children. This is an underestimate because the report was unable to include data from East Jerusalem, illegally annexed by Israel after the 1967 war and predominantly Arab, due to unreliable data and sampling problems. The children's poverty rates place Israel second to the bottom, after Turkey, in the OECD rankings.

The NII report noted that in 2016, nearly half of Arab households—49.2 percent—were below the poverty line,

up from 42.6 percent the previous year, compared with 13.2 percent of Jewish households. Among the Jewish population, the group with the highest poverty rate was that of Ethiopian immigrants—22.8 percent—who face widespread discrimination.

According to the Adva Center, more than 22 percent of workers earn low wages, a much higher figure than the 15 percent average for OECD countries in 2017, where a low wage is defined as less than two-thirds of the median wage. In 2017, 33.6 percent of Israeli workers earned no more than the minimum wage, up from 30.8 percent in 2015, indicating that many of the new jobs are low-paid jobs.

Israel's middle class has shrunk more than almost all those of other OECD countries except Estonia and Lithuania, with only 54 percent of households considered middle class.

The plight of the elderly is particularly shocking. Israel has some of the highest rates of poverty among pensioners, with nearly half of elderly households in 2018 without a pension, compared to an OECD average of 12 percent. It is even worse among older pensioners: one in every four pensioners over the age of 76 lives in poverty.

This is set to get worse, with 21 percent of households headed by salaried or self-employed persons unable to save for retirement, while the government plans to cut the already inadequate state-funded pension. While the government agreed to postpone the cut until April, following protest demonstrations, pensioners have vowed to return to the streets if the cuts go ahead. Some 22 percent of those over the age of 65 and a staggering 12 percent of those over 70 are forced to continue working, adding to Israel's pool of cheap labour.

State pensions, at only 28 percent of the average

wage, are among the lowest in the developed world, just over half the OECD average, with the government spending only 4.8 percent of GDP on pensions, compared to the OECD average of 8 percent.

Among some of the poorest in Israeli society are the disabled. According to Israel's Statistics Bureau, poverty levels among people with disabilities rose from 19 percent in 2003 to 24 percent in 2014. Earlier this month, hundreds of disabled people returned to the streets of Tel Aviv carrying banners stating, "Promises are meant to be kept," to demand the government honour its commitment, enacted in legislation, to raise disability benefits, following a long, drawn-out campaign marked by road blocks and confrontations with the police.

The cost of medical insurance marketed by health funds and insurance companies, along with co-payments for medications and treatments, has become a huge financial burden, rising from NIS 4.6 billion (in 2018 prices) or \$1.35 billion, in 2000, to NIS 14.4 billion or \$4.21 billion, in 2018, a threefold increase. This has forced the elderly and disabled to cut back on treatment and medication.

The enormous cost of housing, which sparked nationwide weeks-long protests in 2011 and has impoverished hundreds of thousands of families, serves as yet another mechanism for transferring wealth to the rich. Some 70 percent of all housing rents (NIS 17.06 billion or \$4.99 billion) goes to households in the top three income deciles, with the top income decile alone raking in a massive 42 percent of all rental income.

The Latet organization, which provides various welfare and food aid services to the poor, warned that it expected these trends to worsen in the 2019 report, to be published next December, and accused the government of "a continued policy that forsakes a quarter of Israeli citizens and a third of its children."

Its report, published last December, paints an even worse picture than that of the NII, with some 2.3 million Israelis, including one million children, living below the poverty line. It found that nearly one-fifth of Israelis, over 1.6 million people, suffer from food insecurity, a 2-point increase over the previous year.

Vered Windman, executive director of the Israel National Council for the Child, said the NII report showed the failure of the government's economic and social policies, "which dooms almost one in three

children to lacking health, education and welfare and harms their human dignity." She also blamed the lack of a functioning government over the past year.

These social conditions testify to the decay of bourgeois democracy and the rise of a financial aristocracy in the 71-year-old state. They have developed amid a global eruption of inter-imperialist antagonisms provoked by the bitter competition between rival powers for control of the world's markets and the turn to protectionism, trade war and stepped-up threats of war. The growth of these tensions is expressed politically in the lurch to the right by all the major parties and imperialist governments. To remain globally competitive means an endless assault on the jobs, wages and conditions of the working class that demands authoritarian forms of rule.

Social conditions make in Israel today constitute a veritable powder keg. As the different factions representing Israel's financial and corporate elite fight it out for control, a vast movement is building among the working class in the Middle East and internationally.



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