



Briefing Paper
June 2010



Israel's Domestic Ticking Time Bomb

By
Zulaikha Abdullah

MEM 
MIDDLE EAST M **ONITOR**
www.middleeastmonitor.org.uk

Israel's Domestic Ticking Time Bomb

“Israel has enjoyed strong economic growth over the last decade, but the benefits of this are being distributed unevenly. Poverty rates are higher than in any OECD country, which reflects the deep social and economic divides in Israeli society.”¹

According to most reports, Israel's economy has managed to withstand the global economic down turn quite admirably. Often described as an advanced, industrialised and technologically sophisticated country, it has one of the world's highest GDP per capita incomes. Indeed, last month Israel gained accession to the OECD, membership to which confers an upgrade in economic status from that of an emerging economy, to that of a developed one.

However, its accession to the OECD was controversial, not least because it could not provide economic data independent of the Palestinian territories it occupies. Additionally, it fails to conform to the 2007 benchmarks outlined by the OECD which required it to show “commitment to pluralist democracy based on the rule of law and the respect of human rights, adherence to open and transparent market economy principles and a shared goal of sustainable development”.

While there appears to have been no attempts from existing members to veto its admittance, unacceptable social and economic policies demand that it will have to take decisive action on a number of key issues including equal opportunities employment, education, training and working conditions. According to OECD standards, both Israel's poverty levels and non-employment rates exceed any other member state fostering deep social and economic divisions while its educational attainment levels in core curriculum subject fall significantly below advanced Western countries.¹



Israel's government hopes that its accession to the OECD will provide diplomatic and perceptual dividend for the country. However, an ever an expanding catalogue of catastrophic political and moral choices which threaten to completely de-legitimise the state appear to soon be among the least of its worries.

A recent study published by Jerusalem's Taub Centre for Social Policy Studies warns that beneath the visage of prosperity and progress lays an existential threat to the state more potent than a dozen intifadas. Emanating from the non-Zionist, isolated sectors of Israeli society and fuelled by demographics and internal policy, it is estimated that within as little as a decade and a half², Israel will face economic collapse.

Taken in combination with the external challenges it faces; the gathering momentum and growing chorus of voices raised in condemnation of its colonial and apartheid like practices in occupied Palestine, its continuous flouting of international and humanitarian law and its abominable record of aggression, the siege mentality has taken root among many Israelis.

The Gordian Knot

"The gaps in military service create a sense of injustice, but the problem of employment is really existential" "We have about 15 years to resolve this. If we fail, Israel will not be able to sustain itself: For every worker, we will have four people not working." ³

The degree of menace to Israel proffered by its three pronged threat of spiralling non-employment, sub-standard levels of education, and dwindling numbers of military conscripts cannot be over-stated.



Ostensibly, Israel's labour markets resemble those of its OECD counterparts with an official unemployment rate in 2009 of 7.7%. However, this figure conceals a reality which only clearly emerges when looking at the employment rates of Israel's working-age (35 – 54) population, including figures for those not participating in the labour market. One in five men in this category do not work; a figure 60% higher than the average OECD country. Israel's 18.9% non-employment rate is considerably higher than the OECD average of 11.9%.⁴

Non-employment is usually attributed to the Arab and Ultra-Orthodox or Haredi communities. Over the past three decades, rates of non-employment among the Haredi have more than tripled reaching a staggering 65%. Figures show that non-employment among non-Haredi Jews and Arabs have nearly doubled over the same period with Arab non-employment at 27% in 2008.⁵ Reasons for Arab non-employment differ greatly from Jewish non-employment.

This non-productive sector of the population is also the fastest growing. In 1980, the Haredi community constituted 4% of the population while currently they make up 10% and it is estimated that in less than 2 decades they will be 20% of the overall population. Together, Arabs and the Haredim currently constitute an approximate 30% of the population while accounting for nearly half of primary school aged children.⁶ A study released in 2007 by the Central Bureau of Statistics estimated that one third of all elementary school students will be enrolled in the Haredi education system by 2012; a system that is growing at 39 times the rate of its state equivalent.⁷ Indeed, in three decades an estimated 78% of all primary school students will be either Arab or Haredi.⁸

The issue of concern in pupils transferring into the Haredi education system is that, although these religious institutions are supported by government funds, many refuse to teach core curriculum subjects; a situation that is a cause for dire concerns when considering the impact that a generation of Israelis with only a rudimentary knowledge of math and no knowledge of subjects like science and foreign languages will have. The Arab system, though more comprehensive, is also nonetheless underperforming. In the context of a modern labour



market, this essentially boils down to a redundant generation destined for dependence on the welfare system.

Moreover, a military report released in 2007 revealed that the numbers of eligible Israeli men not enlisting in the army had risen to one in four, with half of that number belonging to the Haredi community. IDF Chief of Staff, Gabi Ashkenazi, has asserted fears that the army will soon have insufficient conscripts.

Thus, Israel is heading toward a future in which, not only will there be an insufficient number of workers to sustain their economy, but also an insufficient number willing to defend it militarily.

Israel's 'Scholar Society' & the 'Threat' of the Ultra-Orthodox

*"Some people drive a taxi, others pray"... "But the Messiah won't come on the merit of you driving a taxi. It will be on the merit of our prayers."*⁹

Following the upheaval in Israeli politics of the late 1970s which saw its two major parties; the Likud and Labour evenly matched, the political significance of the Haredim became crucial in the formation of coalition governments. Despite their traditional rejection of the secular state as a religious abomination, together the Haredi parties control a decisive number of seats in the Knesset and are wooed assiduously by the other parties.¹⁰

Their participation in politics is a religious dispensation and stems strictly from the perceived necessity to press for their community's advantage in the relevant halls of power. More precisely, their principal concern is to obtain and secure the continuity of crucial government funding and political concessions which essentially free its members from the basic civic obligations of Israeli citizens and buffer a chosen lifestyle of no work. Instead, the majority of working age Haredi men prefer to dedicate themselves to religious study in institutions called



Yeshivas or Kollels creating a society of scholars. The maintenance of this 'scholar society' results in a broad range of political, social, economic and ideological consequences for Israel.¹¹

The objectives of this 'scholar society' to which the Haredim are wholly committed, is to continue Jewish education as it existed in the Diaspora before Jewish society was influenced by the enlightenment¹². The traditional educational structure for males began with eight years in a Heder dedicated exclusively to sacred Jewish studies. The more capable students then moved on to the Yeshiva and after reaching the highest levels and getting married, the best students spend their lives in the study of Talmudic literature in a Kollel¹³.

The system adheres to a narrowly defined emphasis with rigid indoctrination and strives to exert totalitarian control over its students allowing little or no secular or humanistic studies. Nevertheless, support for the scholar society, as representatives of a romanticised Diaspora ideal destroyed by the holocaust¹⁴, persists in modern Israel. Since the 1950s, Yeshivas and Kollels have become the basis for new Haredi society and have flourished. However, the burden of their support falls to the taxpayer; in Israel and the US. US taxpayers contribute a conservatively estimated \$3 billion in annual aid to Israel amounting to approximately \$1,000 for every Israeli citizen¹⁵.

Congruent to the Hardi parties' propulsion into the centre of Israeli politics, non-employment rates in the community have tripled while welfare payments have increased fivefold - last year, Israeli Prime Minister, Benjamin Netanyahu, agreed to nearly double some child allowances. State support of the scholar society has come in for fierce criticism, particularly from secularist quarters, however, beyond their political clout and certain demographic considerations, they are thought by some to perform an altogether more significant social function.



It is believed that both Jews and the state of Israel exist and are shown favour from God by virtue of the scholar society's support and commitment to Talmudic study; this includes God allowing the state to win wars. Thus, the dedication of the Haredim to sacred study and not the IDF, not only allows the state its victories but enables them, their families and to some extent, other Jews to enter paradise. Indeed, many Haredi Rabbis assert that the holocaust was a duly deserved divine punishment for the sins of modernity, the rise of secularism and a decline in Talmudic study in Europe¹⁶. Needless to say, they demand the establishment of Jewish Religious law as the law of the state.

Israel's 'Fifth Column'; Arab Disenfranchisement

On the other hand, reasons for Arab non-employment differ radically. Arabs Israelis are often considered a 'fifth column' within Israeli society and are faced with policies and practices of systematic, institutionalised and oppressive discrimination whose sole purpose is to maintain Jewish racial domination¹⁷. As a result of disenfranchisement and insurmountable barriers thus produced, many Arab men and even more Arab women don't work. The effects of this system are pervasive and no more clearly manifest than within the economic and social sphere, particularly education, employment and professional advancement. A disproportionately low number of Palestinians are employed by the state and there is a virtual Jewish monopoly over the police and security services.¹⁸

In 2009, the GDP of the average Arab Israeli was \$6,756 compared with \$19,150 for the average Jew. While Arabs make up approximately 20% of Israel's population, in 2005 they received less than 4% of the education budget, and 8% of the welfare budget. Per Capita, the amount of welfare spent on Palestinians was less than 30% of that spent on Jews as a result of which there are three times as many Arab families living below the poverty line as there are Jewish families and 50% of poor children in the state are Arab.¹⁹



Differentiated government spending on Arab and Jewish students has become critical with a huge resultant shortfall in preparatory and secondary classrooms for Arab students. Within higher education, discrimination takes the form of seemingly harmless bylaws which specifically target and disadvantage Arab students significantly reducing their numbers. A staggering 80% of all student drop outs are Arabs.²⁰

Within politics, demands that Arab politicians be made to declare loyalty to the Jewish, Zionist state of Israel, its symbols and values, with all that such a declaration entails as well as the institution of a number of other fascist laws makes it easy to de-legitimise Arab politicians and thus the community they represent.

Arabs also face discrimination with regard to judicial sentences and punishment; reports show that they are given 20-30 times harsher punishments than Jews when committing the same crimes.²¹

As such, it would be highly dishonest to lump Arab Israelis arbitrarily under the same banner as the Haredim and attribute their unemployment to “cultural traditions”²² when they are forced to live under a system of institutionalised racism comparable to Apartheid in South Africa. As highlighted by Aluf Benn in a recent article for Haaretz,

“The Arabs want to work, but are finding it difficult to break the walls of isolation and discrimination erected by the Jewish majority.”²³



The Quagmire of Demographics

The crisis being faced by Israel is born of the fundamental inequality inherent in settler colonial Zionist ideology at the core of which is an immutable commitment to the Jewish character of the State; in other words, Zionism's demand for total Jewish hegemony over non-Jews. Leaving aside certain other ideological considerations, the situation with the Haredim has been allowed to spiral out of control as they are credited with preserving Israel's Jewish identity through their proclivity and thus balancing out the demographic challenges posed by Arabs. On the one hand, the state has sought to provide unmerited privilege to one ethno-religious group while deliberately and fatally under-privileging another. Against the backdrop of a purportedly ethnic blind democracy, the Jewish identity of Israel and the ensuing policies and practices are legally, morally and politically indefensible.

Israel's obsessive concerns about demographics have led to a plethora of catastrophic decisions and measures including the construction of the Apartheid wall, the continued occupation of Palestinian land, illegal settlement expansion, Judaisation efforts and ethnic cleansing to name but a few; the outcome is that Israel's legitimacy on the world stage hangs by a thread.

The decline in overall Jewish births as compared to a rise in births among Arabs and no indication that decades worth of demographic planning by the government aimed at encouraging Arab migration are bearing fruit, Israel appears to have hit itself twice with the same stone. Moreover, in order to fulfil Zionism's demand for racial dominance, the state would be required to aggressively step-up its illegal and immoral policies while under the microscope of the international community.

The looming spectre of economic crisis and moral bankruptcy is driving many working, taxpaying Jewish Israelis to hastily migrate elsewhere.²⁴ There is over an estimated 750,000²⁵ Israelis living abroad, 60% of who live in North America²⁶. An estimated 500,000 Israelis have US passports while many who do not, are applying for one. For a country with a population of roughly 7 million, such figures are quite significant indeed.



Murphy's Law

"I don't believe in Western Morality" "Living by Torah Values will make us a light unto nations who suffer defeat because of disastrous morality of human invention."²⁷

Israel likes to portray itself as being a part of the western world; a western frontier in the 'clash of civilisations'. It sees its political survival as bound to the west and western support for it depends on its ability to perpetuate this notion. However, in more recent years and more so since the election of its current right wing government under Benjamin Netanyahu with its insistence on pursuing extreme, bizarre and unsustainable policies such as aggressive settlement expansion, and starving an entire civilian population in the Gaza Strip, western popular support for it is fast eroding being replaced by condemnation, calls for sanctions and boycott campaigns.

It is becoming increasingly difficult for Israel to convince the world of its western democratic credentials in the face of atrocities like the Gaza war, the blockade on Gaza and most recently the massacre of unarmed human rights activists causing the casual western observer to ask why the west is supporting such a regime. It is becoming increasingly evident that Israel's underlying ideological pinning is inconsistent with so called western values.

Currently, Israel's definition of racism excludes the most virulent form of all - religiously inspired racism. The increasingly pervasive political and social influence of religion and religious groups within Israeli society and politics cannot be overstated. The more the Jewish character of Israel is reinforced, the more its policies become guided by Jewish ideological considerations firmly rooted in religion. In the case of secular Jews, 'historic rights' take the place of ideology but which are themselves derived from religion and retain its dogmatic character. Religious rulings pertaining to non-Jews in matters of murder, genocide, hostility and violence, the boycotting of Arab labour, human rights issues and the social status afforded non-Jews under Jewish control, religious abuse and intolerance and much beside are all profoundly racist.



By any standard, Israel is a rogue state that continuously threatens its neighbours and according to David Gardner²⁸, chief leader writer and associate editor of the Financial Times, it does little to discourage this widely held perception of itself. With the rise of the likes of ultra-right wing settler and Foreign Minister, Avigdor Lieberman and the increasing power and demographic dominance of groups like the Haredim, the mild concern the international community has shown for the situation inside Israel to date should be turning to panic and decisive action round about now. What does it mean for other Middle Eastern states and the world at large when Israel's politicians and lawmakers are motivated by ideological considerations or secularised religious principles that effectively place Israel's equivalent of the Taliban in control? When violent terrorist campaigns such as the 'price tag' campaign, are formulated in and executed by Yeshivas and their students, can anyone realistically argue that a Madrassa in Peshawar is any different from a Yeshiva in Hebron?

Must we see full scale Jewish religious fundamentalism take over in a nuclear Israel, before the international community is moved to action?

Conclusion

In approximately three decades, three quarters of Israel's school aged population will be enrolled in either the Haredi or the Arab education system. In the case of the former, some will have a rudimentary knowledge of mathematics while others will have no secular or humanistic knowledge whatsoever and in the best case scenario will be able to make limited contributions to the labour force. Those emerging from the Arab system will be somewhat better off but will still be poorly educated and most likely disenfranchised. Both will be largely dependent on the welfare system putting an inordinate amount of strain on the economy eventually leading to its collapse. With the majority of the population belonging to the two groups not required to do military service, the army will effectively cease to function.



The economic situation faced by Israel is a direct consequence of Zionist policies and a system based on inequality and injustice. By extension, the economic, social and political institutions that emanate from it will be tinted in the same pallor. As history proves in the example of Apartheid South Africa among others, such a system is bound to fall sooner rather than later – unexpectedly and rapidly.

The OECD lost a vital opportunity to ensure Israel implemented the requisite reforms to their labour markets and further afield to ensure greater social and economic equality for the long suffering Palestinian Arabs of Israel. As it stands, Israel was allowed to get away with mere token gestures of meeting OECD conditions. Most significant is that it does not adhere to basic OECD values or have a commitment to pluralist democracy based on the rule of law and the respect of human rights.

With the increasing demographic and political dominance of religious groups in Israel who essentially live in another time period defiantly rejecting modern life while demanding the establishment of a theocratic, totalitarian state, the situation for Arabs in Israel and the Middle East as whole looks bleak. Moreover, the volatile situation that could ensue has the potential for disastrous global ramifications.

A report last year expressed the need for “an inexorable movement away from the two state solution to a one-state solution as the most viable model based on democratic principles of full equality that sheds the looming spectre of colonial apartheid while allowing for the return of the 1947-1948 and 1967 refugees. The latter being the precondition for sustainable peace in the region.”²⁹ Without a just resolution for the Palestinians, an end to occupation and the establishment of a system based on genuine democracy, Israel will continue to face internal and external pressures that threaten its existence.



-
- ¹ http://www.oecd.org/document/25/0,3343,en_2649_33933_44387417_1_1_1_1,00.html
- ² <http://www.haaretz.com/print-edition/opinion/israel-s-real-existential-threat-is-arab-and-haredi-isolation-1.263467>
- ³ Ibid
- ⁴ Taub Centre for Social Policy in Israel, The Rosshandler Bulletin Series, Volume 2 Number 1
- ⁵ Ibid
- ⁶ Ibid
- ⁷ <http://www.haaretz.com/print-edition/opinion/israel-s-real-existential-threat-is-arab-and-haredi-isolation-1.263467>
- ⁸ Ibid
- ⁹ <http://dailyme.com/story/2010051200002155/welfare-system-israel-collapse-economist-warns.html>
- ¹⁰ www.jpca.org/jpca/jl/vp104.htm
- ¹¹ Ibid
- ¹² Israel Shahak and Norton Mezvinsky, The Rise of the Haredim in Israel, http://members.tripod.com/alabasters_archive/rise_of_haredim.html
- ¹³ Ibid
- ¹⁴ Ibid
- ¹⁵ <http://www.cbsnews.com/stories/2010/03/24/opinion/main6327717.shtml>
- ¹⁶ Israel Shahak and Norton Mezvinsky, The Rise of the Haredim in Israel, http://members.tripod.com/alabasters_archive/rise_of_haredim.html
- ¹⁷ Occupation, Colonialism and Apartheid, A Re-assessment of Israel's practices in the Occupied Palestinian Territories under International Law, HSRC, Cape Town, May 2009, pg 10
- ¹⁸ Mossawa Centre, the Advocacy Centre for Arab Citizens of Israel, Racism Report 2009
- ¹⁹ The Israeli Racism, Palestinians in Israel; A Case Study, Abbas Ismail, Al-Zaytouna Centre for Studies and Consultation, 2009, pg. 31-38
- ²⁰ For Jews Only: Racism inside Israel, Max Elbaum, 2000 www.colorlines.com
- ²¹ The Israeli Racism, Palestinians in Israel; A Case Study, Abbas Ismail, al-Zaytouna Centre for Studies and Consultations, 2009, pg 53-6
- ²² <http://www.google.com/hostednews/afp/article/ALeqM5ibPs4eOFMlsUQLuq28mOLm9tUvdA>
- ²³ <http://www.haaretz.com/print-edition/opinion/israel-s-real-existential-threat-is-arab-and-haredi-isolation-1.263467>
- ²⁴ <http://dailyme.com/story/2010051200002155/welfare-system-israel-collapse-economist-warns.html>
- ²⁵ http://www.mfa.gov.il/MFA/Government/Communiques/2010/Cabinet_communique_16_May_2010
- ²⁶ <http://www.allbusiness.com/middle-east/israel/769405-1.html>
- ²⁷ <http://www.haaretz.com/hasen/spages/1091469.html>
- ²⁸ <http://normanfinkelstein.com/worth-reading-5>
- ²⁹ <http://www.sfbayview.com/2009/cia-report-israel-will-fall-in-20-years>

