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The vultures circling over the budget

Sometimes the bride is too beautiful. And sometimes governments can have too much money. The biblical Book of Ecclesiastes makes reference to "riches kept by the owner thereof to his hurt," and that's precisely what's happening now with Israel's state budget.

The first months of 2022 saw Israel running unexpectedly large budget surpluses, the result of the correct policies adopted by Finance Minister Avigdor Lieberman and Prime Minister Naftali Bennett. But from the moment those numbers were made public, politicians and labor organizations began to jump in with endless demands for supplemental funding and higher wages of the kind that threaten economic stability, employment and growth.

"We will make every effort to expand the budget and increase civilian spending, even at the price of increasing the deficit," Health Minister Nitzan Horowitz was quick to declare. "The economy is growing, we have surplus income and that money should be spent for the benefit of Israel and its citizens."

Horowitz is an expert when it comes to dividing the pie but knows less about how to expand it. In any event, since when have the policies of wastefulness that marked the terms of

Benjamin Netanyahu and Herod the Great really been good for a country and its citizens?

The doctors were the first to go to battle for salary increases. They placed medical residents on the front lines, demanding that their shifts be shortened without reducing their pay. That would mean a major salary increase that would inevitably be followed by handsome raises for specialist physicians and other senior doctors.

The teachers also understand the opportunity that has been created and are demanding that starting salaries for new teachers be raised to 10,000 shekels (\$3,000) a month – and that experienced teachers get big raises as well. But the truth is that only new teachers deserve a raise. Their pay is relatively low, compared to Western countries while pay for experienced Israeli teachers is about in line with the Western average. But it's the experienced teachers who control the unions.

We need to remember that when we look at teacher pay, the special perks that they enjoy have to be taken into consideration. These include long vacations, a secure path to promotion, annual increases based on years of employment and tenure protection (even for teachers who do their job poorly). Then, there are the continuing-education benefits, sabbaticals and flex-

ible hours they enjoy.

In that context, there's another fable that needs to be shattered as well: There is no teacher shortage. Education researcher Nachum Blass of the Taub Center for Social Policy Studies have found that over the past decade, the number of teachers has grown at a faster clip than the number of students.

Kahol Lavan party leaders have also noticed the surpluses. They are demanding free education from birth to age three and major subsidies for agricultural and public transportation. The party's leader, Defense Minister Benny Gantz, is also calling for an increase of 5 billion shekels in the defense budget.

The Labor party and Meretz are demanding increased old-age benefits, an expansion of public housing and more funding for health and social welfare services. The United Arab List party wants to step up the pace at which the five-year plan for the country's Arab community is implemented, while the Yamina and New Hope parties are demanding more funding for West Bank settlements.

Also jumping on the bandwagon recently was Police Commissioner Kobi Shabtai, who said that "the police risk their lives, and they shouldn't have salaries of 7,000 shekels a month." Initially there was mention of 7,000 shekels a month net, but even that wasn't accurate. The police

are not being taken advantage of. Their wages are comparable to what career soldiers make, and they are not paltry.

The pay of a major general in the police comes to 60,000 shekels a month. Shabtai's monthly salary is more than 100,000 shekels, which is considerably more than the salary of the prime minister (56,000 shekels), cabinet ministers (51,000), Knesset members (45,000) and ministry directors general (40,000 shekels).

It's true that Israel's fiscal situation is currently good, but the future looks dismal. The war in Ukraine is exacting a heavy price. Prices, particularly for food and energy, are on the rise in Israel and around the world. To combat the accelerating inflation, the world's central banks are raising interest rates, which is causing stock prices and consumer spending to fall, slowing economic activity and cutting into government tax revenues. Budget surpluses are quickly turning into major deficits – with all of the negative consequences.

During a period of seven good years, we shouldn't surrender to pressures to increase spending and wages. We need to keep the deficit and government debt as a share of the economy low so we can be prepared for the seven lean years to come. Lieberman says he won't give in to the pressure. Let's see if he keeps to his word.