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# 'Haredi families above poverty line get more vouchers than others below line'

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The COVID-19 pandemic, the October 7 Hamas onslaught, and the war in Gaza have created huge social needs, but state expenditures on these services have declined significantly, according to the State of the Nation Report by Jerusalem's Taub Center for Social Policy Studies.

The 212-page first chapter on health, unemployment, aliyah, Arab Israelis, and economic effects appeared earlier this week. The next one, to be published on Sunday, will be devoted to education.

Since the end of the pandemic, the political changes that have taken place in Israel have affected the social welfare field and have brought about significant developments and policy changes, the authors wrote. There has been an increase in government expenditure, a significant decline in the number of unemployment insurance recipients, and in parallel an increase in the number of income-support recipients. In addition, the shortage of

social workers in the municipalities, ministries, and other public bodies, continues, especially in local authorities where the greatest levels of social distress are seen.

Social expenditure was NIS 298 billion last year – a significant decline of about NIS 17 billion relative to the previous year, and a continuation of the downward trend seen since 2020. A breakdown of this expenditure shows a drop of about NIS 13 billion in expenditure on social security and an increase of about NIS 1 billion in expenditure on education.

Although there was a reduction of about NIS 5 billion in healthcare expenditure, total healthcare spending still reflects the increase that dealing with the pandemic required. The expenditure on social welfare increased by about NIS 1 billion shekels last year, but a significant part of that is due to an increase in the Aliyah and Integration Ministry budget to help integrate immigrants from war-ravaged Ukraine and Russia. Although social expenditure

in Israel relative to GDP is lower than in other welfare states, the proportion of that expenditure within total government expenditure is relatively high. In 2022 it even grew, such that 61% of government expenditure was devoted to social welfare.

A breakdown of social expenditure reveals that 26% of government expenditure was devoted to social security, 16% to healthcare, 15% to education, and 3.9% to social welfare.

Shavit Ben-Porat, one of the study's authors, commented: "The findings of the chapter with respect to the relatively large proportion of government expenditure devoted to social expenditure in 2022, alongside the increase in resources devoted to the implementation of the War Against Poverty Committee's recommendations, demonstrate the importance attributed to social expenditure in that year."

The National Insurance Institute (NII) is spending less on social security, as its expenditure on pensions dropped substantially from NIS 128 billion

in 2021 to about NIS 113 billion in 2022. The main decline in expenditure was on unemployment insurance, from NIS 20 billion in 2021 to about NIS 3.2 billion last year.

This decline reflects the dramatic drop in the number of unemployed and the number of individuals on unpaid leave with the return of a functioning labor market following the pandemic.

In addition, there was a drop in expenditure on the income-support program that is aimed at working-age individuals with very low incomes, who have difficulty integrating into the labor market or whose labor income is particularly low. In 2022, only 1.5% of the expenditure on social security was devoted to this safety net. There has been a cumulative decline of 39% in the number of benefit recipients since 2015. There has been an increase in other NII types of expenditure, particularly benefits paid to the elderly and benefits for individuals with disabilities. Thus, for example, there has been an increase of 37% in the number

of recipients of the general disability benefit since 2015.

The income support program and the general disability program are both intended to assist individuals who have little or no labor income; however, the study shows that there is a large gap in the benefit levels between the two programs.

In August 2023, the monthly payment to recipients of income support was NIS 2,226, while the disability benefit was NIS 4,013 per month, a gap of NIS 1,787.

Following the decision to restart the food-voucher program in 2023 and 2024 and the expansion of the conditions for eligibility, the center conducted a study of the program's implementation in 2021. The study compared the number of families that received food vouchers in each city to the number families living below the poverty line in the same city.

The study showed that, in general, the proportion of families receiving food vouchers was smaller than the proportion of families living below the poverty line. On the national

level, there was an average negative gap of 10%. In cities with a Jewish population, there was a negative gap of 8.9%, while in Arab localities (not including Bedouin and Druze localities) there was a negative gap of 13.8%.

In these two sectors, the number of food voucher recipients was less than the number of families living below the poverty line in that locality. Bedouin localities had the largest negative gap (27.7%).

In haredi localities, however, there was a positive gap of 1.9%. In other words, there were more haredi families receiving food vouchers than families living below the poverty line. This means that this program has funded the haredi public in particular and not necessarily just those living below the poverty line.

The shortage of social workers continues to draw the attention of the Knesset and the Welfare and Social Affairs Ministry, primarily due to the difficulty in filling positions in the local authority social service departments. In 2022, the

proportion of filled positions in these departments was 87% on average, which translates into 786 vacant positions. In 23 local authorities, one-quarter or more of the positions are unfilled, and in particular in those local authorities with the highest level of social distress – Betar Illit, Jisr e-Zarka, Kseifa, Lakiya, Safed, and Rahat.

Following the decline in expenditure in 2021 devoted to budget items related to the recommendations of the Elalouf Committee, there was a renewal of efforts to establish an authority for the War on Poverty; a bill to create it was recently approved by the Knesset on its first reading.

Taub's Prof. John Gal said the examination of the challenges that the welfare system faced before the war and during the fighting are evidence of the importance and professionalism of the system's workers, – but there are significant problems in the areas of budgeting and manpower that limit the system's ability to provide solutions to those in need of assistance.