

Racing toward disaster

Israel's unsustainable population bomb

By Alon Tal



ISRAELIS LIVE in the most crowded country in the developed world. But few understand the cumulative price they pay now that quantity of life has begun to degrade quality of life.

Signs are everywhere: missing the wedding ceremony of a dear friend because of an unanticipated traffic jam; being turned away from a visit to a favorite nature reserve because the site has long since filled beyond capacity; waiting years for a day in court because of the backlog; seeing a child fall behind and alienated in a classroom of

40-plus children because an overwhelmed teacher cannot provide minimal individual attention; or knowing that one's successful children will never be able to afford a new apartment due to the insatiable demand that drives ever-rising prices.

Such heartbreaking situations are going to get worse — much worse.

On August 14, the Israel National Economic Council issued a seemingly banal, technical publication called “Regional Population Scenarios for the State of Israel During the Years 2015-2040.” The local

press paid little attention to the report even though its findings should have troubled anyone who cares about the Land of Israel and the future of the Third Jewish Commonwealth. Distilled to its essence, the report's three main findings are: Israel's population is set to expand by 5 million people over the next 23 years; the number of elderly citizens will double; and the percentage of Haredi (ultra-Orthodox) Israelis will increase from 11% to 20%.

Typically, population pronouncements by the government are festive affairs; on



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Independence Day, the media historically celebrate this or that new demographic achievement. The report from the National Economic Council, the elite think tank based in the Prime Minister's Office charged with charting Israel's long-term economic strategy, strikes a different note, however. It is troubled. The opening letter by its chairman, noted economics professor Avi Simhon, speaks of the associated challenges. His concerns are expressed as a discernible understatement.

When Israel was established, it was home to roughly 850,000 people. In 69 years, that

number has grown more than tenfold. As population growth reaches unprecedented levels of 150,000 new people a year, infrastructure and services cannot keep up.

Israel's hospitals are the most crowded in the OECD with up to 130% occupancy levels. But that's just a statistic. For many Israelis, it means interminably long waits for basic procedures, clogged emergency wards and patients stranded in the beds lining the corridors of wards that simply have no room left.

Israel's schools are also notoriously crowded. This means they are often noisy,

aggressive and unpleasant places where teachers face unimaginable pedagogical challenges. About half of Israel's children report incidents of verbal violence in school; a third have encountered some form of physical violence.

WITH 300,000 new cars sold each year, congestion on major thoroughfares begins at sunrise, with gridlock conditions prevailing well into the night. Unfortunately, Israelis will have to get used to even more delays and frustrations – Transportation Ministry models predict that average citizens could



soon be spending an additional 55 minutes per day in their cars.

Environmentally, overpopulation is undermining past achievements and pushing the country into a full-blown ecological crisis. With the government racing to create 60,000 new housing units a year, the landscape is paying a dreadful price. According to a 2017 report issued by Maarag, a consortium of environmental agencies, each year for most of the past two decades, 10 square kilometers of open spaces were transformed into new neighborhoods, roads and commercial space. Then, beginning, in 2013, the area lost annually to development doubled to 20 square kilometers.

This shouldn't surprise anyone who studies the environmental impacts of overpopulation. Damage is never linear. For many years, there may be a slow and steady deterioration, but when critical thresholds are crossed a collapse can ensue. Israel's ecologists agree that the present biodiversity emergency cannot be solved with an annual population increase of 2%.

Israel, is often called the "Land of the Gazelle." These sprightly creatures have shared the hillsides of the countryside with humans from time immemorial. The country's stringent hunting laws and nature reserve system brought their depleted populations back from the brink to robust levels after the state was established. Sadly, the last decade has seen a major decline. As habitats become fragmented due to human proliferation, the animals are disappearing. Prof. Uri Shanas, chair of the Science Committee of Israel's Nature and Parks Authority, talks about an 80% loss in overall gazelle numbers during the past decade. The International Union for Conservation of Nature, for the first time, has defined the Israeli gazelle as an endangered species. The same trends hold true for about a third of the country's 115 types of mammals that are defined as threatened.

In other environmental areas, overpopulation simply makes progress impossible. Israel has made an impressive commitment as part of the Paris Climate Accord to reduce

its per capita greenhouse gas emissions 26% by the year 2030. The trouble is that, by that year, the country's population itself is set to grow more than 35%. Even if heroic efforts cut emissions as promised, overall greenhouse gas release in Israel will rise.

THE COUNTRY finds itself on a treadmill that is going faster and faster. Now, the National Economic Council Report warns that the pace of demographic increase is about to get a lot faster. That is the nature of exponential functions.

How did the velocity of population growth in Israel come to reach such break-neck levels?

For the country's first 50 years, aliya was the primary engine of Israel's demographic expansion. But this has changed. The Council's report optimistically expects 25,000 immigrants to arrive each year, roughly the average number that has moved to Israel over the past 15 years. Assuming they all stay – a dubious assumption at best – new *olim* would only represent a tenth of the country's overall population growth. At the same time, many Israelis will choose to emigrate, leaving the general migration balance at a steady state.

Accordingly, Israel's Law of Return, which promises every Jew and their family worldwide Israeli citizenship, is not really a factor in present demographic dynamics.

This is actually good news. It means that the large Jewish Diasporas, who lived for so long under the cloud of political persecution or who faced severe economic hardship, have been able to move on. Israeli immigration policy surely does not need to be reformed. Anyone with a thimbleful of awareness about Jewish history should see the absorption of more than three million Jews in a new homeland as an extraordinary achievement and a source of pride. But it is unlikely that millions more Jews will be moving to Israel anytime soon.

The country's unsustainable population dynamics today are a function of high birth rates: Israeli women have 3.1 children,

on average, twice the average of OECD countries – more than women in India. Of course, averages do not tell the real story. Births in Israel take place disproportionately in certain ethnic and religious sectors: Haredi families average roughly 6.5 children per family; Beduin Israelis around 5.5.

THIS WAS not always the case. According to Hebrew University economics professor Joram Mayshar, during the 1950s and 1960s, fertility among Israel's ultra-Orthodox and religious sector was roughly comparable to that of secular Jewish Israelis, with families averaging under three children. All this changed when the government decided to ramp up the subsidies for large families. In other words, it was public policy that catalyzed what, in retrospect, is a significant cultural transformation. It was certainly not anything mandated by norma-



An aerial view of Bat Yam

roughly \$10,000 in today's currency). Ben-Gurion consistently framed fertility in nationalistic terms, calling families with fewer than four children unpatriotic.

Such slogans did not seem to sway the public very much, however, especially Israel's Ashkenazi citizens who continued to opt for small families.

So, in 1961, the prime minister drafted Roberto Bachi, Israel's leading demographer and at the time director of the Central Bureau of Statistics, to design a national, pro-natal strategy. It would take several years of deliberations, but the simple formula proposed by the "Bachi Committee" remains standard Israeli policy today:

- Encourage people to have many children through promotional programs;
- Make it hard for women to receive abortions; and
- Provide significant subsidies for large families.

It would not take long for the public to respond to the dizzying menu of fertility incentives that emerged: A woman is entitled to a significant government grant upon leaving the hospital after birth. Families receive a monthly payment for every child under 18, with the amount of the disbursement increasing with each additional child. Large families are exempt from city taxes and are prioritized for receiving public housing. Fathers with six children are exempt from reserve duty.

Typically, large Israeli families live below the poverty line and receive considerable additional welfare payments as "supplements" to their salaries. One conservative estimate calculates that by the time a child reaches age 18, the state has subsidized their life at a rate of \$120,000. With a more comprehensive assessment, the figure is twice that level. This means that a family with six or seven children has received well over \$1 million from other taxpayers.

The National Economic Council finally decided to weigh in on the issue in its August report, highlighting the dramatic increase among Haredi populations and

tive Jewish tradition. Indeed, Jewish law only requires families to have two children and the Talmud prohibits births altogether in times of ecological crisis.

The desire to accelerate the birth rates in Israel was, however, universal among Zionist politicians during the early years of the state. There was a justifiable sense of urgency immediately after the Holocaust as the Jewish community worldwide felt a sense of responsibility to replace the one-third of Jewish people who had perished in the Nazi death machines. Moreover, Arab Israeli leaders at the time spoke openly about the need to defeat the Jews on the demographic battlefield, calling the womb of the Arab mother their "secret weapon." Fertility in those days among Arab citizens was indeed extraordinary, reaching 8.5 per family in 1965, presumably the highest in the world.

David Ben-Gurion countered by a call for

"internal aliya," a code word for high Jewish fertility, to supplement Jewish immigration that was never sufficient to meet the prime minister's ambitious vision. Even before signing an armistice with Syria to end the War of Independence, Israel's government decided to reward "champion mothers" with a prize of 100 Israeli lira (worth

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hinting about possible ramifications for the economy. It would seem that not only environmentalists have come to recognize that present population patterns are unsustainable; economists are increasingly alarmed, as well. That's because the bulk of local population growth today can be found among Haredi and Beduin families.

Since the 1960s, non-Beduin, Muslim Israeli citizens have undergone an astonishing "demographic transition." This textbook phenomenon occurs when rural populations become urbanized and large families become an economic burden rather than a valued commodity.

Israeli Muslim Arabs now have fewer children than Jewish Israelis. Druze, who once had seven children in a family, are at replacement 2.1 levels. Significant economic gaps remain, but these sectors want to work and are increasingly well educated and integrated into the Israeli economy. Notwithstanding a modest drop in fertility, Beduin citizens continue to have large families. To some extent, this is due to the renewal of polygamy as a common family framework even though it constitutes a criminal offense.

It is Haredi Israelis, however, who constitute the fastest growing sector in the country. Responding to the compelling incentives attained by their political leaders, for many years scores of Haredi men in Israel opted out of the labor market, preferring to live off government handouts that grew with the number of children. At its peak, unemployment levels among Haredi men reached 65%. Most Haredi families lived on subsidies and the stipends provided by many publicly funded yeshivot.

This phenomenon has tempered somewhat in recent years. The 2017 figures suggest that close to half of Haredi men are now working, while three-quarters of Haredi women are also employed. But these numbers do not tell the full story.

Because of their large families, Haredi women frequently work only part-time jobs. And, due to their limited skill sets, remuneration is often inconsequential. When families are large, the government still must augment many salaries.

WHILE THE number of Haredim accepted to colleges has increased dramatically, some 60% of the men and 40% of the women end up dropping out; the lack of a solid background in English and mathematics is often given as the reason. Those who do graduate frequently are not trained to land lucrative positions, such as those in the highly competitive hi-tech or bio-tech sectors.

As the Israeli population ages, there will be more retired people, unable to work, who need assistance, but a smaller percentage of working-age citizens contributing to the economy

One important indicator showing the health of an economy is a society's "dependency ratio." In most countries, this is a strictly age-associated index that aggregates the number of people younger than 15 and over 65 relative to the total society. With the doubling of a population that often chooses not to work, the actual ratio in Israel will be far higher. This means the burden on Israeli wage earners and taxpayers will continue to increase.

The implications for Israel's long-term economic prospects are disturbing. An internal report at the Finance Ministry assessing the projected tax balance between recipients and contributors, along with welfare payments that large families receive, reached a grave conclusion: It will not be long until Israel reaches budget-deficit levels that will essentially bankrupt the country. The example of Greece and its economic bailout is offered as a cautionary tale.

Regardless of the political parties head-

ing the government, Israel has consistently adopted a welfare state model for the economy. This can be attributed to the country's socialist roots, combined with a traditional, Jewish commitment to charity and community solidarity. Israelis have always enjoyed a social safety net that is quite "dense" relative to other, more affluent capitalist countries.

The problem is that the modern welfare state was designed to help disadvantaged individuals who have undergone serious accidents or diseases, as well as to support the elderly. It was never seen as a framework where a sizable community adopts a collective strategy of being a recipient rather than a contributor to the national economy. As the Israeli population ages, there will be more retired people, unable to work, who need assistance, but a smaller percentage of working-age citizens contributing to the economy. Israel will no longer be able to support its less fortunate citizens.

This disturbing economic prognosis is very much linked to family size. Today, one of every three Israeli children lives below the poverty line and needs help. This number is expected to rise, perhaps even double. That's because Israeli families with two or three children are rarely indigent, regardless of whether they are secular, Beduin or ultra-Orthodox. Resources in smaller families invariably can be found to support children with special needs and interests; there is quiet space at home for learning and doing homework; parents make a net contribution to the national economy. Once families cross the line of four or five children, however, they become poor and need government assistance. That's just simply long division with a higher denominator.

An increasing number of Israelis are starting to ask questions about the old population assumptions. For the first time, Israel's civil society is responding to the demographic challenge: "*Zafuf*" (Crowded), The Israel Forum for Population, Environment and Society is a new public interest organization established by a diverse group of academics to raise public awareness about the challenges of overpopulation in Israel and consider solutions. The organization

has begun to meet with decision makers to discuss different policy options to start stabilizing Israel's population.

Itamar Shachar, a leading local environmental campaigner, serves as the group's director. Shachar left a comfortable position in one of Israel's leading PR firms to take on the position. He is well aware of just how difficult it is to sell "sustainable demography" to an Israeli public for whom maximum population growth has always been axiomatic.

Shachar frames the organization's message in terms of "high density" and crowding, something that is more immediate and accessible to citizens than more remote impacts, such as ecological disasters. He also has helped the group bridge the gap with the growing number of economists who are beginning to depart from antiquated orthodoxy, which assumes that prosperity requires rapid population growth.

AMONG THE forum's steering committee members is Dr. Eliyahu Ben Moshe, longtime lecturer in demography at Hebrew University and formerly the deputy director of the Central Bureau of Statistics. Considered by many to be Israel's foremost demographer, the Council's report relied heavily on his forecasts. Ben Moshe believes that Israel will, for now, be capable of adapting to the rising population density. But it will pay a price that will rise with each generation.

He explains, "Because of our decisions today, our children will suffer. And not just in terms of lost landscapes and natural vistas. They will be stuck in traffic longer; they will not be able to enjoy beaches as much; the quality of their life will be worse."

An emphasis on quality as opposed to quantity is one of the ideological changes that needs to take place in Israel. Many citizens are beginning to recognize that rather than seek "maximal carrying capacity" it is time to think in terms of "optimal carrying capacity." The Land of Israel should not be some sort of factory farm into which more and more people are crammed. Rather, it

should be a place of beauty where quality of life is maximized.

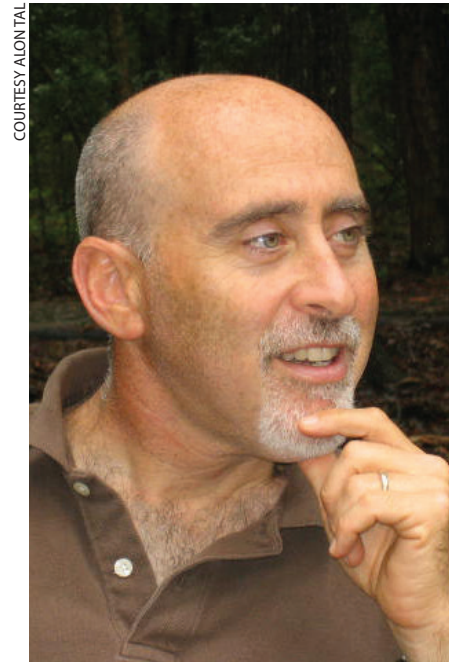
From a public policy perspective, the measures required to move the country toward stable demographic dynamics are fairly clear: Cancellation of financial incentives and the many advantages enjoyed by large families have proven to affect fertility worldwide. Israel is no exception.

When he served as finance minister, Benjamin Netanyahu cut child allowances in half. Immediately there was a drop in birth rates among families in the high-fertility sectors. Ultimately, however, any country's path to sustainable population patterns needs to include empowerment of women. Providing women from all communities in Israel with educational opportunities and professional horizons is a prerequisite to progress.

Prof. Daphna Carmeli, a health sociologist from Haifa University, is Israel's leading scholar on issues involving fertility among Israeli women. On the one hand, she emphasizes that although the spotlight is often on Beduin and ultra-Orthodox communities, fertility rates among Israelis across social strata are about twice as high as their European counterparts. The state, along with private citizens, invests unparalleled resources in generating biogenetically related children. Israeli women undergo more cycles of in vitro fertilization than anywhere on the planet, with extensive use of donor sperm and eggs, as well as domestic and international surrogacy. At the same time, however, Carmeli identifies a possible shift in traditional outlooks: Many young Israeli women express weaker commitment to having large families or to having children at all. The dominant, pronatalist discourse may be eroding, giving way to competing alternatives.

While it is very easy to identify effective policy measures, the political calculus required to make changes is far more challenging.

Dr. Eyal Rotenberg, an environmental scientist from the Weizmann Institute of Science and co-founder of the Population Forum is optimistic, however.



COURTESY ALON TAL

Alon Tal: An increasing number of Israelis are starting to ask questions about the old population assumptions

"There's no question that the taboo around low fertility or having no children at all is particularly powerful in Israel," he acknowledges. "But Israelis have proven time and again that they are intellectually nimble and can abandon old ways of thinking when exposed to more enlightened perspectives. Consider how the Israeli public's attitudes toward the gay community have changed over the past decade. It's a 180-degree change in direction. I am convinced that with the right information about population's impacts and a culturally sensitive presentation, most Israelis would also change their positions on the issue of optimal family size."

The publication of a report by an august body such as the National Economic Council reflects the new kind of thinking that is required in Israel, if it is not to collapse under the weight of a populace too numerous for a small, fragile, promised land to sustain.

There was a time when having a large family in Israel may have been a patriotic act. For those who love the country today, however, it is time to embrace the benefits of two children. ■

Alon Tal is the chair of the Department of Public Policy at Tel Aviv University