



Summary of Alternative Poverty Report 2011

The Alternative Poverty Report submitted by **Latet – Israeli Humanitarian Aid** (registered non-profit organization) strives to illustrate personal and physical aspects of poverty and of the poor and reflects the actual current state of affairs in 2011. The report aims to create awareness among the general public and decision makers of the fact that poverty in Israel is growing more severe and extensive, exists in most sectors of the population, and constitutes the gravest problem of Israeli society. In addition, the report is published with the goal of exerting pressure on the government to form and implement a national plan to reduce poverty and social disparity, while defining measurable goals and allocating the necessary resources to deal with the problem.

Policy Changes – Main Conclusions

The neo-liberal policy of recent governments, with its dearth of social values, has generated a deep socioeconomic crisis within Israeli society, in which one fifth of the population live in poverty, and home to the largest disparities in the Western world. Financial policies implemented in the last decade have strengthened the capital market and economic growth, at the cost of reducing public and social services intended as a social safety net for all citizens, and particularly the weaker sectors.

As early as 2007 Professor Manuel Trajtenberg, as instructed by Prime Minister Ehud Olmert, wrote a detailed plan outlining policy changes, meant to constitute the socioeconomic agenda of the State of Israel for 2008-2010, with the intention of charting an extensive socioeconomic policy centering on reducing poverty while encouraging growth. The document stated that *"the large majority of policy tools included in the agenda are not new at all, neither to Israel nor elsewhere. If indeed the agenda is "innovative" it is first and foremost for introducing these tools together, deriving from a consistent professional conception, as part of a multiannual overall plan guided by clear targets"*.

Since 2007 endless position papers and recommendations for changing the socioeconomic policy have been placed on the desks of the Prime Minister and the various Ministers of Social Affairs, inter-ministerial committees on welfare and the economy have been established, bills have been proposed, and international research and comparisons have been conducted. Nonetheless, the national order of priorities continues to be guided by priorities reflecting erosion of social values. The government does nothing to implement the proposed and planned socioeconomic agenda, rather each year a new hastens to apply the annual edicts of the Arrangements Law, which prevents any change in the order of priorities and its implications are detrimental to the government's commitments to the well-being and social security of its citizens.



The root of the matter is in changing the government's priorities and thoroughly fulfilling its commitments to its citizens. The government must take responsibility for policy failures that have led to record rates of poverty and socioeconomic disparity in Israel.

Findings and main conclusions:

- The government must act to ensure the nutrition security of its citizens.
- 68% of welfare-supported people suffer from a lack of nutrition security. Every fifth child (21%) goes entire days without food.
- 59% of children are forced to forego meals. 49% of children subsist on a main diet of bread and spreads.

Realizing the basic right to food is the sole responsibility of the Israeli government. Policy tools available to the government exist and are utilized in most Western countries and were researched by Israel as well, but their application has been postponed for years, and circumstances eventually decreed that the issue be dealt with through the dedicated attention of the third sector and aid organizations. The government must recognize its responsibility and implement the national initiative for nutrition security, which might generate an essential change in the existing order and significantly reduce the problem. Moreover, it must operate a system of defense mechanisms such as reducing VAT on food products, expanding the list of controlled food prices, legislation on food recovery, and full implementation of the inter-ministerial committee's recommendations for ensuring nutrition security from 2008, while investing the necessary resources and leading tri-sector collaboration to produce efficient solutions for populations that require food aid.

Health: 91% of children of parents on welfare do not receive dental care, 51% do not have supplemental health insurance.

Education: Half (48%) the children most feel the lack of extramural activities and tutoring, 71% do not have the necessary school books and equipment, 75% do not take part in annual school trips, 21% are forced to leave home and live at a children's home, 19% are sent to work to help support their family.

Nutrition: Every fifth child (21%) goes entire days without food, 59% of children are forced to forego meals – a rise of 48% in two years, 49% of children subsist on a main diet of bread and spreads.

Response in the field: 62% of organizations – in 2011 there was a rise in aid requests for children.

Despair among parents: A 225% rise (from 12% to 27%) in parents who estimate that their children will need the support of organizations in the future.



Distrust among the general population: 92% - The government is not making efforts to deal with poverty.

Main points of findings: Only 7% of elders on welfare reported that their old-age pension allows them to live in dignity; 2 out of every 3 needy (67%) attest that they had to go without food for an entire day due to their financial situation; Only one quarter (26%) of workers on welfare (42%) receive all the social benefits accruing to them by law, 37% receive no benefits at all. 1 out of every 3 (36%) welfare recipients admitted to having been in a state of hunger in the past year; 64% of recipients cannot pay for medication and medical services; 69% of welfare recipients cannot keep up with mortgage or rent payments – a rise of 38% from 2010 (50%), 71% fear that as a result they will be evicted – a rise of 97% (36%); 52% said that vital services to their home were disconnected in the past year; half the organizations are ready to cease their activities if the government would take responsibility for dealing with poverty and with the lack of nutrition security; 55% of recipients do not believe that they will ever leave the cycle of poverty, a rise of 14.5% from 2010 (48%).

This is the ninth edition of the report. The study was conducted with the assistance of the **Dahaf** Institute and the **Smith** Institute.

Eran Weintrob, CEO of Latet: "Despite the tough situation and the rise in poverty in recent years, we see no change in anti-social government policies, and we ask: Where is Minister of Social Affairs Moshe Kachlon? Where is the famous Kachlon spirit he displayed as Minister of Communications? The Minister of Social Affairs is the main official in charge of dealing with social matters, but regrettably Moshe Kachlon has taken no urgent steps to promote the issue and to implement a national plan for reducing poverty. Since Israel joined the OECD it has shown the worst poverty rates and the worst inequality and income disparity in the Western world. The social protest may have subsided for the time being, but the human bomb of disadvantage continues to threaten the unity and future of Israeli society much more than the Iranian bomb. As long as no inter-ministerial government plan for dealing with poverty and inequality is formed and implemented, hundreds of thousands of elders and Holocaust survivors, parents and children, will continue to engage in a daily struggle for survival to attain their most essential and basic needs of housing, nutrition, healthcare, and education, with no chance of extricating themselves from the cycle of poverty. We appeal to Minister of Social Affairs, Moshe Kachlon: Take responsibility and do your job by caring for Israel's weakened populations."



Main Findings and Conclusions

Public perceptions -of and government responsibility -for dealing with poverty

- **An essential change in public perceptions of the most urgent problem demanding the attention of the Israeli government:** 39% think that dealing with poverty is the most urgent topic (72% place it first or second), versus 18% and 43% respectively in 2010. Moreover, defense issues, which occupied the first place in 2010 with 30% (and 47% in the first or second place) were cited as the most urgent topic by only 14% in 2011 and as first and second place by 28%, and it dropped to third in line after education, selected by 27% and 54% respectively in 2011.
- **92% of the population: The government does not invest enough resources in dealing with poverty.** The reasons: 36% cite political interests, 30% detachment from the people, and 20% disinterest.
- **52% of food aid organizations are ready to cease their activities if the government would take responsibility for dealing with poverty and with the lack of nutrition security.**

Education

- 71% of children do not have the necessary school books and equipment due to their parents' financial straits.
- Half (48%) the children do not have access to extramural activities and tutoring which could help advance their academic and personal achievements, and they feel this lack the most in life.
- 21% of welfare recipients had to send their children to children's homes due to financial hardships.
- 1 out of every 5 children (19%) drop out of school and are sent to work to help support their family.
- 75% of welfare recipients reported that their children do not take part in social activities at school.

Healthcare

- Half of all poor children and parents (51% and 46% respectively) do not have supplemental health insurance. This reflects a rise of 15% in one year.
- 91% of needy children do not receive dental care. Only 15% of welfare recipient parents are capable of paying for their own dental care.
- 64% of recipients cannot pay for medications and medical services.
- One third (33%) stated that they would purchase medications if they had more money.



- 7% of welfare recipients reported that a family member had died in the past year due to insufficient funds for medical care.

Nutrition security

- 21% of children have gone entire days without food, 49% subsist on a main diet of bread and spreads.
- 87% are forced to choose between purchasing food products and paying for other elementary needs, 34% on a regular basis. Total monthly spending on food reaches NIS 2,322, constituting 45% of the family's expenditures.
- 68% of welfare recipients live in a state of nutrition insecurity, despite the support of aid organizations, and they and their families do not have the minimal food necessary for basic subsistence.
- 1 out of every 3 (36%) welfare recipients reported having been in a state of hunger in the past year.
- Two thirds (67%) of welfare recipients have had to go without food for an entire day due to their situation.
- 76% of organizations reported that in 2011 there was an average rise of 21% in the demand for food aid by the needy versus 2010.
- 15% admit that if they did not receive food aid from the organization they would beg (11%) or steal food (4%).

Housing

- 71% of welfare recipients live in existential fear of being evicted due to inability to keep up with housing payments, a rise of 97% from 2010 (36%).
- 69% of welfare recipients cannot keep up with mortgage or rent payments, reflecting a rise of 38% from 2010 (50%). Total monthly spending on housing reached NIS 2,218 and constitutes 43% of recipients' total monthly expenditures.
- Half (52%) of welfare recipients had the electricity/gas/telephone in their home disconnected in the past year due to inability to keep up with payments.

Employment

- 81% of recipients would prefer to work for a salary equaling their stipend if they had the chance, reflecting a rise of 14% from 2010 (71%).
- The average monthly wages of welfare recipients are NIS 2,911, approximately one third of the average salary.



- Over one third (37%) of welfare recipients who are employed (42%) do not receive any social benefits, only 26% receive all the benefits to which they are entitled by law.
- A 15% rise in the proportion of needy who have not been employed for a lengthy period: from 60% to 69%.

Cost of living and quality of life

- 93% of elders on welfare attested that their old-age pension does not allow them to live a life of dignity.
- About one third (29%) of the general population reported that their financial situation has grown worse in the past year, 68% reported that the main reason for their aggravated financial situation is the rise in household expenditures and 18% reported that the reason is a change in occupation.
- 58% of the population had to purchase less food products due to their worsening financial situation. 14% took on another job or changed jobs to increase their income. 35% of the general public took bank loans to cope with their financial straits.
- 55% do not believe that they will manage to leave the cycle of poverty, a rise of 14.5% since 2010 (48%). 27% estimate that their children will be poor as well and will need the support of organizations, reflecting despair among parents and a rise of 225% from 2010 (12%).