Chapter 20

Israel: Resistance of Poverty to Change

Rivka W. Bar-Yosef

Ideology, concepts, and research since independence

Israel as a state emerged in less than auspicious circumstances: wars with the surrounding, already well-established Arab states, the turbulence of transition from the largely voluntary sectoral organizations to central political, economic, and military institutions, and the influx of large numbers of immigrants from the displaced persons camps of Europe and from the North African and Asian Arab states. Between 1948 and 1952 the population of Israel tripled. The immigrants brought with them the heritage of a variety of cultural backgrounds but no economic resources, and in the majority of cases arrived after severe physical and mental traumas, many of them disease-ridden and members of disrupted families and communities.

In 1949, before the cease-fire agreements with the Arab states, the government appointed a committee to prepare the basic framework for welfare legislation. In 1953 the National Insurance Law was enacted and the National Insurance Institute (NII) was established. Mandatory social insurance for all employed persons was chosen as most suitable both for organizational and for ideological reasons (Doron and Kramer 1991). A system of wage and salary equity, progressive taxation, subsidies on basic consumption items, and social insurance was thought to be sufficiently efficient to eliminate poverty and ensure general well-being.

Although the socialist–collectivist values of the early Israel weakened during nearly five decades of statehood, nonetheless these principles are still sufficiently accepted to incite heated disputes and criticism, to justify continuous monitoring of their

implementation, and to serve as legitimation for changes in social policy.

The commitment of various governments – and Labour governments in particular – gave rise to a certain interest in research. The political establishment wanted to document and monitor the success of their policy and present it to the public as documented by independent and reliable research results. Those dissatisfied with the implementation of social policy and who criticized it, whether for ideological, oppositional, or other reasons, were no less eager to use "objective" data.

In the old university and later the new universities a new stratum of social researchers trained in the UK and the USA, who brought with them an appreciation of empirical data, were strongly motivated to work on socially relevant empirical studies. Social research, especially when it is based on large-scale survey data, is expensive and, if the data are produced by several different institutions, their accessibility depends on the interest and the goodwill of the respective organizations.

The researchers, when they were the initiators, were usually motivated by a mixture of theoretical interest, belief in their role of "social monitors", and ideological and professional desire for involvement in the development of Israeli society. In Israel it is impossible to deal with the problem of poverty and the poor according to the rigorous definition of the concept as "deprivation of basic necessities". It is true that until the late 1960s governmental bodies and the media still used the concept of absolute poverty – mainly hunger and lack of shelter – but this was not the trend of research, whether carried out by governmental bodies, public institutions, or academia. The main issues concerned the triple value-complex of welfare, equality, and integration and their opposites of poverty, lack of equality, and lack of integration. Although the issues were in theory separate and often different persons were involved in each field, in many of the empirical studies the concepts overlap or strongly correlate.

Once the level of absolute poverty had been radically diminished in Israel, the question of relative poverty became the main issue and this was nearly inseparable from questions of equality. The database was usually the same and only the focus of interpretation differed according to the interest of the researchers. Immigrants were in most cases the most recent groups of the poor and often the authorities and researchers chose to define poverty and inequality as inevitable but temporary problems of the process of acculturation and absorption of large groups of immigrants. This field of research is one of the most

obvious examples of the linkage between research and politics, and the uneasy but inevitable relations between academia and governmental and other public bodies.

Since the 1970s research has grown in volume. In addition to the universities there are research units in various ministries, in the National Insurance Institute, the Central Bureau of Statistics, the Bank of Israel, the General Federation of Labour and several private research institutes. There is an abundance of relevant data. Much of the important data are produced and processed by governmental bodies. Not all of them are published and some are accessible only with the consent of these bodies. In order to use these data, academic researchers need clearance. They also need funding from outside academia, where they are competing with the research departments of various ministries and the independent research institutes. Much of the funding is made contingent on the "usefulness" of the research for what are defined as acute problems.

In this symbiosis between the political power and social research, both sides are treating each other warily. Academic research is often regarded by policy makers with suspicion as too independent, unpredictable, too theoretical, and critical, and hence not very helpful for their immediate needs. Politicians think in fixed time-periods – from election to election – and serious academic research seems to them to take too long to be useful in the between-election period. It is not easy to periodize results of policy nor is it easy to convince politicians that theoretical research is necessary and is able to discover unexpected and new aspects of the issues in question.

The issue of equality

Despite the rhetoric of equality as one of the desired attributes of Israeli society, it was never expected that no differentiation of salaries/wages and of socioeconomic status would occur. The issue is not equality but the level of inequality. As in most democratic countries, a consensual assumption exists that there is a level of inequality that is unacceptable for Israeli society. But neither theoretical nor political discourse has succeeded in defining a level of acceptable inequality. Measuring inequality served not the evaluation of the actual situation in relation to some ideal type of equality, but mostly as a measuring rod of changes in the pattern of inequality and the public reaction toward degrees of inequality.

A schematic analysis of the research studies concerning the issue of equality reveals several recurring themes:

- egalitarianism in Israeli society: ideologies and social policy (Eisenstadt 1967);
- the adequacy of equality-enhancing programmes and their implementation (Doron and Kramer 1991);
- the endeavour to create a theoretically and empirically verifiable map of the crucial variables for the definition of equality: income, housing, consumption, education, labour market participation, prestige, human capital, health, subjective evaluation of inequality (Sharlin et al. 1992);
- the presumed causes of social inequality: discrimination, cultural differences – traditionalism and modernity, demographic attributes, immigration (Hanneman 1991; Smooha 1978);
- the methodology of measurement of the equality variables: indices and causal analyses;
- the socio-demographic composition of groups positioned at the lower levels of inequality scales (Lewin-Epstein and Semyonov 1993; Matras 1975; Smooha 1978);
- regional inequality – geographical peripheries, development towns, and quality of life discrepancies among urban neighborhoods (Ayalon et al. 1993).

The issue of poverty

Poverty as such was a non-issue in the formative years of Israeli social policy. In the first two decades, society was poor, the general standard of living was low, and there was no well-established, visible upper class, so the category of "the poor" was not sufficiently distinct or conspicuous. The main issues of the period were building the state institutions, absorption of immigrants, and economic development that would provide the resources needed for the immediate tasks of survival. The second reason for not relating to the issue of poverty was ideological. The Labour Party and its mainstay, the Histadruth, could not come to terms with the existence of poverty. Admitting its existence in the Israeli state would have been manifest proof of ideological and political failure. In the 1950s, the years of mass immigration, it was easy to explain the scarcity of housing, the obvious lack of basic amenities, and large-scale unemployment as the inevitable temporary pains of the absorption of masses of immigrants (Bar-Yosef 1955). The issue became critical in the 1960s, when social turbulence and the protest of individuals and communities who had lived in Israel for ten or more years could not be explained away as adaptation and absorption difficulties. The issues raised by the protesters were relative poverty,

inequality, and discrimination. The protesters were concerned with quality of life variables, especially housing, education, and employment.

Obviously, social policy did not ensure that all groups shared equally the benefits accruing from the rising standard of living. The fact that those left behind had a distinct demographic profile (large families, low level of education, unskilled or semi-skilled father, originally from North Africa) elicited imputations of discrimination. The relative deprivation felt in the 1960s generated stronger feelings of disappointment than did the objectively worse conditions of the early 1950s. A committee of experts appointed by the Minister of Social Assistance in the early 1960s tried to build a "model of family budget which can satisfy the minimum needs within our society and the provision of which to disadvantaged families is within the ability of the government" (Ministry of Social Assistance 1963: 4). Only in the 1970s was relative deprivation recognized as a legitimate basis for the definition of poverty (Rotter and Shamay 1971). In a period when at last the basic needs of food and shelter were satisfied for nearly all the population, policy makers and public opinion had difficulty in making the conceptual transition from absolute to relative poverty.

The object of poverty research was the population at the lower end of the equality scale, who were referred to by distinctive names: they were "the needy", "the indigent", "the underprivileged", or "the weak strata". The questions were similar to those relating to the issue of equality; the main difference was in their focus:

- theoretical discussions about the concept of needs and the definition of poverty (Salzberger 1992);
- the social meaning of various types of measurement (Achdut and Bigman 1987);
- poverty lines (Achdut and Bigman 1987; Achdut et al. 1989, 1993);
- the socio-demographic composition of the poor (Sharlin et al. 1992);
- the effects of a poor lifestyle: mortality and morbidity, school failure, violence, and crime (Adler 1974; Salzberger 1992; Sharlin et al. 1992);
- types of reaction: protest movements, political attitudes (Azmon 1985; Hasson 1983: 157–74);
- the effects of social policy on "pulling people out of poverty" (Rosenfeld 1989; Salzberger 1992; Shamgar-Handelman and Belkin 1986).

It is of some interest to mention the questions that are seldom or never dealt with. Most often, poverty research refers to urban poverty, whether in the larger cities or in the new and/or peripheral townships. Even some of the macro surveys based on large samples did not include the rural areas. One of the reasons was technical, i.e. the difficulty of sampling and gathering data in hundreds of small localities. But it seems that hidden behind the technical explanation was a conception. Israel's rather small rural population (somewhat less than 10 per cent) lives either in cooperative and collective communities or with extended families in traditional villages. In both cases the individual is embedded in a community of mutual help and responsibility in which the individual members seem to be protected from the destructive effects of poverty.

The issue of integration

The concept of integration became linked to the process of immigration, and its subjects were the various groups of immigrants arriving in Israel. Only very recently was its relevance extended to other areas, first and foremost to the non-Jewish minorities of Israel (Bar-Yosef 1993).

Unlike research on inequality and poverty, integration research was in most cases initiated and transacted within university departments. Many studies attached policy recommendations to their theoretical conclusions. In spite of the apparent separation of the issues of integration from those of equality and poverty, there was much overlapping of theory and data. In his now-classic book about the absorption of immigrants, Eisenstadt (1954) defined integration as:

> (a) participation within the social system; and (b) identification with its values and symbols. . . . [T]he main criteria of actual institutionalization [are] . . . The extent of the social field in which the immigrant participates . . . an important question here is how far he takes part in all the main spheres of the social system . . . how far the immigrants' behaviour is patterned according to the accepted institutional norms of the absorbing society. . . . The extent of identification, of active orientation towards the general values of the social system. . . . The extent of the feeling of "belonging" . . . and of belief in the possibility of achieving various positions and changes through individual or concerted action within it.
>
> (1954: 142–43)

In this first major study of the integration of immigrants, Eisenstadt, probably influenced by Parsons (Parsons and Shils 1951), tried to provide a comprehensive perspective on three levels

of integration: the institutional, the acculturational, and the psychological. He had two basic assumptions: (a) that these three levels are closely connected, and (b) that at each level there will be a tendency to stable pattern formation. This ambitious research design was not followed by many researchers, who preferred to focus on one or other of these levels. Obviously this approach to integration is equally relevant to all groups in danger of marginality, be they an ethnic or religious minority, women, the poor, the elderly, the handicapped, or the new immigrants.

The main difference between immigrants and the other potentially marginal groups is the time factor. Immigrants are by definition marginals in the new society, so there is a precise date for the beginning of their marginality. In Israeli research it was assumed that integration is an ongoing process from the initial marginality toward full integration. This expectation had an important practical expression. The immigrants were entitled to a package of material assistance and facilitating programmes, such as language and retraining courses. These rights being linked to immigrant status, the question of how long an immigrant is still an immigrant became an administrative problem.

The bureaucratic definition of the duration of integration (three years) was a practical, primarily budgetary decision, but it signified the normative expectation of a short time-period of marginality. Academic research could not provide any formal definition for an "integration line" akin to the "poverty line" by which to distinguish between the integrated and the non-integrated. There was no uniform and universally valid process of integration. Nor were the aspects of integration suggested by Eisenstadt (1954) necessarily correlated. The path toward integration of different groups was not uniform, and large groups of immigrants, especially those coming from Moslem countries, did not succeed in achieving the expected "institutional" dispersion and remained in their partially integrated status as compared with immigrants from Western countries.

The deficiency of theory in specifying probable time limits for the period of integration blurred the differences between the concepts of poverty, inequality, and marginality as a result of immigration. Three theoretical schools tried to explain the disparity: *the power and discrimination model*, which saw the problem as a competition for power positions between the established old-timers who co-opted immigrants with similar backgrounds, but excluded and discriminated against others; *the acculturation model*, according to which immigrants from Moslem countries brought with them traditional cultural values and behavioural norms that hindered their adaptation to a

modern industrial society; *the poverty culture theory*, which found an explanation in the vicious circle of a low level of education, poorly functioning family, and inadequate socialization of children, leading to the development of a certain personality structure, which in turn reproduces the poverty chain.

Selected research studies

The first two projects reviewed here are the Income Distribution Committee and the Prime Minister's Committee on Distressed Children and Youth. These two projects have several attributes in common: they were appointed by the government (by the Finance Minister and the Prime Minister, respectively) and the teams were interdisciplinary, with a mixed membership of academics, other professionals, and government officials. The task, set by the government, demanded a combination of reliable research with policy recommendations. It was also assumed that the government and the members of the committee had common values, at least as far as believing in the power of social policy to reduce inequality and poverty. The two projects had a lasting influence both on the pattern of measurement of poverty and inequality and on establishing the standards of social research for social policy.

The Income Distribution Committee dealt mainly with questions of measurement of inequality of incomes and established a template for this type of research. The Prime Minister's Committee on Distressed Children and Youth was asked to come up with policy recommendations. Nearly all of these were accepted and implemented, thus changing the attitude toward poverty and enlarging the scope of social policy for the following decades.

The income distribution committee

The Committee acknowledged the complexity of the issue of inequality and explained its decision to restrict its task to a single facet – income.

> social disparity is the result of many qualitative and quantitative factors. There is no uniform definition of this concept, hence no single accepted way to measure it. . . . [Nevertheless] in the absence of reliable and precise non-economic tools of measurement, and with a lack of comprehensive longitudinal research into the development of non-economic variables, the committee was aware that it is unable to deal with the complex question of social disparity and decided to found its conclusions mainly on economic data.
>
> (Ministry of Finance 1971: 6)

The Committee used several measures of inequality of incomes: income distribution tables by deciles of population ranked by size of income, the Lorenz–Gini indices, and income ratios between the lowest and the highest decile of the population. Both gross and disposable net income tables were calculated. The Committee had doubts about the validity of family income data for the measurement of inequality. Obviously the use of family income entails disregarding the effect of differences in the size of households (number of dependants) with equal income. Nor was the Committee satisfied with the use of per capita income, which meant disregarding the economies of size of a large family compared with single people or smaller families. The concept of the standard adult, in use in several countries, adapted to the consumption habits of Israeli families, seemed to be the most satisfactory tool for the task. By according different weights to each person in the household according to the size of the household, the consumption needs of households of different size were equalized. Table 20.1 shows the "standard adult" tables proposed by the Committee and used in Israel since then.

The advantage of a frequency distribution based on incomes calculated per standard adult became evident when the demographic attributes of the lower deciles were examined. When the variable was family income, the lowest decile contained 48 per cent of single people and 40 per cent of two-person households. It contained only 0.4 per cent of households of six persons. This was an obvious misrepresentation of the standard of living of large families, which were by no means better off than small

Table 20.1 Standard adults per family and weights per person

Family size	No. of standard adults	Weight for marginal person	Average weight for one person
1	1.25	1.25	1.25
2	2.00	0.75	1.00
3	2.65	0.65	0.88
4	3.20	0.55	0.80
5	3.75	0.55	0.75
6	4.25	0.50	0.71
7	4.75	0.50	0.68
8	5.20	0.45	0.65
9	5.60	0.40	0.62
Any additional person		0.40	

families. When incomes were calculated per standard adult, 23 per cent of the lowest decile were families with six and more persons, while single people comprised 24 per cent.

Demographic breakdown of each decile has shown that education, age, family size, residential density, the year of immigration, the country of origin, and possession of durable goods are not randomly distributed over the deciles. Both the lowest and the highest deciles had distinctive demographic profiles. The pattern of measurement established by this Committee became the model for the subsequent periodic evaluations of equality.

More elaborate versions of this model for studying inequality were adopted by a considerable number of later studies. All three types of income – family, per capita, and standard adult – are often used in the same study. In later projects, separate income distributions and inequality measures according to age, occupation, family size, education, geographical residence, and gender were calculated. Some of these breakdowns have shown surprising findings. Thus, by calculating separate Gini coefficients for married women and men, it was found that the inequality index of the incomes of married women is considerably higher than the index for standard adult incomes of married men or the joint index of husbands and wives.

> Women in the upper decile of families receive almost 50 percent of all married women's incomes. . . . more than half the women within the three upper deciles and 70.7% in the upper decile, against only a fraction of women in the lower deciles, are employed in other than household duties. On the other hand, the ratio of incomes earned by women as against those received by their husbands is higher in the lower than in the upper deciles. . . . Distribution of pension-derived income displays a degree of inequality similar to that of earned income.
>
> (Even-Shoshan and Gabbay 1986: 173)

The Prime Minister's committee on distressed children and youth

This Committee was much larger than the Committee on Income Distribution and the members represented a larger variety of disciplines and practices. From its inception, the Committee adopted a broad social view. It proclaimed that: "[T]he team does not assume that inequality of income distribution is identical with the problem of poverty. It is possible that the number of the poor is increasing while inequality is decreasing" (Prime Minister's Office 1972: 3). It was the basic assumption of the

team that, although deprivation is not solely the result of a low income, but the result of a cluster of factors such as housing conditions, level of education, social integration, and other factors, raising the level of income is nevertheless the necessary first step. In this way the Committee defined both its distinctive identity against the Income Distribution Committee while recognizing the importance of income inequality.

The task was ambitious, combining theoretical, empirical, evaluative, and policy application aspects. After lengthy deliberations the Committee decided:

1. to study and to define the dimensions and aspects of deprivation of youth and children;
2. to survey and to evaluate the social services for youth and children;
3. to propose ways of alleviating and preventing the deprivation of Israel's youth and children and programmes for rehabilitation (Prime Minister's Office 1972: 8).

A list of relevant issues was delineated, each to be studied by a separate team: income maintenance; housing and community; preschool and elementary school education; high school, college, and vocational education; informal education and community social work; family personal health and social services; voluntary social services; alienated and marginal youth; the police; the army; and the structure of services and their integration.

The summary of the discussions and the recommendations was printed, published, and brought to the attention of the public shortly after being presented to the government. The recommendations were widely commented upon in the media and the book served as a strong weapon for lobbying and public pressure on policy makers. The recommendations were accepted and implemented by the government, and they are still the backbone of Israeli social policy. The most important among these recommendations were:

- a universal child allowance should be paid to all families with children;
- child allowances should be taxed according to the usual rate;.
- income maintenance allowances should be paid to all families whose income is below a clearly defined poverty line;
- the minimum income and the poverty line should be updated in line with changes in incomes in the population – the Committee accepted the Rotter–Shamay definition of the poverty line (40 per cent of the median income) and

abandoned the concept of a "minimum consumption items package" suggested by an earlier committee with the same chairman;
- child allowances and income maintenance should be paid by the National Insurance Institute and not by the Ministry of Welfare;
- the Committee emphasized the importance of proper housing for the normal development of young people and recommended that housing standards should depend on the size of the family; the Government should subsidize housing for families living in substandard conditions;
- in the field of education, the Committee demanded that special attention should be given to pre-school education.

Two longitudinal studies

Two longitudinal studies (Salzberger 1992, Shamgar-Handelman and Belkin 1986) grappled with some interesting questions about the "career" of poor families over time and the impact of the corrective measures of social policy.

Salzberger studied "the question of how socially deprived child-raising families are affected by a prolonged period of general socio-economic prosperity accompanied by accelerated inputs in social welfare provisions" (1992: 232). The first phase of the project was carried out in 1964–5 at the height of social turbulence and protests. A random sample of 1,000 families with children was interviewed. The families were ranked on a scale of four degrees of deprivation defined by the number of "exigencies", the term used by the authors for any of four indicators of socio-familial deprivation: income – 50 per cent or less of the average per capita monthly family income; housing density – three or more persons per family sharing one room; health – ill health among both parents limiting their functional capacity; children – families raising four or more children under 17. These were the objective quantitative indices. Information was also collected on "predicaments" – the families' self-perceived problems (Matras et al. 1969; Rosenfeld and Salzberger 1973).

The second phase was ten years later (1974–5) during which period "an accelerated overall input of social opportunities and social welfare provisions ... became available ... and were deliberately directed to the weak strata of the population" (Salzberger 1992: 237). For the 1974 study, two groups of the 1964 study were selected: those classified as high and medium deprived (four and three exigencies, respectively) and a 10 per cent random sample for comparative purposes from the mildly

and the non-deprived (one exigency or none) – a total of 361 families. Salzberger developed three scales to grade the families according to their level of deprivation: the socio-familial deprivation scale; the socio-familial disadvantage scale; and the family health impairment scale. It was found that

> substantial material improvement . . . occurred . . . over the period of ten years, as reflected in the reduction of income and housing exigencies. In 1965, 98% of the study group suffered from income exigency, compared with 58% in 1974, a 40% reduction, whereas housing exigencies were reduced by a half, from 66% to 32%. The most disturbing change was declining health. In 1965, illness causing functional limitation of one or two parents was the least prevalent exigency (32.8%) . . . In 1974, twice as many families (65.5%) were afflicted by ill health. . . . Nevertheless, the upward mobility of the study families on the four-point socio-familial scale is a most striking finding. In 1965, 45.5% of the families belonged to the "medium" group and 54.4% to the "high" deprived group, having two, three, or four exigencies, respectively. Ten years later, 9% of the families did not suffer from any exigency and another 21% were rated low on deprivation (one exigency). Among the moderately deprived (two exigencies) were 21% of the families, while 49% remained highly deprived. The trend of upward mobility . . . is even more . . . noticeable from the distribution on an 11-point socio-familial disadvantage scale.
>
> (Salzberger 1992: 242–3)

The strongest predictive factor of mobility was the initial status of the family. Of the variables, housing was the most powerful, followed by income. "Among the demographic variables, the most powerful . . . were, in descending order . . .: years of wife's schooling, military service of husband, age of wife and wife working outside home. Country of origin was of negligible magnitude" (1992: 251).

Two more findings are especially interesting. The first is the critical importance of women in the process of mobility. As seen above, women's attributes and behaviour have a strong impact on the chances of mobility. This finding is in accord with one analysis mentioned above (Even-Shoshan and Gabbay 1986) on the importance of wives' income for the lower deciles. At the same time, women were the main sufferers from health deterioration, attributed by them to frequent pregnancies and family and household stresses. The second finding concerns the subjective self-evaluation of the families. The objective improvement in their position did not change the perceived gap between them and the standard of living of average Israeli families. Probably this why the rate of negative feelings about income and housing remained constant. These feelings found their expression in the

voting patterns of the families, who showed overwhelming support for the opposition right-wing parties.

Shamgar-Handelman and Belkin (1986) covered a somewhat later period. The first stage was carried out around 1973 and the second between 1982 and 1983. The aim of the study was "the assessment and measurement of the degree of social mobility of a group of families from three lower-class neighborhoods in Jerusalem and that of their married children ten years later. . .. All families in stage one had been classified by the welfare and education authorities as disadvantaged. . .. they were the target of various governmental and private programs designed to enhance their status vis-a-vis that of the Israeli population in general" (p. 177). The findings show that, measured on the objective indices of socioeconomic status, the second generation (the married children of the original research population) was much better off than the parents were, both in the first and in the second phase of the study. They were better educated, had more prestigious occupations, higher incomes, and significantly better housing, and managed their life opportunities better. They planned their families, married later than their parents, and delayed child-bearing. The wives, even those with young children, entered the labour market. The parents also improved their standard of living and housing conditions. Their job stability and the entitlement to the old-age pension provided at least some economic security. A small minority achieved occupational mobility, while some were worse off at stage two than they had been ten years before.

Shamgar-Handelman and Belkin, like Salzberger (1992), found considerable mobility as measured by income, housing, education, and occupation. Nevertheless "those who failed to rise according to objective criteria, fell behind heavily in both generations. Those who did rise, many among them with great effort and significant achievement . . . succeeded only in maintaining their relative position in society . . . that is, *no matter how hard they ran, they stayed in the same place*" (Shamgar-Handelman and Belkin 1986: 152). However, unlike the families studied by Salzberger, the second-generation families studied by Shamgar-Handelman and Belkin were more optimistic and self-reliant. They ranked themselves consistently higher on the status scale than their rank would be measured by quantitative socio-economic variables.

Although the macro-social measurements of inequality and relative poverty display the structural aspect of social disparity, they cannot answer the question about the life-long stability and generational continuity of the low-income groups. These two

longitudinal studies arrive basically at similar conclusions: they show the positive impact of massive targeted social policy and at the same time the pertinacity of hard-core poverty.

Income, housing, health, and education

In many studies and in attitude surveys a common map of five major needs was repeatedly found: income, employment, health, housing, and education of the children. There is no clear-cut ranking of the importance of these needs, neither are they seen by the low-income groups, among them new immigrants, as being entirely dependent on income. A large volume of research turned to the study of these areas using different methods – from statistical presentation of levels of inequality, correlational and causal analyses, to anthropological research and case studies. The subjects are varied, such as low-income groups in general, ethnic groups, women, children, or other sub-populations. Comparative data on "real groups" of the population provide a social map of the poor. This is also more meaningful for the public and policy makers alike. People, politicians, academics, media makers, or others do not think in terms of deciles, but think about families, children, the handicapped – people with bodies and faces.

Income

In addition to the recurrent survey and analysis of income distribution and the calculation of equality coefficients, other income-related variables are surveyed such as cash expenditure on consumer items or number and the type of items bought, the value of home and car ownership, service benefits received from employment and from social services, and the possession of durable goods. These data reveal a more visual and more individualized picture of poverty and of the changing lifestyle of the low-income groups than the important but abstract measures of income distribution by deciles. They also highlight the areas where relative deprivation is most visible and felt daily.

Housing

Housing is of special objective and subjective importance. The influx during the past five years of more than half a million immigrants (1989–94) has put heavy pressure on the housing market and there are many who live in housing that is considered substandard in Israel or in crowded circumstances. Some research has been done on the effects of unsatisfactory housing

conditions on the school performance of children. Two social experiments intending to improve the overall character of run-down communities or slum neighbourhoods were followed over several years by sociological research.

One study was a case study of a neighbourhood included in a large-scale project initiated by the government under the title "Project Renewal", which is aimed at the physical and social rehabilitation of a relatively large number of metropolitan and other urban neighbourhoods. The project called for the creation in each locality of a steering committee comprising government officers and representatives of the local population, whose task was to ascertain local needs, to propose and approve the renewal plan, and to follow its execution. This qualitative study focused on the organizational problems of this type of joint committee, the power struggles, and the restricted scope of the effective participation of the local representatives (Shelah and Ben-Ari 1989).

The second study was a longitudinal community study of an independent local initiative, the "Settle with Us" project.

> [The] project was aimed at two goals: attracting higher-status groups to an underprivileged community and achieving social integration between these newcomers and the veteran residents . . . Prior to the . . . project, Mobiltown was socially and ethnically homogenous . . ., fairly isolated from the rest of the country. In order to attract new residents of a higher SES and of the dominant Ashkenazi group, Mobiltown's leaders promised them their own neighborhoods. . . . The project has created heterogeneity by allowing the establishment of segregative neighborhood groups and, moreover, has produced inequality by being overproportionally beneficial to the stronger and new groups. From the point of view of enhancing the life prospects and self-image of the less privileged group, however, the ultimate goals of social integration have been achieved, at least to some extent. Though the newcomers have benefited most, the veteran residents – at least in relative terms – have benefited too.
>
> (Ayalon et al. 1993: 172)

In the last chapter the authors discuss the advantages of this model as compared with the government-initiated community renewal project and the social cost of the changes induced by it.

Health

In Israel of the 1980s and the 1990s, unlike decades before, hunger and undernourishment are isolated occurrences. The question of the necessary calorie intake is not a central issue. But other aspects of health welfare – infant mortality, life expectancy, and morbidity – are clearly correlated with income and

crowdedness, and, for women, with multiple pregnancies (Salzberger 1992; Shamgar-Handelman and Belkin 1986). In spite of universal health insurance, regional differences in the quality of the services between the central and the peripheral regions have not been eliminated (Sharlin et al. 1992). Research on immigrant groups has found that the country of origin, customs, and beliefs are related to health.

Education

As in other modern societies, the number of years of formal education is one of the most valuable items of a person's human capital. Learning is also a traditional value of Jewish culture, equally appreciated in the traditional religious and in the modern secular circles. The ancient self-image as "the people of the Book" is incorporated in the self-image of modern Israeli society. At the same time, education is perceived as the means for mobility, for escape from poverty and low status, but also as an element of self-esteem. A review reveals that, beyond the professional didactic and pedagogic problems, Israeli educational discourse is indivisibly bound into the universe of poverty, equality, and integration (Adler 1974). Integration in the Israeli educational discourse means several problems: integration in the same classroom of children of immigrant parents of such different backgrounds as highly educated professional parents from the former communist East European countries and very traditional parents from the rural areas of Ethiopia; integration of children from poor families or from disadvantaged families and children of the well-to-do ("disadvantaged" being the label for uneducated parents who are not necessarily of low income). Integration also means the endeavour to find a solution for the much analysed and still not satisfactorily explained overrepresentation among underachievers of children with the "disadvantaged profile": large family, low-education parents, originally from Moslem countries (sometimes labelled as Sephardi or Oriental) (Minkovich et al. 1982). Many researchers were or still are actively involved in educational policy, and in the planning and follow-up of the many experiments aimed towards the problems of integration (Nevo 1979). Until recently it seemed that underlying the educational literature was a value consensus on a preference for equality and integration and less for achievement. More recently a dispute about values has become part of the educational discourse – equality versus excellence, and the continuing of forced integration of schools versus free choice.

Monitoring policy

A large volume of studies evaluates and monitors the intended results of policy measures in reducing or at least stabilizing inequality, reducing poverty, and promoting the integration of immigrant groups. The most important monitoring instruments of poverty and inequality are the annual surveys of the National Insurance Institute (NII). Besides routine comparison of income distribution and measures of inequality and poverty over time, the NII publishes data and analyses of special populations such as the unemployed, wage-earners compared with independent business people, new immigrants, families of different sizes and structure, pensioners, ethnic groups, minority groups, and geographic areas (Achdut and Bigman 1987; Achdut and Tzedaka 1989; Achdut et al. 1989, 1993).

In the past decade a new line of research under the general title of social indicators has been carried out and published by the Center for Policy Research.

> [I]n choosing social indicators for inclusion ... [the centre was] guided by the selection criteria used by the OECD. [It] concentrated on output-oriented indicators relating to final social outcomes, rather than on data on inputs and throughputs. [It] preferred indicators relevant to policy, i.e., those describing social conditions amenable to change through public policy ... indicators that would be, as far as possible, independent of particular institutional arrangements, so as to be reasonably comparable over time and between countries. (Kop 1988: 2)

The Center focuses on selected problems, among them housing, health, and taxation. It also publishes yearly its version of a social balance sheet for the nation.

From the point of view of social policy, the most important question is the effectiveness of the large-scale policy measures to keep poverty and inequality in check: the financial tools of the tax system, subsidies, the use of the consumer price index and transfer payments, and the provision of services for selected target populations. Since they take up a good slice of the national budget, it is politically vital to prove to voters and to all other interested parties that the theory on which these measures are based is valid and the results are worthwhile.

Subsidies

A policy of subsidies has been used continuously by the government as a relatively easily manageable tool for controlling prices; the target is the reduction of the market prices of basic items of

food, transportation, and electricity. The amount of subsidies for various items is changed from time to time. The NII data show that subsidies indeed reduce the inequality of disposable income, but various items have different effects on each decile according to its pattern of consumption. For example, the three lowest deciles obtain 50 per cent share of the total subsidy on bread, whereas the share of the three upper deciles is only 13 per cent. The subsidies on poultry, eggs, and transportation benefit the middle deciles somewhat more, and the upper deciles get more from the subsidy on milk.

The efficiency of subsidies as a tool of social policy is questioned, given the fact that, despite the periodic changes in the subsidized items, a considerable share of the total subsidy aids the upper deciles. In evaluating the relative social and economic cost of the two alternatives, the NII researchers are of the opinion that there are sufficiently good reasons for the use of this kind of universal tool in preference to direct means-test-linked payments to lower-income groups (Achdut and Tzedaka 1989).

The consumer price index

Consumer price index linkage is the most important insurance against the erosion of incomes – earnings or transfer payments – in the inflationary economy of Israel. The crucial importance of the index was especially apparent in the period when the Israeli economy suffered from three-digit inflation. Since then inflation has been more or less stable around 10 per cent. This still means a considerable erosion of the value of incomes without a periodic index-based correction.

Transfer payments

The list of transfer payments has grown over the years and it contains universal (child allowance, maternity, old-age and survivors, unemployment, etc. payments) and selective (means-linked guaranteed income maintenance, housing subsidy), contributory (most of the universal benefits) and non-contributory (most of the selective benefits) rights. The principle of social insurance was expanded to absorb non-insurance-based types of benefits. Social expenditures are the largest item (41 per cent) of the National Budget minus the payment of debts (defence is a near second). The largest expenditure in the social services slice is income maintenance. In the past decade, per capita expenditures on income-maintaining payments have increased, while expenditures on services in kind decreased.

Table 20.2 Selected measures of poverty, 1992

	Extent of poverty (%)		
	Before transfers	After transfers	After transfers and taxes
Families	34.2	15.6	16.4
Individuals	30.8	16.0	17.2
Children	31.9	19.3	21.3
Poverty gap (%)	66.2	27.9	27.1

Source: Achdut et al. (1994).

The monitoring research data are political tools in the dispute about the social necessity of transfer payments and the maintenance of constant relative value by the linkage to the consumer price index. These, as shown by the studies, are irreplaceable tools in the struggle for the alleviation of poverty. The data on the poverty gap prove that a slimmed-down package or its elimination would more than double the poverty gap for many, and it would change the present problem of relative poverty, defined by the changing poverty line, into one of absolute poverty involving deficiency of basic needs.

Table 20.2 shows that transfer payments reduce by half the population under the poverty line (defined now as 50 per cent of the median income of the population). It seems that the effective influence of the tax system is less than expected, probably caused by lack of knowledge about tax deductions, by faulty adjustment of taxes by the authorities, and by the less-than-perfect progressiveness of the tax system. The combination of family allowance and tax exemption for each child was intended to equalize the economic status of large families with that of smaller families. This aim was never realized. The majority of large families are in the lower deciles of the equality scale. They are characterized by the typical poverty syndrome of one earner per family, mostly an unskilled or semi-skilled worker with low education, and consequently low income.

The latest data of the National Insurance Institute have shown that, despite the intended "corrective policy", during 1992 the extent of poverty (the deciles whose income is below the poverty line) increased by 14.2 per cent and in 1993 by another 5.7 per cent. About half of these households are headed by a non-working adult of working age, a quarter are headed by an elderly adult, and another quarter by a non-elderly and employed adult. These facts were headlined by all the written and electronic media. The disappointment with the results of the massive

investment in social policy has overshadowed the euphoria caused by the peace process and the distress caused by the difficulties of its realization. The precarious majority of the Labour government is seriously endangered by the vehement public reaction and the acrimonious attacks of the opposition. The immediate response of the government in the form of the law for the "reduction of the extent of poverty and income disparity" was passed with a remarkable speed by the Knesset. The law provides increased transfer payments, promising that these will push 20–25 per cent of the low-income population over the poverty line (Achdut et al. 1994).

This is one of the infrequent instances when research findings had a political impact. A deeper analysis of the timing of publication of the data reveals the roles played by the media, the political constellation, public sensitivity to the problem, and the struggle of the responsible ministers to defend their much attacked status in creating a situation in which the numbers, although often not properly understood by the parties involved, were nevertheless taken up and used.

Concluding remarks

The most disappointing conclusion is the resistance of poverty to substantial change. Even the maintenance of a more or less stable pattern of income distribution and relative poverty requires large investments and a well-planned social policy. It should be made clear that the strategy for raising groups of people above the poverty line is different from a strategy of changing the income dispersion pattern. Comparison of the pattern at different points in time does not reveal the turnover among the poor. We have to know more about movement in and out of poverty. The effort to push groups of people above the poverty line, however worthy, is also dangerous. Resources above the poverty line as measured for political purposes do not ensure a decent standard of living or quality of life. It is very seldom asked how much above the poverty line makes possible a truly non-poor style of life, a stable position, and better opportunities for the future generation. What is the difference between those whose income is 49 per cent of the median income (who are hence below the poverty line) and those whose income is 51 per cent, who are hence officially out of poverty?

A great number of studies expose the substantial influence of the tools of measurement on the results. Without falsifying or manipulating data or their presentation, the final evaluation can be more or less in line with expectations or with desired ends, depending on the tools and the breakdowns used. Hence, the

importance of using several different tools and analysing carefully the meaning of differences in the results achieved by various means of measurement – precise-seeming measurements such as the scale of ranked deciles or the rather simple poverty line are attractive to researchers and policy makers alike. Income data are also relatively easy to come by and amenable to statistical manipulation. A rather instructive example is the history of the poverty line. In its present form it was proposed by two economists (Rotter and Shamay 1971), working in the research department of the National Insurance Institute, as an interim trial criterion for the use of the Prime Ministers' Committee on Distressed Children and Youth (see pages 438–439 above). Without any formal decision or critical discussion the temporary poverty line became permanent, the only change having been to raise it from 40 per cent of the median income to 50 percent.

Poverty, equality, and integration are interconnected, whether from the perspective of policy, of values, or of the subjective well-being of those who are at the lower end of whatever scale is used for their measurement. In Israel the most emotive issues for the low-income groups are housing and education. Housing and educational differences are powerful components of the relative deprivation syndrome and they were triggering elements in several protests.

The research studies discussed in this chapter covered not only income but also health, housing, education, and community status. The more intangible aspects of deprivation – representation, participation, and relative deprivation – lurked in the background. On the other hand, employment and unemployment were not discussed in spite of their central importance because their multifaceted influence on the deprivation syndrome needs fuller treatment (Bar-Yosef 1993). The protest movements too were neglected although they should be seen as a step towards the self-help and self-organization of the deprived.

Better theory and more comparative research are needed for understanding the structure of the deprivation syndrome and the relative importance of the various components in different cultural and material situations. More scrupulous analysis of the measurements used is needed to uncover their hidden biases and the images they may project. It is also desirable to include in the measurement of the deprivation syndrome items that are less suited to precise measurement and sophisticated statistics, but that may in some instances be more relevant in representing and communicating the style of life of the deprived, the changes in that style, the preferences of people, and the need for policy intervention.

References

Achdut, L. and Bigman, D. (1987) *The Measurement of Poverty: Theoretical Approaches and Trends in Israel During 1979–1984.* Israel: National Insurance Institute (in Hebrew).

Achdut, L. and E. Tzedaka (1989a) "Subsidies for basic consumption items and the distribution of incomes", in Y. Kop, (ed.), *Resource Allocation for Social Services, 1988–89*, Jerusalem: Center for Policy Research.

Achdut, L., O. Kristal, and Y. Shaul (1989) "The dimensions of poverty and the inequality of income distribution in Israel: 1987 and 1988", National Insurance Institute, *Annual Survey 1988, 1989.*

Achdut, L., Y. Awad, and N. Israeli, (1993) "The dimensions of poverty and the inequality of the distribution of incomes in Israel: 1992", in L. Achdut (ed.), *Annual Survey 1992–1993.* Jerusalem: National Insurance Institute, Research and Planning Administration.

Achdut, L., Y. Awad, Y. Shaul, and N. Israeli (1994) "The dimensions of poverty and inequality of income distribution in Israel: 1993", in L. Achdut (ed.), *Annual Suevey 1993–1994.* Jerusalem: National Insurance Institute, Research and Planning Administration .

Adler, C. (1974) "Social stratification and education in Israel". *Comparative Education Review,* 18.

Ayalon, H., E. Ben-Rafael, and A. Yogev (1993) *Community in Transition: Mobility, Integration, and Conflict.* Westport, Conn.: Greenwood Press.

Azmon, Y. (1985) "The protest of a disadvantaged population in a welfare state', in S. N. Eisenstadt and O. Ahimeir (eds), *The Welfare State and Its Aftermath.* London: Croom Helm.

Bar-Yosef, R. W. (1955) "The Moroccans: The background to the problem". *Molad*, 17: 247–51 (in Hebrew).

——— (1993) "Melting-pot, multiculturalism and pluralism: The Israeli case" in K. Yaron and F. Poeggeler (eds), *Meeting of Cultures and Clash of Cultures: Adult Education in Multicultural Societies.* Jerusalem: The Magnes Press.

Doron, A. and R. M. Kramer (1991) *The Welfare State in Israel: The Evolution of Social Security Policy and Practice.* Boulder, Colo: Westview Press.

Eisenstadt, S. N. (1954) *The Absorption of Immigrants.* London: Routledge & Kegan Paul.

——— (1967) *Israeli Society.* London: Weidenfeld and Nicholson.

Even-Shoshan, O. and Y. Gabbay (1986) "Distribution of family income and taxes", in Y. Kop (ed.), *Changing Social Policy: Israel 1985–8.* Jerusalem: Center for Policy Research.

Hanneman, R. (1991) "Promises in the Promised Land – Mobility and inequality in Israel". *American Journal of Sociology,* 96(6).

Hasson, S. (1986) "The emergence of an urban social movement in Israeli society – An integrated approach". *International Journal of Urban and Regional Research*, 7(2): 157–174.

Israel (1971) *Report of The Committee on Income Distribution and Social Equality* (in Hebrew).

Israel (1972) *Report of The Prime Minister's Committee on Distressed Children and Youth* (in Hebrew).

Kop, Y. (ed.) (1988) *Israel 1988: Socio-Economic Indicators.* Jerusalem: Center for Policy Research.

Lewin-Epstein, N. and M. Semyonov (1993) *The Arab Minority in Israel's Economy: Patterns of Ethnic Inequality.* Boulder, Colo.: Westview Press.

Matras, Y. (1975) *Social Inequality – Stratification and Mobility.* Englewood Cliffs, NJ: Prentice Hall.

Matras, Y., I. M. Rosenfeld and L. Salzberger (1969) "On the predicaments of Jewish families". *International Journal of Comparative Sociology,* 10 (3–4).

Ministry of Social Assistance (1963) Report of Expert's Committee (Hebrew). Jerusalem, Israel: Government Printing.

Ministry of Finance (1971) Report of the Committee on Income Distribution and Social Equality (Hebrew). Jerusalem, Israel: Government Printing.

Minkovich, A., D. Davis and J. Bashi (1982) *Success and Failure in Israeli Elementary Education: An Evaluation Study with Special Emphasis on Disadvantaged Pupils.* New Brunswick, NJ: Transaction Books.

Nevo, D. (1979) *The Gifted Disadvantaged: A Ten Year Longitudinal Study of Compensatory Education in Israel.* New York: Gordon & Breach.

Parsons, T. and E. Shils (eds) (1951) *Toward a General Theory of Action.* Cambridge, Mass.: Harvard University Press.

Prime Minister's Office (1972). Report of the Prime Minister's Committee on Distressed Children and Youth (Hebrew). Jerusalem, Israel: Government Printing.

Rosenfeld, J. M. (1989) *Emergence from Extreme Poverty.* Paris: Science and Service Fourth World Publications.

Rosenfeld, J. M. and L. Salzberger with Y. Matras (1973) *Family Needs and Welfare Provisions.* Jerusalem: The Hebrew University.

Rotter, R. and N. Shamay (1971) "The patterns of poverty in Israel". *Social Security,* 1 (in Hebrew).

Salzberger, L. (1992) "A longitudinal study of social-familial deprivation : The effect of increased inputs of social opportunities on the mobility of socially deprived families". Unpublished PhD thesis, the Hebrew University, Jerusalem, (in Hebrew).

Shamgar-Handelman, L. and R. Belkin (1986) *Ten Years Later: Parents and Children – Processes of Change and Mobility versus Perpetuation and Stagnation in a Disadvantaged Population an Inter- and Intra-generational Perspective.* Jerusalem: The Hebrew University.

Sharlin, S., R. Katz and Y. Lavie (1992) *Family Policy in Israel.* Haifa: Haifa University.

Shelah, I. and E. Ben-Ari (1989) *Urban Renewal, Interorganizational Linkages and Community.* Jerusalem: The Hebrew University.

Smooha, S. (1978) *Israel: Pluralism and Conflict.* Los Angeles: University of California Press.