**Chapter 26: Demographics and social structure**

**From the melting pot to the tribe**

Israel is unique in that its economic growth and per capita GDP are typical of a developed nation, while its rate of natural increase is more like that of a developing one. In the developed world, economic growth is accompanied by a drop in the rate of natural increase, a result of improvements in health, quality of life, education, and technology, and a concurrent rise of labor productivity and living standards. In Israel, the population is growing; at the same time, living standards and quality of life are also rising. Will these processes continue? There is no way to know, since past statistics are no guarantee of what will happen in the future.

Israel is a dynamic society. Because it has absorbed a huge number of immigrants from all over the world, it has an extremely heterogeneous population with a wide range of ethnic groups and a diverse cultural-religious and demographic profile. For Israel’s first prime minister, David Ben-Gurion, a key function of the new state was to create a new, shared national identity in which all the diverse groups of Jews would feel a sense of belonging. Ben-Gurion imposed a melting pot model, which, even with all its advantages and disadvantages, would help achieve sovereignty and forge a coherent and cohesive society out of an assortment of “seventy Diasporas,”[[1]](#footnote-1) which, in turn, would mobilize to create a functioning economy and model society. The melting pot would generate a new sense of Israeliness that would supplant the disparate identities of the heterogeneous mass of Jewish immigrants. Without it, Israel’s leaders feared for the existence and stability of the new nation, and questioned whether the state-building process would be in jeopardy. Implementing the melting pot was not an easy task, and at times felt cruel, but it was necessary for building a functioning society and economy. Nevertheless, the melting pot paradigm took its toll on successive waves of immigrants, requiring these very different communities to compromise on values that were socially and culturally important to their identities. Israeli society never fully embraced the melting pot concept, and opposing forces have fought to maintain a multicultural society in which each community retains its values and traditions.

Diversity has many benefits and can be the key to a healthy society that embraces differences. However, identity politics also emerged from Israel’s multicultural society, whereby political alliances have developed along ethnic and social, rather than along ideological or broad party politics lines. The social polarization and alienation that has resulted from this trend have been exacerbated and leveraged by various groups seeking government intervention and dependence on the government. **Indeed, a fundamental conflict—between those who believe in universal values, human rights, and liberal democracy, and those who advocate an authoritarian democracy based on ethnic and religious principles—now undercuts any broad shared sense of being “Israeli.”**

In what has become known as his “Four Tribes Speech,” in 2014, Israeli President Reuven Rivlin set out the changes that had taken place in Israeli society and called for a new domestic national order. This was no futuristic apocalyptic prophecy, but the reality of Israel in the 21st century. Israel had shifted from a society with a clear majority and minority and a shared vision, where most of the population had trust in government and a sense of partnership in building government institutions, into a country marred by tribal schisms. As Rivlin described, Israeli society now broadly consists of four equally-sized sectors or tribes—secular (nonreligious) Jews, national-religious (religious Zionist) Jews, ultra-Orthodox Jews, and Arab citizens of Israel. Each tribe is divided ideologically and socially, and isolates itself from the others while demanding intragroup loyalty. Tribal values are generated within each of these groups, and are used by political actors who seek to leverage a particular tribe to mobilize support for themselves. No single tribe gets everything it wants, each has to live with the rest, and all have partially differing visions for Israel’s present and future. As a result, all of the tribes are dissatisfied, while the main tenets of the core national vision shared by all has weakened. This has harmed Israel’s core vision of statehood and governance, once highly valued and enjoying a broad national consensus. Israel’s heterogeneous society has deeply affected the balance of power among its various ethnoreligious groups. This has affected its economy, culture, and politics, and will continue to do so in the future.

Each of Israel’s four tribes has a collective ideology that is at odds with the individualism that underpins the market economy. Tribal struggles for resources, power, and prestige affects the economy. **Tribal politics seeks to maximize the gains for the individual tribe, without taking into consideration the common good.** The splitting of Israeli society into tribes poses a risk to the future of its economy and threatens to create political complications. Sectoral, not statewide, conduct serves only to deepen existing social rifts, and threatens to erode Israeli society and the economy. After all, a central component of a society’s resources are the relations that bind its disparate groups in social solidarity, and the strength of that solidarity between different groups. The political sociologist Prof. Baruch Kimmerling described Israeli society as a “society of struggle, characterized by struggles between groups over shaping the image of the state and the ‘rules of the game’ within it, under cultural control (hegemony).”[[2]](#footnote-2)

Between 1948–1977, Israel’s secular (nonreligious) middle classes, made up of the so-called “veteran immigrants” generation (the mostly Ashkenazi secular Jews who had lived in the country for a long time, including since the British Mandatory period), filled most jobs in the public administration, the economy, the security echelons, the media, art, law, science, and academia. The hegemonic power of this group began to weaken with the rise to power of the Likud government in 1977, and by the 2000s, the cracks in its hegemonic position had become very evident. The once powerful secular Ashkenazi middle classes had shifted from being a role model for other social groups to being just one of many interest groups in Israeli society. This secular and traditional tribe, that had once borne the weight of Israeli statehood, had been downgraded from its position as an elite with a strong sense of service and mission, the very flagbearers of Israeli statehood, to a mere defensive minority. Meanwhile, other groups that had not been partners in the establishment of the state were now demanding a share of its political, social, and economic capital.

The decline of the power of the labor movement from the 1970s, together with the struggle of those advocating for an Israeli state based on Orthodox Jewish law against Israel’s once-powerful liberal and secular groups, also helped transform Israeli society into today’s tribalistic status quo. There is a growing distance between each of Israel’s four main tribes and the state. This inter-tribal sociopolitical polarization is endangering Israel’s democracy and harming the functioning of the government and economy. This struggle is a zero-sum game. Any influence, resources, or power gained by one tribe comes at the expense of another, while no one tribe can accept even the smallest of concessions, lest this be seen as an achievement for rival tribe.

As we can see from the experiences of other countries, there are delicate relations between majority and minority communities in multicultural societies. From the 2000s, Israel’s secular Jewish majority suffered a loss in status, as society realigned itself into tribes that have gained in status and power. This has given rise to problems with authority and enforcement, which in turn affects economic performance.

On the fringes of each tribe are pockets of extremism that harm the functioning of the state and threaten its governance and economy. The coronavirus pandemic of 2020–2021 exposed a number of significant fault lines in Israeli society, such as the refusal of Israel’s ultra-Orthodox population to comply with government coronavirus guidelines, which affected morbidity and mortality in the ultra-Orthodox tribe. Another example can be found in Israel’s 2005 disengagement from Gaza, which revealed the autonomy to which Israel’s national-religious (religious-Zionist) tribe aspires. Arab citizens of Israel demanded autonomy in the wake of the October 2000 killings of 13 Arab demonstrators by police in Arab villages in the north of Israel, and after the May 2021 riots that broke out across Israel during the IDF’s Operation Guardian of the Walls in Gaza. The Negev Bedouin community also wants to preserve its traditional ways of life. The secular Jewish tribe, which, as noted, has seen a decline in its once high status, is experiencing tensions between its expectations from the state and its sense of its own importance in terms of its contribution to the economy and society, as reflected in the mass social protests of 2023. All of these crises pose a challenge to Israeli statehood.

Israel’s division into tribes is not only an economic problem. Indeed, it is inextricably intertwined with questions regarding the foundations of Israeli society, the relationship between religion and state, the Israeli-Palestinian conflict, and the legal and justice system. The tribes each demand separate “contracts” with the state in terms of budgetary support, military conscription, education, housing, public transport, and employment. However, it is notable that there has been positive progress regarding the long-standing disparities between Israel’s Ashkenazi and Mizrahi (Sephardic) communities. A Mizrahi middle class developed that has integrated into business, the army, politics, and the development towns. They have also exercised impressive social leadership that has seen a reduction in economic disparities, which has served as a springboard for progress in other areas.

The coronavirus pandemic was undoubtedly an extreme event. It demanded that Israelis change their lifestyles—not only for their own sakes, but also to protect strangers. This is the very essence of social solidarity—the ability and desire to act in a mutually beneficial way, including toward social groups with which one has no affiliation or even consensus. In demanding that the Israeli public demonstrate personal discipline, make sacrifices, and show concern for others, the pandemic exposed Israel’s social fault lines when each tribe acted in its own self-interest. The resulting intertribal struggles exacerbated existing disparities, weakened national resilience, and endangered the country’s ability to overcome security and economic challenges. At the start of 2023, this state of affairs found expression in legislative proposals designed to change the very foundations of governance in Israel.

At least two tribes—the ultra-Orthodox and Arab citizens of Israel—have quite distinct socioeconomic characteristics. Their influence on the economy will dictate Israel’s place within the global marketplace in the future. Tribal divisions have already led to struggles over the allocation of resources, replacing Israel’s universal and statewide vision with limited, tribal, and sectarian politics. Israel’s multicultural community has created a dynamic of identity politics and disparate, disconnected communities. Instead of a cohesive society and economy, a shared economic vision, and a functioning civil society with internal solidarity, Israel’s new-found tribalism has generated a perfect storm of powerful forces that are tearing society apart and ripping up the roots of its shared national vision. This has already exacted a significant macroeconomic cost.

**Manifestations (Signs?) of tribal fragmentation**

Changes in fertility rates among Israel’s different tribes will affect the socioeconomic status quo. For this reason, understanding the fertility rates of each tribe is critical to understanding how each of these populations will affects Israel’s economy in the future. The table below shows the fertility rates (mean number of live births per woman) for each tribe in 2022:

|  |  |
| --- | --- |
| **Subgroup category** | **Fertility rate (mean number of live births per woman)** |
| Ultra-Orthodox Jewish | 6.5 |
| National Religious (Religious Zionist/Non-ultra-Orthodox) | 4.2 |
| Traditional Religious  | 3 |
| Arab Citizens  | 3 |
| Traditional Nonreligious/ Secular | 2.2 |

**Higher fertility rates correlate with lower labor productivity.** According to population growth projections, by the middle of the 21st century, it is expected that over a quarter of Israel’s population will be ultra-Orthodox Jews, a quarter national-religious (religious Zionist) Jews, a quarter Arab, and a quarter secular (nonreligious Jews). These are only future projections, but the processes and consciousness of future consequences exist today, and are already affecting Israel’s daily life and economy. The question is not which tribe will have hegemonic power in the future. Rather, we should ask what the practical results of this power will look like, since these are what will affect Israel’s national security and economic strength, in particular employment rates, types of occupation, incomes for breadwinners and households, public services for each tribe, and tax revenues.

**The separate education systems** that have been developed by and for Israel’s tribes are among the most prominent manifestations of social fragmentation that the country is experiencing. A nation’s education system teaches its young people about the values of society and induces them to uphold its ideals. The sociocultural identity of the education system to which children are exposed is thus a crucial factor in determining what they are actually taught, and how they will subsequently integrate into the labor market and the economy. The education that each of Israel’s tribes receives, and how each tribe adapts to the needs of the labor market, will ultimately determine the strength of the economy. Not every tribe sees the importance of economic parameters in the same way.

“Israel 2008,”[[3]](#footnote-3) pointed to the country’s **economic disparities** as a central problem for Israeli society. The report defined Israel as a dual economy, in which social inequalities were generated by low employment rates mainly among ultra-Orthodox men and Arab women, and by the relative lack of relevant job-related knowledge, education, and skills among ultra-Orthodox Jews and residents of Israel’s social periphery. **The tribal structure of Israeli society tends to favor its less productive social subgroups**. The “Israel 2028” report warned that this problem will negatively affect the long-term performance of Israel’s economy. Meanwhile, the OECD’s 2018 Economic Survey of Israel[[4]](#footnote-4) also warned of the dangers posed by the country’s low social cohesion, in particular to its long-term economic output. The OECD found evidence of economic inequality between Israel’s population subgroups, and noted that overall levels of inequality are high. The number of working people living below the poverty rate has increased, particularly among Arab and ultra-Orthodox citizens, who are often trapped in low-skill jobs with low wages. As of 2022, three quarters of Israel’s low wage earners are ultra-Orthodox and Arab citizens. It is forecast that these two groups will make up half of Israel’s population by 2060.

Welfare policy is limited in terms of how it can address such large economic disparities. In Israel, there are disparities in the rights, duties, and compliance of its various tribes, and in the sources of authority that these tribes follow. There are also stark differences between Israel’s various socioreligious groups in terms of their adaption to a modern, science-based lifestyle. The shift in Israel’s security ethos toward a civilian agenda, and the evolution from a mobilized society to a globalized economy, has created challenges for maintaining solidarity between Israel’s very different communities. Values of personal fulfilment, openness to the world, and a global outlook have become prominent. Israel has changed from a closed society that considered “*yordim*”—those who emigrate from Israel—to be “traitors” to one that is not troubled by the concept of Israeli emigration, including as part of the high-tech relocation phenomenon. Other principles that had previously been very important to Israeli society have also changed. The pioneering society of the Israel’s early years of statehood, which had enjoyed broad equality and a mostly state-run economy, has disappeared, replaced by a private and individualistic nation with a free market economy. **Meanwhile**, **opposition from the ultra-Orthodox and national-religious (religious Zionist) Jewish publics toward liberal economic policies and worldviews has intensified**. The public sector is facing a quandary, since a developed welfare state is not possible without broad social solidarity, but Israel’s sectarian and tribalistic welfare policies, where different tribes are treated differently, have eroded the solidarity and consensus that underpin a welfare state. Meanwhile, the most prominent demographic trends of recent years—including the rapid growth of the ultra-Orthodox population, social changes within the Arab population, increasing population density, and an aging population—will continue to significantly affect Israel’s economy and society in the future.

**Demographics and birthrate**

Israel has one of the highest rates of live births per woman in the developed world. The OECD average for live births per woman is 1.6, while in Israel this figure is 3.1. Even the non-ultra-Orthodox Jewish population in Israel has a higher number of live births per woman (2.2) than the OECD average. Unsurprisingly, therefore, Israel’s natural rate of increase is the highest in the OECD. The average fertility rate in Israel in the 2000s is one full live birth per woman, more than that of any other OECD country. Meanwhile, birth rates are falling worldwide. Demographics affect a country’s socioeconomic health, including its population density and the burden on its healthcare, education, transportation, housing, welfare, ecology, recreation, and leisure systems. Population growth requires government intervention in the form of investments in education, infrastructure, environment, health, and housing. Some see natural population growth as a burden on society and the economy in light of the climate crisis and increasing population density. The idea that “unbridled” population growth is a recipe for disaster has been attributed to Thomas Malthus, who warned in his *Essay on the Principle of Population* in 1798 that over time, populations would grow until there was not enough food to support them, and only the fittest individuals would survive. Others see natural population growth as a source of renewal and creativity by increasing the proportion of young people, who also provide a pension hedge against population aging, provided that they receive a proper education and can participate in the labor market.

In the 1950s and 1960s, Israel considered encouraging childbirth among its Jewish citizens as a national goal. Families received (modest) government support to encourage them to have large families as a way to maintain the Jewish majority. Government measures to encourage childbirth peaked in the 1990s and 2000s, via differential child benefit allowances for families with four or more children, a move that encouraged people to have large families (in the 1980s, there was discrimination against Arabs and favoring Jews in terms of encouraging families to have more children). The main beneficiaries were ultra-Orthodox Jews and Bedouin Arabs. Israel’s population has grown on average by about 2 percent year on year as a result of policies that encouraged families to have more children, and reducing the economic burden of children mainly among ultra-Orthodox Jews and Bedouin Arabs, who tend to have large families, low employment rates, and make low contributions to the GDP. In 2004–2015, when child benefits were reduced, especially for families with four or more children, there was a decrease in the birth rate among ultra-Orthodox Jews, proving that economic incentives do impact on the number of children families choose to have. Every country has a birth rate policy to increase or decrease its population, depending on its demographic needs. In Israel, political, national, and religious considerations are rooted in the need to maintain a Jewish majority, as well as in sectoral considerations, mainly the influence of ultra-Orthodox political parties. A high birth rate can be positive for society if children are given the right tools to help them go on to integrate into the job market as adults. In developed countries, there is a stable natural increase, the result of falling birth rates and increased life expectancy.

**The middle classes**

In developed countries, the middle class is considered the basis on which the economy and society functions. The accepted definition of the middle class is those whose income is between 75 and 200 percent of net median per capita income. The middle classes are the mainstay of society, and their health determines a country’s social, economic, and political stability, which in turn creates public trust in society’s laws and institutions. The middle classes sustain the economy by consuming products and services, acquiring an education, and providing the backbone of the labor force. Taken together, these form the core of economic growth. A reduction in the size of a country’s middle classes threatens economic, social, and political stability.

In the 1980s, Israel’s middle class constituted around 59 percent of the population, the result of economic growth in the 1960s and 1970s. By the time of the social justice protests that swept the country in 2011, Israel’s middle class had shrunk to about 48 percent of the population. The hike in the minimum wage that occurred in response to the protests was an important step for revitalizing Israel’s lower middle class. By 2019, the middle class had grown to 53 percent of the population, the highest level since the 1990s, but still smaller than it was in the 1980s.

A dual economy has emerged in Israel, a result of the growth of the high-tech industry, which rewards entrepreneurship, innovation, and creativity in contrast to the low employment rates and incomes of the ultra-Orthodox and Arab populations. This has increased income disparities, exacerbated polarization, and reduced the middle class. In any event, Israel’s middle class is not spread evenly among all the country’s population groups. About 60 percent of Israeli Jews belong to the middle class, compared with just 27 percent of Israel’s Arab citizens. The Arab middle class is comprised of professionals and the self-employed, and began gaining in number and in socioeconomic strength around 2010, with the reduction of the birth rates within this population fell, the increase in education, employment rates among Arab women, and the integration of this population into mainstream Israeli society. In contrast, a middle class has begun to develop only very recently among Israel’s ultra-Orthodox community, and still only constitutes around a quarter of this population.

Among OECD countries, the middle class makes up between 50 and 70 percent of the population, with an OECD average of around 61 percent. Over the past two decades, the middle class has declined across OECD countries in line as nonprofessional jobs have declined, including those replaced by technology and robotics. The demand for workers with a technological education has caused social disparities to rise and the middle class to shrink. Technology poses a threat to the middle class, and Israel is not immune to this global trend. Indeed, this threat may intensify in the coming years, leading to social unrest and threatening political stability.

**Population density and overcrowding**

Israel has one of the highest population densities in the world. In 2017, Israel was the third most densely populated OECD country in terms of number of people per square kilometer. If current trends continue, by 2035 Israel should top the list of OECD nations in terms of population density. Unsurprisingly, in recent decades, questions regarding Israel’s high rate of natural increase and growing population density have received more attention on up the national agenda. The types of problems that affect overcrowded countries are on the rise in Israel—rising housing prices, traffic congestion on urban and intercity roads, infrastructure expansion, long waiting lists in hospitals and law courts, congested beaches, overcrowded classrooms, shrinking green and open spaces, and air, water, and soil pollution. Tackling these challenges requires a considerable investment of money and other resources.

A key question is: How much land does Israel want to leave for nature? While Israel’s land area is not expected to grow, its population is set to expand at a faster rate than those of other developed countries. Israel’s high rate of natural increase means that it will have to double its number of housing units within the next 30 years, a rate unprecedented in any other developed nation. Israel’s population density is highest in its central Mediterranean coastal plain, where most housing demand is expected to be met by building tower blocks. These high-rise blocks will not only change the existing urban landscape, but will also alter the fabric of residents’ daily lives. Meanwhile, road congestion in the Tel Aviv metropolitan area and the rest of the central Mediterranean coastal plain is already among the highest in the developed world. Overcrowding in Israel’s classrooms, hospitals, and emergency rooms is also among the worst in the world. These pressures are only set to increase as Israel’s population continues to grow. Maintaining public infrastructure and quality of life is becoming increasingly complex and expensive. Quality of life will deteriorate if the development of key infrastructure is not increased in line with rising demand. However, to date, the pace of investment in infrastructure has not caught up with demand, and gaps between supply and demand are widening, exacerbating the effects of overcrowding in various areas of everyday life.

From a land that had been considered sparsely populated with a great deal of open space, a situation that had once encouraged rural settlement, Israel has become one of the world’s most densely populated nations. Land shortages will shape the way of life of its population, and will demand considerable financial investment on top of innovative urban and land use planning. Israel is a distinctly urban society, and its urbanization is growing steadily. In 2022, some 93 percent of the country’s residents lived in urban settlements, while rural living had become a rarity. Meanwhile, Israel’s urban landscape has started to shift away from low-rise buildings toward high-rise apartment blocks. This trend marks not just a change in the urban landscape, but in the lifestyles of city dwellers as well. Tower blocks create different sorts of urban communities than do the low-rise neighborhoods in which Israelis were accustomed to living. In the past, a city neighborhood was a community based on a sense of local belonging and the fulfilment of physical and social needs. Social connections in tower blocks are rather different from the way of life familiar to residents of traditional low-rise city apartment blocks. Israel’s central Mediterranean coastal plain is likely to be dense with high-rise blocks, akin to Hong Kong and Singapore. However, families in Hong Kong and Singapore do not tend to have large numbers of children, unlike those in Israel. Raising children in tower blocks will likely be problematic. Will there be a correlation between the number of children in a household, and the quality of life of families living in tower blocks?

High population density will require Israel to formulate strict land management policies, in particular in its central Mediterranean coastal plain, which will involve increased urban renewal planning and infrastructure development. There will also be growing demands for vacant land for construction at the expense of agriculture and recreation. The importance of good urban planning will increase in light of rising population density. Israel is already experiencing the reality of what it is like to be an overcrowded country. The accelerating pace of urbanization raises the question of how to determine development policies for Israel’s metropolitan areas. Does Israel need three (or even four) large metropolitan areas, or should the government concentrate on improving the existing Tel Aviv metropolitan area and constructing a highspeed train network, which will allow people to live in remoter areas and commute to the central coastal plain? The main solution will involve building more densely-populated cities and ensuring efficient urban development, all while preserving nature. Questions around what the physical fabric of life and community living will look like are already putting the issue of Israel’s high rate of natural increase—which make it an outlier among developed nations—firmly on the agenda.

 **Population aging**

The increased life expectancy of men and women in many countries is a significant human achievement that is allowing more people to live longer lives. Some 80 percent of Israel’s older population are independent and relatively healthy, with many working past retirement age, deriving personal meaning from the productive and interesting activities in their lives. Studies have shown that after retirement, people lose a significant part of their daily routines, and the loss of day-to-day social interaction can accelerate the onset of problems associated with aging. Continuing to work contributes to health and daily functioning, while the added productivity benefits both the individual and society. The state should allow older people to live with dignity in order to reduce the gap between life expectancy and years of good health.

In 1950, only 4 percent of Israel’s population was over the age of 65. Today, however, the population is aging, as life expectancy is increasing. In 2022, Israel had 1.2 million citizens over the age of 65, about 12.5 percent of the total population. There has also been a jump in the number of Israelis aged 75 and over, to around 4.5 percent. Around 50,000 Israelis are now aged 90 and over, about half a percent of the total population. In 2022, the number of older Jewish citizens of Israel stood at 13 percent of the total population, with the number of older Arab citizens of Israel standing at about 5 percent of the total population. The high proportion of older people among Israel’s Jewish population is due to the long life expectancy of this population group and waves of immigration. It is expected that life expectancy will continue to rise as a result of accelerated scientific and technological progress. According to population projections, by 2040 the proportion of older people in Israel is set to rise to 18 percent, or approximately 2.5 million people, and the demand for more nurse caregivers (both Israeli and migrant workers) to look after its elderly citizens will also grow.

The proportion of people in Israel’s total population aged 65 and over is relatively low compared to other developed countries, because Israel has a much higher percentage of children aged under 14. In 2022, approximately 12 percent of Israeli citizens aged 70 and over participated in the labor force. There is a positive relationship between education levels and employment rate, with higher levels of employment correlating with higher levels of education.

The over-65 age group in Israel consume 37 percent of healthcare services, and it is expected that this will rise dramatically as the weight of this demographic increases. Two issues must be addressed as a result. First, healthcare services for older people should be improved; and second, this must occur while maintaining high standards of care for the rest of the population. This will require the expansion of specialist healthcare for older people, including geriatric medical teams, and improved care in the community and the home. The aging of the population has implications on various aspects of life, including social security, healthcare, nursing homes, nursing care, housing, pensions, and leisure. Healthcare services for the over-75s are different from those needed by younger age groups, and this will demand that a balance o be found between care in the community, institutions, and hospitals.

The dependency ratio is an economic term indicating the ratio between working-age citizens—the economically productive population—and the economically unproductive population (the sum of the population aged under 15 plus those aged over 65). In 2022, about 11 percent of Israel’s population was of retirement age (i.e., 67 and older), while about 54 percent was of working age. This ratio is expected to change. In 2060, it is expected that 17 percent of Israel’s population will be of pension age, while fewer than 50 percent of Israelis will be of working age. This shift towards an aging population will slow down growth and affect pension and social security systems. In this scenario, Israel’s high natural increase is considered positive, on the assumption that younger people can and will work and provide for older retirees.

Israel’s pension fund reforms of 1995 were a response to the crisis faced by its old, underfunded pension funds. The reforms involved the creation of new, balanced pension funds, which have increased individual risk due to concerns about a reduction in retirement benefits due to low returns on the capital market and/or fund due to management failures. The pension will meet the challenges of the financial stability of the pension funds. The early retirement age for women in Israel has had a negative effect on women’s ability to accumulate pension savings. This, together with the fact that women’s life expectancy in Israel is higher than men’s, has meant that women receive relatively low pension benefits. Additional pension reforms that began in 2021 are designed to gradually increase the official retirement age for women in Israel from 62 to 65, and will correct most of this distortion.

The coronavirus pandemic highlighted the realities of the lives of Israel’s older population, and the particular risks they face. The concept of societal resilience defines the ability of a social system, starting with the individual citizen, through social groups, organizations, communities, and eventually the entire nation, to cope with a persistent or severe disruption, maintain reasonable functional continuity, and recover quickly from the crisis to function at its previous level. Social resilience is accrued over long periods of time through policies that offers a holistic approach to caring for society. The key factors affecting social resilience are the intensity of the disruption, and the severity of its consequences on the affected social system. Societies with high levels of social resilience are able to deal with severe disruptions while maintaining a reasonable level of functioning. Social resilience in Israel was severely tested during the coronavirus pandemic. The older population suffered more, but by fulfilling their necessary functions during the state of emergency, they were able to bounce back and make a quick recovery. For the most part, Israel’s older population managed to demonstrate social resilience, even though the pandemic caused high morbidity and mortality among this age group.

1. The seventy Diasporas refers to the many nations or lands among which the Jews were scattered historically since the Babylonian exile in the sixth century. [↑](#footnote-ref-1)
2. Baruch Kimmerling (2001). *The End of Ashkenazi Hegemony*. Jerusalem, Keter. [↑](#footnote-ref-2)
3. D. Brodet, (2008), Israel 2028: Vision and Strategy for the Economy and Society in a Global World. Presented by a Public Committee Chaired by Eli Horvitz. US-Israel Science and Technology Foundation. [↑](#footnote-ref-3)
4. 2018 OECD Economic Survey of Israel: Towards a More Inclusive Society. Jerusalem, March 11, 2018. https://www.oecd.org/economy/surveys/Towards-a-more-inclusive-society-OECD-economic-survey-Israel-2018.pdf [↑](#footnote-ref-4)