

## Money time in Israel

On the country's rapid demographic transformation,  
and what needs to be done tomorrow

by

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*Israel is rapidly hurdling toward a head-on collision between its liberal pluralistic society and the country's fast-growing and increasingly powerful religious groups backing patently illiberal policies. That collision can still be avoided with a combination of educational and budgetary overhauls that increase the likelihood that Israel will remain a viable and sustainable nation for generations to come.*

Israel is characterized by scholastically substandard schools linked to ultra-Orthodox and religious parties, where indoctrination substitutes for education among population groups with extremely high fertility rates. This has created a huge – and quickly growing – adult population living in a biblical bubble that isolates them from the need to contend with reality.

In a separate bubble dwells a complacent, liberal, society that prefers reality shows to actual reality, and derives what passes for news from shallow and superficial media talk-fests and unbridled manipulations in social networks. It is a society that does not comprehend how easy it is to lose the national home, and the enormous sacrifices in blood and tears that will be required to regain it – if that is even possible.

We have squandered over three-quarters of a century in the hope that it might be possible to find compromises between a pluralistic society and a society that openly discriminates against women, minorities, etc. As I wrote last summer ([Times of Israel, August 25, 2023](#)), we are unwilling to come to terms with a simple fact of life: It's possible to be religious person in a liberal society, but impossible to be a liberal person in a religious society.

The inhabitants of both bubbles are about to discover the difference between a linear function and an exponential one. In a linear world, both sides can see that they are advancing toward a head-on collision, but hallucinate that the approach is at a steady pace that can be dealt with in time. In the exponential world that we actually live in – shielded behind incomplete, incorrect and misleading information that serves as the skin enclosing each of the bubbles – the speed by which we are hurdling toward that collision is not constant but in fact doubling with every generation.

Just as in nature, whether we want it or not, whether we are ready or not, our bubbles are about to burst.

A key question in this regard is whether Israel's Jewish population is becoming more religiously observant. We are periodically issued reassuring "all clear" sirens by interested, or ignorant, parties indicating that the opposite is true. The problem is that these predictions are based – at best – on partial analyses of the data, leading to results that are exactly the opposite of the demographic trend's actual direction.

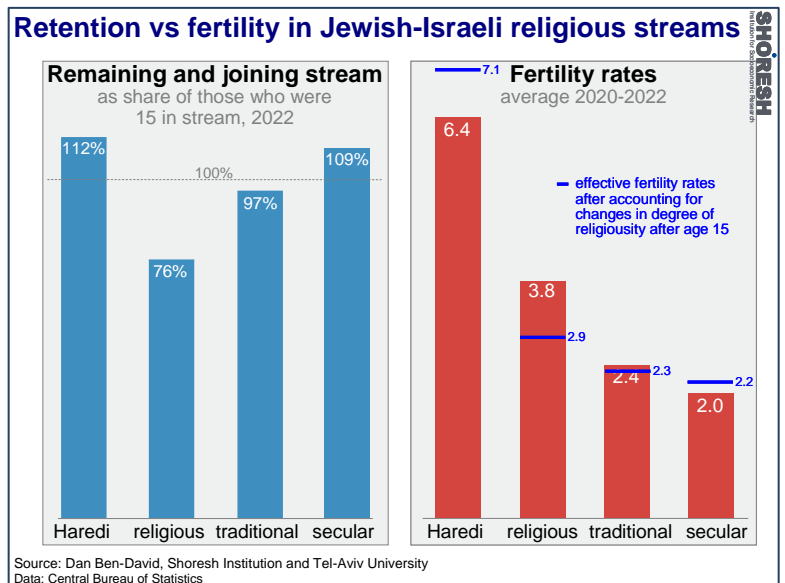
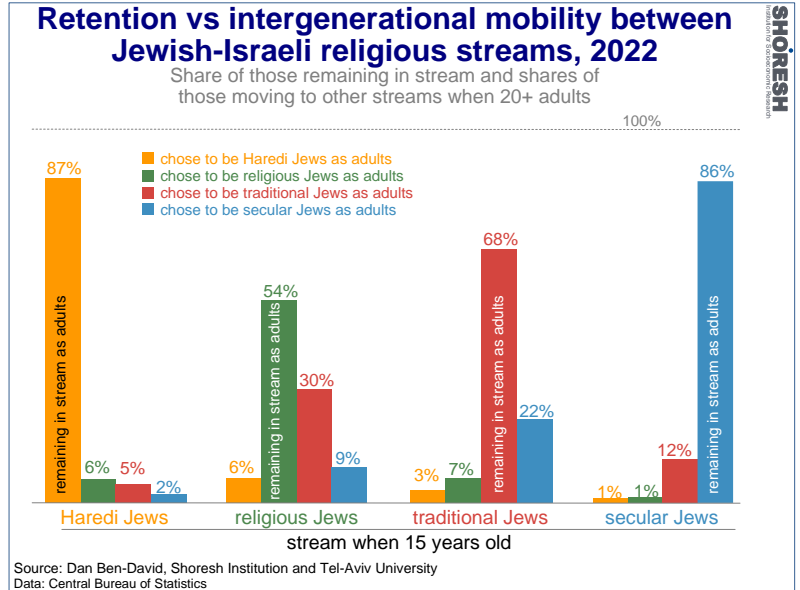
In surveys that it conducts, Israel’s Central Bureau of Statistics (CBS) asks the country’s Jews whether they consider themselves to be secular, traditional, religious or Haredim (ultra-Orthodox). These are four very subjective domestic categories ranging from the least religious to the most religious that do not always fit neatly with common delineations of Jewish religious observance abroad.

On the face of it, many Israelis considering themselves religious or traditional Jews are increasingly becoming less religious and traditional. According to CBS data for 2022, roughly two-thirds (68 percent) of those who grew up as traditional Jews remain traditional (first graph), 22 percent of them have become secular while only 10 percent of the traditional Jews become more religious. Only about half (54 percent) of those who grow up religious remain religious and only 6 percent become more religious (that is, Haredi) with the remainder becoming less religious.

But there is much more to this picture than conveyed by this partial information. Movement between Jewish streams also needs to be considered. When such movement is taken into account – in other words, when the joiners are added and the leavers are subtracted – the Haredi stream grows by 12 percent and the secular Jewish stream increases by 9 percent (blue bars in the second graph). After accounting for both joiners and leavers, the traditional Jewish stream hardly changes in size, while the religious stream is smaller by a quarter.

However, even this does not provide the full picture of Israel’s demographic direction, because it does not take into account the main determinant: fertility. When accounting for persons born into the religious stream, subtracting from them those who leave and adding those who join from other streams, it turns out that the religious Jewish stream is growing faster than the secular Jewish stream over time. The result is an effective fertility rate among religious Jews that is a third higher than the effective fertility rate of secular Jews.

A subset of the religious Jewish stream, whose members are commonly referred to as the national-religious settlers – from whose ranks come the leadership of the three racist, non-Haredi religious parties in the Knesset – has fertility rates not hitherto estimated by the Central Bureau of Statistics. In the CBS’s recent examination of self-described “very religious” non-



Haredi Jews in West Bank settlements, it turns out that their fertility rates (6.05 children per woman) in 2022 were nearly identical to those of the Haredim.

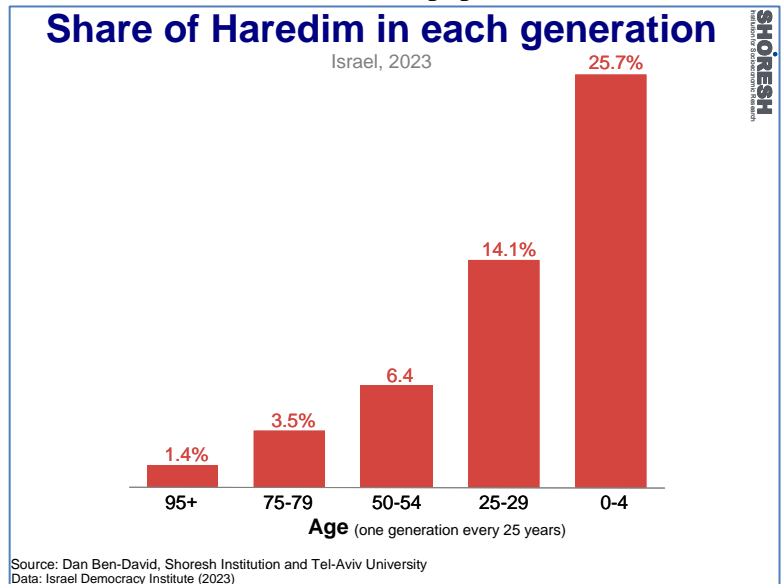
As for the Haredim, there is no question about this stream's demographic direction. Haredi women have over three times as many children as secular women. Add to this the fact that the net gain of joiners minus leavers increases the Haredi stream by 12 percent, culminating in an effective Haredi fertility rate of over 7 children per woman. Even if Haredi fertility rates were to fall by 30 percent, the end result would still be the same, altering only the speed at which the Haredi stream is growing – but not the end result.

The bottom line is that public “all clear” signals based on wishful thinking, or partial information – rather than on a full, evidence-based perspective – significantly impair the public's ability to understand and internalize the full extent of where Israel is actually headed, and just how fast. The actual default is that the religious and Haredi shares of the Jewish population are not only growing, but that in the Haredi case, this growth is transpiring exponentially fast.

The Haredi stream's share in Israel's population is doubling roughly every 25 years – that is, every generation (third graph). For example, Haredim comprise only 6 percent of Israel's 50- to 54-year-olds. But their grandchildren's share of Israel's 0 to 4 population is four times higher (26 percent). Current demographic trends imply that in just 24 years – i.e., by Israel's 100<sup>th</sup> birthday in 2048 – Haredim will comprise roughly half of Israel's toddlers.

As has become tragically apparent in recent months, Israel's reported nuclear capabilities cannot replace the need for a sufficiently large army able to contend with the diffuse multi-front war waged against us by Hamas, Hezbollah, Iran and their various proxies around the Middle East and in the West Bank. Supporting an army of the size that can adequately defend Israel requires a strong and diversified economy. The hypocrisy of an exponentially increasing population group that insists on receiving the benefits of a modern society – from health care through welfare to defense – while themselves refusing to shoulder any of its underlying costs and burdens has run its course.

We need the Haredim, and they need to acquire the knowledge and skills that their leadership insists on preventing them from receiving, the basic tools that would enable them to work in a global economy and serve in defense of Israel. The only way to release the Haredim from the stranglehold that their leadership has on them is via the money route. After all, the norms imposed by the Haredi leadership on its own people ensure that they will be extremely poor. They are entirely dependent on the rest of us to fund the schools that deny them the basic civil rights to an education that would provide them with an opportunity to freely determine their own future. When it comes to higher education, university students (rightly) need to pay for their tuition while our tax money not only pays the tuition of yeshiva students, but also provides them with living stipends. Stopping this funding, together with the rest of the massive funding of a lifestyle that



perpetuates poverty and dependency, will garner their attention and generate an understanding that what was will be no more.

And then there is the issue of what is actually being taught in the Haredi school stream controlled by the Haredi political parties and the state-religious school stream, which is heavily influenced by the religious political parties. Since the beginning of 2023, we have received a loud, clear, unambiguous and unceasing clarion call that the primary domestic threat facing Israel is posed by a future majority of Haredi and religious groups that do not even try to hide their feelings of supremacy, intolerance and discriminatory inclinations against all those who are different or think differently from them.

It's important to note that not all Haredim and religious Jews in Israel share these inclinations or ways of life. Nonetheless, the bottom line is that the only parties representing Haredim and religious Jews in today's Knesset have provided us with a preview of what they envision for Israel of the future, when they won't need a prime minister on trial for corruption to form a government. With six-plus children per family, demographics alone will eventually provide them with free rein over the country.

The existential future described above is not set in stone – though the ability to avoid it is rapidly diminishing from year to year. Overcoming the unimaginable trauma of this past year requires not only the immediate removal of the cynical hypocrites in government who led us to this point, but also a clear-eyed ability to distinguish between the wheat and the chaff from among the torrent of ideas pouring in from every interested party when the time comes to determine policy on the day after.

Education and monetary incentives/disincentives play a key role in the determination of fertility rates across the world, and certainly in Israel as well. It is important to emphasize that the essential overhaul of the education system and of government budgetary priorities should not be directed against Haredi and religious people, but should instead be founded upon a national perspective that enhances equality in rights and obligations among all citizens.

A significant improvement in Israel's primary and secondary school system – whose pupils consistently score at the bottom of the developed world – requires, among other things, a much upgraded core curriculum that will be uniform in all schools (with total cessation of all funding to schools that do not teach a full core and have their pupils tested on it), along with a complete ban on any political involvement in each of the education streams.

The massive change that is needed in budgetary priorities should be based on a national agenda rather than on sectoral ones – an agenda that eliminates Israel's very biased and unequal system of benefits, subsidies, discounts and exemptions, and replaces them with priorities based on a vision of the exceptional country that Israel can and should be.

The question that needs to underlie both the educational and budgetary overhauls is, what kind of a country do we want in another generation? Will it be a country with a strong economy that can maintain advanced health and welfare systems? Will it be a society able to trade freely with the rest of the world or a pariah country unable even to buy the weapons that it needs to defend itself? Will Israel be a light unto nations – a state that our children and grandchildren will want to live in, and be willing to risk their lives to protect?

The answers to these questions will be determined by the society that will graduate from our schools. Sectoral compliance regarding these necessary changes will happen when the funding

faucet is turned off to those who refuse to comply, and when public money is no longer used to finance non-work, non-serve lifestyles that will otherwise destroy Israel's future.

Israel needs to overcome any delusions that its future will somehow fix itself without determined intervention by the liberal majority. The massive popular pushback that we witnessed in Israel last year – internationally unprecedented in its scope and persistence – provides hope for this very unique nation. When war broke out, at the height of the protests against the government's attack on Israel's judicial system, we nonetheless pulled together to fight an extraordinarily barbaric and sadistic enemy bent on our annihilation with a ferocity that no one outside Israel could have believed possible.

When our back is to the wall, we have the ability not only to fight the political threat to our democracy and the physical threat to Israel's very existence, but also to overcome the underlying demographic process that has brought us to this perilous point and is threatening to bury Israel's future.

We are now in Israel's money time.