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Food Insecurity in Israel: Poverty through Abundance

The nation of Israel has undergone impressive agricultural growth over the last six decades – out of hostile, arid conditions, they have nearly attained complete self-sufficiency, with the exception of only a few imports (Wikipedia). Yet still there is significant poverty and food insecurity in her poorer sectors; 8% of all families report experiencing severe food insecurity, and an additional 14% claims to be contending with moderate food insecurity. While by no means the greatest of examples of strife, the cries of the poor and hungry cannot be disregarded on the basis of size and number; there are human beings that are hungry, and something must – and surely can – be done about it. The Israeli government actively creates a surplus by setting the minimum price of produce above market standards – this occurs in fruits, vegetables, and eggs. The surplus results in the lowered demand of the more highly priced goods; they then either export the unsold crops at below those standards or destroy them in order to protect crop prices. What is done with most of the surplus makes matters worse; the amount of produce destroyed is historically orders of magnitude greater than produce exported. This is no insignificant factor, either – tens of thousands of tons (equaling tens of millions of *sh'kalim*) are destroyed annually. Additional and unreported waste is caused by unnecessary rot; trucks are frequently stopped at checkpoints for security reasons, and for long enough periods of time to spoil their loads. One particularly significant example of this is a route between Israel and Palestine known as the Karni Passage, a transit road that is used as a security checkpoint and as a chokepoint for stopping military and terrorist attacks. *HaAretz*, an Israeli newspaper, reported that banana growers lost 30% of their income one year due to the closing of the Karni Passage. Note also that there are dozens of such routes in different locations in the land of Israel. While the overall economic situation in Israel is quite positive, it is wastes like these that cause the food insecurity in 22% of her populace; the word "unnecessary" suffuses the situation with an undeniable sense of absurdity (Milken Institute).

It would seem, then, that the key factor in this situation does not lie in the progress of agricultural science, or in increasing the efficiency of farms; for Israel excels in both areas. To cite a few examples: their use of greenhouses is highly sophisticated, using cutting-edge technology to control all elements of the growing environment to near-perfection. The singular use of "drip irrigation" is the height of (ever-necessary) water efficiency, bringing precise amounts of water and fertilizer to each individual plant (Jewish Virtual Library). So, rather than improving their self-evidently phenomenal farming methods, the task seems to lie in re-balancing the agricultural economy. Therefore, this would be a legal matter. It is Israel's agricultural policies that need to be reorganized, redirecting the surplus in more efficient ways. Additionally, there are a multitude of potential policies that would vastly improve social welfare in Israel, using currently misused funds to do such things as providing daily lunches for school children and providing for the needy (Milken Institute).

The trends for this situation are discouraging. While the top 20% income level has enjoyed a 3.9% increase in income between 1990 and 2004, the rest of the country's income is steadily eroding away; the lowest 20% has suffered a 1.2% decrease (Economic Policy Institute). While such statistics are not favorable, they are certainly not terrible. However, actual poverty levels have been steadily on the rise; as of June 2005, the poverty level of the nation as a whole was at 24% (remember that 22% of the total population is also food insecure – this statistic shows a clear correlation between Israel's poverty levels and nutritional deficiency). The actual demarcation for a "poor" family is set at 50% of the median income of the nation – essentially the bottom 25% income levels. Between 2001 and 2002, the number of poor families went from 318,400 to 325,100 – the change was caused entirely by population growth (National Insurance Institute). Yes, the situation is changing, and for the worse. Population levels are

expected to grow by 42% by the year 2020 (Jewish Virtual Library). If the trend continues, much of that growth will also fall into poverty, meaning they will also become food insecure.

Despite all this, the Israeli people as a rule are no sluggards when it comes to providing for themselves. The typical subsistence farmers in Israel do more than merely try to provide for themselves. Instead, for generations they have participated in cooperative agricultural communities, of which there are two major categories. The first type of community is called the Kibbutz, which is a rather radically communal settlement. Land is not privately owned, but instead is communally owned and worked; the produce is communally distributed and sold in kind. In addition, children in Kibbutzim are often communally reared and educated, and live in dormitories graded by age. Members of Kibbutzim most often have a liberal point of view, and there is a large focus upon participatory democracy. Recently, Kibbutzim have grown to be relatively prosperous, and they have had to begin to bring in workers from outside communities; which, although at first glance a positive sign of growth, was against the original creed and purpose of the Kibbutz: “complete self-sufficiency” (Country Studies).

The second kind of community is the Moshav, which could be seen as a more conservative society. There are two varieties of Moshavim: the more common Moshav Ovdim (workers’ community) and the Moshav Shitufi (collective community). In a Moshav Ovdim, the basic production unit is the family; the families each own their own (roughly equal) portion of land, and have their own entitlement to property. However, the produce is still brought into a central collection area, from which it is sold; purchasing and marketing are collective. The only difference found in a Moshav Shitufi is that the land is communally harvested; consumption is still based upon the family (Country Studies). The average size of most Jewish families in Israel is 3.3 persons per household, but such rural families are on average larger, and the majority of farm labor is provided by the family members (Central Bureau of Statistics). However, Moshavim, too, have had to rely on outside work in recent years – the labor often coming from Arabs. Financial instabilities have shaken Moshavim of late, and their focus has drifted away from agriculture and onto a more suburban lifestyle, many Moshav members taking indoor jobs in nearby cities (Country Studies). However, historically, communities such as the Moshav and Kibbutz have done quite well, and have thrived amidst conditions hostile to agriculture. In many cases, they frequently end up producing extra product to be sold, which turns them into another producer for the economy as a whole. They are added to the competition, and the free market grows, both in the amount of available food and in the quantity of suppliers.

What is most interesting is what it is that they supply. Israel ranges from arid to semi-arid, and only 20% of her land is arable. Under very strictly kept conditions, Israel’s diversity of climate actually lends itself to a wide variety of crops: field crops like wheat, sorghum, and corn; astonishingly, citruses and other tropical fruits; vegetables like tomatoes, zucchini, cucumbers, and peppers; many varieties of fruits, including grapes and melons; even cotton is grown. Moshavim and Kibbutzim have a large part in Israel’s agricultural economy, and produce 76% of total national fresh produce; they doubtlessly take part in the growth of most all of these various crops (Wikipedia). What is more, such produce (even tropical) has been grown in the once-desolate lands of the Negev, through a massive and expensive system called the Israeli National Water Carrier (INWC). It is an elaborate system of pipes and other conduits running from the Sea of Galilee that now brings 320 million cubic meters of water a year to the Negev. This constitutes a 75% increase in water consumption; while Israel’s water economy has been in a crisis in recent years, scientists have discovered glacial water from the Ice Age buried deep beneath *Eretz Yisra’el*, of which only a small portion has been tapped (ThinkQuest). Until that water can be more effectively tapped, however, Israel implements highly sophisticated and efficient water conservation techniques, and has very strict water rationing laws. This is still not enough, as Israel’s natural and man-made water sources are insufficient for the demand of agriculture, the populace, and industrial and municipal sources. So, in 2005, Israel and Turkey signed a water-importation agreement in which Turkey exports 1.75 billion

cubic feet of water annually for the next 20 years; this is still only 3% of Israel's projected need, but it is significant in that it continues to create strong ties between the two countries (Jewish Virtual Library).

While their irrigation and production situation is positive overall, would increasing the yield from Kibbutzim, Moshavim, and other such subsistence and small-scale farms be beneficial in Israel's situation? Possibly. One potential application of this kind of growth is touched on briefly in Ouziely's paper. As an alternative use for the subsidy funds, an organization should be formed that would involve hiring food contractors. Essentially, this organization would hire contractors to provide various kinds of food, and periodically examine their operations to insure proper sanitation and compliance to health standards. The organization would have the responsibility of collecting the food items, preparing them, packaging them, and delivering them to schools at lunch time (Milken Institute). A prime contractor would be the Kibbutzim and Moshavim; for, if they were to incorporate and procure a producer's license (if they do not already have one), they would be able to provide for themselves as well as bring in a significant profit from contracting out their surplus. This would also encourage them to expand their farming operations, further increasing the available supply of foodstuffs and increasing the number of children provided for by once-wasted government funds. Such a program would be an efficient and helpful way to use up some of the excess produce of small-scale farming operations and channel it to needful uses, rather than to destruction.

Now, then, something must still be done about faulty Israeli market policies; according to Sharon Ouziely, "the current system encourages waste, penalizes efficiency and is detrimental to social welfare" (Milken Institute). In her brief concerning Food Surpluses and Food Insecurity, she calls for the abolishment of Israeli agricultural subsidies, and goes through a lengthy analytical process to prove that subsidies harm the economy. (Note: this is a different issue than the one previously addressed, in which prices were set above normal by the government. The distinction occurs among differing kinds of produce.) Briefly put, government support causes the farmers to see the raw income of their product as higher (the production price being cheaper), and will produce a larger amount. The consumers will at the same time be paying less at these higher volumes, creating a difference between profit gained by the producers and the price paid by consumers. This difference is government expenditure, the burden of which falls mainly upon the taxpayers (suppliers and consumers alike) (Milken Institute). Additionally, because the farmers gain profit even from the overproduction, they will either destroy their surpluses or sell them cheaply internationally, which in turn creates unfair competition for the worldwide market (Wikipedia). This procedure, while providing increased income to the farmers and cheap produce to the consumers, again creates a tax burden that essentially cancels out that benefit, in addition to promoting waste. Also, it does nothing to weed out irresponsible farmers, and their inefficient, undesirable methods continue, much to their own bounty. Were the subsidies to disappear, farmers would be forced to create quality produce to succeed, and the market would again return to equilibrium: the price paid by the consumers would be equal to the funds gained by the producers, and the tax burden would disappear, counterbalancing the now higher prices and lowered income(Milken Institute).

However, even without citing the analytical proof, we have historical proof to show that the removal of subsidies liberates the market to do what it was intended to do and to prosper. Ouziely gives the example of how New Zealand overcame this problem. Agriculture plays a large role in New Zealand's economy, and so when farmers began experiencing fierce competition from foreign markets, their government began granting major subsidies and imposing steep customs tariffs. Still the economy fell. Eventually, they cancelled the subsidies, and the agricultural market boomed once again, as it would have had it been left along (Milken Institute). Agricultural markets will rise and fall, and should be allowed to do so; for sinusoidal constancy is still constancy, and constancy is better than continual cheapening of the market and increasing taxes. As can be seen through history and through logical analysis, subsidies are simply a bad idea. This evidence and reasoning needs to be presented to the Israeli Knesset in detail, and

agricultural policies seriously discussed. It would be very difficult for any reasonable person to deny both forms of proof, so if the time is taken to present it, success is theoretically inevitable.

Once subsidies are cancelled, while the net welfare of the market remains the same, the government is left with all the money that was once spent on subsidizing agricultural produce. Ms. Ouziely proposes or cites multiple possible policy changes concerning what to do with these newly available funds and the previously available surpluses, in addition to other potentially beneficial policies. By annulling government agricultural subsidies, 663.2 million *sh'kalim* could be added to Israel's budget, which is enough to pay for lunches for 70% of children below the poverty line. An additional use of the available subsidy funds could be to use them to create a safety net, comparable to America's Second Harvest (Milken Institute). In the transitional time between producers losing a large portion of their profits and the economy rebalancing to resupply those profits, if they move to cut employment, the government should offer one-time grants or retaining programs to ensure that the workforce remains unaffected. One of her short term recommendations involves implementing current, proposed legislation to begin "channeling agricultural surpluses designated for destruction to food contractors and the needy, specifically to school lunch programs" (Milken Institute). Another large factor she considered was the scanty documentation for non-harvested or unsold crops; if the Ministry of Agriculture collaborated with non-government organizations, they could effectively solve this problem by collecting reports of said crops, and then coordinating the redistribution of them to where they would be most useful. Even simple tax incentives to producers would be useful in encouraging the transfer of surplus, rather than its destruction to preserve prices. She even submits basic outlawing of surplus destruction as a potential boon to the situation. (Milken Institute).

Again, this is a legal issue. Implementing the aforementioned suggestions is going to take legislation and administration; it would seem that the burden would fall largely on the Israeli government, and partially on the non-government organizations within Israel (such as the communal farms or non-profit food-based organizations). Members of the Knesset (Israel's parliament) should be contacted and asked to propose bills that would enact said suggestions, and support should be raised in the Knesset in favor of the bills. This looks like an obvious solution, and it is; it seems that such legislation had already been proposed. On March 6th, 2007, bill 2272 was proposed by Knesset Member Yitzchak Vaknin with the purpose of doing precisely what has been recommended: using crops chosen for destruction to aid food pantries. The bill included legislation for a committee to oversee and coordinate these operations. Though he had the support of Knesset members from all parties (and there are multitudinous parties in Israel's Knesset), the bill never passed. Again, a similar bill was proposed by Knesset Member Sofa Landver one month later with additional support; again, it did not pass (Milken Institute). Clearly there are people in Israel that have a mind to correct these problems, but additional effort must be exerted to accomplish their goals. Non-profit organizations should ally with these Knesset members and offer their services in the new bills, potentially taking the responsibility upon themselves to do the administration and collection. However, the non-profit organizations cannot very easily do the work without the legislation to give them authority, so both elements are clearly needed.

Again, the situation in Israel is absurd. The country has done remarkable things to prosper herself, and has caused the desert to blossom. She nearly produces enough food to support herself independently, and yet, after all of the amazing advances and progress, it is little administrative blunders and bad laws that cause poverty among her people. Israel has all of the resources available to be a completely food secure nation – with minimal imports even – and still people go hungry within her borders. Thankfully, the extent of the situation is largely legal, so it will not take revolutionary change and hundreds of thousands of hours of labor and billions of *sh'kalim* to bring nutritious food to the entirety of the Israeli people. All that need be done is to have a long, in-depth discussion with Israel's leaders, to change a few policies, and to establish a few organizations to handle the excess in funds and produce caused by those changes. The Israeli people are among the least of the peoples of the world that experience hunger and

need; but, again, the fact that there are not many that need help does not excuse us from helping them. So, our objectives are to stop surplus destruction, withdraw subsidies, and channel the once wasted resources of both towards the people that need it. The communal small-scale subsistence farms of the Kibbutzim and Moshavim can also be enlisted to help, and apply their existing ingenuity and determination towards curing the ailment of hunger. There is enough proof to know with reasonable certainty that these strategies will work, and there are already people in positions of power that believe in those strategies and are actively working to implement them. All that is needed, it seems, is a little extra support from other people of importance and humanitarian organizations. To name a few, such proponents of providing for the hungry as his Excellency Shalom Simchon and his Excellency Rafael Eitan, who are both Israeli officials in the area of agriculture, could be called upon to give their voice. Additionally, organizations like MASHAV – Israel's' Center for International Cooperation – could use their clout to push the recommended bills and programs. Hunger in Israel is not a situation to be pitied or mourned for, but a mistake to be simply corrected.

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