

Israel's New Economic Reality

Will Israel's Chareidi Population Have To Reinvent Itself?

By Eliezer David Jaffe

It is said that about 22 percent of Jerusalem's population is *Chareidi*, and 30 percent of those *Chareidim* receive services from the municipal welfare department.¹ Why is there such great poverty and dependence on welfare, and what effect will the new economic policy have on the *Chareidi* community in Israel?

The Sharon government, with Binyamin Netanyahu heading the Finance Ministry, has been moving relentlessly away from welfare-state economics by providing lower National Insurance payments, forcing citizens to be less dependent on government grants, encouraging privatization, tightening unemployment benefit criteria and aggressively promoting market-economy measures. The state budget for 2004 makes it clear that this economic policy will continue, and the financial situation is not going to get better in the near future for poorer members of the *Chareidi* community

Professor Jaffe is professor emeritus for the study of nonprofit associations, volunteering and philanthropy at the School of Social Work of The Hebrew University of Jerusalem; he is also chairman of The Israel Free Loan Association.

or for other low-income sectors of Israeli society that have depended on government grants for many years.

Activists from the "welfare establishment" lobby have been busy lobbying to maintain previous welfare standards built up during decades of both Labor and Likud rule. One recent successful effort by the lobby has been to get the High Court of Justice to order the government to define what constitutes a "dignified income level for human existence," to see whether the State has violated the Basic Law on Human Dignity and Freedom by cutting welfare payments.² This renewed discussion of what should be today's poverty line (which was originally set in the early 1970s) could lead to changing the current "relative approach," which sets allowances for basic needs in relation to the average or median income of the total population, to an "absolute approach," where a committee decides what should be the cost of an agreed upon "basket of necessities." It will be fascinating to see which items will be included in such a basket of needs and if a committee will be able to agree upon a list of necessities, or what constitutes a "dignified level of existence." As a member of the committee that

determined the current poverty line during the Begin administration, it is clear to me that all definitions of poverty are influenced primarily by values and economic reality. This is not science, but consensus.

For those watching these social and economic changes in progress, it is important to understand that welfare payments have become so widely used (for example, children's allowances, unemployment insurance, single-parent allowances and income-maintenance payments) and have grown so costly in the past decade that the Israeli middle and upper classes are now in revolt against carrying the tremendous tax burden for these programs. Although the richest 10 percent of Israelis earn 13.5 times more than the poorest, they are also paying over 50 percent of the taxes. The middle class will no longer tolerate a situation where income from welfare is the same or higher than income from work. Members of the middle class firmly believe that many able-bodied people are abusing the welfare system, government aid and taxpayers. These middle-class members support privatization and are fed up with constant strikes

(continued on page 3)

By Jonathan Rosenblum

It is understandable that Tommy Lapid and his colleagues in the viscerally anti-religious Shinui Party should be pleased with the suffering of Israel's *Chareidi* population over the past year as a result of the government's dramatic reduction in child-support allowances and wildly disproportionate cuts in the funding of religious educational institutions.¹ What is more surprising is how frequently one hears similar sentiments expressed by religiously observant Jews.

While some of the frustrations on the part of American *ba'alei batim* that underlie this response are themselves understandable, the response is shallow on three counts: 1. It fails to recognize the historical achievement of the Israeli *Chareidi* community over the last sixty years in recreating the vibrant Torah life of pre-War Europe, and the self-sacrifice upon which that

Mr. Rosenblum, a resident of Jerusalem, is the director of Am Echad, a coalition of Jews from across the spectrum of Orthodoxy committed to genuine Jewish unity and continuity. He is the author of several biographies and writes a weekly column for The Jerusalem Post; he also writes for Maariv.

achievement was based; 2. It is blind to the magnitude of the human suffering affecting tens of thousands of religious families and 3. It grossly understates the obstacles, both external and internal, to any transformation of *Chareidi* life in Israel and the time frame for that transformation.

The Rebirth of Torah from the Ashes

The tremendous growth of the Torah community of Eretz Yisrael over the past half-century constitutes one of the clearest manifestations of *hashgachah pratit* (Divine providence) of our time. In the mid-fifties, *bachurim* (young men) in Israeli *yeshivot gedolot* numbered no more than a few hundred, most of them in Yeshivas Hevron and Yeshivas Ponevezh. There were only two *kollelim* for married students in Jerusalem. Today there are tens of thousands of *bachurim* and *kolleleit* (members of *kollel*) over the age of eighteen.

None of this remarkable growth could have been foreseen. When David Ben-Gurion agreed to the draft deferment of yeshivah students at his famous meeting with the Chazon Ish,

he did so confident that within one generation, nothing would be left of the Torah world outside of a few pockets of the old *yishuv*. That confidence seemed more than justified. Even in Meah Shearim there was no house without its "dead." A leading *gadol* remembers that of his class in Eitz Chayim, Jerusalem's leading *cheder* at the time, only he and one other student remained religious.

The leaders of the small *Chareidi* community in the early days of the state—the Chazon Ish, the Brisker Rav and the Bais Yisrael of Gur—were products of a European world of Torah learning that had been destroyed in its entirety. They had a vision of rebuilding that world in Eretz Yisrael. To do so, said the Chazon Ish, would require at least two generations of devotion to pure Torah study.

Those who rallied to the Chazon Ish's call were a small group of idealists who dedicated themselves to Torah learning at great self-sacrifice. (Not until the Begin government in 1977 was there any large-scale government support for *yeshivot* or *kollelim*.)

Through their single-minded dedication to Torah learning, they created, in

(continued on page 5)

(continued from page 1)

called by a few powerful union leaders who have hijacked the Histadrut Trade Union Association and use it to maintain their own power. The heads of the Ports Authority, the Electric Company, the municipal workers' unions and other wealthy monopolies can bring the economy to a standstill by striking at will, causing the loss of jobs and income to thousands of citizens. It is not at all surprising that no public sit-in or demonstration against the cuts has won any significant public support in Israel during the past three years, despite media attempts to generate sympathy for the protesters.

Aside from the free-market ideology of the political center and right parties, the reality is that after three years of war, local and worldwide economic depression, lack of growth and low tax income, the government cannot sustain previous levels of welfare. In 2003, the government budget deficit was nearly 6 percent of the gross domestic product (GDP). In 2004, the budget for education, welfare payments, National Insurance allowances and other social support will be cut by 4 percent compared to 2003. In this post-socialist era, no party, including the opposition Labor party, is going to go back to a centralized government and heavy public dependency on government welfare programs. Political leaders don't believe in it ideologically, and the government can't afford it, even if the defense budgets are cut.

One of the interesting developments resulting from the struggle to shape new relationships between Israeli citizens and the State, and the rise of the market economy, has been the reaction of the *Chareidi* community and its rabbinical leaders. Prime Minister Sharon understood that he could not include major *Chareidi* parties in his coalition if he was going to reduce welfare payments to large families, *yeshivot* and low-income

groups. A study by the Bank of Israel found that in the *Chareidi* sector, work constitutes only 23 percent of an individual's income while National Insurance allowances constitute 44 percent. The rest comes from local municipalities, other government resources and private help. Among non-*Chareidi* Jews, 45 percent of their income comes from work and 35 percent from National Insurance.³ The decrease in government funding to the *Chareidi* sector has caused more *Chareidim* to look to employment. It has also led to the cre-

The state budget for 2004 makes it clear that the financial situation is not going to get better in the near future for poorer members of the *Chareidi* community.

ation of several *Chareidi* centers of secular education around the country.⁴ It has even resulted in some *Chareidi* youth having a somewhat more favorable view towards army duty; being a veteran often provides skills and opens doors to employment. These important developments stem from the facts that 51 percent of Israel's *Chareidim* live below the poverty line and that, in the *Chareidi* community, learning skills to earn a living for oneself and a large family is no longer considered to be a betrayal of Torah study. This is a conceptual revolution—coming from within the *Chareidi* community itself—driven by economic

reality. The revolution is also helping others to recognize that training, responsibility and high motivation can make many *Chareidim* competent employees and businessmen. One Israeli researcher suggests that “the American experience may have a message for *Chareidim* in Israel that points to a possible middle path between full-time religious studies and a life of work.”⁵

A second revolution in the *Chareidi* community has also developed because of the realities of family life. For many decades, problems of neglect, abuse, wife and child battering and family disintegration were hidden within the family or the community. Today there is a growing sensitivity to, and understanding of, the need to acknowledge social and personal problems that require professional help. This has led to a collaboration between *Chareidim* and secular institutions of higher learning in order to train *Chareidim* to become mental health and social service professionals. This partnership between *Chareidim* and secular professionals has reaped outstanding results, by increasing communication and understanding between the two groups and preventing suffering for thousands of people.

Ironically, the economic crisis has led the *Chareidi* community to consider social and financial initiatives that it would not have entertained had the economic situation been better. This is not to say that the *Chareidi* community is not self-reliant and does not have its own internal economy and fundraising and self-help systems. But over the years, *Chareidim* developed a tremendous dependence on income maintenance, income-generating programs of the State and general public services, all of which support isolation. When these sources of income declined due to the new economic policies, some new developments took place within the community.

While there are some *Chareidim* whose attitude towards the government is “We survived Pharaoh,

and we will survive you,” and others who unfortunately accept poverty by choice, there is a definite trend towards encouraging employment. *Chareidi* women are continuing to enter the workplace, but significantly more men are entering the workforce now than ever before.

It is doubtful that *Chareidi* charitable and educational organizations can find the massive funds required to make up for the government support and welfare programs that have been cut. According to the Israeli pollsters Geocartographia, there are 590,000 *Chareidim* living in Israel today in 107,000 households.⁶ The average *Chareidi* family is 5.5 persons, and 40 percent of *Chareidi* families have seven members or more. Private charity will never match the massive universal government child-welfare allowances that have evaporated. Private charity in Israel is truly outstanding (for example, the Israel Free Loan Association—www.free-loan.org.il—has provided over forty million dollars in interest-free loans to more than 22,000 needy Israelis), but such nonprofits cannot replace government income-maintenance programs.

Education and employment are the most viable means to reduce poverty. The government is set on a welfare-to-work policy, and we will see more welfare cuts and more stringent criteria for aiding the able-bodied. Unlike many of my colleagues in the welfare field, I support switching to a market economy, restructuring our welfare system and encouraging healthy people to work rather than be dependent on welfare. But these changes demand that the government be selective in differentiating between those who need help and those who do not, and between those who can work and those who cannot. It also requires that the government determine how best to ease people from dependence to independence while reducing benefits, and it requires that the government create jobs for those willing to work. Unfortunately, the new economic program has efficiently cut public funding, but it has not created a mass number of jobs. The program has not been sufficiently thought out.

Not all of the jobs vacated by deporting foreign workers will be taken by Israelis; there is no WPA (Work Projects Administration) or public work jobs program; money is still given out for unemployment without requiring any work; industries have not relocated to the Galilee and the Negev, where there are huge pockets of poverty; the economy is contracting, not expanding, and small businesses, that in the aggregate employ hundreds of thousands, are in danger.

After three years of war, local and worldwide economic depression, lack of growth and low tax income, the government cannot sustain previous levels of welfare.

It is easy to close taps but much harder to conceptualize a new welfare system with a human face in the market economy.

This is the challenge that the government now faces, and one wonders if it is just another ad-hoc episode in a series of change efforts that will last until the next (frequent) election. A new government with, for example, Shas or other hinge parties that could make or break a fragile coalition, might turn everything around, and the government may revert to irresponsible economic policies.

The same may be true of changes in the *Chareidi* community. It recalls a


time around 1858 when Moses Montefiore, the renowned Jewish philanthropist from England, wanted to fund projects to create places of work for the impoverished *Chareidi* community in the Old City of Jerusalem and other places in Palestine but was criticized by rabbinical leaders for not funding more *yeshivot* for Torah learning.⁷ In contrast, from pre-State years, the *Dati Leumi* (National Religious) camp embraced the concept of integrating secular and Jewish education, and that legacy makes its members less vulnerable today to welfare reform than *Chareidim*. Their large families will also suffer from smaller grants and fewer subsidies, but many of those who identify as *Dati Leumi* have the skills, motivation and social networks to compete in the labor market as tradesman, professionals, academics and business people. The NRP (National Religious Party) is also still a partner in the government coalition, and until that changes, it will continue to serve as an address for obtaining funding for educational and development projects that benefit its constituency and ideology.

Non-*Chareidi* religious schools are suffering from cutbacks common to the entire public school system, but many parents of students who attend these schools have developed, and pay for, after-school programs held in the schools. These programs are an attempt to compensate for the extracurricular and enrichment classes that were cut.

Nonprofit religious educational programs for adults are suffering from cutbacks in government funding as well, but some of them are engaging in increased marketing and fundraising efforts in Israel and abroad to try to make up for these losses. In 2002, the Israeli nonprofit sector as a whole received 64 percent of its total income from the government through contracts for services or grants.⁸ Today, as the government pulls back from pro-

viding direct services and embraces the market economy, nonprofit education and welfare organizations are reeling from lost income; many of them might not survive the challenge of attaining economic independence. This is true regardless of religious or political affiliation. This may result in mergers, pooling of resources and fewer but more viable nonprofit and educational organizations. This self-reliance could be a healthy development for these fields in the long run.

Will the current *Chareidi* rabbinic leaders give tacit or explicit blessing to *Torah ve'avodah* as a norm, or will they declare themselves against the new trend of learning a religious or secular trade or profession? If the latter is the case, such a declaration will commit thousands of Israeli men, women and

children to lives of poverty. I doubt if that is what God had in mind. 

Notes

1. From a lecture by Shlomi Attias, the deputy mayor of Jerusalem, at a conference on social services and the *Chareidi* community. Bar-Ilan University, Ramat Gan, Israel, 2 March 2004.

2. Proceedings of the High Court of Justice, Jerusalem, Israel, 5 January 2004.

3. Research findings of Dr. Oded Liviatan on poverty in Israel, 1988-2001. Study conducted by Bank of Israel, Jerusalem, 28 October 2003.

4. Examples of some of these new educational institutions are the Chareidi Center for Technological Studies in Jerusalem, which has branches in Bnei Brak, Ashdod and Kiryat

Sefer; the Chareidi College for Women in Jerusalem; the Chareidi Campus in Or Yehuda and the (Chareidi) Academic College in Kiryat Ono.

5. Amiram Gonen, "From Yeshiva to Work: The American Experience and Lessons for Israel," *The Floersheimer Institute for Policy Studies* 4/5 (Jerusalem, 2001).

6. From a study commissioned by the Ministry of Tourism from Geocartographia Surveys, reported in *The Jerusalem Post*, 9 March 2004.

7. Eliezer D. Jaffe, *Yemin Moshe: The Story of a Jerusalem Neighborhood* (New York, 1988), 15-53.

8. Eliezer D. Jaffe, *Giving Wisely: The Israel Guide to Nonprofit and Volunteer Organizations* (Jerusalem, 2000). See also <http://www.giving-wisely.org.il>.

(continued from page 2)

little more than half a century, a large community in Eretz Yisrael in which the ideal of full-time Torah study has been realized to a degree unprecedented in Jewish history.

Today, the number of those engaged in intense Torah study dwarfs the comparable number in all the great pre-War European *yeshivot*. The goal of recreating a vibrant Torah life, which in the immediate aftermath of the Holocaust seemed unattainable, has been achieved. In the process, Eretz Yisrael has become the world center of Torah learning. The great *yeshivot* of Eretz Yisrael are considered the Ivy League of Torah learning. The influence from this intense core of Torah learning has spread to every corner of the Orthodox world.

This is not meant to suggest that the Israeli *Chareidi* world is without flaws or even that what Noah Efron calls "the lovely ideal" of "learning above all" can be sustained in its current form indefinitely. We have already witnessed the two generations of pure Torah learning called for by the Chazon Ish. Over those two generations, a small group of idealists has grown into a community of half a million or more souls.

That change has not only been quantitative but qualitative. A larger community will, of necessity, be far less homogeneous and encompass many levels of ability and spiritual commit-

Not every boy is suited, by temperament or ability, for long-term kollel learning.

ment. No one educational model can possibly satisfy the needs of all the children in a large community, and the attempt to force one model upon all can only result in many being lost altogether to the religious world. Not every boy, for instance, is suited, by temperament or ability, for long-term *kollel* learning. And the effect of not providing respectable alternatives is felt in the small percentage of those who drop out, and the larger number who remain, without enthusiasm, in *yeshivot*.

The challenge the *Chareidi* community confronts today is how to preserve the ideal of Torah learning as its paramount value while adjusting to changing circumstances, both internally and externally. That will not be a simple task.

The Challenges of Transition

Anyone looking for a rapid transformation of the Israeli *Chareidi* community towards something more akin to the American model will be disappointed. The *Chareidi* community is by nature an evolutionary, not a revolutionary, one. What changes take place will come in an incremental fashion, primarily generated by pressures from below. Meanwhile, the *gedolei Torah* who lead the community—albeit with none of the absolute control that is often attributed to them—will continue to focus on preserving the ideal of Torah learning and the goal of producing *talmidei chachamim* (Torah scholars).

Those rabbinic leaders are acutely aware of the danger of throwing out the baby with the bathwater, and of a

too-rapid transformation leading to the disintegration of the community. Any initiative that can be construed as an admission that the direction of the *Chareidi* community over the last fifty years was mistaken—for example, a proposal to set up dozens of new *Chareidi* vocational training centers—will be summarily rejected.

In their insistence on incremental change, the *gedolei Torah* are on solid ground. An entire body of social science literature documents the disastrous consequences of many efforts at social and ecological engineering, and the frequency with which those efforts generate consequences far more grievous than the problems they are designed to cure. Psychologist Dietrich Dorner shows in his book, *The Logic of Failure*, why that is so. Using computer simulations of real-life problems, he found that even the most highly trained and intelligent subjects tended to focus too narrowly on the specific problem at hand and failed to anticipate the system-wide effects of their cures. The result was a series of "virtual" disasters.

In *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*, James Scott recommends two rules to ensure that social engineering does not wreak havoc: keep the initiative small and experimental. Small initiatives allow for testing for unseen consequences. And when planners view their efforts as experiments, they will have an easier time reversing course if disaster looms.

Another crucial determinant of the openness of the *Chareidi* world to change will be the attitude of the secular world. The more the *Chareidi* world feels itself under siege, and feels that the government seeks to uproot the world of Torah, the more it will circle the wagons and resist all change with determination. And there is little question that today the community feels under siege.

That feeling is not unjustified. Shinui's entire electoral campaign was an open declaration of war on the *Chareidi* community. Shinui now wields immense power in the new government, with Prime Minister Sharon's

views often closer to those of Shinui than to his own Likud party.

The attitudes of Shinui have been reflected in government policy. While there have been cuts across the board in the education budget, the cuts to *yeshivot* and seminaries have been far deeper. Recent regulations by the Education Ministry deny government funding to any *yeshiva* with less than forty students and *kollelim* with less than twenty. In Elul those numbers go up to sixty and forty, respectively. As a result, all government funding for hundreds of *yeshivot* and *kollelim*, in which

All government funding for hundreds of yeshivot and kollelim, in which thousands of students learn, will come to an end.

thousands of students learn, will come to an end. To make matters worse, the regulations forbid the merger of existing institutions, and will thereby seal the fate of many of these institutions. The Education Ministry offers no educational justification for the change, only administrative efficiency.

Meanwhile funding for *yeshivot ketanot* (high school-age students) has been roughly halved, resulting in tuitions that have shot up sharply. The large *Chareidi* family finds itself suddenly buffeted by a series of blows, one after another, from every direction. Families that have lost thousands of shekels in monthly child-support payments find themselves being forced to pay monthly tuitions up to twice as great as previously. It is no exaggeration to speak of tens of thousands of

Chareidi children going to bed hungry.

Nothing would do more to convince the *Chareidi* leadership that the secular majority seeks the destruction of the Torah community than a renewed attack on the draft exemption for *yeshiva* students. As more *Chareidim* enter the workforce and at a younger age, more will eventually do some form of army service and reserve duty. But any attempt to force the vast majority of *Chareidi* *yeshiva* students into the army or national service frameworks at eighteen years of age can only backfire. Such a decree will be resisted with determination no matter how much suffering is inflicted in the form of budget cuts.

Unlike their secular counterparts, *Chareidim* do not have the option of pushing off marriage to their late twenties and beyond. They will mostly continue to marry at twenty-one and twenty-two. To deprive them of the years of learning between eighteen and marriage would be to take away the prime years of intense learning. And to encourage them to enter the workforce not long after marriage—after having spent some years serving in the army—would be to deprive them of any period of uninterrupted growth in Torah.

Factors over which the *Chareidi* community has no control also serve as a brake on any rapid transformation of the structure of *Chareidi* society. Market forces alone cannot solve the problem, given the current state of the Israeli economy. The cuts in child-support allowances projected over the next three years will bring Israel's child-support payments to the lowest tier in the Western world. But even after such draconian cuts in social transfer payments, the market's invisible hand will not itself bring about an automatic social transformation.

It is crucial to recall that the welfare reform of the Clinton years in the United States, to which some make a facile and shallow analogy, began during a period of economic boom and rapid job creation. The situation in Israel is the exact opposite. Unemployment hovers at around 300,000 people. The job market is already saturated with job

seekers, many of them in the high-tech fields to which *Chareidim* are most likely to gravitate. Thus it is the worst possible time for first-time job seekers.

But the implications of the high unemployment go far beyond that. Consider the case of an average young *kollel* scholar with three or four children. He discovers that his wife's salary—if she has one—and his *kollel* check—if he receives one—and child-support payments are no longer adequate to put food on the table. If he is not an entrepreneurial type, he will likely need some kind of vocational or academic training, varying in length between six months and three years, to prepare for entering the workplace.

Far from alleviating the financial strain that forced him into the job market in the first place, his decision to prepare himself for the job market immediately places him in an even worse situation than before. His *kollel* check has stopped, and, in addition, he has the costs of his education to worry about. That dilemma alone keeps many young *Chareidim* from leaving *kollel* to acquire the necessary training. At a Jerusalem conference on academic programs for *Chareidim* held last March,² there was unanimity on one point: Any serious program to encourage greater work force participation by *Chareidim* must include some form of scholarship assistance to cover the costs of education, as well as stipends or loans for living expenses.

Now let us say that our former *avreich* (young married man) has completed a training course and is ready to look for a job. His success or failure is a matter of concern to a far wider circle than himself and his family. If he fails to find employment, many of his friends and former colleagues in yeshivah and *kollel*, who are themselves contemplating seeking some form of vocational training, will conclude that it is not worth leaving *kollel* because at the end of the day they will be left without either Torah learning or any income. Thus one young *kollel* scholar's failure to find a job can have a ripple effect on dozens of others.

There is evidence that this has happened. Twenty million shekels from the 2003 Ministry of Labor budget for *Chareidi* job-training programs went unutilized due to a lack of enrollment. This reflects the fact that the placement rate for the 7,000 individuals who have graduated or are enrolled in *Chareidi* job-training programs is less than 50 percent. Bottom line: Job training alone will not suffice.

To ensure that talented young men who have pursued vocational training will succeed in finding employment will require creating vocational counseling centers on a much larger scale than currently exist.

As more *Chareidim* enter the workforce and at a younger age, more will eventually do some form of army service and reserve duty.

One woman who works in the field of *Chareidi* employment told me that she often hears *kollel* students say the following: "I can't put bread on the table. I'm willing to work, but I have no idea what to do next." Guiding such young men would be one of the first tasks of the vocational counseling center. Such centers would begin by advising those eager to enter the job market about the educational programs best suited to their abilities, interests and the current job market.

Those centers would also prepare *Chareidim* who have completed their training for entry into the job market. This would include, primarily, help with self-presentation—for example, interviewing skills, preparing a résumé, et cetera. It would also include instruction in workplace norms, which may be very different from those to which

most *Chareidim* are accustomed.

In addition to vocational counseling, much more has to be done in the area of job placement. Efforts to date have been haphazard. Nothing is harder for *Chareidim* than finding their first job. Many secular employers are unfamiliar with *Chareidim* and are reluctant to hire them. One way to overcome this barrier would be a combination of public and private incentives (such as job-training grants used in the United States) to encourage employers to hire those from currently underemployed sectors. The Israeli government recently agreed to contribute 1,000 shekels per month towards the salaries of new employees in certain high-employment areas. Kiryat Sefer, in which most of the heads of households learn in *kollel*, was one of those towns designated eligible for the grants.

Once the original reluctance to hire *Chareidim* is overcome, many employers find that *Chareidim* often possess qualities that make them ideal employees: They are used to concentrating for long periods of time, they are less prone to jump from job to job in search of higher salaries, and once they have made the difficult decision to go to work, they are very serious about their jobs. On-the-job training also has other advantages. Often, the curricula of vocational training programs are not updated to take into account the demands of the market. This problem is avoided when employers themselves provide the training.

On the plus side of the job placement ledger, many employers, especially in the high-tech area, are convinced that there is a large untapped pool of talent in the *Chareidi* world. Recently a Chassidic *kollel* student, who had not even completed his program at the Chareidi Center for Advanced Training, completely revamped the operating system of a major defense subcontractor, involving hundreds of databases. Such stories get around.

Matrix, one of Israel's leading software companies, recently announced plans to create a computer center that will train and employ at least 300 *Chareidi* women. Other such agreements have been concluded on a smaller scale. If there were a central-

ized organization focused on working out arrangements with high-tech employers to hire and train groups of *Chareidi* employees, much could be done. Dr. Shlomo Kalish, one of Israel's leading venture capitalists with broad contacts in the high-tech world, has taken some preliminary steps in this direction, but much more is left to do.

Access to the job market is another problem in need of creative solutions. New *Chareidi* communities have sprung up over the last decade and a half in response to the ever-growing demand for affordable housing. But these communities tend to be further removed from urban centers, which makes it harder for *Chareidim*, particularly mothers with young children, to commute to work.

In many of these newer *Chareidi* enclaves there exist substantial pools of highly trained young *Chareidi* women, which could be attractive to employers. Employment centers to house businesses in *Chareidi* towns would make it possible for these women to work.

Beyond vocational training and job placement, there is the issue of job creation. Here American Jews interested in placing the Torah community in Israel on a more self-sufficient footing could make a big contribution. The American communications company IDT is already outsourcing much of its customer service rep work to Israel, and is on the verge of becoming one of Israel's major employers. A number of other smaller American companies have also begun to outsource work to Israel.

The untapped potential in this area, however, remains immense. An Intel internal study found that Israeli high-tech workers have the highest productivity per dollar paid in the world. The first beneficiaries of such outsourcing would be English-speaking immigrants.

What American Orthodoxy Can Do to Help

American Orthodoxy has much to

contribute to the long-term survival and flourishing of the large Israeli religious population. Our task is to relieve the suffering caused by the package of government budgetary cuts, which, because of their large family size, struck both the National Religious and *Chareidi* communities with disproportionate effect.

Many young married *Chareidi* men have the energy and talent to adjust to new circumstances and to enter the labor market. But there are many large families in which the father lacks the

The government budgetary cuts struck both the National Religious and *Chareidi* communities with disproportionate

ability to make the transition, or is simply too old to do so. Those families have few resources to escape the consequences of the budget cuts.

The tremendous social dislocation in Eastern Europe between the two World Wars led young people to desert religious observance in droves. And the same could happen again in Israel. Israel is still dealing with the baleful results of the destruction of immigrant families in the absorption process in the early years of the State. The effects of the breakdown of thousands of religious families would be equally disastrous.

The religious communities of Israel, however, need more from American Jews than just their money. They need their business acumen, sophistication and organizational abilities in order to ease the transition for those members who have decided to enter the working world. That includes, as described above, providing the necessary vocational counseling, facilitating job placement and using resources and connections to

create new jobs for *Chareidi* workers.

But above all, American Jews must not lose sight of the amazing dedication to Torah learning that is the hallmark of the Israel Torah communities. Ultimately the fate of the Jewish people depends on the preservation of that core of intense dedication to Torah learning.

Any efforts to assist in helping the Torah communities of Eretz Yisrael become more economically self-sufficient must be accompanied by great efforts to ensure the preservation of the great *yeshivot* and *kollelim* of outstanding scholars. For the amount of money spent to remodel a kitchen, and for less than is spent on many *semachot*, one can enter into a Yissachar-and-Zevulun relationship with three world-class *talmidei chachamim*, men who continue to learn day and night while living on the barest minimum, and thereby share in the merit of their Torah learning. The willingness to make these types of calculations and trade-offs provides one major test of the depth of our belief in Torah and that Hashem runs the world according to a spiritual calculus. **JA**

Notes

1. In the 2004 education budget, Chinuch Atzmai (the independent *Chareidi*-run educational system) was cut by 5.3 percent despite a 4.1 percent increase in the number of students. As a consequence, per student spending was cut 9.4 percent. The general elementary school budget was cut 5 percent, while enrollment declined 1.3 percent, for a net per student decline of 3.7 percent. The Chinuch Atzmai system receives, on average, 29 percent less per student than the government school system on comparable budget items. While the budget for higher education remained almost unchanged, the stipend per yeshivah student declined 35 percent between 2002 and 2004.

2. The conference was sponsored by the Floersheimer Institute for Policy Studies.