



The Sabra Report

Haredi Party Demands 600m Shekels for Yeshivas, Warns of Government Downfall

Haaretz, May 17th, 2023

Recap:

Days after the government approved \$3.7 billion in discretionary funding for ultra-Orthodox institutions, Haredi politicians demanded an additional \$165 million [1], warning that if their demands were not met it could be the "beginning of [the government's] downfall."

The Context:

- ✦ The funds earmarked for the Haredi community include stipends for Haredi yeshivot, a food voucher program and non-supervised educational institutions [2]. Israel's ultra-Orthodox parties, Agudat Yisrael & United Torah Judaism, hold 11 Knesset seats. The coalition cannot pass a budget without their votes [3].
- ✦ The parties also threatened to renew demands for Haredi exemption from military service [4]. The existing National Service Law, which initially passed in 2014, sets allotments of Haredi draftees to the IDF per year, however, the High Court deemed the bill unconstitutional in September 2017, since the exemption violated the notion of equality [5].
- ✦ Israel's finance ministry, which insists on deferring the request to next year's budget, warned that the sweeteners will "create a system of anti-economic incentives that encourages an exodus from the labor market [6]."
- ✦ Israel's Haredi population has higher poverty rates and lower levels of employment than the rest of the population [7]. The community makes up 13.5% of the country's total population and is expected to grow to 16% in 2030 [8]. According to the finance ministry, if employment participation among Haredi men does not increase, by 2065 the government will have to increase taxes by 16% to maintain the same level of services it provides today.
- ✦ Thousands of anti-government demonstrators marched through the ultra-Orthodox city of Bnei Brak on Wednesday night to protest the government's plans to placate the Haredi community [9].

Conversation Points:

- ✦ How can policymakers address economic disparities within the Haredi community while ensuring sustainable economic growth for the country as a whole?
- ✦ Do stipends for ultra-Orthodox institutions create a system of negative incentives?
- ✦ How should Israel balance religion and state?

Notes:

1. [Haredi parties said to demand hundreds of millions more to back budget](#), Times of Israel, May 17th, 2023.
2. Ibid.
3. [Gov't to request five-month delay on haredi conscription bill - report](#), ELIAV BREUER, Jerusalem Post, May 1st, 2023.
4. Ibid.
5. [Gov't to request five-month delay on haredi conscription bill - report](#), ELIAV BREUER, Jerusalem Post, May 1st, 2023.
6. [Haredi parties said to demand hundreds of millions more to back budget](#), Times of Israel, May 17th, 2023.
7. [Israel's angst 75th anniversary](#), The Economist, April 25th, 2023
8. [Haredi parties said to demand hundreds of millions more to back budget](#), Times of Israel, May 17th, 2023.
9. [Thousands march through Bnei Brak against Haredi 'pillaging of the public coffers'](#), Times of Israel, May 17th, 2023.

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