

Springboard to Social Mobility



The Rashi Foundation Blueprint for Social Mobility: National Policy Recommendations

March 2019





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Foreword

The time is 3:00 a.m., the place is a hospital in the hills of Jerusalem.

The lights are dim in the maternity ward corridor, but the newborn nursery is bright and full of life. New mothers, ready to nurse their babies or change diapers, move among the cribs; some are there simply because they can't bear to be parted from their newborns. They are tired, their bodies ache, but their hearts are bursting with joy and hope. New lives have been brought into the world. Lives representing possibilities, aspirations, hopes and dreams. A newborn is full of potential – potential for a good, full, and meaningful life.

The babies lie next to each other in their clear plastic cribs, dressed in the hospital's tiny patterned pajamas. They all look very much alike; to a stranger's eye they seem virtually identical. Only the individual mother can tell which baby emerged from her womb.

In one crib lies Esther, who will be going home with her parents to Gush Etzion, where her four older siblings await her. In the crib next to hers lies little Rana, sucking her thumb. Her mother, who was hospitalized for weeks before her birth, is eager to go home to Jisr az-Zarqa, where her family will care for her and envelop her with warmth.

The stillness of the nursery is disturbed by the wails of Aharon, whose mother has been summoned to nurse him. She is exhausted after a long and painful labor, but she knows that when she goes home, she will be able to rest. The women of her community, in the city of Beitar Illit, will cook meals for her family and watch her older children while she recovers. Tiny Lital lies open-eyed but silent in her crib, letting her mother get a few more minutes of sleep. Tomorrow, for the first time, Grandma will come for a visit; until now she has remained in Dimona to care for Lital's older siblings.

In a crib next to the wall, Adam sleeps peacefully. He is a calm and quiet infant, on track to sleep straight through the night from an early age.

This will allow his mother to return quickly to her office in Ra'anana, where she is a self-employed lawyer; she will be able to complete important work at night and on weekends. She was already answering important e-mails in the recovery room.

At these moments, in the newborn nursery, all imaginable opportunities seem open to the newborns. They are all equal, healthy, and vital. The future lies before them; everything is possible.

But the reality is that, in Israel of 2019, their futures are pre-determined. Their fate, which right now looks like an open book, has already been largely dictated by their place of birth.

The opportunities, educational frameworks and financial investment that will be available to them, are a foregone conclusion. Those whose parents have extra time and money to put into their education, and those living in locales with jobs and strong school systems, will have the opportunity to move ahead. Those whose parents struggle each month just to survive, and whose local schools are unable to provide enrichment lessons, will soon lag behind.

Adam is already signed up for a small family-based childcare framework, one in such high demand that mothers have to register their babies for it while pregnant. Four thousand shekels per month (about \$1,000) will buy the parents peace of mind, and Adam will receive personal attention, musical enrichment, and developmental play ("gymboree") classes. Lital's mother doesn't yet know what arrangement she will find for her; perhaps a center belonging to one of the day care chains will have an open spot. She would much rather not leave Lital at 3 months of age at a day care center with 30 other children, but she has no choice; if she doesn't go back to work, she'll risk losing her job. More importantly, she will not be able to meet all of her household expenses.

Soon, when Rana has grown some, her parents will realize just how special she is. She'll start talking

at age one; by age two, she'll already have taught herself to read from her brother Yussuf's third-grade school-book. But in Jisr az-Zarqa, a low-income locality ranked in Socioeconomic Cluster 2, there are no gifted classes. In fact, most of the Arab-Israeli locales have no such classes – unlike in central Israeli cities, which boast dozens.

When Adam starts school, he will benefit from a range of electives and from film, comics, and computer classes. That's because Ra'anana invests more money than other locales in its schools, beyond the allocated Ministry of Education budget. The ulpana, or girls' religious high school, that Esther will attend will give her supplementary hours in math and biology. A pupil in a state religious high school receives a budget of 37,700 shekels per year from the Ministry of Education, 23% more than a pupil in the non-religious state education stream, and 40% more than an Arab pupil. It won't surprise us when Adam and Esther enroll at university, like 81.5% of pupils from Israel's most affluent locales.²

Aharon will not earn a matriculation certificate. Unlike his siblings, who went on to full-time Torah study at kollel after their years in yeshiva, Aharon will actually try to pursue academic studies in order to realize his dream of becoming a social worker. But the gaps in his knowledge of math and English will not allow him to earn the matriculation certificate he needs for university admission – a situation common to 94% of ultra-Orthodox (Haredi) pupils.

Ever since Lital saw a television report on IDF Unit 8200, she has dreamed of serving in it. But she's going to give up on her dream, because she has no real chance of being admitted to this elite unit. And why should this surprise us? Only 15% of the programmers and academic students destined for tech-oriented positions in the army come from localities in Israel's socio-economic periphery.

When Rana gets a job, she will find that, although she's highly intelligent, diligent, and has studied hard all her life, she will earn less than her peers who studied with her. Rana is at a double disadvantage: she is Arab and also a woman. The wages of Jews are, on average, 35% higher than those of Arabs, while men earn 35% more than women.

Even if Rana works into the night, just like the male programmers who labor alongside her at the startup, they will still earn higher salaries than hers.

The goal of this Blueprint for Social Mobility is not to proclaim fatalistically a dire future. Rather, this is a sober, factual picture of the State of Israel today. If the picture is troubling, that is because the current reality and prevailing trends are themselves troubling.

But the blueprint is also optimistic: it shows that the present situation is reversible. Many countries around the world have faced similarly great challenges, and have succeeded in providing children from different backgrounds with equal opportunities and starting points.

Israel has coped with tremendous challenges that no country before it ever had to address: we have made the desert bloom and survived and thrived in a hostile region, becoming a powerhouse of innovation in the process.

And all this was achieved thanks to the most valuable resource available to us: our human capital.

Now is the time to nurture and care for the next generation, and ensure that all Israeli children receive an equal opportunity to fulfill their potential.

Introduction

Historically, Israel, as a country of immigrants and a welfare state, was viewed as a place where “all hopes would be fulfilled,” where all opportunities and possibilities would be open to the Jews gathered there from the four corners of the globe.

David Ben-Gurion’s historic decision to institute a State education framework, and the “melting-pot” policy that prevailed in the State’s early years, were inspired by the ideal of a uniform education and socialization system. Despite the price of losing elements of the cultures from which they hailed, Israeli children benefited from high quality and accessible education and healthcare.

The aim here is not to idealize the past. The fledgling Israeli state was poor, as were most of its citizens. Mizrahi Jews (who immigrated from Middle Eastern countries) were sent to populate locales in the periphery; those who did not have membership in the Labor party had trouble finding work, and Israel’s Arab residents suffered multi-faceted discrimination.

But the young nation was also a welfare state that provided similar educational opportunities to the children of both the periphery and the urban centers, from the lowest to the top income quintiles. The existence of educational opportunity, and the tendency of immigrants to strive for social integration, combined to ensure a relatively high rate of social mobility during the early years of Israeli statehood.

Over the past two decades, all of that has changed. Israel’s phenomenal economic growth has raised the average standard of living for most of the country’s citizens, but not all have profited to the same degree.

Israel currently surpasses most other industrialized countries in income inequality. And inequality in social services, particularly education, has sprung up alongside the income inequities, due mainly to the spread of private education and a governmental allocation policy that allows stronger locales to invest much more in education and other services than can poorer locales. Inequality is so pervasive that one can actually predict with a high degree of certainty the socioeconomic future of all Israeli children from the moment of birth, based solely on place of residence. There are clear differences between

a Tel Aviv child and a Migdal HaEmek child, or between an Arab child and a Jewish child of the same age, in terms of their chances to live a prosperous life.

The time has come to announce a national effort on behalf of today’s children and tomorrow’s Israel. We must do everything possible to sever the relationship between place of birth and potential for self-fulfillment, because this is the key to the nation’s continued prosperity.

The first step on the road to achieving this goal is to change our perception of intergenerational poverty. This is not an unavoidable fate but, rather, a social phenomenon that can be changed by means of public policy. Such change has been effected elsewhere in the world, and it can and must happen in Israel. **We need to define social mobility as a national objective, and Israel must undertake to enable each and every one of her children to climb the social “ladder” and realize his or her capabilities.**

We believe that the way to make opportunities fully and equally accessible is to make this a national policy objective, one that will require us to pool resources and join forces over an extended period. Achieving this objective will entail the creation of a governmental body to integrate all efforts made in this regard.

Social mobility is a complex problem involving multiple actors, factors, and measures. Promoting social mobility is not a one-time project – it is a mission requiring an institutionalized infrastructure for managing opportunities and making them accessible in such a way that all Israeli children can take advantage of them. Numerous governmental and civic organizations are already working to promote equality of opportunity and to create services tailored to the needs of Israel’s different communities. However, these efforts are not organized under the rubric of a unified national policy whose implementation is coordinated via measurable objectives.

In this blueprint, we propose that the Israeli government formulate an effective policy focused on the needs of disadvantaged target groups, and define indices and concrete objectives to assess progress.



The main purpose of this blueprint is to offer recommendations for a comprehensive national social mobility policy. We will propose basic principles for formulating this policy and for developing an operational infrastructure that will facilitate its implementation.

Afterward, we will present recommendations across the age continuum from birth to adulthood – out of an understanding that only by addressing mobility-promoting drivers along that continuum can the social mobility challenge be properly met. Most of our recommendations have to do with the core fields of education and social services, which are the main spheres of mobility-promoting action, and in which the Rashi Foundation has extensive experience and proven success.

This blueprint contains a large number of recommendations, including three core recommendations that will lay the groundwork for addressing the problem of social mobility. These core recommendations should be the main focus during the first stage of implementation:

1. **Establishment of a governmental body within the Prime Minister’s Office to coordinate social mobility issues on the national scale.**
2. **Differential budgeting of all civil services, including implementation channels.**
3. **Increase the state’s responsibility to fund and provide access to early childhood education.**

The recommendations presented in this outline are initial ones; they constitute a foundation for future policy to address the social mobility challenge. A comprehensive governmental policy would have to broaden the principles of effective action in all social policy areas – healthcare, transportation, taxation policy, the economic development of low-income locales, and more.

- Israel will need to define social mobility as a national challenge and priority.
- This will require effort, creativity, and mobilization on a national level.
- We will need to raise funds and join forces with governmental, community, professional and philanthropic organizations.

This is a crucial challenge, on behalf of the future of Israel’s children. This is a vital challenge to Israel’s future as a nation.

Opening Remarks

I am honored to present this policy blueprint, which proposes a new agenda for Israel, focused on advancing social mobility as a major national objective.

The blueprint represents a months-long, intensive effort initiated by the Rashi Foundation, and it is the outcome of over 35 years of proven efficacy in assisting and advancing disadvantaged and low-income populations in Israel's geographic and social periphery. In the course of our activities, we have become aware of growing inequality and of a lack of opportunities for fulfilling potential; the inequities are particularly striking when central and peripheral Israel are compared.

This blueprint was drawn up in order to assist the Israeli government in developing policies that will give all Israeli children an equal opportunity to fulfill their dreams, regardless of where they were born or what their parent's income is. The blueprint focuses on recommendations for a comprehensive policy to promote social mobility, and on basic principles for creating an infrastructure that will enable this policy to be implemented.

This blueprint is unique in that it offers a comprehensive overview of the state of social mobility in Israel. Its recommendations are based on interviews and meetings with dozens of experts and professionals, a review of relevant Israeli research, and a consideration of what has been done successfully abroad to close social mobility gaps. The recommendations are intended for the use of decision makers working to shape effective policy – policy that will create the opportunities and services that people on the bottom rungs of the social ladder need in order to climb higher.

Israel has successfully coped with tremendous challenges, both internal and external, when it has made these challenges top priority. National security is a prime example. We believe that the same approach should be taken to national socioeconomic security, and that this issue should be made a national objective of the highest order. It is our hope that the blueprint will provide a basis for further thought and long-term planning, leading to the desired breakthrough on behalf of Israel's future as a society and as a nation.

The Rashi Foundation's efforts are rooted in an approach that views joint activity on the part of civil society and governmental organizations as the key to generating meaningful and sustainable change for all of Israel's citizens. We will play an active role in this important effort, and we call upon you to join us in promoting the initiative.

Sincerely,



Michal Cohen
General Director, Rashi Foundation

The Blueprint Preparation Process

Work on this blueprint was carried out over the course of many months. The document draws on many years of effort and learning at the Rashi Foundation, which for the past three decades has been striving, in 170 different locales, to close gaps and promote opportunities in Israel's social and geographic periphery. The effort involved interviews and meetings with dozens of Israel's leading experts, researchers, policymakers, and professionals in the fields of social service, economics, and education. The most significant research studies on social mobility, produced in Israel and abroad, were consulted as well. The blueprint was written under the leadership of the Rashi Foundation's Research and Development Department, with assistance from **Hadas Lahav, Dani Rosner**, and research analyst **Ella Avital**.

Most of the data on Israeli social mobility are based on a comprehensive study, the first of its kind, which was conducted as part of the doctoral studies of **Oren Heller** of the National Insurance Institute's Research Administration. Mr. Heller also helped develop the theoretical and research framework for this outline, and he was involved in writing the document.

Acknowledgements

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The staff of the Rashi Foundation and its affiliate organizations:

Astar Sobol, Manager of Social Innovation, the Rashi Foundation

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Yossi Malka, CEO, Ma'ase

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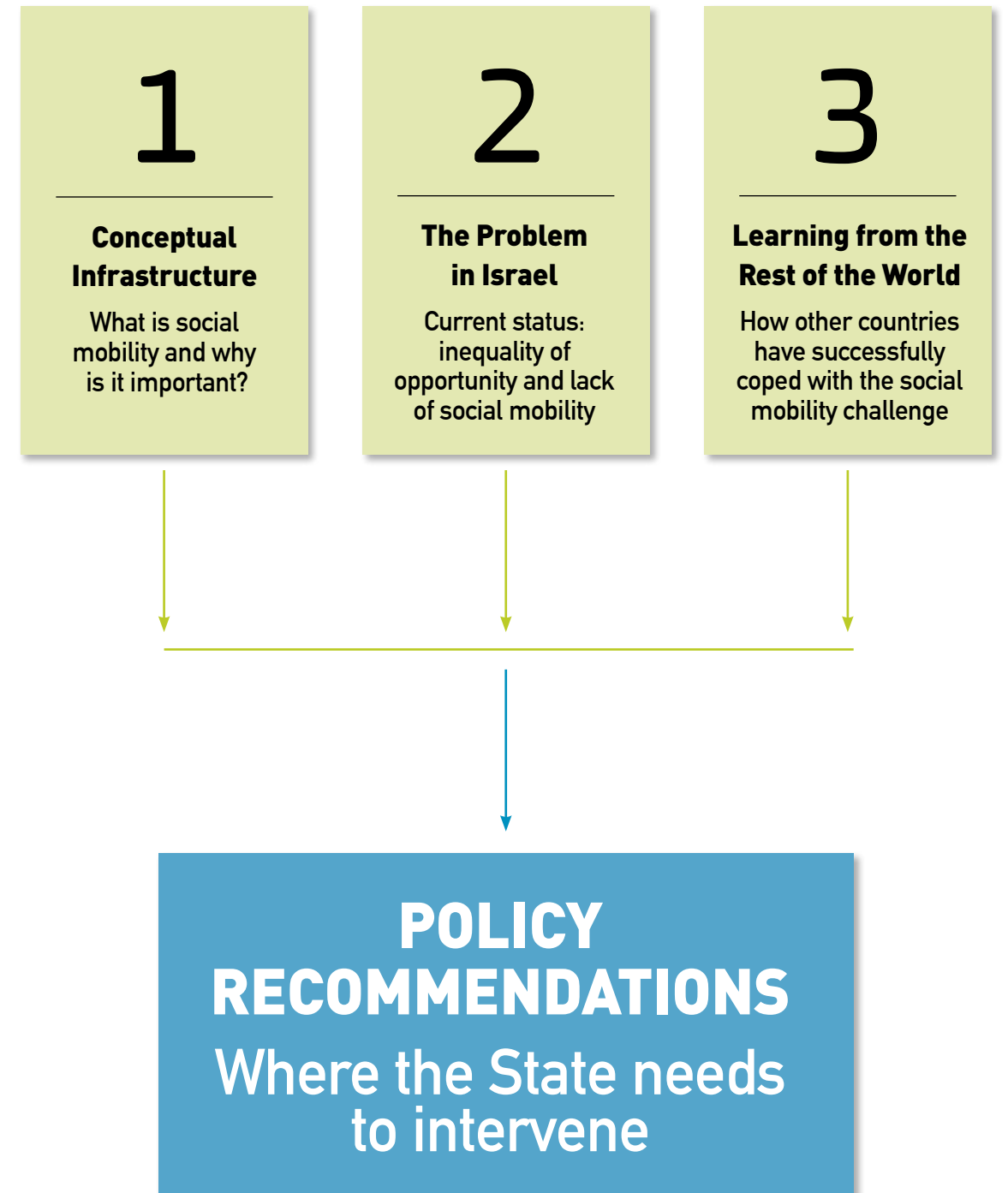
National Union of Israeli Students

Karev Program for Educational Involvement
OR Movement

Israel Association of Community Centers



Structure of the Blueprint



Conceptual Infrastructure

Climbing the Ladder: What is Social Mobility?

- **Social mobility is the ability to move** between different social strata and different income and education levels.
- Mobility is especially important for people from disadvantaged socioeconomic backgrounds. It manifests in these people's **ability to break the intergenerational cycle of poverty and improve their standing on the socioeconomic ladder, regardless of factors that do not depend on them.** These factors include their socioeconomic background, the locale in which they grew up, the ethnic group to which they belong, etc.
- **Intergenerational mobility refers to change that occurs between** generations, and is assessed in terms of whether – and to what degree – the opportunities available to a child are affected by his/her parent's socioeconomic status.
- **Income mobility** is the most continuous and diverse variable through which inter-country comparisons can easily be made. The parameter most commonly used to measure relative income mobility is the IGE – Intergenerational Elasticity, which looks at the relationship between parents' wages and those of their offspring.
- The data indicate that, on average, there is a direct negative relationship between income inequality and social mobility: **the higher the country's inequality level, the lower its social mobility.**

Why Social Mobility Should Interest Me Right Now

- **The ethical reason:** The value that lies at the heart of social mobility is that of social fairness – a fair society is one in which all children can fulfill themselves, realize their potential and aspirations – whether they are born to affluent families in a major urban center or to low-income families in the periphery. Even in a world where the starting point for each individual is different – we will strive to create equal opportunities that compensate for the differences.
- **The democratic reason:** In the absence of social mobility, the country's citizens, especially those belonging to the more vulnerable socioeconomic groups, may feel that there is a glass ceiling and that they will not be able to make the most of their efforts and abilities. This, in turn, may undermine their faith in the fairness of the public system, which can lead to lower levels of participation in democratic processes at the local and national levels.
- **The economic reason:** A society with high social mobility has a greater chance of realizing its potential for growth and prosperity. Low social mobility means that there are individuals and entire groups that could theoretically make a social or economic contribution, but are not doing so.

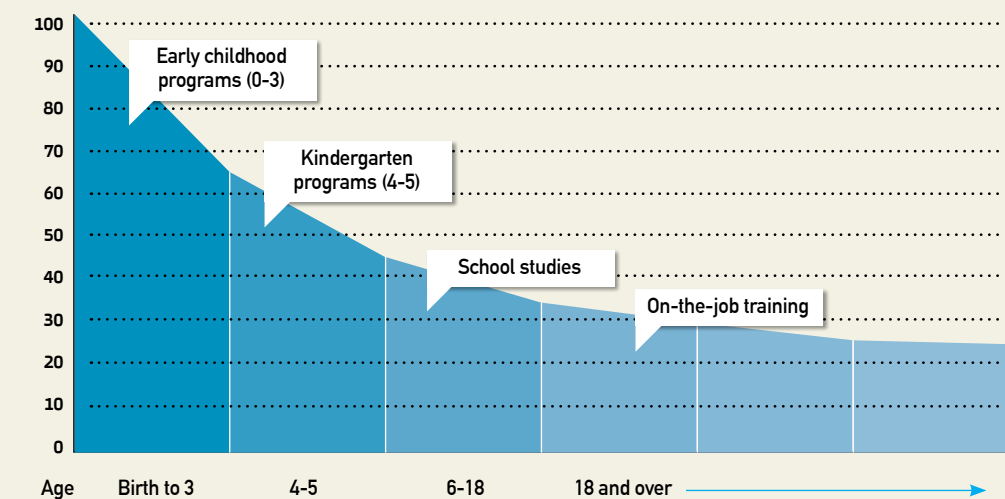
How Beneficial is Mobility to Society?

Lack of social mobility is costly to the economy, which suffers loss of income and reduced productivity and growth due to the failure to nurture talent. Public and charity coffers must increase social service and welfare expenditures for those who have not managed to improve their socioeconomic status.

- **The greatest benefit is seen from early childhood investment:** According to the findings of Nobel Economics Laureate James Heckman, shown in the graph below, the earlier the intervention, the greater the economic return on it. Thus, the social return on investment is the greatest in early childhood: every dollar invested in a quality early childhood education program yields a 13% annual return.
- **Quality education leading** to a rise of one standard deviation in average scores will result in a 10% increase in earnings at age 27.
- **Increasing family income by USD \$1,000** through changes in taxation policy can increase children's chances of completing high school by 1.3%, and their chances of earning academic degrees by 4.2%.

* The earlier we invest in a child, the greater the future return

Rate of return on human capital investment



Source: Heckman, J.J. (2008). Schools, Skills, and Synapses, *Economic Inquiry*

Factors that Influence Social Mobility

- Social mobility is a complex and multidimensional concept. The factors that influence social mobility are many, and we cannot draw decisive conclusions about the relative importance of one or another factor; in reality, the factors overlap and work in different combinations for different people.
- Social gaps, for the most part, do not stem from genetic or individual differences; in general, they arise from, and are based on, social processes and mechanisms that deepen inequality in providing opportunities. We can make a distinction between factors that emerge as a result of public policy (such as primary, secondary, and higher education, resource allocation, taxation policy, intergenerational capital, and more), and factors that do not stem directly from public policy (such as cultural preferences, social norms, work ethics and social networks).
- In order to develop an effective intervention policy that will weaken the intergenerational impact of parental status on children's futures, we must map the separate variables that affect mobility over children's lifetimes.

Examples of Factors Affecting Social Mobility



Parental status and income
Parents' ability to provide their children with conditions conducive to life success, such as education and a social network, depend on their economic status



Parents' education level
There is a close relationship between parents' education levels and the future education levels of their children



Exposure to experiences and education in early childhood
Exposure to experiences and environmental stimuli is critical for the proper development of the brain and the central nervous system



Access to quality education
A parameter that predicts the chance of acquiring higher education and increasing future earning power



Impact of geography
The locale where a person grows up has a strong impact on the range of opportunities available to them, especially in terms of the locale's peripherality and quality and quantity of public services



Social capital
The quality and quantity of social contacts and relationships depends on social status or affiliation with a given group. These qualities and abilities of a person's social network affect his/her achievements in the long term



Family structure
There is a correlation between single parenthood and low social mobility



Intergenerational asset transfer
The transfer of property from generation to generation creates inequality in economic status, and also affects attributes such as economic security and willingness to take risks

Declining social mobility: Children today have less equality of opportunity than in the past

There is usually a negative correlation between a country's inequality and social mobility levels. Given Israel's current high degree of inequality, we would expect to see low mobility. However, although Israel ranks very high on the inequality scale, its average mobility level is relatively high.

Nevertheless, averages can be misleading in a country as heterogeneous as Israel. Due to the great variation among the country's population groups, we must look at social mobility data for each group.

When we do, we find that the upward mobility of Arab-Israelis, ultra-Orthodox men and women, and residents of the periphery is much lower than the global average.

Additionally, there is evidence of a worrisome trend: **social mobility in Israel is declining**. According to OECD data, when we compare absolute class mobility, a parameter that estimates the relative "prestige" of occupations, we find a decline in mobility among those born between 1960-1974 and those born in earlier decades.

The main problem with measuring social mobility is that the data obtained today reflect the situation of today's 40 year olds, based on their income as adults. Mobility information is always a generation behind, and reflects the conditions that prevailed in Israel during the 1970s. We will be able to learn about the social mobility of today's children only during their adulthood, 20 to 30 years from now – at which point it will be too late.

Therefore, it is worthwhile to track today's trends via current indices that are known to affect mobility. This will give an idea of the impact of policies that are in place today. According to the OECD, a look at several parameters known to affect mobility (e.g., lack of equality in education, healthcare, employment, and income, as well as parents' civic engagement) indicates that **Israeli mobility levels are falling**.

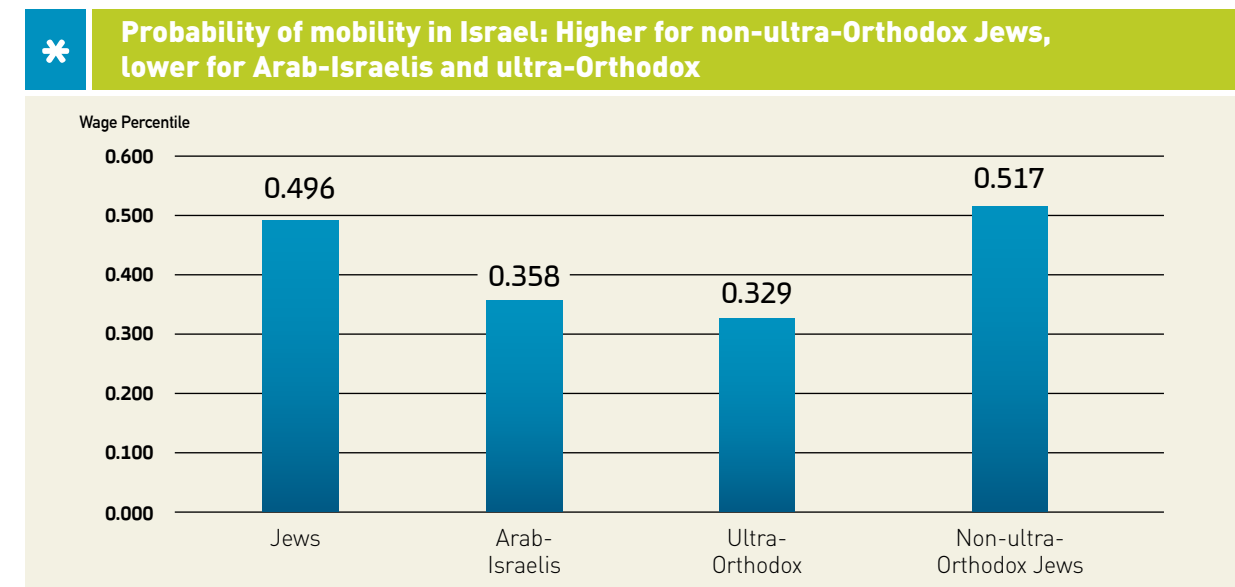
The deterioration of social mobility in Israel stems from a rise in inequality as compared to the first decades of the State of Israel's existence. The downward trend can also be attributed to Israel's changing demographic makeup. According to a report by the Chief Economist of Israel's Finance Ministry, "the findings regarding the Arab and ultra-Orthodox populations' relatively low degree of social mobility is of particular importance, given that the weight of these groups within the population as a whole is expected to grow in the coming decades. The findings suggest that, under status quo, Israeli social mobility levels are liable to decline."

If we do not act now, our children will pay tomorrow.

Secular, Ultra-Orthodox, or Arab: Tell me who your parents are, and I'll tell you what your chances are for the future

There are significant mobility differences among different groups, which translate into the intergenerational perpetuation of each group's socioeconomic status. Simply put: **a child born in the periphery, or to an ultra-Orthodox or Arab family, will not receive the same opportunities for development and personal growth as a non-ultra-Orthodox Jewish child born in central Israel**. The following graph illustrates the likelihood of upward social mobility for children of parents whose income from labor is below the median.

- **The highest degree of intergenerational mobility shown by families of below-median income is that of the non-ultra-Orthodox Jewish population:** As the graph shows, the child of a low-income family who attends state schools (secular or religious) has the greatest chance of climbing the socioeconomic ladder, by comparison.
- **The Arab-Israeli population's intergenerational mobility is much lower:** An Arab-Israeli child whose family is in the lower median may be expected to reach Income Distribution Percentile 36 as an adult. This is due to lower educational investment, a consequence of the Arab localities' lower socioeconomic level, as well as a certain degree of labor-market exclusion.
- **The chances of an ultra-Orthodox child progressing in life are the lowest,** owing to a variety of factors, some related to the ultra-Orthodox education system's curriculum, which is not suited to the modern labor market, and others to the low socioeconomic status of most ultra-Orthodox families, and to the lack of higher education among ultra-Orthodox parents. There are also cultural factors that discourage ultra-Orthodox men from entering the labor market and encourage them to devote their time to yeshiva studies.



Expected wage percentile of a child whose parent's income from labor is below the median. For more information, see Heller, 2017.

Grew Up in the Periphery? Your Future's Looking Less Bright

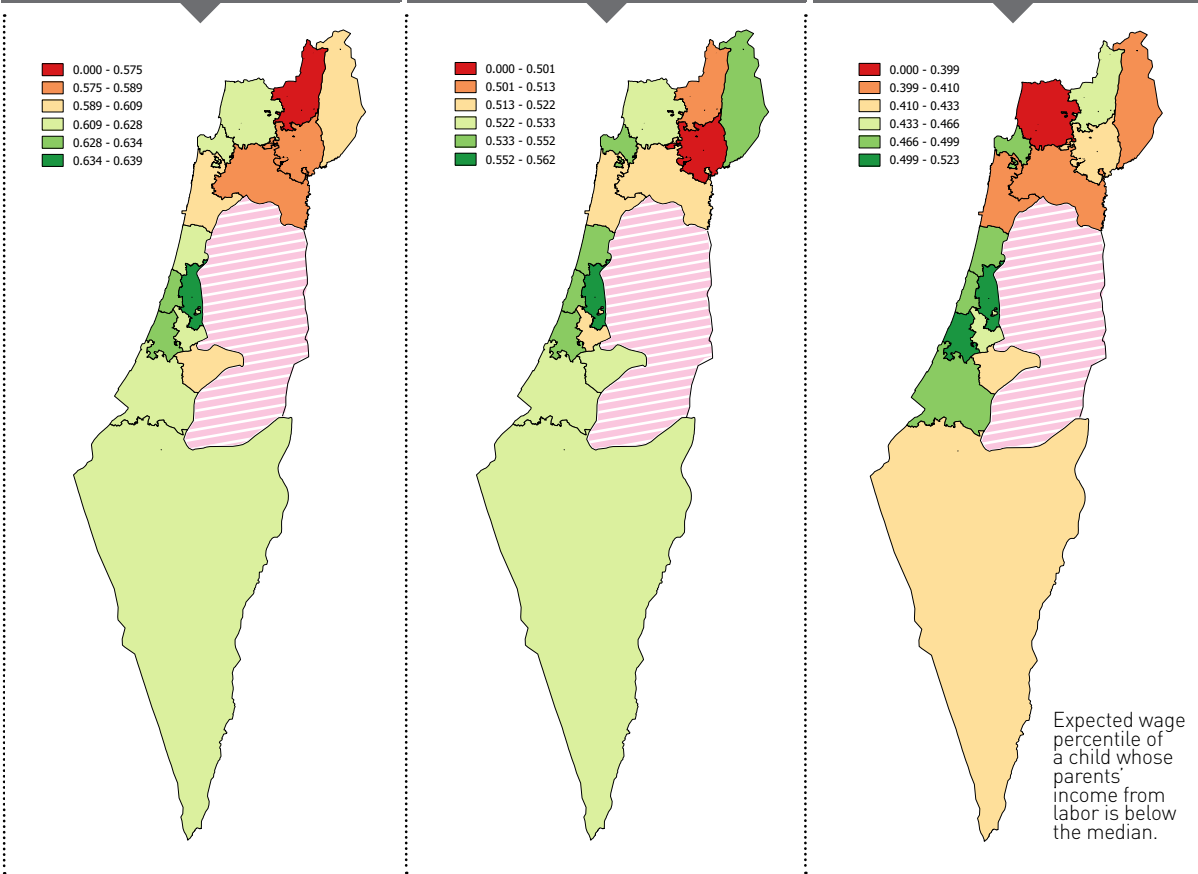
In context, a person's socioeconomic background or sectoral affiliation makes no difference. As one moves away from the center of the country, one finds less equality of opportunity, and therefore less social mobility for all, as can be seen in the red and orange areas of the maps. The middle map shows that the effects of living in the periphery persist even when we consider the non-ultra-Orthodox Jewish population only, and omit the Arab and ultra-Orthodox sectors, whose low social mobility can be explained in other ways. The impact of residence in the periphery persists (though at a lower level of significance) even when the effects are assessed for higher-income populations. As we can see in the left-hand map, **distance from central Israel reduces social mobility even for non-ultra-Orthodox Jews, veteran Israelis, and people with academic degrees.** In addition, the locales with upward mobility are characterized by greater proximity to central Israel (lower peripherality); higher levels of income and education; high levels of social capital (measured specifically in terms of high IDF enlistment rates and low rates of violent crime); a highly developed labor market; and a low percentage of single-parent families.

* Your place of birth determines your chances to succeed in life

Lower mobility in the periphery, even for more affluent populations

Low mobility in the periphery, even when Arabs and ultra-Orthodox are omitted from the assessment

Mobility by region: High in the center, low in the periphery

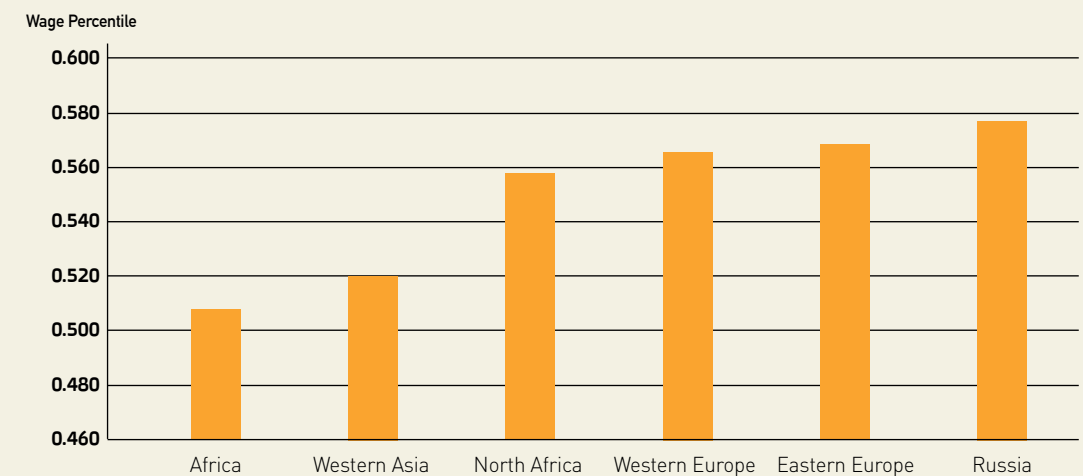


Source: Heller, 2017

No data Low mobility High mobility

* Ashkenazi Jews have better chances to climb the ladder than do Mizrahi Jews

Intergenerational mobility among Jewish grandchildren of immigrants, by grandfather's country of origin



Source: Heller, 2017. Expected wage percentile of a child whose parents' income from labor is below the median.

Third Generation as Well: Mizrahi Jews Have Lower Chances of Advancement

Even after two generations in Israel, the intergenerational mobility of Mizrahi Jews is lower than that of Ashkenazi Jews. Moreover, Mizrahi Jews living in the periphery are at a double disadvantage in terms of mobility, due to geographic and ethnic differences.

We assess intergenerational mobility by ethnic group, comparing the mobility of children who were born in Israel, and whose parents were born in Israel, with segmentation based on grandparents' countries of origin. Mobility is highest for children of Russian and European background, and lowest for children whose families originated in Africa and Asia.

It should be emphasized that this state of affairs is true for children born in the 1970s; we may assume that the ethnicity-based opportunity gap has narrowed over the years. Still, the situation is a stain on Israeli society.

The Problem in Israel > Structural Barriers

This segment of the report provides an overview of structural barriers to upward social mobility – barriers that can be removed only by multidimensional, long-term systemic and cultural changes. A large proportion of today's Israeli families are struggling to survive; they are mired in poverty and reside in peripheral, low-income locales. This constellation of circumstances dooms them to substantially lower chances of social mobility.

Poverty

Poverty is a person's struggle for survival, which manifests itself in the physical world as well as in the person's state of mind. Poverty simply does not allow one to climb the social mobility ladder. Low-income residents are busy trying to endure; they cannot lift their heads up long enough to see the ladder or to take advantage of opportunities to escape the cycle of poverty.

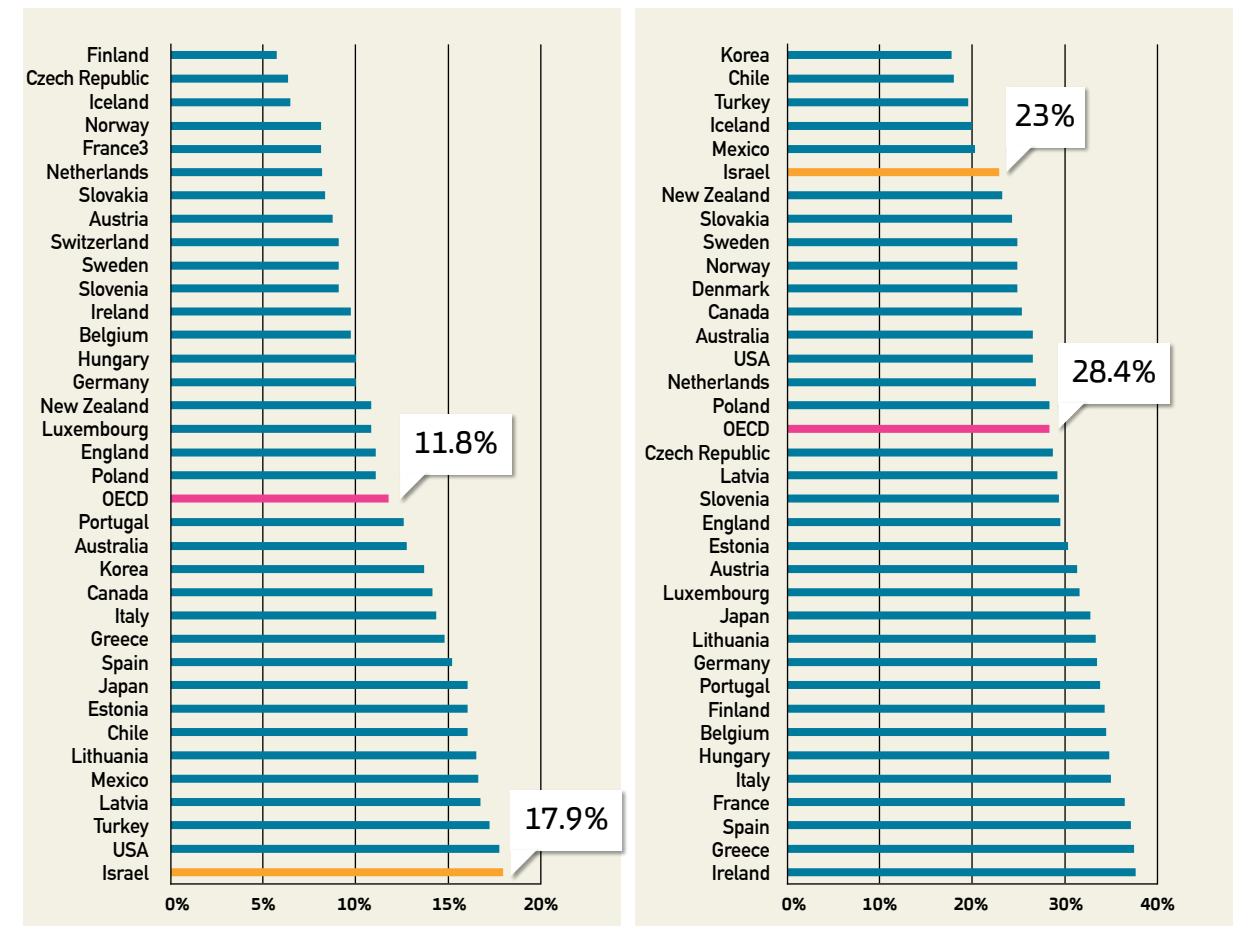
Measures to address poverty should take a two-stage approach. In the first stage, we need to help people escape poverty. In the second stage, we need to move toward other goals that pull people and their families upward.

The Israeli government established a Committee to Fight Poverty, headed by Eli Alalouf, and received the Committee's recommendations in 2014. However, most of these recommendations have not been implemented. Accordingly, Israel remains at the top of the OECD poverty rankings. National Insurance Institute data indicate that 466,400 Israeli families are living in poverty, including 814,800 children. Moreover, Israeli welfare spending is low compared with other OECD nations. Developed countries generally offer universal benefits such as child allowances or income support at more generous levels. Thus, while government intervention reduces inequality in all countries, Israel's curtailed welfare policy is raising inequality levels compared with the other OECD countries.

* The Impact of Social-Benefit Policy on the Poor

After benefits: the state of the poor is worse than elsewhere in the world

Before benefits: the state of the poor is better than elsewhere in the world



Source: Poverty and Social Gaps, Annual Report, 2017. National Insurance Institute.

According to the policy on which governmental intervention is currently based, poverty is solely a matter of household income per capita. This approach ignores most dimensions of poverty as a social phenomenon. A person living in poverty suffers not only from a lack of financial resources, but also from a lack of opportunities and symbolic capital – meaningful relationships and a social network. These deficiencies reciprocally affect each other and make poverty hard to escape.

Poverty has harsh consequences for the individual, the family, the community, and society as a whole. The resources available to families affect their ability to nurture their children. Accordingly, the long-term development and achievements of children from low-income homes reflect a strong negative impact. Many studies have shown a connection between poverty and other at-risk situations. In order for individuals to be able to change their life circumstances, the state has to remove complex structural barriers that cannot be overcome by individuals alone. Let's look at a few examples of such barriers:

- Employment that fails to extricate people from poverty: Recent years have witnessed a rise in the percentage of two-earner families living under the poverty line. The percentage was 5.3% in 2016. For Arabs the percentage was 15%, while for ultra-Orthodox Jews it was over 25%.
- High-cost credit: Low income turns people into higher-risk customers. Accordingly, the interest on the credit granted them is substantially higher.
- Debt and coping with debt: Every crisis or urgent financial need is liable to force a low-income family into a "vortex" of credit debt that is hard to escape. Loan repayment entails additional loans, and from there the road to the "grey" loan market and repossession is short. Debt has ramifications for a family's well-being and for the ability of family members to undertake measures that could potentially improve their financial status.
- Barriers to the use of healthcare services, such as the lack of supplemental health insurance.

Core Curriculum in Ultra-Orthodox Schools

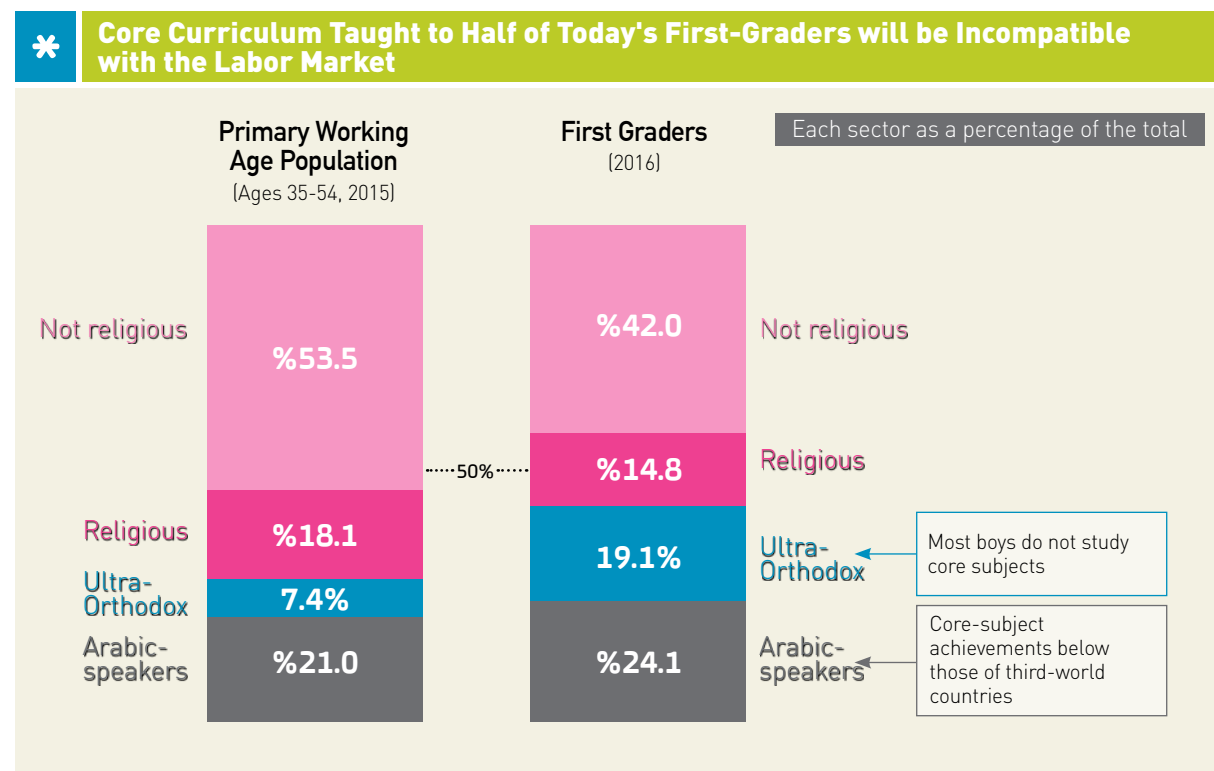
The education gaps among different sectors in Israeli society have many causes, some of them related to longtime discrimination, and others to cultural choices. One major disparity exists between the ultra-Orthodox educational institutions and their non-ultra-Orthodox counterparts: ultra-Orthodox schools choose not to teach core skills, such as mathematics and English, that are crucial for integration in the labor market.

On the socioeconomic plane, most localities belonging to Clusters 1-3 (as defined by the Israeli Central Bureau of Statistics) are ultra-Orthodox or Arab-Israeli. While Israeli society is characterized by high rates of higher education and academization, most ultra-Orthodox Jews and Arab-Israelis are lagging behind. The necessary conditions for integration and success are high-quality instruction throughout the years of primary and post-primary school, and investment in mathematics and English studies. For young people coming from educational institutions where large gaps in these areas have developed, the ability to pursue desirable and quality higher education is limited.

Existing education gaps are closely related to the situation in the employment market: ultra-Orthodox average and median wages are substantially lower than those of the non-ultra-Orthodox Jewish population. The employment rate among ultra-Orthodox men is low, and has barely risen in recent years. Moreover, many of the ultra-Orthodox males who are employed work part-time, in addition to their yeshiva studies.

The state of affairs for ultra-Orthodox women is quite different; their employment rates are on the rise. However, their fields of study remain limited, and the percentage of ultra-Orthodox women who pursue academic studies is still exceedingly low.

The cost of these education gaps is borne not only by the ultra-Orthodox population, but by the State of Israel as a whole. When we look at today's first-graders, we find that nearly a third of the current cohort has particularly low educational achievements.



Source: Dan Ben-David, Shoresh Institution and Tel Aviv University. Data: Central Bureau of Statistics and Ministry of Education.

The Quality of the Arab-Israeli Education System

Gaps in the Arab-Israeli education system are huge, and can be attributed primarily to discrimination and a lack of investment over the years. Among other things, the financial investment per pupil has been low, and fewer instructional hours have been allocated. The results of the discrimination and disparities can be seen everywhere: Arab-Israeli pupils lag behind their Jewish counterparts in their performance on international exams; they have lower rates of eligibility for academic degrees; and more. Beyond the necessary financial investment (which to some degree has been made in recent years, thanks to Government Resolution 922) in upgrading the infrastructure and quality of Arab-Israeli education, special investment is needed, so that Arab-Israeli pupils can acquire a specific skill crucial to optimal integration in Israeli society – mastery of Hebrew. Hebrew is a tool for integration in higher education frameworks and in Israel's diverse employment market. It is critical for the Arab-Israeli population's mobility.

Hebrew is taught as a second language in the Arab-Israeli education system. It is studied from Grades 2 and 3 in specific language-oriented classes, taught by Arab-Israeli teachers who do not necessarily have native level fluency in Hebrew. At the high school level, the curriculum focuses on literary Hebrew, not necessarily on everyday language. In order to earn a matriculation certificate, students need only to pass a basic Hebrew matriculation exam (3 out of 5 possible units of study). According to an overview published by the Ministry of Education, "the quality of the Hebrew matriculation exam is not sufficient for actual knowledge of the language or entry into the modern labor market."

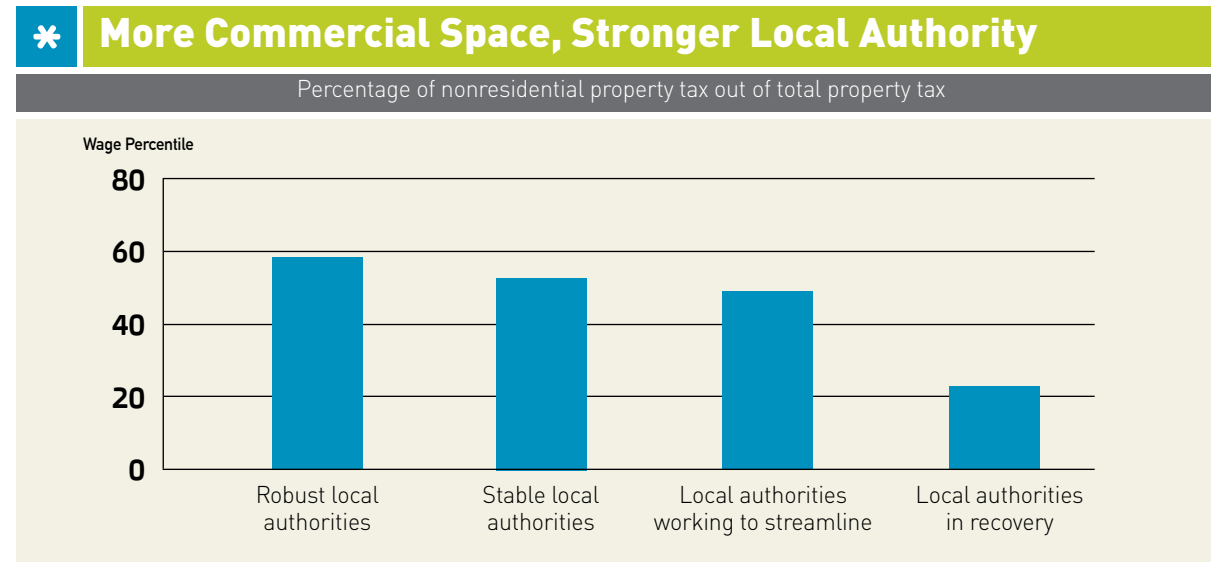
The ultra-Orthodox and Arab-Israeli sectors have high birth rates; accordingly, their relative share in the population as a whole is growing. What this means is that the groups with the highest birth rates are receiving the lowest-quality education, in terms of compatibility with the future employment market.

Property Tax Gaps: Income Inequality among Municipalities

Local authority economic status constitutes a vicious circle that perpetuates and increases inequality. Municipality income is based on several budgetary sources:

1. Government sources (e.g., for school instructional hours)
2. Municipal sources – mainly from property tax collected from residents and businesses
3. In-kind services and donations (e.g., the construction of public buildings)

Most self-income of local authorities is from property tax, and there is a clear relationship between the strength of a municipality and its residential/nonresidential property tax mix. Residential property tax, being low, is not a lucrative source of income. Thus, a local authority's economic robustness is measured by the property tax it receives from commercial spaces. The more commercial and industrial space a local authority has, the higher its income is, as we can see in the following graph.



Source: Local Government Economics in Israel

Israel's property tax system is such that each local authority receives income only from residential and commercial properties within its city limits, rather than receiving funds through a single, central national fund. Therefore, economically stronger localities often enjoy greater property tax revenues – revenues much needed by nearby weaker municipalities.

What this means is that, even if the government allocates its budgets differentially, on a socioeconomic basis, there is still no way of reducing this gap within the current budgetary and revenue-allocation structure. That is why the Ministry of the Interior is now proposing a more equitable method of distribution – a new and sophisticated mechanism for changing city limits and distributing revenues from commercial and industrial areas.

Indeed, when we look at mobility differences among local authorities, the data are unequivocal: children born to parents who earn less than the median income but live in localities belonging to a higher socioeconomic cluster, make better progress. Thus, while children from Ramat HaSharon, Rishon LeZion, and Givatayim lead their peers in terms of their probability for mobility, children from Migdal HaEmek, Tiberias, and Safed are lagging far behind.

Accessibility and Transportation: Bringing the Periphery Closer to the Center

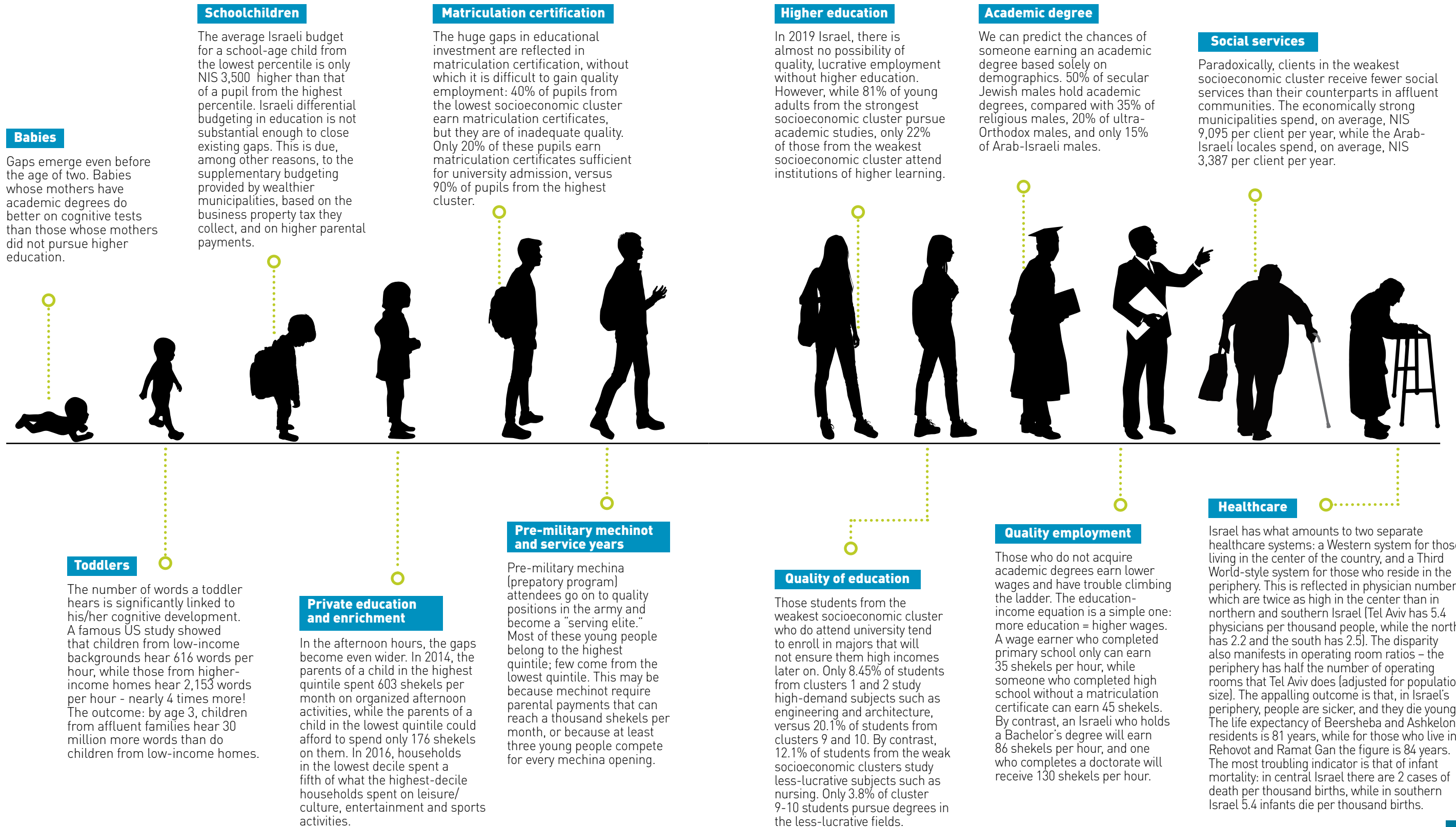
One major barrier to social mobility has to do with the ability to move around and get to workplaces, educational institutions, and city centers.

The Committee on Socioeconomic Change (the Trajtenberg Committee) found that public transportation plays a highly significant role in ensuring basic physical mobility for Israeli citizens. Despite this, there are entire population sectors for which physical mobility constitutes a serious barrier. Israel's most disadvantaged citizens, those in the lower income deciles whose car ownership rates are substantially lower than those of the population as a whole, are dependent on public transportation. The limitations of public transit – inaccessibility, poor geographic distribution and restricted operating hours – are matters of major concern for low-income Israelis, as they affect employment prospects, access to social services, and even the ability to reach entertainment/recreation centers.

Improving the periphery's access to central Israel would increase the commuting range of people living in far-flung bedroom communities, who could then compete for jobs in more distant areas, including the center of the country. Furthermore, data show that a one-percent rise in the use of public transportation is equivalent to a NIS 40 million annual savings to the economy.

Inequality from Birth to Adulthood: Gaps Emerge at Birth and Widen from There

Examples from all areas of life illustrate how inequality affects people's chances of social mobility



Elsewhere in the World

Great Britain

In 2011, the British government unveiled a social mobility strategy meant to address the country's relatively low social mobility compared with other nations. The plan was published in a policy paper entitled *Opening Doors, Breaking Barriers: a Strategy for Social Mobility*.

The strategy is long-term, entailing mobilization of all governmental and social institutions over an extended period.

The plan is based on a life cycle framework. Its guiding principle is that, in order to make the most of interventions in the early years, it is necessary to follow through in later life, providing assistance and support at every stage, so as to reduce existing gaps and offer second chances.

The plan takes a continuum-based approach. People's life trajectories are set at various critical points from infancy to adulthood. Accordingly, a sequence of supports and interventions must be provided in order to advance social mobility over the course of a lifetime. The plan is organized in terms of the interventions required during four life periods: the foundation years (birth-5), the school years (5-16), the transition years (16-24), and adulthood (24 and over). For each period, a definition is provided for the problem that impedes mobility, states how the government intends to improve the situation, identifies the government ministry responsible for the intervention, and names major indices for assessing change.

Sample recommendations

- Create a national authority for social mobility and children living in poverty.
- Establish a ministerial committee headed by the Deputy Prime Minister.
- Define parameters to help assess progress in the various objectives. Each program developed must comply with these parameters.
- Create a no-cost educational framework for two-year-olds living in poverty (15 hours per week).
- Require institutions of higher education to admit a certain percentage of applicants from economically disadvantaged backgrounds.
- Employers would be required to make their hiring conditions more flexible and to create more opportunities for on-the-job training.

Denmark

In 2016, Denmark's Ministry of Social Affairs unveiled a plan entitled *10 Goals for Social Mobility*. The objective: more people in the labor force, fewer marginalized people. Ten goals were identified, each of which has three parts: a description of the challenge and its existing relevant data, the goal (without noting the desired improvement), and the types of support that have proven effective in advancing the goal, with reference to existing programs.

The plan outlines several processes that must be set in motion in order for real change to occur:

1. Cross-sector collaboration between the national government, local authorities, and the country's social organizations.
2. An advisory team to assist municipalities in implementing educational, housing, and treatment interventions.
3. Denmark's social security budget distribution policy will be guided by these goals and tailored to meet them.
4. The plan will be subject to measurement and evaluation. Focus groups representing the target populations will identify the areas where changes should be made.

Sample recommendations

- Improve literacy and mathematics skills of child social-service clients ages 6-15, through early intervention, skills training for parents, and training for preschool and school teachers.
- Ensure that young adults ages 18-21 who have been social-service clients in the past five years pursue or complete their high school studies. This will be done through collaboration and the institution of a uniform policy for all entities involved in caring for these young people.

Canada

In August 2018, the Canadian Ministry of Families, Children and Social Development published a strategic plan for reducing poverty entitled *Opportunity for All*. The plan offers new initiatives, while taking into account earlier efforts to reduce poverty that did not operate within a single strategic framework. The plan is divided into three overall objectives: living in dignity, opportunity and inclusion, and resilience and security. Recommendations are presented for each parameter.

Measurement and tracking progress are major features of the plan. In the first stage, a National Advisory Council on Poverty was appointed to evaluate ideas for reducing poverty, recommend priorities, and submit annual reports on the plan's implementation and the degree to which its objectives are being met.

In addition, part of the process has been to introduce a Poverty Reduction Act that will specify goals, define the poverty line, and establish the existence of a National Advisory Council.

Sample recommendations

- Increase the number of quality early-childhood frameworks and upgrade those already in existence.
- Longer maternity leave.
- Assistance in funding child day care for working mothers.
- Increase tax benefits for families with children.
- Raise the minimum wage.
- Increase the Guaranteed Income Supplement and pensions for senior citizens.
- Increase economic assistance to purchase food.

Norway

In 2015, Norway's Ministry of Children, Equality and Social Inclusion published a strategy aimed at reducing the number of children living in poverty, which surged during the years 2011-2014, especially among immigrants.

The strategy has two main goals: to prevent the transmission of poverty from generation to generation, and to reduce the negative impact of poverty on children's lives.

The plan features collaboration between sectors, and specifies the division of responsibilities and the work processes necessary to ensure cooperation, commitment, and optimal service. The plan does not call for the creation of new agencies; rather, existing entities are expected to take action with the aid of new resources. Before each program is launched, a pilot will be operated to assess its success.

Sample recommendations

- Assistance to at-risk first-time parents.
- Eliminating preschool fees for ages 4-5, and reducing compulsory kindergarten fees for low-income families.
- Afternoon programs in the schools, featuring free time, enrichment activities, and tutoring, at no additional cost.

Policy Recommendations

		Early Childhood	Primary School	High School	13th Grade	Higher Education	Young Adults
1 National plan for advancing social mobility	Government decision: promoting social mobility as a national objective	●	●	●	●	●	●
	Establishment of an authoritative governmental body within the Prime Minister's Office to drive social mobility	●	●	●	●	●	●
	Extensive research to formulate a "road map" to drive social mobility	●	●	●	●	●	●
	Appoint a Deputy Director-General for Equal Opportunity in each social ministry and establish a Deputy Director-Generals' forum	●	●	●	●	●	●
	Set mobility-predicting indicators to guide all relevant government programs	●	●	●	●	●	●
2 Differential budgeting of public social services	Differential budgeting of all social services	●	●	●	●	●	●
	Replace the current matching system with a differential budgeting system	●	●	●	●	●	●
3 Strengthening municipalities' capability to provide adequate social services	Determine and publish parameters and objectives for social mobility in the local municipalities	●	●	●	●	●	●
	Appoint a statutory designated officer in each municipality as a local social mobility promoter	●	●	●	●	●	●
	Utilize an education-welfare continuum in municipalities	●	●	●	●	●	●
	Local leadership pipelines – nurturing a network of local leadership			●	●	●	●
4 Expansion of government responsibility for early childhood education	Extend paid parental leave	●					
	State-supervised education from the age of 6 months	●					
	Advise an array of services to parents and regulate their implementation	●					
5 Education system that promotes social mobility	Extension of differential budgeting to high school, kindergarten, informal education, and 13th grade	●	●	●	●		
	Incentive by remunerating teaching staff and principals in the periphery, especially for in-demand subjects		●	●			
	Measure schools' mobility objectives		●	●			
	Regional collaboration in education, based on the regional clusters model		●	●			
	Comprehensive effort focusing on underachieving ('red') schools		●	●			
6 Informal education for underprivileged populations	Legislation of Informal Education Law		●	●	●		
	"Tearing down" school walls: bridge formal and informal education in schools		●	●			
	Expansion and incorporation of after-school enrichment programs in the social and geographic peripheries		●	●	●		
	Designation of informal education as "preferred work" for discharged soldiers				●		●
	Preparation, guidance, and support for meaningful military/national service				●	●	●
	Community coordinator to oversee teaching of 21st century skills in formal and informal education		●	●	●	●	●
7 Gap year volunteer and pre-military programs	Significantly increase the number of gap year participants and publish gap year parameters in the local authorities				●		●
	Differential financing for operators for participants from weak socioeconomic backgrounds				●		●
	Determine a quantity objective for gap year frameworks – participants from weak socioeconomic backgrounds				●		●
	Provide incentives for participants: finance scholarships for young people from weak backgrounds as an incentive to participate in a volunteer gap year program				●		●
8 Higher education that facilitates social mobility	Early exposure to academia - in high school			●		●	
	Support and guidance for students from weak economic backgrounds to prevent dropping out					●	●
	Differential financing for academic institutions that enroll students from the periphery					●	
	Technological education within the higher education system					●	
	Income-graduated student loans to be repaid only when the student reaches a high income bracket					●	
	Increase accessibility to professions that advance mobility: increase the number of places for students in relevant majors					●	●

Guiding Principles

National policy for advancing social mobility needs to be based on the following guiding principles:

Systemic perspective	>	Holistic multisystem work that necessitates sharing information and activity between systems
Age continuum	>	Provide a solution throughout the individual's entire life, and create interfaces between the systems to ensure the continuum
Service continuum	>	Synchronization between the institutions that provide services to the same target audience, over time
Outcome-oriented thinking	>	Each activity begins by defining desired measurable outcomes, and the process for achieving them will be derived from those definitions
Objectives and measurements	>	Objectives and measurements for gauging progress will be determined for each program
Work according to mobility scale	>	Focus on activities in each age group that have been proven by research to be the most effective to improve social mobility
Building capacity	>	Strengthen and develop the abilities of local authorities to provide a holistic, synchronized and measurable solution
Sustainability	>	Ensure the ability to carry out programs and services over time, taking this into consideration from the planning stage

1	Infrastructure recommendations
Recommendations	<ul style="list-style-type: none"> • Government resolution: The State of Israel drives social mobility and equal opportunities as a national objective • Establish an authoritative government body for social mobility within the Prime Minister's Office • Extensive research to formulate a "road map" to drive social mobility • Appoint a Deputy Director General for equal opportunities in each social ministry and establish a Deputy Director Generals' forum • All government ministry programs intended to advance social mobility will be based on parameters that predict social mobility
Explanation	<ul style="list-style-type: none"> • Today, many laws, programs and initiatives to promote social mobility already exist in Israel but they are not coordinated or synchronized. The challenge in implementing policy is collaboration and synchronization between all main players around the common goal. • In order to drive mobility, it is necessary to choose the most effective points of intervention and to operate programs that focus on them. • Action must be on a continuum along different points of intervention. • Social mobility must be measured by examining progress over time, not just at end points.
The bottom line	<p>In order to solve a problem, it is critical to acknowledge its existence and call it by its name. Social mobility is not the same as economic inequality, and it is not a war against poverty, but it is a challenge in and of itself. Advancing social mobility should be regarded as a national social objective that requires coordination of all strengths and aptitudes.</p>

2

Applying differential budgeting to all civil services

Recommendations

- Differential budgeting of all social services
- Change the “matching” method, in favor of differential budgeting

Explanation

- In all social services, there are vast differences between the residents of localities from a high socioeconomic cluster and residents of a low cluster.
- Services provided by local authorities, are derived from budgetary additions that authorities from the stronger clusters can afford, while weaker ones cannot.
- Different services provided by the government are determined in part by the distance of the local authority from the center of the country, the economic disadvantage of small authorities, and also from the system of matching practiced today, among other reasons.
- It is important to note that residents of localities from a weak socioeconomic cluster tend to have a greater need for social services such as education and welfare due to their life circumstances.
- In the ‘matching system,’ finance for welfare services, for example, takes place in collaboration between the Ministry of Labor and Welfare and the local authorities: 75% of the cost of the service is financed by the Ministry of Labor and Welfare, and 25% is financed by the local authority.
- Local authorities in weak clusters have difficulty raising money to finance their share of the welfare activity, which is a condition for receiving finance from the Ministry of Welfare for the remainder of the sum.
- When local authorities are unable to meet the conditions of providing a quarter of the funding, this leads to loss of the entire government budget.

The bottom line

In practice, instead of receiving more social services, the weaker socioeconomic localities receive less than the strong ones. In order to create genuinely equal opportunities, localities in the lower socioeconomic clusters need a surplus allocation of inputs – in the education system, in welfare, in health and in all social services.

3

Strengthening the ability of the municipality to provide social services

Recommendations

- Determine and publish parameters and objectives for social mobility in the local authority
- Appoint a statutory designated officer: Local mobility promoter
- Education-welfare continuum in the local authority
- Local leadership pipelines – nurturing a network of local leadership

Explanation

- The traditional role of the local authority is divided into two parts: it is the executive arm of the central government and the supplier of services to residents.
- The local authority is the only entity that provides solutions to the citizen in the entire age continuum – from birth to adulthood.
- In recent years, in Israel and throughout the world, local government has become increasingly autonomous.
- The extent and quality of the package of social services is based on the local authority’s abilities, and affects residents’ quality of life. Transferring authority from the central government to local authorities strengthens mainly authorities from strong socioeconomic clusters. Wealth in strong localities is derived from extensive investment by the local authority together with investment by residents of means. On the other hand, authorities from weak socioeconomic clusters have to rely on the central government due to lack of money. In addition, there are obstacles that make it difficult for them to cope with the challenge of poverty or to enable upward social mobility.

The bottom line

In order to solve a problem, it is critical to, first, acknowledge its existence and call it by its name. Social mobility is not the same as economic inequality and is not a war against poverty, but is a challenge in itself. Advancing social mobility should be regarded as a national social objective that requires coordination of all strengths and aptitudes.

4

Early Childhood

Recommendations

- Extend paid parental leave
- An educational framework for every child: Extend the state's responsibility for education to begin at the age of six months, and enable parents to send young children to a supervised framework under the auspices of the Ministry of Education. Because of the budgetary significance, differential finance and staggered implementation according to clusters are recommended.
- Give an array of advisory services to parents and regulate their guidance.

Explanation

- The period during which a child's path in life is determined is during his/her first years. The young child's brain is consolidated almost entirely in the first three years of life.
- A family's socioeconomic situation affects the amount and level of sensory stimulants available to young children, and these in turn affect brain development. Low socioeconomic status is liable to cause stress and a lack of exposure to enriching experiences, and consequently insufficient development of the brain and the central nervous system. This is the beginning of a process of cognitive inequality and inequality in scholastic achievements.
- Investing in early childhood is recommended, as this investment will repay itself to the state and to society, more highly and more significantly relative to other stages of education.
- The need is to operate entities that will provide a high-quality educational solution suited to children's needs, and not to operate entities that are intended to encourage mothers to go out to work.
- Lack of a comprehensive policy and distribution of authority among the different government ministries prevents the possibility of providing a comprehensive package of services for young children and their parents.

The bottom line

Studies show that optimal care of a child until the age of at least one year is by one main caregiver, one on one. However, for most parents this is an unrealistic aspiration. Even after parental leave, the State of Israel needs to take educational responsibility for young children and enable all parents to send their children to a supervised framework in order to provide a high-quality egalitarian solution, and to prevent the development of gaps, specifically during the formative years of life.

5

The Education System

Recommendations

- Increase the differential budget for kindergartens, secondary schools, informal education and gap year programs
- Incentivize by remunerating teaching staff and principals in the periphery, particularly in subjects that are in demand
- Measure schools' mobility objectives
- Regional educational collaboration with regard to infrastructure (in a model that is similar to existing collaboration in regional clusters)
- Concentrate efforts in underachieving ("red") schools by creating a broad, comprehensive solution

Explanation

- The state education law, which established the public education system in Israel, determines that the role of the education system is "to give equal opportunities to every child, to enable them to develop in their way and to create an atmosphere that encourages and supports those who are different."
- In order to create equal opportunities, students from a weak economic background need a surplus allocation of educational inputs.
- In practice, it can be said that this goal does not exist: Israel is a record-holder in educational gaps compared to the OECD countries.
- Not only does the education system not reduce gaps, but the years that a child spends in school only increase them.
- The gaps are derived mainly from the system of financing education in Israel, in which a large part of the education budget is based on local authorities' funds. The result is that students from authorities from a strong socioeconomic cluster receive much more than students in authorities from a weak socioeconomic cluster, due to additional budgeting.
- The differential budgetary model, which gives extra financing to authorities from a weak cluster, exists today only partially – only in elementary schools and junior high schools, and only for a few school hours.
- The consequence: there is a direct correlation between a student's socioeconomic background and his or her scholastic achievements.
- Inequality in education is one of the main factors in lack of economic mobility. The relation between education and income is simple: more education = higher wages.

The bottom line

Education is the main lever for reducing gaps. Because children spend most of their lives until adulthood in the education system, its ability to influence their chances is the greatest.

6

Informal Education

Recommendations

- Legislate an Informal Education Law
- “Tearing down” school walls: Bridge formal and informal education at schools
- Implement and expand afterschool enrichment programs in the periphery and in weak localities
- Consider employment in informal education as “prioritized work” for discharged soldiers
- Develop and provide a system to support completion of meaningful military/national/civilian service
- Appoint a local coordinator who will advance learning and acquiring 21st century skills in educational and community institutions

Explanation

- Informal education has vast potential for developing abilities and skills that have great value for the duration of one’s life, and it has an influence on a number of major fields: improving scholastic achievements; bettering the school atmosphere, improving social skills and strengthening the sense of belonging to the school; teaching values and ethics; and developing personality, soft skills and a sense of self-identity.
- These skills are very important, particularly for social mobility among young people from a weak socioeconomic background. There is a proven link between extracurricular educational activities that children from a weak background take part in, and their scholastic achievements and future career success.
- The gaping holes in the field of informal education are particularly conspicuous among populations from a weak socioeconomic background, who are dependent on government financing as their families cannot finance this themselves. Children from this background, particularly in the geographical periphery, have less access to enrichment and personal development content.
- There are also fewer activities in the periphery because of size limitations: in a small locality with few children, it is less economically viable to open afterschool activities, enrichment programs, or a community center.

The bottom line

It is necessary to recognize that informal education is important for developing soft skills that supplement formal education, and to cope with the main difficulty – which is the budgetary gap between weak authorities and strong ones in financing these services.

7

Gap Year Volunteer and Pre-Military Programs

Recommendations

- Significantly increase the number of gap year participants and publish gap year parameters in the local authorities
- Gap year: differential financing for operating entities for participants from low socioeconomic backgrounds
- Determine a numerical objective for gap year frameworks of participants from low socioeconomic backgrounds
- Provide incentives for participants: finance scholarships for young people from weak backgrounds as an incentive to participate in a volunteer gap year program

Explanation

- Gap year volunteer and pre-military programs are a powerful educational tool and they impart skills that are essential for success in adult life, and that are relevant for advancing mobility: empowerment, a feeling of capability, and having participated in a meaningful service program.
- The demand is greater than the supply: 3 young people compete for each spot in pre-military and service year programs.
- The volunteer gap year has a very high social return on investment – in parameters such as military service, civil participation and integration in key positions.
- Participants in pre-military programs have to pay tuition fees that can reach NIS 1,000 a month.
- A low percentage of the participants are from a weak socioeconomic background due to considerable obstacles: lack of awareness, discriminatory selection processes and financial inability to pay for the program.

The bottom line

Investment in participation of young people from weak backgrounds should be made in because of the enormous potential to impact social mobility; this is, in fact, the last stage in which it is possible to close gaps and give young people essential tools for success in adult life.

8

Higher Education

Recommendations

- Exposure to academia as early as high school
- Take actions to prevent dropping out of higher education among populations from a weak economic background, by means of creating solutions and accompanying students during their studies
- Differential financing for institutions of higher education: implementing a model of compensation for academic institutions for students from the periphery
- Technological education as part of the curriculum at institutions of higher education
- Income-graduated student loans to be repaid only when the student reaches a high income bracket.

Explanation

- Social and educational gaps in Israel are strongly present in academia too. 81% of the young people from localities from a strong socioeconomic cluster study in higher education, compared to only 22% of young people from weaker socioeconomic localities.
- The reason for this is mainly gaps in high school education, the lower percentages of matriculation among Arab-Israelis and residents of the periphery, and the absence of core studies in the ultra-Orthodox education system.
- The gap between the wages that graduates receive and that of their peers without higher education is increasing, and therefore the importance of higher education as a catalyst for upward social mobility is increasing.
- A variety of obstacles deter or prevent weak populations from entering academic studies. Israeli studies show that studying and acquiring a degree is not enough, but the field of study chosen is crucially important: the decision of what field to study can be more influential than the choice of institution or even more than the skills with which the individual begins their academic studies. Students with even mediocre psychometric scores, who choose to their academic studies mobility-advancing subjects (such as engineering or computer science) in colleges (as opposed to universities) have been able to climb the socioeconomic ladder and have reached earning power identical to their peers who studied subjects that do not advance mobility in more prestigious universities.

The bottom line

Because of the close connection between higher education and a high salary, the type of assistance for young people from a weak background must be in giving advantages that they did not have at home in the context of higher education – encouragement, guidance, support in the beginning stages of study, networking, tools that support persistence and coping.

What is social mobility, if not retaining the hope of each child? That whatever the circumstances of his or her birth - **he or she will be able to aspire to a better future and fulfill himself or herself?**

Therefore, this blueprint for advancing social mobility is based on an optimistic message of hope and faith in the ability to create change.

In this blueprint we discussed solutions at the level of national infrastructure and at the level of the individual; we dealt with the government's responsibility and the community's responsibility; and we presented recommendations from birth to adulthood.

In writing the blueprint we focused on the areas in which the Rashi Foundation has experience and expertise.

Despite the broad extent of the recommendations that were proposed in this blueprint, there remain many subjects that we did not relate to, which are essential for the purpose of formulating a multidimensional, multisystem and multiannual solution for coping with the challenge of mobility.

We call upon the government of Israel, when addressing the challenge of advancing social mobility, to move forward to the next stage and to conduct a wide-ranging discussion that will relate to all the fields and obstacles that affect this complex issue. These include health and employment; national infrastructures, including housing and transportation; and broad economic issues in taxation and changing the system of budgeting the local authorities.

We at the Rashi Foundation offer our partnership in achieving this, and we will continue work in the field in order to enable every boy and girl in Israel to "climb the ladder" to a better future.

By joining forces, together we will be able to improve the future of the State of Israel, and that of every child in Israel.

Together we can make sure that a spark of hope will always remain in the eyes of every child in Israel.

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The Rashi Foundation

The Rashi Foundation, one of the largest and most influential philanthropic foundations in Israel, works to strengthen Israeli society and to create sustainable change by means of advancing social mobility of individuals and communities in the geographical and social periphery.

The Rashi Foundation was founded in 1984 by Gustave Leven (1914-2008), a French-Jewish businessman who came from a family with a strongly ingrained philanthropic tradition who dedicated most of his wealth to strengthening the State of Israel. Gustave's nephew, Hubert Leven, and his son François, the president of the Foundation, continue his path in initiating and leading social projects that foster change.

The Rashi Foundation's activities are directed towards achieving a significant long-term impact by advancing policy that supports social mobility, as well as innovative projects that focus on building social infrastructure and creating a continuum of solutions from birth to employment, particularly in the fields of education and welfare. An extensive network of intersectoral collaborations with the government, with local authorities, with philanthropic organizations and with the business sector enable the foundation to expand and establish models that have proven their effectiveness and are eventually adopted by the government.

The Foundation and its eight affiliates constitute a networked organization, whose coordinated activity increases sustainable impact for the benefit of Israeli society. Our work focuses on one goal – the creation of social mobility among weak populations.



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