

# Breeding Insecurity

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ISRAELI JEWS prefer not to talk about the so-called demographic problem--the challenge of maintaining a Jewish majority in their country while honoring the rights of its large and growing Arab minority. Which is understandable. The very term conjures up illiberal images of a government classifying people by ethnicity, race, or religion. Yet in a state that by self-definition is both democratic and Jewish--but almost 20 percent of whose population are Israeli Arabs whose relation to the majority and to the state is troubled--demography matters. Indeed, national security in the broadest sense--including all threats, nonmilitary as well as military, to a state's political sovereignty and territorial integrity--increasingly compels Israelis to overcome their aversion and face some very sobering facts.

Last December, at the fourth annual Herzliya Conference on national security, Finance Minister Benjamin Netanyahu became the first cabinet-level official to discuss the demographic problem directly in a major public address. He began by stressing that it does not pertain to Palestinians in the West Bank and Gaza: "We don't have any interest in ruling the Palestinians," he said, "and therefore the demographic problem will not exist in the territories when the Palestinian population switches to Palestinian rule." Inside Israel, however, the problem is one of numbers as well as the quality of civic relations:

If Arab inhabitants are wonderfully integrated and their numbers increase to 35-40 percent of the total inhabitants of the state, then the Jewish state will have been abolished, and it will have turned into a binational state. If their numbers remain at about 20 percent, as they are today, or fall, but relations are stiff, contentious, and violent, this too will hurt our democratic character. Therefore, we need a policy that balances these two needs. First of all, it is necessary to assure a Jewish majority in Israel. I say this as a liberal, as a democrat, and as a Jewish and Zionist patriot.

The simplicity of Netanyahu's reasoning should not be allowed to obscure the gravity of the implications. This is particularly so at a moment when Arab intellectuals and Arab Knesset members openly contend that the democratic minimum Israel owes its Arab minority is to cease to be a Jewish state. Clearly, both the numerical growth of the Arab minority in Israel and its mounting estrangement from the Jewish majority imperil Israel's very existence as a state that is both democratic and Jewish.

"YOU HAVE TO LOOK at the Jews in the Middle East as a suburb of the West within the third world." This anomaly--that Israel belongs both to the developed Western world and to the developing, non-Western world--is the first lesson Itzhak Ravid drives home in a wide-ranging informal tutorial on the demographic question in Tel Aviv recently. A gruff, no nonsense retired military analyst and former head of the Branch for Operations Research of the Israeli Air Force, Ravid was director of the national security team under prime ministers Yitzhak Shamir and Yitzhak Rabin in 1992-1993. He stresses the impossibility of understanding Israel's population problem without placing it first in a regional--even a global--context.

Consider the West. With its individualist ethic, egalitarian mores, welfare systems, and high-tech health care, the modern West has low birthrates and low infant mortality rates. This results in low rates of natural growth--beneath replacement levels in many parts of Europe. Non-Western nations, meanwhile, have relatively high population growth, correlated with low rates of economic productivity. Some of these countries, aspiring to economic prosperity, have slowed growth through social policy--China for one. Elsewhere, social policy has failed to lower birthrates--as in sub-Saharan Africa. Yet that region has nothing like the fastest growth in the world, largely because poor health care leaves infant mortality high.

What about the Middle East? The land from Iran in the east to Egypt in the west is home to some of the highest natural rates of population growth anywhere. Part of the explanation is the high value placed on having many children in Muslim teaching and tradition. Yet these very high rates of growth are not evenly distributed across the region. The three biggest countries--Turkey, Iran, and Egypt, which comprise almost 75 percent of its inhabitants--have relatively slow growth. Turkey's population of 68 million is growing at about 1.2 percent. Iran, with 68 million people, is growing at 1.1 percent. And Egypt, with 75 million, is growing at 1.9 percent. These rates of natural growth are much higher than in Europe (Germany is at .04 percent, Italy .1 percent, France .4 percent) or the United States (.9 percent) but far lower than elsewhere in the Middle East. The annual natural growth rate in Syria is 2.5 percent, in Jordan 2.8 percent, in Iraq 2.8 percent, in Saudi Arabia 3.3 percent--and in the Gaza Strip it is among the very highest on Earth, 3.9 percent.

Which brings us to Israel. Among Arab Muslims in Israel, the natural growth rate of 3.5 percent is nearly identical to that of Saudi Arabia. By contrast, the natural growth rate of the dominant majority, Israel's non-ultra-orthodox Jewish citizens, is around 1 percent. These numbers are roughly reversed when it comes to two distinctive minorities. Among the

fraction of Israeli Arabs who are Christians, the natural rate of growth is 1.4 percent (and literacy rates and standards of living are high). And among the fraction of Jewish Israelis who are ultra-orthodox, the natural rate of growth is 3.5 percent.

Social policies, Ravid argues, partly account for the dramatic differences. Turkey, Iran, and Egypt have energetic government programs, supported by the United Nations, to reduce the population growth. In Iran, the religious leadership has cooperated with the government, which has presented family size reduction as part of the struggle against American imperialism. The Iranian government has established birth control offices throughout the country, and sends hundreds of mobile centers to rural areas. In cooperation with international organizations, Egypt has undertaken a three-year plan to lower the natural growth rate, and before that, President Mubarak was making the case to Egyptians that to safeguard their children's opportunities for education and health, parents must take their income into account when planning their families. By contrast, until recently, Syria, Iraq, and Jordan have seen no government campaign to slow the growth of population.

BUT SLOWING GROWTH is not always the goal of national population policies. Even in the high-growth Middle East, according to Ravid, two governments actually encourage large families, the governments of Saudi Arabia and--Israel.

They do this through government subsidies that make the marginal cost of another child zero, or even a net gain, to relatively poor families with five children or more. Odd though it may seem, in natural-resource poor Israel as in oil rich Saudi Arabia, the state rewards parents of large families for having larger ones.

In Israel, this policy--which gives parents welfare payments for the fifth child five times greater than the payments they receive for the first child--has had an uneven effect, partly reflecting its peculiar history. Sponsored by ultra-orthodox members of parliament, the subsidies benefit ultra-orthodox families who for religious reasons have large families. It has no direct effect at all on the 70 percent of the Israeli population that is Jewish but not ultra-orthodox, who usually have Western-sized families. But the policy also promotes the very high birthrate of Israeli Arabs, who at the same time enjoy developed-world health care services and thus low infant mortality.

This takes a minute to sink in. "You're telling me that Arab citizens of Israel have sky-high natural rates of growth because of their high developing-world fertility rates, combined with low developed-world infant mortality rates," I ask, "and then the Israeli government pays large families to have more children?"

The tutor's smile tells me I am catching on. He proceeds to explain a curious economic-productivity gap related to these demographics.

Consider GDP per capita. In Israel, it is about \$17,000, whereas in Germany, France, and Italy it is a third again as high, and in the United States it is nearly double. Why the discrepancy? In significant measure, Ravid continues, because of the lower per capita productivity among Arab Muslim citizens, who make up some 16 percent of Israel's population, and among ultra-orthodox Jews, another 8 percent of the population. In addition to the high proportion of children in these groups, few Muslim women participate in the labor force, and many ultra-orthodox Jewish men choose long years of religious study rather than productive labor. In short, in Israel almost 75 percent of the population works and produces as in the West, and almost 25 percent of the population works and produces as in the non-Western world. The resulting relatively low overall productivity is perfectly consistent with Israel's perch between the West and the Middle East.

"You don't need politics to explain that," Ravid notes in conclusion. "You don't need the Arab-Jewish conflict. It's quite simple: In Israel you have a heavy burden of communities from the economic point of view who don't participate in the labor force."

HIS DIAGNOSIS COMPLETE, Ravid offers no solution to Israel's demographic predicament. Certainly, no substantial new wave of Jewish immigration is in the offing. And inducing the sort of Westernized men and women who make up the bulk of Israel's Jewish majority to have more children is something no modern liberal democracy has found a way to do.

Ravid's analysis does invite the conclusion, however, that curbing the subsidies to very large families would usefully relink family size and cost. Perhaps in combination with policies comparable to those in Israel's largest Muslim neighbors, and with appropriate support for families caught in the transition, this might encourage a family size among Arab citizens more consistent with the developed-world social and economic life available in Israel. In turn, that would increase productivity among Arab citizens, thereby raising family income and further reducing the dependence of Arab citizens on the government. The positive effects on Israel's ultra-orthodox community might be similar. Of course, the extent to which either community would respond to economic incentives in matters that touch the family and religion remains to be seen.

This policy change is not merely an aspiration. In 2003 Netanyahu initiated a reform that severely cut Israel's child allowances starting with the fifth child. Interestingly, these cuts would not have been possible but for a courageous decision made early in 2001 by newly elected Prime Minister Ariel Sharon: By forging a center-right coalition government not dependent on the ultra-orthodox parties (and consequently no longer able to call on them in times of trouble), Sharon broke the decades-old ultra-orthodox veto on social policy. Whether his government's reform will prove enough to cut the Gordian knot of Israel's demographic problem is far from clear, for as Netanyahu pointed out in his Herzliya address, the problem is not only one of numbers, but also of the quality of relations between citizens.

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