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The flip side of charity

By Ron Gerlitz

Jewish philanthropy funds a variety of needs that are essential to a just and prosperous society in Israel, and in this way it expresses the solidarity and commitment of Diaspora Jews to the state. Due to the unique connection between the two communities, the extent of private contributions is extremely significant in relation to public investment. Israel's government budget in 2010 is \$85 billion, of which \$42 billion remains after security-related expenditures, interest payments and debt repayment. In comparison, the Israel Central Bureau of Statistics estimates that private contributions to Israel add up to \$2.5 billion a year - that is, approximately 6 percent of net government expenditures, a not-inconsiderable amount. As philanthropy tends to focus on such areas as education and welfare, the proportion of charitable funding available in those areas is even higher than 6 percent.

The overwhelming majority of donations from the Diaspora are earmarked for institutions, organizations and local authorities that serve Israel's Jewish population. In this, these resources bypass about one-fifth of Israeli citizens - the state's Arab citizens - almost entirely. For them, this only worsens a difficult reality: the ongoing governmental discrimination against Arab citizens when it comes to budgeting resources for education, welfare, infrastructure and almost all other fields.

The most recent annual equality index published by Sikkuy: The Association for the Advancement of Civic Equality in Israel shows that the gap between Arabs and Jews grew by more than 4 percent over the last two years.

Arab citizens thus suffer from discrimination twice over: once by the state and again by Diaspora philanthropy. In fact, the situation is even worse than it may seem, because of the mechanism of matching funds. A significant part of the state's resources reach citizens via local government. Some of these same resources, mainly in education and welfare, are distributed on the condition they are accompanied by a fixed ratio of local investment.

Local Arab governments are weak in comparison to Jewish ones. This is mainly due

to the state's long-standing policies, but it can also be attributed to the fact that the Arab authorities don't enjoy the funds that Jewish philanthropy channels, directly or indirectly, to Jewish local authorities. It is important to understand that when an American philanthropy provides money, for example, for construction of a library, or some activity that benefits a Jewish community in Israel, it is indirectly saving that local government money. In this way, philanthropy allows local governments to divert monies to other purposes, for example - and this is the heart of the matter - to match the welfare budget provided by the state. The government of an Arab town, in contrast, cannot completely match state funds, and so does not receive its full potential allotment from the state.

But even this is not the end of the story. The state comptroller has shown that matching funds for social and welfare purposes that are not exploited are returned to the state and redistributed, this time generally to stronger Jewish local authorities. Thus, philanthropic funds make it possible for stronger local governments to enjoy even more resources from the state, by receiving funds returned to the state from weaker Arab local governments.

The result is that, in practice, philanthropy leverages and deepens unequal distribution of public resources to Arab citizens of the state. This is disturbing in light of the fact that most Jewish philanthropy intended for Israel has always had the goal of helping the weak and reducing gaps here. Unfortunately, when it comes to Arab citizens, it achieves just the opposite, contributing to the widening of gaps and hence weakening Israeli society. This may sound like a harsh judgment, but it is necessary to say it loud and clear, to make it part of the discourse between Israeli citizens and Jews in the Diaspora, and to deal with it courageously.

Fortunately, there is a solution to this problem.

More and more philanthropic organizations understand that the supreme interest of supporters of Israel is for the state to be just and secure. And that a society with large and growing gaps between majority and minority, especially when they are involved in a national conflict, is an unethical and unstable society. And so, in recent years there has been a new trend among Jewish organizations abroad, led in large part by the Inter-Agency Task Force on Israeli Arab Issues, to grapple with this problem. The process has led a number of foundations and Jewish federations to initiate philanthropic involvement in and with the cooperation of local Arab authorities in

Israel - an effort that can only arouse admiration and hope. It is a hope that Jewish philanthropy can adapt itself once again to the challenges of the State of Israel and contribute to the reduction in gaps between its Jewish and Arab citizens, instead of widening them.

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