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Ageing policy in Israel

Keywords: Israel, senior policy, pension system, community services

Abstract

The goal of this work is to analyse the socio-demographic, political and economical conditions of life of the elderly in Israel, including the description of the pension system and selected services for senior citizens. It was conducted based on the analysis of source texts, statistics and reports, coming mostly from government sites, as well as international and Israeli institutions. The results obtained were confronted with an opinion concerning the quality of life of the elderly, provided by a 40-year-old Israeli citizen. This was researched in a manner of a free-form interview, which was carried out in May 2015 in Israel. The issues discussed in the interview outlined the structure of this work.

Introduction

Israel is a country with a relatively short history, which, like a magnifying glass, focuses people of multi-cultural origins within its borders. It is a country where progress and modernity are intertwined with history and tradition. It is the homeland of the Jewish nation, where a quarter of society is made of Arabs and other ethnic and religious groups (*Israeli – a human mosaic*, no publication data).

Israel as a country is unique in many aspects, but its relatively young society is beginning to face a problem of aging. In the ranking of countries according to the quality of life for the elderly, Israel occupies a high 18th place out of 96 countries. However, the in-depth analysis demonstrates that the Israeli society is characterised by large dispro-

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portions in economical and social status of its citizens. Fairly good conditions for aging favour specific social groups, while for the remaining ones, mostly ethnic and religious minorities, they are difficult to achieve.

Socio-demographic determinants of old age in Israel

The population living in the territory of Israel in 2014 was 8.1 million people, 10.9% of which was made up of people older than 65 (OECD, 2014). Even though the percentage of elderly people in this society is increasing[2], compared to the European Union countries it is a relatively young population. In addition, the average life expectancy in Israel is longer than in the EU countries. In 2013 it was estimated do be 83.9 years for women and 80.3 years for men (CBS, 2014). In comparison, the average life expectancy in the 28 countries of the European Union was respectively 83.3 and 77.8 years (Eurostat, 2015). Considering the multi-cultural aspect of the Israeli society it is worth noting that this number is an average for all population, including both Jewish and Arab communities, while their separate life expectancy is not the same. The difference between them is approximately 3 years, in favour of the Jewish population (CBS 2014).

Table 1. Proportion of population aged 65 and over and life expectancy in selected countries

Country	Proportion of population aged 65 and over (%)		Life expectancy	
	2010	2014	Women	Men
Israel	9.9	10.9	83.9	80.3
Poland	13.5	14.9	81.2	73.0
28 countries of the European Union	17.5	18.5	83.3	77.8

Source: Own work based on: OECD.stat, Country statistical profiles: Israel, 2014; Eurostat, Proportion of population aged 65 and over, 2015; CBS Statistical abstract of Israel 2014, Life expectancy, by sex religion and population group, 2014; Eurostat, Life expectancy at birth by sex, 2015.

Since women live longer, they are the ones who remain alone in the old age. In 2010 the percentage of widows above 65 was more than three times larger than the percentage of widowers of the same age. In turn, more than ¾ of all elderly men and less than half of women were married (*Women & men in Israel* 2013, p. 4). The characteristic of the oldest group in Israeli society in terms of marital status is shown in the graph 1.

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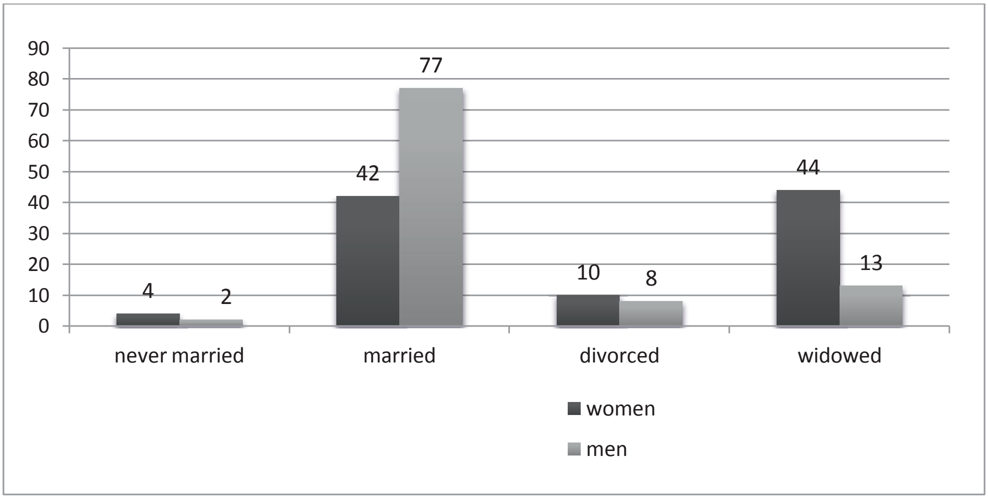
[2] In 2010 it was 9.9%

Graph 1. Person aged 65+ by marital status, 2010 (%)



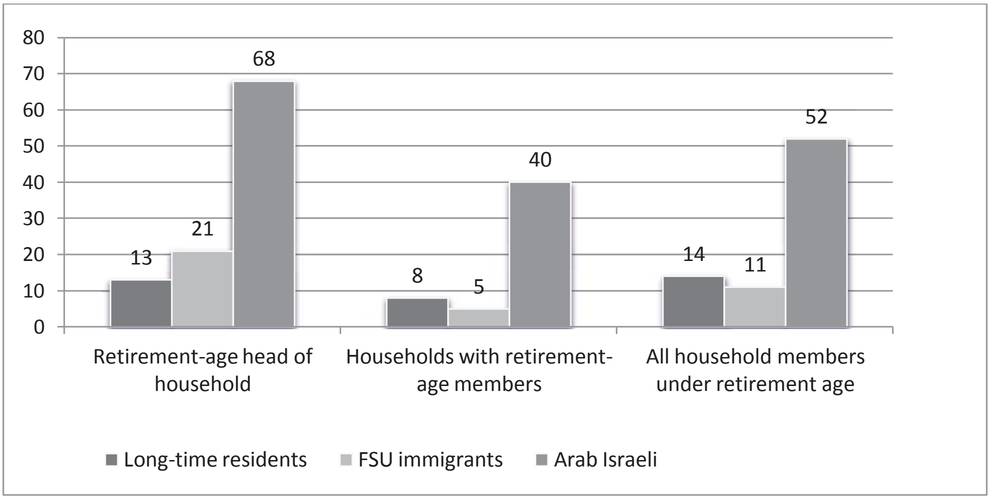
Source: Own work based on: Central Bureau of Statistics, Women & men in Israel 1990–2011, 2013.

The higher rate of widowhood among women and the higher average life expectancy results in increased need for social services. In 2013 there were 273,466 people above 65 registered in social services department, which was more than 32% of the elderly population. Out of all the women registered in social services department, almost 25% were older than 65, whereas in case of men this rate was 9 percentage points lower. The demand for the services was clearly increased among people past 75. They most often used help in connection with geriatric and health issues and disability (CBS, 2014).

According to Global Age Watch Index 2014, 91% of people past 50 declare to have family or friends they can rely on in difficult situations (Global Age Watch Index, 2014). The less pleasant picture of the support resources for the elderly in their close environment is painted in research by the Central Bureau of Statistics (CBS) in 2010, which was conducted on a smaller group of subjects (only people past 65). The results showed that 32% of respondents said they had had no one to turn to for help. Almost as many of them declared they felt lonely, and almost 41% admitted to have no contact with acquaintances. The percentage of seniors declaring the feeling of loneliness was considerably larger than in other age groups. This problem pertained especially to people past 75 (CBS, 2014). The subjective feeling of loneliness and being forlorn seems to have a broader dimension then the actual, physical solitude. According to data from 2013, the most common form of dwelling amongst the elderly is a single-family, two-person household – this is how approximately 49% of seniors live, while over 26% lives with children, relatives or with unrelated people. 24% of people in this age group live alone (CBS, 2014).

Poverty is a significant problem which concerns a considerable part of Israeli elderly population. Despite the high ranking in the Global Age Watch Index 2014 ranking, Israel

Graph 2. Percent of households below the poverty line by household type and by disposable income. Average for 2010–2011



Source: Own work based on: H. Stier, H. Bleikh, Poverty within the elderly population in Israel, 2014

ranks relatively low in the income security category (45th place). Less than 74% of people above 65 receives pension, while in Poland the number is 96.5%. This results in a high poverty rate in this age group – the income of more than 21% of people past 60 is lower or equal to the half of national average salary. At the same time the average income and consumption of people older than 60 is equal to almost 96% of the average income and consumption of the entire society (Global Age Watch Index, 2014). This is an indicator of the large economic stratification within this age group. The level of poverty amongst the elderly is diverse due to types of households as well as social groups. Among the elderly residents of Israel, long-time residents are in the best situation, since it is easiest for them to fulfil the requirements for receiving pension, and a high length of service raises the value of the pension. W 2011 65% of then received pension benefits, while among the Former Soviet Union (FSU) immigrants the percentage equalled 21%. The smallest number (8%) eligible for pension was among the Arab Israeli (Stier, Bleikh, 2014, p. 407). Those indicators are reflected in the poverty indices. The lowest index (11%) is observed in case of long-time residents and it is lower by 6 percentage points than the poverty level within entire Israeli society. The poverty index among FSU immigrants is 18%. The worst situation is that of Arab Israeli, 60% of which live below the poverty line (Stier, Bleikh, 2014, p. 409). From the perspective of the households it can be noted that for the family budget the most profitable situation is when the retirement age person lives with a younger generation. Within the mixed households the poverty level is lower than both within households consisting solely of the elderly people and those not inhabited by the elderly (Stier, Bleikh, 2014, p. 416). Data presented in graph 2 pertains to disposable income, which is the income left after subtracting government intervention from taxes and welfare. It is much more favourable for the seniors than that which indicate the poverty level measured against market income. It is worth noting that while the level of poverty among long-time residents is lower in case of the elderly than for the rest of society, the seniors among FSU immigrants and Arab Israeli are in a considerably worse situation than the younger people in those social groups.

Israeli pension system

Israeli pension system consists of two age thresholds which make one eligible to receive pension. In 2004 the retirement age begun to be lengthened. Because of that the moment of crossing the specific thresholds depends on the year of birth. The first threshold is the retirement age, which is reached between 60 and 64 by women and between 65 and 67 by men. At this age citizens who prove their work income is lower or just slightly higher than a specified income threshold are eligible for old age pension. In case of other sources of income, it cannot be higher than twice the specified amount. Second age threshold – age of entitlement to old-age pension – is reached by men of 70, and in case of women it is currently being lengthened. The target age threshold is 70, but in 2014 the threshold was 68 years and 4 months. Reaching this threshold makes one eligible for old age pension regardless of their income. Age and income are not the only criteria determining pension eligibility. In addition, person must be covered by old age insurance, which is only possible for Israeli citizens who settled in Israel before reaching the age of 62. The effective period of old age insurance should cover 144 months, or at least 60 months during the 10 years preceding retirement, and the premiums must be paid in accordance with the law (*Conditions of entitlement*, no publication data).

Pensions are awarded and paid by the National Insurance Institute of Israel. The basic old age pension amounts (updated at the beginning of 2015), converted to US Dollars, are 389 USD for an individual and 586 USD for a couple (*Old age – pension rates*, no publication data). In both cases the pension is increased by approx. 6% for people of 80 and older. Additionally, the pension of people who are legal guardians of children is increased by 5.6% of the base amount per each child (applicable to a maximum of two children). Citizens covered by insurance for more than 10 years before retirement are entitled to seniority increment (insurance), which means that for each additional full year of insurance the pension is increased by 2%, up to the maximum 50% of the pension. In addition, the seniors who have resigned from the old age pension they were entitled to in the period between retirement age and age of entitlement to old-age pension, are eligible for pension deferral increment equal to 5% of pension for each year in the given period (*National Insurance Programs in Israel*, 2015, p. 44–47). If the amount of base pension increased by the additions above is not higher than a specified amount and a person is not a member of a kibbutz or a cooperative moshav and fulfils the further criteria such as having no additional income (or a limited amount of income), they are eligible for income supplement to an old-age pension (*Income supplement to an old-age pension*, no publication data). Having received that, the pension of an individual pensioner may increase on average by 32% of the base amount of pension accrual[3]. In case of couple this increase is 46% on average, and for people having children it may even be 60%. The amount of income supplement is dependent on the age of a pensioner and the number of children they have (*National Insurance Programs in Israel*, 2015, p. 47). The pension of an individual entitled to all additions in 2014 was 714 USD, and 1060 USD for a couple. In order to fully present the situation and economical standing of the elderly in the Israeli society, it has to be noted that the national minimum monthly salary is 1184 USD, and the average of all salaries is 2358 USD (*General information*, no publication data). For people who have no other sources of income and no savings retirement is connected with a significant decrease of their economical status. In addition, considering the high percentage of people who are not eligible for pension and the fact that few people are entitled for the highest pension, the assessment of the financial security of the eldest citizens of Israel is significantly decreased.

The senior policy in Israel – selected aspects

Aging society and the high poverty level among the seniors is the reason for which the elderly policy is given more and more attention in Israel. In 2007 Ministry for Senior Citizens was created. Its main areas of operation are:

- Improving life quality and level of senior citizens – efforts towards increasing the security of the elderly and informing them about their rights and opportunities;
- Building and adjusting service infrastructure in the age of aging population – responding to senior citizens' needs, improving the conditions in their place of residence concerning social services, rehabilitation and health care;
- Establishing the connection between young and old generation – conducting projects in partnership with Ministry of Education, youth movements and students;
- Improving quality of life of the Holocaust survivors – informing them about their rights and helping them to reclaim lost wealth and exact the compensations they are entitled to (Ministry for Social Equality, no publication data).

Ministry for Senior Citizens is also responsible for issuing a Senior Citizen's Certificate for the citizens of Israel past the retirement age. This certificate makes citizen eligible for various discounts, e.g. concerning television, public transportation, theatre, museum and national park tickers as well as discounts concerning health care and housing. In addition, the ministry initiates multiple projects promoting volunteering for and amongst

[3] The amount of base pension for an individual and a couple is respectively 17.7% and 26.6% of the amount resulting from calculation of maximum income for purposes of collection of contributions. In 2015 this amount, after conversion to US Dollars, was equal to 2202 USD.

seniors, creating conditions for cross-generational integration, educating senior citizens and focusing on preventing violence against the elderly (*Ministry for Social Equality*, no publication data).

The elderly policy and community services for the elderly in Israel are developed in accordance with aging in place policy. It treats the institutionalised care as the final solution and aims at enabling the elderly to age in their own home and environment for as long as possible. In Israel most of the responsibility for the care of elderly people rests on their close family. Services and solutions offered are meant to support and relieve the family, not replace them (Brick 2011, p. 8). In 2012 more than 450 million NIL, (i.e. approx. 114.5 million USD) were allocated to services for the seniors, but in fact less than half of this amount was used. This means that the elderly do not receive all the benefits they might be entitled to, and this trend has remained in place for many years (*A picture of the Nation…*, 2015, p. 41).

The first expression of the aging in place policy was the implementation of the Long Term Care Law under the National Insurance Law in 1988 (Brick 2011, p. 8). In accordance with that law, disabled citizens may apply for help of the daily assistant for such activities as running the household, washing and preparing meals. Similar services are being provided by welfare departments, non-profit organisations and private enterprises for the seniors who are (for various reasons) not entitled to home care under the National Insurance Law (Katan, no publication data, p. 3).

The disabled seniors may get similar help in Day Care Centres, which provide services for 5–6 days a week for 6 hours on average. Their operations are funded by the National Insurance Institute and Ministry of Welfare and Social Services. The seniors or their families also participate in the costs. The payment for a Day Care Centre visit is approx. 4.00 USD a day. Apart from services connected with daily functioning, those establishments also provide social and physical activities and physiotherapy (Brick 2011, p. 9).

It is a very popular solution to employ (by the families or the seniors themselves) the foreign caregivers, who live with the seniors and provide services around the clock. Such people usually come from the Philippines, but also from Eastern Europe or Sri Lanka. This solution was a rank-and-file initiative if the society, later supported by the government. The families which decide to employ foreign caregivers may apply for a refund under Long-Term Care Insurance Law. In 2008 there were 54,000 foreign caregivers employed to take care of the elderly (Brick 2011, p. 10).

Another rank-and-file solution for improving the quality of life for the elderly in their own environment are supportive communities. They provide seniors living in their area four basic services: support from Community Mother/Father – a professional, paid employee monitoring the needs of seniors and helping to satisfy them; Emergency Call System – alert system installed at the senior's house, connected with the call centre, which allows to call help quickly; Medical Services – providing home visits by the physician at a small fee and a free ambulance when needed; Social Activities – creating conditions for active recreation, education and social meetings in the community of neighbours. First Supportive Community was created in 1998 as the NGO initiative. In 2010 there were 250 such communities. Their members pay monthly fees of approx. 30 USD, while the Ministry of Social Welfare funds activities connected with social security (Brick, 2011, p. 10–11).

These are just some of the solutions helping the seniors to function within the society. It is worth noting that benefitting from them is dependent on various conditions, such as being insured or having financial resources. In addition the quality of and access to community services also depends on geographic location (Katan, no publication data, p. 6). Seniors who live in large cities with well-developed infrastructure have access to a broader variety of services. This is also a result of the multiple expansive NGOs and private enterprises, which are more often located in large cities.

Reality of the elderly in Israel – perspective of the citizen of Israel

In order to study the life of the elderly in Israel, an interview was conducted with member of Israeli society. In May 2015 I participated in a student seminar "Bringing Together" in Israel. One of participants was a 40-year-old ground-school teacher living in the suburbs of Tel-Aviv. His responsibility for educating young people and mature age allowed me to evaluate him as person aware of problem and social issues in his country. I interviewed him for approximately one hour, talking about the issue of the life of the elderly in Israel. A lot of attention was given to the state policy concerning seniors, and the social and economic situation of seniors. My interlocutor also often referred to the general characteristic of Israeli society, the problems it is facing and the consequences of those problems for seniors.

The main conclusion that can be drawn from the collected data is the observation that the Israeli concerning the deep stratification of the Israeli society. This situation is mostly conditioned by the descent and by the social and economic status which is often a result of descent.

The narrator begun with presenting the historical setting and political situation of his country, including its multi-cultural and multi-faith aspects. All those factors contribute to the form and characteristics of the Israeli society, which – as he says – is highly disproportionate.

> *What happens in Israel? The rich getting richer, the poor getting poorer. Sometimes you can see that the middle class is starting to disappear. It's hard to find the middle class. Strong get stronger and weak get weaker.*

The reason for this situation is the social inequality of access to education, jobs and culture which is based in gender and descent:

> *There is still a lot of differences, a lot of gaps. A lot of people who don't get equal rights that they should. Women still earn less than men in the same job. You still have people who live in the*

centre the Tel Aviv etc. and those who live really south. There are still a lot of gaps between them – what they get, the road they have, the bus ticket, what services the city is giving them. You still have gaps between Ashkenazy and Sephardic, between Jewish and Arab.

Social exclusion, difficulties in access to education and jobs, low wages all contribute to the quality of life in the old age:

Situation of old people depends on whether old person is Sephardic or Ashkenazy, if he is men or women, if he lives in the centre of Israel or further. It depends on which old people you are, what you have done before, what kind of education you have.

This dependency stems mainly from the difficult access to pension benefits and community or health services. The economical situation of many of Israeli citizens does not allow them to pay insurance premiums required to receive benefits. As a result, in the old age they are left without livelihood and social security. On the other hand, people who enjoy high social and economical status gather wealth and savings which they can use up after retiring.

You can see those old people who can go to the university, live nearby the university those who have money and can afford this and many of old people have financial problems. They are stuck in their house, old and sick, or even if they are healthy they don't have knowledge or don't know how to use the internet. Those who are weaker stay in their house, outside the centre, don't know what a university is and are stuck over there. And those who are more educated or live nearby expensive places, they have money and time for leisure and hobbies.

Narrator also noticed the variety and high quality of services for the elderly in large cities. They are, however, aimed at seniors who are wealthy or come from wealthy families. He stressed that the close family often participated in the costs of senior care, which is exemplified by the popular practice of employing a foreign caregiver. This solution is often chosen by families which cannot take care of their elderly themselves. In his opinion, family and wealth are to main factors that determine the quality of life in the old age:

If you are old person in Israel you better have money. Make sure you have money. If you don't have money – make sure you have sons and daughters, who love you and have money. If you don't have this stuff you are going to have weak life, until you die.

Conclusion

The high ranking of Israel in Global Age Watch Index 2014 is a result of statistical averaging of basic categories that determine the quality of life in the old age. From the quantitative perspective the state creates good conditions of life for its senior citizens. Similar conclusions could be drawn from researching the elderly policy of the state. However, this picture changes unfavourably when qualitative analysis of the problem is employed and when one looks at the data concerning the poverty level in this age group. The conditions that the state provides for its citizens cause the good quality of life in the old age to be easier to obtain for certain age groups, which as a result leads to the stratification of society. This effect is reinforced by the variety of cultures, religions and descents among the Israeli residents.

The disproportions in society begin in the younger age groups, but retirement further reinforces them. The conditions of pension entitlement make people who settled there in the old age (which was common due to the history of the country) ineligible for pension. The base amount of pension compared to average income of people in working age is very low, and its increase is only possible with the high length of service, which is often difficult to achieve for minorities, just like collecting savings. At the same time, appropriate period of insurance is required to become eligible for community services. In addition, the costs of care for the disabled seniors are not infrequently shared by the family, and its wealth is often determined by membership in a certain social group. Situation is made worse by the fact that the offer for the elderly is diverse depending on geographic location, which makes it difficult for people from smaller towns far from large cities to have access to it.

The picture emerging from that analysis of the data becomes even more expressive in the interview conducted with the young citizen of Israel, who pays special attention to the growing disproportions in the society. In his assessment it is the descent and gender that determine the material and social status, and in consequence the quality of life in the old age. Both the source data and the narrator's statements indicate a large role of family in the life of the elderly. This phenomenon is reinforced by the aging in place policy employed by the state, which is aimed at allowing the seniors to stay in their place of residence for as long as possible. This policy is mostly realized by activities which support families in caring about their most senior members.

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