

Problems of repatriated pensioners from the post-Soviet space.

Guilty without guilt/ So the state is robbing repatriated retirees.

Ph.D. Alexander Berman.

President of the Hazit Akavod Movement (For a Worthy Future)



The state treasury receives annually receives from the real estate market 25-30 billion shekels. This is a very big contribution to the budget of Israel. The government cannot do without this money.

Nevertheless, it is unacceptable that the well-being of our state be achieved through the exploitation of elderly repatriates from the former USSR and the violation of their right for to a decent life.

But in the hands of the government there are all the necessary tools to solve the housing and pension problems of the older generation of immigrants from the former USSR.

This is a program of improving the living conditions of repatriated retirees, which the Ministry of Aliyah and Integration submitted to the government on September 16, 2018,

These are also benefits in the payment of mortgages, similar to those provided to repatriates from Ethiopia in 1993. and benefits on mortgage loans, similar to those repatriates from Ethiopia in 1993.

In ancient Rome, citizens who did not have their own home were called proletarians. In Israel, according to the CSB for 2017, there are more than 260 thousand repatriate proletarians, immigrants from the former USSR. These citizens do not have their own housing and they are forced to rent it. For them, this remains the only opportunity for 29 years after mass emigration

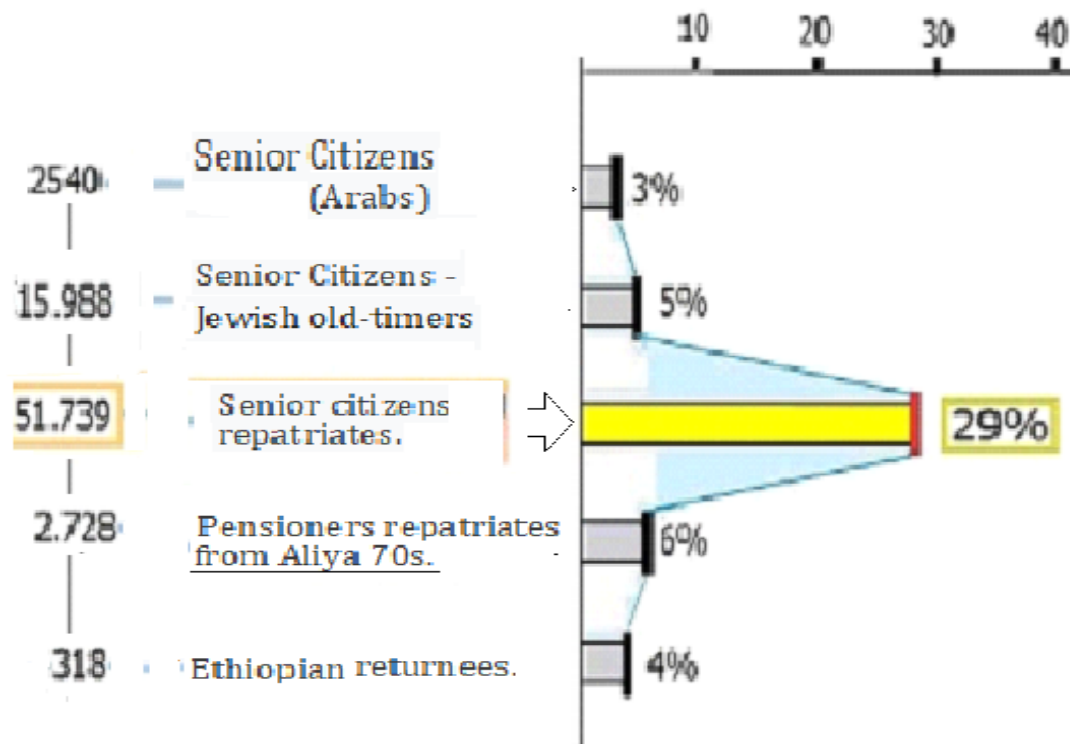


Fig. 1. Proportion of people living in rented housing, by sector of population

The share of families from 90s Aliyah pensioners living in rented housing is 5-10 times higher than similar shares in other groups. There are more of them not only in percentage terms, but also in absolute numbers (from 51 to 66 thousand people). pensioners living in rental housing. Over 70% of all families are from Aliyah 90.

However, not only elderly repatriates, but also younger people, who arrived in the 90-s have to rent housing, show a "addiction" to take. The property to many people since the beginning of the 90s of the last century have increased, on average, by 4% -8% per year. Over the past 29 years, apartment prices have increased 3-4 times, which made apartments inaccessible to many.

At the same time, the annual increase in salaries of employees is very far behind the rise of prices in the real estate market

Consequently, the total number of salaries that must be paid for an apartment grows year by year, and the number of repatriate families who have bought an apartment decreases over the years.

More successful were those repatriates from the USSR who came to Israel in 1990-1991. Over 10 years of living in Israel, they reached the same level of property ownership (65%) as the old-timers (66% -69%). Those who arrived a few years later, it was already much more difficult to buy an apartment. The reasons are not only the increase in apartment prices, but the fact that in addition to price increases, banks have ceased to provide mortgage loans in the amount of up to 95% of the apartment price.

As a result, the indicators of apartment purchases are constantly declining among those who bought an apartment in the first 10 years of life in Israel.

So among the repatriates of 1998-2000, the share of such families is already only 30%; among arrivals after 2000 is up to 19%; among those who moved from 2010 to 2017. a is up to bit more 22% -24%.

In general, three quarters of returnees from ex-USSR who arrived after 2000 cannot buy an apartment.

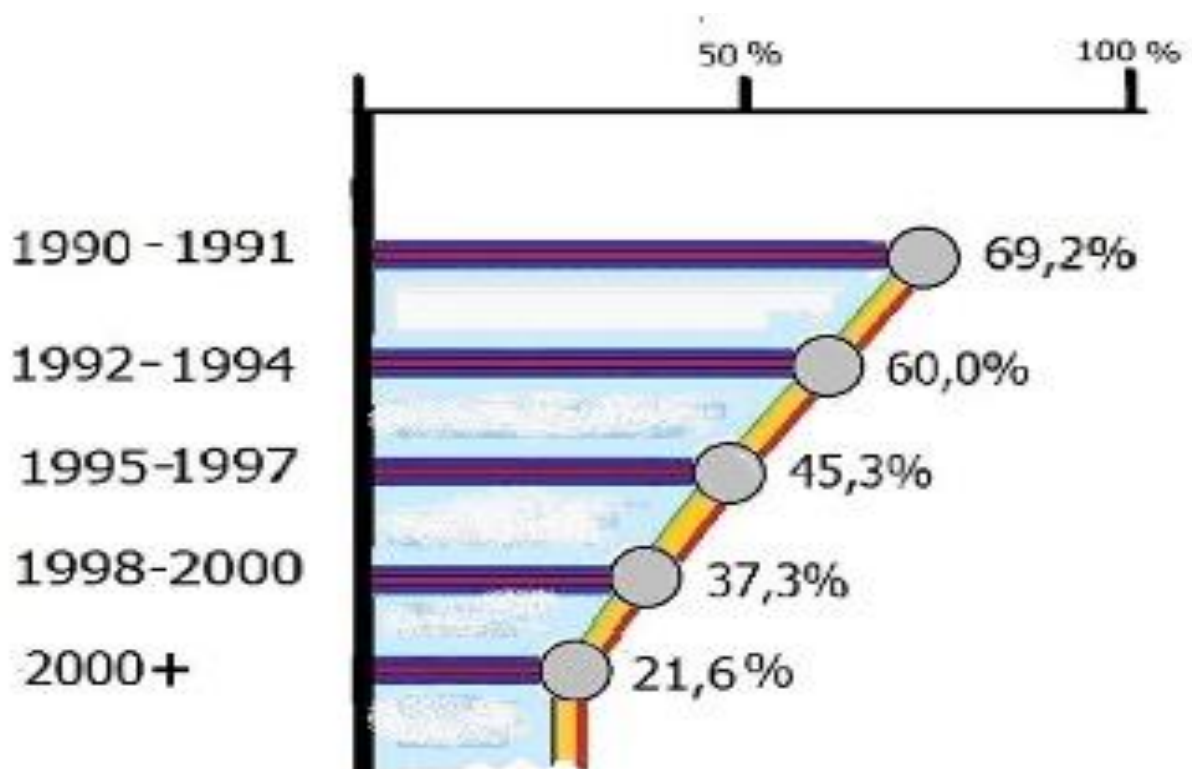


Fig. 2. The share of families of returnees from the former USSR who bought an apartment

Of course, at the same time as the proportion of families of repatriates from 90s Aliyah who bought an apartment decreases, the proportion of people living in rented housing is growing.

As a result, it turns out that the returnees who came to Israel from the countries of the former USSR after 2001 are 3-4 times less provided with their own housing compared to other groups of the population.

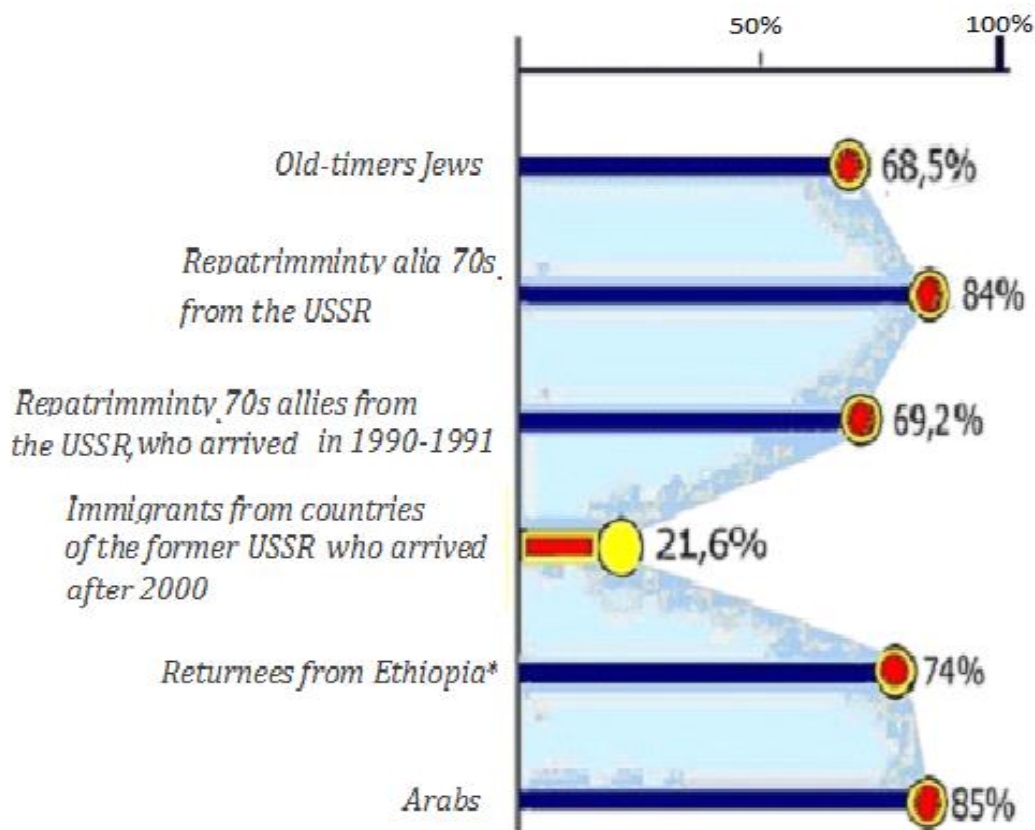


Fig. 3. Material and housing conditions of various population groups in Israel.

In 2017, elderly repatriates from the former USSR turned out to be the only population group in which the number of people living below the poverty line increased

While repatriates from Aliyah of the 90s are working and earning money, they live well. They are quite capable of paying 3.5-5.5 thousand shekels a month for renting an apartment, while not denying themselves much. However, after reaching retirement age, many of them stop working - and then their family budget is reduced immediately by 3-4 times.

So many pensioners found themselves below the poverty line without having accumulated pensions and not having time to acquire their own housing.

All needy pensioners from Aliyah of the 90s can be divided into two groups.

In the first - those who have solved the housing problem: they have already completed payments for the purchased apartment or received social housing. Their housing costs make up no more than 10% -30% of the budget, so that they can satisfy their basic needs, including good nutrition, cultural leisure and even travel abroad.

The second group includes those repatriated pensioners who have not yet decided to the end of their housing problem. They live in rented housing, or continue to pay a mortgage loan - "Mashkant".

As a rule, their income is limited to old-age allowance ("kitsvat zikna") along with a social allowance, and they give a significant part to housing (50-70% of total income). **These pensioners are poor, or we can call them proletarians.**

As shown by study of the Brookdale institute in showed, many elderly repatriates living in rented apartments or paying a “mashkant”, after paying for housing for all other expenses, including food, have no more than 500 nis per month.

In the next report of the Institute of National Poverty Insurance in our country, published on December 31, 2018, it is said that elderly **repatriates from the former USSR in 2017 turned out to be the only population group in which the number of people living below the poverty line is increased**

If in the near future the government will nearest doesn't take steps aimed at solving the housing problem of repatriates from 90s Aliyah living in rented housing, in the coming years the number of poor proletarian pensioners from 90th Aliyah will increase to 100 or more thousand people.

What conclusions can be drawn from the data presented in this article?

First of all, the fact that elderly repatriates from Aliya of the 90s turned out to be the poorest of all pensioners in the country.

87% of them do not have any Israeli funded pension, and the average funded pension for this layer is less than 2000 shekels. And 48% of them do not have their own housing.

For comparison, 52% of all the rest (old-timers - Jews and Arabs, repatriates from Ethiopia, repatriates from the USSR who came to Israel in the 70s) have pensions, and the average funded pension is about 6,000 shekels a month, and up to 90% own apartments.

And the problem will increase.

Of the 260 thousand immigrants who came in the 90-s and live in rented housing, about 60 thousand are pensioners, and another 200 thousand are still relatively young and able to work. But many of those who are still working, will not be able to buy apartments because of their high cost. This means that they will have to work either in retirement age or significantly limit their needs in order to somehow make ends meet.

Such a plight of elderly repatriates, retired proletarians living in rented housing, is due to the fact that, as mentioned above, the treasury receives 25-30 billion shekels a year from the real estate market.

This greatly increases the high cost of housing, and in addition, these large financial revenues to the budget are one of the main reasons why 88% of elderly repatriates from Aliyah of the 90s were left without a funded pension: many of them spent all their labor savings on solving the housing problem.

We can add to the above that the state receives large incomes not only from those who buy newly built apartments (about 50% of the price in each apartment built falls, in the form of various taxes, into the treasury - including money for the contractor to buy a building plot) .

But the state also earns on the fact that 66 thousand elderly repatriates live in rented housing - this increases the demand in the rental housing market, prices are rising, and with it the state's D:\d\Eco010 Amuta EI\Autor Berman Alexandr\Berman Article En 191022.docxThe latter circumstance explains why for many years the state has not built enough social housing.

It did just the opposite: it sold over 100,000 apartments from a public fund, those ones that could completely solve the housing problem of repatriated pensioners for nothing.

For 10 years, from 2003 to 2013, the government suspended the construction of social housing. And over the past 30 years since the beginning of the mass aliyah of the 90s, the has spent more than 30 billion shekels on subsidies to pay for rental housing for elderly repatriates from the former USSR!

While, according to the estimates of the Ministry of Repatriation and Integration, for the construction of social housing for all repatriates who need it, no more than 7 billion shekels would be needed.

Tens of thousands of elderly repatriates from Aliyah of the 90s, many with 30-40 years of work experience, of which they worked for 20-25 years in Israel, were punished in their old days, without a permanent roof over their heads, without pension benefits. They are poorer than any other senior citizens. Why have made the state of Israel make these older people “guilty without guilt”?

Today, the government has a key to solving the housing and pension problems of these people. [By](#) the program for improving the living conditions of elderly returnees was developed at the Ministry of Aliyah and Integration and submitted to the cabinet for approval on September 16, 2018. The program was based on the recommendations of the inter-ministerial commission on the pension problems of repatriates, which worked under the leadership of Minister Zeev Elkin in 2015-2016. The recommendations of this commission contain a proposal to double the size of the subsidy for renting housing for elderly repatriates, bringing it up to 2,000 shekels a month, and thereby making the lives of 66,000 pensioners living in rented housing more worthy than today.

Alexander Berman,

President of the Hazit aKavod Movement (“For a worthy future”)

Photo: Daniel Bar-On

I thank Dr. Vyacheslav Konstantinov for help in obtaining the data from the Central Statistical Bureau of Israel for 2017, and Dr. Anatoly Kachan for help in preparing the schedules.

And also Berthe Zhukova from S&TA E.I., who helped to correct the translation of this article into English.