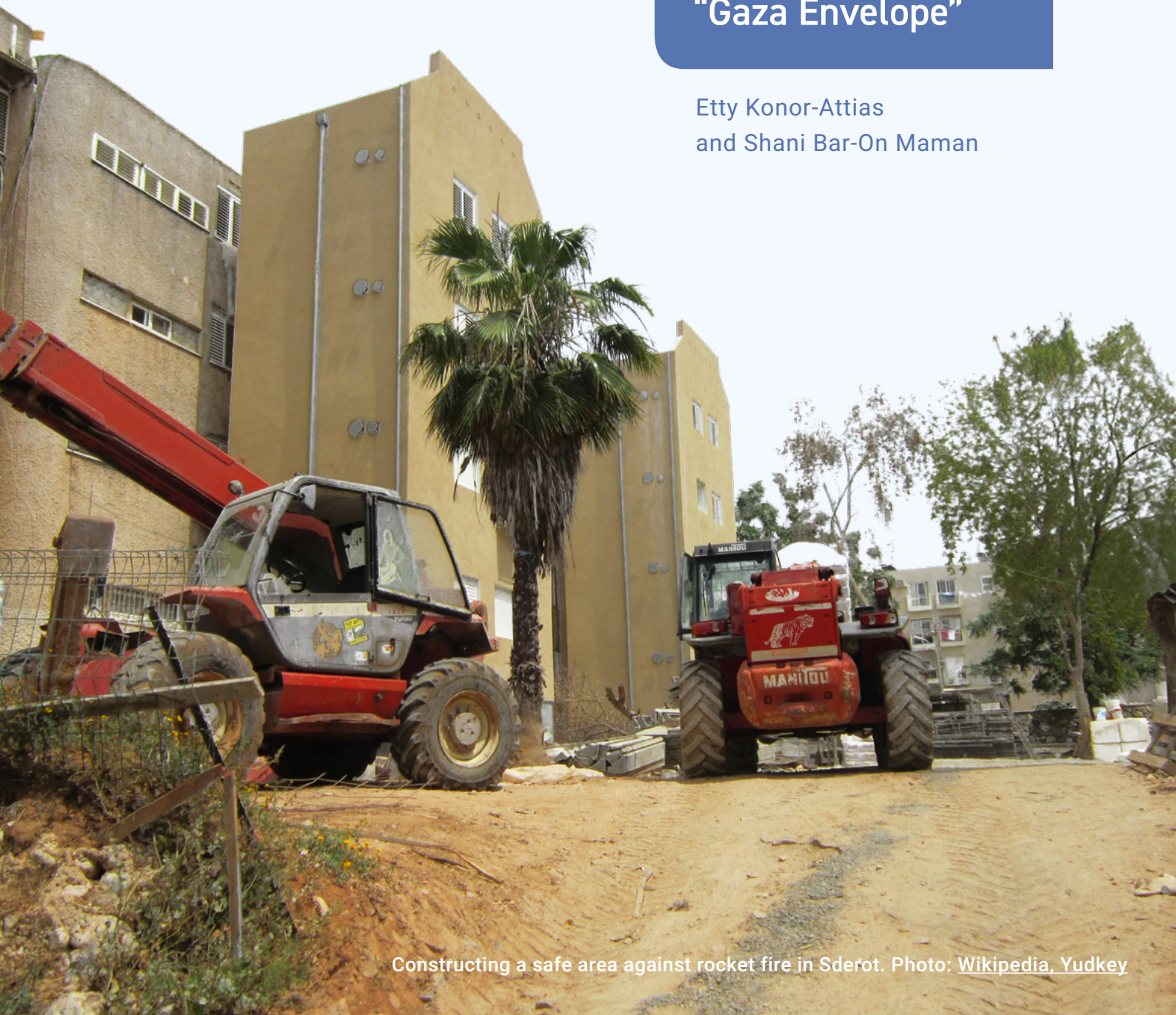


October  
2023

## NUMBERS THAT REVEAL ABANDONMENT

Government  
Allocations to Local  
Governments in the  
“Gaza Envelope”

Etty Konor-Attias  
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# **Numbers that Reveal Abandonment: Government Allocations to Local Governments in the “Gaza Envelope”**

**Etty Konor-Attias and Shani Bar-On Maman**

**October 26, 2023**

“We were abandoned” is an expression repeated among the survivors of the October 7, 2023 Hamas slaughter at Israeli localities adjacent to the Gaza Strip (the so-called “Gaza envelope”). And that abandonment can be described as Israel’s retreat from many of its traditional obligations, including, in this case, the provision of security to all citizens and localities. Following is a budget analysis that points to abandonment when it comes to allocations specially earmarked for those localities. We will begin with the definition of the area in question.

## **Definition of the “Gaza Envelope”**

The definition of the area as “Otef Aza” in Hebrew, or the Gaza envelope, dates back to 2003<sup>1</sup> under the leadership of Prime Minister Ariel Sharon, in the wake of the firing of rockets on that area from the Gaza Strip. The definition was accepted in a series of government resolutions, the first on May 1, 2003, which initially included localities located up to six kilometres from the Gaza Strip. Later the definition was changed to localities located up to seven kilometres from Gaza, and finally, the definition included a list of localities, updated from time to time.

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<sup>1</sup> State Archives/Office of the Prime Minister. 2003-2006 PR7229/10. Government Resolutions on the Subject of Assistance to the city of Sderot and the localities in the Gaza envelope/ [il.gov.archives](https://il.gov.archives).



Ashkelon, whose southern part is close to the Gaza Strip and which is almost entirely unprotected, was never added to the list of localities in the Gaza envelope; neither were Netivoth, Ofakim, the Merhavim and B'nai Shimon regional councils. All of them were the targets of heavy rocket fire, loss of life and in most cases the penetration of terrorists into their communities, primarily on Black Saturday, October 7, 2023.

## **Budgets Earmarked for the “Gaza Envelope” 2014-2024**

The following budget analysis is for local governments included in the “Gaza envelope,” whose definition entitles them to special allocations from the Ministry of the Interior. The relevant localities are the city Sderot, the regional councils Sha’ar HaNegev, Eshkol, Hof Ashkelon and Sdot Negev. The budget allocations presented below include assistance to be transferred, via the Ministry of the Interior, to the local tax base and other special grants, including development grants whose purpose is to strengthen the area. These allocations were instituted following Operation Protective Edge (July-August 2014). In the following graph, we present the total government budget transferred to the local governments via the Ministry of the Interior, in accordance with government resolutions.

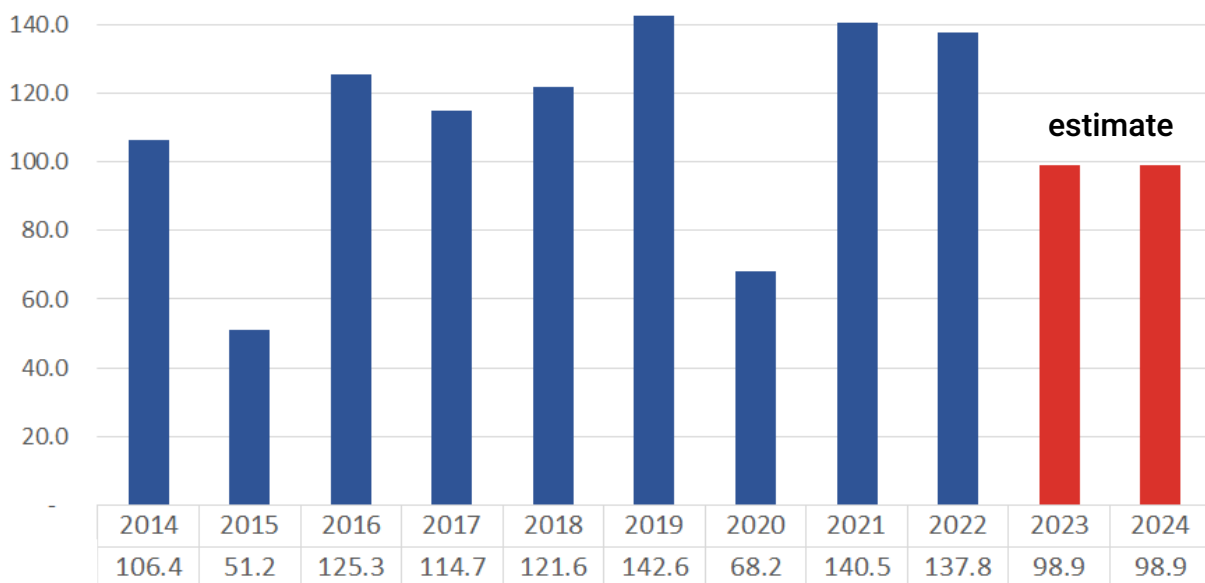


The old safe house  
of Kibbutz Be'eri  
Photo: [Wikipedia, Efi Elian](#)

Examining the national budget for the years 2023-2024 provides painful evidence that the localities in question were indeed slated for abandonment following the November 2022 elections. The total government allocation approved for the localities for 2023 and 2024, of NIS 99 million, is significantly lower than the budgets allocated and actually spent during the previous years. For example, for the years 2021 and 2022, those allocations amounted to NIS 140.5 and 137.8 million NIS, respectively.<sup>2</sup>

### Central government financing of local governments in the “Gaza envelope,” in accordance with government decisions, 2014-2024

Allocations earmarked for the “Gaza envelope” from the Ministry of the Interior: Actual spending for the years 2014-2022 and estimate for the years 2023-2024, in NIS millions, 2022 prices



**Note:** The central government finances local governments in two ways: Earmarked grants, mainly for education and social welfare, and “balance grants” to local governments with low self-income. The allocations above are special ones transferred by the Ministry of the Interior to local governments in the “Gaza envelope”.

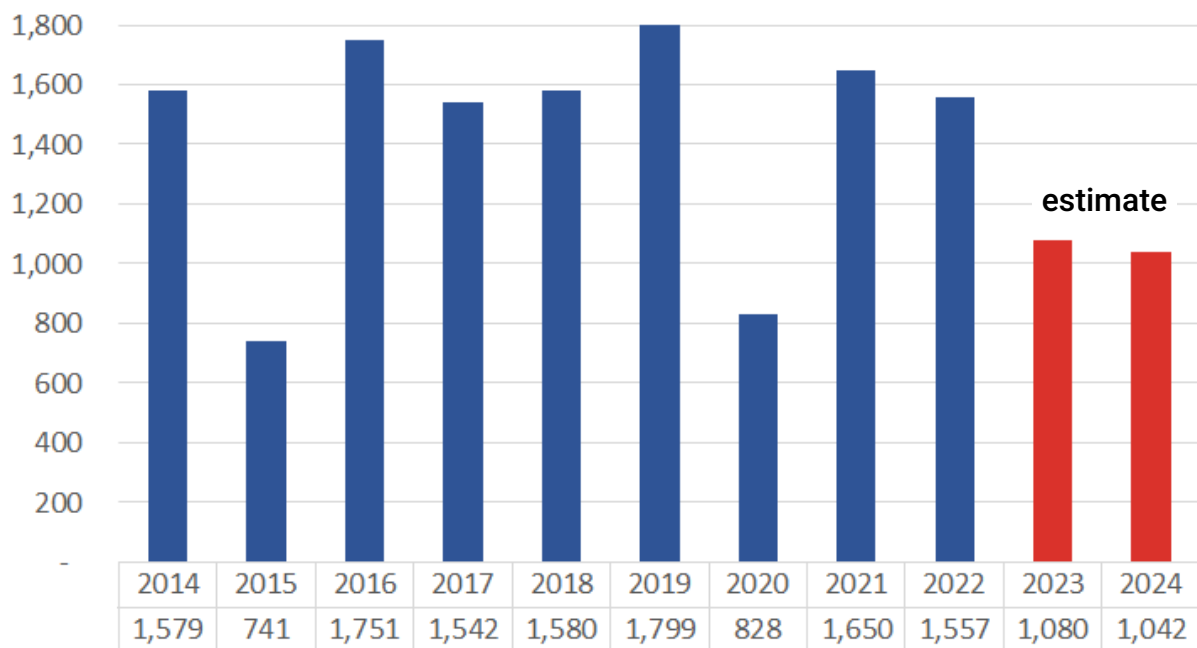
**Sources:** Adva analysis, based on Ministry of Finance, Chief Economist. *Financial Report*, various years; Ministry of Finance, Budgets Department. Digital fiscal files for the years 2023-2024. Budget key: Internet site of Public Knowledge Workshop (“HASADNA”).

<sup>2</sup> All the amounts in this document are in 2022 prices, unless stated otherwise. The estimate for the budgets for 2023 and 2024 are based on the inflation forecast of the Bank of Israel.

Examining allocations transferred for the purpose of strengthening the localities of the “Gaza envelope” by budget per resident provides an even clearer picture. The following graph shows that between 2014 and 2022, the central government budget per resident was similar: NIS 1,579 at the beginning of the period and NIS 1,557 at the end. Recall that after Operation Protective Edge (2014) there were four more rounds of fighting. Despite this fact, the budgets approved for 2023 and 2024 are lower by 31% than that of 2022.

### Government financing per resident in the “Gaza envelope” 2014-2024

Earmarked budgets for the “Gaza envelope” from the Ministry of the Interior, Actual spending for 2014-2022, estimate for 2023-2024 In NIS. 2022 prices



**Note:** The population for the years 2023-2024 was calculated on the basis of the average percentage of change during the past decade.

**Sources:** Adva analysis based on Ministry of Finance, Chief Economist. *Financial Report*, various years; Ministry of Finance. Budgets Department. Digital fiscal files for the years 2023-2024; Central Bureau of Statistics (CBS), Files of local governments, various years; CBS. *Statistical Abstract of Israel* No. 74.





## The figures show

The figures show that The “Gaza envelope” area was defined following the rockets fired into it exactly 20 years ago, and it was all but abandoned in the government’s most recent budget. The per capita budgets approved for the years 2023 and 2024 are 31% lower than that of 2022. Thus, the state shrank the budgetary security blanket of the “Gaza envelope”.



Burnt fields in the Eshkol Regional Council after the launch of fire kites.  
Photo: [Wikipedia. Nitzan Cohen.](#)



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