



## Compensation to Women in Northern Israel for Financial Losses Resulting from the War

Written by Yael Hasson, Naama Nagar, and Ola Shtewee  
for the Women's Budget Forum

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## **Introduction**

The recent war in the North dealt a severe economic blow to many Israeli women.<sup>1</sup> While the government is now taking steps to compensate employers and employees who suffered losses during the war, some populations – comprised largely of women – are not covered by any of these arrangements.

**The Women's Budget Forum proposes that the government:**

- 1. Provide "civilian grants" for women in the North.**
- 2. Compensate the owners of new small and/or seasonal businesses, based on a business forecast.**
- 3. Raise the benefit levels for income support recipients in the North for the months of September, October, and November 2006.**
- 4. Create a special body for investigating alleged violations of employment laws during the war, and increase the number of inspectors charged with enforcing these laws.**

Women working in the public service or for employers affiliated with labor unions are covered by collective agreements, including the compensation agreement recently signed by the government, the employers' associations and the Histadrut. Likewise, women steadily employed in established places of work are entitled to receive their full salaries and retain their jobs and benefits, in accordance with the 2006 Law for the Protection of Workers in Times of Emergency. Many women, however, are employed in temporary or part-time jobs and, in some cases, receive no social benefits or salary slips. Others are the owners of micro-businesses that suffered heavy financial losses during the war. What these latter categories of women share is a lack of employment security even in normal times. The war exacerbated their already

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<sup>1</sup> For detailed information on the war's effects on the lives of Israeli women, see Aharoni, 2006.

precarious condition: in addition to losing their income for the duration of the war, they were excluded from the existing compensation mechanisms.

**The purpose of this position paper is to recommend a compensation mechanism geared for these populations.** The paper is based on data collected by organizations that are members of the Women's Budget Forum<sup>2</sup> and active in northern Israel.

### **Working Women in the North before the War**

Women constitute two-thirds of all wage earners in the lowest-level salary group of the Israeli economy (Swirski and Konor-Attias, 2006) and two-thirds of those employed in temporary jobs (Commitment, 2006).

It is no secret that the lowest average salaries are earned in the peripheral northern and southern regions, which contain a large number of Arab communities and Jewish development towns. These regions are relatively far from the country's centrally located major employment centers.

A high percentage of less-than-minimum wage earners in a community indicates that much of the population works in temporary or seasonal jobs. In 2002, the average salary of women in development towns (excluding one) and Arab communities was below the national average. In 25 Arab communities, women, on average, earned less than the minimum wage (Schurtz, 2005).

Compared with other areas of the country, the North is also characterized by a high percentage of immigrants. In Carmiel, the immigrant population is 38%, in Nazareth Elite 46%, in Maalot Tarshiha 37%, and in Kiryat Yam 35% (Cohen-Castro and Rehavi, 2004). Data published by the Central Bureau of Statistics indicate that in 2005, the percentage of immigrants who had settled in Haifa and northern Israel was 25% greater than the corresponding percentages in other regions. The data for 2005 also show that, as in the past, the majority (53%) of Israel's immigrant population are **women** (Central Bureau of Statistics, 2006).

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<sup>2</sup> We would like to give special thanks to Ayelet Ilani (Economic Empowerment for Women), Michal Dagan (Mahut Center – Information, Training, and Employment for Women), and Sousan Tuma-Shukha (Women Against Violence).

The northern region of the country is also marked by a higher percentage of income support recipients: 9.7% as opposed to 5.2% in the rest of the country.<sup>3</sup> In 2004, the percentage of northern Israeli Arabs receiving income support stood at 15.2%; the figure for development town residents was 9.9% (see Appendix 1). Since published data on income support recipients by region is not categorized by gender, we cannot provide the exact number of women receiving this benefit. Nevertheless, given that some 65% of all income support recipients in Israel in 2004 were women (Swirski, 2006), we can reasonably assume that the majority of recipients in the North were women.

### **The Economic Impact of the War on Women in the North**

This paper covers the period between the start of the armed conflict in the North and the official start of the ceasefire (July 12-August 14, 2006). It is important to note, however, that rocket fire continued, in varying degrees, even after the ceasefire took effect.

During the entire period in question, government support mechanisms were almost entirely dysfunctional. The local authorities were not prepared or equipped to operate in times of emergency, and many of those employed to provide government support fled further south. What remained was a gaping hole that should have been filled by routine services (welfare, education, health, and emotional support) and emergency services (including food supply) (Bior, 2006). The government ministries and their district offices lacked emergency budgets, and the assistance they provided to northern residents was sporadic and insufficient (Sinai, 2006A). Finally, the Home Front Command failed to provide comprehensive protection for northern communities, particularly those with Arab populations. Workplaces and educational institutions were not adequately equipped with shelters or were located far from neighborhood shelters. In general, it can be said that the response of the government and its various agencies was not only weak – it bordered on stark neglect (Mualem, 2006). The commercial sector performed no better: companies providing essential services (communications firms supplying cable television, phone lines, and Internet

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<sup>3</sup> We thank Tali Ziv for providing these figures based on her research.

connections; commercial banks, etc.) reduced their hours or totally shut down their offices in the North during the war (Sinai, 2006B).

The lack of response, together with the collapse of crucial municipal services such as welfare and health, prompted non-profit organizations to serve as centers of information, services, and support for women in the North. To this day, these organizations have been regularly receiving complaints from women hurt economically by the war.

The complaints recorded, the research conducted so far,<sup>4</sup> and reports in the press indicate a number of hardships that women suffered during the war – lost working days; weeks spent in security rooms at home or in community shelters with their children, who had no organized activities over the summer vacation; little or no revenue from their privately-owned businesses or from services or merchandise they provide; and disruptions in the cash flow of their small businesses. The purpose of this paper, as stated, is to highlight the damage that the Law for the Protection of Workers in Times of Emergency fails to take into account and the women it does not specifically address as a cause of concern.

### **Part of the Home Front but Excluded from Compensation Arrangements**

Among the groups of women overlooked by the Law are:

#### Women who own micro-businesses

The Law for the Protection of Workers in Times of Emergency stipulates that compensation be provided to small businesses on the basis of their previous year's earnings. The omission in the law is that women who operate small or micro-businesses may be disqualified for compensation if their businesses are:

- A. Seasonal – Profits for the entire year are based nearly entirely on summer earnings.
- B. Newly established – They have existed for only a few months and are still in their earliest stages of development.

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<sup>4</sup> See, for example, Aharoni, 2006.

### "Transparent women" earning wages in the informal job market

Many women are employed, *not by their own choosing*, in the informal labor market; they do not receive pay slips, and some do not receive social benefits. The regular compensation mechanism does not apply to them, and they cannot make a claim for wages lost during the war. There were complaints filed by household and child care workers, for example, who were asked by their employers not to come to work during the war. As far as we know, there is no compensation arrangement for these women.

### Women holding "transparent jobs" with no salary

As many people, among them the nation's leaders, noted during the war, the "Home Front" was, for all intents and purposes, the "battleground." Women with families were saddled with double, sometimes triple, duties. Besides having to cope with the anxiety of the security threat, the lack of services, and the economic crisis, they also had full-time responsibility for their children and/or other dependents, such as the elderly or disabled.<sup>5</sup> Caring for dependents, a task normally fulfilled by women, was the primary concern of women in the North, who were taking on the Home Front responsibilities that the government was neglecting during the war.

As a result of these added tasks, many women were absent from work. Some experienced violations of employment laws, including the Law for the Protection of Workers in Times of Emergency, enacted specifically to protect workers affected by the war. Absentees were either fired or forced to use vacation time to cover their days away from work. In addition, many employers withheld wages from these women. In some cases, women who were able to show up for work did so without getting paid.

### **Complementary Compensation Mechanisms: Women's Budget Forum Proposals**

The Law for the Protection of Workers in Times of Emergency passed by the Knesset resulted from a compromise reached on July 31, 2006, between the Finance Ministry, employers' associations and the Histadrut. Elsewhere, there were indications that the new legislation was problematic.<sup>6</sup> As noted in the previous section, the Law does not

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<sup>5</sup> In the Haifa area, a group of women used their own resources to create a makeshift summer camp for children in a city parking lot.

<sup>6</sup> See the request for clarification submitted to the Minister of Finance, the Minister of Industry, Trade and Labor, and the Histadrut chairman by the Forum for Enforcement of Workers' Rights through Atty. Itai Swirski in correspondence dated August 15, 2006.

provide for compensation to women employed as non-standard workers in the informal job market. And, as the analysis of complaints to assistance organizations revealed, some forms of suffering were not taken into consideration when the agreement was signed and the Law enacted. In an attempt to rectify this situation, the Women's Budget Forum is submitting the following proposals:

- 1. A "citizens' grant," at minimum wage level, for women in the North.** The grant would be awarded universally to every household in the North. Since, as was recently announced, the government plans to award "grants of appreciation" to reservists who served in the recent war, it is only reasonable that women in the North – who assumed responsibilities that should have been assumed by the government – be similarly honored. By acting as they did, these women formed the civilian infrastructure necessary to replace government services. The cost of these grants to the government would amount to less than NIS 1.5 billion and would serve as a means of recognizing and compensating the work women performed during the war.
- 2. Compensation for small businesses established by women in the past year and for businesses that are seasonal in nature, on the basis of a business forecast,** rather than on the basis of the previous year's earnings (which would discriminate against these businesses).
- 3. A NIS 1,000-per-month increase in income support benefits for September, October, and November 2006.** The total cost to the government would be NIS 600 million, and the payment would provide appropriate compensation to benefit recipients for loss of income during the war.
- 4. Enforcement of the Law for the Protection of Workers in Times of Emergency and other labor laws.** Since it is clear from the complaints of women and men living in the North that there were a greater-than-normal number of labor law violations during the war, the government should **establish a special body for handling complaints about labor law violations and should increase the number of inspectors charged with enforcing these laws.**

We note that these are proposals for **compensation** earmarked for immediate assistance to men and women living in the North. To fully acknowledge the damage caused by the war and allow northern residents to recover, the government needs to

follow up with a second stage of assistance in the form of rehabilitation loans for the owners of small and micro-businesses, as well as assurances that the legally granted social rights of employees will be guaranteed.

The Women's Budget Forum, composed of dozens of organizations and hundreds of women, works to promote fair economic policies in Israel.

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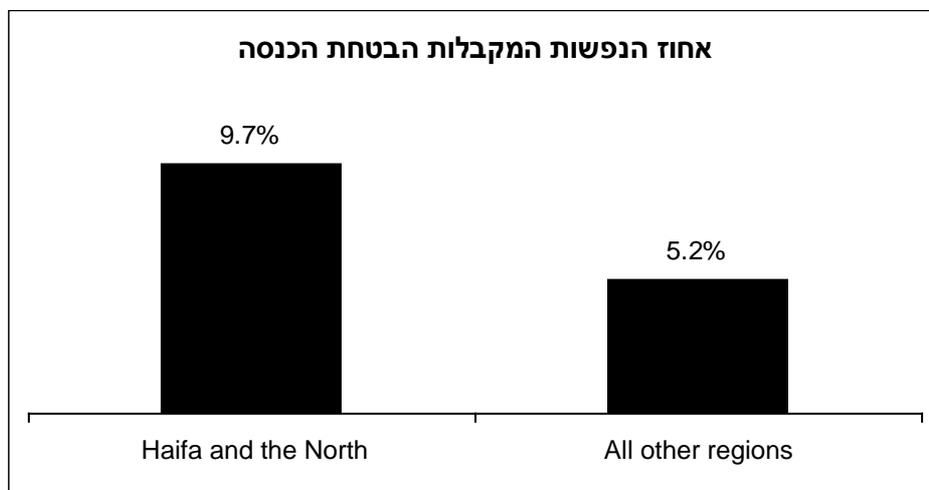
**Women's Budget Forum:** ACRI, Adva Center, Ahoti, Agenda, Alzahraa, Center for Religious Pluralism, Council for Peace and Equality Between the Sexes, Division for the Advancement of Women The Kibbutz Movement, Isha L'Isha, Israel Women's Network, Itach, Jewish-Arab Center for Economic Development, Kayan, Kolech – Orthodox Women's Forum, Kol Ha'Isha, Lafer Center For Women and Gender Studies, Ma-hapach, M'hut, Mossawa, Noa, The organization for promoting long school day, WIZO, Women's Council of Tel Aviv-Jaffa, Women Against Violence, Women's Economic Empowerment

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The statements made and views expressed herein are solely those of the Women's Budget Forum.

## Appendix 1: Income Support Recipients in the Northern Region

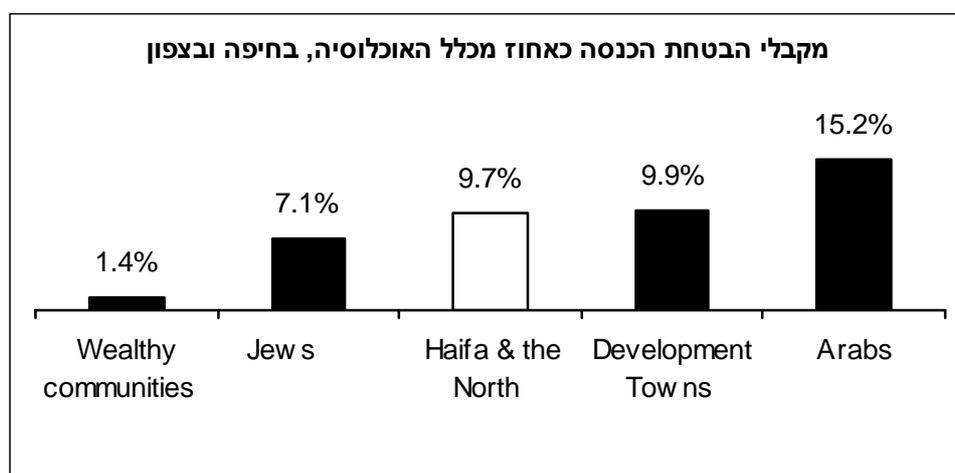
### Income Support Recipients: The North Compared with All Other Regions



	Arabs	Jews	Development Towns	Wealthy Communities	Haifa	Haifa and the North Total
<b>Total population</b>	651,521	1,378,948	399,263	26,293	269,300	<b>2,030,469</b>
<b>Income support recipients (Individuals, per year)</b>	98,922	98,350	39,520	364	20,187	<b>197,272</b>

**Note:** The wealthy communities include Kfar Vradim, Tivon, and Ramat Yishai.

### Income Support Recipients by Selected Population Sectors, 2004



**Source:** Adapted by the Adva Center using 2004 data from the Central Bureau of Statistics and the Interior Ministry.

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