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Looking at the Budget: Ministry of Labor and Social Affairs 1999

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Ministry of Labor and Social Affairs

In the following pages, we focus on the allocations for vocational training for day care centers and for the prevention of violence against women. In addition, we present figures on unemployment and unemployment compensation, stressing gender differences.

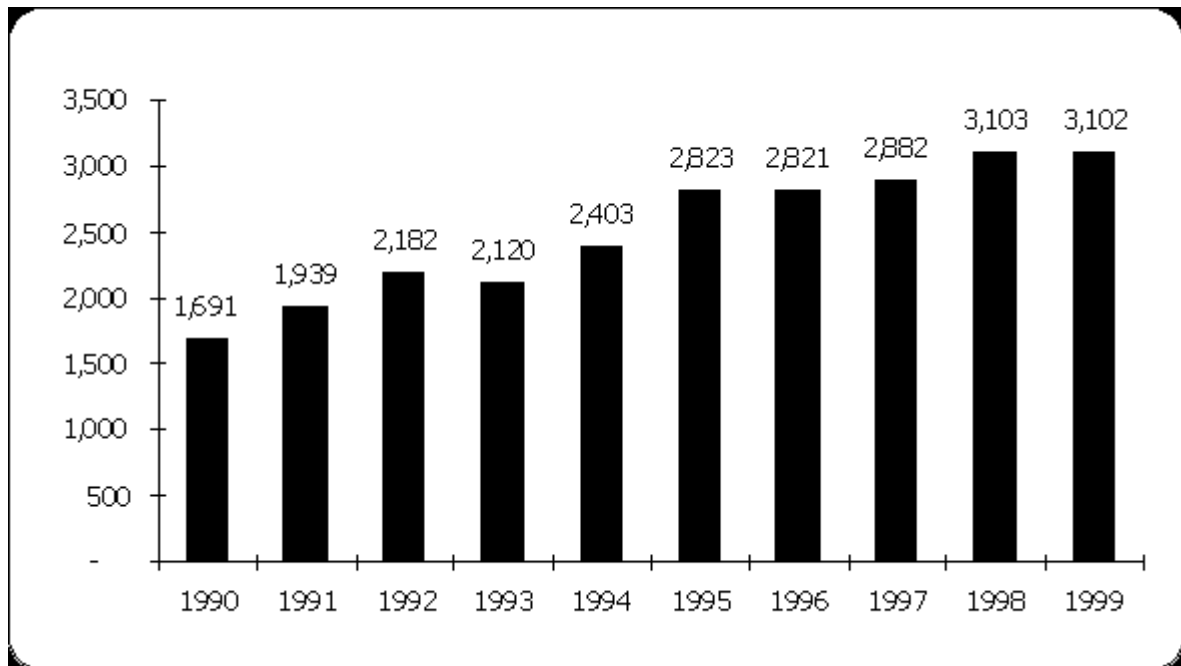
Below are our major findings:

1. In 1999, the budget of the Vocational Training Department will be the same as it was in 1998.
2. The Vocational Training Department has not geared up for the increase in unemployment: the number of places in courses under its supervision has not increased in tandem with the increase in the ranks of the unemployed.
3. During most of the present decade, the number of unemployed women has been higher than the number of unemployed men; the amount of unemployment compensation that women receive is less than the amount received by men, corresponding to the disparity in their wages.
4. In 1999, the budget for day care subsidies, the Ministry's major instrument for encouraging women to enter the labor market, is identical to the 1998 budget. Working women continue to spend a good part of their income on day care.
5. While budgets for the prevention of violence against women are increasing, they still fall short of needs.

The Budget of the Ministry of Labor and Social Affairs

The budget of the Ministry of Labor and Social Affairs (excluding the National Insurance Institute [Social Security]) is about NIS 3.44 billion (in current prices). The budget for 1999 is the same, in real terms, as the 1998 budget. In a year of budget cuts, the Ministry managed to maintain the level of financing it had in 1998; the question is whether this is sufficient to deal with the current wave of unemployment.

The Budget of the Ministry of Labor and Social Affairs 1990-1999
In Millions of Shekels, Constant 1997 Prices



Source: Ministry of Finance, *Provisions of the Ministry of Labor and Social Affairs Budget*, various years; *State Budget Proposal for Fiscal Year 1999*, Ministry of Labor and Social Affairs.

The Vocational Training Department

The Vocational Training Department is responsible for vocational training and re-training both for adults and for young people who drop out of formal education. The Department also trains practical technicians and engineers in post high-school settings.

The Department's 1999 budget amounts to NIS 686 million (in current prices), the same as in 1998. This is the second largest department in the Ministry, whose budget comprises 20 percent of the total budget.

Figures from 1997 show that 47,000 persons participated in vocational training courses under the supervision of the Labor Ministry, 24,000 in day classes for adults, 6,000 in courses for the retraining of academicians, and 17,000 in courses for practical technicians and engineers (Manpower Authority, *Survey of Graduates of Vocational Training, Major Findings, 1997*).

Vocational Training: Breakdown by Gender

In 1997, 65 percent of the budget for adult training went to men and only 35 percent to women (letter from the Ministry of Labor and Social Affairs to the Association for Civil Rights in Israel, July 26, 1998). This information was revealed in the wake of Adva Center's 1996 and 1997 budget reports.

The table below shows that in 1997 women constituted 44 percent of the trainees.

Women as a Percent of Trainees in Vocational Training Courses For Adults, 1998

| Women as % of Total Trainees | Women as % of Trainees in 3 Types of Courses | | |
|------------------------------|--|---------------------|-----------------------------|
| | Day Courses | Preparatory Courses | Retraining for Academicians |
| 44% | 42% | 33% | 51.5% |

Source: Ministry of Labor and Social Welfare, Department of Vocational Training, letter to Mr. Uzi Gador, Office of the Prime Minister, June 4, 1998.

A large proportion of women were found in courses with female stereotypes: caregivers (98%), hairdressers and cosmeticians (71%), clerical workers and book-keepers (80%), textiles (88%). In contrast, the proportion of women trainees was low in technological courses: metals (11%), electricity and electronics (17%) and computers (42%).

The Ministry of Labor and Social Welfare attributes the relatively small number of female trainees to the economic situation. In the words of Mr. Ron Bar Joseph, deputy director of the Vocational Training Department, "Most of the sectors for which there is a demand for training are those in which there is a large proportion of men" (letter to the Association for Civil Rights in Israel, July 26, 1998). In his opinion, the Department does not manage to recruit more women to courses with technological content due to the differential qualifications of women and men, as well as because of the attitudes of employers concerning the employment of women in occupations considered "male." It appears that the Ministry of Labor and Social Affairs has internalized the norms of discrimination prevailing in the job market.

Adva Center requested figures on the special vocational training courses for Arab and Haredi women from the Department of Vocational Training. After numerous reminders, we received figures on courses for Haredi women. To this day, we have not received any updated statistics on courses for Arab women.

Monitoring Graduates of Vocational Training Courses

The Ministry of Labor and Social Affairs monitors the graduates of vocational training courses. As can be seen in the following table, in 1997 the percentage of graduates who found work within six months of completing their course is between 30 and 40 percent. The proportion of graduates finding work was lower in 1997 than in 1996. The best record of job placement is held by graduates of retraining courses for academicians: about 40 percent found jobs within 6 months of completion of the course.

Percentage of Trainees Finding Jobs in the Occupation for which They Trained, 1996 and 1997

| | Morning classes for adults | | Retraining for Academicians | | Practical Engineers and Technicians | |
|--|----------------------------|-------|-----------------------------|-------|-------------------------------------|-------|
| | 1996 | 1997 | 1996 | 1997 | 1996 | 1997 |
| % Employed 6 months after course completion | 34.3% | 31.3% | 52.1% | 40.4% | 51.4% | 37.7% |

Source: Ministry of Labor and Social Affairs, Manpower Planning Authority, *Survey of Graduates of Vocational Training Courses, Major Findings, 1997*, p. 8.

Day Care Subsidy

The day care subsidy is the major item in the budget of the Department for Women's Employment and Day Care. In 1999, the budget is to be NIS 287 million (in current prices), representing about eight percent of the total budget of the Ministry. In fixed prices, the budget is identical to the 1998 one; actually, this involves erosion, as the relevant population is larger in 1999 than it was in 1998.

In 1998, the network of public day care centers and family day care services included 1,750 frameworks serving 75,000 children. Eighty-two percent of the children attending day care had working mothers and 19 percent (14,000 children) were children placed in day care by welfare agencies because of family problems (Ministry of Finance, *Proposed Budget for 1999 and Explanations, Ministry of Labor and Social Affairs*, p. 68).

Day care is an expensive service. About 16 percent of the women who send their children to day care centers and to family day care report paying fees that amount to more than half of their wages. About 36 percent pay between one-fourth and one-half

of their wages, and less than one-half pay less than one-fourth of their wages (Ministry of Labor and Social Affairs, *Survey of Users of Day Care Centers and Family Day Care*, 1998, p. 5).

The Prevention of Violence Against Women

Ministry allocations for the prevention of violence against women are used to support three types of services:

1. **Centers for the Treatment and Prevention of Family Violence:** the Ministry of Labor and Social Affairs operates 21 centers. In 1998, they treated about 4,700 families (Ministry of Finance, *Budget Proposal and Explanations for 1999*, Ministry of Labor and Social Affairs, p. 131). In 1998, the budget for these centers was NIS 4.7 million (in current prices), 14 percent higher, in real terms, than the 1997 budget.
2. **Shelters for Battered Women:** The budget of the Department for the Treatment of Young Girls in Distress, which includes the allocations for the shelters, as well as allocations for rape crisis intervention centers and for shelters for teenagers in distress, is the same as it was in 1998. This freeze comes after a long period of growth. In 1998, the budget for the shelters amounted to NIS 9 million shekels (in current prices), an increase of 120 percent over the 1997 budget.

The shelters for battered women were founded by non-profit feminist organizations, which also run them. At the end of 1997, the level of funding of the Ministry of Labor and Social Affairs was 75 percent of the expenditures of the shelters. (Adva Center, *Looking at the 1998 Budget*, p. 40). In an article that appeared in the newsletter of *Isha L'Isha*, Irit Omanit, director of the Emergency Shelter in Haifa, had the following to say about this arrangement:

1. "In 1997, the shelters received allocations that amounted to 75 percent of their budgets, according to a basket of services determined by the Ministry of Labor and Social Affairs . . . the amount received did not relate to the actual budget of the shelter, but rather to the basket set down by the Ministry."
2. "The government decided that the increased allocations to the shelter would come from the budget of the local governments. In actuality, [the central government] decreased its own allocations from a sum that covered 60 percent of the shelter budget to a sum that covered 50 percent."
3. "The Ministry of Labor and Social Affairs transfers monies to the shelters on the basis of occupancy," while most of the expenditures are fixed, like rent and the salaries of the staff.

3. Rape Crisis Intervention Centers: There are 10 rape crisis intervention centers located throughout the country. These centers assist about 10,000 women a year, 6,000 of them victims of sexual assault. The budget of the centers is about NIS 4 million a year (Association of Rape Crisis Centers, Position Paper). In 1998, the government allocated a total of NIS 300 million shekels to the centers (Adva Center,

March 1998). This sum constitutes only 7.5 percent of the budget of the centers. In 1998, the Minister of Labor and Social Affairs promised to transfer an additional NIS 300 million shekels to the centers. He also promised to give the centers a separate budget line, whose budget would amount to NIS 1.2 million shekels to begin with (Association of Rape Crisis Intervention Centers, position paper). According to the Association of Rape Crisis Centers, neither the budget supplement nor the budget line had been received up to the time of writing.

The Law of Equal Rights for Persons with Disabilities

More than 10 percent of the residents of Israel have a physical or mental disability. This is a minority group that suffers deprivation and discrimination. Most of the legal arrangements for members of this group go unenforced (*Report of the Public Commission for the Examination of Extensive Legislation on the Subject of the Rights of Persons with Disabilities*). Against this background, on February 23, 1998, the Israeli Knesset approved the *Law of Equal Rights for Persons with Disabilities - 1998*. The law will go into effect on the first day of 1999.

It appears that the fate of this law is similar to that of a number of other progressive laws approved by the Knesset that the Finance Ministry refused to finance, like *The Long School Day Law*, *the Law of Development Towns and Development Regions*, *The Public Housing Law*. According to Attorney Ariella Ophir of the *Bizchut* organization, which advocates on behalf of persons with disabilities, high-ranking officials in the ministries of justice, labor and social affairs and transportation informed her that there was no money to finance the following provisions of the law:

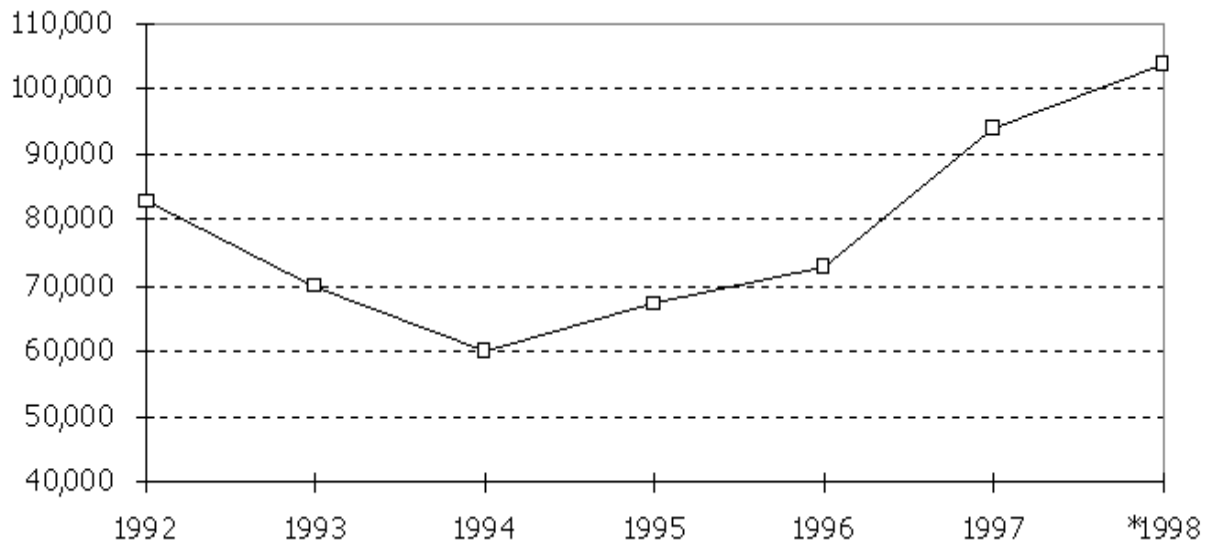
- 1. Special Public Authority:** Article 25 of the law states that a special authority is to be created that will have the power to act to advance the basic principles of the law and to give advice to ministers concerning the need for secondary legislation. The law states that the authority is to receive a separate budget. Accordingly, in 1999 the Ministry of Justice earmarked NIS 5 million shekels for the creation and operation of a special public authority.
- 2. Employment:** The unemployment rate among persons with disabilities is higher than the general unemployment rate. (Report of the Public Commission). Following enactment of the new law it is unlawful to discriminate against persons with disabilities in hiring practices, workplaces are to be adapted to persons with disabilities, and the representation of persons with disabilities in workplaces is to be guaranteed.
- 3. Public Transport:** *The Law for Equal Rights for Persons with Disabilities* states that public transport (buses, trains, aircraft) must be accessible to persons with disabilities.

Unemployment and Unemployment Compensation

Higher Unemployment

In 1998, an average of about 104,000 persons received unemployment compensation per month, compared with 60,000 in 1994. The figure below shows the increase in the average number of unemployed persons per month. The table that follows presents the total of unemployed persons receiving unemployment compensation, by year.

**Number of Persons Receiving Unemployment Compensation
Monthly Average, 1992-1998**



Source: The National Insurance Institute, website. *Estimate.

Recipients of Unemployment Compensation, per year, 1990-1997

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total Recipients | 145,197 | 159,305 | 209,407 | 200,171 | 171,154 | 184,796 | 201,482 | 246,297 |
| % Change | 5% | 10% | 31% | -4% | -15% | 8% | 9% | 22% |

Source: The National Insurance Institute, *Recipients of Unemployment Compensation in 1997*, Table 3, page 15.

The table on the next page shows that between 1993 and 1997, women's unemployment was consistently higher than men's. In 1996, women constituted 43.5

percent of the civilian work force, but 54.4 percent of unemployed persons seeking jobs (Adva Center, *Looking at the 1998 Budget*, p. 47). In 1997 the gap between unemployed women and men narrowed somewhat. Also notable is the fact that while the proportion of unemployed female academicians continued to grow, that of unemployed male academicians decreased.

The following table also shows that the increase in the number of unemployed did not lead to a parallel increase in the proportion of unemployed persons enrolled in vocational training courses offered by the Ministry of Labor and Social Affairs; the percentage of unemployed persons participating in these courses actually decreased. It appears that the Department of Vocational Training did not take appropriate steps to cope with higher unemployment.

Recipients of Unemployment Compensation (Monthly Average) By Gender and Type, 1993 to 1997

| Year | Total (Monthly Average) | Type of Unemployed Person, in Percentages | | |
|--------------|-------------------------------|---|--------------|--|
| | | "Ordinary" Unemployed Persons | Academicians | Persons Enrolled in Vocational Training |
| 1993 | 61,176 | 67.8 | 15.9 | 16.3 |
| 1994 | 54,753 | 68.7 | 17.6 | 13.7 |
| 1995 | 62,633 | 68.9 | 17.8 | 13.3 |
| 1996 | 69,851 | 69.0 | 18.1 | 12.9 |
| 1997 | 89,112 | 72.0 | 18.2 | 9.8 |
| Men | | | | |
| 1993 | 29,988 | 65.3 | 15.3 | 19.4 |
| 1994 | 26,208 | 66.1 | 16.8 | 17.1 |
| 1995 | 29,536 | 66.9 | 17.0 | 16.1 |
| 1996 | 32,777 | 67.2 | 17.1 | 15.8 |
| 1997 | 44,363 | 71.5 | 16.6 | 11.9 |
| Women | | | | |
| 1993 | 31,188 | 70.1 | 16.6 | 13.3 |
| 1994 | 28,545 | 71.0 | 18.3 | 10.7 |
| 1995 | 33,097 | 70.6 | 18.6 | 10.8 |
| 1996 | 37,074 | 70.7 | 19.0 | 10.3 |
| 1997 | 44,749 | 72.5 | 19.8 | 7.7 |

Source: National Insurance Institute, *Recipients of Unemployment Compensation in 1997*, Table 4, p. 16.

Unemployment Affects the Middle Class

Over the last two years, persons with relatively high incomes have joined the ranks of the unemployed. This is evident in the proportion of unemployed persons receiving relatively high compensation. Between 1990 and 1995, about 70 percent of recipients of unemployment compensation received daily compensation that was less than the average wage. In 1996 and 1997, the proportion of such recipients decreased to about 60 percent (National Insurance Institute, *Recipients of Unemployment Compensation in 1997*, p. 31.)

Women Receive Lower Unemployment Compensation than Men

The following table shows that in 1997, most of the unemployed women receiving unemployment compensation - about 76 percent - were paid compensation that was below half the average wage; the portion receiving these sums among men was 43 percent. Likewise, about 60 percent of men received compensation that was equivalent to half the average wage or more, while only 24 percent of women received such amounts. The average daily unemployment compensation is on the rise among both women and men; however, men receive an average of 55 percent of the average daily wage, while women receive an average of 43 percent.

Recipients of Unemployment Compensation, by Amount of Compensation and Gender, 1995-1997

| Year | % Receiving Less than Half the Average Wage | | % Receiving Half the Average Wage or More | | Average Daily Compensation as a % of the Average Wage | |
|------|---|-------|---|-------|---|-------|
| | Men | Women | Men | Women | Men | Women |
| 1995 | 51.1 | 81.2 | 48.9 | 18.8 | 52.2 | 39.6 |
| 1996 | 45.3 | 78.0 | 54.7 | 22.1 | 54.4 | 41.6 |
| 1997 | 42.8 | 76.2 | 57.2 | 23.8 | 55.5 | 42.7 |

Source: National Insurance Institute, *Recipients of Unemployment Compensation in 1997*, p. 31.