



## Government's "Acceleration Plan" Not Gender-Sensitive

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The government's "Acceleration Plan" designed to counter the economic slow-down brought about by the global financial crisis is an opportunity to do some rethinking about what steps need to be taken to stimulate economic growth in a recession period. Following the global economic crisis, the whole world is now taking steps that represent a retreat from market economics, mandating government intervention in order to stimulate economic activity. Experience has shown that increasing equality between men and women and increasing women's participation in the labor market contribute to economic growth (World Economic Forum, 2008).

Recently, the Government Employment Service published figures showing that women were the first to be fired in Israel's present economic crisis: 60% of persons fired during the last four months were women (25,000), most of them young women with college degrees.

Thus, we would expect the "Acceleration Plan" to be relevant to women, whether they are salaried or self-employed persons, taking into account the fact that they also carry the major responsibility for the care of family members.

### Possible steps:

- Setting up a micro-credit fund for low-income women. Low-income persons (most of whom are women) without savings or assets have a hard time conforming to the criteria set by the Government Loan Fund for small businesses. We expect government assistance for associations that help low-income women to set up and run small businesses as a source of income.
- Investment in occupations considered "women's jobs," such as childcare and elder care, in order to professionalize them. Such investment would provide new employment opportunities for women without workplace skills (like older women and women who have no experience working outside the home).

- A plan designed to encourage women to enter what are considered male occupations – which generate higher incomes.
- Additional incentives to establish industrial and commercial zones in Arab localities, or to set up joint industrial and commercial zones for Jewish and Arab localities, in order to generate jobs for Arab women, whose participation in the labor market is low because of a lack of employment possibilities and due to the absence of public transportation.
- Developing public transport in and between Arab localities, in order to make employment for Arab women more accessible.
- Extending the long school day and building new classrooms in order to enable both teachers and students to spend longer hours at school. This step would enable more women to work full time.
- Establishing more day care facilities for toddlers and school-age children, and also making working hours in existing frameworks more flexible.
- Adapting public transport hours and routes to suit women's normal travel times, to make it easier for them to get back from work to pick up small children from preschools and other educational settings.

### **What is Lacking in the Acceleration Plan?**

- Expansion of frameworks for looking after the children of working mothers.
- Investment in care occupations. Nursing is included as one of the “occupations in demand” for which "training and long-term retraining is supposed to be provided for those affected by the crisis."  
Other occupations listed in the plan – welding, metalworking, construction – are all male occupations which, without encouragement, women will not enter. These are also plans which existed before the present crisis.
- Lacking – a micro-credit fund suitable for women with no assets. The "Acceleration Plan" refers to “increasing credit resources by some 3.3 billion shekels” – for the type of business which is already receiving credit assistance today.
- Encouragement for establishing industrial and commercial zones in Arab localities. The Finance Ministry plan refers to the Arabs in a vague sentence

about “encouraging minorities and the ultra-orthodox to enter the labor market.”

- Developing public transport. The Finance Ministry plan refers to projects about which decisions have already been taken, including “a mass transit system for Haifa and the Haifa Bay suburbs.” There is nothing new here for the female public. Most of the projects are for road building.

### **What is in the “Acceleration Plan”?**

The Finance Ministry PowerPoint presentation, “The acceleration plan – a package of measures for accelerating economic activities in light of the global recession,” primarily proposes *more of the same*, in other words continuing the policy that predated the financial crisis: reducing taxes for corporations and individual in the top income brackets, easier credit for businesses, encouraging the real estate sector, and investing in infrastructure.

The only expectation is building classrooms. The Finance Ministry document refers to the construction of 500 new classrooms. This is not a new step: it is part of an earlier plan (not yet implemented) to reduce the number of students per class.

What else?

- Continuing the existing tax-reduction plan, up to its scheduled end in 2010. The upshot will be the loss of some NIS 4.2 billion in tax collection in each of the next two years.

Corporate taxes will be reduced from 27% to 26% in 2009, and to 25% in 2010.

Income taxes on individuals will be further reduced, with men benefiting most from this reduction.

**The continued reduction in income tax rates will lead to an increase in income disparities between men and women.** Of those in the top income bracket, 88% are men, and only 12% women.

**These tax reductions will reduce the resources available to the State for providing essential services that women need more than men: education, health, social security and welfare.**

- Expanding the provision of credit sources to the business sector. The credit which is supposed to be given – for example, by setting up a fund for assisting

medium-size businesses and expanding sources of credit through the Government Fund for Small Businesses – is relevant to those businesses which were eligible for credit prior to the crisis, not to new groups, such as women without assets.

- Investment in infrastructure – the “Acceleration Plan” proposes the same investments as were planned before the crisis. According to the Finance Ministry, these investments will create 10,000 jobs. The question is: For whom? Generally speaking, women are not employed in road-building, railroads, construction, and sewage works. In other words, the part of the plan that relates to employment is not gender sensitive.

In addition, not only do these forms of infrastructure not employ Israeli women – they do not employ male Israeli workers either, but rather, primarily, migrant workers.

Although this is an extremely well-known phenomenon, the Finance Ministry once again begs the question in the current plan by stating that it also plans to reduce the number of foreign workers in Israel.

- In the real estate domain, the plan proposes steps described as “obstacle-free” –steps that are irrelevant to women, who do not have a high presence in the real estate business.

## References

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