

Developments in the Social Welfare Field

John Gal*

Social welfare and social security issues have not been at the center of the Israeli government's agenda in the last two years. Although inequality and poverty levels in Israel remain especially high, with no real decline recorded since the beginning of the century, social spending in Israel has not grown appreciably during this period. Even the Committee for the War against Poverty, which was established by the government and submitted its conclusions in mid-2014, has not succeeded in placing poverty at the center of social discourse and governmental activities. Nevertheless, political circumstances have resulted in the adoption (or planned adoption) of some of the committee's recommendations.

It is clear that Israel's policy makers prefer to deal with the widespread phenomena of inequality and poverty in Israeli society, and with the negative consequences of the continuing increase in the cost of living, through the free market — by taking steps to promote an increase in market competition in order to bring down the prices of goods and services, and to increase the participation of low-income populations in the labor market. At the same time, though, there has been no significant improvement in accessibility to high-quality social services or an increase in the generosity of the social security system. Those steps would require an increase in the tax burden and in social spending as well as a redistribution of resources. This can be seen in the relatively low level of social spending that characterizes the State of Israel. Public social welfare spending (not including education) stands at 15 percent of GDP, while in OECD countries, the average expenditure rate is 22 percent and reaches to over 25 percent of GDP in the more developed welfare states. It is hardly surprising that in countries with low social spending, like Israel, the extent of poverty and inequality level tend to be higher.

It would appear that the Israeli government's preference for emphasizing the centrality of the free market in contending with poverty and social gaps rests on a dominant world view among its policy makers. The focus is on growth and the avoidance of any excessive intervention in the free market or increases in the tax burden on citizens and companies. It is also

* Prof. John Gal, Chair, Taub Center Social Welfare Policy Program; Paul Baerwald School of Social Work and Social Welfare, the Hebrew University of Jerusalem.

linked to budgetary constraints, though, which stem from the slowdown in the economy's growth during this period, and from diverse budgetary requirements that the government must meet, including high security costs. This dominant trend can be most clearly seen in government expenditure on social services and cash benefits intended to ensure the social welfare of the population. The expenditure in these fields as a percentage of GDP declined appreciably in the early 2000s, and has since remained stable at a low level (between 8 and 9 percent of GDP).

There are additional expressions of the government's clear preference for the free market as an answer to social problems. For example, in recent years there has been an accelerating tendency to rely on non-governmental agencies (commercial firms and NGOs) for the provision of social services. The privatization of social services, mainly by means of outsourcing, continues to expand, and the government discourse in this area focuses on streamlining the process (Prime Minister's Office, 2016). The outsourcing phenomenon is especially widespread in the Ministry of Labor and Social Welfare, where 80 percent of the ministry budget is dedicated to the provision of services by non-governmental agencies.

Another example of this policy preference is in the housing area. In contrast to past policy where the government intervened through public construction or direct assistance to buyers or renters, the current policy is essentially different. It focuses on an effort to expand the supply of apartments in order to bring down housing prices (Bencheitrit, 2014). Thus, alongside an appreciable decline in the budget for public housing and Ministry of Construction and Housing direct support for those in need of assistance with housing financing, the government is focusing on activities to expand the supply in the housing market. The most prominent step is the "occupant price" policy, which offers housing at a reduced cost to eligible borrowers and seeks to encourage private construction at costs lower than the market price.

Two other notable trends in the social welfare and social security fields have an impact on the major social problems in Israeli society. First, despite the government's disinclination to expand social spending and its aversion to direct intervention, a variety of (limited) steps have been adopted to try to deal with the hardships faced by those living in poverty. These steps are largely due to demands by the coalition partners in the government established following the last election, and to the government's agreement to adopt some of the recommendations of the Committee for the War Against Poverty headed by MK Eli Elalouf (currently Chair of the Labor, Welfare and Health Committee). Even though the committee did not succeed

in raising the issue of poverty to the top of the government's agenda, some specific recommendations have already been adopted, or a commitment has been made to adopt them in the coming budgetary year. These include an increase in the allowances intended for the elderly living in poverty, partial cancellation of the intended reduction in child allowances and introduction of the "Savings for Every Child" program (from 2017), legislation to improve the assistance given to working single mothers living in poverty, and an expansion of the negative income tax program. In the area of direct welfare services, the "Breathe of Relief" program was inaugurated. This is an experimental program of welfare services at the local level, through which poverty-stricken families receive close coaching by social workers as well as material assistance, and it includes an expanded efforts to integrate them into the labor market. Unfortunately, the expenditure on these programs is well below the recommended budget set by the committee as vital if the goal of reducing poverty in Israel to the average level in the OECD countries, i.e., one-tenth of all families, is to be reached. The main recommendations that were not adopted, though, were those calling for increases in guaranteed income benefits, which serve as a safety net for the neediest population, as well as other recommendations in the healthcare and housing fields.

A second trend reflects the growing emphasis on the realization of social rights by the country's citizens. This is the result of an ongoing process that puts the rights discourse, including social rights, at center stage. It is apparent that social networks and easy access to sources of information have contributed to the acceleration of this trend (and also opened the way for negative aspects, such as incidents of violent shaming of civil servants). The process has recently matured in varied and fascinating ways. For example, various population groups have used social media to conduct their battles for expanded rights and increased transparency in the government agencies responsible for determining entitlement. The impact of these movements can be seen in the recent decision of the Ministry of Labor and Social Welfare to implement the recommendations of the Silman Committee, which examined the issue of removing children from their homes and recommended greater involvement of families in the deliberations of Committees for the Removal of Children from Parental Custody. Relentless criticism of the conduct of the National Insurance Institute's medical committees has led to a program to enhance access to these committees and increase the transparency of their actions. The struggles of people with disabilities to expand their rights have also led to changes, albeit only partial, in social policy. The government has agreed to raise benefits by a small rate in 2017, and there is an initiative in the Knesset to increase the general disability benefits substantially.

Another aspect of this revolution is reflected in a growing awareness among individuals, civil society organizations and administrative agents regarding the importance of citizens fully realizing their rights (see, for example, the comprehensive report on this topic by the State Comptroller, 2015). This is something that needs to take place at the government agency level (particularly the National Insurance Institute), the local authority level (social workers, for instance) and the individual level. Recently, there has been a notable increase in social media sites that provide comprehensive information on social rights and prominent civil society organizations that can take action on behalf of individuals trying to realize their rights. Alongside, a market has sprung up of commercial and professional agencies that focus on assistance in the social rights areas as well.

References

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