



**NGO Document regarding Question No. 22 (re Article 5) put by the Rapporteur in connection with the consideration of Israel's 10<sup>th</sup> to 13<sup>th</sup> Periodic Reports to the Committee on the Elimination of Racial Discrimination (CERD/C/471/Add.2):**

Question 22: "Please provide more detailed information on measures adopted to reduce unemployment rates of Arab Israelis, including women. Has the State party assessed the extent to which the alleged discriminatory attitudes by employers against Arabs, scarcity of jobs near Arab communities, and lack of daycare centers in Arab villages are at the origin of high unemployment rates among Arabs?"

January 2007

The following tables summarise relevant data published by the Israeli Bureau of Statistics in 2006:

General Statistical Data for Israel <sup>1</sup>	Jews (and others)	Arabs	Total
Population (in thousands)	5,529	1,340	6,869
Population (in %)	80.5	19.5	100
Population aged 15+ (in thousands)	4,064	812	4,876
Population aged 15+ (in %)	83.3	16.7	100
Thereof in civilian labour force (percentage of people aged 15+)	58.2	38.6	54.9
Thereof unemployed (percentage of people in civilian labour force)	9.2	11.3	10.4
Citizens below the poverty line (percentage of overall population)	15.9	52.1	20.6

Arab Labour Force in Israel, 2005 <sup>2</sup>	Not in civilian labour force	Unemployed (in civilian labour force)	Temporarily absent from work	Worked part-time	Worked full-time	Total (in civilian labour force)	Grand Total (Arab population aged 15+)
Total (in thousands)	498.3	35.6	10.1	65.1	203.1	313.9	812.2
Total (in %)	61.4	11.3	3.2	20.7	64.7	38.6	100
Men (in thousands)	168.8	24.6	5.6	33.1	179.2	242.4	411.2
Men (in %)	41.1	10.1	2.3	13.7	73.9	58.9	50.6
Women (in thousands)	329.5	11	4.5	32	23.9	71.5	401
Women (in %)	82.2	15.4	6.3	44.8	33.4	17.8	49.4

<sup>1</sup> Derived from: Central Bureau of Statistics (CBS) Israel, *Israel in Figures*, 2005.

<sup>2</sup> Derived from: CBS Israel, *Labour Force Survey 2005*, Table 8.1.

Employed Persons <sup>3</sup> in Israel, by Industry, 2005 <sup>4</sup>	Jews in %	Arabs in %	Arabs in thousands
<b>Total</b>	86.1	13.9	346.8
<b>Agriculture</b>	78.4	21.6	10.8
<b>Manufacturing (Mining and Industry)</b>	84.5	15.5	60.7
<b>Electricity and Water Supply</b>	94.4	5.6	1.2
<b>Construction</b>	57.2	42.8	54.4
<b>Wholesale, Retail, and Repair</b>	84.0	16.0	53.8
<b>Accommodation and Restaurants</b>	81.5	18.5	21.3
<b>Transport, Storage and Communications</b>	86.3	13.7	22.2
<b>Banking, Insurance, and other financial institutions</b>	96.0	4.0	3.3
<b>Business Activities</b>	92.1	7.9	26.6
<b>Public Administration</b>	93.0	7.0	8.1
<b>Education</b>	88.3	11.7	36.6
<b>Health, Welfare and Social Work Services</b>	89.5	10.5	27.8
<b>Community, Social and other Services</b>	88.8	11.2	13.1

### **Conclusions:**

- The official unemployment rate among Arabs is 11.3% and thus two percent points above that of Jewish Israelis. On the other hand, the labour force participation rate is 20 percent points lower (58.2% vs. 38.6%);
- The majority of Arab employees are employed in traditional low-wage and/or unskilled labour sectors (agriculture, construction, retail, food);
- Labour force participation of Arab women is extremely low at 17.8%;
- Out of this very small female Arab labour force, a disproportionately high percentage (15.4%) is unemployed or works part-time (44.8%);
- In 2005, only 23,900 Arab women citizens of Israel (out of 401,000 aged 15 and older) officially worked in full-time positions.

The next set of data summarises relevant research presented by civil-society organisations:

Arab Representation in Civil Service, Government Companies and the Local Authorities <sup>5</sup>	Jews	Arabs	thereof Arab women	Overall percentage of Arabs
<b>Civil Service (excl. teachers, employment service, National Insurance Institute)</b>	53,760	3,154	1,048	5.5
<b>Directors of government corporations</b>	501	50	10	9.9
<b>Employees of government corporations</b>	50,000 (app.)	400 (app.)	?	0.8
<b>Union of Local Authorities Employees</b>	1,009	13	?	1.25

<sup>3</sup> "Employed Persons" include employees, employers, self-employed, kibbutz members, and unpaid family members.

<sup>4</sup> Derived from: CBS Israel, *Labour Force Survey 2005*, Table 2.1.

<sup>5</sup> Derived from: Sikkuy, *Sikkuy Report 2004-2005*, Jerusalem/Haifa: Sikkuy, 2006.

<b>Government development plans addressing unemployment among Arab citizens<sup>6</sup></b>		
<b>Title of Government Decision</b>	<b>Employment issues addressed</b>	<b>Status of implementation</b>
<b>Unemployment in the Arab sector (Decision No. 273 (Arab/1), June 2000)</b>	Development of zones for light industry and services Industrial zones under joint Arab-Jewish administration	About 20% of original budget used No Arab community was added to regional joint industrial zones between 2003-2005
<b>Multi-Year Plan for Developing Communities in the Arab Sector (No. 2467, Oct. 2000)</b>	Development of industrial zones  Vocational and technological training	Between 2001 and 2004, not a single new industrial zone was established in the Arab community  60% of funds implemented between 2001-2004. 8.9% of Arabs aged 20+ enrolled in courses, compared to 14.1% of Jews
<b>Including Arab local authorities in the joint administration of adjacent industrial zones (737 (Arab/9), Aug. 2003)</b>	Industrial zones under joint Arab-Jewish administration	No Arab community was added to regional joint industrial zones between 2003-2005
<b>Plan for addressing the Bedouin sector in the Negev (881 (Arab/15), Sept. 2003)</b>	Development of industrial zones in existing Bedouin communities, 2003-2008  Professional training Employment of women	No funds allocated in 2003-2004. 2005 funds allocated from Decision 3957 budget  No funds allocated for 2003/04
<b>Development plan for Bedouin communities in the North (4464, Nov. 1999)</b>	Development of industrial and light industry zones	No funds in 2004; 2005 funds allocated from decision 3957 budget
<b>Development plan for Bedouin communities in the North (1403 (Arab/25, Jan. 2004))</b>	Development of industrial and light industry zones	NIS 3 million allocated for 2004-05; no funds in subsequent budget 2005
<b>Encouraging industry and employment in the Arab, Druze and Bedouin sector (3957 (Arab/41), July 2005)</b>	Development of industrial and light industry zones  Employment of women Vocational and technological training	Part of 2005 resources allocated to previous, unimplemented plans
<b>Addressing central problem of the Arab sector (740 (Arab/12), Aug. 2003)</b>	Present ministerial plan to address employment problems in Arab community	Not yet presented  Drafts plans focus on Druze community and Arab women (not comprehensive)

### **Conclusions:**

- Employment patterns in the civil service sector and in government companies show extreme disparities in representation of Arab employees vis-à-vis their Jewish colleagues. Here, it should also be mentioned that trade unions in these sectors are the most powerful in the Israeli general trade union Histadrut;
- The fact that out of 50,000 employees in government companies (such as electricity, water, communication, port authorities) only 400 are Arab (0.8%) suggests that there is a “colour bar” which prevents Arabs from employment;
- The Government obviously does consider the lack of employment opportunities and professional skills within the Arab community a major problem as several development plans address these issues;
- These plans, however, are insufficiently implemented or not implemented at all.

<sup>6</sup> Derived from: Sikkuy, *Sikkuy Report 2004-2005*, Jerusalem/Haifa: Sikkuy, 2006.

## **The Wisconsin Plan: A Plan that IS being implemented**

On 1 August 2005, the Israeli pilot project "Wisconsin Plan", a welfare-to-work programme for long-term unemployed, facilitated by four international private companies and their Israeli partner corporations, began for 14,000 welfare recipients (today, their number has risen to app. 18,000) in the pilot areas Nazareth/Upper Nazareth, Ashkelon, Jerusalem (including neighbourhoods in occupied East Jerusalem), and Hadera (including seven Arab villages). In case of "non-cooperation" or work refusal by a participant, his/her income benefits (social welfare) are cut for one or two months respectively, leaving the participant's family without income. If the companies do not save the state more than 35% of its welfare expenditures within a specified amount of time, they will be sanctioned. Participation in the Wisconsin Plan is compulsory for welfare recipients residing in the pilot areas. Participants are required to attend the Wisconsin centres full-time (40 hours a week) as long as they have not found employment.

### **General concerns regarding design and implementation of the Wisconsin Plan:**

- All four pilot areas are situated in predominantly minority communities, including neighbourhoods in annexed East Jerusalem. According to programme regulations, the four pilot areas had to cover the North (selected: Nazareth/Upper Nazareth), the South (selected: Ashkelon), Jerusalem (selected area includes annexed territory) and the Tel Aviv area (selected: Hadera and surrounding Arab villages). All pilot areas are either overwhelmingly Arab or populated by new immigrants from Russian-speaking countries and Ethiopia;
- Nazareth, the largest Arab town inside Israel, is the only pilot area covering the entire town. All other pilot areas only consist of selected neighbourhoods or villages. Moreover, the selected areas in Upper Nazareth are neighbourhoods with an Arab majority;
- While government and implementing companies claim that the Wisconsin Plan has so far been a success – according to the Ministry of Industry, Trade and Labor, the programme has facilitated 13,000 jobs since its launch – critics maintain that the Wisconsin Plan fails to back up its claims with solid information. For instance, a recent report of the National Insurance Institute notes that there is no information about what kind of jobs the Wisconsin Plan facilitated. It is unclear whether these alleged 13,000 jobs are part-time or full-time positions, whether all these people are still working or whether the jobs only lasted for several days or weeks. Moreover, the lack of detailed information about the alleged employers even suggests that some jobs simply do not exist. Sawt el-Amel further argues that the Wisconsin Plan fails to follow-up on participants who left the programme without having found employment and does not provide information on how many participants found jobs by themselves;
- According to testimonies collected by Sawt el-Amel/The Laborer's Voice, more than 1,500 participants from Nazareth, particularly women, were enrolled in the so-called "Community Service Job" programme, which sends Wisconsin Plan participants who are considered "not job-ready" to do volunteer work in non-profit institutions. Many participants testified that they were instead sent to do menial work as potato diggers, prison cleaners, or garbage collectors in other towns. Moreover, participants testified that their unpaid work includes producing traditional Palestinian embroidery. Field investigations have so far not led to results as to where the products are sold. Testimonies suggest that the community service job project is in fact a forced labour project, as many "volunteers" were sent to profit-making entities in order to work full-time in exchange for their family's monthly benefits of app. USD150 (for income supplements) to USD600 (income benefits for a family with five or more children);
- According to testimonies collected by Sawt el-Amel/The Laborer's Voice, several hundred Arab families waived their right to social security (income benefits and income supplements) because participation in the Wisconsin Plan created insurmountable obstacles (such as: no daycare for hundreds of small children and needy elderly family members; crises in family life and social relations due to absence of both parents during the day).

#### The Wisconsin Plan in Nazareth: Statistics<sup>7</sup>

- As of December 2006, 5,776 long-term unemployed participate in the welfare-to-work programme "Wisconsin Plan" in Nazareth, the biggest Arab town in Israel;
- Between the launch of the Wisconsin Plan in August 2005 and December 2006, more than 55% of these participants quit the programme due to the exploitative policies of the implementing private companies, leaving their families without income;
- Over 1,545 participants were sent to obligatory and unpaid "community service jobs" in exchange for their income benefits (social welfare);
- Over 1,887 participants had their income benefits cut for one or two months because the company considered them "uncooperative";
- Sawt el-Amel's fieldworkers could not verify ONE of the more than 1,600 jobs the implementing company claims to have found as being sustainable, long-term employment.

#### **Conclusions:**

- The Wisconsin Plan does not address the root causes of unemployment in the Arab community, namely the lack of access to work (no or insufficient infrastructure, employment possibilities, work support services, education and professional training, discriminatory attitudes of employers);
- The choice of pilot areas suggests racial (and social) bias;
- The implementation of the Wisconsin Plan – based on profit-making – leads to exploitation and disenfranchisement of vulnerable citizens, particularly members of ethnic minorities, as the implementing companies resort to illegitimate methods in order to reach the programme objectives.

**Note: The future of the Wisconsin Plan is currently being discussed by the political decision-makers in Government and Knesset. The Plan may be continued the way it is, it may be amended or it may be stopped. In the meantime, Sawt el-Amel maintains that the only sustainable solution for the Wisconsin Plan participants is to stop the Wisconsin Plan. Amendments to the Plan will not change the root problem: that the Wisconsin Plan provides no solution to unemployment in the Arab community. It rather facilitates discrimination and exploitation and leads to further deterioration of the socio-economic situation of Arab citizens in Israel.**

For more background information on the Wisconsin Plan, its implementation and its impact on the socio-economic well-being of minority citizens, please consult our report *When the Cost Exceeds the Benefit*, available online on the official website of the Office of the High Commissioner for Human Rights at <http://www.ohchr.org/english/bodies/cerd/cerds69-ngos.htm> under the link "Laborer's Voice".

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<sup>7</sup> The data were collected by Sawt el-Amel during extensive field research and surveys.