

Implemented by Dutch companies

## **Israeli employment programme changed after protests**

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Dutch companies play a central role in an Israeli 'work first' programme that targets the Arab and immigrant unemployed. According to critics, these companies "embitter the lives of the participants, until they give up and stay home". After protests, the government has changed the programme - but the protests will continue.

Israel's 'work first' programme is popularly known as the Wisconsin Plan, named after the American Wisconsin Works (W2) programme. The idea behind W2 is that everyone has to work: no-one receives social assistance without doing something in return. In theory, job seekers are offered training, child care, health insurance and rehab programmes.

According to New York Times journalist Jason DeParle, W2 was in reality characterised by bluff, mismanagement and money-wasting. Nevertheless, its workfare ethic did scare away many social assistance recipients, which led to spectacular caseload reductions.

Wisconsin became a popular destination for 'policy tourists' from the US and abroad, eager to learn from the W2 miracle. One of the first Dutchmen to discover W2 was Dick Vink, a consultant who introduced the concept in the Netherlands and organised study trips to Wisconsin for Dutch local government officials.

In the late 1990s, Vink wrote an article in which he compared W2 to developments in Dutch labour market policies. The article caught the attention of Israeli government officials, who contacted him to discuss options to increase labour market participation in their country.

A few years later, it was decided to test the work first approach at four locations in Israel. The pilot areas are either overwhelmingly Arab or populated by new immigrants from Russian-speaking countries and Ethiopia, according to local community organisation Sawt el-Amel (The Laborer's Voice).

In order to circumvent the government bureaucracy, commercial organisations were invited to implement the programme. Vink was asked to help write the specifications. "We asked ourselves: shouldn't we make it more exciting for those companies, so as to make them do the best they can?" Companies were offered a high financial reward for caseload reductions - regardless of what happens to those who leave the programme.

In order to learn as much as possible from the experiment, Israel sought the participation of foreign companies. Vink was asked to try to get companies interested. He focused on Britain and the Netherlands, since these were the only European countries where private companies had a substantial role in employment services at the time. Vink organised a session in Amsterdam at which he and the Israelis met with representatives of twelve potential candidates.

<b>Region</b>	<b>Company</b>	<b>Organisation</b>
Nazareth	Maetis (NL; formerly Calder)	Sawt el-Amel
Hadera	Agens (NL)	
Jerusalem	A4e (UK)	Community Action Centre
Ashkelon	Maximus (US)	

Eventually, six Dutch and four British companies made serious bids. Calder got the

Nazareth contract and Agens the one for Hadera. The other two contracts were awarded to Maximus - a controversial W2 pioneer from America - and A4e from Britain. According to the Jerusalem Post, the four companies each receive close to 4 million euro from the

government, but they can increase this by reducing social assistance caseloads. Maximus estimated its contract to be worth over 10 million euro.

Interestingly, some of the lead players in the implementation of Israel's employment programme are converted welfare recipients themselves. Agens CEO Rob Dijkhuis told an Israeli newspaper that he was a school dropout who lived on 'the government's bounty' until he realised that he had to take control of his life. And according to Elsevier magazine, Calder's co-owner Marius Touwen received a disability benefit while running the company. According to Elsevier, he was still entitled to his benefit because Calder paid him dividend rather than a salary.

Israel's new 'Wisconsin Centres' opened in August 2005. The Agens International [website](#) contains a description of the one in Hadera. "The centre has an open and welcoming atmosphere; people are walking in and out, some are sitting together at a desk, visibly absorbed in a dialogue, others are going through newspapers and magazines at a large table in the middle of the centre, people are working on computers, telephones are ringing..." One of the employees of the centre told the Haaretz newspaper about the gratitude clients showed: "Finally there is someone who cares. They, the unemployed, come to kiss our hands".

This rather idyllic description of the implementation of the Wisconsin Plan does not tell the whole story, though. On various occasions, hundreds of programme participants and activists have demonstrated against the plan. Marie Badarne of [Sawt el-Amel](#), an organisation that operates in Nazareth, summed up in an email how participants felt about the programme: "The most basic message from the people is probably: There are no jobs. It's all a big lie".

Barbara Epstein of the Jerusalem-based Community Action Centre has heard similar stories from the 800 participants they worked with. In an email, she said: "There were two important messages. The first is that most of the participants would like to work but that the programme did not provide them with training and did not help them with job placements. This was particularly true for people over the age of 45 with minimal education and no marketable skills. The second message was the sense of fear and threat engendered by their contact with the job centre. They were afraid to speak out, often afraid to appeal decisions because they were afraid of being punished".

In April 2006, Haaretz reporter Meron Rapoport wrote an article about the Wisconsin Centre run by Agens in Hadera. According to Rapoport, agency staff understood perfectly well what it takes to reduce caseloads: "You embitter the lives of the participants in the programme, until they give up and stay home".

When two people fainted at the centre, Agens staff would have refused to call an ambulance, saying that the fainted people would have to pay NIS 700 [120 euro] if they wanted one. Agens' local director general, Arye Sivan, would have commented that his employees are experienced enough to see who is faking and who is not. For 'real' patients, the company would call an ambulance without charge.

Participants in the Agens programme complained that they have to attend pointless and humiliating courses, including washing and makeup courses. When Rapoport asked the director of the Maof College - where the courses are given - about this, he explained "how people came here stinking because they didn't have hot water at home and now they look like human beings". Before he could further explain, the director received a call from Agens telling him not to talk to the Haaretz reporter anymore.

During one of the cosmetics classes, instructors tried to sell cosmetics to participants. "They sold us dreams for a lot of money", one of the participants told Haaretz. Director General Sivan said the contract with the company that offered the course has been

cancelled. The director of the Maof College did not understand what the problem was: "It's like we sell coffee here outside for NIS 3 [50 eurocents]. Whoever wants, buys".

There were complaints about job placement services as well. For example, Russian participants "were given a small binder with old ads, some of which ask for kidney donors and others looking for 'free young women' to work in a club", a participant told Haaretz.

Judging by a Sawt el-Amel brochure, conditions at the Calder-run Nazareth centre are not any better. "We are humiliated by the officials, who treat us and our children as if we were of lesser value than them, and if they consider us 'uncooperative', we lose our welfare allowances for one month. And yet, none of us has received any vocational training that would allow us to enter the job market, and neither has anyone of us found decent employment that lasted longer than a few days", the brochure states.

Participants in the Wisconsin Plan can be required to do volunteer work. It is rumoured that some are doing work that was previously done by regular employees. "The issue of replacing regular workers is a very gray area", Barbara Epstein of the Community Action Centre commented. "Programme participants were often sent to volunteer in what we believed should be paying jobs or were in the past paying jobs".

Official reports claim that the Wisconsin Plan has been successful in reducing the number of social assistance recipients and in helping people find work. According to data quoted by the Bank of Israel, 10,800 out of 23,000 participants (47%) found a job thanks to the programme within a year (it adds that 30% of them found jobs more than once, suggesting that the jobs are often short-lived). Haaretz quoted a different study which found that 22.1% of participants 'improved their employment situation', compared to 5% of a control group.

Consultant Dick Vink has not been in Israel for six months, but he intends to visit the four pilot sites in January. He has the impression that the Dutch companies involved have found a good balance between being strict and being supportive. "It struck me that especially the Dutch companies are trying a more friendly approach", he said. Interestingly, Roy Newey of the British A4e told an American newspaper that it was *his* company that has implemented a softer programme, "distinct from the harder-edged reform at Israel's three other centres". Epstein said there is not much difference: "The Dutch companies are not better and not too much worse than anyone else".

The companies themselves are reluctant to comment. Director Godert van Buren of Calder said that his company's activities in Israel were in fact run by then co-owner Marius Touwen. In April, Van Buren and Touwen split and the activities in Israel became part of Touwen's company Maetis. "We weren't unhappy to see the activities go to the new enterprise", Van Buren said, explaining that it was not entirely clear to him what Calder was doing in Israel.

When Touwen failed to return telephone calls, his secretary at Maetis explained that he was very busy. "Apparently, he didn't find it very important. Now if it had been for a renowned magazine..." (this article was originally written for Dutch webzine Ravage). At Agens International, the secretary explained that the company is currently going through a 'transition phase'. Therefore, this is not a good time for an interview, she explained.

In the Netherlands, ['work first' programmes](#) have been introduced at a breathtaking speed since the introduction of the Work and Social Assistance Act (WWB) in 2004. Municipalities can now earn money by reducing the number of social assistance benefits. Almost all of them have introduced forced work programmes, which have been successful mainly at reducing social assistance intake.

While these programmes have undoubtedly helped reduce the number of social assistance recipients, there is concern that some of the people who are deterred from applying for a benefit end up in debt or engage in criminal activities - although no one knows how many people get in trouble. At some work sites, health and safety problems have been reported. One study found that a more supportive programme in the city of Helmond was far more effective than work first at helping people find durable employment.

A few organisations such as the [Bijstandsbond](#), [Werken zonder werk](#), [Flexmens](#) and [FNV Jong](#) have protested against the Dutch work first approach. However, resistance is not nearly as strong in the Netherlands as in Israel. According to consultant Vink, this has something to do with the fact that the Netherlands started reforming social security step by step in the 1990s. In Israel, the introduction of tough social assistance has been much more abrupt. "And then it's logical that you get a violent response", he said.

This is not to dismiss the criticism voiced by community organisations and the media in Israel, he says. As Vink sees it, welfare reform is a learning process, in which mistakes are made. "So I do think that some of that criticism is entirely justified. But the important thing is to do something with it and learn from it".

In any case, protests and reports in the media did erode public support for Israel's Wisconsin Plan. In early 2007, it became clear that there was broad support in the Knesset for abolishing it. In response, the government decided to make some drastic changes to the programme, which have become effective as of 1 August. The contracts with the Dutch companies have been extended.

Under the revised programme, companies will no longer be paid for reducing caseloads regardless of what happens to those who leave the programme: from now on, payment will depend on successful job placements. In addition, people over 45 years old will be exempted (40% of participants were 50 years or older). Further, there will be specific programmes for groups such as the handicapped, new immigrants and academicians.

Marie Badarne considers the changes an important victory for her organisation Sawt el-Amel and for the Wisconsin Plan participants. But she remains opposed to the plan, because "as an organisation of workers we reject the neo-liberal ideology of privatising employment and social services". Sawt el-Amel is currently preparing a new information and media campaign. New demonstrations may be organised at a later stage.

Barbara Epstein of the Community Action Centre said that the changes to the programme are an improvement in theory, but she adds that it is as yet unclear how these changes will be implemented. "Right now, we have gone back to the beginning - we are doing outreach, seeing what is working and what is not, and then we will choose our goals and actions. We are currently preparing a new rights manual and will begin to recruit a new group of activists".

*This article was originally written for Dutch webzine [Ravage Digitaal](#)*