

Material Assistance to People Living in Poverty: A Historical Survey and Current Trends

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Abstract

The policy to alleviate poverty in Israel has changed frequently in recent decades, particularly with regard to material assistance to people living in poverty. In the early years of the State, financial assistance was provided to the poor by the welfare bureaus. During the 1980s, with the adoption of the Income Support program, responsibility was transferred to the National Insurance Institute (NII). At the beginning of the 2000s, policy changes led to a sharp reduction in assistance levels and in the number of those eligible for it, alongside a major effort to encourage those living in poverty to enter the labor market. Despite these efforts, the share of families in Israel living in poverty remains particularly high at almost one-fifth (18.4 percent) of families.

During the past decade, there has been a further change in poverty policy. Alongside National Insurance Institute cash benefits, there has been an effort to provide those living in poverty with comprehensive psycho-social solutions, including material assistance, through social workers in social services departments. This policy, which is demonstrated in the Families First program operated jointly by the Ministry of Labor, Social Affairs and Social Services, The Rashi Foundation, and JDC-Ashalim offers intensive and holistic treatment to participating families, that includes active take-up of rights, help in labor market integration and also material assistance.

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This study examines the changes in poverty policy during the last four decades and the factors behind those changes, particularly the expansion of social services departments' responsibilities to help families in poverty. The study also analyzes the characteristics of the Families First program participants and the patterns of usage of material assistance among the various population groups. On the basis of the findings, several possible directions are proposed to improve the system of material assistance as a means of reducing poverty.

Introduction

For many years now, poverty has been one of Israel's most urgent social problems. The size of the population living in poverty is currently estimated at about one-fifth of all families, which is one of the highest rates among the OECD countries, even after a slight decline in recent years (NII, 2018). The main juncture between the state and families living in poverty occurs in municipality social services departments. Of the population that is assisted by social workers in these departments, 266,000 (about 28 percent of the individuals dealt with by those departments) have requested financial assistance (Ministry of Labor, Social Affairs and Social Services, 2017). However, the directors of these departments estimate that the share is much larger than indicated by the official figures due to the way in which requests for assistance are cataloged.

The main income source for many families living in poverty is NII benefits and in particular Income Support benefits, Disability and Old-Age pensions. In most cases, the amount of the benefit does not allow families to deal with extraordinary situations that arise due to unexpected events, medical treatments, or debt repayment, nor does it allow them to escape poverty. Moreover, it is believed that in many cases the take-up of these benefits by eligible households (particularly in the case of Income Support) is low due to a lack of awareness of their eligibility, a lack of trust in the system, or bureaucratic barriers (NII, 2017).

How is poverty expressed in terms of meeting basic material needs? What is the role of the welfare state and in particular the social security system and social services departments in meeting these needs? And how are the resources allocated to individuals and families living in poverty being utilized? These are the questions that have faced policy makers in dealing with poverty over the years. These questions are particularly relevant today in view of the changing trends in social services department policies and

activities on the one hand and in the perceptions of professionals at various levels on the other (Baum, 2015).

It is possible to divide the development of material assistance policy to those living in poverty into four periods. The first began with the establishment of the State and ended in the mid-1970s and was characterized by an overall scarcity of resources in the social security system available to help this population. As a result, social assistance to families living in poverty took the form of welfare benefits that were provided by local social workers. The second period spanned the mid-1970s to the beginning of the 2000s and was characterized by a transfer of responsibility to the NII, particularly in the form of the newly-adopted Income Support program with material assistance provided by local social workers limited to emergency contingencies. During the third period in the first decade of the 2000s, social security benefits were cut and an effort was made to integrate those living in poverty into the labor market. However, this period also saw a large increase in the incidence of poverty. At the same time, there was somewhat of an expansion in the involvement of municipalities in providing material assistance to individuals. This took the form of a “relief basket” that was provided as part of the special programs designed to encourage participation in the work force.

The last decade, the fourth period, is characterized by a significant expansion of local responsibility and of the relief basket, as well as a shift of public discourse on poverty towards a focus on rights. This process, which is occurring simultaneously with the adoption of the Poverty-Aware Social Work paradigm by leading programs of the Ministry of Labor, Social Affairs and Social Services, is accompanied by the development of new approaches for providing material assistance.

Thus, the changes that have occurred in the welfare system in recent years can be described as an intriguing virtual 180-degree turnaround. Almost 40 years after the transfer of responsibility for providing material assistance from the local to the national level, it appears that the trend has changed direction and, once again, the intervention of social workers in the social services departments is playing a significant role in dealing with poverty by providing this type of assistance to families in economic and social distress.

The present study looks at the changes that have occurred in poverty policy during these decades and the factors behind those changes. In particular, it focuses on the process that led to the changes during the last decade: the stability in the incidence of poverty at a high level; the drop in the effectiveness of Income Support; the initiatives of civil society organizations; and the changes in the social work discourse. A special

section will be devoted to the Families First program, a Ministry of Labor, Social Affairs and Social Services flagship program, which expanded as a result of these changes. Although only a few thousand families participate in the program, it is possible to draw some early conclusions regarding the characteristics of the population being assisted by the social services departments and regarding the patterns of participation and utilization of the assistance provided by the program, particularly material assistance. In particular, the variation in the extent of utilization of the assistance and in the expenditure types among families with different characteristics will be examined.

The last section will present possible directions for policy based on the findings, which relate to both the limitations of the present policy to reduce poverty and the lessons that can be learned from the Families First program.

Data

Data were gathered from a variety of sources:

- The International Fellowship of Christians and Jews (IFCJ) — a program that provides for the basic needs of tens of thousands of families and the elderly living in poverty by means of a budget that is distributed to social services departments in 200 municipalities since 2013.
- Data from the Families First program (since 2015).
- Data on material assistance, welfare benefits, and poverty from the Ministry of Finance, the Ministry of Labor, Social Affairs and Social Services and the NII.
- Interviews with policy makers and implementers.
- Policy papers, the Social Work Regulations, and reports of the Ministry of Labor, Social Affairs and Social Services, and of various committees on policy to reduce poverty.

1. Trends in material assistance: A historical overview

The first period: The welfare bureaus — the role of the State until the mid-1970s

The National Insurance Institute system in Israel was established at the beginning of the 1950s. However, up until the 1970s, it did not deal with the

needs of working-age individuals in financial distress; rather they remained under the responsibility of the welfare bureaus which operated according to law in the municipalities. The welfare support that was provided to the needy according to the discretion of the social workers in the welfare bureaus was the main factor in ensuring the economic subsistence of those living in poverty, particularly during periods of widespread unemployment.

International consultants who examined the functioning of the welfare bureaus in the 1950s were critical of the activity of their social workers (Simey & Kahn, 1953). The criticism focused on common stereotypes of the needy among Ministry of Welfare officials and among the social workers who influenced the determination of eligibility for assistance, its size and its frequency. This criticism is reflected in the words of Professor Philip Klein who wrote a report on the welfare system for the government: "The contrast between the approved levels of assistance and the basic expenditure for subsistence is truly amazing. Whether this is called a tragedy or a disgrace, it is an astounding fact and should also be intolerable." (Klein, 1958, Appendix III, p. 3) There was also criticism of the fact that there were no clear and uniform criteria for providing material assistance.

During the first half of the 1960s, the Ministry of Welfare took various steps to tighten the supervision of welfare support in the municipalities and to create uniformity between them, as well as to increase the level of assistance. One of the main steps taken was the establishment of a committee to examine assistance levels considered necessary to finance the needs of those living in poverty (Milo & Bloom, 1967). The committee found a gap between their needs and the assistance provided and recommended increasing support, particularly in the case of large families. Although the Ministry of Welfare dispersed the committee before it concluded its deliberations (apparently out of concern that it would not be possible to implement its recommendations), during the 1960s, there was a gradual process to raise the level of assistance (Doron & Kramer, 1992).

Despite these processes, by the end of the 1960s and beginning of the 1970s, there was increasing public criticism of the welfare system voiced by academics and professionals in the social work field. The criticism focused on the fact that the state had ignored poverty and its underlying social factors, on the constraints placed on the welfare system and on the over-involvement of social workers in the process of determining eligibility for financial assistance instead of offering professional psychosocial treatment to diverse populations with needs (Jaffe, 1969). Moreover, criticism was also voiced of the lack of a social security net that could meet the needs of those who had experienced a major life crisis, such as unemployment or disability.

This criticism was backed up by published reports, investigative committees (such as the Committee to Examine Jerusalem Municipal Social Services, 1967) and by research (such as Rieger-Shlonsky & Saltzberger, 1975). This criticism was in addition to the trend during that period which sought to strengthen the welfare state in Israel (Gal, 2004).

This process, which was influenced by the development of the welfare state in industrialized countries, was accelerated by the release of the first report of the NII concerning the extent of poverty at the beginning of 1971 and the Black Panther demonstrations that took place also in that year, which drew attention to inequality and poverty (Rotter & Shami, 1971). As a result of these events, the Prime Minister's Committee on Children and Youth-at-Risk was created and its conclusions included a series of recommendations to expand the welfare system, including the establishment of a framework of guaranteed income for families living in poverty (Prime Minister's Committee on Children and Youth-at-Risk, 1974).

The second period: A change in the functions of social services departments and the strengthening of the security net — from the 1970s to the beginning of the 2000s

The focus of discourse within social work in the early 1970s in Israel concerned the two main reasons for the ineffectiveness of solutions intended to meet the material needs of those in poverty. The first was the lack of solutions established in law that would define the rights to assistance of the poorest populations and the state's official obligation to provide that assistance. The second was the fact that it was the social workers who provided for the material needs of those in poverty and they had not been trained for this task. Furthermore, the fact that they provided for the basic needs of those in poverty prevented them from providing other types of assistance for which they had been trained. The solution to the problem was to unlink social assistance and the professional activity of the social workers (Jaffe, 1975).

Beginning in the early 1970s, initial attempts were made to implement this policy on a local level. In 1975, the Ministry of Welfare created two committees to examine this issue and both recommended a reorganization of the welfare bureaus and the formal separation of social work functions and the distribution of financial support (Research, Planning and Training Division, 1975). Towards the end of the decade, the Ministry of Labor and Welfare (which was created by consolidation of the Ministries of Labor and Welfare) adopted a plan for the reorganization of the bureaus, entitled the

“Program for Change.” As part of the reorganization, the welfare bureaus were renamed social services departments and no longer provided support for the material needs of those who are marginalized or living in poverty. Their prime task was to be to offer non-material interventions to a variety of populations, including the middle class. Apart from emergency cases, social workers would no longer be involved in determining eligibility for assistance and in providing material assistance (Jaffe, 1977).

Alongside the process to separate the functions in the social services departments, initial steps were taken to transfer responsibility for social assistance to the NII. This process reached its conclusion with the passing of the Income Support Law in 1980 and the beginning of its implementation two years later (Doron & Kramer, 1992). Income Support was intended to serve as the security net of last resort for individuals of working age not eligible for any other subsistence benefits and who had particularly low incomes or were recognized as not being able to work and had no income at all. The law made receipt of the benefit conditional on meeting a means test and an employment test. In addition to a regular benefit level, individuals with little chance to integrate into the labor market were granted an expanded benefit.

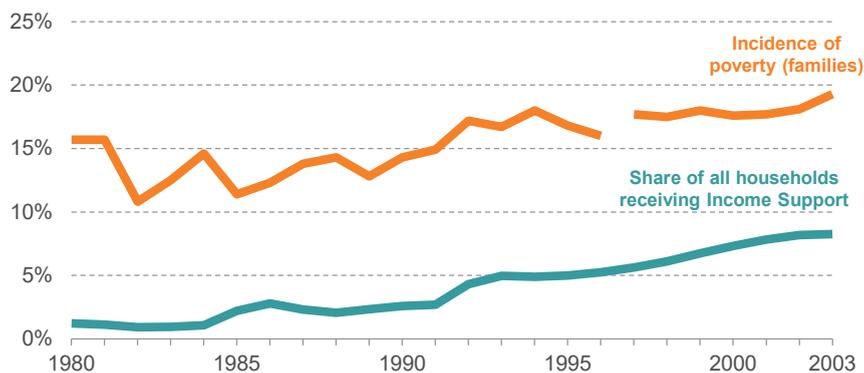
The Income Support Law defined clear and uniform criteria to receive financial assistance and assigned responsibility for providing it to the NII. Although the new law did not promise an increase in the level of basic assistance, it anchored the eligibility for support in law and created a formal framework for appealing decisions by establishing uniform criteria (Gal & Achdut, 2007). As a result of the transfer of responsibility to the NII, the social services departments were largely – though not totally – freed from the function of providing material assistance.

Evaluations of the results of the separation between the provision of material assistance (through Income Support) and other social welfare support provided by the social services departments showed them to be largely positive. The shift of responsibility to the NII led to many cases in which the level of payments to eligible recipients increased and there was also an improvement in accessibility for some of the population to other social security programs (primarily the General Disability benefit). Only a small minority of those receiving welfare support in the past were found to be ineligible for NII benefits (Yanay & Doron, 1987). In addition, it was found that the change allowed social workers to develop new therapeutic solutions and to implement them with populations other than those living in poverty, which at that time were as the main service recipients (Korazim, Cnaan, Korazim, Meller, & Rosenfeld, 1992).

Over the course of the two decades following the implementation of the Income Support Law, there was a gradual increase in the number of those eligible for the benefit. During the first three years following the implementation of the program, the rate of increase was slow, but the economic crisis and the rise in the rate of unemployment during this decade led to an increase in those eligible. The wave of immigration from the Soviet Union and Ethiopia in the early 1990s, as well as legislative measures adopted during that decade – which increased the generosity of the program and improved its accessibility, particularly for single-parent families (Gal & Achdut, 2007; Herbst, 2009) – also contributed to a large increase in the number of recipients. In the early 2000s, the process was accelerated by the economic crisis and growing unemployment.

As can be seen in Figure 1, from 1980 until the beginning of the 2000s, there was a continuous increase in the incidence of poverty, as well as in the share of households receiving Income Support – from 1 percent to 8 percent of all households. In 1982, there were 10,000 households eligible for this benefit while in 2002 the number had grown to 155,000.

Figure 1. The incidence of poverty and the rate of eligibility for Income Support



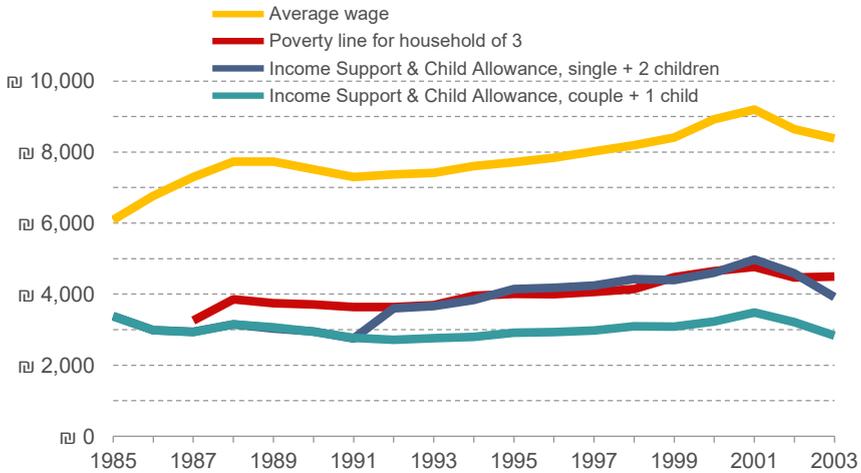
Noe: In 1997, there was a change in the index of the incidence of poverty and as a result there is a break in the series.

Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center | Data: NII

Figure 2 shows the effectiveness of Income Support during this period or, more precisely, the extent to which it succeeded in raising the income of recipient families to the poverty line. Until the early 2000s, Income

Support (along with Child Allowances) provided a fairly effective security net for eligible families, due to its indexation to the average wage. This was especially the case for those receiving an expanded payment, such as single-parent families. For example, the assistance provided to single mothers with two children brought these families close to the income defined as the poverty line. Other types of households, such as a two-parent family with one child, still suffered from a gap between the level of assistance provided and the poverty line.

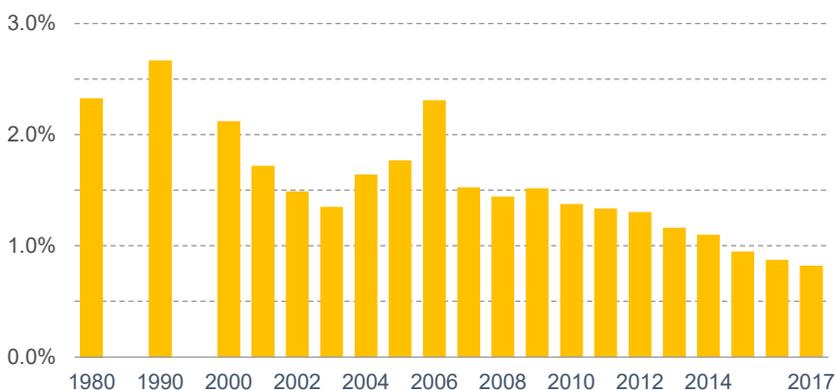
Figure 2. Income Support and Child Allowance relative to the average wage and the poverty line



Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center | Data: NII

Despite the implementation of the Income Support Law and the transfer of responsibility to the NII, social workers in the municipalities were not completely freed from dealing with material assistance. The social services departments continued to provide material assistance in emergencies and on a small scale, as a supplement to the Income Support benefit. This material assistance, which was referred to as “special assistance” was financed from the budget of the Ministry of Labor and Welfare and the municipalities, and its scope remained limited during the entire 1980s and 1990s. Figure 3 shows the share of the special assistance budget (relative to the budget of the Ministry of Labor and Welfare) from the 1980s until the 2000s.

Figure 3. Expenditure on special assistance
As a percentage of the Ministry of Labor, Social Affairs and Social Services budget



Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center

Data: Ministry of Finance

In the absence of clear instructions in the law regarding the provision of material assistance by the social services departments, the Ministry of Labor and Welfare published regulations for the determination of need and eligibility (known as the Social Work Regulations). Social workers in the social services departments were given the function of determining the “need” of service recipients, while eligibility workers (who were not social workers) determined the level and type of assistance that would be provided to those eligible. The material assistance was provided in various situations, such as an inability to provide for basic needs (such as participation in rent and the purchase of clothing and footwear), various medical situations (transportation to receive medical treatment or help in paying for dental treatment), education (payment for tutors), strengthening of the family (expenses incurred to visit family members in institutions or to pay for household help), employment rehabilitation, and special services to families with members with disabilities.

In 1983, the Ministry updated the Social Work Regulations in this area and introduced the clarification that the assistance includes “a range of services provided to an individual or a family in their home in the case that they are experiencing difficulties in functioning as a result of special circumstances, such as illness or one or more handicapped members. These

services are provided as part of the assistance to the family, with the goal of strengthening it and allowing it to function normally to the extent possible.” Furthermore, it was noted explicitly that the Ministry’s policy is to provide these services in-kind (as services, therapy or specific equipment according to what had been determined, rather than as money that can be used for any purpose). Only in special cases would the bylaws permit direct financial assistance and “only when it was sure without any doubt that the financial assistance would be used for its intended purpose, such as purchase of a particular piece of equipment or payment for home help” (Social Work Regulations, Paragraph 3.16, 1983 amendment).

The various amendments to the Social Work Regulations over the years made the determination of need less opaque and modified the definition of need to fit the various family structures and the types of assistance to fit changing needs. Nonetheless, it is important to emphasize that since this assistance was not grounded in law, the social services departments were not obligated to provide the special assistance that was defined in the Social Work Regulations and the assistance was subject to the department’s order of priorities and budget. In practice, even someone who met the criteria for need often did not receive assistance and had no legal recourse in the matter. Each department had to decide which needs would receive resources and which would not. Since a large portion of the budget was allocated to the financing of transportation to receive life-saving medical treatment and of basic household improvement, there was insufficient budget left over to finance other needs. Thus, there were departments that decided not to provide any assistance for food or clothing. In addition, the source of the financing of material assistance varied between social services departments – some relied only on the budget of the Ministry of Welfare while others were also involved in soliciting donations (whether explicitly or surreptitiously) and finding other sources of financing.

The third period: “From Welfare to Work” — the 2000s

In the early 2000s, there was a sharp turnaround in government policy toward those living in poverty, following the economic crisis and increasing unemployment following the second *intifada*. The government sought to reduce social welfare expenditure, which was perceived as a budgetary burden, and at the same time invested major efforts in trying to integrate large parts of the non-working population into the labor market (Doron, 2007). These trends were seen in the attempt to implement a “Welfare to Work” program in Israel, the type of program that was gaining popularity in the US and various European countries at the time.

In 2004, a pilot program called “From Guaranteed Income to Secure Employment” was initiated (and became known as the “Wisconsin Plan”). The program sought to encourage recipients of income support to integrate into the labor market, primarily by changes in the employment test that was part of the conditions for eligibility to receive the benefit. Prior to the new program, those requesting the benefit had to report to the Employment Service and accept any job that was offered to them in order to meet the employment test, while as part of the program participants had to undergo training in work skills at an employment center and accept jobs offered to them at those centers. Participation in the program was a condition for receiving Income Support. Thus, the participants received the benefit while in the program and stopped receiving it once they entered the labor market or alternatively once it was shown that they were unable to manage in the program or in the labor market.

The program was implemented as a pilot for two years in four cities by for-profit companies. The results were mixed: about one-quarter of the families gave up their right to Income Support (which in some cases was replaced by a different benefit) even before the program began; of the remainder, around one-half successfully found a job or expanded their work hours while the rest remained in the program at the employment centers (Achdut et al., 2008).

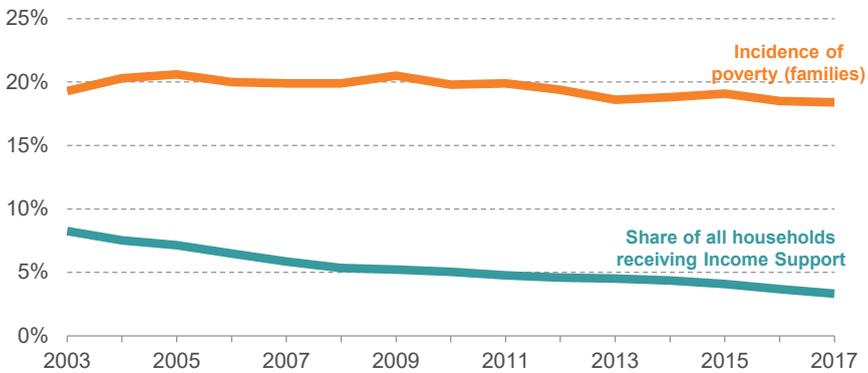
The program was widely criticized by the public. It was claimed that it required participants to join the work force without considering individual characteristics and constraints; that the solutions it provided were too limited and did not include training for the long term; and that the transfer of responsibility for dealing with recipients of Income Support from the government to private companies lowered the quality of service over time (Benish, 2014). As a result of the criticism, several changes were made in the program during the pilot; nonetheless, the Knesset Labor, Social Affairs and Health Committee refused to approve the expansion of the pilot to a country-wide program and in 2010 it was terminated.

In addition to the pilot, a series of changes in social security programs were adopted in the early 2000s, which primarily involved the reduction in program access and in benefit size. A large number of the changes related to social security programs for families living in poverty, namely Income Support and the Child Allowance, and included the freezing of payment indexation; the cancellation of the expanded payment; a cut in the size of the benefit, which in the case of families with children meant a reduction of about 20 percent; and tightening the eligibility conditions, primarily

with respect to the means test (Gal & Achdut, 2007). Furthermore, the Child Allowance was reduced substantially, primarily in the case of large families.

As a result of these changes (and later on also as a result of the improvement in the employment situation), the number of those eligible for Income Support dropped over the course of the decade, from 155,500 families in 2003 to 105,200 in 2011. This meant that the incidence of poverty among families remained fairly constant and at the end of the period it stood at about one-fifth of families, while the share of households receiving Income Support fell sharply – from 8 percent to only about 5 percent (Figure 4).

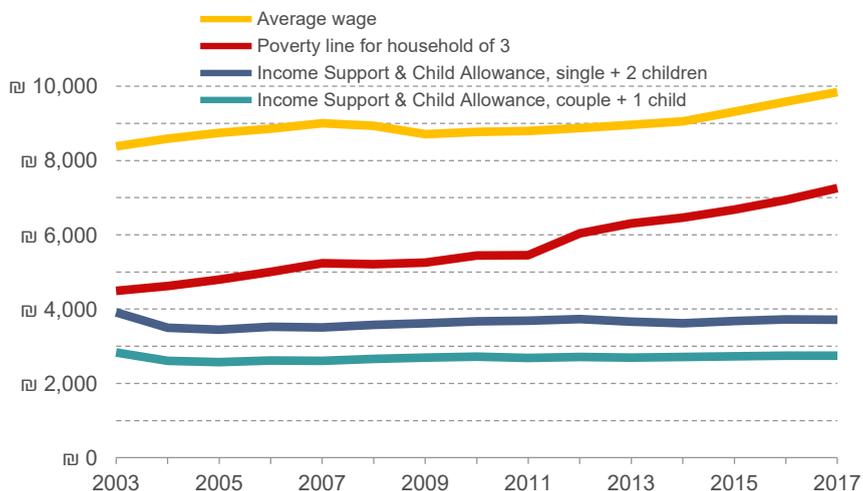
Figure 4. The incidence of poverty and the share of Income Support recipients



Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center
Data: Ministry of Finance

These steps also led to a significant drop in the level of benefits for families that remained eligible and a widening of the gap between the poverty line and the amount of assistance provided to them through Income Support and the Child Allowance, which remained basically unchanged during the entire decade (Figure 5). At the same time, there was a significant increase in the incidence of poverty from 17.5 percent of families in 2000 to a record 20.6 percent in 2005. As shown in Figure 4, this high level remained stable during the 2000s.

Figure 5. Income Support and Child Allowance relative to the average wage and the poverty line



Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center

Data: Ministry of Finance; CBS

Another important component of social policy during this period was the expansion of the activity of non-government actors, i.e., civil society organizations, philanthropic foundations, and commercial companies, in the domain of welfare and employment. One example is the programs implemented as part of the Tevet project of the Joint Distribution Committee in 2006. In addition, starting from 2003 the IFCJ (International Fellowship of Christians and Jews) began providing material assistance to families living in poverty through social workers in the social services departments. This expanded the possibility of assisting the neediest families, but the method of transferring the money (i.e., by way of various nonprofit organizations), as well as a reluctance on the part of social workers to engage in providing material assistance led to only a partial utilization of the budget during the 2000s (see the following section for further details on the role of the IFCJ in the welfare system).

These processes were accompanied by an accelerated process of privatization that the Ministry of Welfare was undergoing, which increasingly relied on non-government actors. During this period, major efforts were made to transfer programs operating in the community and facilities offering treatments to non-government entities and to leave only

administrative and supervisory functions with the Ministry of Welfare (selection of the operator, partial funding of the services and supervising the services). This move is well-illustrated by the change in the outsourcing policy of Ministry of Welfare services, such that the proportion of its budget devoted to the financing of activities of non-government actors rose from 70 percent in 2000 to about 80 percent at the end of the decade (Madhala & Gal, 2016).

The fourth period: Social investment in the poor: 2011–2019

Putting poverty on the public agenda

The year 2011 was a turning point in the discourse on social issues and on poverty in Israel. This turning point, which eventually led to policy changes, was partly due to the 2011 social protests and also the recommendations of the Trajtenberg Committee, which was established in its wake. Both the protest and the committee drew attention to social problems that lacked appropriate solutions in government policy at that time.

The growing criticism of the increasing incidence of poverty led to the establishment of the Committee for the War Against Poverty (the Elalouf Committee) in 2013. The Committee published its recommendations in 2014 and set an ambitious goal – a reduction in poverty to that of other welfare states within a decade, which meant reducing the share of families under the poverty line from about 19 percent to about 11 percent. In addition to this target, the Committee proposed that a holistic approach to poverty be adopted. It recommended the adoption of a poverty-aware approach (see further details below) and detailed programs to deal with poverty on a number of levels, including the expansion of the social security net and improvement of accessibility to the health system for those under the poverty line; the implementation of programs in the community to provide holistic assistance to families in poverty and increased take-up of their rights; increasing the income of the working poor through an enhanced negative income tax; improving the potential for social mobility by means of the “Saving for Every Child” program as well as differential budgeting for education; and the expansion of public housing. The Committee also recommended the improvement of service provided by social services departments to families in poverty by expanding the therapeutic solutions offered and also by significantly expanding material assistance up to NIS 200 million to 500 million per year, with the goal of making it a relevant tool for intervention in the hands of the social workers.

The government adopted the report of the Elalouf Committee in 2015 and although the recommendations were not fully implemented, some of them were and primarily those in the areas of education (increasing the budget for additional teaching hours in the “Nurture Basket”), housing (rent assistance and increasing the stock of public housing), and employment (expanding the negative income tax, increasing the budget for vocational training, and expanding the supply of daycare centers) (Gal & Madhala, 2018). These steps were aligned with the social investment approach that was also evident in the recommendations of the Trajtenberg Committee. This approach seeks to strengthen the human capital of families living in poverty, primarily by expanding daycare frameworks. This step was viewed as a major contribution to greater labor force participation among parents, and particularly women, as well as a real improvement in the educational potential of children and in their future ability to escape poverty (Shavit, Friedman, Gal, & Vaknin, 2018).

Alongside these changes, some of the trends that characterized social welfare policy in the 2000s maintained their momentum during this period as well. There was no dramatic change in social expenditure, nor in expenditure aimed at those in poverty. Income Support remained unchanged in its various aspects. Thus, accessibility to the program remained limited, the level of allocation remained particularly low and indexation to the average wage, which had been in place until the early 2000s, was not reinstated. Although the Child Allowance was increased somewhat, its value remained fairly insignificant.

As shown in Figures 4 and 5, from 2011 onward the rate of eligibility for Income Support declined to 83,600 families, or 3 percent of the total, in 2017, while the gap between the level of income provided by the benefit and the poverty line widened. Moreover, and despite the recommendations of the Elalouf Committee, the resources allocated by the Ministry of Labor, Social Affairs and Social Services for material assistance to people living in poverty were not increased and they provided a highly limited solution to the needs of those served by the social services departments.

The limitations of solutions offered by the social services departments and the expansion of activity by non-government organizations

During the last decade, there have also been changes in the social work approach to individuals and families living in poverty within the Ministry of Labor, Social Affairs and Social Services. These changes were the result of both practical motivations and conceptual innovations. On the practical

level, it was felt to be problematic to provide material assistance in the long run in response to repeated requests to the social services departments by particular individuals living in poverty. The requests focused on the provision of basic daily needs, such as food, medicines, children's clothing, dental treatment, bus fare, basic household appliances or payment of debts to the electricity company or educational institutions. The social workers lacked the tools to deal with these requests, since the budgets they could provide were highly limited and because of the rigid criteria specified in the Social Work Regulations.

Furthermore, the prevailing professional and ideological positions resulted in a focus on the psychological, behavioral or family issues of service users sidelining the effect of poverty on their lives. In other words, until that period, poverty was perceived as only a background variable in the problems of service users (Krumer-Nevo, Weiss-Gal, & Levin, 2011), even in cases where it was clear that poverty was a main contributory factor to the other issues. Moreover, poverty was sometimes perceived as the result of the individual's problems, such as poor financial management, a problematic set of priorities or an expression of weakness of character.

In addition, social services departments did not view themselves as obligated to provide for the material needs of people living in poverty. The social workers felt that their function was primarily therapeutic and providing material assistance was viewed as less professional (Baum, 2015). Furthermore, the provision of material assistance was sometimes viewed as a way to attract people living in poverty to enter into a therapeutic relationship or to keep them there. On the one hand, the social workers were frustrated with the distress of this population while service users felt similar emotions with regard to the care they were receiving (Krumer-Nevo, Slonim-Nevo, Hirshenzon-Segev, & Ben Yishai, 2005).

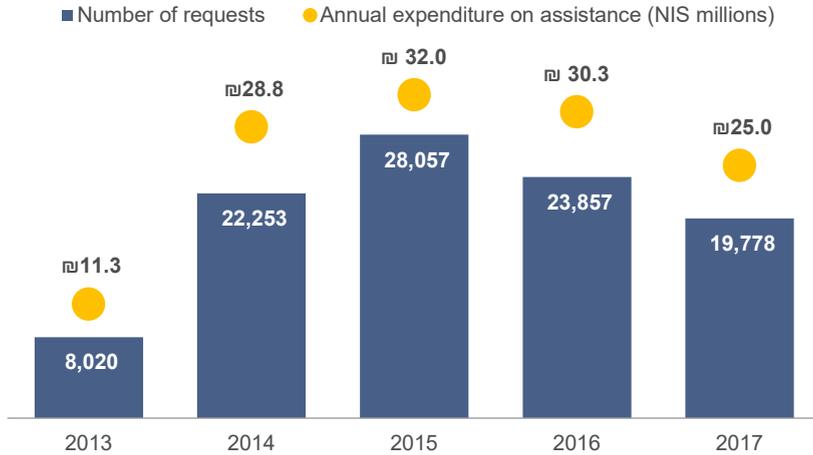
In the first half of the current decade, this situation led to the development of two new methods of assistance, as a result of collaboration between the Ministry of Labor, Social Affairs and Social Services and civil society organizations. The entry of these organizations was facilitated by the open door policy of the Ministry, which had accelerated the process of privatizing its services and was now relying increasingly on outside organizations in operating its systems. The first form of assistance was the result of an initiative by the IFCJ. As mentioned, the funds provided by the IFCJ to the social services departments at the beginning of the decade were not fully utilized, partly due to the barriers related to the willingness and training of the social workers to use the money. Therefore, starting in 2013, the IFCJ changed the procedures for use of material assistance funding (which was

referred to as “Friendship Funds”) and invested effort in training department social workers on how to use the funding, in order to ease accessibility and availability of the money. The new method of assistance marked the beginning of the implementation of programs with a flexible relief basket, which provided social workers with a budget for special assistance to families. The next section takes a look at how each of these solutions worked and what their influence was on the rest of the system.

The Friendship Funds. Starting in 2013, the IFCJ provided social services departments with an annual amount of about NIS 20 million to provide for material assistance to those in need. These funds did not require that tests for need or eligibility be met and their use was by way of an accessible and user-friendly computer application. What this meant is that after an initial evaluation, a social worker could submit a request for assistance by means of a computerized system, without having to go through lengthy bureaucratic processes. The provision of assistance was also flexible and user-friendly. These characteristics led to greater utilization of the “Friendship Funds” up to the maximum amount and the social services departments employed the money to complement the discretionary budget that is transferred to them from the Ministry.

Beginning in 2013, requests for assistance were submitted to the IFCJ and their number reached a record 28,000 in 2015 (Figure 6). In recent years, there has been a drop-off in the budgeting of the funds and accordingly also in the number of requests that have been handled. This followed an internal decision by the IFCJ to gradually end the assistance and to transfer the responsibility to the Ministry of Labor, Social Affairs and Social Services. In the middle of 2019 this process is about to come to its peak with the termination of the Friendship Funds.

Figure 6. Friendship Funds: Number of requests for assistance that were granted and the annual cost



Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center | Data: IFCJ

The flexible relief basket for the encouragement of employment.

Following the termination of the “Welfare to Work” program (the Wisconsin Plan), there remained a need to develop new solutions for employment integration of the non-working population. The new programs would not be aimed at all Income Support recipients, but rather at designated groups identified as having the motivation to work, such as Haredi women, Arab Israeli women, and women in the Ethiopian community. In addition, several programs have been developed to strengthen family functioning, in the belief that this will bring about a drop in poverty.

The main program for employment functioning is “Employment for Empowerment,” which is operated by the Be-Atzmi (“On My Own”) association (“Woman of Valor” is a similar program). The programs, which focus on improving the functioning of the family, operate on a small scale (like “Shoulder to Shoulder” and “Manof”). What is unique about these programs is the view of the family as a whole as a target for intervention (although the work is primarily aimed at the parents) and also the view of the main goal — namely improving employment functioning — from a perspective of holistic family intervention. Thus, the “Employment for Empowerment” program combines therapeutic principles (assistance in situations of employment crisis), coaching (setting goals and building a clear work plan to achieve

them) and counseling (providing information and professional employment counseling), as well as group workshops on family budget management, job search skills, and defining employment objectives.

As part of this program, and most of the other programs, participating families are allocated a flexible relief basket in the form of a sum of money determined by the social workers (approximately NIS 7,000 to NIS 10,000 per family for the period of their participation in the program). This sum is directed to needs that directly support employment and is designated for the financing of expenses such as vocational training, equipment for a business venture, travel and arrangements for childcare. In certain cases, small sums were also used to subsidize rent, to pay off debt and for dental care. The decision as to how the money would be used was according to the discretion of the social workers.

The Friendship Funds and the programs based on flexible relief baskets expanded the professional discourse on the importance of providing for material needs in helping families in poverty and encouraged social workers to reconsider their approach to poverty and their ethical positions in the context of financial assistance. The possibility of assisting families with money or monetary equivalents (goods and services) led social workers to consider the extent to which they view poverty as an outcome of an individual's incorrect economic and employment behavior and to what extent it is perceived as a systemic phenomenon of socioeconomic inequality. These questions also had an impact on the intervention's approach and reframed the issue into the role of material assistance. Is it legitimate to condition material assistance on cooperation in psychosocial intervention? How should material assistance be provided and to what extent should a family be involved in the decision of how to utilize the money? What is the amount of money needed to assist a family and what are the types of assistance that the money should be designated to provide? What should be the policy towards repeated requests from the same family for material assistance?

Organizational questions also arose during this period. As mentioned, the budget for emergency assistance provided by the Ministry of Labor, Social Affairs and Social Services to social services departments, as set out in the Social Work Regulations, created significant bureaucratic barriers for families for which it was intended and for the social workers involved in distributing it. In some cases, it was even provided as a reimbursement of expenses, which required the recipient to finance the expense out-of-pocket until reimbursement. In contrast, the Friendship Funds and relief baskets in the various programs were based on funding from non-government sources,

making it possible to manage the money with a greater measure of flexibility and to provide it without excessive delays.

These processes paved the way for the adoption of a poverty-aware social work paradigm, which suggests answers to these questions based on a discourse of rights.

Poverty-aware social work

Starting in 2010, a paradigm known as “poverty-aware social work” was developed at Ben-Gurion University of the Negev (Krumer-Nevo, 2015). This paradigm includes theoretical, ethical, and practical principles. It grew out of close cooperation with practitioners in the social services departments and sought to provide a solution to the needs of social workers dealing with populations most in need. The paradigm combines structural and critical analysis of poverty with an in-depth analysis of the relations between social workers and their clients as therapeutic relations. It is embedded in a view of poverty as a violation of human rights and of the social worker as someone who is meant to stand alongside clients in order to prevent a violation of those rights. Material assistance is not perceived as merely technical or as a means of improving functioning, but rather as a worthwhile goal related to the realization of social rights on the one hand and emotional and therapeutic processes on the other.

In 2014, the Ministry of Labor, Social Affairs and Social Services decided to implement the paradigm as part of the MAPA program (Hebrew acronym for “Families Meet Opportunity”). The program operated as a pilot in six cities and as a result of the Elalouf Committee’s recommendations it was decided in 2015 to apply its principles in a broadly based program called Families First in collaboration with JDC-Ashalim and the Rashi Foundation (see the discussion below).

In 2016, the Ministry decided to adopt the paradigm as one of its leading models for family social workers in the social services departments and since then the paradigm’s principles have also been applied in three new programs that are aimed at families with children at risk.

In order to meet material needs, all of the programs utilized a flexible relief basket. The basket’s size ranged from NIS 8,000 per year for a family in the Families First program to much larger amounts in the programs aimed at families with children at risk.

The method used to provide the basket’s benefits was also not uniform. In some of the programs, the basket was provided by nonprofit organizations and in others by the Ministry of Labor, Social Affairs and Social Services. The disadvantage of having the basket provided by a nonprofit organization

lay in the fact that the basket would remain external to the welfare service system and its ability to make comprehensive systemic changes was limited as a result. Nonetheless, this method also had major advantages, in that it provided flexibility in achieving budget targets and in the inclusion of new suppliers in the system, as well as facilitating the convenient and immediate use of the money.

As mentioned, the main innovation in the new programs relative to the relief baskets that were part of programs in the past, and also relative to the welfare benefits provided until the 1970s, was the adoption of the paradigm of poverty-aware social work, namely a shift from the view of material assistance as belonging to the social worker and the welfare services system to one that views it as a right of the needy population. In other words, according to this paradigm, material assistance became an instrument for achieving social justice. All of the programs invested major efforts in order to instill this view among the social workers, which included the publication and distribution of guidelines, training and long-term instruction. Furthermore, the practice of flexible budget use within the therapeutic programs had changed and now emphasis was placed on the role of the family in deciding its utilization the pace of use it decides on and its order of priorities and with an emphasis on implementation that was flexible, accessible and immediate.

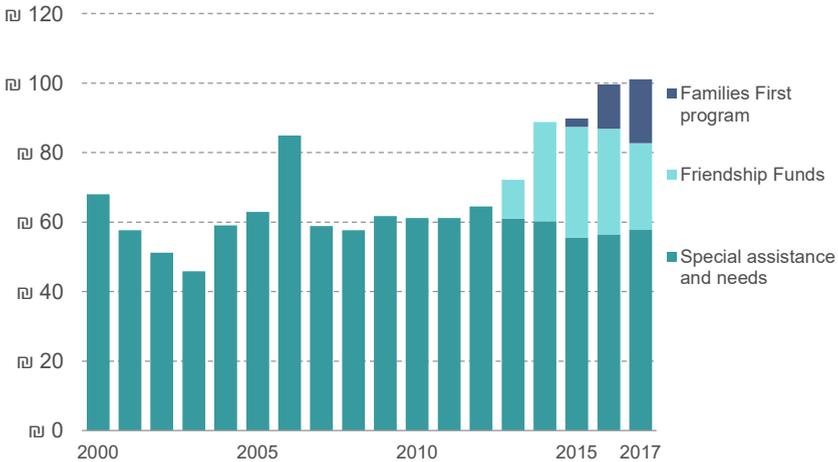
Thus, during the second half of the decade, the material assistance provided to families living in poverty, alongside the NII benefits, included a number of main components: (a) emergency assistance from the Ministry of Labor Social Affairs and Social Services, which was provided by the social services departments (in 2018, the name of this assistance was changed from “special needs” to “solutions for the individual and the family”, in order to reflect the change that had occurred in the view of its centrality); (b) the Friendship Funds (which were distributed by the social workers at the social services departments, although financed by the IFCJ); and, (c) a relief basket determined for each program that was available to the families participating in the poverty-aware social work programs run jointly by the Ministry of Labor, Social Affairs and Social Services, JDC-Ashalim, and the Rashi Foundation.

The addition of new channels for material assistance can also be seen in the total amount of expenditure for this purpose during the last decade. The amount of expenditure allocated for emergency assistance by the Ministry remained fairly stable at about NIS 60 million in those years (which includes matching funds that were made available by the municipalities to supplement the amount provided by the Ministry); however, the total amount devoted to material assistance grew by 67 percent to NIS 100 million

in 2016 and 2017, thanks to the addition of the Friendship Funds and the budget for implementing Families First (Figure 7).

Figure 7. Amounts provided for material assistance

In NIS millions, 2017 prices



Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center
Data: Ministry of Finance; IFJC; Families First program

2. The Families First Program: An analysis of material needs and how they are currently met

As mentioned, Families First is the flagship program of the Ministry of Labor, Social Affairs and Social Services and its partners JDC-Ashalim and the Rashi Foundation. It is a flagship program in several ways: it has national implementation, the number of families in the program, the number of social workers involved, and the scope of investment in the training of the workers involved in the program, both when they start their job and also during the program. It operates in more than 100 cities and provides intensive solutions to more than 3,000 families every two years, such that since its inception, more than 5,000 families have been assisted. The program also set a goal of influencing the professional discourse on how to assist families in poverty.¹

¹ Other programs that have adopted the paradigm of poverty-aware social work are much smaller in scope, with each of them handling only a few hundred families; they are therefore not included in the discussion in this section.

The total scope of activity of Families First and the data that has been gathered by the program make it possible for the first time to gain a deeper understanding of the material needs of the population living in poverty requesting assistance from the social services departments. Furthermore, an analysis of the data makes it possible to answer some of the questions regarding the policy for providing material assistance and its part in the overall assistance provided by the social services departments.

Characteristics of the program

Families First at Otmah Centers has been operating since April 2015 in 108 cities with a low socioeconomic status (clusters 1-5 according to the classification of the Central Bureau of Statistics) and in poor neighborhoods in large municipalities, with the goal of improving the situation of families living in poverty and reducing social exclusion due to poverty. The program includes a range of benefits, which have two main components: Otmah centers which provides individual, group and community interventions, including a focus on the take-up of rights for 12,000 applications; and the Families First program, that provides intensive holistic assistance to families over a period of two years, including a flexible relief basket. In each cycle (of about two years), about 3,000 families are assisted in this framework. The intervention is aimed at the family unit and focuses on six relevant areas in dealing with poverty and exclusion: full take-up of rights, employment, family economics, improvement in basic living conditions, improvement in individual and family capabilities, and the use of the community as a resource for the family.

The annual budget of the program is about NIS 100 million. The target population consists of households in financial distress and suffering social exclusion who are registered with the social services departments. There are a number of criteria for accepting families into the program, including demographic criteria, such as a requirement that one of the adults in the family be under 45 years of age and that the family have no more than 10 members; economic criteria in order to determine that the family is living in poverty, such as an income of up to NIS 2,500 per family member; and functional criteria, such as whether the adults in the family suffer from mental disabilities or are addicted to drugs, alcohol, or gambling.

A flexible relief basket in the amount of NIS 8,000 per year is provided to each family and NIS 16,000 over two years. Of this amount, NIS 1,000 is dedicated to group activities. The relief basket is flexible and can be used for a variety of goods and services, with certain exceptions. For example, the amount to pay off debts is limited to 30 percent of the value of the basket

and special approval must be obtained to spend an amount that exceeds the maximum defined for the category of goods or services.

The relief basket is managed by the program staff in the social services departments with the assistance of a computer system that is administered by the Rashi Foundation. The system makes it possible to provide the basket in a flexible and immediate manner (as in the model developed by the IFCJ). The planning of the basket utilization is carried out jointly with the family and is an integral part of building the intervention program and its revision during the program participation period. The basket is used to provide for various family needs, whether they are economic (clothing, appliances or debt repayment), a lack of social opportunities (financing of educational services, vocational training, health, etc.), or a need for symbolic capital, which is manifested in the fact that poverty is connected to experiences of marginalization, contempt, and derision (Krumer-Nevo, 2015). The basket makes it possible for the social workers to provide practical assistance in the family's struggle with poverty by providing for its needs. However, this assistance is also perceived as being therapeutic in itself since it allows the family to gain recognition of its desires and needs by the social worker.

Characteristics of the program participants and the relief baskets they receive

Since the program started its operations, two waves of families have joined it.² The first wave joined in 2015 and the second in 2017. Between those years, families who dropped out of the program were replaced by others. As of the end of 2018, about 5,700 families have participated in the program, of which about 2,100 are still active in the program while about 3,200 have completed it, most of them after being in the program for more than a year (Figure 8).

Families participating in the program can be divided into four groups: Jews (not including Haredim), Haredim, Arab Israelis, and Bedouin.³ The distribution of the families (Figure 9) shows that there was a relatively higher representation of the Arab Israeli community, about 37 percent of the program families (about 41 percent together with the Bedouin community) though they constitute about 21 percent of the population. With respect to geographic dispersion, a relatively large share of the families live in the North (44 percent).

2 The description and analysis of the participant data are by family, and not at the individual level. Accordingly, program participants in this work are referred to as “families” (and not households) in accordance with the terminology of the NII in their analyses and measurements of family poverty.

3 Program data for the group called “Jews” does not include Haredi Jews; and the group entitled “Arab Israelis” does not include Bedouin unless otherwise indicated.

Figure 8. Distribution of families in the Families First program according to their time in the program

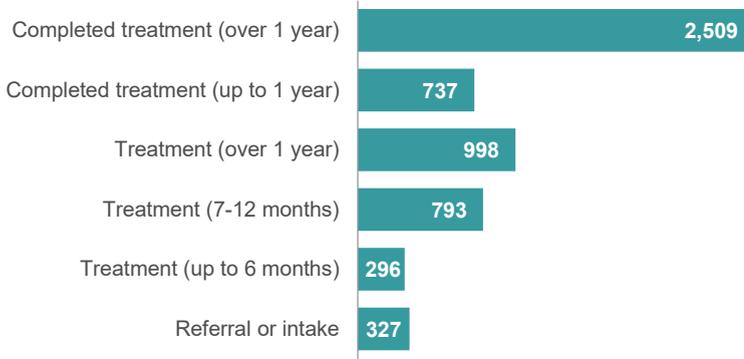
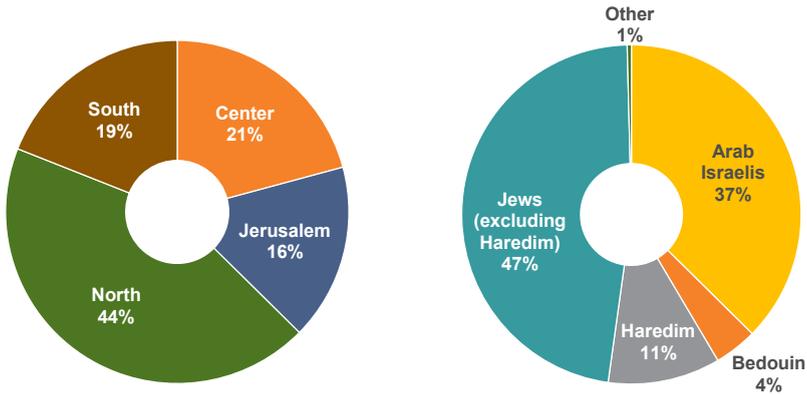


Figure 9. Distribution of families in the Families First program By population group and residential district

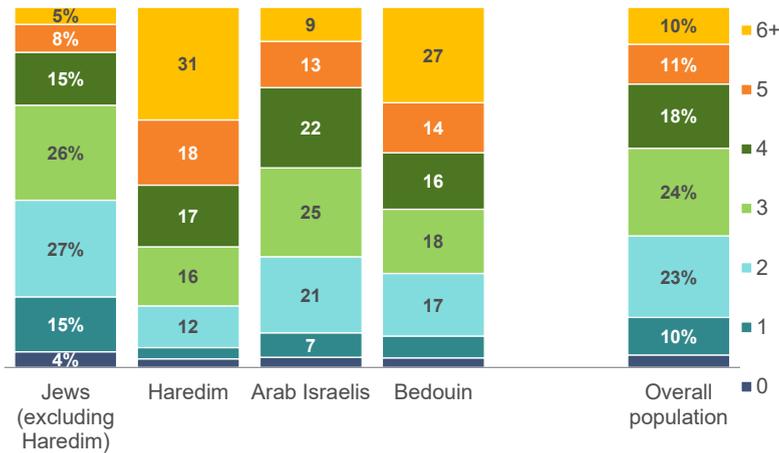


Source for Figures 8 and 9: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center
Data for Figures 8 and 9: Families First program

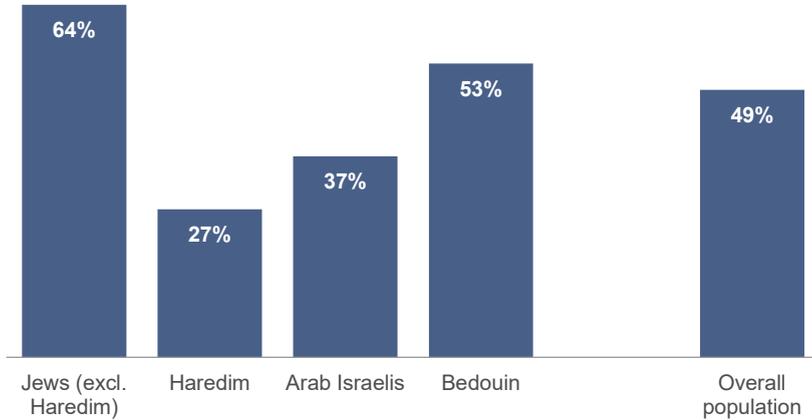
An examination of the composition of families in the program shows that a large share are large families, with about 40 percent of them having four or more children. Among the Haredi families, this share was about 66 percent and among the Bedouin and Arab Israeli families, it was about 57 and 44 percent respectively (Figure 10a).

Another noticeable characteristic of the data is the share of single-parent families in the program, which was about 50 percent (Figure 10b). This is a high level relative to their share in the general population (about 6 percent) and even relative to their share among families living in poverty (about 8 percent). In particular, among Jewish families in the program (not including Haredim) single-parent families were the majority among the participants, at about 64 percent.⁴

Figure 10a. The distribution of families in the Families First program by number of children



⁴ It is reasonable to assume that the high share of single-parent families among Bedouin families reflects the fact that in this group some of the women categorized as single-parents are women whose husbands have other wives (polygamous marriages). The influence on the overall average of families is low due to the relatively small number of this group out of all families participating in the program.

Figure 10b. Share of single-parent families in the program

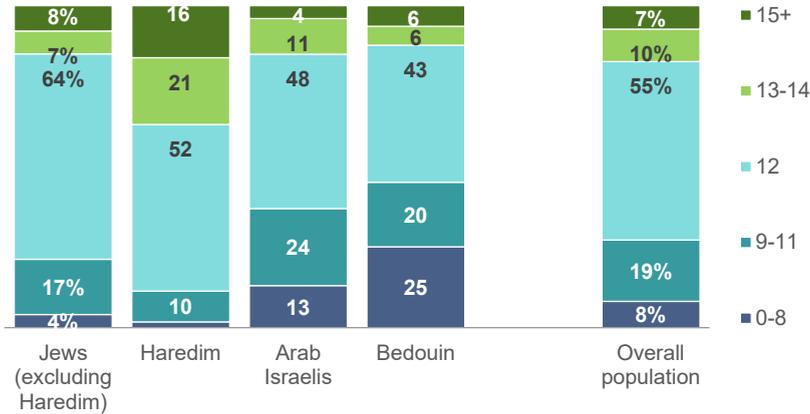
Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center
Data: Families First program

An examination of the distribution according to the parents' education level shows that most of the families in the program have 12 years of schooling. Only about 17 percent have more than that and about 27 percent have less (Figure 11). Haredi and non-Haredi families are characterized by higher levels of education relative to the Arab Israeli and Bedouin families.⁵

5 In the case of yeshiva studies, the education level of the female partner only was used to calculate the family education level since the program data combine yeshiva studies at both small and large yeshivas and does not allow the differentiation between those who have studied at yeshivas of different levels.

Figure 11. Distribution of families in the Families First program by parents' education

By years of education of the partner with the most education



Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center
 Data: Families First program

Employment and incomes of families in the program

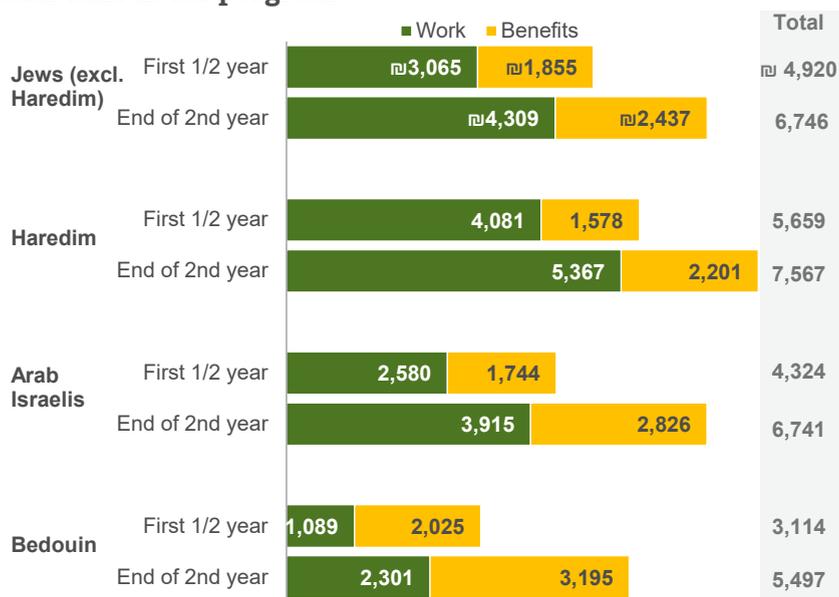
Levels of employment and income among the families in the program vary according to their length of time in the program.⁶ For example, the average rate of employment is 56 percent among families in the program for six months, 72 percent among families in the program for one year and 79 percent among families in the program for two years. There are also differences in employment rates among the various groups: among Haredi households in the program, the rate of employment is higher while among the Bedouin it is lower – their employment rates do not vary when we are looking at families at different points in time in the program.

An examination of family income from cash benefits and wages shows that the income of families at the end of the program is about NIS 2,150

6 Due to limitations in the employment data system, expenditure and income of families in the program were only collected since May 2017. Due to this, a complete follow-up of all participating families in the program was not possible (in particular for first wave participants for whom data are available only later in their participation period) and it was also not possible to estimate change during their participation time. Employment rates were checked at the family level, so it is sufficient that one member of the family works for the family to be considered employed.

higher than for families that have been in the program for only 6 months. The largest gaps in income between the beginning of the program and the end were found among families in the Bedouin and Arab Israeli communities (a gap of about NIS 2,400). It appears that these differences are the result of both a change in the level of income from labor and in the level of benefits received (Figure 12).

Figure 12. Incomes of families in the Families First program by their time in the program



Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center
Data: Families First program

The incomes of Haredi families are the highest among families in the program while those of the Bedouins are the lowest. There is also variation according to the composition of income: among Haredi families, the share of wage income is about 70 percent of household income while the rest is from benefits, while among Bedouin families, labor income is about 35-42 percent of total income (at various points in time within the program) and benefits constitute the main component of income.

As can be seen from the level of income of families in the program, a large share are below the poverty line. The share of families living in poverty ranges from 88 percent of families in the program for six months to 81 percent of families who participated in the program for two years. This reduction shows that despite the assistance and guidance, even at the end of the program, a significant share of the families remain in poverty. Nonetheless, there is some improvement in the depth of their poverty, namely the distance of their income from the poverty line.⁷ Thus, among families in the program for six months, the depth of poverty is 61 percent while among families in the program for two years, it is about 44 percent.

Apart from the economic distress reflected in family income levels, a large share of program families are also in debt.⁸ Thus, about 70 percent of them reported having debt; it is reasonable to assume that there is underreporting since even among families that did not report having debt, 17 percent used some part of the program's budget to pay off debt. This figure is particularly high relative to the share of households in debt among the two lowest deciles in Israel, which is about 18 percent (Shami, 2019).

Use of the relief basket

As noted previously, the amount allocated to families in the program as part of the flexible relief basket is NIS 16,000 over two years. This section will examine how families used the relief basket.

The basket is intended to be used by the families for a variety of needs, and, indeed, it appears that it is utilized for various types of purchases (see Figure 13): 42 percent on household needs (appliances, furniture, housing accessories and installation), 28 percent on employment (financing of professional courses, counseling and professional guidance, and acquisition of work tools) and 10 percent on debt repayment (to credit card companies, banks, etc.)

In addition to the overall distribution, a comparison of basket use among families of different profiles helped to determine whether variables such as population group, parents' education, and household size are related in any way to the families' preferences and needs as reflected in the basket use. The comparison indicates that there are differences between the various population groups in their use of the basket funds. Although these differences are not sufficient to point to a causal relationship between family characteristics and determination of use, they can, nonetheless, be helpful

⁷ Depth of poverty is based only on those families below the poverty line.

⁸ The quality of the data make it difficult to make precise estimates of the depth of debt.

for policy makers and program managers as a basis for further discussion of material assistance and its meaning for population groups as well as a means for achieving a closer fit between the program and client needs.

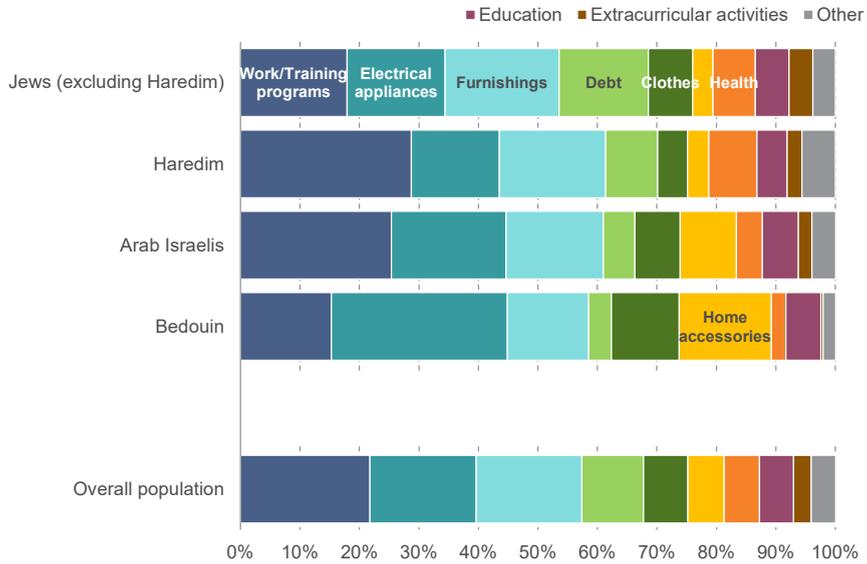
It is important to note that in the absence of information on the composition of the consumption basket of families in the program before and after receiving the relief basket, it is not possible to know with certainty how their consumption changed due to the addition of the relief basket. The current analysis makes the assumption that the uses for which the families request assistance accurately reflect their unmet needs and that they faithfully represent the changes in the family's consumption that are a direct result of receiving the assistance. This assumption cannot be tested and this should be taken into consideration when interpreting the findings.

Basket use and sector. Among Haredi and Arab Israeli families, a major portion of the basket is used for the advancement of employment. Even when additional explanatory variables are controlled for, the share of the basket spent on employment among the Haredim and Arab Israelis is higher relative to non-Haredi Jews (and statistically significant, see Appendix Table 1).⁹ Among Arab Israeli families, there is a notably higher use of the basket for the purchase of household appliances and improvement. This use is particularly high among Bedouin families (who spend about 50 percent of the relief basket on household needs). In addition to household needs, there appears to be a greater tendency among these families to use the basket for clothing and footwear relative to other groups. In contrast, the use of the basket for health uses is greater among the Jews, including both Haredim and non-Haredim.

Another notable characteristic of Jewish families is the high use of the basket to repay loans relative to other groups (a result which remains statistically significant even after controlling for other explanatory variables). It is interesting that the data on material assistance provided by the IFCJ also shows that Jews (including Haredim) use assistance to pay off debt and for health needs at a higher rate than Arab Israeli and Bedouin families. In contrast, Arab Israelis and Bedouin in the program tend to use the assistance for the purchase of food (Appendix Figure 1). Like the findings for Families First, the figures of the IFCJ also show that Bedouin families use a relatively large share of the basket to purchase clothing and footwear.

⁹ The multivariate analysis that follows looks at utilization variables in the basket controlling for other explanatory variables. The results of the analysis are detailed in Appendix Table 1.

Figure 13. Distribution of relief basket use



Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center
 Data: Families First program

It appears that among the Arab Israeli population and particularly among the Bedouin population, the material assistance is used more for basic needs like clothing and household improvement (and even food according to the data of the IFCJ), which means that less money is available for other uses, such as health, extra-curricular activities, repaying loans, and employment. It is possible that the differences in use are a result of the lower socioeconomic status of these families. Another factor may be that among the Jewish and Haredi populations, there are other (nonprofit and philanthropic) agencies that provide for these needs, thereby reducing the need for assistance from the program for these purposes. Support for this assumption can be found in the small number of social welfare organizations that exist in Arab Israeli society relative to Jewish society and particularly relative to Haredi society (Madhala, Almog-Bar, & Gal, 2018).

Among the professionals involved in the program (social workers, economic advisors, and the program managers), various possibilities were suggested to explain the low use of the relief basket in order to pay off debt among Arab Israeli and Bedouin families. One of them was that this population has less ability to supply its own basic needs and, therefore, the

basket is used accordingly. Another possibility is that relative to the size of the debt of these families, the relief basket allows only a limited solution. In this context, it is important to mention that quite possibly the limitation set for debt repayment at no more than 30 percent of the basket serves to shift family and professional priorities towards more limited use of the basket to pay off debt.

Basket use and level of education. Among Jewish families (not including Haredim) and Arab Israeli families (not including Bedouin), the higher the level of the parents' education, the smaller the share of the basket used to purchase furniture, appliances, household equipment, and clothing and footwear, and the larger the share used for employment, health, and debt repayment. The multivariate analysis shows that when controlling for additional variables, the relations that remain statistically significant are the negative connection between expenditure on household needs and clothing on the one hand and years of schooling on the other, and the positive connection between expenditure on employment and years of schooling.

Basket use and family composition. For some of the uses, the share of expenditure within the basket varies with family composition. The share of expenditure on household equipment and clothing and footwear increases with the size of the family among all groups, except the Bedouin. In contrast, the share of the basket used to finance employment and health needs among Jewish and Arab Israeli families decreases as the size of the family increases. These outcomes remain unchanged when controlling for additional variables. A further result shows that single-parent families use a larger share of the basket for household needs (furniture, appliances and household improvement) relative to two-parent households.

Basket use and length of time in the program. Another interesting finding is that the use of the basket for diverse uses varies according to length of time in the program. In general, the use of the basket to finance employment expenditure decreases as families spend more time in the program. Thus, the expenditure on employment during the first 6 months in the program is 1.5 fold higher than after a year, after 18 months and after two years in the program. This is true primarily among Jewish and Bedouin families.

Other uses of the relief basket that decline with time in the program are education and clothing and footwear. Among Bedouin families, for example, the use of the basket for clothing and footwear drops sharply over time (from about 14 percent of the basket during the first 6 months to 8

percent after 18 months). In contrast, the share of expenditure on household improvement among these families grew substantially (from 9 percent to 20 percent). In the area of health, there is a substantial increase in the share of the expenditure over time among all groups.

An examination of the data according to the date on which the family joined the program shows that families in the second wave use a larger share of the basket for clothing, debt repayment and employment and a smaller share for health and household needs relative to families in the first wave (Appendix Table 1).

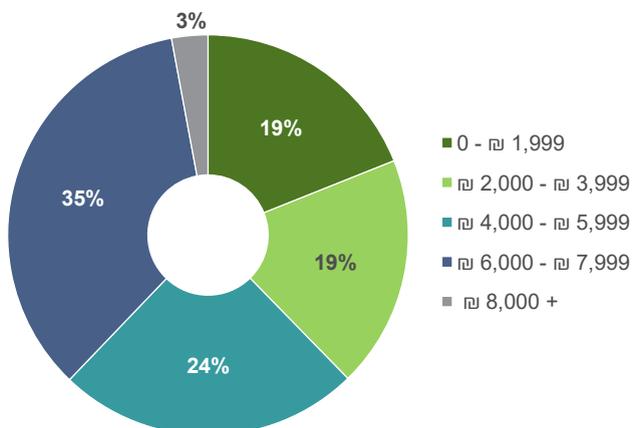
Basket use according to family characteristics

Although the flexible relief basket is a major component of the Families First program, not all program participants — and not even a majority of them — utilize the full amount of the assistance. An examination of the level of use of the basket in the first year shows that more than one-third of families that are (or were) in the program for more than one year (about 38 percent) utilized less than NIS 4,000 of the basket budget during the first year. In other words, almost one-half of the sum allocated in the basket was not used (Figure 14). Nonetheless, a similar share of families used more than NIS 6,000 during the first year. The average level of use among families in the program for more than one year was NIS 4,251.

The following illustrates the variation in the level of use of the basket across the various groups. These findings do not necessarily indicate a causal relationship between particular characteristics of the family and the level of use of the basket; however, the general directions of these relationships can be derived from these differences and justify an in-depth analysis in the case of families with particular characteristics for whom the full use of the basket can be improved.

The level of use of the relief basket varies between families in the first wave of participants and those in the second wave. In all the groups, the level of use of the basket in the first year of the program is higher among families in the second wave than among those in the first wave: about NIS 4,650 versus about NIS 4,150 (Figure 15). Even when controlling for variables such as population group, education, household size, and single-parent families, the level of use of the basket is higher for families in the second wave (Appendix Table 2).

Figure 14. Distribution of families in the Families First program by the amount of the relief basket used in their first year in the program

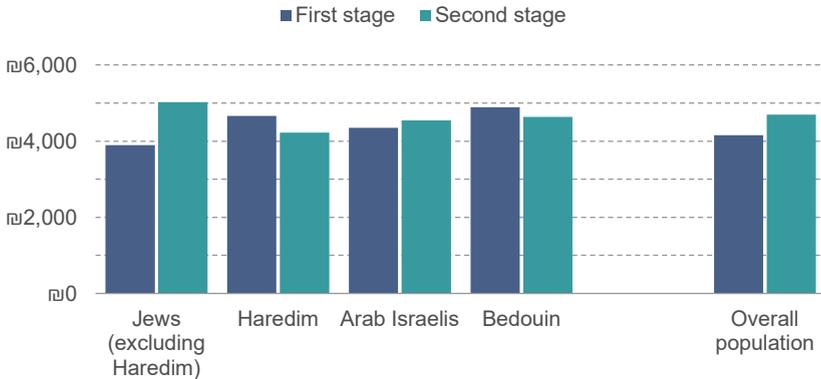


Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center
Data: Families First program

The upward trend in use between the first and second wave is not particularly surprising, since the program is new and program managers may have required time to learn how to optimally use the resources available. However, it is interesting that this trend does not exist among all of the population groups. The largest increase in the level of basket use was among non-Haredi Jews – from the lowest level among the group in the first wave to the highest in the second. In contrast, there is, in fact, a drop among the Haredim and the Bedouin in the second wave. A specific and deeper investigation among program social workers and counselors may improve understanding of why the use of the basket declined with the second wave of families. Other factors that are related to the level of use of the relief basket are parents' education and household size. Thus, as these variables increase, the amount of use among families in the first year of the program also increases.

Figure 15. The amount of the relief basket used in the first year of the program

By length of time in the program



Note: For those program participants in the program more than one year.

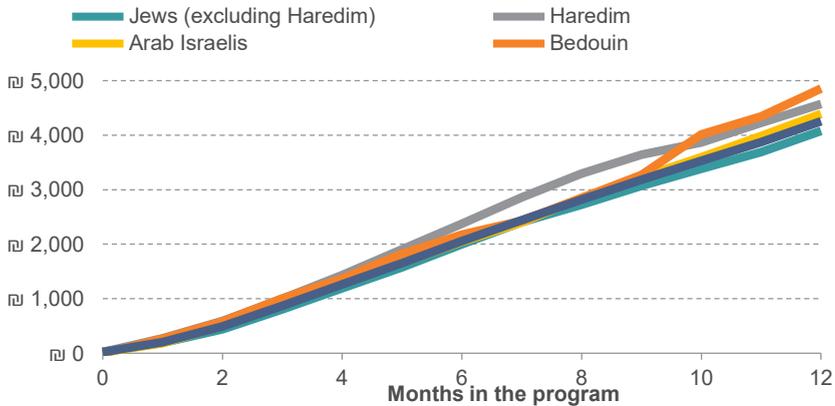
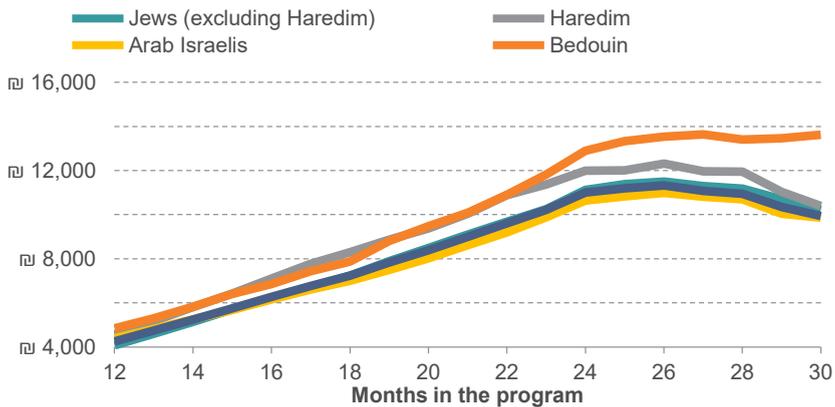
Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center

Data: Families First program

The distribution of basket use over time in the program is not the same across all population groups. Figures 16a and 16b present the average sum used as part of the relief basket according to number of months in the program and population group. After six months in the program, the average expenditure per family is about NIS 2,000 and, during this period, Haredi families utilize a higher amount of the basket relative to other groups. After a year, there is a noticeable change in the trends, and it is the Bedouin families who utilize a larger amount of the basket relative to other groups.

In the second year of the program, the average amount utilized among the Bedouin and the Haredim is still higher than the other groups and the Bedouin families even come close to full utilization. In contrast, among Arab Israeli families — who in the first year utilized an average amount that was somewhat higher than the Jewish population — the rate of utilization slowed in the second year and after two years and two months in the program (i.e., at the end of their participation in the program) they used a lower share of the relief basket — 73 percent (Figure 16b).

These findings raise questions with respect to the factors behind these between group differences which cannot be answered due to data limitations. An in-depth investigation with program administrators and family counselors in the various communities may indicate the reasons for these differences, which could help in further optimizing the program.

Figure 16. The amount used from the relief basket**a. First year in the program****b. Second year in the program**

Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center

Data: Families First program

A claim sometimes voiced in the context of the Families First program, and other programs that provide material assistance to participants, is that families are liable to join the program in order to receive the financial assistance and then drop out of the program without using the other services offered by the program. In order to test the validity of this claim, we looked at the number of families who joined the program, received material assistance by way of the relief basket, and left the program before the end

of six months. Among all of the families that used the relief basket, only about 42 families (less than 1 percent) left the program within that time frame. Some of the families that left used several hundred shekels from the basket while others used several thousand shekels. These data indicate that the phenomenon of joining the program in order to only receive material assistance is not at all common.

Conclusion

This study examined the role of social services departments and of the social workers employed by them in dealing with poverty, in view of their central role in the welfare system in dealing with the material deprivation of people living in poverty.

The historical survey shows that over the years there have been significant changes in approaches to poverty. The first major changes began with the decision to introduce the Income Support program to provide cash support for those with inadequate earning power. As a result, social workers were left to provide limited material assistance to their clients in emergency situations, according to their discretion, and their work shifted to caring for populations with other needs. After two decades during which improvements were made in the accessibility and generosity of the social security system for those living in poverty, there was a turning point in social policy in the early 2000s which led to a sharp drop in the amount of the benefits and to tighter eligibility criteria. At the same time, a major effort was made to integrate individuals living in poverty into the labor market and to reduce the number of benefit recipients among them.

With the new millennium and against the background of a significant increase in poverty and financial distress, additional processes of change were initiated in the welfare system, which finally led to the renewed involvement of social workers in the provision of material assistance to those in need. In recent years, this function has taken on a different character than prior to the adoption of the Income Support Law. The basis of this new trend is the emerging approach of poverty-aware social work, which is exemplified by the current welfare programs and particularly in the Families First program. This program, under the auspices of the Ministry of Labor, Social Affairs and Social Services, began operating in 2015 and seeks to provide holistic care to families living in poverty in order to strengthen and support their social integration.

Up to this point, about 5,000 families have participated in the program for a period of two years. The program provides each family with a flexible relief basket, which consists of accessible material assistance tailored to the individual family needs, in the amount of about NIS 8,000 per year. The basket is unique in comparison to past programs in several ways: the transparency of the assistance and the involvement of the family in determining its use; the expanded possible uses of the basket; the simpler and more accessible procedures for using the relief basket; and the efforts made to get social workers to view the relief basket as a right of the families and to assist them in using the material assistance as a tool in their psychosocial intervention.

An analysis of the characteristics of the participants in the program shows that even though the majority are employed, their income remains low and benefits continue to be a major source of their income. Similarly, most of them are heavily in debt. It is no surprise, therefore, that the relief basket serves as an important source of income to meet their basic material needs. The pattern of use of the relief basket varies with family characteristics, including population group, level of education, and family composition, as well as length of time in the program. As this is only a preliminary study in a new area where there is no accumulated experience or knowledge, it is difficult to offer satisfactory explanations for the differences in budget use among the various groups. It can be assumed that there is a connection to cultural characteristics and social opportunities, as well as community structures and the extent of support they offer to each group. In general, it can be said that the very existence of such differences points to the need to preserve the flexibility of the relief basket, so that it can provide a genuine solution to the families' distress and ensure that baskets will be fully used by those eligible for them.

The evidence indicates that very few of the families (less than 1 percent) dropped out of the program after utilizing only part (sometimes a very small part) of the material assistance, such that there is no basis for concern that the basket is being improperly exploited, namely that the relief basket is being used without a commitment to the overall therapeutic process. Furthermore, it appears that as the program matures the rate of use of the relief basket by the families is increasing. Among the second wave of participants, the rates of use are higher.

The findings of the study indicate that the limitations of the social security system in dealing with poverty have created fertile ground for a policy change in the Ministry of Labor, Social Affairs and Social Services. The lack of success in significantly reducing the incidence of poverty and the plight of families in poverty by means of cash benefits and budgets for

emergency assistance during the 2000s led to the adoption of the concept of poverty-aware social work. This approach is well illustrated in the Ministry program development, and in particular the new Families First program.

Possible directions for policy and future research

The research indicates that the current processes of change in dealing with poverty present complex challenges for social policy decision makers. It appears that the social security net for working-age individuals living in poverty, and primarily Income Support, do not provide a satisfactory solution to the needs of this population, while the programs implemented by the social services departments are still limited in scope. There has been no change in the framework for emergency assistance (which is not provided through the Families First program) and therefore its scope remains limited and access to it is awkward and inefficient.

The findings with regard to the development of policy to reduce poverty, and primarily the data gathered from the participants in the Families First program, lead to a number of insights that should be taken into account when considering future directions for policy:

Holistic assistance and the cash benefit system

- It appears that the assistance provided to families living in poverty calls for the adoption of a diverse policy tools and for sophisticated assistance in meeting a wide range of needs and problems. As such, the effectiveness of the welfare system in meeting the needs of families living in poverty in a holistic manner needs to be examined in order to determine whether the policy is achieving its targets, namely, ensuring an acceptable minimal standard of living for families living in poverty, ensuring that solutions will assist these families in dealing with urgent needs when they arise and the provision of a long-term solution to improve their functioning and their socioeconomic situation.
- It is worthwhile considering whether the solution provided to families living in poverty is sufficient and in particular the adequacy of Income Support, which is the primary social security net for working-age families living in poverty. The comparison between the level of benefits aimed at this population and the poverty line, the large number of requests for financial assistance received by the social services departments, the widespread use of Friendship Funds, and the characteristics of the income and debt situation of families participating in the Families

First program all raise doubts as to the efficiency and effectiveness of the social security system in dealing with poverty. A similar picture is drawn from the conclusions of the Elalouf Committee, the findings of the *Annual Poverty Report* of the NII and NII data on the scope of under-utilization of the Income Support benefit.

The emergency assistance framework

Cash benefits, such as Income Support and Disability benefits, are intended to provide income to finance an individual's or a households' basic needs, but are not sufficient to meet special and urgent expenditures, such as travel cost for medical treatment or debt repayment. The data on use of the Friendship Funds and the relief basket as part of the Families First program, which are similar in nature to the emergency assistance (a flexible budget for assistance in cases of urgent need), can be used to identify the large variation in these needs across families from different population groups and at different life stages. This leads to several possible directions for improving the emergency assistance provided to eligible families:

- Despite the growth in the population and in particular in the number of people living in poverty, the budget allocated to the emergency assistance framework in social services departments remains limited. An increase in the budget for emergency assistance should be considered in order to meet the needs for emergency assistance, while at the same time an evaluation of modifications to the social welfare benefits system should be undertaken.
- Access to emergency assistance involves major bureaucratic hurdles, which make it very difficult to use when the need arises. As a result, it is suggested that changes be considered in the eligibility criteria and in the rules for its use, similar to what was done with the Friendship Funds and Families First program.
- The large variation among families in the pattern of use of the flexible relief basket and the Friendship Funds emphasizes the need for maximum flexibility in determining the use of such assistance. Therefore, and in the context of optimizing assistance, it is essential that decisions on the scope of assistance and its target be made by social workers together with service beneficiaries.

- The starting point of the Families First program is that material assistance should be viewed as an integral part of a family's right to a decent existence. It is not meant to serve as a condition for care or some other assistance, but rather should be an essential component in the efforts to help families improve their situation and their functioning. In this context, it would be worthwhile to develop theoretical knowledge on the use of material assistance as part of the direct care of families living in poverty and to provide explicit tools to social workers for this purpose.

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Hebrew

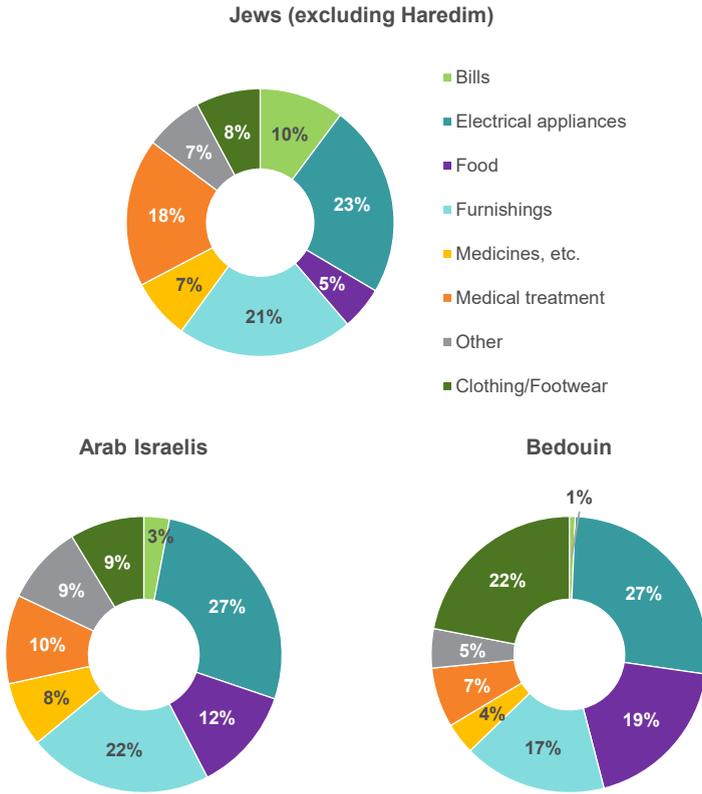
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Appendix

Appendix Figure 1. The share of requests receiving assistance from the IFCJ by area of assistance



Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center | Data: IFCJ

Appendix Table 1. Multivariate analysis: The effect of variables on relief basket use

	Clothing		Debt		Employment		Household needs		Healthcare	
	COEF	P > z	COEF	P > z	COEF	P > z	COEF	P > z	COEF	P > z
Single parent	0.002	0.783	-0.015	0.112	-0.021	0.122	0.053	0.000	-0.008	0.168
2nd wave participant	0.042	0.000	0.044	0.000	0.027	0.049	-0.110	0.000	-0.020	0.001
Years of schooling										
0-8 years	0.017	0.206	0.001	0.950	-0.109	0.000	0.119	0.000	0.003	0.802
9-11 years	0.005	0.565	0.018	0.095	-0.053	0.000	0.027	0.105	0.016	0.037
13+ years	-0.032	0.000	-0.008	0.460	0.012	0.481	0.024	0.166	0.015	0.086
Residential district										
Jerusalem	0.008	0.427	0.034	0.050	0.002	0.901	0.037	0.077	-0.030	0.004
North	0.005	0.460	-0.047	0.000	0.025	0.131	0.024	0.186	-0.010	0.250
South	0.043	0.000	-0.087	0.000	-0.037	0.034	0.110	0.000	-0.014	0.161
Population group										
Arab Israeli	0.014	0.074	-0.084	0.000	0.065	0.000	0.062	0.000	-0.027	0.000
Bedouin	0.046	0.044	-0.076	0.000	0.046	0.123	0.096	0.007	-0.038	0.000
Haredi	-0.038	0.000	-0.076	0.000	0.121	0.000	-0.031	0.166	0.042	0.001
Other	-0.046	0.073	0.092	0.198	-0.035	0.517	0.024	0.840	-0.052	0.000
Log Household size	0.029	0.003	-0.016	0.214	-0.051	0.006	0.017	0.395	-0.020	0.022
Intercept	0.021	0.240	0.196	0.000	0.264	0.000	0.289	0.000	0.112	0.000
R²	0.055		0.089		0.047		0.066		0.031	
Adjusted R²	0.05		0.084		0.042		0.061		0.026	
N	2,715		2,715		2,715		2,715		2,715	

Note: Linear regression estimates for the relation between variables and the amount used from the relief basket. The estimates in each column are from separate regressions for each area of assistance. Household needs include expenditures on electrical appliances, home furnishings, and home equipment and its installation.

Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center
Data: Families First program

Appendix Table 2. Multivariate analysis: Variables influencing the amount of the relief basket used in the first year of the program

	OLS 1		OLS 2	
	COEF	P, z	COEF	P, z
Single parent	107	0.387	85	0.469
2 nd wave participant	360	0.009	473	0.001
Years of schooling				
0-8 years	-501	0.013	-391	0.038
9-11 years	-409	0.003	-395	0.003
13+ years	-149	0.312	-99	0.476
Population group				
Arab Israeli	234	0.051	51	0.844
Bedouin	719	0.014	397	0.425
Haredi	75	0.72	-80	0.749
Other	634	0.507	221	0.795
Log Household size	513	0.002	535	0.001
Residents' tax			Yes	
Intercept	3479		3857	
R²	0.017		0.23	
Adjusted R²	0.012		0.192	
N	2,159		2,159	

Note: Linear regression estimates for the relation between variables and the amount used from the relief basket.

Source: John Gal, Michal Krumer-Nevo, Shavit Madhala, and Guy Yanay, Taub Center

Data: Families First program