

# Integrating the Ultra-Orthodox into the Labor Market

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**With the aim of encouraging haredim (ultra-Orthodox) to enter the labor market, in July 2021 Finance Minister Avigdor Lieberman decided to stop subsidizing day care centers unless both parents were working at least part time or were in the process of acquiring education or vocational skills that would help them find work. Lieberman's decision sparked much criticism from the haredi community, which is firmly opposed to the measure. This article stresses the importance of gainful haredi employment, along with continued recognition of the value of Torah study to this community. It argues that by itself Lieberman's decision will not yield the desired results. Rather, there are other, preferred ways of encouraging haredim to join the labor market.**

Haredi society in Israel numbers more than one million people, representing 13 percent of the population. According to the Central Bureau of Statistics, this sector's population is increasing at an annual rate of 4 percent, more than double the Israeli average. The fertility rate of haredi women stands at 6.6 children, compared to 2.25 children for the average Jewish non-haredi woman. Fifty-eight percent of the haredi population is under the age of 19 – a figure that makes this population one of the youngest in the world. Cautious estimates suggest that by 2065 about a third of Israel's population will be haredi, and this forecast has far-reaching implications for the economy, labor market, and many other dimensions. The government of Israel, mindful of the problematic aspects of these trends, has since 2010 allocated about 1.7 billion shekels (\$530 million) to the integration of the haredi population in the Israeli economy, partly by directing haredim to institutions of higher education. However, the overall goal of significantly increasing haredi employment has not been achieved. One of the consequences is that the poverty rate among Haredi families in 2018 was almost the same as in 2003.

On July 5, 2021, Finance Minister Avigdor Lieberman said, "Whoever is not working should stay at home with their children," and added, "I am sorry to say that we are encouraging or incentivizing high birth rates and unemployment in two sectors, the haredim and the Bedouin." These comments were intended to justify the termination of the government subsidies for haredi day care facilities in order to push the yeshiva students to find employment. Parents who want the cost of their child care subsidized would have to meet one of two criteria: both parents work at least half time, or both are actively engaged in acquiring employment-oriented education. Following pressure within the governing coalition, the halt on subsidies for haredim was postponed until November 2021.

The Finance Ministry's move was not unprecedented. In 2003, then-Finance Minister Benjamin Netanyahu initiated gradual but significant cutbacks in child benefits as part of the emergency plan for Israel's economic recovery. This step did not specifically target the haredim; it was one of several general measures deemed necessary at the time, and had a marginal positive effect on employment rates, including among the haredi sector. According to the annual statistical report on haredi society prepared by the Israel Democracy Institute, in 2003 the rate of employment among the haredim was 43 percent, compared to 73 percent of non-Haredi Jews. In 2009, the haredi employment rate had risen to 49 percent versus 77 percent among non-haredi Jews. Thus, the increase in haredi employment was 6 percent, while the increase in non-haredi employment was 4 percent. Therefore, cuts in child benefits were found to be ineffective as a targeted policy to encourage haredim to enter the labor market.

In July 2010 the government set employment targets for the subsequent decade for the population in general and the haredim in particular. The Unit for the Promotion of Haredi Employment in the Ministry of Labor & Welfare was charged with achieving the government's targets. Its activities included providing assistance for training programs and courses offering core instruction in English and mathematics, as well as increasing the availability of jobs for the haredi sector. As a result, the rate of haredi employment rose from 48 percent in 2010 to 65 percent in 2019, while in the non-haredi sector, the employment rate grew from 78 percent in 2010 to 86 percent in 2019.

The Achilles' heel in this context remains the employment of haredi men. The cumulative rise in haredi employment is due largely to haredi women. Between 2010 and 2019, the employment rate of haredi women grew from 56 to 77

percent (an impressive 21 percent increase), whereas among non-haredi women the rate rose from 75 to 84 percent. During that same period, the rate of employment among haredi men rose from 40 to 53 percent, compared to a rise from 81 to 88 percent among non-haredi men. Thus the moves designed to bring the yeshiva students into the workforce were less successful than was hoped, although they did lead to a welcome increase in employment among haredi women.

Efforts to encourage haredim to acquire academic or vocational qualifications fared no better. There was a considerable increase in the number of haredim registered for academic studies (from 3,599 students in 2010 to 9,028 in 2019, excluding students at the Open University), but the 2019 State Comptroller's Report indicates that the proportion of men among the haredi students actually declined (from 35 percent in 2010 to 33 percent in 2017). These figures reflect the number of active students at the time of sampling, not the number of those who completed their studies and received their degrees. Haredi students experience particularly high dropout rates (3-5 times the rate in the general population). According to that State Comptroller's Report, only 24 percent of haredi men who registered for higher education were likely to complete their studies and obtain an academic degree, compared to 47 percent of haredi women.

Shlomo Black's doctoral thesis (2021) suggests that attempts to integrate haredim into the secular world have generally not been successful from a socio-cultural perspective. Haredim who pursue education and employment in the non-haredi worlds suffer from psychological and social problems, not necessarily resulting from prior deficiencies in core studies, but rather from the alienation that haredi students experience by spending time in an environment that is not sensitive to their way of life. Moreover, the haredi is afraid that his integration into the general society could indirectly damage the lifestyle of the yeshiva community, which wishes to preserve its separateness and distinctiveness. This fear is shared by haredi rabbis and community leaders, who claim that integrating haredim into Israeli society could lead to "haredi assimilation." They therefore do not encourage their students to seek academic education or employment, and sometimes openly oppose such steps. However, study frameworks that are adapted to the haredi environment have not been regarded as a threat or provoked similar opposition. Examples of such institutions include the Bnei Brak Haredi College, the Haredi Institute for Vocational Qualification,

the Institute for Teacher Training, Hadassah College, the Center for Rabbinical Marriage Counsellors, and the Achiya Institute for Teacher Training.

Thus the strategies adopted until now for increasing haredi participation in the labor market and in academic education have not met expectations; in effect, they have largely failed. A detailed examination of the data reveals that these attempts have not taken into account the psychological needs of the individual haredi man who is willing to pursue gainful employment and higher education. This insight is particularly imperative when designing effective intervention that can help the haredi community join the labor market. The process must be based on an understanding that the haredi narrative casts its lifestyle as the continuation of authentic Judaism, necessary for preserving the unique character of the haredi community. Thus, what the haredim perceive as sanctions against their way of life is understood as an anti-Jewish measure, and makes them cling even more steadfastly to their position.

If the state wants haredi men to participate in the practical life of the country, it must create a suitable socio-cultural context of the haredi individual seeking employment or education, which conveys that his lifestyle will not be affected. Rather than disincentives, it would be more effective to create positive incentives, such as scholarships for haredi men and aid in setting up vocational training frameworks with an orientation toward the haredi environment, as well as an emphasis on educational material that is suited for their lifestyle.

Efforts by the majority to impose integration on the minority can produce strong opposition and hostility. Alternatively, when the majority encourage social processes deriving from respect and recognition of the values of the minority, the latter are more likely to cultivate trust and cooperation. Such cooperation could also enlarge the scope of haredi employment, bringing greater prosperity to the haredi community.

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Editors of the series: Anat Kurtz, Eldad Shavit and Judith Rosen