

**The influence of neo – liberal ideas and political conflict on the privatization
process of immigrant policy: A comparison of Israel, Canada and the
Netherlands**

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Abstract

This paper provides a comparative overview of the privatization process of immigrant policy in Israel, Canada and the Netherlands, and the influence of neo liberal ideas and political conflict on this process. It examines the different kinds of privatization undertaken in each country and the role of neo-liberal ideas in them. It finds that the shape of privatization in the immigrant policy in each country is affected by the salience of different aspects of neo-liberalism in each place. Also despite the influence of neo-liberal ideas on privatization of immigrant policy, when immigration issues in general and immigrant policy in particular becomes politicized their influence weakens.

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Introduction

The immigrant policies of numerous western countries have been developing a great deal over the last two decades. One of these policy developments has been privatization. This process of privatizing immigrant services differs from country to country in the type and amount of services rendered. Moreover, as opposed to other social services which are going through the process of privatization, the privatization of immigrant services is not linear, and in some instances there is an increase in the state's involvement instead of a decrease. Analyzing immigrant policy through the privatization aspect reveals not only the uniqueness of privatization process of immigrant policy compared to privatization processes in other social policy spheres, but also the decision makers' perceptions on immigration and integration issues. Despite the fact that there is wide range of research on privatization process in social services, little research has been undertaken to investigate the immigrant policy privatization process. Furthermore even in the sphere of immigrant policy most of the research revolves around issues relating mostly towards public opinion about immigration and the issues of multiculturalism versus assimilation. This paper tries to narrow this gap a little and to analyze the influence of neo-liberal ideas and political conflict on the privatization process of immigrant policy in Israel, Canada and the Netherlands. Two main arguments are presented here: First the type and the breadth

¹ This paper is part of an ongoing research project and presents preliminary results that will be more fully developed in future reports.

of the privatization of immigrant policy in each country are affected by the importance of different aspects of neo-liberalism in each country. Second, despite the influence of neo-liberal ideas on the privatization process of immigrant policy, during periods when the immigrant policy becomes politicized (become more important on the political and public agendas, and there is a public and political debate on it) the neo-liberal ideas' influence can decrease.

Research regarding the influence of ideas on policy making assumes that ideas and the beliefs of the decision makers regarding different policy issues are no less important than their interests. According to Hall, "policy makers are constantly working within a framework of ideas and standards that specify not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problem they are meant to be addressing (Hall, 1993, p. 279). Lieberman (2003) elaborates on Hall by saying that it is important to understand the influence of ideas on the policy making process because in order to understand political development and institutional change it is important to understand which ideas win (Lieberman, 2003).

Ideas can influence the policy process in three ways. First, they can constrain the policy makers (normatively and politically) by defining and limiting the policy alternatives under consideration (Hall, 1993; Reich, 1990). Second, they serve as road maps to policy makers (Campbell, 2002; Weir, 1989). Third, they can be used as a tool for gaining public and political legitimacy for the policy being made (Béland, 2005; Blyth, 2002; Campbell, 2002; Cox, 2004). Although there are constant social and political changes, the policy makers will make an effort to accommodate the

policy changes to the existing ideas. As a result ideas change mostly in times of crisis, when the current ideas no longer fit the reality and provide an answer, an explanation or a direction (Blyth, 2002; Hall, 1993; Lieberman, 2003).

Immigrant policy is distinguished from immigration policy. While the latter refers to the regulation of the flow of immigrants, the former refers to the policy implemented towards the immigrants after their legal entrance to the host country, and is aimed at helping the immigrants settle in the new country. Immigrant policy is defined by (Hammar, 1985, p. 9) as "...the conditions provided to resident immigrants. It comprises all the issues that influence the condition of immigrants; for example, work and housing conditions, social benefits and social services, educational opportunities, language instruction..." The immigrant policy discussed in this paper is "direct immigrant policy" – special measures designed to improve the condition of immigrants (Hammar, 1985). Immigrant policy ranges from a prescriptive, mandatory policy regarding the steps immigrants must take in order to integrate in the new society, to a more *laissez-faire* policy approach, e.g. the state leaves the matter of immigrant integration in the hands of immigrants themselves (Schmidt, 2007).

Privatization is a wide and sometimes ambiguous concept with many definitions. This ambiguity stems from the fact that it is not only a technical, but also an ideological process. As opposed to the past, when privatization primarily meant transferring governmental assets into private hands, today privatization includes other processes as well. This paper draws on Savas's (1989, 2000) definition of privatization as "The act of reducing the role of government or increasing the role of the private institutions of society in satisfying people's needs" (Savas, 2000, p. 7). According to this definition,

privatization processes can take place in policy making as well as in policy implementation stages. Clarke (2004) elaborates this definition by identifying two shifts in the privatization process. The first is a shift of responsibility between sectors - from the public sector to the private or non-governmental sector; and the second is a shift between spheres - the shift of social responsibility from the public to the private sphere (Clarke, 2004).

Privatization supporters advocate privatization because of three main reasons: The first is load shedding and the belief that the government should be small (Kolderie, 1986; Savas, 2000, 1987; Starr, 1989). The second is the importance of increasing personal freedom by reducing government involvement and assessing property rights. (Blomqvist, 2004; Brodtkin & Young, 1989; Fotaki & Boyd, 2005; Kettl, 1993; Kolderie, 1986; Morgan & England, 1988; Savas, 2000, 1987; Starr, 1989). The third is a more social conception that privatization serves as a mean to community development and empowerment, e.g. the belief that transfer of public responsibilities to the communities will empower them (Hood, 1997; Kolderie, 1986; Morgan & England, 1988; Osborne & Gaebler, 1992; Savas, 2000, 1987; Smith & Lipsky, 1993; Smith & Stone, 1988; Starr, 1989).

In addition to the general reasons for privatization mentioned above there are two more reasons behind the privatization process of immigrant services. The first is the public disappointment from governmental implementation of immigrant integration processes. The second is the public objection to immigration, and thus seeing the privatization of immigrant services as a negative incentive for immigration (Esses,

Dovidio, Jackson, & Armstrong, 2001; Freeman, 1986; Sides & Citrin, 2007; Van Oorschot, 2008).

The comparison I am conducting in this paper between the privatization process of immigrant policy in Israel, Canada and the Netherland is especially apt. All three countries are considered divided nations, which conducted consensual régimes in order to manage their social diversity and to avoid inter group conflicts (Lijphart, 1980). In addition, they are all immigrant receiving countries, which designed and implemented direct immigrant policy quite early compared to other western countries. Despite the fact that each country is an immigration country, each is different: Israel is an ethnic immigration state (Joppke & Rosenhek, 2003), Canada a classical immigration state (Adelman et al., 1994) and the Netherlands is a more de facto than de jure immigration state (Hammar, 1985). Further more, during the last two decades they all made significant changes in their immigrant policies, one of which was privatizing immigrant direct services (Bruquetas-Callejo et al., 2007; Gal & Leshem, 2000; Richmond & Shields, 2005).

So far I have introduced the general theoretical background. The next section will outline the framework of the comparative analysis used in this paper, followed by a broad description of the privatization processes prevalent in each of the above mentioned countries. The concluding section will summarize the analysis, suggest three explanations for the differences between the countries and articulate the important questions remain to be addressed.

Framework for the comparative analysis of the privatization process

The comparison framework employed in this paper has three points of comparison: The first is types of privatization processes that took place in the country, the second is the influence of neo-liberal ideas on the immigrant policy and the third is an explanation of immigrant policy and privatization processes during periods of political conflict. Each of these points will be described below.

1. Types of privatization

A privatization process has various degrees which can be lined on two continuums: The first I term "the responsibility for the provision of services continuum", and the second I term "the responsibility for the consumption of services" ranging from total state responsibility e.g. no privatization, to an entire absence of state responsibility e.g. a full privatization and no state policy. There are three types of privatizations on these continuums relevant to immigrant policy. The first and the most fundamental type is the privatization of governmental service provision, e.g. the government withdraws or reduces its role as a financier or regulator of certain services or benefits. As a result, the role of the government as policy maker in certain issues is reduced and the responsibility is transferred to private agents. This privatization type includes a spectrum ranging from a total lack of governmental funding or regulation to a mixture between private and the public funding or regulation. On the responsibility for the consumption continuum this type can range between wide state's responsibility to a lack of state's responsibility². The second type is the privatization of production of services. On the provision of services continuum the government continues to regulate and/or finance the service, but its production functions are transferred to private agencies. This privatization process can be achieved through outsourcing of

² Mandatory car insurance is an example of private provision of services and public responsibility for the consumption of services.

governmental activities, vouchers, contracts etc. (Kolderie, 1986; Savas, 2000). On the consumption of services continuum this type of privatization can also range from private to public responsibility³. The third type is the privatization of the responsibility for consuming certain services or benefits. On the consumption continuum there is a shift from a more mandatory policy to a more *laissez-faire* policy and from "in-kind" to "in-cash" benefits (Clarke, 2004). On the provision of services continuum the regulation and sometimes also the financing of services can remain under governmental responsibility.⁴

2. *The influence of neo-liberal ideas*

The ideas that had a major influence on the privatization process were the neo-liberal ideas (Clarke, 2004). The neo-liberal discourse is mostly an economic one, framing the public, political and governmental decisions through the economic logic of cost benefit calculation, and emphasizing economic freedom as a necessary condition for other forms of freedom. The most important feature of neo-liberalism is its emphasis on the private (the market or the individual) over the public. Neo-liberalism is roughly composed of two parts. The first relates to the role of the government. According to the neo-liberal ideas, the state's involvement in the citizens' lives should be decreased, the government should be smaller and limited, and its role is to provide conditions for efficient service production, competitive market and freedom of choice. Although the state is responsible to promote freedom of choice to its citizens, this freedom is not unconditional. The citizens are free from the state's intervention on condition that they act responsibly (as citizens and as consumers). If they fail to act

³ Welfare to work programs are example for private production, public financing and mandatory consumption.

⁴ An example for this type of privatization is if the government decides to cancel the mandatory car insurance requirement while continuing regulating the insurance market

responsibly the state may reduce their freedom (Clarke, 2004; Harvey, 2007; Starr, 1989).

The second part center on the perception of the citizen. The "good citizen, according to neo-liberalism is an economic entity motivated by self interest. The individual is rational e.g. able to calculate cost benefit calculations, and is self sufficient, He relies as l as possible on the state. Neo-liberalism perceives the citizen also as a consumer, and as such a choice maker who can choose rationally between different alternatives (Borghi & van Berkel, 2007; Clarke, 2004; Gilbert & Gilbert, 1989).

3. Immigrant policy and privatization during political conflict

Immigration and immigrant policy is a field which raises questions regarding identity, culture and the future social construction of the state and society. Despite the fact that for many years immigration issues in most immigration countries were not considered political but rather technocratic (the policy making process was held mostly by the bureaucrats and it wasn't high on the public agenda), in the last two decades immigration issues became one of the most politicized issues on the public and the political agenda, as can be seen for instance in election campaigns, party platforms, media coverage etc. This created not only public and political debates regarding immigration and immigrant policy, but also rose questions of a more normative nature such as multiculturalism, identity, citizenship etc. (Castles & Miller, 2003). These debates among other things changed the immigrant policy in general and influenced the privatization course in particular. In the following section the immigrant policy and its privatization process in each country will be presented according to the points described above.

Israel

Immigrant policy

Since its establishment in 1948 Israel dealt with a large-scale immigration. This was mostly because of the "open door" policy to all Jewish immigrants who want to settle in Israel according to the Israeli "Law of Return". As a result today about 70% of the Jewish population in Israel are immigrants or children of immigrants. Although there was a direct immigrant policy since 1948 its shape varied over the years and has been influenced by Israel's changing economic circumstances and by the attitudes of political groups in power during each immigration wave (Doron & Kargar, 1993). In the 1950's the immigrant policy was prescriptive. In those years the government not only provided all the immigrants' needs in the first period after arrival (for example language courses, housing, income support etc.), but also decided for the immigrants where they should settle. In the 1970's the prescriptive policy lightened a little, and the immigrants were allowed to choose their place of residence within certain centers in which the government built "Absorption Centers". In these centers the immigrants received various "in-kind" services including language courses and social and cultural support (Gal & Leshem, 2000).

The mandatory immigrant policy was contradicted the neo-liberal ideas, especially ones regarding the freedom of choice and the limited and small government, which started to influence Israeli policy in general in the late 1970's. Moreover, the existing immigrant policy had a lot of red tape problems which not only complicated the integration and settlement process, but also raised conflicts between different governmental agencies. On top of that one should note that the large immigration

wave which began in 1989 from the Former Soviet Union, forced the Israeli government to find a new way to manage the integration and settlement of so many new immigrants. These problems were part of the reasons for the privatization process of immigrant services which started in the 1990's.

The privatization process

The first privatization that took place in Israel was the privatization of the responsibility for consuming certain services. In 1990 the Israeli government decided to move from its traditional form of settlement through the absorption centers, which were based on a high degree of governmental intervention, into what was called "the direct absorption policy". This policy is rooted in the private market and allows immigrants the freedom to choose their regional location, their individual rental apartment and the course of their integration process; the immigrant has the liberty to choose in the first few years after arrival when to participate in language classes and when to start looking for a job. In addition, under the policy of direct absorption each immigrant family is entitled to an "absorption basket", which contains "in-cash" benefits intended to facilitate economic integration. Within this integration and settlement policy the responsibility for most types of services was expected to be borne by individuals or families. Thus the immigrants were exposed to the practices of the free market immediately upon arrival to Israel (Doron & Kargar, 1993; Gal & Leshem, 2000). This privatization process went along side with the privatization processes which were implemented in other social spheres such as the rapid reduction in public housing.

Although most of the immigrants who arrived since the 1990's were settled through this policy, the immigrants from Ethiopia who arrived in 1991 were settled through the old model of the absorption centers, and were provided with "in-kind" benefits only. Hence the policy implemented towards them was similar to the policy implemented in the 1950's (Gal & Leshem, 2000). This difference was among other things due not only to the difference in needs between the immigrants from Ethiopia and the other immigrants, but also to the different expectations of the government from Ethiopian immigrants regarding their capability to integrate successfully without governmental_intervention.

Besides the privatization process described above, since the 1990's there is a growing process of privatization of the production of immigrant services. Many immigrant services, mostly social and educational, are contracted out to NGOs and private firms. The most salient sphere in which there is private business involvement is that of vocational training. Private firms provide vocational consultation and training. For example one of the biggest governmental projects in the field of employment is the voucher project, in which immigrants receive vouchers which allow them to choose vocational training courses in the private market. According to the ministry of absorption budget for 2008, over half of the budget (19 out of 44 million Shekels) was targeted to this project. This privatization process is a part of a wider process of contracting out for social services in other fields.

If at the beginning of the privatization of immigrant services the government wanted to privatize only the responsibility for the consumption and the production of services, over time the process of privatization of the provision of services, mostly the

privatization of the financing became more significant. This was due to a few reasons: First, the Israeli government was not prepared for the large immigration wave of the 1990's, and therefore relied to a great extent on private funds for the provision of services in the fields of education and social care. With time this involvement, which began as a supplementary assistance to government services, widened and more and more public functions were transferred to private hands. Second, this tendency was part of a larger policy aimed at reducing the role of the government and transferring the responsibility for immigrants to the private sector, not only in the sphere of production but also in the provision of services. Third, as years went by and the number of immigrants decreased, there was a feeling among the policy makers that the more veteran immigrants no longer needed special direct services. As a result, in recent years a great number of direct immigrant services and programs financed by the government were closed, and private actors filled the gap instead.

Besides the total cut in the government's funding of immigrant services there are also partial privatization processes. First, there is a growing tendency in the government to develop projects which are financed by public and private funding and regulated publicly. Over the years the private funding of these projects exceeds the public one, but the public regulation continues. For example, among the 201 programs for immigrants from Ethiopia implemented by the ministry of welfare, 42% are financed totally publically, 51% are financed partly by the government and partly by NGOs, and 7% are totally reliant on private budget. Second, this partial privatization of the financing of services is also realized through the transference of responsibility for the immigrant settlement from the center government to the local authorities, without the transference of additional funding for the services (Tzfadia, 2005).

The influence of neo-liberal ideas

Since the late 1970's there has been an increased influence of neo-liberal ideas on public policy in Israel, which is evident in the rising dominance of the economic establishment and economic discourse in the policy making process. The most significant influence of neo-liberal ideas on the privatization processes in immigrant policy was the change to the direct absorption policy. This influence can be seen in the goals of the direct absorption policy as stated by the ministry of absorption: "increase in the veteran society participation and involvement in the absorption process of the new immigrants, reduction of the dependency of the immigrants on the state's system and simplification and flexibility of the absorption process" (Demian & Rozenbaum-Tamari, 1996). Similar expressions can also be found in the debates about the integration and settlement process in the Israeli parliament during the 90's. As reflected in these goals, the policy is rooted on the belief in the capacity of the private market to provide the essential needs for the immigrants and its superiority over the public sector (Gal & Leshem, 2000). The most prominent example for this belief is the total reliance on the market in the field of housing for the immigrants at the beginning of the big immigration wave (Borukhov, 1998). Moreover, the notion that guided the implementation of the direct absorption in the 1990's was that the state should expand the freedom of choice of immigrants and reduce its involvement in the integration process, since the immigrants are rational individuals, who can calculate their integration process without the state's interference (Doron & Kargar, 1993; Gal & Leshem, 2000).

Similarly the influence of the neo-liberal ideas is apparent in the government's decision to exclude the immigrants from Ethiopia from the direct absorption policy, although they arrived to Israel at the same time as the immigrants from the FSU. Despite the fact that neo-liberalism believes in the freedom of choice, this freedom is subject to the individual's capability to act responsibly. While most of the immigrants from the FSU with more than 13 years of schooling, most of the immigrants from Ethiopia attained less than 8 years of schooling. In addition, while most of the immigrants from Ethiopia were semi-literate and arrived from agrarian background, the immigrants from the FSU arrived mostly from urban areas and worked as free professionals (Doron & Kargar, 1993). Because of these differences between the immigrants from Ethiopia and the immigrants from the FSU decision makers thought that the immigrants from Ethiopia were unable to act responsibly, and therefore the government shouldn't enable them the same freedom of choice in their integration process as it enabled other immigrant groups. Thus the government continued to take full responsibility for the integration process of immigrants from Ethiopia.

Besides the influence of the neo-liberalism on the direct absorption policy there is a neo-liberal influence on other types of privatizations as well. The privatization of the provision and production of services is rooted in the idea of small and limited government, which influenced other social policies in Israel as well. In addition, contracting out process and the usage of vouchers is aimed at enlarging the freedom of choice of the immigrants and transferring them into rational consumers.

Immigrant policy and privatization during political conflict

Most of the time the immigrant policy in Israel is a technocratic issue. Moreover, since Israel sees itself as an immigration country and as a home to all Jews around the world, immigration and immigrant policy issues are considered to be consensual and non-debatable. An example for this can be found in the relatively marginal power of the ministry of absorption and the committee of immigration and absorption in the Israeli parliament, or in the lack of media interest in immigration issues. However, there are times when immigration issues are becoming high on the public and political agenda. Those periods are mostly in times of large immigration waves or in times of crisis regarding immigrant policy.

As I have said before, when the immigrant policy becomes a politicized issue, there are changes in the immigrant policy in general and in the privatization process in particular. An example for the influence of political conflict on the privatization course of the immigrant policy can be seen in the case of the immigrant housing policy in the 1990's. As part of the direct absorption policy and the general housing policy the government didn't interfere in the housing market, and transferred the responsibility for the settlement of the immigrants to the private market (giving the immigrants "in-cash" benefits for rent expenses) (Borukhov, 1998).

In 1991, due to the large amounts of immigrants coming in a short period of time, a crisis in the housing market emerged. The rent prices rose, and there was a shortage in apartments for rent and for sale. As a result not only immigrants but also people from the veteran society found themselves almost homeless. This crisis created a political conflict. The debate on this matter was between those who believed that the private market can fulfill the needs of all the immigrants coming to Israel, and those who

believed that the government should interfere and make sure that there are enough affordable housing solutions for the immigrants (Borukhov, 1998; Doron & Kargar, 1993). In the end, after a growing public and political pressure, the government decided to withdraw from its non interference policy, by initiating housing projects financed by the government, establishing caravans for the immigrants, and canceling the taxation on rent. Only in 1993, when the immigration wave reduced, and the public and political debate ceased, the public housing projects were cut back again, and the reliance on the free market continued (Borukhov, 1998).

As can be seen in the housing crisis case, despite the influence of the neo-liberal ideas which promoted a non-intervention policy, and despite the fact that at the same time privatization processes continued in other social policies, there was a break in the privatization process in the housing sphere. However, this shift from the privatization route was only temporary, and the privatization process continued after the crisis was over.

Canada

Immigrant policy

Canada is a classical immigration state, in which more than 18% of the total population is foreign born. It is estimated that by 2017 one fifth of the Canadian population will be what is called in Canada "visible minorities"; Immigrants or immigrant decedents who are not white in color (Castles & Miller, 2003). The Canadian immigration policy is aimed mostly at attracting skilled migrants. This is due to growing problems of ageing population and shortage in skilled workers in various fields. Canada implemented immigrant direct policy since the 1970's. The

main target of this policy was to attach the main breadwinner to the labor force (Adelman et al., 1994; Schmidt, 2007). Among the services that immigrants are entitled of are language training, social and informational services in various fields and special refugee programs. A large amount of social assistance programs are produced through NGOs, usually immigrant community based organizations and other local agencies which the government finance. The policy is not mandatory but it encourages the immigrants to consume the services (Schmidt, 2007).

Privatization process

The privatization process of the Canadian immigrant policy should be examined in light of the Canadian neo-liberal policy. This policy includes cut backs in government funding of various social services and emphasis on self sufficiency and personal responsibility. Immigrant policy is among the fields which were affected by this policy (Shields, 2003).

Within immigrant policy, the main privatization process is that of the provision of service, particularly, their financing.. As mentioned above, the Canadian model was based on the provision of government funded services to immigrants through community based organizations. Today, the funding for the community based organizations is unstable and limited, and there is a constant under funding (Richmond & Shields, 2005). Since the existing governmental funding is inadequate to meet the needs, services are being closed and private funding is widened (Mitchell, 2001; Schmidt, 2007).

Another change in the immigrant services in Canada is the devolution of services from the federal to the provincial level. This by itself does not imply a privatization process. However, along with the devolution process the federal government did not provide the provinces with additional funding for the immigrants' settlement and integration. As a result, provinces with a large amount of immigrants have to bear the costs of immigrant settlement and integration (Castles & Miller, 2003).

Along side the processes of cutting of province and NGO budgets, there was also another privatization processes which transferred the costs of the settlement and integration processes to the immigrants and their families. In 1992 the state cancelled the subsidy of day care services for children in the first year after arrival, making it harder for the immigrants (mostly women) to work full time. In addition, living allowance for the first year of language training were eliminated, thus immigrants who wanted to participate in language classes had to work at the same time. This step reduced the number of participants in those classes (Arat-Koc, 1999). This does not imply that the Canadian government believed that language training for immigrants was not important. In 2004 the Canadian government decided to enhance the language training initiative and especially the occupation specific language training programs, and increased the state's funding for such ventures (*International Migration Outlook*, 2006). The influence of neo-liberal ideas explains this policy.

The influence of neo-liberal ideas

The influence of neo-liberalism on the Canadian social policies started in the 80's. According to Mitchell (2001), the Canadian politicians used the neo-liberal rhetoric of freedom of individual and freedom of choice in order to justify the privatization

process (Mitchell, 2001). The neo-liberal concepts of self sufficiency and personal responsibility have had the most influential impact on the immigrant privatization policy. The privatized Canadian immigrant policy was designed for the self reliant immigrant. In accord with the neo-liberal ideas, the immigrant was perceived not only as a consumer but also as part of the market, and therefore was expected by the host society to make a contribution to the Canadian economy as soon as possible with a minimum assistance from the state. Thus, the elimination of the subsidy for immigrants was aimed to increase the responsibility of immigrants for their integration process and to decrease their dependency on the government (Arat-Koc, 1999). Despite this agenda the state continued to fund language training courses, and even increased its financing. In accord with neo-liberal ideas, the government believed that by financing more language training courses and eliminating subsidies it offered immigrants, it increased the incentive to study the language, and thus promoted their quicker integration into the workforce.

The funding policy of the immigrant services provided by the community based organizations is also affected by the neo-liberal ideas. The funding system is aimed at transforming the NGOs into more economically efficient agencies, promoting competition and reducing the government's load. Further more, governmental underfunding of social services was aimed at transforming citizens into more active consumers who not only choose between the services but also finance some of them (Richmond & Shields, 2005).

Immigrant policy and privatization during political conflict

Canada's discourse on immigration is usually favorable, and immigration is usually not a disputed issue. However there are periods in which the public and political debate regarding immigration and immigrant policy intensifies. This intensification results mostly because of the public dissatisfaction from the fact that vast numbers of immigrants arrive from underdeveloped countries, and there are difficulties in their integration process. However in these periods the discourse continues to be based on neo-liberal concepts and ideas. Therefore the conflict usually increases the privatization processes, since the privatization is used as an incentive to decrease future immigration to Canada. Thus, in times of political conflict regarding immigration state responsibility is reduced even further (Arat-Koc, 1999). Most of the changes in immigrant policy, nonetheless, stem from changes in other social fields and are not a result of political conflict.

The Netherlands

Immigrant policy

The Netherlands is not a classical immigration state. It became an immigration country de facto since the immigration flows at the end of world war two. Today, About 11% of the total population is foreign born (Bruquetas-Callejo et al., 2007; Castles & Miller, 2003; Penninx, 2006). In the 1980's the Netherlands was among the first countries who implemented immigrant direct policy. Since then, the immigrant policy underwent great changes, among them privatization.

The policy designed in the 1980's was called "ethnic minorities' policy". It was based on multicultural principles, and aimed at integrating the immigrants as groups, and thus maintaining their cultural identities. This policy contained government assistance

in fields of education, culture, housing and employment. The policy was criticized for doing little to integrate the immigrants into the workforce and to overcome social disadvantages. In 1994 the "integration policy" was introduced, aimed mostly at improving the educational achievements and workforce participation of immigrants. This policy included language courses, vocational training and civic integration courses financed by the government. In 1998 these civic integration and language courses became compulsory (Bruquetas-Callejo et al., 2007; *International Migration Outlook*, 2006; Penninx, 2006; Vasta, 2007).

By the year 2002 the policy changed once more and was called "the integration policy new style". The change was due to violent events such as the murder of the film director Theo Van-Gogh and the right politician Pim Fortuyn. Although the demand for compulsory language and civic integration courses was cancelled, the new policy was more mandatory, and by the year 2006 the government introduced a new rule requiring that immigrants to pass civic integration exam. An unrestricted residence permit is granted only if the exam is passed. This shift to a more prescriptive and mandatory policy was aimed at restricting the flow of immigrants into the country and at sifting out those migrants who could not integrate successfully and contribute to the Dutch economy (Bruquetas-Callejo et al., 2007; *International Migration Outlook*, 2006; Vasta, 2007).

Privatization process

The privatization process of immigrant policy is a result mostly of the common belief, developing at the end of the 1980's, that the government implemented immigrant policy does not succeed to promote the integration of immigrants in the spheres of

education and labor, that the immigrants are not meeting their responsibility to integrate and that they are posing a threat on the Dutch society. Unlike the immigrant policy of the 1980's, in which the government took full responsibility for the immigrants' integration, the policy designed since the 90's emphasize the individual and his personal responsibility for the integration process.

In the Dutch immigrant policy the privatization is mostly of production of services and partly of provision of services. Language and civic courses which were once developed and financed by the government now became privatized and transferred to the domain of the free market. Though the civic exam is mandatory and immigrants need to participate in the courses in order to pass the examination, they are only entitled to 70% refund for the course from the state, after passing the civic integration exam (Bruquetas-Callejo et al., 2007; Vasta, 2007).

Hence, the privatization process in the Netherlands is moving on the continuum of the state's responsibility in opposite directions simultaneously. On the one hand, the financial costs of the integration process are laid on the immigrants themselves and the implementation of the policy is responsibility of the free market. On the other hand the state continues to be the chief regulator even stronger than before, because it regulates not only the private agencies producing the services, but also the immigrants who consume them. Even though there is only one significant process of privatization in the immigrant policy in the Netherlands, this process shed some light on the country's perception of immigrants and on the role and responsibility of the state in their integration process.

The influence of neo-liberal ideas

In the past the Dutch welfare state had a relatively high level of decomodification of citizens from market forces and a strong involvement in welfare state provision. The neo-liberal ideas that started to enter the Netherlands in the 80's changed this situation, and brought to the reduction of welfare services, privatization and a rapid move to a more market economy (Bruquetas-Callejo et al., 2007; Entzinger, 2006).

Among neo-liberal ideas personal responsibility and self reliance have been the most influential on immigrant policy privatization and on the reduction of the dependency on the state. The influence of these ideas is evident in the discourse on immigrant policy since the 1990's, which regarded to the means by which the state can increase immigrants' responsibility for their integration process (Vasta, 2007). As a result of the centrality of the ideas of personal responsibility and self reliance, immigrants were required not only to pay for the language and civic integration courses, but also to identify programs without any guidance from the state. In addition, the ideas regarding small and limited government could be seen in the transfer of the language and civic integration courses to the responsibility of the private market (Entzinger, 2006; Vasta, 2007).

The influence of neo-liberal ideas is reflected not only in the privatization process, but also in what appears the opposite process, namely the increase of governmental regulation on the immigrant integration process. The coexistence of these ostensibly contradictory processes can be explained by the neo-liberal idea of personal freedom. As I have said before, the neo-liberal freedom is subject to the individual's responsibility and rational behavior. Since one of the reasons for the immigrant policy

change was the common perception that the immigrants are not taking responsibility for their integration process, the state took on active role through mandatory policy of enforcing responsibility among immigrants. Nonetheless, the ideas regarding the roles of the government and the market in producing and providing services also influenced the policy and thus the courses were privatized.

Immigrant policy and privatization during political conflict

the 1980's the topic of immigration was not considered political and the main political parties agreed to resolve immigration issues through technocratic compromises. The changes in the immigrant policy were accompanied by a shift from conflict avoidance to politicization of integration issues (Bruquetas-Callejo et al., 2007; Penninx, 2006). The politicization process was a result of three major factors: public disappointment from the immigrant policy results, the rise of radical right political parties and violent incidence involving immigrants. The combination of these factors resulted in the growing conviction that the state integration policy failed and that the government had lost its control over the process. As a result, political parties began to forge positions regarding immigration policy (Bruquetas-Callejo et al., 2007; Penninx, 2006).

Despite the influence of neo-liberal ideas regarding freedom of choice, the politicization of the immigrant issues brought to a demand from the government to increase its responsibility for integrating immigrants and to make a more mandatory policy. Hence the political conflict increased the governmental involvement as a regulator of the immigrant policy, and as a result the immigrant policy became more mandatory.

Discussion

As the discussion above demonstrated Israel, Canada and the Netherlands all underwent through privatization process in their immigrant policy. In addition, all three countries went through a shift from public to private responsibility, in which neo-liberal ideas played an important role. However, the type and breadth of the privatization process in each country differed. In Canada and in Israel the state's responsibility for the immigrants' integration process diminished, whereas in the Netherlands, alongside the privatization process, the state's responsibility increased. While in Canada and in the Netherlands the privatization is mostly of the funding or production of services, in Israel there is also a privatization of the responsibility for the consumption of services, although this process does not affect all the immigrants. In addition, while in Canada the privatization process is linear, in Israel there was a break in the privatization process, and in the Netherlands the privatization goes along with the tightening of the government's regulation on the integration process.

Although a comprehensive explanation of these differences requires more research, I want to suggest three possible explanations that may clarify the differences in the privatization process of immigrant policy in the three countries. The first is the salience of different aspects of neo-liberal ideas in each country. In all three countries the idea regarding the limited government influenced the privatization process, as can be seen in the privatization of the production and the provision of services which occurred in each country. The differences between the privatization processes are rooted in other aspects of neo-liberal ideas; the concept of individual freedom and that of personal responsibility and self reliance.

Freedom of choice is the main idea that guided the shift to the direct absorption policy in Israel. The state's involvement in the integration process decreased to allow immigrants more freedom in their integration process. In the Netherlands and Canada on the other hand, one of the main arguments for advancement of privatization is governmental decision to transfer more responsibilities from the state to the immigrant in hope to promote thereby a more self reliant citizen. These differences account for the fact that the main privatization in Israel was that of the responsibility for the consumption of services, while the state continued to fund the services through the "absorption basket". In contrast, in the Netherlands and in Canada almost the entire responsibility was transferred to the immigrants, as evident in the decrease of subsidies for the immigrants in the first period and the cancelling of governmental funding for lingual and civic courses.

A second explanation for the differences in the privatization processes of the immigrant policy lies in the different perceptions of immigrants in each country. In Canada immigrants are perceived as responsible and rational human beings, who can take full responsibility for their integration process. This perception is true only for part of the immigrants in Israel, since the immigrants from Ethiopia are perceived as not capable of taking responsibility for their integration. Consequently, for immigrants in Canada and for part of the immigrants in Israel there is a change in immigrant policy to a more *laissez-faire* policy approach, and the state's responsibility decreases. In the Netherlands on the other hand, due to the disappointment from the immigrant integration results, the immigrants are perceived as irresponsible for their integration process. As a result, the policy becomes more mandatory and the state's regulation tightens.

The third explanation to the differences is the role of political conflict in the privatization process of immigrant policy. In Canada immigration issues are not politicized. Therefore the privatization process is linear and is affected mostly by the neo-liberal ideas, which influence privatization in other fields as well. Even in times of political conflict, the discourse remains neo-liberal and no alternative ideas guiding the policy emerge significantly.

In Israel immigrant policy is generally consensual. Hence, the privatization process is almost linear. However, since immigration issues are considered important in the Israeli social and political culture, in times of crisis, when the issues become politicized, the influence of the neo-liberal ideas decreases, and the influence of other ideas regarding the place of immigration in Israeli norms and values becomes more salience. This process can be explained by the fact that generally the ideas that influence policy making change in times of crisis; old ideas can no longer serve as road maps or as a legitimacy tool for the decision makers. Consequently, political conflict temporarily rifts the linearity of the privatization process, until the crisis passes.

In the Netherlands immigration and immigrant policy issues are some of the most salient issues on the political and public agenda. As in Israel, here too the politicization of the immigration issue generated another set of ideas (regarding Dutch norms and values, questions of multiculturalism, identity etc.), besides the neo-liberal ideas, which influence the immigrant policy making. This process engendered a process of privatization along side with increase in governmental regulation. Thus the

political conflict on immigrant policy and the emergence of new ideas can explain the non-linearity of the privatization process in Israel and the Netherlands compared to the linear process in Canada.

Conclusion

This essay has compared the privatization process of immigrant policy in three immigration countries. It has demonstrated that the differences between the processes in each country are a result of the influence of different aspects of the neo-liberal ideas, different perceptions of the immigrants by the government and the different role controversy about immigration and immigrant policy takes in the public and political sphere.

This issue of privatization of immigrant policy is especially significant because it has implications for the immigrants' integration process, the relationship between the state and its new residents and social cohesion and solidarity. Since the explanations given in this paper are only preliminary, further research is needed in order to elaborate the understanding of the privatization process in each country and the implications of the privatization process on the immigrants.

In addition, in order to understand the privatization process better it is important to compare not only immigration states which went through privatization processes and were influenced by neo-liberal ideas, but also states in which the government continues to take responsibility for immigrant integration process.

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