

The Sikkuy Report

2007

The Equality Index of Jewish and Arab Citizens in Israel

Editor: Ali Haider, Adv.

Jerusalem-Haifa, June 2008



סיקוי Sikkuy



The Equality Index of Jewish and Arab Citizens in Israel

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A Message from the Co-Executive Directors

"The explosive nature of relations is increasing"

In our introduction to the 2004-2005 Sikkuy Report we made favorable mention of the decision by the attorney general to reconsider the decision of the Police Investigation Unit to close the investigative files against the policemen suspected of shooting Arab demonstrators to death during the events of October 2000 (Al-Aksa Intifada). We emphasized at the time that this decision was a result of a highly publicized struggle, and expressed doubt as to the conclusion of the investigation. We also wrote that this event teaches us that opposition to injustice, with a focused and publicized public struggle, is likely to succeed, even if the struggle to implement equality and justice requires patience, determination and coordination among all the levels of activity.

At the end of January 2008 and three days before publication of the Winograd report, when the media were engaged in predicting the conclusions and recommendations, the attorney general, seven years after the killing of 13 Arab demonstrators, chose to publicize his decision to close the investigative files against the policemen who had fired, explaining that no evidence had been found against them. By this decision, and the unfortunate timing of its publication, not only did the attorney general acquit these policemen; he justified their deeds and gave a green light to any policeman to fire at Arab demonstrators in future. We cannot accept this decision, and it should be firmly rejected. Not only because it adds fuel to the fire that is raging in any case and exacerbates the explosive nature of relations between Jewish citizens and Palestinians in Israel, but because it also undermines public confidence in the legal institutions that are supposed to represent the principles of justice, truth and equality.

The attorney general's decision, which is commensurate with the consistent attitude of the State towards the Palestinians in Israel, intensifies the level of frustration of the Arab-Palestinian minority in Israel and its despair of the possibility of genuine citizenship in the country.

From October 2000 until now relations between the Palestinian public on the one hand, and the State and the Jewish majority on the other, have been characterized by frequent crises. Moreover, the intensification of extremism and racism towards the Arab citizens is reflected in frequently published public opinion surveys; in the continued demolition of homes in Arab communities in general and in the Negev in particular, and in the persecution of leaders and political activists by means of investigations and trials.

In addition, the plan to deny citizenship to Arabs living along the Green Line is receiving widespread support from Israeli politicians and intellectuals and to date has not been publicly condemned by the prime minister. The declaration by the head of the Shin Bet security services that the Arab citizens represent a strategic threat indicates the depth of abhorrence of the minority. In addition there have been statements by politicians such as MK Efraim Eitam, who promised in the Knesset plenum (on March 26, 2008) that "the day will come when we will expel you," and by recent statements by Jewish religious leaders, such as the repeated statements of Safed chief rabbi Shmuel Eliyahu openly inciting against the Arab public and its leaders. The circumstances



that led the Arab citizens to demonstrate in October 2000 are still in place: The Israeli-Palestinian conflict is escalating, and the situation of the Arab citizens is steadily worsening. Since the events of October the State has done nothing concrete to repair the historical injustice. In light of the continuation of the discriminatory policy, it is possible that the events of October 2000 were only a foretaste of what is still liable to happen in another future confrontation.

"A platform for policy change"

The above description gives rise to questions such as: Is it possible to change this situation? Is it possible to change the attitude being demonstrated by the State for the sixth consecutive decade? Is it possible to convince the Jewish citizens that equality between them and the Arab-Palestinian citizens is a common interest? Is it possible to convince the Arab-Palestinian citizens that they should not despair and that there is a possibility of living together in an egalitarian country that is capable of containing the two national groups living inside it – a Jewish majority and an Arab-Palestinian minority?

Most of those active in the government and public arenas would probably reply to these questions in the negative, and this is the reason for the importance of our activity and of our cooperation with additional civil society organizations. Sikkuy is a joint organization of Jews and Palestinian Arabs, citizens of Israel, whose agenda is continually being formulated through open and intensive dialogue. Even without agreement on future political solutions, there is sweeping agreement among all the members and employees of the organization that we must live in total equality. Sikkuy's strategic choice is to promote this philosophy and its implementation on three levels: in the government, on the municipal level and among the public.

Sikkuy is a catalyst for change in government policy on equality between Jews and Arabs. If to date we have documented the results of discrimination in reports, now we are investigating the mechanisms that intensify it. In the past year we have been engaged in mapping the patterns of resource allocation in the government ministries. Our recommendations for a change in policy are already finding a more attentive ear in the ministries in Jerusalem than in the past, but the pace is slow and we must accelerate our efforts considerably, because history does not wait, and the anticipated outcome of discrimination is imminent. This is a race between a deterioration of relations in the country and an improvement of the situation through a change in policy.

A year ago we improved on the traditional Sikkuy report on the outcome of discrimination and for the first time in Israel developed the Equality Index, which presents a broad and thorough picture of the results of government policy. The first index was welcomed by the media, government ministries, academe, civil society organizations and the general public. On the basis of that data we formulated position and policy papers that were submitted to the ministries.

The Equality Index that we are publishing for the second consecutive year serves us as an important tool for presenting the results of discrimination, and primarily its causes. By presenting and analyzing this data we can pinpoint the damage caused by discriminatory government policy, and point out possible ways of closing the gaps that have been created between Jews and Arabs in Israel in past decades. We will continue to broaden and intensify our combination



of research and initiation of policy change.

According to the picture that emerges from the index, inequality between Jews and Arabs is increasing in almost every one of the areas that we examined, as well as in the Weighted Index. The data in the index serve as a warning of the destructive outcome of government policy, and the analyses serve as a platform for changing this policy.

We would like to thank the Sikkuy staff that contributed to this index, and particularly Yaser Awad, Michal Belikoff and Manar Mahmoud who invested a great deal of time and thought in improving the index, collecting and processing the data, and writing this report.

We also thank the members of the steering committee for designing the index – Prof. Rassem Hamaisy, Prof. Mohammed Haj-Yihye, Prof. David Nahmias and Prof. Yossi Yahav – who advised the staff members and made a significant contribution to completing the second index.

We also thank the team of content experts, who were generous with their attention, comments and advice: Dr. Khaled Abu Asbah, Dr. Anat Ben Simon, Dr. Goni Gal, Dr. Nihaya Daoud, Prof. Rassem Khamaisy, Dr. Ravit Hananel, Prof. Yossi Katan, Mr. Mohammed Khatib, Dr. Sami Miari and Dr. Shlomo Swirsky.

Sincerely,

Ali Haider, Adv. and Shalom (Shuli) Dichter

Co-Executive Directors

Sikkuy



Abstract

This is the second consecutive year in which Sikkuy is publishing the Equality Index. The Equality Index was developed last year with the help of experts in various areas, who helped and guided the Sikkuy research staff. The team of experts included the steering committee, which is composed of leading academicians in their area: Prof. Mohammed Haj-Yihye, Prof. Rassem Hamaisy, Prof. David Nahmias and Prof. Yossi Yahav. We were also assisted by a series of additional content experts in the areas relevant to the Equality Index.

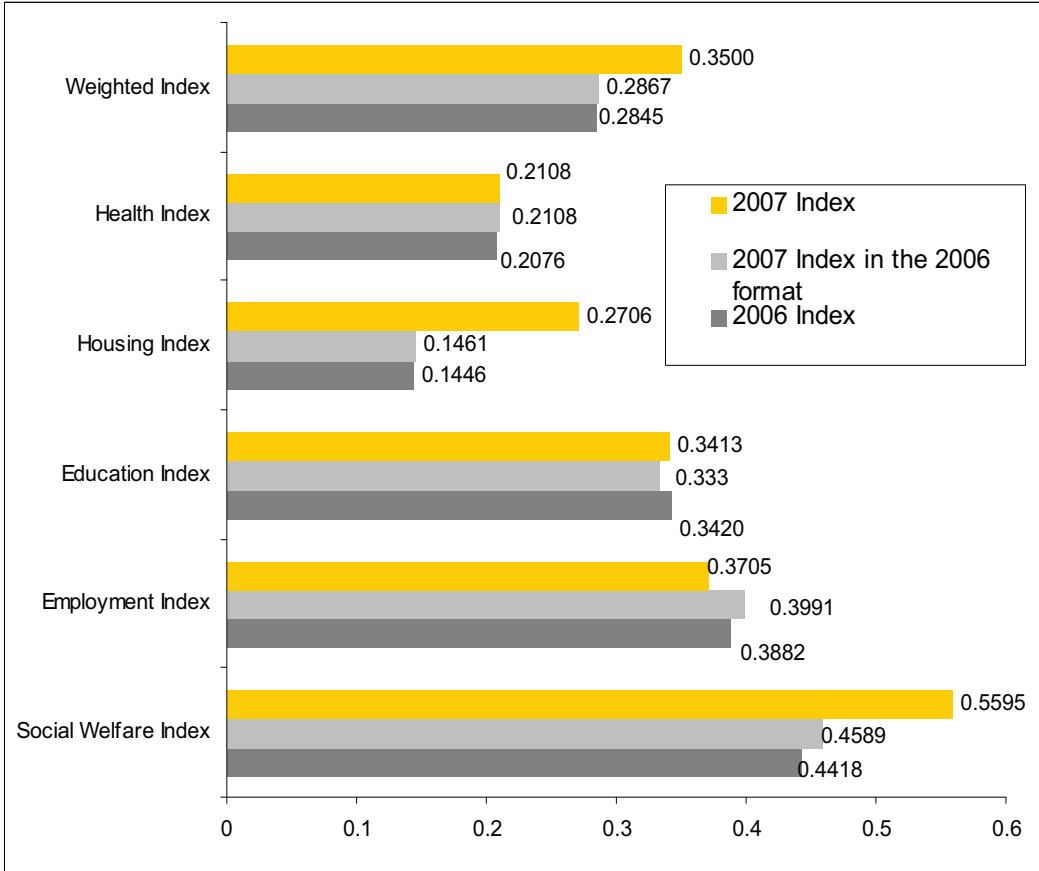
The Equality Index is unique in being the first overall index in Israel that systematically analyzes the gaps between Jews and Arabs in the State of Israel, based on data officially published by government institutions. The Equality Index is based on existing approaches of international models for measuring equality, such as the indexes used to measure the gaps between whites and Afro-American and Hispanic minorities in the United States (the Total Equality Index), the Ginni Index for measuring socioeconomic gaps, and indexes for measuring the gender gap in various social arenas (GDI, GEM, HDI) that were used by the Organization for Economic Cooperation and Development (OECD) and the United Nations Development Program.

In the previous report we explained that the Equality Index is designed to survey the inequality between Jews and Arabs in the three principal aspects of citizenship: equality before the law, equality in the political arena and equality in the socioeconomic sphere. We emphasized the importance of the three aspects and of their interconnectedness in promoting equality. However, for lack of time and data, this year too, as in 2006, the index deals with the socioeconomic aspect only, with attention to five central areas of life: education, health, employment, social welfare and housing. The Equality Index is a weighted index of the aggregate indexes, which are calculated for each one of the five areas on the basis of data collected for each area separately.



Aggregate Index Values

Diagram A: The values of the aggregate indexes in housing, health, education, employment and social welfare and the weighted Equality Index 2006-2007



As can be seen from the above diagram, the aggregate indexes indicate inequality with a bias towards the Jewish population. Similar to last year, the greatest gaps are in the areas of social welfare, employment and education, whereas in housing and health the values of the indexes are lower.

Changes in the values of the indexes in the various areas:

The value of the Health Index for 2007 is the lowest, in spite of the increase between 2006 and 2007 that indicates a widening of the gap in favor of Jews. The Health Index for 2007 is 0.2108 as compared to 0.2076 in 2006.

The value of the Housing Index for 2007 increased significantly relative to the previous year. The 2007 Housing Index is 0.2706, whereas in 2006 it was 0.1446 (the lowest of the five indexes in 2006).

The reason for the significant increase in this index is the addition of two new variables. Since the



number of variables at our disposal is relatively small, the effect of each one is relatively high.

The value of the Education Index for 2007 decreased slightly in comparison to the 2006 index. In other words, the gaps between Jews and Arabs in the area of education declined slightly. The value of the 2006 index was 0.3420 whereas the 2007 index was 0.3413.

The Employment Index for 2007 is 0.3075, and is low compared to the value of this index in 2006, which was 0.3882. The reason for the decline – changes that we introduced in the index this year, which included subtracting the variables that describe the incidence of poverty and the effect of transfer payments and direct taxes on the decline in poverty rates.

The value of the Social Welfare Index for 2007 is the highest of all the aggregate indexes, and is 0.5595 this year. The value of the index indicates a widening of the gaps between Jews and Arabs relative to the 2006 index. This year we did not include variables relating to employment in this index, in spite of the close connection between the two areas, because we felt that the separation between social welfare and employment would further emphasize the results of policy in each area.

The Weighted Equality Index

Table A: Calculation of the value of the Weighted Index

National expenditure	2006 NIS million*	2007 NIS million	Weight in % 2006	Weight in % 2007	2006 Index	2007 Index 2006 format	2007 Index 2007 format	Weighted share 2006	Weighted share 2006 format	Weighted share 2007 format	Contrib. to 2006 Index	Contrib. to Index 2006 format	Contrib. to Index 2007 format
Education	45,293	49,972	20.6	20.6	0.3420	0.3330	0.3413	0.0704	0.0685	0.0702	24.7	23.9	20.1
Health	44,090	49,000	29.0	20.2	0.2076	0.2108	0.2108	0.0416	0.0425	0.0425	14.6	14.8	12.1
Housing	64,583	72,884	29.3	30.0	0.1445	0.1461	0.2706	0.0424	0.0438	0.0812	14.9	15.3	23.2
Social Welfare	55,290	61,264	25.1	25.2	0.4418	0.4589	0.5595	0.1110	0.1157	0.1141	39.0	40.3	40.3
Employment	10,901	9,882	5.0	4.1	0.3882	0.3991	0.3705	0.0192	0.0162	0.0151	6.8	5.7	4.3
	220,157	243.002	100	100				0.2846	0.2867	0.3500	100	100	100

* 2006 - average exchange rate \$1=NIS 4.46

2007 - average exchange rate \$1=NIS 4.11

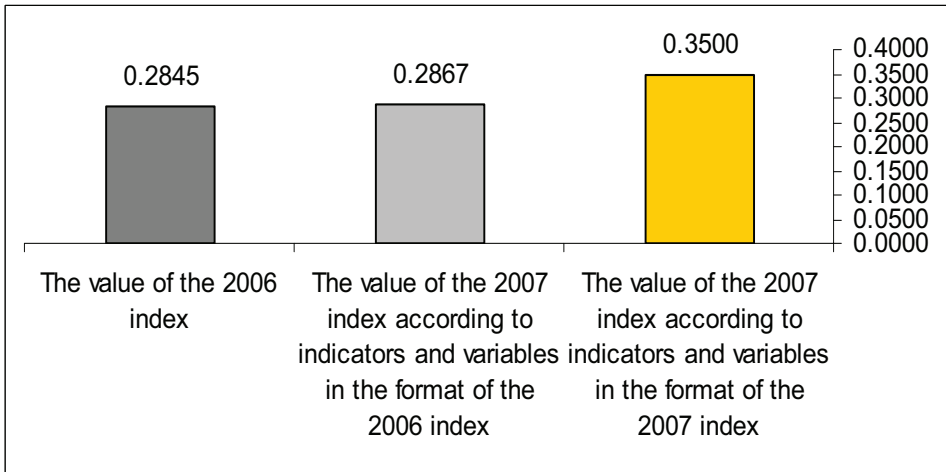
The overall Equality Index was calculated by weighting the five aggregate indexes in the areas of education, housing, health, employment and social welfare. The weight of each of the aggregate indexes in the weighted index was determined according to national expenditure (total public and private expenditure) in each area, because both public and private expenditure reflects the budgetary policy and the order of priorities, and therefore the weight ascribed to each area in the daily behavior of the general public.

The above diagram presents the share of each area (in %) of the total national expenditure in the five areas. We determined the weight of the aggregate index in each area according to its share in the total national expenditure.



The value of the weighted 2007 Equality Index indicates an increase in the level of inequality between Jews and Arabs. This year, 12 new variables were added to the index and 28 were removed. These changes were the main reason for the increase in the value of the index and in its stabilization at 0.3500. But even without the change in the array of variables and indicators, the value of the 2007 index (0.2867) increased slightly relative to the 2006 index (0.2845), which indicates an increase in inequality.

Diagram B: Change in the value of the weighted Equality Index 2006-2007



2007 Equality Index – Introduction and Explanation

The value of equality stems from the basic assumption that the value of life is a common denominator for all human beings, which endows them with a natural right to live in dignity. The right to live in dignity is the right of every person, regardless of differences such as wealth, ethnic origin, nationality, religious belief, gender, sexual proclivity, heredity, health and culture. However, that same basic human right to live in dignity requires a consideration of all the components of differences among people. People are born into various life circumstances, and their degree of control over their lives depends on these circumstances. Therefore, implementing basic rights requires attention to the sum total of resources at the disposal of society and to the way in which these resources are allocated among its members.¹

The vital importance of equality as a human value stems from both moral-ethical and utilitarian considerations. From the moral-ethical aspect equality is seen as a natural right of all the individuals and groups in society. From the utilitarian aspect, equality is a basic condition for a democratic regime. Moreover, it is a crucial means of advancing the level of human ability and performance in the various spheres, such as economics, education and health. Studies have shown that discrimination and profound economic and social gaps undermine achievements in all areas.² Moreover, equality is vital for consolidating and maintaining the social consensus, while a sense of deprivation erodes social stability and solidarity.³

The commitment of countries and organizations to the principle of equality, as one of the values to be taken into account when making decisions and formulating policy, has led to an increasing need for means of supervision and follow-up of the state of equality between individuals and various groups in the population. The United Nations developed the Human Development Indexes, which assess the gaps in the level of human development between countries. In the United States the National Urban League initiated an equality index between blacks and whites. The European Union has been working on a gender equality index, and in the wake of the increase in immigration they are now developing a European Inclusion Index, which enables a follow-up of immigration policies in the various European countries.

The Equality Index between Jews and Arabs is the first aggregate index in Israel that systematically analyzes the gaps between its Jewish and Arab citizens. By means of the index we aspire to present as broad a picture as possible of the state of civic equality between Jews and Arabs in Israel in the three primary components of citizenship: legal, political and socioeconomic equality, within the limitations of the data at our disposal. At present the index focuses on the socioeconomic aspect only, serving as a tool to compare Jews and Arabs in the areas of education, social welfare, health, employment and housing.

In order to make a quantitative assessment of the level of equality between Jews and Arabs in each of the selected areas, while properly integrating the indicators and the variables, we created an aggregate index, which enables us to combine all the variables into one overall value. The index gives weight to each population group in accordance with its percentage in the general population, and takes into account the degree of difference between the two groups relative to each variable. In other words, the basic assumption is that in conditions of equality, the share

1. Edward N. Zalta (Ed.), **Stanford Encyclopedia of Philosophy**, Stanford, CA: Center for the Study of Language and Information, Stanford University, 1998.

2. United Nations Development Programme, "Inequality and Human Development," **Human Development Report**, 2005.

3. **Report of the State Commission of Inquiry into the October 2000 clashes between the security forces and Israeli citizens**, Jerusalem: September 2003, p. 43.



of each group in the overall pie of resources is commensurate with its percentage in the general population. The five aggregate indexes are combined into one Weighted Index, in which the weight of each area (education, health, social welfare, employment and housing) was determined by the percentage of each area in the total national expenditure on all five.

Aims of the index

The Equality Index is designed to serve four main purposes:

- To serve as a tool for tracking government policy and its results.
- To monitor the state of the gaps between Jews and Arabs in a given time period and over a period of time.
- To influence public opinion by raising awareness, and to promote commitment to equality.
- To determine goals for closing the gaps between the two population groups.

The target audiences

The two principal target audiences of the index are government institutions and the general public. In addition to keeping track of government institutions and putting pressure on them, we need to deepen public awareness of the destructive results of discrimination and inequality, and to empower the populations that suffer from discrimination, so that they will be able to protect themselves from it more effectively.

Uses of the index

The index serves as a tool for diagnosing and pinpointing situations of inequality, for measuring the extent of inequality, and for monitoring progress or regression in the state of equality over time. In later stages we will be able, by means of the index, to point to possible links among variables on the one hand and results in the field on the other.

Population in the index

Most of the data in the index come from the Central Bureau of Statistics (heretofore the CBS), which publishes its data in three categories of population groups: 1. Arabs who are citizens of the State of Israel and residents of East Jerusalem; 2. Jews who are citizens of the State of Israel; 3. others, i.e. citizens of the State of Israel who are neither Jews nor Arabs. The Equality Index relates to two groups: Arabs and Jews. The first category includes all Arabs who are Israeli citizens, including residents of East Jerusalem, while the latter is composed of Jews and others – non-Arab members of other faiths.

Data sources for the index

The data on which the equality index is based are taken from off-the-shelf data, which are published by the CBS, the National Insurance Institute and government websites, as well as from data provided to us by the Freedom of Information departments in the various government ministries. The quality of the index's findings depends largely on the number and quality of variables it includes. We hope that the data base produced for us by the government ministries will



eventually grow, so that we will be able to elaborate on the picture portrayed by the index, and through it to provide a better and clearer reflection of obstacles to equality and opportunities for advancing it.

Sampling of communities

Not all the data at our disposal are presented as aggregates; some are published by community. In these cases we have used a sampling that includes 11 pairs of communities (one Jewish and one Arab) with populations of similar size and belonging to the same geographical district (see table B).

Table B: A sampling of Jewish and Arab communities

District	Jewish communities		Arab communities	
	Name of community	2006 population (in thousands)	Name of community	2006 population (in thousands)
Northern district	Nahariya	50.4	Nazareth	64.8
	Migdal Haemek	24.7	Sakhnin	25.0
	Hatzor Haglilit	8.4	Ein Mahel	10.8
Haifa district	Kiryat Motzkin	39.7	Umm al-Fahm	42.2
	Binyamina – Givat Ada	10.6	Jisr al-Zarqa	11.4
Central district	Rosh Haayin	37.5	Taibe	33.9
	Kiryat Ono	26.2	Tira	21.1
	Yehud – Neve Ephraim	25.5	Qalansawa	17.4
Jerusalem district	Kiryat Yearim	3.1	Abu Ghosh	5.8
Southern district	Dimona	33.4	Rahat	40.6
	Yeruham	8.5	Kseifa	10.3

Indicators and variables key

The Equality Index, with its five areas, comprises 16 indicators and 96 variables. We aspire to include in the index indicators and variables on which there is as broad a consensus as possible, and to reflect the situation as accurately as possible. The indicators and variables that were chosen are based on various research units (individuals, families, populations groups, geographical region etc.), and through them we can reflect social, economic and political goals.⁴ In addition, they can be used as criteria for necessary policy changes. The index variables can be grouped into various categories to enable an analysis of the present situation in various dimensions and aspects (for example, variables that describe inputs and those that describe outputs).

The Equality Index is a growing and developing index, and therefore our goal is to expand the number of variables and indicators included in it. Nevertheless, we are aware of the fact that changes in the array of indicators and variables undermine the continuity of the index. Therefore, changes with far-reaching implications for the value and continuity of the index will be introduced only every few years. This year we changed the array of indicators and variables in a manner that

4. See Indicators and Variables key, pp. 75-79



reduced the continuity of the index relative to the 2006 index. Therefore the index presents two values this year: the value of the 2007 index based on the 2006 indicators and variables and the 2007 index based on the new array. 12 of the 96 variables are new and 28 variables that were included in the 2006 index have been removed, and are not included in the 2007 format.⁵

Range of index entries

The range of the index entries varies from (-1) and (1). A value of zero indicates absolute equality. When the value of the index moves toward 1, it indicates inequality in favor of the Jewish population, and when it moves toward (-1), it indicates inequality in favor of the Arab population.

Mathematical presentation

Each variable is represented by the average over five years, which is denoted by c_i , with i indicating a given variable out of n different variables. Every c_i vector has c_{ij} components, with j indicating a given population out of m various sub-populations (in our case, $m=2$, Jews and Arabs).

An average value for each variable i can be calculated for the total population (which will be denoted by mc_i), in the following manner:

$$mc_i = \sum_{j=1}^m p_j c_{ij}$$

While P_j represents the weighted coefficient for population j , also $\sum_{j=1}^m p_j = 1$

In order to aggregate different variables with different measures units, we standardized the vector c_i into new vector called N_i , thus $N_{ij} = p_j c_{ij} / mc_i$

Therefore, for every i we produced a dummy variable, such as $\sum_{j=1}^m N_{ij} = 1$ with $\overline{N}_i = \sum_{j=1}^m N_{ij}$ and $S_i = (\overline{N}_i * (1 - \overline{N}_i))^{0.5}$ denote the mean and the standard deviation of the variable respectively.

Define a vector such that
$$IND_j = \sum_{i=1}^n \frac{(\overline{N}_i / S_i)}{(p_j / S_i)}$$

We calculate the integral index for each sub-population, relating to the area being studied, which will be marked IND_j , as a weighted total of the adjusted vector of variables for that sub-population (\overline{N}_i), which the weight given to the variable in the index is the opposite of the standard deviation S_i . The expression with the formula IND_j is analogous to the ratio between observation and expectation.

The index IND_j was calculated for each sub-population separately, and we have created a new

5. See explanation and details about the addition or removal of variables or indicators in each of the chapters of the index.



relative index that is the ration between the difference between the index of the two sub-populations divided by the maximum value of the index between the two sub-populations, and marked *index*.

In our case there are two populations, Jews and Arabs, and therefore $j=1,2$. The index is defined as:

$$\text{index} = \frac{IND_1 - IND_2}{\text{Max}(IND_1, IND_2)}$$

The *Max* (.,.) function expresses the completion (the transfer) that must be implemented in expressing the denominator in order to reach equality for the sub-population that received less than the share it deserves according to its relative share in the general population.

It should be mentioned that in order to preserve the uniformity of the effect of the change in the values of the average of the variable being studies, the variables in the analysis were classified according to the way they influence the direction of the values of the index. For some variables, the higher their average value, the more positive an influence they have on the situation of the sub-population. On the other hand, for other variables, the higher their average value the more negative their influence on the situation of the subgroup (inverse ratio). For example, in the area of education, when the average number of children in a class drops, the situation of the sub-population improves. These variables have undergone a transformation and are listed in their opposite value (1 divided by the variable average). The other variables are presented without change.

Characteristics of the index

- The index has statistical traits that are common in indexes of this type.
- The index is characterized by an ability to predict the changes in the state of equality/inequality.
- The value of the parameter of weighting in the formula of the index is of great importance. Therefore there is a need to determine a significant value (there can be a different value for various indicators and variables) that expresses policy and/or genuine distribution, or alternatively as proportions between two population groups. When the weighting parameter is uniform and permanent, the values of the variables will affect the degree of equality between the two population groups. When there is a change both in the weighting parameter and in the values of the variables, the intensity of the change and the ratio between them will affect the degree of equality. Various values can be used for the weighting parameter for various variables, while of course maintaining the relevant significance of the suggested weighting.
- The more identical the distribution in the sense of equality between a first moment (average) and a second moment (difference) between the two populations, the more the value of the index approaches zero (i.e. equality).
- The index takes into account not only the value of the adjusted variable i of one population group, but also the distance between the adjusted variable i in one population and the adjusted variable i in the second population group.



- The index is a function of the weighting parameter, its share in the space, with the exception of the extremes (in the extremes the value of the index approaches zero, because there is no assumption of the existence of two population groups).
- Given the type of distribution of the variables in populations A and B, and assuming that the distribution of variables in populations A and B is not identical in the sense of a first and second moment, then there is \hat{a} value for the weighting parameter a , for which $index > 0$. When $0 \geq a \geq \hat{a}$ and a converges to \hat{a} then index converges to absolute equality. On the other hand, when $\hat{a} > a \geq 1$ and a converges to 1 the index converges to total inequality. This trait indicates that even if the gap between the two population groups is large, there is a range of the weighting parameter such as $[\hat{a}, 0)$ in which the index converges to equality in spite of the share of the sub-population, and that guarantees a given level of inequality in light of the indicators in the analysis.

The Weighted Index

The Weighted Index sums up the five aggregate indexes and expresses the distance of both population groups from the point of equality. Each of the aggregate indexes is weighted in accordance with the relative weight of each of the five areas in national expenditure. The rationale of weighting the national expenditure stems from the fact that it includes the total public expenditure (government, local government, non-profit associations), in accordance with national policy and order of priorities, and the total private expenditure (households and individuals) in the various spheres in accordance with their ability and preferences. The sum of the combinations of the product of the index values in the five spheres in the percentages of national expenditure represents the final difference between government and household allocations on the one hand and actual resources on the other.

Method of calculation

The index value was calculated with the Excel macro system, in order to carry out simulations of the sensitivity of the value of the aggregate index to a change in values. For example, we examined the sensitivity of the index to changes both in the weighting parameter and in the values of the variables and the various indicators among the two populations in each of the spheres.



Chapter 1: The Health Index

The State of Israel has a national health system, and health services are anchored in a state Health Insurance Law. Health services are provided in return for (relatively) small public participation, through payment of a progressive tax. At the same time, the steady increase in the prices of these services increases the inequality in their accessibility, and thus clouds the achievements in this area.⁶

Inequality in health is a multidimensional concept, which relates first and foremost to all the differences in the state of health. These are measured by the chances for health, and by morbidity, disability/handicaps and mortality. In addition, the concept relates to differences in accessibility of health services (to what extent does the difference in distribution of services among the population groups reflect the differing needs); in the quality of the services (do vulnerable populations receive high-quality services, and are these services provided in accordance with their culture, their income and their education level); in use of health services and in the outcome of the treatment process (whether these are clinical results or the results of promoting health or activity to prevent disease).⁷

There are many interrelated reasons for inequality in health. Today there is a consensus that the main reason for inequality is socioeconomic gaps or differences, including differences in income, education, employment and housing, which are affected by public policy in spheres that are not the responsibility of the health system. Cultural differences are also liable to increase inequality, if services are not provided in a manner appropriate to the culture. Another important reason for inequality is related to the environment: differences in exposure to physical surroundings (air pollution, work-related risks et al), the biological environment (contagious diseases) or a dangerous human environment (violence). All these differences, which are related to social and cultural characteristics of the population, are liable to increase inequality in the health of the population.⁸

When we assess the level of equality between the Jewish and Arab populations, we can point to the fact that differences in the demographic, social, cultural, economic and genetic characteristics of the Arab population are expressed in parameters of health which differ from those of the Jewish population in terms of morbidity, mortality, use of health services, knowledge, views on health-related subjects etc.⁹ The national Health Law has two positive influences on the Arab population in Israel: First, all the citizens benefit from health insurance by law. Second, the competition between the Health Maintenance Organizations to enroll new members has led to a situation where the residents of the peripheral communities, including the Arab ones, have been actively enrolled, and in many communities new clinics have been established and the services of specialists have been provided for the first time.¹⁰

Nevertheless, over the years there have been contradictory trends: On the one hand, there has

6. Yaakov Kopp (Ed.), **Allocation of Resources for Social Services**, Jerusalem: Taub Center for Social Policy Studies in Israel, 2007.

7. Leon Epstein, Rachel Goldwag, Shuruk Isma'il, Miriam Greenstein and Bruce Rosen, **Reducing Health Inequality and Health Inequity in Israel: Towards a National Policy and Action Program - Summary Report**, Jerusalem: Myers-JDC – Brookdale Institute, Smokler Center for Health Policy Research, 2006.

8. Epstein et al, **Reducing Health Inequality and Health Inequity in Israel**, 2006.

9. Jalal Tarabeia, **The State of Health of the Arab Population in Israel 2004. Tel. Hashomer**: Ministry of Health, National Center for Disease Control, 2005.

10. Michal Tabibian-Mizrahi and Alon Rubinstein, **"The Situation of Arab Children in Israel"** (submitted to MK Isam Mahul), Jerusalem: Knesset Research and Information Department, 2004.

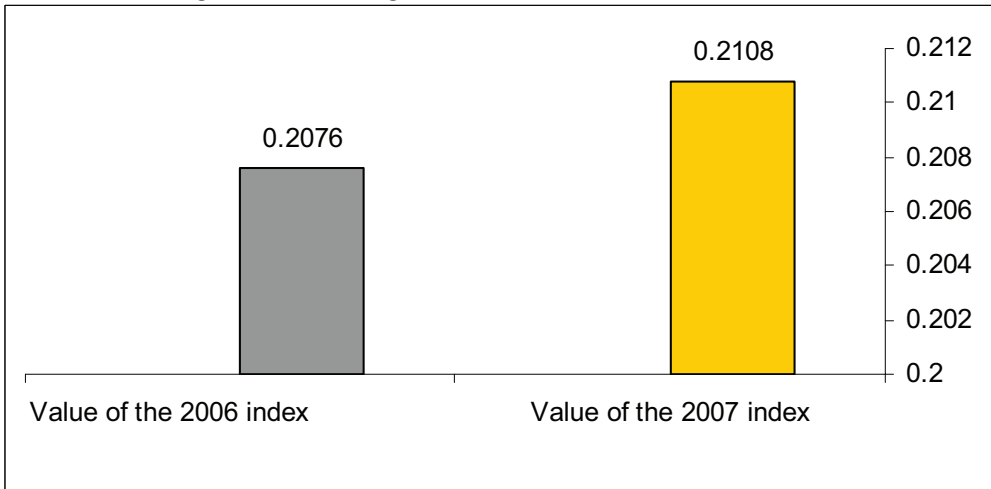


been an improvement in the health of the Arab population: life expectancy has increased, the infant mortality rate has declined, fertility has declined, and there has been a decrease in mortality from birth defects, infectious diseases and coronary and vascular diseases. In addition, there has been an improvement in the level of health services and their accessibility to the public. On the other hand, the gaps between the two population groups have widened: There has been a worrisome increase in the rates of morbidity and mortality from diabetes and there is a high incidence of obesity – mainly among older Arab women. The rates of smoking among Arab men are still high, as are the rates of mortality from birth defects and from coronary and vascular diseases. In parallel, there has been an increase in the incidence of malignant diseases.¹¹

The 2007 Health Index value – 0.2108

The value of the Health Index for 2007 increased relative to the previous year, in other words – the gap between Jews and Arabs increased slightly in favor of the Jews. The gap in life expectancy increased among both men and women, as did the infant mortality rate. Mortality rates according to selected ages reflected a widening of the gap between Jews and Arabs from the age of 60 (among both men and women). In smoking there was a reduction in the gap between Jews and Arabs – there was a moderate decline in the percentage of smokers among men and women from both population groups, but among Arabs the decline is greater.

Diagram 1.1: The change in the value of the Health Index, 2006-2007



Indicators and Variables

In order to examine the level of equality in the area of health three indicators were chosen: life expectancy at birth, percentage of smokers and mortality rate. In the case of the Health Index as well, we could have presented a broader picture of the state of equality between Jews and Arabs in the area had we had a greater selection of annual data at our disposal.

11. Tarabeia, **The State of Health of the Arab Population in Israel 2004, 2005.**

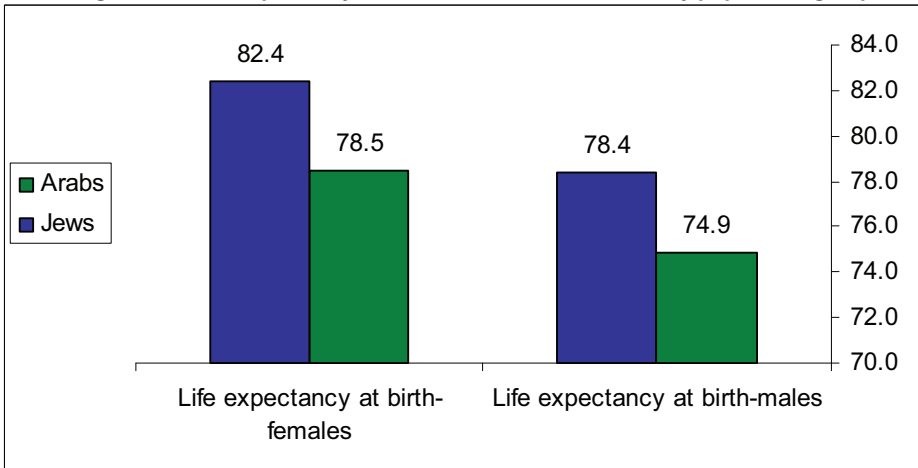


Indicators	Variables
Life expectancy	1. Life expectancy at birth by gender and population group
Health-promoting behavior	2. Percentage of smokers by gender and population group
Mortality rates	3. Infant mortality rate by population group 4. Mortality rates at selected ages by gender and population group

Life expectancy at birth

Life expectancy at birth is a statistical abstraction based on existing mortality rates characteristic of each age. Life expectancy is defined as the average number of years a person at a given age is expected to live, if present mortality rates apply in the future as well.¹² Life expectancy is an index that enables us to compare the state of health between populations both in Israel and worldwide. The life expectancy of males in Israel is higher than the average in the 15 EU countries, while that of females is lower.¹³ Diagram 1.2 (below) indicates life expectancy at birth among Jews and Arabs. According to the diagram, life expectancy at birth among Jews (male and female) is 4 years higher than among Arabs. Multi-year trends indicate that life expectancy is rising consistently among both population groups, but among Arabs the increase is more moderate and therefore the gaps between Jews and Arabs are steadily increasing. According to CBS data, between 1970-2006 life expectancy among Jews increased by 8.6 and 8.9 years (men and women, respectively). Among Arabs life expectancy increased in the same period by 6.1 and 6.2 years (men and women, respectively).¹⁴

Diagram 1.2: Life expectancy at birth for males and females by population groups



Source: CBS, Statistical Abstract of Israel, 2007

12. Tarabeia, **The State of Health of the Arab Population in Israel 2004, 2005**, p.38.

13. **The State of Health in Israel 2005 – Selected Data** (2006), Tel Hashomer: Ministry of Health, Israel Center for Disease Control, p. 31.

14. **Statistical Abstract of Israel, 2007**.



Health-promoting behavior

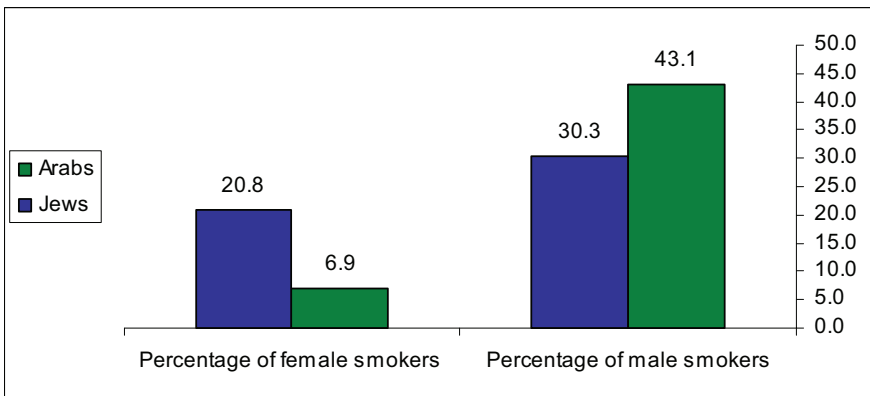
Refraining from smoking, in addition to maintaining physical fitness and proper nutrition, are considered essential practices for maintaining good health. Data on health patterns (such as maintaining physical fitness and proper nutrition) are not published on an annual basis, and therefore the index does not include them. However, it is known that in each of the abovementioned spheres there are large gaps between Jews and Arabs. In 2003 the Ministry of Health for the first time issued a survey about the national state of health and nutrition for the years 1999-2001. The survey found gaps between Jews and Arabs (men and women) in physical activity during leisure time. 23.7% of Jewish women engaged in such activity as compared to only 8% of Arab women. Among men, the percentage of those engaging in physical activity was twice as high among Jewish men (22.7% compared to 11.2% among Arabs). Moreover, gaps were found between Jews and Arabs in the percentage of overweight individuals. The gaps are large particularly among women (54% of Jewish women compared to 74.6% of Arab women), but exist among men as well (63.1% among Jews compared to 71.9% among Arabs).¹⁵

Smoking

The data of the 2007 index indicate that the percentage of smokers declined among both population groups. Because among Arabs the percentage of decline was greater, the gap was slightly reduced. The percentage of smokers among Arab men is still high relative to that of Jews: 43.1% compared to 30.3 percent among Jews.

Among women the ratio is inverse: The percentage of Jewish women who smoke (20.8%) is three times as high as the percentage among Arab women (6.9%).

Diagram 1.3: % of smokers by gender and population group

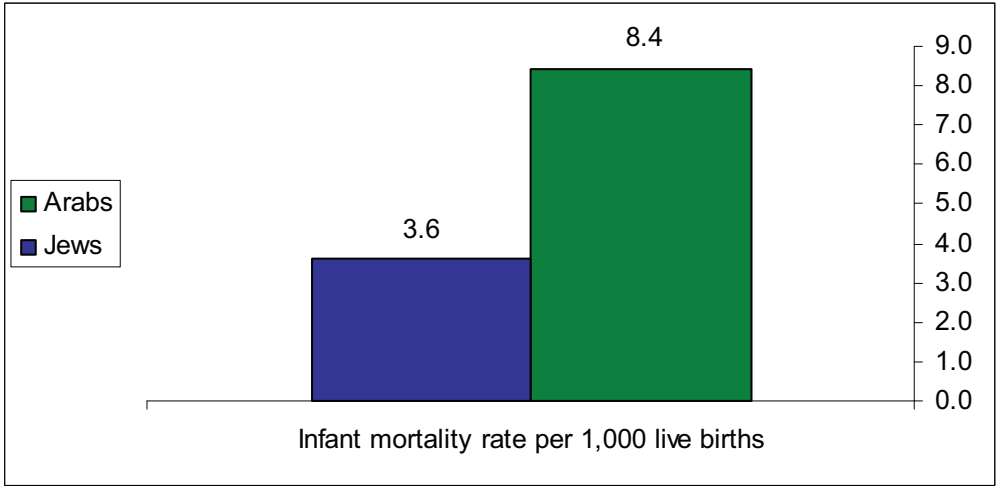


Infant mortality

The rate of infant mortality (diagram 1.4, p 28) constitutes a very important index for assessing the state of health of population groups. The following diagram indicates a large gap between the two population groups in the rate of infant mortality, which is 3.6 in the Jewish population (per 1,000 live births) and 8.4 in the Arab population.

15. **MABAT: First Israeli National Health and Nutrition Survey 1999-2001**, Tel Hashomer: Ministry of Health, Israel Center for Disease Control, 2004.



Diagram 1.4: Infant mortality rate (per 1,000 live births) by population group

Source: CBS, Statistical Abstract of Israel, 2007

There are various reasons for infant mortality, and some of the incidences of death can be prevented by prenatal diagnosis. Among the tests that women can undergo during their pregnancy are an examination of amniotic fluid and a chorionic villus (CVS) sampling of placenta tissue. These two tests are used for prenatal diagnosis, and are included in the basket of health services for women who are at increased risk for chromosomal defects or hereditary diseases. Between September 1, 1999 and August 31, 2001 there were 33,684 live births in Israel among women whose age during the pregnancy entitled them to prenatal tests, but only 45% of them actually underwent the tests.

Significant differences were found among the various population groups in taking advantage of the right to be tested: 52% of Jewish women above the age of 35 underwent prenatal testing, compared to 15% of Muslims, 16% of Druze and 58% of Christians.¹⁶ There is also a difference in the abortion rate between Jewish and Arab women: According to data from 1999-2001, the percentage of abortions in cases where the fetus suffered from a neural tube defect is lower among Arabs than among Jews: 44% of all the such pregnancies were terminated among Arab women, as compared to 75% among Jews.¹⁷

Table 1.2 (p. 29) describes the distribution of causes of mortality among Jews and Arabs and the rates of infant mortality by causes of death. It turns out that in every case, the rates of mortality among Arabs are higher. For example, mortality rates due to premature birth are 1.5 times as high among Arabs, and those due to genetic defects are 3 times as high. Mortality rates due to crib death (SIDS – Sudden Infant Death Syndrome) are 4.8 times as high among Arabs, and those due to infectious diseases, 3.7 times as high. Moreover, there is a difference between the two populations in distribution of incidence of death according to cause: Among Arabs the most common cause of death is genetic defects (38.6 of all deaths), whereas among Jews in about half the cases the cause of death is premature birth (47.8%).

16. Tarabeia, **The State of Health of the Arab Population in Israel 2004**, Ministry of Health 2005, p. 85.

17. Ibid.



Table 1.2: Incidence of causes of infant deaths and rates of infant mortality by cause of death and population group, 2005

Cause of death	Arabs		Jews	
	% of all deaths	Mortality rate for 1,000 live births	% of all deaths	Mortality rate for 1,000 live births
Premature birth	30.36	2.42	47.80	1.54
Birth defects	38.61	3.07	31.38	1.01
Crib death	10.89	0.87	5.57	0.18
Infectious diseases	4.29	0.34	2.64	0.09
Perinatal	2.64	0.21	4.99	0.15
External cause	2.64	0.21	0.00	0.01
Other	4.95	0.37	4.11	0.13
Unknown	5.61	0.45	3.52	0.11
Total	100.00	7.96	100.00	3.22

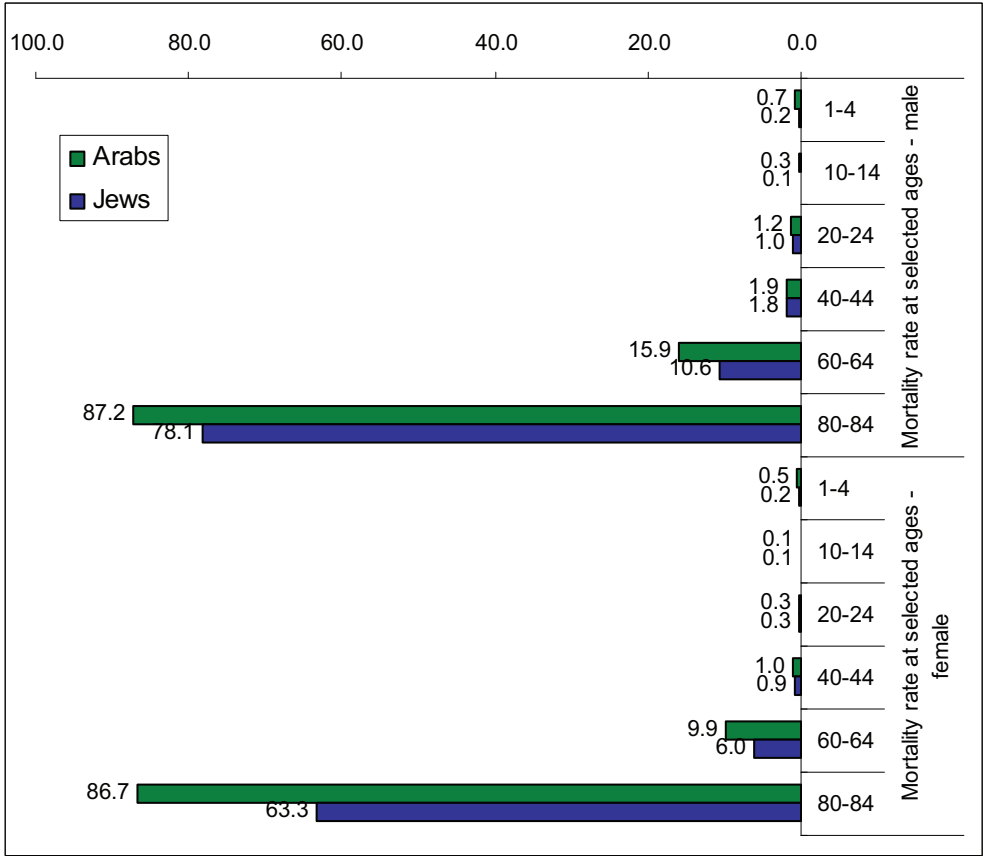
Source: Amitai Yonah, National Data on Infant Mortality in Israel, 2005

Mortality rate by age

Diagram 1.5 (p.30) relates to the mortality rate of Jews as compared to Arabs in selected age groups and by gender. In general the mortality rate among Arabs is higher in most age groups and among both genders. The gaps between the two population groups are more prominent for toddlers (ages 1-4) and at older ages, 60 and over, since these age groups are more sensitive in terms of survival. Compared to the data of the 2006 index, there was no change in mortality rates among toddlers aged 1-4 of both genders, but the gaps between Jews and Arabs widened for mortality rates in those aged 60 and over. A continued increase in the disparity in mortality rates between Jews and Arabs of course affects the continuing disparity in life expectancy between the two population groups, among both genders.



Diagram 1.5: Mortality rate per 100,000 people according to selected age groups and population groups



Source: CBS, Statistical Abstract of Israel, 2007



Chapter 2: The Housing Index

Housing is one of the most sensitive issues, if not the most sensitive of all, in Jewish-Arab relations in the State of Israel. This is both because it is the largest investment goal of individuals and households, and because the subject is directly related to the issue of land, which is the core of the conflict. Although 93.0% of all the Arab households live in owner-occupied residences – as compared to 70% of the Jews – Arab citizens suffer from a housing shortage that is reflected in several ways:

- a.** The level of development surrounding the residential areas in all the Arab communities still does not meet the accepted standards in the State of Israel. There is a shortage of public spaces and public buildings, and a low level of infrastructure and maintenance.
- b.** The construction of a home in Arab society takes a relatively long time (the amount of time depends on the financial ability of the homeowner). As a result, many families are living in buildings whose construction is incomplete, and they are therefore exposed to safety risks.
- c.** There are significant disparities between Jewish and Arab communities in the quality of the buildings and the level of maintenance, as well as in the availability of public spaces and services that are essential for maintaining the quality of life of the residents.
- d.** Many Arab homes are built without a permit, and are therefore threatened by demolition orders and heavy fines. This situation is true of the Negev, the mixed-population cities and the various Arab towns and villages.
- e.** There is a shortage of planned public housing construction, which is required in order to meet part of the demand for housing among the Arab population.
- f.** Arab citizens who try to purchase apartments in neighborhoods in Jewish or mixed communities often encounter opposition for racist reasons.
- g.** Arab-Bedouin communities in the Negev (more than 45) are still considered unrecognized communities – communities that are not recognized by the government - with all the implications in terms of living conditions and the network of services and infrastructure.
- h.** Arab neighborhoods in the mixed cities are still unrecognized, and the residents of “key-money” housing are forbidden to enlarge or renovate their properties.
- i.** The municipal boundaries of the Arab local councils is limited, and the government authorities do not accede to requests to enlarge them in places that are critical for planning and expanding residential areas.
- j.** A large percentage of the land that was owned by the Arab population was confiscated over the years, reducing the land area owned by the Arab population and its availability for housing, and has led to complications on the issue of land ownership. These complications create difficulties in issuing building permits.
- k.** No Arab community settlements have been built, nor has an Arab city been established, in spite of the occasional promises made by ministers.
- l.** There has been no improvement in the inclusion and representation of the Arab public in the statutory planning bodies. Such a change is vital for increasing the influence of the Arab public and for clearly presenting its needs before the professional bodies, so that the planning institutions will increase their authorization of the most frequent means of increasing the housing supply in the Arab communities – individual construction, which is the most readily available (and almost only) way to enable a supply of housing that suits the growing demand.



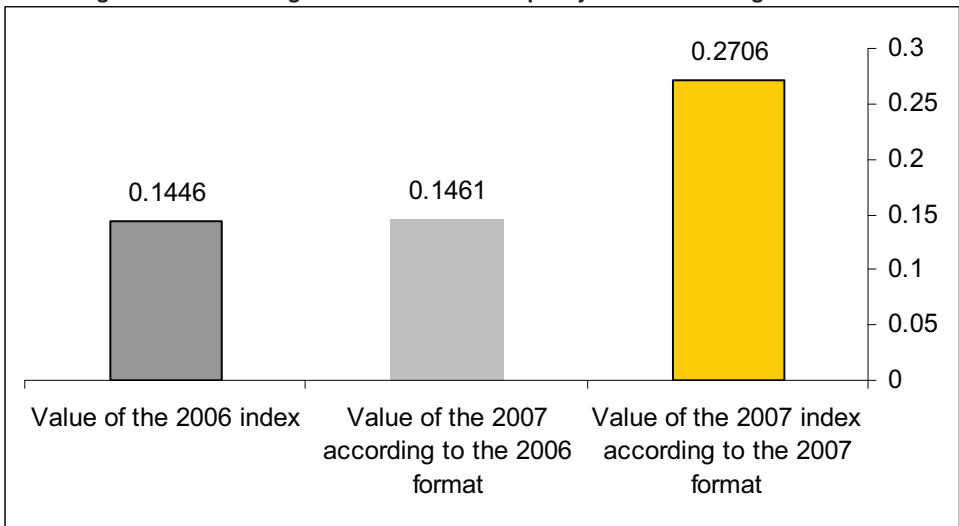
The Equality Index reflects these problems only partially, due to the inaccessibility of annual data that could help provide a more comprehensive description of the situation in all its varied aspects.

The 2007 Housing Index value - 0.2706

The value of the 2007 Housing Index is 0.2706. This year we added two new variables, and this addition explains the sharp increase in the value of the index from 0.1446 to 0.2706. In the case of the Housing Index, the number of variables at our disposal is relatively small, and therefore the influence of each of them is relatively high.

In Diagram 2.1 (below) we compared the values of the index in 2006 and 2007. The diagram shows the value of the 2007 index in two formats – according to the variables that were examined in 2006, and according to the new calculation, which, as mentioned, includes two new variables. The value of the 2007 Housing Index in the 2006 format shows that the gap between Jews and Arabs increased slightly in favor of the Jews. The increase stems from a greater disparity in the variable "monthly expenditure on local property taxes."

Diagram 2.1: The change in the value of the Equality Index in housing from 2006-2007



Indicators and variables

In order to examine the level of equality in housing, 3 comparative indicators and 7 variables were chosen. This year we added two variables to the "availability of housing" indicator: first, the value of an owner-occupied apartment (which is usually the most expensive asset owned by the household); and second, the percentage of publicly initiated apartments in all the construction starts in communities of 10,000 or more residents. This variable reflects a specific aspect of public policy involvement in housing construction.



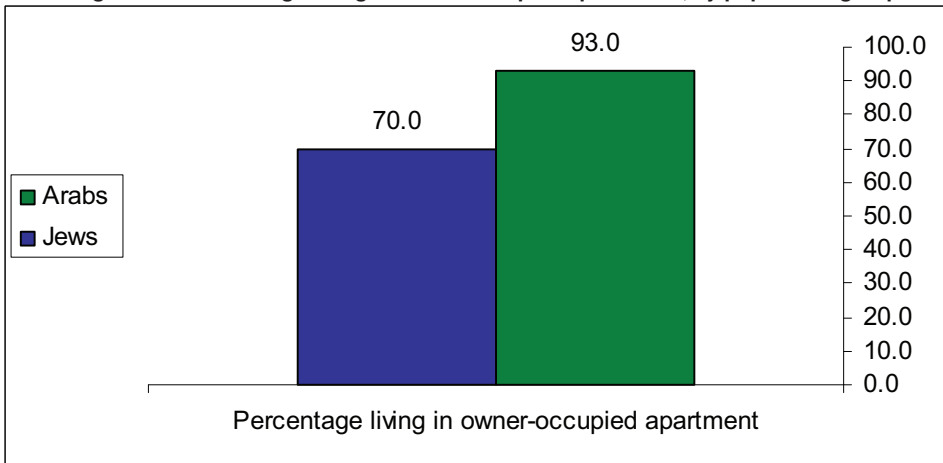
Indicators	Variables
Availability of housing	1. % of home ownership
	2. Value of owner-occupied home
	3. % of government initiated apartments out of all construction starts for housing in communities of 10,000 or more
Standard of housing	4. No. of rooms per apartment
	5. Average no. of people per room
Quality of housing	6. Average monthly expenditure on housing
	7. Average monthly expenditure on local property taxes

Description of variables

Availability of housing: Percentage of those living in owner-occupied residences

93% of all Arab households live in owner-occupied residences, compared to 70% of Jews. These figures do not necessarily reflect the rate of apartment ownership, since there are households that own an apartment but live in one they do not own. According to the findings of the CBS Social Survey for 2006, about 15.8% of all households (Jews and others) living in an apartment they do not own are apartment owners - about 4.3% of all households (Jews and others). Among Arabs who do not live in an apartment they own, about 3.9 percent are apartment owners – about 0.3% of all Arab households. Therefore, even when we include families that own an apartment but live in one they do not own, there is still a disparity of about 20% in favor of Arab households in rates of apartment ownership.

Diagram 2.2: Percentage living in owner-occupied apartments, by population group



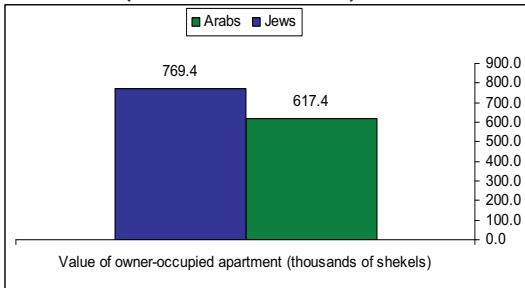
Source: CBS, Statistical Abstract of Israel, 2007



Value of Owner-Occupied Apartment

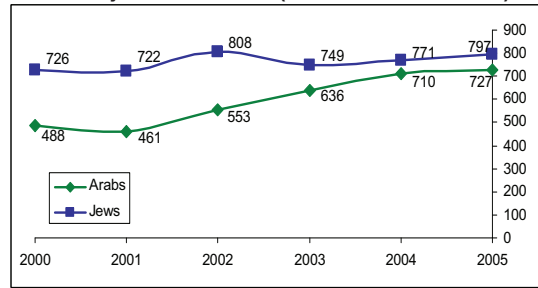
An owner-occupied apartment is usually the greatest household investment, and the most valuable asset it owns. According to the data in the index, the value of an owner-occupied apartment in Arab communities is lower than that of such an apartment in Jewish and mixed communities (NIS 617,400 compared to NIS 769,400, respectively). Over the past years the gap has in fact gradually become smaller, due to the rapid increase in the value of owner-occupied apartments in Arab communities (see Diagram 2.3.1, below). The main reason for this is the increase in the value of the land, due to a decline in the amount of land available for construction (although from the start, it was limited due to land confiscation, the areas designated for construction were small, and it was not permitted to expand the areas of jurisdiction of the Arab local authorities or to change the designation of land use for housing), from the natural increase in the population (at a rate of 3% annually), virtually all of whom continue to live in the community.

Diagram 2.3: Value of Jewish owner-occupied apartments by population group (thousands of shekels)



Source: CBS, Statistical Abstract of Israel, 2007

Diagram 2.3.1: Value of owner-occupied apartments in Jewish and Arab communities in the years 2000-2005 (thousands of shekels)



Source: CBS, Statistical Abstract of Israel, 2007

Percentage of publicly initiated residences of all housing starts in communities of 10,000 and more

Public intervention in housing is expressed both in demand for housing (through assistance in development costs and mortgage policy) and in supply. The involvement of the Ministry of Construction and Housing in supply is reflected in the initiation of projects for new housing construction, in addition to the sale of land and to construction and assistance in infrastructure and public buildings. Until recent years, publicly initiated housing was almost nonexistent in Arab communities except for isolated cases. This situation stemmed from various factors, some of which are related to the preferences of the Arab population itself, and some to government attitudes toward the Arab communities and strategies for their development.

Publicly initiated construction is one of the principal means of increasing the supply of housing alternatives in Arab communities and increasing the density of construction capacity on the available lands. The shortage of land and the growing demand for housing create a need for such intervention, which should be adapted to the unique characteristics of the potential consumers. Diagram 2.4 (p.36) displays the percentage of apartments built by public initiative of all the construction starts for housing in communities of 10,000 or more. Between 2001 and



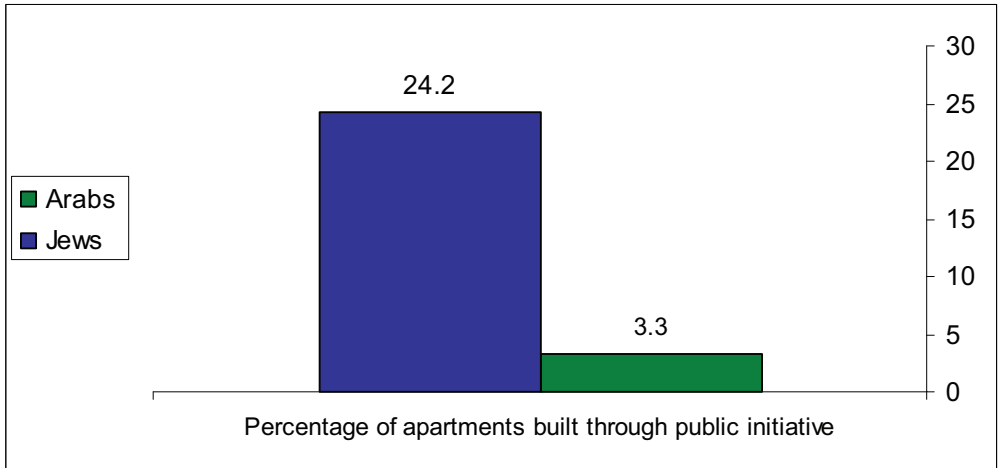
2005 about one quarter of construction starts for housing in Jewish and mixed communities were government initiated, compared to 3.3% of all construction starts in Arab communities – most of them in the city of Nazareth.

Public policy could contribute to promoting housing construction as well as development for the Arab population by:

- a.** Accelerating the provision of permits for planning and development of lands for housing construction.
- b.** Providing support for potential apartment buyers through assistance in the development costs and mortgages, based both on the "build-your-own-home" method and on construction by contractors.
- c.** Development of high-quality infrastructure and public buildings in new residential neighborhoods planned on state-owned land.
- d.** Regulating the price of the land in order to reduce the price of the apartment by reducing land taxes and increasing the supply of land designated for housing.
- e.** Encouraging higher-density construction in a manner that is culturally suited to the Arab population, taking into account the existing obstacles (such as a shortage of public spaces, the state of construction at present, the nature of the community), as well as completing and upgrading infrastructure and public buildings by adapting the criteria for support for urban renewal to the situation in the Arab communities.
- f.** Encouraging the construction of public housing for those in need, especially in the urban communities.
- g.** Government recognition of the unrecognized Arab communities in the Negev according to egalitarian and equitable criteria. Moreover, the building of Arab community settlements should be approved.
- h.** Instituting mechanisms and tools that enable recognition of neighborhoods in the mixed cities, the expansion and renovation of key-money apartments, and the purchase of the homes by the tenants at a reduced price.
- i.** Abolishing the confiscation laws and all the processes that discriminate against the Arabs on land issues; expansion of the area of jurisdiction and the addition of public lands to these communities in order to designate them for new residential neighborhoods; and planning that takes into account the needs of the population.



Diagram 2.4: Percentage of apartments built through public initiative of all construction starts for housing in communities of 10,000 or more



Source: CBS, Construction in Israel, 2005

Housing spaciousness: Apartment size, number of rooms per apartment and density of housing

Spaciousness of housing is measured in the Equality Index by means of two variables: size and density. These two variables can be measured both in units of area (square meters) and in number of rooms. Due to the limitations of the data at our disposal, we measured the size of the apartment by the number of rooms and the density by the number of persons per room. In the past year the CBS published data about the housing areas that were required to pay municipal taxes and the number of residential units required to pay the tax, as published in the account books of the local authorities. Based on these data we were able to estimate the average size of an apartment in Jewish and mixed communities and in Arab communities. These data were not included in the Equality Index, but we used them to make a comparison and to obtain a broader picture of the average size of a residential unit and the factors that affect its density.

Apartment size: Number of rooms per apartment

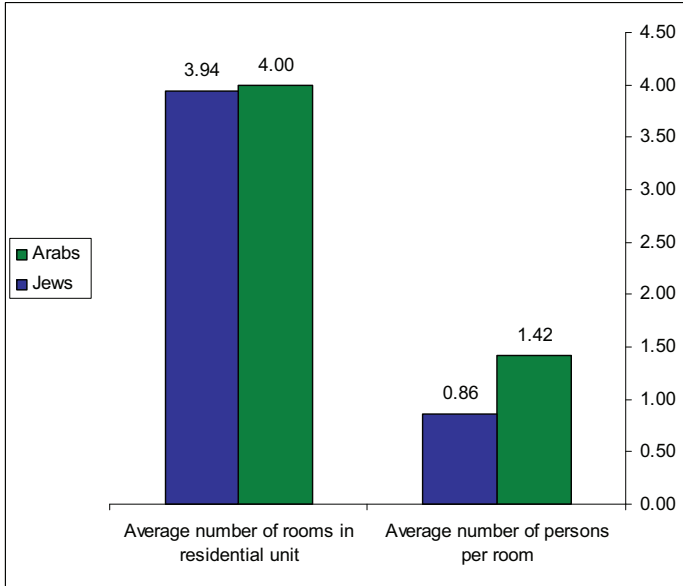
The average number of rooms per residential unit in Arab households is almost identical to that in Jewish households (Diagram 2.5, p.37). However, a comparison of the average size of a residential unit in Jewish and Arab households indicates that apartments in urban Arab communities (communities of 2,000 or more), are larger: about 119 square meters compared to 92 square meters (average apartment size) in Jewish and mixed communities (see Diagram 2.5.2, p.37).¹⁸ Although the apartment is larger, the average number of rooms per apartment is almost identical. Diagram 2.5.1 (p.37) shows the distribution of households (Jewish and Arab) by number of

18. The estimate of average apartment size was found by dividing the area of residential units by the number of residential units according to the reports of the local authorities about property tax payments for housing by square meter and number of housing units, as published in the CBS publication Local Authorities 2006.



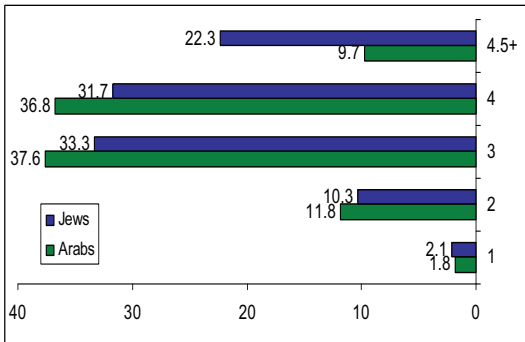
rooms per apartment. The diagram indicates that most households (65% of Jewish households and 74% of Arab households) live in 3- or 4-room apartments. The main gap between Jews and Arabs is reflected in the percentage of households living in an apartment with 4.5 or more rooms. (22.3% of Jews compared to 9.7% of Arabs).

Diagram 2.5: Average number of rooms per residential unit and average number of persons per room, by population group



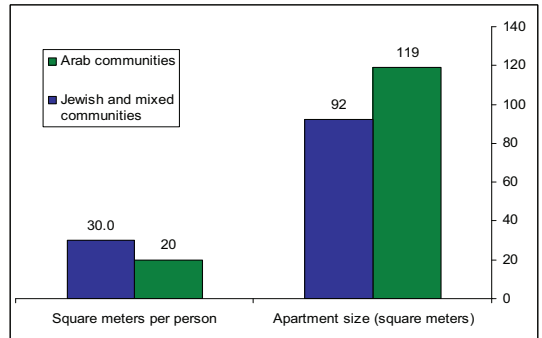
Source: CBS, Statistical Abstract of Israel, 2007

Diagram 2.5.1: Distribution of households by number of rooms per apartment and by population group (percentages), 2006



Source: CBS, Statistical Abstract of Israel, 2007

Diagram 2.5.2: Apartment size (square meters) and number of square meters per person in Jewish and mixed communities and in Arab communities, 2005



Source: CBS, Local Authorities in Israel 2006, physical and financial data, 2007

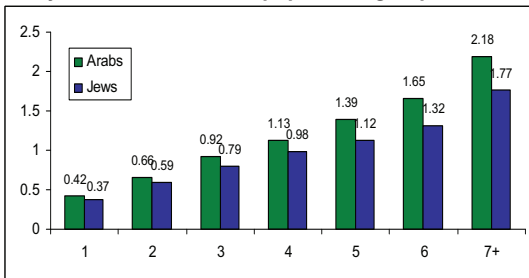


Average number of persons per room

Housing density can be measured both by units of area, i.e. square meters or by number of persons per room. The data at our disposal enable us to use the latter method. In Arab households housing density is higher, 1.42 persons per room on average, compared to 0.86 in Jewish households (Diagram 2.5, p.37). According to CBS data, 16,598 Arab households live with a density of 3 or more persons per room.

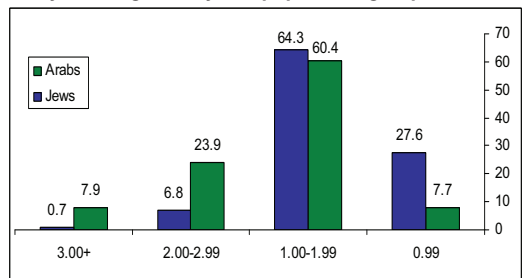
Housing density among Arabs is higher in terms of units of area per person as well. Diagram 2.5.2 (p.37) indicates that in Arab communities the average space per person is about 20 square meters, compared to 30 square meters per person in Jewish and mixed communities. The housing density is of course influenced by household size, but the density is higher in Arab homes regardless of household size (Diagram 2.5.3, below). In other words, housing density in Arab households is higher for every given household size.

Diagram 2.5.3: Average number of persons per room by household size and population group, 2006



Source: CBS, Statistical Abstract of Israel, 2007

Diagram 2.5.4: Distribution of households with children by housing density and population group, 2008



Source: CBS, Statistical Abstract of Israel, 2007

Diagram 2.5.4 (above) displays the distribution of households with children up to the age of 17 by housing density. 60.4% of Jewish households with children and 64.3% of Arab households with children live in a density of one to two persons per room. The main disparity is reflected in the lowest and highest density rates: While 27.6% of Jewish households with children enjoy a low density of less than one person per room (compared to 7.7% of Arab households), 31.8% of Arabs households with children are crowded in conditions of over two persons per room (compared to 0.7% of Jewish households).

Quality of housing

Average monthly expenditure per household on housing

The expenditure for housing services was calculated by the CBS according to the equivalent rental fee that would be applicable in apartments of equal size in a specific community or area. This variable is an indication of the quality of the residence and the level of maintenance. The higher the average expenditure on housing, the greater the probability that the quality of housing will be high. The average monthly expenditure on housing services in Arab communities is relatively low, and represents about 61% of the total expenditure on housing services in Jewish and mixed communities (Diagram 2.6, p.39).



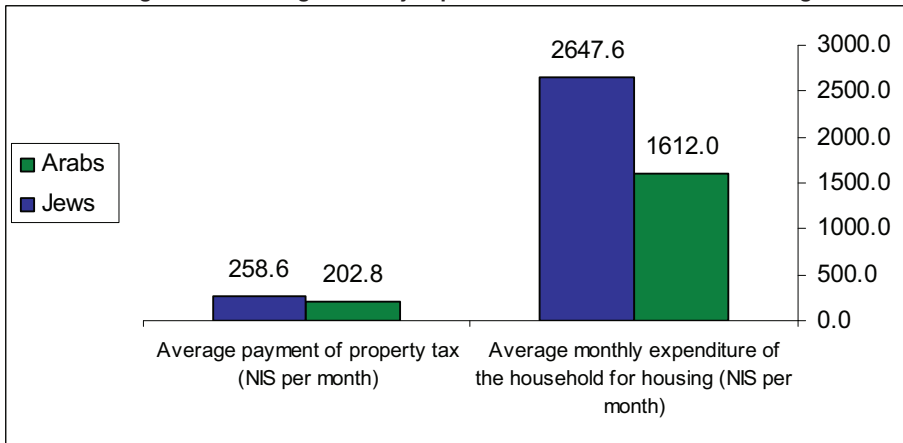
Average monthly outlay per household for municipal taxes

The higher the average rate of property taxes the greater the ability of the local authorities to provide the residents with a higher level of services. The average rate of property taxes depends both on the building fees per square meter and in the actual collection rate.¹⁹

The average property taxes paid among Arabs is about 78% of the average property tax payments in the Jewish and mixed communities (see Diagram 2.6, below). It should be noted in this connection that the issue of the payment of property taxes in the Arab authorities is very complicated for the following reasons:

1. An absence of employment and industry zones in the planning area of the Arab population. It should be noted that these zones are the main source of property tax payments.
2. The payment of the equalizing grant (in accordance with the Suari formula, or what remains of it). These grants have been reduced by over 50% in the past five years, without an alternative solution or a graduated alternative solution for the anticipated financial distress.
3. Payment of the equalizing grant is conditional on the percentage of property tax collection. In this connection it should be mentioned that some of the residents in Arab communities are unable – because of their socioeconomic condition – to meet the rate of property tax demanded of them, in spite of repeated requests by the heads of the authorities to the residents to pay their debts. This situation creates a vicious cycle: Many do not succeed in meeting their debts to the local authority, and as a result the authority is unable to provide them with basic services, or even to pay a salary to its employees. And if that is not enough, the Ministry of the Interior conditions the transfer of the money on meeting an unrealistic rate of tax collection, which most of the residents are unable to pay.

Diagram 2.6: Average monthly expenditure of households for housing



Source: CBS, Statistical Annual of Israel, 2007

19. The following data, as published by the CBS, describe the total property tax obligation as reported by the local authorities. This sum is not necessarily equal to the sum actually collected.



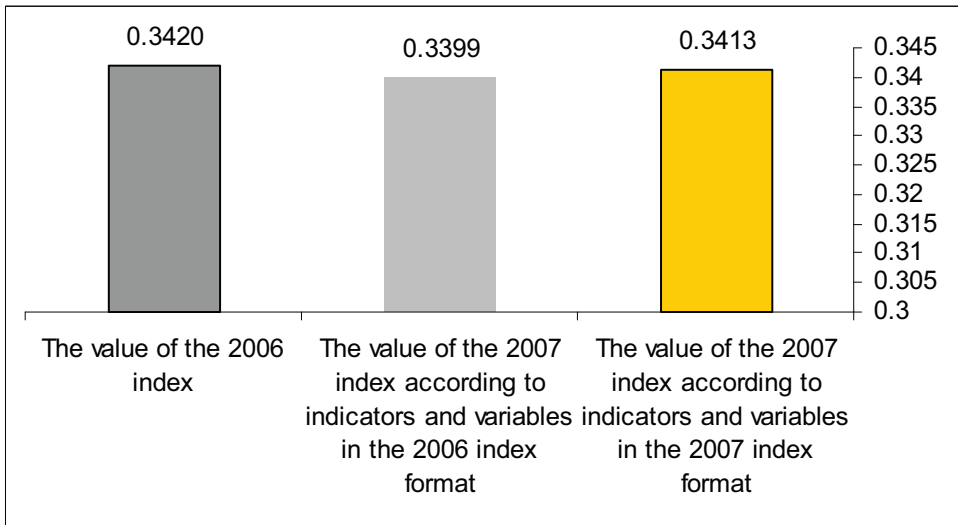
Chapter 3: The Education Index

The Arab school system is inferior to the Jewish system in many ways, including a shortage of classrooms and buildings, overcrowding, dropouts, a shortage of teachers and teaching hours. The situation is even worse among the Bedouin Arab population in the Negev as a whole and in the unrecognized villages in particular.²⁰ Studies and reports that examined equality in education prove that the allocation of resources between the Jewish and Arab populations is unequal. The disparities in allocation begin in early childhood and continue throughout, up to higher education.²¹ The poor conditions in the Arab schools affect the level and quality of education, and of course this situation has consequences for the outputs of the system in terms of achievement.

The 2007 Education Index value – 0.3413

The value of the 2007 Education Index is 0.3413. This index decreased slightly compared to the 2006 Equality Index, in other words, the gaps between Jews and Arabs in education narrowed somewhat. Diagram 3.1 (below) compares the value of the 2006 index (0.3420) to the 2007 index – (a) without a change in the variables and indicators (0.3399) and (b) after the changes we introduced in the variables and indicators (0.3413). The decline in the value of the 2007 Education Index stems from a narrowing of the gap between Jews and Arabs in the following variables: (1) the percentage of dropouts from 9th-12th grades and (2) qualifying for a matriculation certificate. New variables that we added to the index this year led to an increase in its value, although the value is still lower than in 2006.

Diagram 3.1: The change in the value of the Equality Index in education between 2006 and 2007



20. Tabibian-Mizrahi et al, **The Situation of Arab Children in Israel**, 2004.

21. Etti Weissblei, **Equal Opportunity in Education from Kindergarten to University** (submitted to the Committee for Children's Rights), Jerusalem, Knesset Research and Information Center, 2006.



Indicators and Variables

The indicators chosen to examine the level of equality in education between the Jewish and Arab population relate to various aspects of the education received by the individual: resources of the education system, pedagogical infrastructure, participation in schooling and educational outputs.

This year, as we mentioned, we introduced a number of changes in the indicators and variables:

1. We added a new indicator – "participation in schooling" – which includes two variables that were included last year (in the indicator – "educational output"): the percentage of dropouts in 9th-12th grades and the percentage of university students in the 20-34 age group. In addition, two new variables were included in this indicator: rate of enrollment in nursery schools and day-care centers at age 2, and rate of participation at ages 3-4.
2. The 2006 index included the variable "average number of full teaching positions per classroom" under the indicator "pedagogical infrastructure." We thought it would be more suitable to include this variable in the indicator "educational resources," since classroom teaching hours are a function of budgetary allocation. In addition, we decided to present this type of allocation by means of the variable "average number of teaching hours per student" (in elementary and secondary school education) instead of "teaching positions per classroom," because of the disparity in the number of children per classroom in the Jewish and Arab systems. Since there are more children per classroom in the Arab system, the variable "number of teaching hours per student" will more clearly reflect the differences in allocation.
3. This year we were able to add variables for which we had insufficient information last year. To the indicator "pedagogical infrastructure" we added the variables "percentage of academically trained teachers" and "percentage of uncertified teachers"; and to the indicator "educational output" we added the variables "average score in the Meitzav exams in 5th grade" and "average score in the Meitzav exams in 8th grade."
4. In contrast to the 2006 index, we merged the variables "percentage of those with 13-15 years of education" and "percentage of those with 16 or more years of education" to one variable: "percentage of those with 13 or more years of education," since we found that the separation into two variables is unnecessary and that the percentage of those with a post-high school education can be described as an aggregate.



Indicators	Variables
Resources of education system	1. Average no. of pupils per classroom in elementary education
	2. Average no. of students per classroom in secondary education
	3. Average teaching hours per pupil in elementary education
	4. Average teaching hours per student in secondary education
Pedagogical infrastructure	5. % of academically trained teachers
	6. % of uncertified teachers
Participation in studies	7. Rate of participation in enrollment and day care at age 2
	8. Rate of participation in enrollment and day care at ages 3-4
	9. Dropout rate among students in 9th-12th grades
	10. % of university students in the 20-34 age group.
Educational outputs	11. % with 0-8 years of schooling among all those aged 15 and above
	12. % with 13 years and more of schooling among all those aged 15 and above
	13. Median no. of years of study among all those aged 15 and above
	14. % of 12th graders qualifying for a matriculation certificate
	15. % of 12th graders with a matriculation certificate that meets university entrance requirements
	16. Average Meitzav scores – 5th graders
	17. Average Meitzav scores – 8th graders

Description of Variables

Resources of education system

Number of pupils per classroom

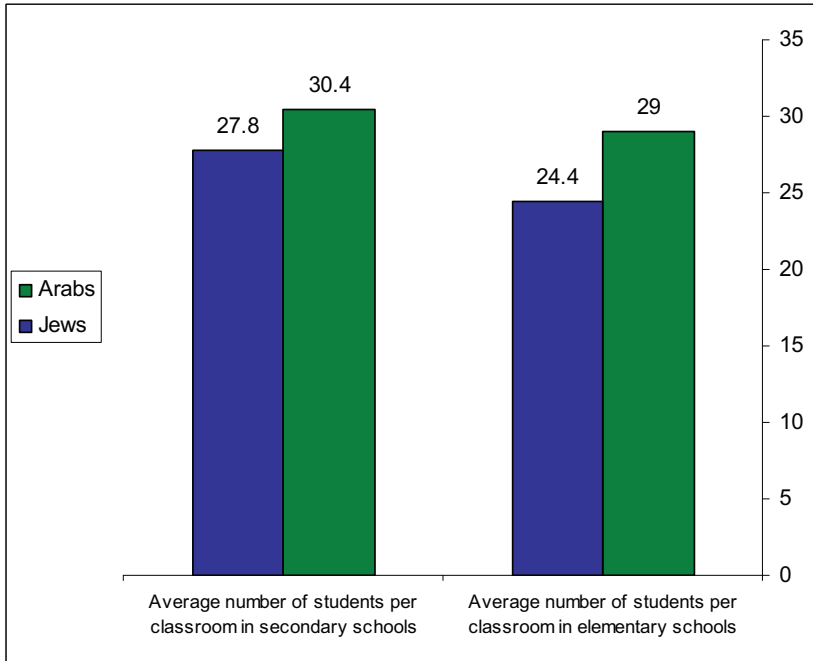
The number of pupils per classroom affects the personal relationship and the attention received by each pupil in the class. This is one of the main topics on the agenda of the education system, and the Knesset has already tabled several draft proposals to limit the number of pupils per classroom in kindergarten and elementary school.²² As we can see in Diagram 3.2 (p.43), the average number of pupils per classroom in Jewish elementary schools is 24.4, compared to 29 in Arab elementary schools. In secondary schools as well there is a gap, although smaller, between Jewish and Arab education: 27.8 students per classroom compared to 30.4, respectively.

It should be noted that compared to the 2006 index, the difference in the average number of pupils per classroom in elementary school education declined somewhat (24.3 in Jewish education and 29.3 in Arab education). In secondary schools, on the other hand, the gap increased somewhat (28.5 in Jewish schools and 30 in Arab schools).

22. See: Draft bill to limit the number of pupils in kindergartens and elementary school classes, 2006, (P/1669), initiated by MK Ronit Tirosh. See also draft bill: State Education (amendment – limiting the number of pupils in compulsory kindergarten and in elementary school classes), 2007, (P/17/2610) initiated by MK Lia Shemtov. It should be noted that in this bill the demand is to limit the number of pupils in compulsory kindergarten and elementary school to 25. For more on this subject see the discussion in the Knesset Education, Culture and Sports Committee from March 7, 2007.



Diagram 3.2: Average number of students per classroom in elementary and secondary schools in the Jewish and Arab education systems



Source: CBS, Statistical Abstract of Israel, 2007

Average number of teaching hours per student

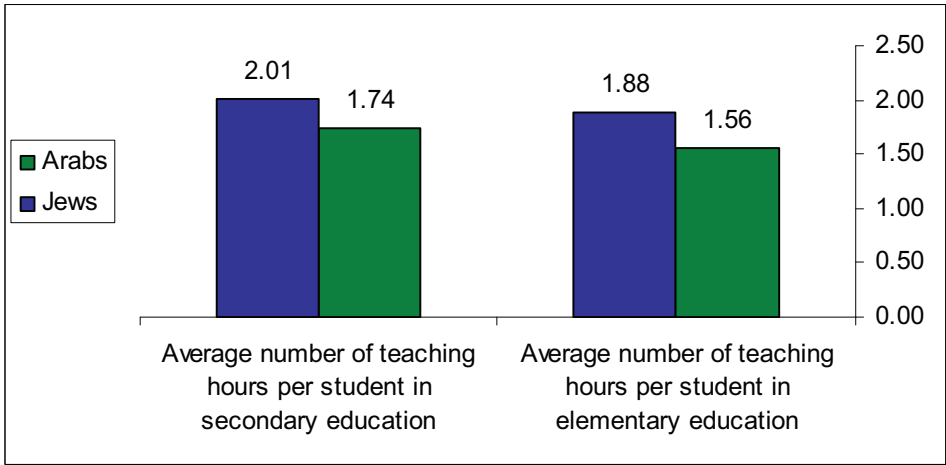
There has always been a disparity (in favor of Jewish education) in the average number of teaching hours per student at all stages of education. In 2003 the Ministry of Education adopted the Shoshani Report, one of whose aims was to change the system of allocating teaching hours.²³ There are some who claim that the Shoshani Report did not contribute significantly to reducing discrimination against Arab education on this issue.²⁴ Diagram 3.3 (p.44), which reflects the gap in the average number of teaching hours allocated to a student in the Arab and Jewish education systems, demonstrates that at every stage of education there is a disparity in allocation: In elementary education a pupil in the Jewish system receives 1.88 teaching hours on average compared to 1.45 hours in Arab education; whereas in secondary education a student in the Jewish system receives 2.01 hours per student (on average) compared to 1.74 hours per student in the Arab system.

23. **Shoshani Committee Report to Examine the Budgeting Method** (submitted to the Ministry of Education), 2003.

24. Khaled Abu Asbah, **Arab Education in Israel: Dilemmas of a National Minority**. Jerusalem: Floersheimer Institute for Policy Studies, 2007, pp. 94-96.



Diagram 3.3: Average number of teaching hours per student in elementary and secondary education in the Jewish and Arab education systems



Source: CBS, Statistical Abstract for Israel, 2007

Table 3.1 (below) describes the data regarding the allocation of teaching hours per student for the past eight years.²⁵ The data point to a slight narrowing of the gap in elementary education and a widening of the gap in the junior high schools, and even more in the high schools. In 2000 the average number of teaching hours per student in secondary school in the Arab system represented 92.8% of hours per student in the Jewish system, while in 2007 this variable was only 81.3%.

Table 3.1: Ratio between average number of hours per student in the Jewish and Arab education systems in 2000 and 2007

Average no. of hours per student for an Arab student compared to a student in the Jewish education system	2000	2007
Total	83.2	85.6
Elementary school	81.8	90.6
Junior high schools	86.3	83.0
Upper schools	92.8	81.3

Source: Sikkuy research department processing of Finance Ministry data, Budget proposal for the Ministry of Education 2000 and 2007, Finance Ministry web site: www.mof.gov.il

25. The difference between the data of the index and those in the table stems from the fact that we calculate the annual data of the index as the average of the data of the past 5 years (in other words, the data of the 2007 index are calculated as the average of the years 2002-2006 according to the Finance Ministry data), whereas in Table 3.1, annual data appear as published by the Finance Ministry.

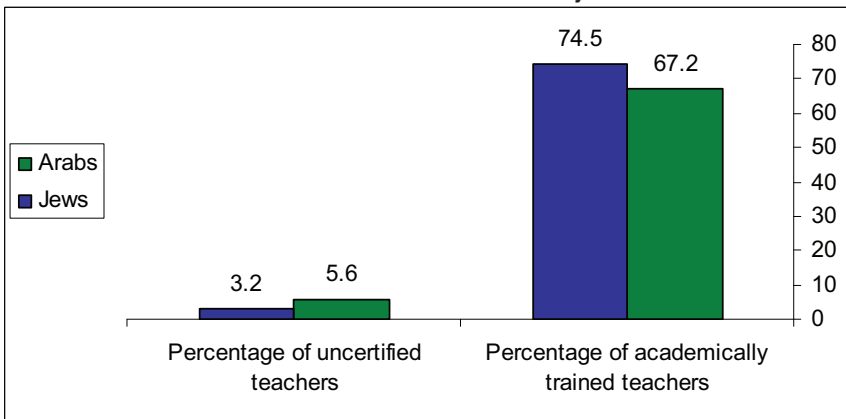


Pedagogical Infrastructure

Teacher education

The human capital of the education system, the teachers, constitutes the most important input in terms of its ramifications for the output of the system. It should be noted that in studies conducted in the past no unequivocal connection was found between academic training of teachers and student achievement.²⁶ However, we can assume that higher education and (high quality) teacher training have a positive influence on the potential quality of teaching. Therefore, the Ministry of Education and the CBS have been conducting a follow-up of these two variables during the past decade. Diagram 3.4 (below) describes the percentage of academically trained teachers and of uncertified teachers in the Jewish and Arab education systems. According to the diagram, the percentage of academically trained teachers in the Jewish system is 74.5%, compared to 67.2% in the Arab system. It should be noted that over the past decade the percentage of academically trained teachers has increased in both sectors, but there is still a gap in favor of Jewish education. Although the percentage of uncertified teachers is low both in the Jewish and Arab systems, the gap is significant: The percentage of uncertified teachers in the Arab system is 5.6% - almost double that in the Jewish system.

Diagram 3.4: Percentage of academically trained and uncertified teachers in the Jewish and Arab education systems



Source: CBS, Statistical Abstract for Israel, 2007

Participation in Schooling

Early childhood education

A child's first years are considered the most important and significant stage in his education. The role of early education is to prepare the child for learning in terms of intellectual, emotional, cognitive and physical abilities. At ages 3-6 the child develops language skills, learning skills and social skills.²⁷ Learning achievements – such as attaining a matriculation certificate or acquiring higher education – are significantly influenced by that initial investment in education already in early childhood.²⁸

26. **Education in Israel as Reflected by Statistics – 1995-2004**, 2006, p. 145.

27. **Arab Education in Israel: Dilemmas of a National Minority**, p. 101.

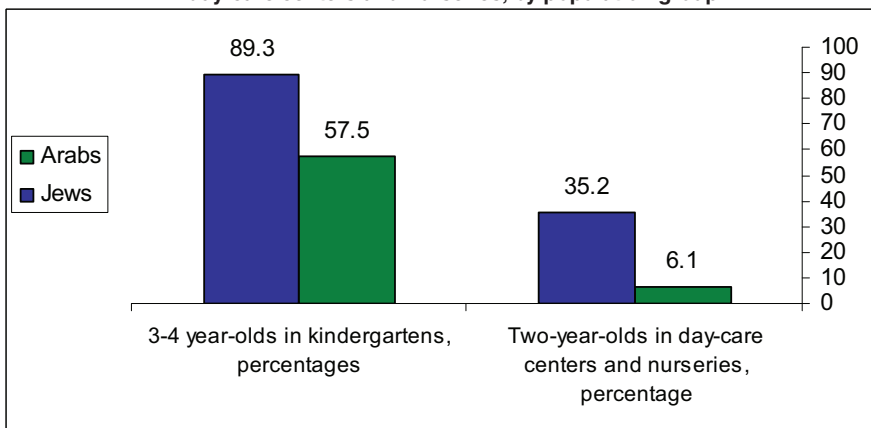
28. Etti Weissblei, **Equal Opportunity in Education from Kindergarten to University** (submitted to the Committee for Children's Rights), Jerusalem, Knesset Research and Information Center, 2006.



The Compulsory Education Law affects children aged 3 and over. Caring for children aged 0-3 is under the aegis of the Supervision of Day Care Centers Law (1965), which applies to all types of day care, and the Ministry of Industry, Trade and Labor is in charge of implementing it. The ministry certifies, subsidizes and supervises frameworks for children aged 0-3. In recent years the supervisory budget was limited because of limitations in manpower, and today many frameworks operate without government supervision.²⁹

The data at our disposal indicate that a higher percentage of Jewish pre-school children are in day-care centers and nursery schools than Arab children. We will not dwell here on the reasons for that, but will note that one of them is a lack of suitable frameworks in Arab communities. According to the figures in the Equality Index, the percentage of 2-year-old Jews who attend day-care centers and nurseries is 35.2%, which is almost six times as high as the percentage of Arab 2-year-olds (6.1%). At ages 3-4 the gap is smaller, but still very large: 89% of Jews aged 3-4 attend kindergartens, as compared to only 57.5% of Arabs aged 3-4.³⁰

Diagram 3.5: Percentage of 2-year-olds and 3-4-year-olds in kindergartens, day-care centers and nurseries, by population group



Source: CBS, Statistical Abstract for Israel, 2007

School Dropouts

Dropping out of school, as described in the research literature, is a complex phenomenon. Although there is no uniform definition of this phenomenon among researchers, dropping out is now generally considered a result of interactions between (a) the difficulties of students with special needs to adapt to school and (b) the reaction of the school to the behavior and achievements of students who do not meet the demands. The result, in certain cases, is liable to be overt dropping out, in other words total and official leaving of school; or disengagement, which means in effect abandoning studies, without actually leaving school.³¹ The data at our disposal rely on

29. Ron Tikva and Yaniv Ronen, **Early Childhood Care in Israel**, (submitted to the Committee for Children's Rights), Jerusalem, Knesset Research and Information Center, 2006.

30. In clusters 1 and 2 there is a compulsory education law for 3-4-year-olds. These clusters include 34 Arab communities. However, 44 Arab settlements classified in clusters 3-6 are not included in the law.

31. Miriam Cohen-Navot, Sarit Ellenbogen-Frankovits and Tamar Reinfeld, **School Dropouts and School Disengagement**, Jerusalem: Myers-JDA-Brookdale Institute, Engelberg Center for Children and Youth, 2001.

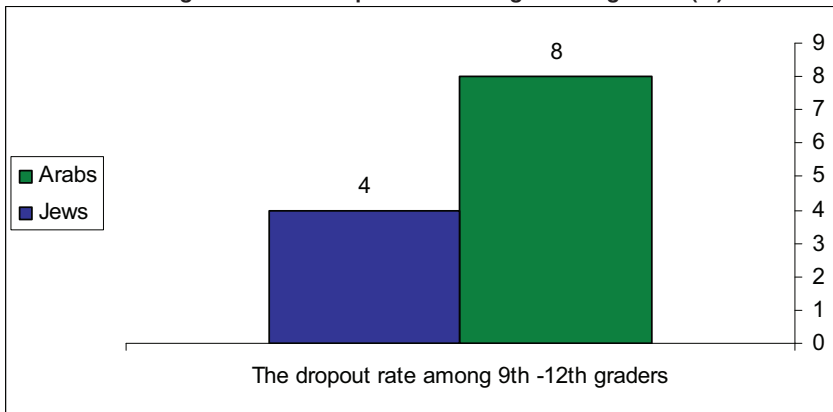


the "official" definition of the Ministry of Education: A "dropout" is a boy or girl of compulsory education age who is not studying in a school under the supervision of the ministry.

The diagram below, which describes the dropout rate among 9th-12th graders in the Jewish and Arab education systems, indicates a large gap in the dropout rate, with the rate among Arab students (8%) twice as high as that among Jewish students (4%). In this variable there has been a decline in the gap between the two groups as compared to the 2006 index, in which the dropout rate in the Arab education system was 8.9% as compared to 4.6% in the Jewish system.

According to Abu Asbah, the dropout rate among Arab students is due to a severe shortage (and sometimes even a total absence) of frameworks for vocational training, and a shortage of institutions for technological education. In the Arab sector there is also a shortage of support services provided to the schools, including educational consultation, psychological consultation, the services of doctors, nurses, dentists, social workers and truancy officers. In many of the Arab schools these services are provided only partially or not at all. Abu Asbah notes that in spite of the fact that these services are needed mainly in the less well-off schools, they are more available in the schools with the wealthier populations.³²

Diagram 3.6: The dropout rate among 9th -12th graders (%)



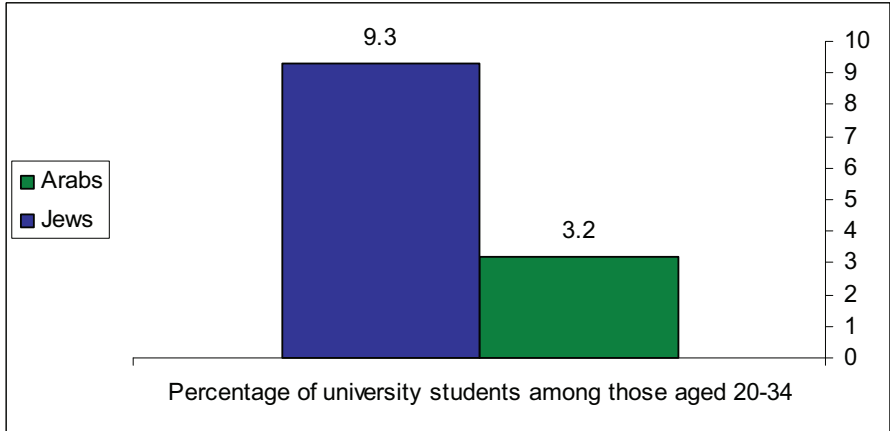
Source: CBS, Statistical Abstract of Israel, 2007

Percentage of students in universities of all those aged 20-34

According to the data in Diagram 3.7 (p.48), the percentage of Jewish students in this age group is 9.3% - three times as high as the percentage of Arab students (3.2%). The percentage of students in the entire age group is a result of combining the percentage of those with a matriculation certificate (which meets university entrance requirements) and the level of achievements of the candidates in the psychometric exam. According to CBS data, 43.6% of Arabs who sought acceptance to university in 2006 were rejected, more than twice as high as the percentage of Jews who were rejected (20.5%).

32. Abu Asbah, **Arab Education in Israel: Dilemmas of a National Minority**, p. 131.



Diagram 3.7: Percentage of university students of all those aged 20-34, by population group

Source: CBS, Statistical Annual of Israel, 2007

Educational Outputs

Number of years of schooling

The level of education acquired by the individual is one of the primary and most basic conditions for success in life. The higher the individual's level of education, the greater his chances of advancing on the socioeconomic ladder, in other words, finding a well-paid job and enjoying better health and quality of life.

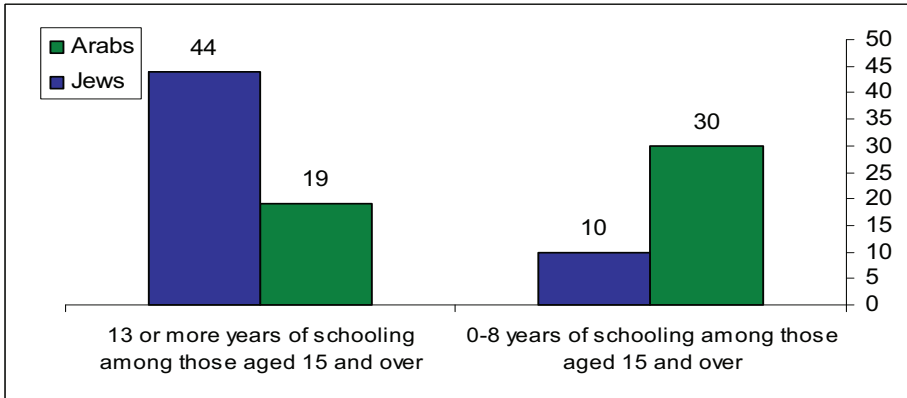
Regarding the number of years of schooling we can, in general, point to a significant disparity in education in favor of the Jewish population. Diagram 3.8 (p.49) describes the percentage of those aged 15 and over with the lowest and the highest educational levels among the two population groups. The percentage of those aged 15 and over who have only eight years of schooling is 10% among Jews and 30% among Arabs – three times as high. Compared to the data of the 2006 index, (10.8% of Jews and 30.3% of Arabs), there has been a certain decline among both populations, but the gap has grown.

The diagram also indicates that the percentage of those aged 15 and over with 13 years and more of schooling is 2.5 times as high among Jews as among Arabs – 44% compared to 19%, respectively.

Diagram 3.9 (p.49) describes the median years of schooling in both populations. The median figures, which are not sensitive to extremes, reflect a gap of 1.62 years of schooling between Jews and Arabs: 12.68 and 11.06 years of schooling, respectively.

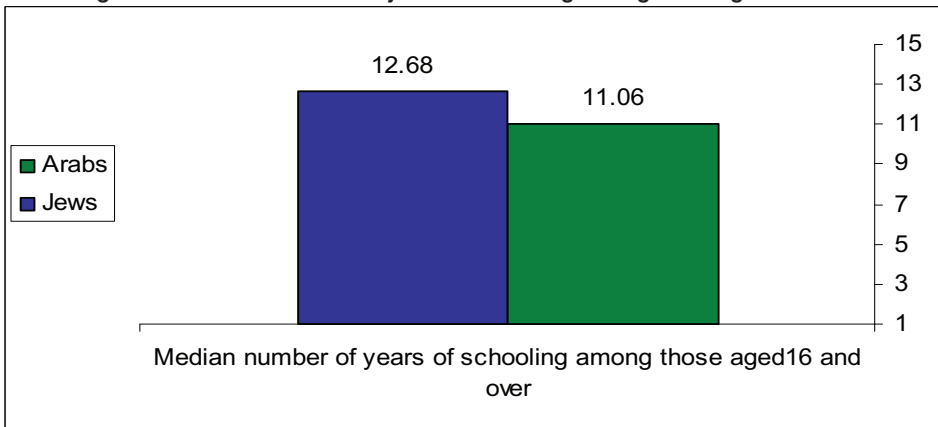


Diagram 3.8: Those aged 15 and over with 8 years of schooling and those with 13 or more years of schooling, by population group (%)



Source: CBS, Statistical Annual of Israel, 2007

Diagram 3.9: Median number of years of schooling among those aged 15 and over



Source: CBS, Statistical Annual of Israel, 2007

Educational achievements

The matriculation examinations are the final and concluding stage of high school studies, and the matriculation certificate, which is received by those students who passed the tests, is meant to enable a continuation of studies in institutions of higher learning and other post-secondary institutions.³³ Diagram 3.10 (p.50) relates to the matriculation figures. According to the diagram, the percentage of all 12th graders qualifying for a matriculation certificate is 56% in the Jewish education system compared to 50% in the Arab system, a gap of 6% in favor of the Jewish students. Compared to the figures in the 2006 index (55.6% and 48.7%, respectively), the gap between the two populations has narrowed.

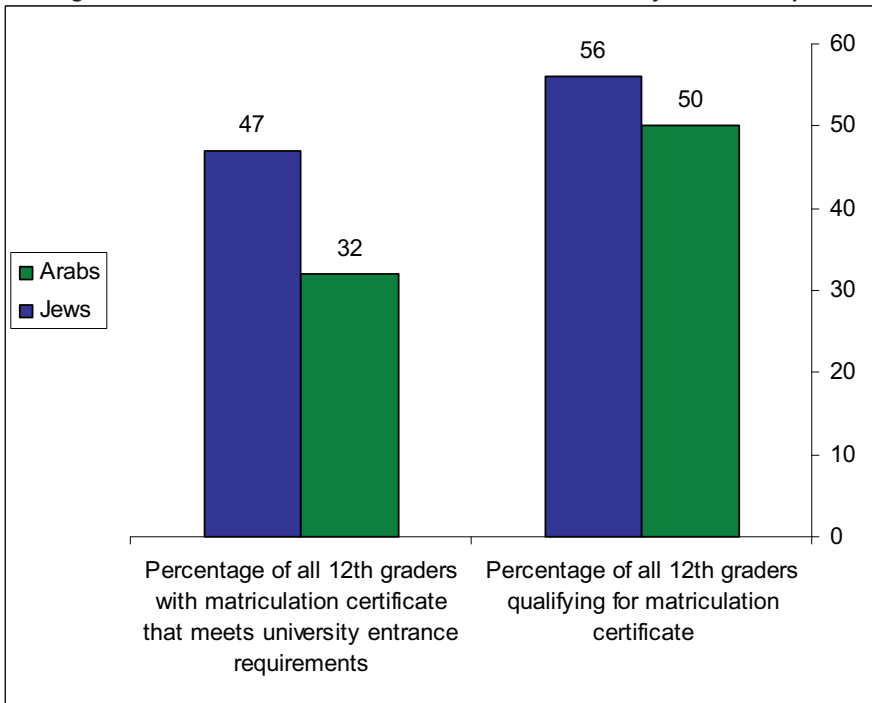
Data about the level of advanced studies in mathematics and English are likely to shed further light on the size of the gap between Jews and Arabs in matriculation achievements. Mathematics

33. Education in Israel Reflected in Statistics - 1995-2004, 2006, p. 73.



and English are considered two central subjects, particularly in connection with university acceptance. The 2004 data indicate that 42% of students qualifying for a matriculation certificate in the Jewish education system were tested at a high level in mathematics and English, compared to 27% of Arab students. Moreover, among those qualifying for a matriculation certificate, 12% of students in the Jewish system, compared to 23% of students in the Arab system, were tested in non-advanced exams.³⁴

Diagram 3.10: Percentage of 12th graders qualifying for a matriculation certificate and percentage of 12th graders with matriculation certificate that meets university entrance requirements



Source: CBS, Statistical Annual of Israel, 2007

The gap between Jewish and Arab students is greater when it comes to university entrance qualifications. Despite the importance of a matriculation certificate it should not be treated as the exclusive index of success. The certificate itself is no guarantee of university entrance – since a certificate that does not meet the minimal requirements is not effective for the purpose of academic studies, which, as we have mentioned, is a basic condition for suitable employment and social and economic mobility.³⁵ The figures of the 2007 Equality Index demonstrate that the percentage of 12th graders who meet minimum university entrance requirements is 47% in the Jewish education system, compared to 32% in the Arab system. Compared to the 2006 index there has been an increase (in those qualifying for matriculation that meets university entrance requirements) among both population groups, but among Arabs the increase is greater, and therefore the gap between Jews and Arabs narrowed in this variable too.

34. Education in Israel Reflected in Statistics - 1995-2004, 2006, p. 91.

35. Abu Asbah, Arab Education in Israel: Dilemmas of a National Minority, p.122.

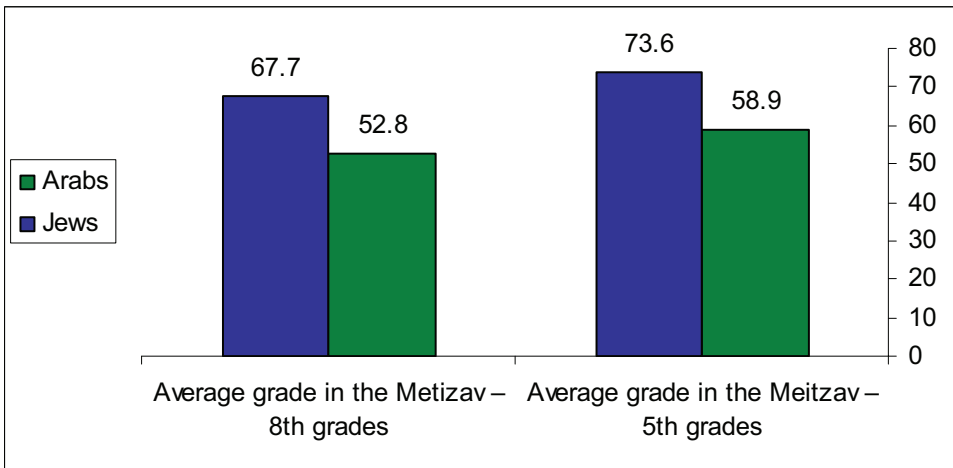


Meitzav Tests

The Meitzav Test (indexes of school effectiveness and development) were developed in the Ministry of Education Department of Evaluation and Measurement in cooperation with the office of the director general of the ministry. These examinations have been administered since 2002, and are based on several indexes relating to various aspects of the school system: learning environment, curricula, achievements and the relationships among the various components in the school (students, teachers and parents). The tests for assessment of learning achievements are administered in four areas of study: mother tongue, English, mathematics and sciences, in 5th and 8th grades. Since 2004 these tests have been administered annually in November/December.³⁶

Diagram 3.11 (below) describes the average scores achieved by students in 5th and 8th grades in the Jewish and Arab education systems in the four areas: mother tongue, English, mathematics and sciences. The diagram indicates that there is a gap of 15 percentage points between the average grade achieved by 8th graders in the Jewish system compared to students in the Arab system (75 and 59, respectively). The achievements of those tested in 8th grade are lower in both the Jewish and Arab systems. The grade average in the Arab education system in 8th grade is a failing grade (52.8%). The gap between the two population groups is identical to that among 5th graders: 15 percentage points.³⁷

Diagram 3.11: Average grade in Meitzav tests in 5th and 8th grades in the Jewish and Arab education systems



Source: CBS, Ministry of Education, Meitzav Reports for 2002-2006

36. In 2007 changes were made in the dates and format of the test. For more on the subject: Yuval Vergen, **The Change in the Format of the Meitzav Examination**, submitted to the Knesset Education, Culture and Sports Committee, Jerusalem: Knesset Research and Information Center, 2006.

37. It should be noted that the data from the latest Meitzav indicate a similar gap between the grades of Jewish and Arab students. For more information see: Or Kashti, " **Ministry of Education Report: Wide Gap between Jewish and Arab Education**", Haaretz, November 30, 2007.



Chapter 4: The Employment Index

Over the past two decades, along with the gradual retreat of the welfare state, the influence of employment on individuals and groups has increased. Employment affects their economic status and future, their living standard and their chances of acquiring an education and enjoying good health. The individual's future in all these parameters depends increasingly on his chances of joining the work force, advancing in it and in the end working in a well-paid job, commensurate with his abilities and his education, which enables him to live in dignity.

Arab citizens of Israel suffer from high rates of unemployment and low rates of participation in the workforce, particularly among women. Moreover, they are employed in low-paying jobs, and their chances of advancement in the labor force are very limited compared to those of Jews. In the workforce the Arab population suffers from obstacles to integration that are related both to a shortage of formal employment resources (level of education, occupation and fluency in Hebrew) and a lack of opportunities. This lack of opportunities originates in discrimination on the part of Jewish employers on the one hand, and a shortage of jobs in Arab population centers on the other.³⁸

The 2007 Employment Index value - 0.3705

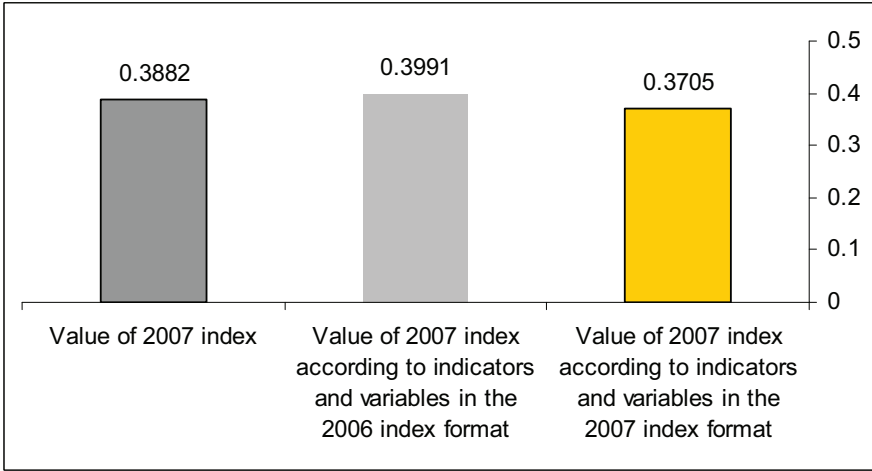
The three indicators – rate of participation in the civilian labor force, percentage of unemployed and characteristics of the employed – demonstrate that the gaps in employment have increased over the past year. The rate of participation in the civilian work force increased in both population groups, but among Jews the increase is greater. The unemployment rate declined among Jews – both men and women. Among Arabs the unemployment rate declined among men, but rose significantly among women, so that overall there was an increase in the unemployment rate in this population. In the distribution of the employed by occupation and employment sector there were minor changes in the values of the variables, but as a rule the gaps increased here too.

In spite of the widening gaps in the three existing indicators, the 2007 Employment Index was 0.3705, lower than the value of the 2006 index (0.3882). The decline stems from changes that we introduced in the index this year, among them removal of variables describing the incidence of poverty and the effect of transfer payments and direct taxes on the decline in the poverty rates. Without these changes there would have been an increase in the Employment Index, which would have been 0.3991 (Diagram 4.1, p.53).

38. Denise Naon, Judith King and Abraham Wolde-Tsadick, **Populations Not Fully Participating in the Labor Market: Extent, Characteristics and Programs to Promote their Employment and Occupational Mobility**, Jerusalem: Myers-JDC-Brookdale Institute, Center for Research on Disabilities and Special Populations, 2006.



Diagram 4.1: The change in the value of the Employment Index between 2006 and 2007



Indicators and Variables

Because of the strong link between employment and social welfare, social welfare indicators were integrated into the 2006 Employment Index and employment indicators into the 2006 Social Welfare Index; but upon reconsideration, in order to prevent a relapse of variables and to isolate the two areas from one another (despite the strong connection between them), this year we separated the employment indicators from the social welfare indicators. Therefore, as opposed to last year, data about poverty are not included in the Employment Index, but only in the Social Welfare Index.

The Employment Index this year includes three indicators: rates of participation in the civilian work force, percentage of unemployed and characteristics of the employed.³⁹

Indicators	Variables
Participation in work force	1. Rate of participation in civilian work force at ages 15 and over by gender and population group (percentages)
	2. Rate of participation in civilian work force by age and population group (percentages)
	3. Rate of participation in civilian work force by years of schooling and population group (percentages)
Unemployed	4. Unemployed by gender and population group (percentages)
Employed	5. Distribution of employed by occupation and population group (percentages)
	6. Distribution of employed by industry (percentages)

39. Some of the characteristics of the workforce, as well as those of the employed, appear in the index without a division by gender. We believe that the data should have included such a division, because of the great difference between men and women in the rate of participation in the work force, in unemployment rates and in types of occupation; however, detailed data about Jewish and Arab men and women are not available prior to 2003, and at this stage we were unable to introduce this into the index because the values of the variables in the index are an average of the past 5 years. Therefore we added gender distribution according to the CBS 2006 data without adding them to the index at this stage.

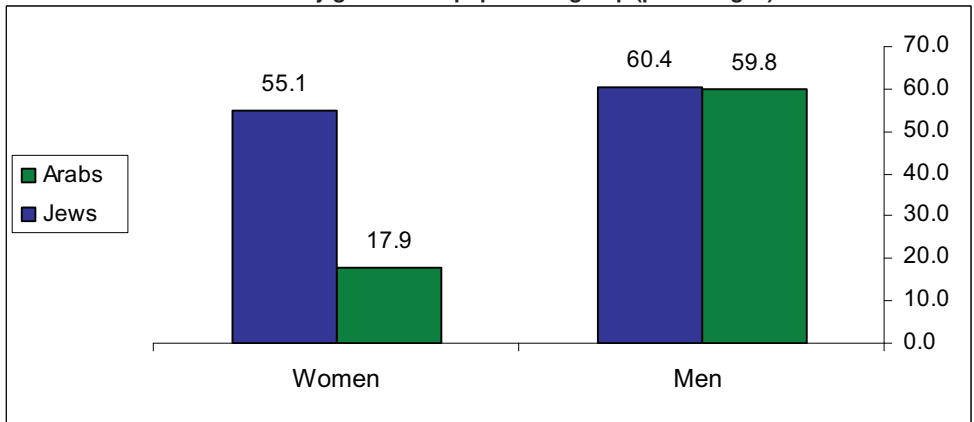


Rate of participation in civilian labor force at ages 15 and over

Rate of participation in work force by gender and population group

The rate of Arab participation in the civilian work force is 39% compared to 57.6% among Jews. Over the past four years, as a result of the government policy of reducing allowances, there has been an increase in dependence on income from work among individuals, and as a result, an increase in the rates of participation in the civilian work force. The increase was recorded among both population groups, but mainly among women. The gap in rates of participation between Jews and Arabs stems mainly from low rates of participation among Arab women, and in spite of the increase in this parameter the gap between them and Jewish women is maintained.

Diagram 4.2: Rate of participation in the civilian work force at ages 15 and over by gender and population group (percentages)



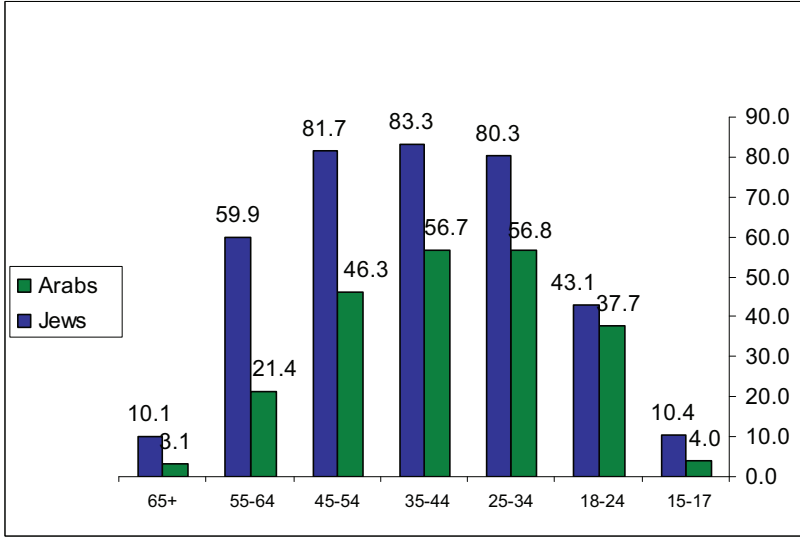
Source: CBS Statistical Annual of Israel, 2007

Rate of participation in the civilian work force by age

The rate of participation in the civilian workforce among Jews is high, in all age groups, compared to the rate of Arab participation. The gap increases with age. Among men the Jews have an advantage in all age groups except at ages 18-24, where Arab participation is higher (because of army service among Jews). The main gap between Jewish and Arab men is at ages 45-64. Arab men are ejected from the job market at a relatively young age, both because they are employed in occupations that involve physical work and find it difficult to compete for long with a young labor force, and because they are more vulnerable to changes in the job market. Among women, the gaps in participation in the workforce are high at every given age, and they increase with age.

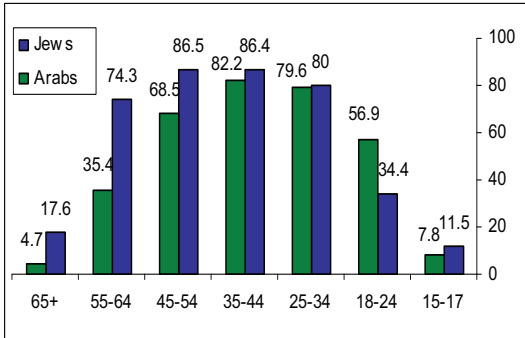


Diagram 4.3: Rate of participation in civilian work force by age and population group (percentages)



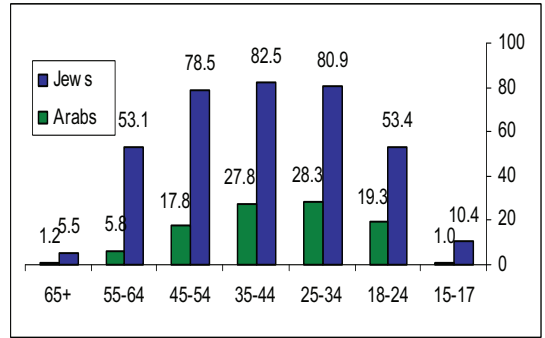
Source: CBS, Statistical Annual of Israel, 2007

Diagram 4.3.1 Rate of participation by men in the work force by age and population group (percentages)



Source: CBS, Statistical Annual of Israel, 2007

Diagram 4.3.2 Rate of participation by women in the work force by age and population group (percentages)



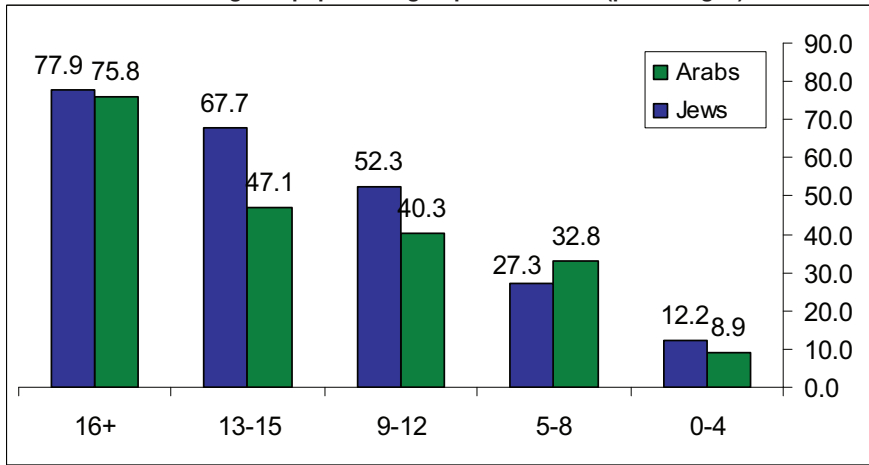
Source: CBS, Statistical Annual of Israel, 2007

Rate of participation in civilian work force by years of schooling

Among both population groups the rate of participation in the civilian workforce increases in direct ratio to an increase in years of schooling (Diagram 4.4, p.56). At the same time, the rate of participation in the civilian work force is higher among Jews at every level of education, with the exception of those with 5-8 years of schooling. Moreover, it can be seen that the largest gap between Jews and Arabs is among those with 13-15 years of schooling. This fact stems from a gap in the rates of participation (mainly among women) at this education level (Diagrams 4.4.1 and 4.4.2, p.56). The smallest gap is among those with 16 or more years of schooling, where the rate of participation of Arab men is higher than that of Jewish men (Diagram 4.4.1).

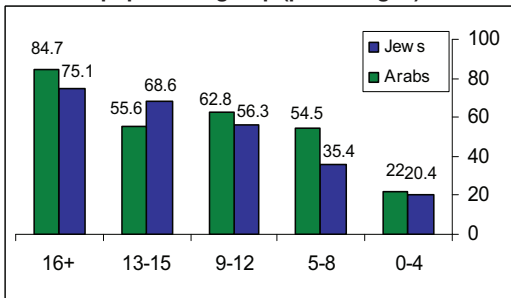


Diagram 4.4: Rate of participation in civilian workforce by years of schooling and population group – 2007 Index (percentages)



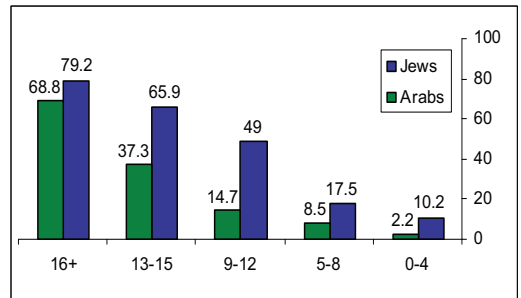
Source: CBS, Statistical Annual of Israel, 2003-2007

Diagram 4.4.1: Rate of women's participation in civilian workforce by years of schooling and population group (percentages)



Source: CBS, Statistical Annual of Israel, 2003-2007

Diagram 4.4.2: Rate of men's participation in civilian workforce by years of schooling and population group (percentages)



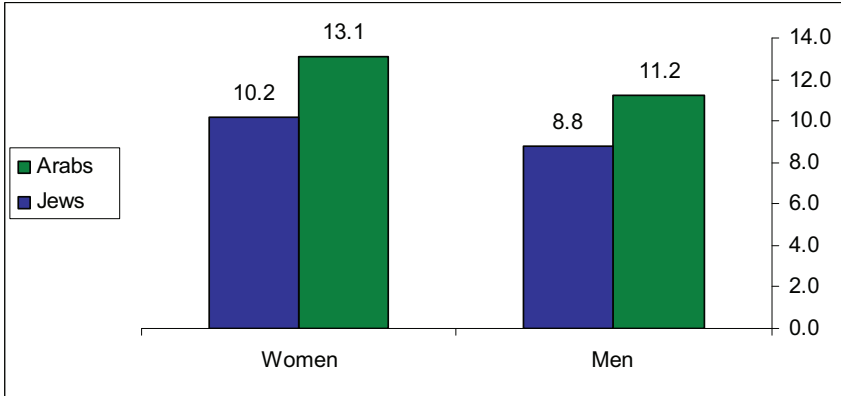
Source: CBS, Statistical Annual of Israel, 2007

The unemployed

Among men from both population groups there has been a decline in the percentage of the unemployed, but among Arab women there has been an increase (13.1% in the 2007 index compared to 11.8% in the 2006 index). Among Jewish women there has been a decline in the percentage of the unemployed (10.2% compared to 10.4%). Over the past two years there has been an increase in the rate of participation of Jewish and Arab women in the workforce; but while among Jewish women the main increase is reflected in an increase in the percentage of those employed and a decline in the rate of the unemployed, among Arab women the increase is reflected in a dramatic increase in the percentage of the unemployed.



Diagram 4.5: Unemployment rate by gender and population group – 2007 index (percentages)



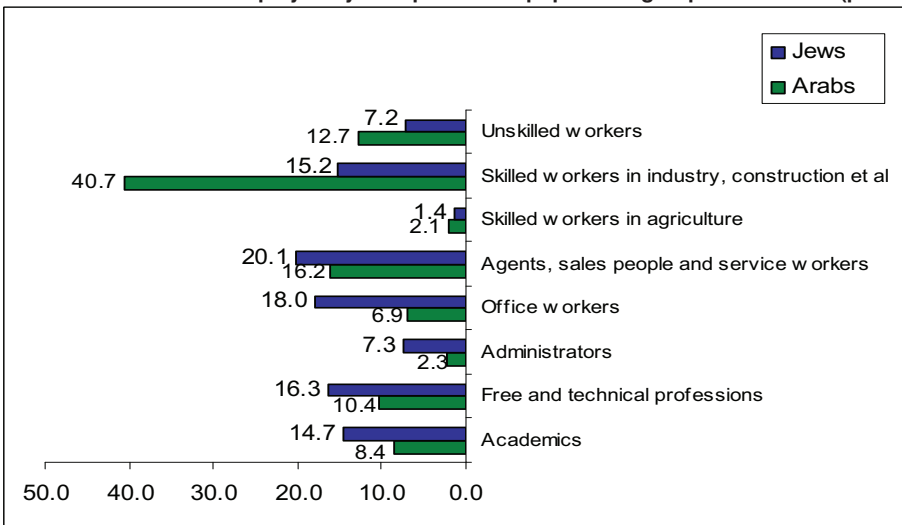
Source: CBS, Statistical Annual of Israel, 2003-2007

The employed

Distribution of employed by occupation

In three occupations Arabs are represented by a rate significantly higher than their share in the population: unskilled workers, skilled workers in industry and construction, and skilled workers in agriculture. 58% of employed Arabs work in these occupations as compared to about 24% of employed Jews. In the other occupations, on the other hand, employed Arabs are underrepresented – mainly in the academic professions, clerical jobs and administrative jobs. About half of the employed Arab men are skilled workers in industry and construction (Diagram 4.6.1, p.58) and about one third of employed Arab women work in free and technical professions – most of them in education and teaching (Diagram 4.6.2, p.58).

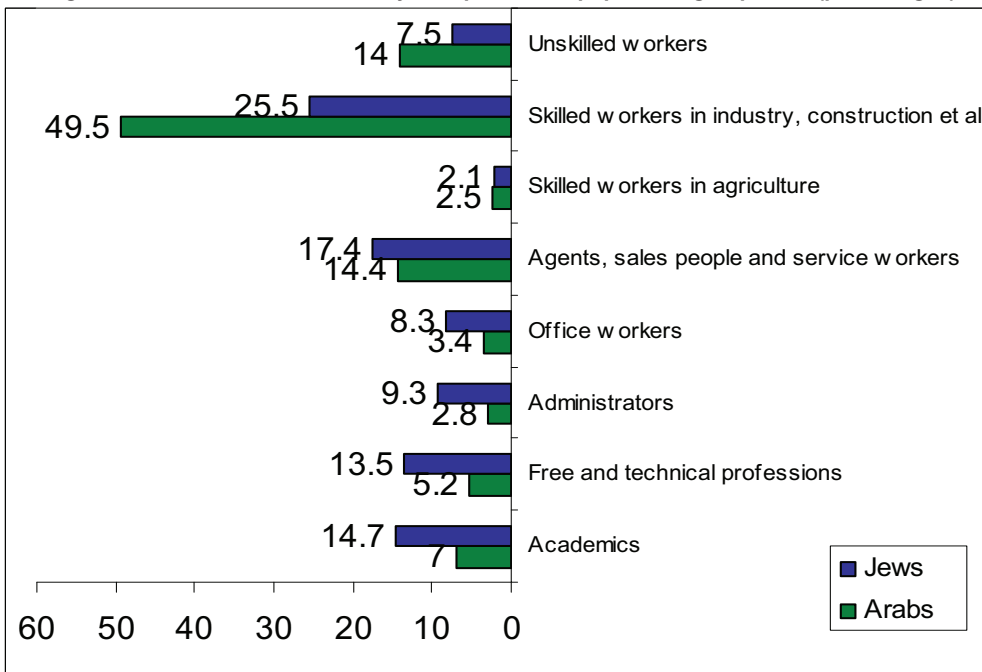
Diagram 4.6: distribution of the employed by occupation and population group – 2007 index (percentages)



Source: CBS, Statistical Annual of Israel, 2003-2007

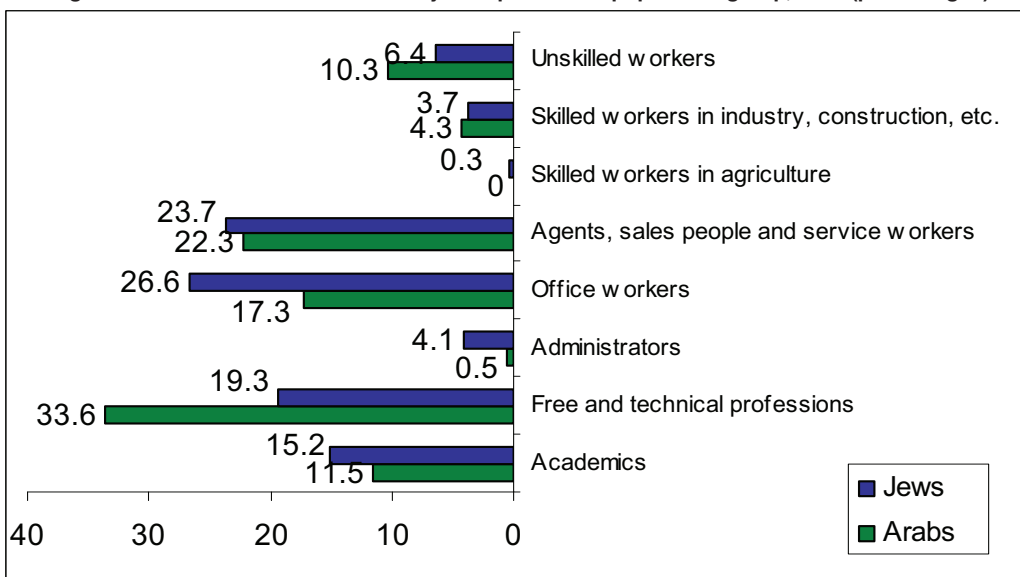


Diagram 4.6.1: Distribution of men by occupation and population group, 2006 (percentages)



Source: CBS, Statistical Annual of Israel, 2007

Diagram 4.6.2: Distribution of women by occupation and population group, 2006 (percentages)



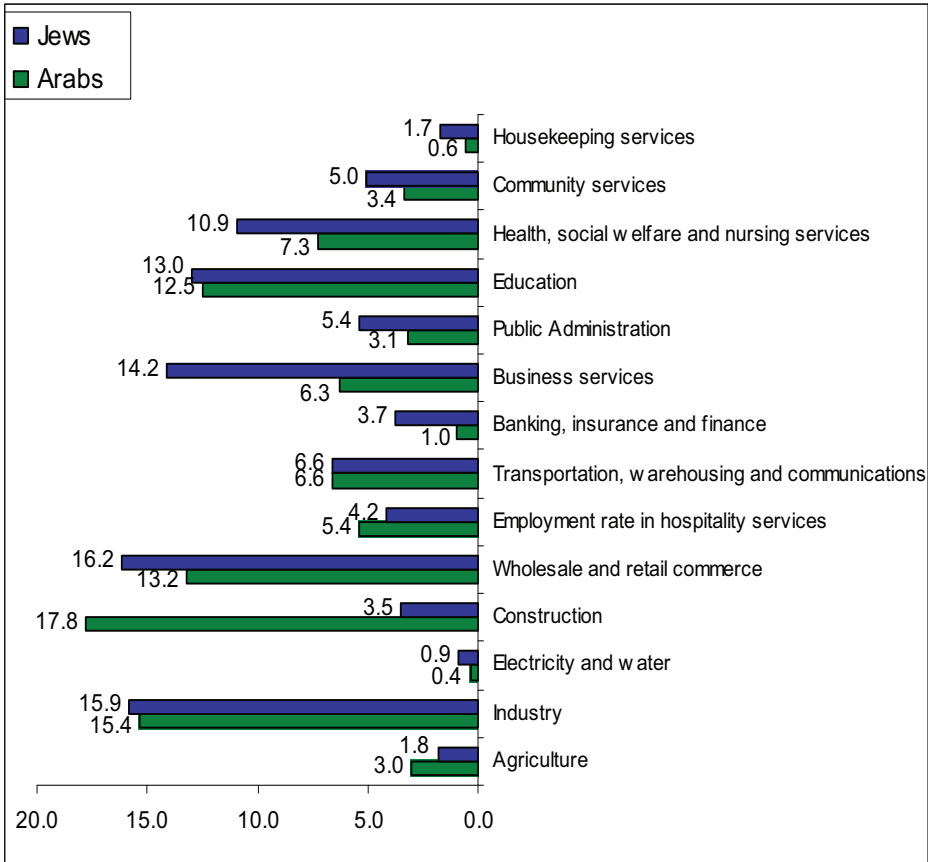
Source: CBS, Statistical Annual of Israel, 2007



Distribution of the employed by industry

The type of industry, like the specific occupation, influences potential salary. According to National Insurance Institute data, the average income from work for an Arab family is NIS 5,539 per month, compared to NIS 9,465 for a Jewish family (2005 data). Arab employees are overrepresented in three of the country's industries: the hotel and restaurant industry, agriculture and the construction industry – the three industries with the lowest wages for salaried jobs (NIS 3,575, NIS 4,927 and NIS 6,473, respectively). In the transportation, warehousing and communications industries Jews and Arabs are equally represented, whereas in the other industries the Arabs are underrepresented. The absence of Arabs is blatant in fields such as banking, insurance and finance, business services and public administration (Diagram 4.7, below). In terms of gender distribution, there is a concentration of Arab men in the construction industry (about one quarter of employed Arab men) and of Arab women in education (about 42% of employed Arab women: Diagrams 4.7.1 and 4.7.2, p.60).

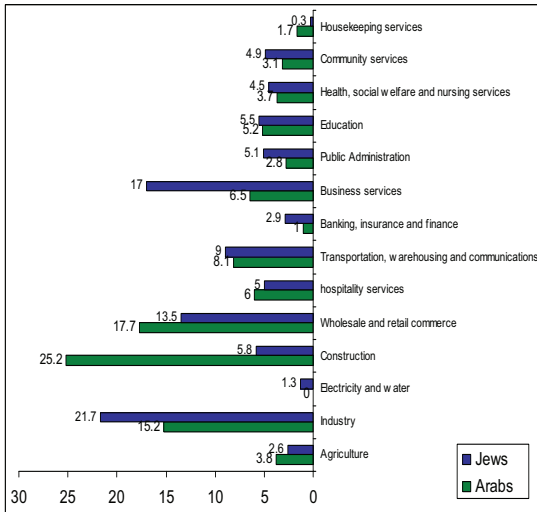
Diagram 4.7: Distribution of the employed by industry and population group – 2006 index (percentages)



Source: CBS, Statistical Annual of Israel, 2007

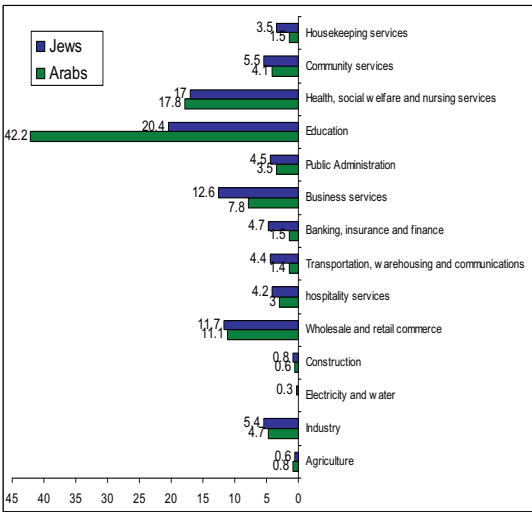


Diagram 4.7.1: Distribution of employed men by industry and population group, 2006 (percentages)



Source: CBS, Statistical Annual of Israel, 2007

Diagram 4.7.2: Distribution of employed women by industry and population group, 2006 (percentages)



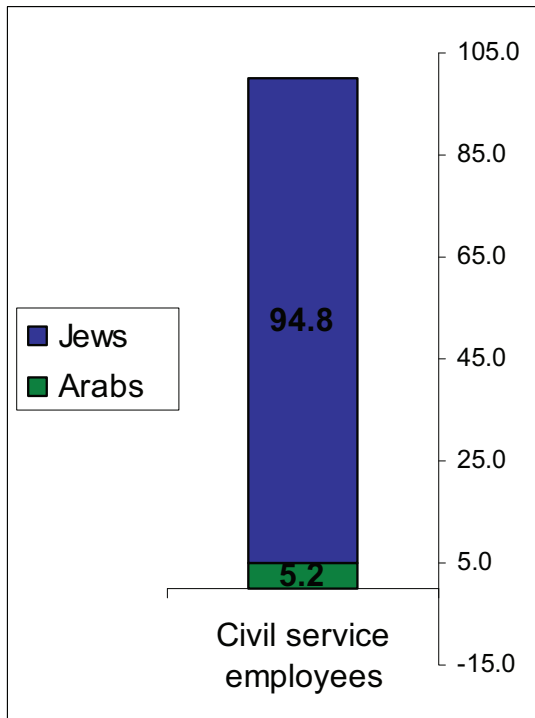
Source: CBS, Statistical Annual of Israel, 2007

The civil service is of course an employer, i.e. a source of income; but the insufficient integration of Arabs into the civil service (Diagram 4.7.3, p.61) also has a negative effect on their ability to participate in decision-making processes. Granting proper representation to Arabs citizens in the civil service is anchored in the Civil Service Law (Appointments) 1959. Moreover, since 2000 the government has set goals regarding the percentage of Arab citizens employed by the civil service.

But in spite of these decisions, the rate of increase in the number of Arab civil service employees has never reached the goals fixed by the government. Therefore, in the context of Decision 2579 of November 11, 2007, a goal of 10% (the percentage of Arab employees of the total number of civil service employees) by 2012 has been set – because it is clear that this goal will not be achieved by 2008 in accordance with Decision 4729 of 2006.



Diagram 4.7.3: Distribution of civil service employees by population group – 2007 Index (percentages)



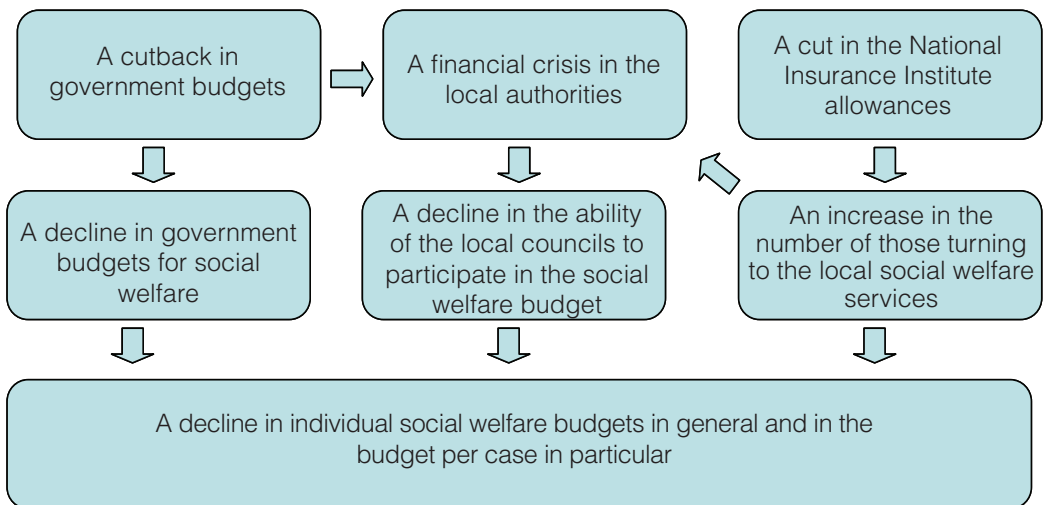
Source: Annual Reports of the Civil Service Commission, 2001-2006



Chapter 5: The Social Welfare Index

The cut in national insurance allowances in recent years has exacerbated the distress of the needy populations, including over half the Arab population. As a result the dependence of poor families on the local welfare services has increased, and more people are requesting such services in the local social welfare departments. These departments also absorbed a budget cut-back just at a time when the burden of requests is steadily increasing. All these factors combine to constitute an additional burden on the local authorities, which in any case find themselves in a severe financial and administrative crisis (Diagram 5.1, below).

Diagram 5.1: Causes of the decline in the local social welfare budget



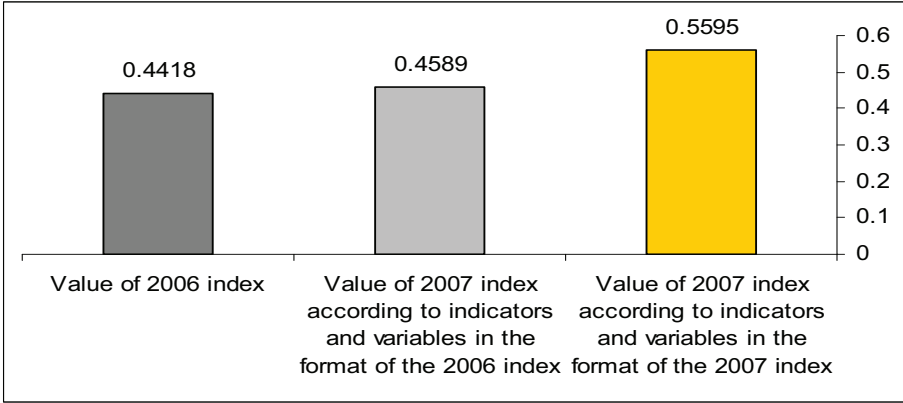
The 2007 Social Welfare Index value – 0.5595

The value of the Social Welfare Index is the highest of all the aggregate indexes, and this year is 0.5595. The value of the index indicates a widening of the gaps between Jews and Arabs relative to the 2006 index. This year we have not included employment variables in the Social Welfare Index variables in spite of the close connection between the two areas, because we believed that separating the areas in the index would better emphasize the outcome of policy in each area.

The increase in the value of the index stems from the removal of the employment variables from the 2007 Social Welfare Index and from the widening of the gap between Jews and Arabs in two variables: (a) the incidence of poverty and (b) the rate of those extricated from poverty as a result of transfer payments and direct taxes. Diagram 5.2 (p.63) shows the value of the 2007 index (0.4418) and the values of the 2007 index in the format of the 2006 variables (0.4589) and in the new format of variables (0.5595).



Diagram 5.2: Change in value of the Social Welfare Equality Index between 2006 and 2007



Indicators and Variables

The Social Welfare Index includes three indicators: Expenditures on local social welfare services, incidence of poverty and the effect of transfer payments and direct taxes on the incidence of poverty. This year, as mentioned above, we did not include employment variables in the Social Welfare Index. Moreover, a new variable was added this year – the number of cases per social worker in the local social welfare departments. This variable provides an additional dimension regarding social welfare allocations – the allocation per case. The variable "total average government expenditure per capita" was subtracted from the index because government expenditure is included in the total public expenditure.

Indicators	Variables
Expenditure on social welfare	1. Total average public expenditure on social welfare per capita
	2. Total average government expenditure per capita
	3. Average number of cases per social worker
Incidence of poverty	4. Incidence of poverty among families, individuals and children before transfer payments and direct taxes
	5. Incidence of poverty among families, individuals and children after transfer payments
	6. Incidence of poverty among families, individuals and children after transfer payments and direct taxes
Effect of transfer payments and direct taxes on incidence of poverty	7. % of families, individuals and children extricated from poverty due to transfer payments
	8. % of families, individuals and children extricated from poverty due to transfer payments and direct taxes

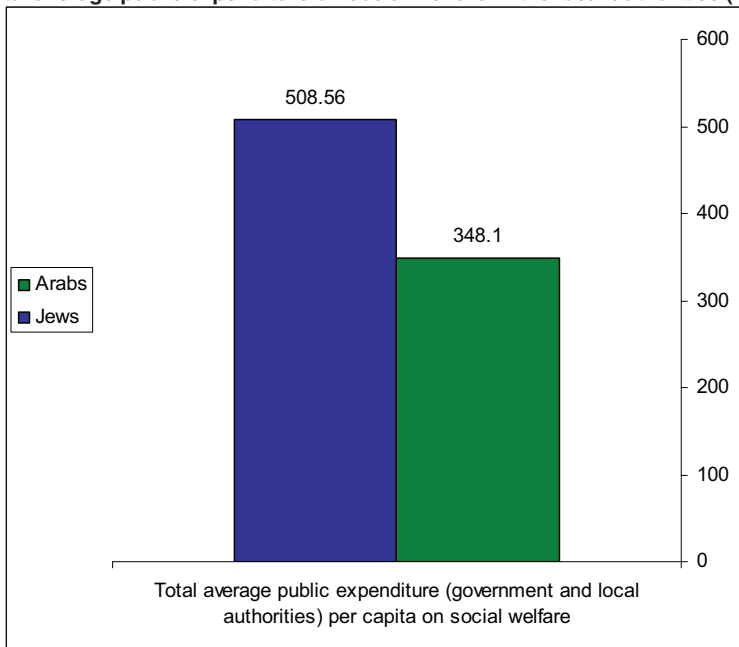
Public expenditure on social welfare

The socioeconomic characteristics of the population in the local authority affect the type of services that it must provide. In general, a high socioeconomic profile reduces the use of various services (remedial education, cultural events, etc.) provided by the local authority or with its assistance, since these populations will consume the services privately or in frameworks that, although con-



ned to the local authority, are funded mainly by the users. Socioeconomic characteristics also affect the potential income of the local authority: The higher the socioeconomic profile, the higher the independent income and actual collection rates.⁴⁰ The local councils are supposed to fund 25% of their social welfare budgets, according to the matching system, regardless of the financial situation and the socioeconomic characteristics of their population. While the strong local authorities occasionally cover over half of the local social welfare budget, weakened authorities, including most of those in the Arab communities, find it difficult to fund even their share of this budget, and therefore do not receive the full government budget.⁴¹ When authorities do not pay their share of the budget the Ministry of Social Welfare transfers the balance of the budget to other authorities.⁴²

Diagram 5.3: Total average public expenditure on social welfare in the local authorities (NIS per capita)



Source: Ministry of Social Welfare, Expenditure on social welfare in selected Arab and Jewish local authorities in 2006, from the Freedom of Information department

A detailed perusal of the sections of the budget reveals gaps in each one of them (Table 5.1, p.65). There is a particularly large gap in budgets designated for services for children and adolescents (ages 0-17). The budget per child in Arab local authorities is 52.1% lower than in Jewish communities. This means that the percentage of children being cared for in Arab local authorities is lower than that in the Jewish authorities, in spite of the fact that the poverty rates are far higher, and there are many more children at risk and marginal youth.

40. **Report of Gadish Committee for Examination of Criteria for Allocating Balancing Grants** (submitted to the Interior Ministry), 2001.

41. Kop (ed.), **Allocation of Resources for Social Services 2006**, 2007.

42. **State Comptroller's Report 57b** "Budgeting social welfare services for local authorities," Jerusalem: State Comptroller's Office, 2006.



Table 5.1: Expenditure on social welfare according to sections of the 2006 budget in Jewish and Arab local authorities

	Arabs	Jews	% of expenditure per capita in Arab communities of the total expenditure per person in Jewish communities
Social Welfare Administration (NIS per capita)	71.4	82.3	86.8
Individual and family welfare (NIS per capita)	13.6	14.7	92.5
Child and adolescent services (NIS per child, ages 0-17)	193.7	404.2	47.9
Services for the elderly (NIS per resident from age 65)	416.4	469.5	88.7
Services for the mentally disabled (NIS per resident)	113.9	158.0	72.1
Rehabilitation services (NIS per resident)	42.1	55.5	75.9
Repair services (NIS per resident)	8.5	10.2	83.3
Community activities (NIS per resident)	0.7	1.4	50.0

Source: Ministry of Social Welfare, Expenditure on social welfare in selected Arab and Jewish local authorities 2006, via the Freedom of Information Department

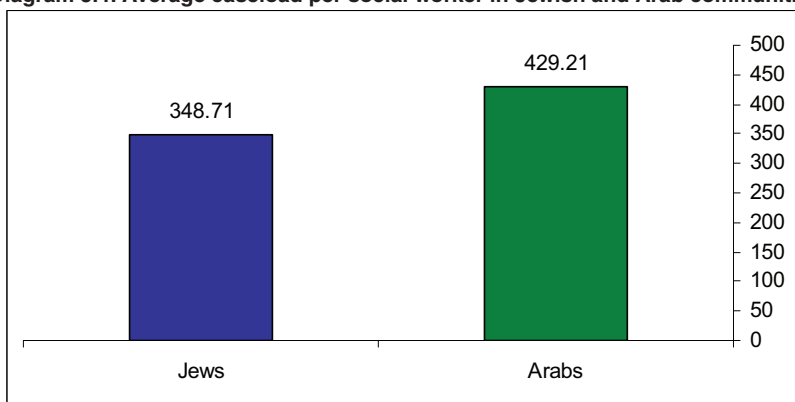
Caseload per social worker

Diagram 5.4 (p.66) describes the average caseload per social worker. In the Arab communities the average caseload is 429, compared to 349 in Jewish communities. This figure reflects (in addition to the rate of expenditure per case) the quality of the potential care based on staff resources. According to the findings of the State Comptroller's report, the higher the socio-economic level of the local authority, the higher the average expenditure per case (Table 5.2, p.66).⁴³ Most of the Arab authorities (62 of 78) are located in the three lowest clusters, and 62 of 70 of the communities in the three lowest clusters are Arab communities. In these communities the expenditure per case ranges from NIS 869 (in Cluster 1) to NIS 1054 (in Cluster 3). In the highest clusters the expenditure per case ranges from NIS 2,141 per case in Cluster 7 to NIS 3,522 in Cluster 10.

43. From a sampling of 11 Jewish communities and 11 Arab communities in the various districts, with a similar population size. For a detailed explanation see p.20.



Diagram 5.4: Average caseload per social worker in Jewish and Arab communities



Source: Ministry of Social Welfare, through the of Freedom of Information Department

Table 5.2: Average expenditure per case by socioeconomic cluster, 2006

Cluster	No. of Arab authorities in cluster	No. of Jewish authorities in cluster	Average expenditure per case in NIS
1	8	-	869
2	26	6	983
3	28	2	1054
4	14	20	1611
5	1	26	1902
6	1	15	1807
7	-	19	2141
8	-	22	2258
9	-	6	2305
10	-	2	3522

Source:

1. State Comptroller, Report 57b for 2006
2. CBS, Local councils and municipalities in ascending order of the socioeconomic index, ranking by cluster

Incidence of poverty among families, individuals and children

The incidence of poverty reflects the percentage of individuals whose monthly income is below the poverty line. According to the definition of the National Insurance Institute, the poverty line is a sum equal to 50% of median available income⁴⁴ per standard individual.⁴⁵ About half of the Arab population is below the poverty line, and after the government transfer payments and direct taxes the Arab poor constitute 45% of all the poor individuals in Israel. The main causes of poverty among Arabs are a high percentage of large families and low income from work. The second figure (low income from work) stems both from low salaries and from the low rate of women's participation in the work force. The result, in many cases, is household dependence on

44. State Comptroller's Report 57b "Budgeting social welfare services from the local authorities," Jerusalem: State Comptroller's office, 2006.

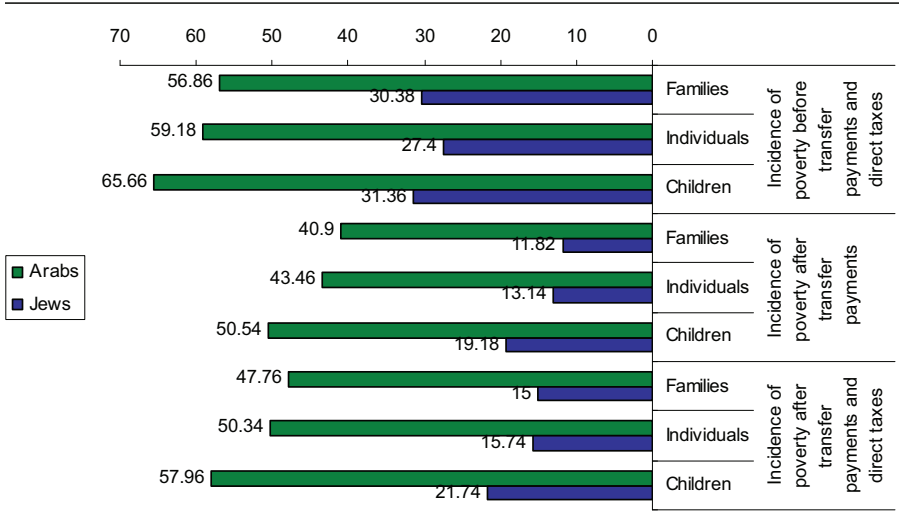
45. Available income = income after transfer payments and direct taxes.



one breadwinner. 57% of the poor Arab families are working families, compared to 45% of all the poor Jewish families.⁴⁶

The poverty rates among Arabs before transfer payments and direct taxes are twice as high as among Jews, and after transfer payments and direct taxes they are three times as high. The policy of transfer payments and direct taxes does not affect the two population groups equally, and as a result the gaps are widening (Diagram 5.5, below).

Diagram 5.5: Incidence of poverty among families, individuals and children before transfer payments and direct taxes, after transfer payments and after the transfer payments and direct taxes, by population group



Source: CBS, Report on Poverty and Income Inequality, 2006

The percentage of decline in the incidence of poverty as a result of transfer payments and direct taxes

Diagram 5.6 (p.68) describes the percentages of decline in the incidence of poverty as a result of transfer payments alone and as a result of transfer payments and direct taxes combined. There is a decline in the percentage of those extricated from poverty both as a result of the transfer payments and as a result of direct taxes because of the cutback in allowances.

Diagram 5.6.1 (p.68) describes the percentage of those extricated from poverty as a result of transfer payments and direct taxes from 2000-2005. We can see that over the years the decline in the incidence of poverty among Arabs is relatively lower than among Jews. The diagram also indicates that the percentage of those extricated from poverty is steadily declining among both Jews and Arabs, while the policy of transfer payments and direct taxes has almost no effect on the poverty rates in the Arab population. According to CBS data, in 2005/6 only 9.5% of poor Arab individuals and 4.5% of

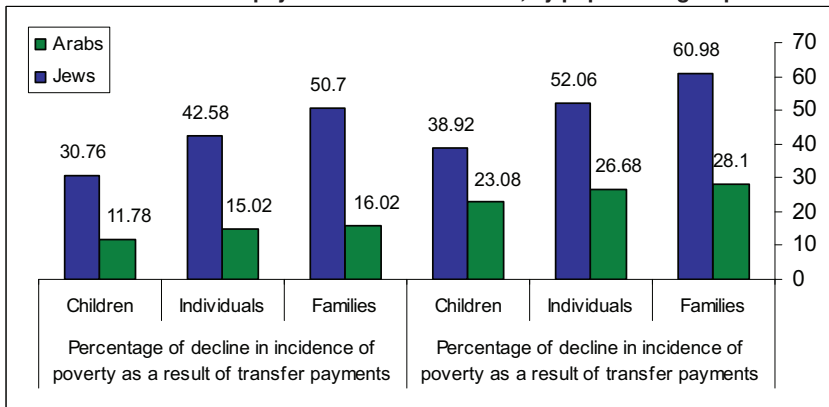
46. Standard individual = Based on the assumption of an advantage to size, the higher the number of individuals in a household the lower the marginal weight of each additional individual. We conducted a weighting of the number of individuals according to a scale that determines a 2-person household as a basic unit. Person 1 = 1.25; 2 = 2; 3 = 2.65; 4 = 3.20; 5 = 3/75; 6 = 4.25; 7 = 4.75; 8 = 5.20; and from 9 persons and more an additional 04.0 for each additional person.



poor Arab children were extricated from poverty as a result of transfer payments and direct taxes, compared to 36.7% of poor individuals and 22.4% of poor children among Jews.

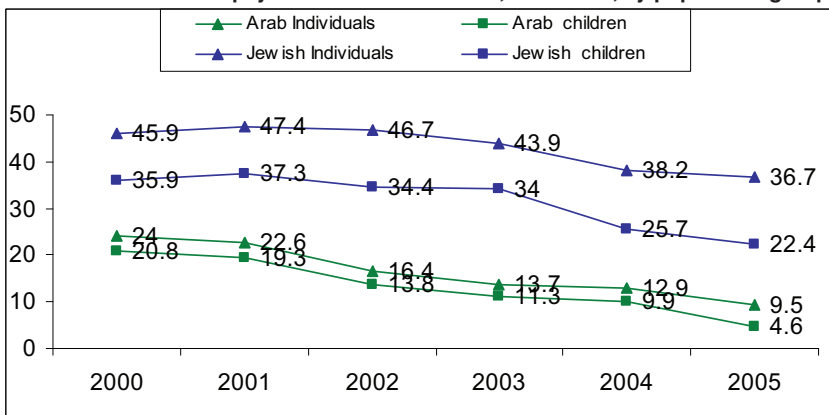
The present policy results in relatively high extrication from poverty among the elderly, new immigrants and single-parent families (57.2%, 46.7% and 40.2% respectively) – these populations constitute a higher percentage among Jews. Among Arabs, there is a high percentage of families with one breadwinner, families without a breadwinner and families with 4 or more children. The rate of extrication from poverty among these families is 34.6%, 24.3% and 9.4% respectively. In effect, the policy of allowances and direct taxes barely provides a solution today to the characteristic causes of poverty in the Arab population.

Diagram 5.6: Percentage of decline in the incidence of poverty as a result of transfer payments and direct taxes, by population group



Source: Report on poverty and inequality in income distribution, 2006

Diagram 5.6.1: Percentage of individuals and children extricated from poverty as a result of transfer payments and direct taxes, 2000-2005, by population group



Source: Report on poverty and inequality in income distribution, 2006



Chapter 6: The 2007 Weighted Equality Index

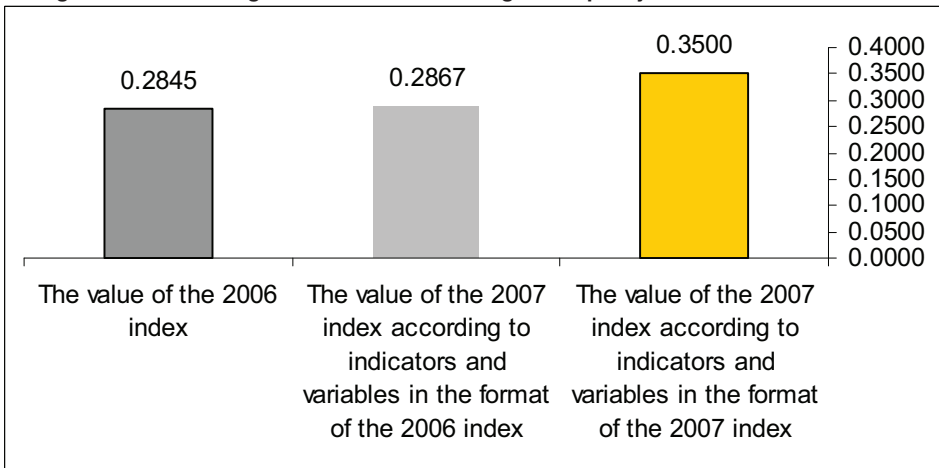
The 2007 Equality Index value - 0.3500

The weighted index includes the five aggregate indexes in the areas of education, health, social welfare, employment and housing. The share of each of the aggregate indexes in the weighted index is determined according to their share in the national expenditure.

The national expenditure includes all the expenditures – public and private – in each of the areas. In that sense it can serve as a kind of touchstone to assess the value of each of the five areas in the State of Israel. Public expenditure includes the government, local government and non-profit organizations; whereas private expenditure includes the private business sector, households and individuals. The value of the Weighted Index is therefore influenced both by a change in the values of the aggregate indexes and by changes in the national expenditure in each of the areas in the index.

The value of the 2007 Weighted Equality Index indicates an increase in the level of inequality between Jews and Arabs, and a distancing from the goal of equality. This year 12 new variables were added to the index and 28 variables were removed from it. These changes are the main reason for the increase in the value of the index and for its stabilization at 0.3500. However, even without the change in the array of variables and indicators, there was a slight increase in the value of the 2007 index relative to the 2006 index (0.2867 compared to 0.2845; Diagram 6.1, below). In other words, the level of inequality increased according to both calculations.

Diagram 6.1: The change in the value of the Weighted Equality Index between 2006 and 2007



Changes in the aggregate indexes

Every change in the values of the aggregate indexes is a result of a change in one or more of the following factors:

- 1. A change in the percentage of the Arab and Jewish populations in the total population of Israel:** The percentage of Arabs in the total population of the State of Israel is on the increase – between 2006 and 2007, for example, there was an increase of 0.3 percentage points in the



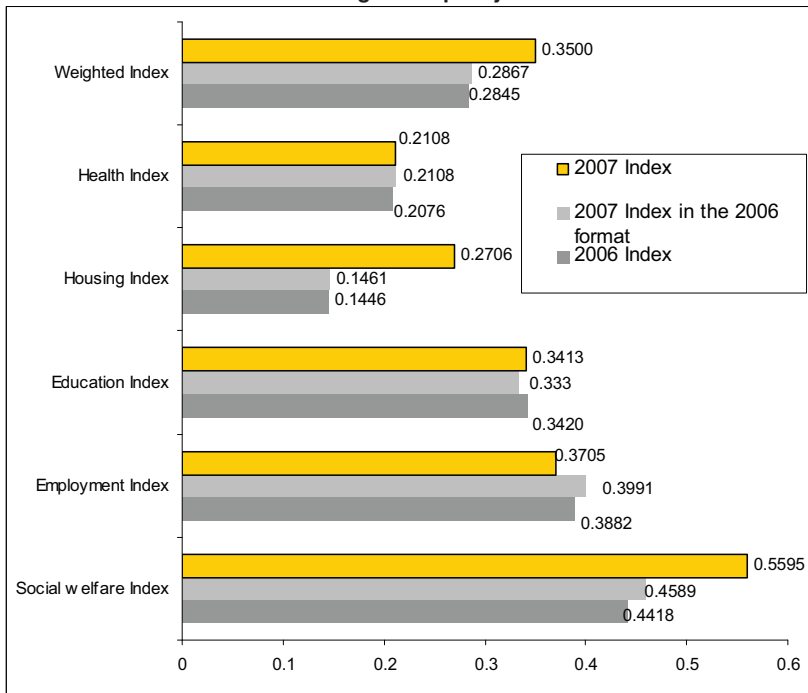
percentage of Arabs in the total population of the country (from 19.6% to 19.9%). In light of this increase we would expect the share of the Arab population in the pie of national resources to increase accordingly. This means that if there is no change in the values of the variables, in order to keep up with the rate of the increase in the percentage of Arabs in the total population of the State of Israel, the level of inequality will increase.

2.A change in the values of the variables: The degree of influence of the change in the value of the variables on the results of the index depends on the intensity of the change and on the number of variables in which there was a change (all this in relation to the number of variables in the same index; a change in an isolated variable will have a greater effect on the results of the index the smaller the number of variables in the index, and vice versa).

In the 2007 index, a change in the composition of the variables (an addition and/or subtraction of variables) is the main cause of change in the values of the index. In order to improve the reliability of the Equality Index we aspire to expand the number of variables in the index and/or to remove variables that are liable to distort or cloud the picture. However, since these changes in calculating the index undermine continuity and the possibility of carrying out a comparative follow-up over the years, we must avoid introducing too many changes of this type.

Diagram 6.2 (below) shows the value of the Weighted Index and the values of the five aggregate indexes in 2006 and 2007 – both in the format of the 2006 calculation and in the new format.

Diagram 6.2: The values of the aggregate indexes in housing, health, education, employment and social welfare and the Weighted Equality Index 2006-2007



Calculating the national expenditure on education, health, social welfare, housing and employment

The current national expenditure on education includes public and private expenditure on educational institutions: pre-school, elementary, high school, academic and technological education, yeshivas and Torah-oriented schools, post-high school educational institutions, institutions of higher learning, institutions for courses for adults and in-service training.

Total current national expenditure on education: NIS 49,632 million

The current national expenditure on health includes transfers to health maintenance organizations and other non-profit organizations, and provision of health services by government health institutions. The national expenditure on health also includes the health tax and direct expenditures by households on medications and health services.

Total current national expenditure on health: NIS 49,000 million

The national expenditure on social welfare includes the total financial support by the National Insurance Institute, the operational budget of the Ministry of Welfare and Social Services and non-financial support by the NII, local authorities, national institutions, government NPOs and the Ministry of Welfare and Social Services.

Table 6.1: Components of the 2006 national expenditure on social welfare

	Millions of Shekels
Financial support by the NII	57,000
Operational budget of the Ministry of Welfare	4,254
Support by the NII, local authorities, national institutions, government NPOs	9.6
Total	61,264

Source: CBS, Statistical Annual of Israel, 2007, and the 2006 National Insurance Institute Report

The total current national expenditure on social welfare for 2006: NIS 61,264 million

National expenditure on housing: Private national expenditure on housing is assessed on the basis of the increase in the construction area for housing and in accordance with the increase in the prices of housing services for households. These include routine maintenance of the residence and the use of residential services, which was calculated by positing an alternative rental fee in apartments of equal size in a given community (or region). Government expenditures in this area also include Article 42 (grants and subsidies) and Article 70 (housing out of the total budget of the Ministry of Housing).

Table 6.2: Components of the national expenditure on housing 2006

	Millions of Shekels
Private expenditure on housing	67,853
Government expenditure	5,031
Total	72,884

Source: CBS, Statistical Annual of Israel, 2007

Total current national expenditure on housing for 2006: NIS 72,884 million



National expenditure on employment: The CBS does not carry out an assessment of the national expenditure on employment. In order to calculate the national expenditure we surveyed all the components of the budget (in all the government ministries) that relate to encouraging employment.

Table 6.3: Items included in the national expenditure on employment 2006

Ministry	Budget Item	Budget Item no.	Total expenditure (million NIS)
Prime Minister's Office	Assistance to individuals - employment	40611	22.3
	Assistance to businesses	40612	422.6
Ministry of Finance	Training workers	50707	0.067
	Atidim project for public sector	50708	2.8
	Investments in companies (Israel Railways, groups in distress et al)	8306	2,108
Ministry of Public Security	Employment and production	71010	27.9
Ministry of Education	In-service training and guidance	2302203	11
Ministry of Welfare	Employment of the disabled in public and business entities	230618	70
	Unit for Foreign Workers' Affairs	68	40.2
Ministry of Health	In-service training and guidance	240402	1.1
Ministry of Immigrant Absorption	Assistance for promoting employment in the public sector	300219	19.7
	Assistance in employment for new immigrants	300220	72.6
	Assistance in employment for self-employed new immigrants – business entrepreneurship	300223	7.5
Support for public products		32	3,007
Ministry of Industry, Trade and Labor		36	1,698
	Support for market sectors	38	2,041
	Support for industrial sectors	76	51.6
Ministry of Tourism		37	257.9
Subsidies for credit and discounts	Linkage insurance for various sectors of the economy (insuring linkage to the cost-of-living index and/or exchange rate, support for credit for a sector et al)	44	21
Total			9,882

Source: 2006 State Budget, Ministry of Finance Web site: www.mof.gov.il

Total current national expenditure on employment in 2006: NIS 9,882 million



Changes in public expenditure on health, housing, education, employment and social welfare

Table 6.4 (p.74) presents the total national expenditure in millions of shekels on each of the five areas of the index (health, housing, education, employment and social welfare). In current prices there was an increase in the total national expenditure in each of the areas with the exception of employment (Diagram 6.3, below).

Diagram 6.3: National expenditure on the areas of the 5 aggregate indexes, 2006 index and 2007 index (million NIS)

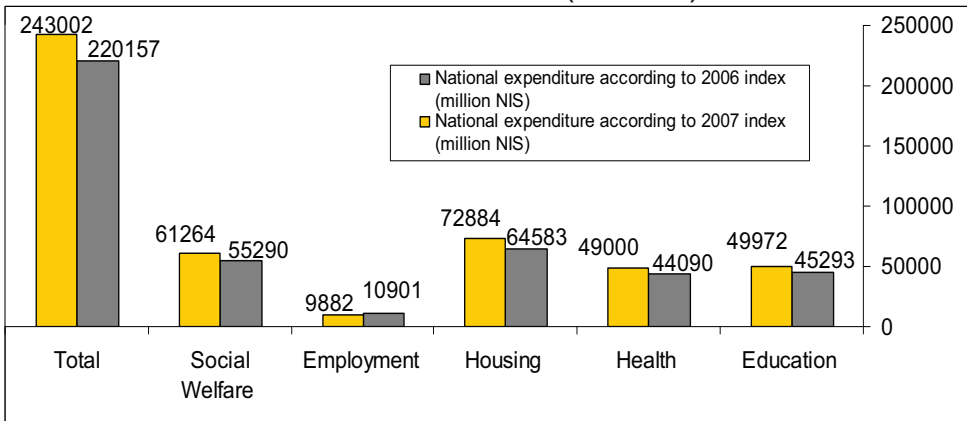


Table 6.4 presents the share of each area (%) of the total national expenditure in the five areas. According to this figure we determined the weight of the aggregate index in each area: Housing is the "heaviest," because of its large share in national expenditure (30%). Following it, in descending order: social welfare, education, health and employment (25.2%, 20.6%, 20.2% and 4.1% respectively). Compared to last year there was an increase of 0.7% in the share of national expenditure on housing compared to the other areas (from 29.3% to 30%) and a decline of 0.9% in the share of national expenditure on employment (from 5% to 4.1%).



Table 6.4: Calculation of the value of the Weighted Index

Nat'l Expenditure.	2006 million NIS	2007 million NIS	Weight in % 2006	Weight in % 2007	2006 Index	2007 index 2006 format	2007 index 2007 format	Weighted share 2006	Weighted share 2006 format	Weighted share 2007 format	Contribution to index 2006	Contribution to index 2006 format	Contribution to index 2007 format
Education	45,293	49,972	20.6	20.6	0.3420	0.3330	0.3413	0.0704	0.0685	0.0702	24.7	23.9	20.1
Health	44,090	49,000	20.0	20.2	0.2076	0.2018	0.2108	0.0416	0.0425	0.0425	14.6	14.8	12.1
Housing	64,583	72,884	29.3	30.0	0.1445	0.1461	0.2706	0.0424	0.0438	0.0812	14.9	15.3	23.2
Social welfare	55,290	61,264	25.1	25.2	0.4418	0.4589	0.5595	0.1110	0.1157	0.1411	39.0	40.3	40.3
Employment	10,901	9,882	5.0	4.1	0.3882	0.3991	0.3705	0.0192	0.0162	0.0151	6.8	5.7	4.3
	220,157	243,002	100	100				0.2846	0.2867	0.3500	100	100	100

Percentage of contribution of each of the aggregate indexes to the value of the Weighted Index

The percentage of contribution of each of the aggregate indexes to the Weighted Index depends on the value and the weight of the aggregate index. The change in the percentage of contribution of each of the indexes relative to the 2006 index depends on the intensity of the change in the value and weight of the indexes.

The highest percentage of contribution to the value of the Weighted Index is the Social Welfare Index, which is 40.3%. The main reason for this increase is the increase in the value of the Social Welfare Index. The percentage of contribution of the Housing Index increased significantly, from 14.9% in 2006 to 23.2% in 2007, because of a significant increase in the value of the Housing Index, as a result of the addition of two new variables (without the addition of the variables the contribution of the Housing Index in 2007 would have been 15.3%). This is the index with the greatest weight, and therefore the percentage of its contribution is more sensitive to changes in its value.

There was a decline in the value of the contribution of each of the remaining indexes to the value of the index. The decline in the area of employment stems from a decline in the weight of the index, and the decline in the Education Index stems from a decline in the value of the index. The Education Index is the only aggregate index that shows a decline in the level of inequality relative to the 2006 index, both in the format of the 2006 indicators and in the new format. The percentage of contribution of the Health Index also declined, since the changes in this index – both in its value and in its weight – were minor compared to the changes in the other four indexes.



Indicators and Variables Key

Health Index			Arabs		Jews	
Indicator	No.	Variable	2006	2007	2006	2007
Life expectancy	1	Life expectancy at birth - males	74.9	74.9	78.2	78.4
	2	Life expectancy at birth - females	78.4	78.5	82.2	82.4
Health habits	3	Percentage of male	46.1	43.1	31.8	30.3
	4	Percentage of female smokers	7.5	6.9	21.8	20.8
Mortality rates (% per 1,000)	5	Infant mortality rate per 1,000 live births	8.3	8.4	3.8	3.6
	6	Mortality at ages 1-4 – males	0.7	0.7	0.2	0.2
	7	Mortality at ages 1-4 – females	0.5	0.5	0.2	0.2
	8	Mortality at ages 10-14 - males	0.3	0.3	0.1	0.1
	9	Mortality at ages 10-14 – females	0.1	0.1	0.1	0.1
	10	Mortality at ages 20-24 – males	1.2	1.2	0.9	0.1
	11	Mortality at ages 20-24 – females	0.3	0.3	0.3	0.3
	12	Mortality at ages 40-44 – males	2.0	1.9	1.9	1.8
	13	Mortality at ages 40-44 – females	1.0	1.0	0.9	0.9
	14	Mortality at ages 60-64 – males	16.3	15.9	11.0	10.6
	15	Mortality at ages 60-64 – females	10.2	9.9	6.4	6.0
	16	Mortality at ages 80-84 – males	83.6	87.2	81.8	78.1
	17	Mortality at ages 80-84 – females	86.6	87.7	67.2	63.3

Housing Index			Arabs		Jews	
Indicator	No.	Variable	2006	2007	2006	2007
Availability of housing	1	% living in owner-occupied residence	92.6	93.0	70.0	70.0
	2	Value of owner-occupied residence		617.4		769.4
	3	% of publicly constructed residences of all building starts for housing in communities of 10,000 or more		3.3		24.2
Spaciousness of housing	4	Average no. of rooms per residence	4.0	4.0	3.9	3.9
	5	Average no. of people per room	1.4	1.4	0.9	0.9
Quality of housing	6	Average monthly household expenditure on housing	1549.6	1612	2604.4	2647.6
	7	Average monthly expenditure on property taxes	204.4	202.8	250.4	258.6



Education Index			Arabs		Jews	
Indicator	No.	Variable	2006	2007	2006	2007
Resources of education system	1	Average no. of pupils per classroom in elementary education	29.3	29.0	24.3	24.4
	2	Average no. of students per classroom in secondary education	30.7	30.4	28.5	27.8
	3	Average no. of teaching hours per pupil in elementary education		1.6		1.9
	4	Average no. of teaching hours per student in secondary education		1.7		2.0
Pedagogical infrastructure	5	% of academically trained teachers		67.2		74.5
	6	% of uncertified teachers		5.6		3.2
Participation in study frameworks	7	% of participation in nurseries and day care at age 2		6.1		35.2
	8	% of participation in nurseries and day care at ages 3-4		57.5		89.3
	9	Dropout rate among students in grades 9-12	8.9	8.0	4.6	4.0
	10	% of university students among those aged 20-34	3.0	3.2	9.0	9.3
Educational output	11	Median number of years of schooling by population group	11.0	11.1	12.6	12.7
	12	% with 0-8 years of schooling of those aged 15 and above	30.3	30.0	10.8	10.0
	13	% with 13 or more years of schooling of those aged 15 and above		19.0		44.0
	14	% of 12 th graders qualifying for a matriculation certificate	48.7	50.0	55.6	56.0
	15	Percentage of 12 th graders with a matriculation certificate that meets university entrance requirements	29.6	32.0	46.4	47.0
	16	Average Meitzav grades – Grade 5		58.9		73.6
	17	Average Meitzav grades – Grade 8		52.8		67.7



Employment Index			Arabs		Jews	
Indicator	No.	Variable	2006	2007	2006	2007
Participation in civilian workforce	1	Participation rate in civilian workforce among males 15 and older	59.9	59.8	60.2	60.4
	2	Participation rate in civilian workforce among females 15 and older	17.6	17.9	54.6	55.1
	3	Participation rate in civilian workforce: ages 15-17	3.7	4.0	10.6	10.4
	4	Participation rate in civilian workforce: ages 18-24	37.2	37.7	43.2	43.1
	5	Participation rate in civilian workforce: Ages 25-34	53.8	56.8	80.2	80.3
	6	Participation rate in civilian workforce: Ages 35-44	52.9	56.7	83.0	83.3
	7	Participation rate in civilian workforce: Ages 45-54	41.8	46.3	81.3	81.7
	8	Participation rate in civilian workforce: ages 55-64	21.1	21.4	58.4	59.9
	9	Participation rate in civilian workforce: ages 65 and older	2.4	3.1	10.1	10.2
	10	Participation rate in civilian workforce with 0-4 years of schooling	9.1	8.9	11.8	12.2
	11	Participation rate in civilian workforce with 5-8 years of schooling	32.9	32.8	26.6	27.3
	12	Participation rate in civilian workforce: Those with 9-12 years of schooling	40.3	40.3	52.2	52.3
	13	Participation rate in civilian workforce: Those with 13-14 years of schooling	48.2	47.1	68.6	67.7
	14	Participation rate in civilian workforce: Those with 16 or more years of schooling	76.1	75.8	78.7	77.9
	15	Unemployment rate among men	11.4	11.2	9.0	8.8
	16	Unemployment rate among women	11.8	13.1	10.4	10.2



Employment rate	17	Employment rate: academic professions	8.4	8.4	14.6	14.7
	18	Employment rate: free and technical professions	10.4	10.4	16.2	16.3
	19	Employment rate: managers	2.3	2.3	7.4	7.3
	20	Employment rate: clerks	7.1	6.9	18.1	18.0
	21	Employment rate: agents, salespersons and service personnel	16.3	16.2	19.7	20.1
	22	Employment rate: professional workers in agriculture	2.1	2.1	1.4	1.4
	23	Employment rate in industry, construction et al	40.4	40.7	15.4	15.2
	24	Employment rate: non-professional workers	13.1	12.7	7.2	7.2
	25	Employment rate in agriculture	3.0	3.0	1.8	1.8
	26	Employment rate in industry	16.6	15.4	16.2	15.9
	27	Employment rate in electricity and water	0.4	0.4	0.9	0.9
	28	Employment rate in construction	16.7	17.8	3.6	3.5
	29	Employment rate in wholesale and retail commerce	16.2	13.2	13.2	16.2
	30	Employment rate in hospitality services	5.6	5.4	4.0	4.2
	31	Employment rate in transportation, storage and communications	6.6	6.6	6.6	6.6
	32	Employment rate in banking, insurance and finance	1.0	1.0	3.7	3.7
	33	Employment rate in business services	6.3	6.3	13.8	14.2
	34	Employment rate in public administration	3.2	3.1	5.7	5.4
	35	Employment rate in education	12.0	12.5	12.9	13.0
	36	Employment rate in health, social welfare and nursing services	7.4	7.3	10.9	10.9
	37	Employment rate in community services	3.4	3.4	5.0	5.0
	38	Employment rate in housekeeping services	0.8	0.6	1.7	1.7



Social Welfare Index			Arabs		Jews	
Indicator	No.	Variable	2006	2007	2006	2007
Expenditure on social welfare	1	Total average expenditure per capital on social welfare	328	348	493	508.6
	2	Average caseload per social worker		429		349
Incidence of poverty	3	Poverty among families before transfer payments and direct taxes	56.3	56.9	30.3	30.4
	4	Poverty among individuals before transfer payments and direct taxes	58.8	59.2	27.0	27.4
	5	Poverty among children after transfer payments and direct taxes	65.5	65.7	30.4	31.4
	6	Poverty among families after transfer payments	38.7	40.9	11.7	11.8
	7	Poverty among individuals after transfer payments	40.7	43.5	12.5	13.1
	8	Poverty among children after transfer payments	47.3	50.5	17.7	19.2
	9	Poverty among families after transfer payments and direct taxes	45.9	47.8	14.7	15.0
	10	Poverty among individuals after transfer payments and direct taxes	48.2	50.3	15.0	15.7
	11	Poverty among children after transfer payments and direct taxes	55.7	58.0	20.2	21.7
	12	% of families extricated from poverty as a result of transfer payments	31.3	28.1	61.3	61.0
	13	% of individuals extricated from poverty as a result of transfer payments	30.7	26.7	53.7	52.1
	14	% of children extricated from poverty as a result of transfer payments	27.7	23.1	41.9	38.9
	15	% of families extricated from poverty as a result of transfer payments and direct taxes	18.5	16.0	51.5	50.1
	16	% of individuals extricated from poverty as a result of transfer payments and direct taxes	17.9	15.0	44.4	42.6
	17	% of children extricated from poverty as a result of transfer payments and direct taxes	15.0	11.8	33.5	30.8



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In the Media

One of the most important aspects of the work of researching and publishing The Equality Index in Arabic, English and Hebrew, is the impact it makes in the print and electronic media in Israel and through the media on the decision-makers and wider public in Israel.

Sikkuy invests a lot of energy to publicize the report and its finding. When the report was released at a press conference in Tel Aviv in July 2008, it was reported on extensively in the Hebrew, English and Arabic newspapers, on television, radio and on the Internet.

Subsequent to its release, the report is extensively quoted and referred to as one of the most authoritative sources for information on inequality between the Arab and Jewish citizens of Israel.

We bring you a few examples of this coverage from the local and international media.



JEWIS LIVE LONGER THAN ARABS IN ISRAEL, SAYS REPORT

NY Times & Washington Post, July 9, 2008

JERUSALEM, July 9 (Reuters) - Jews live longer and enjoy lower infant mortality and poverty rates in Israel than the country's Arab citizens, said a report published Wednesday by a watchdog partly funded by the European Union.

The report by Sikkuy, a liberal group that promotes reconciliation efforts, said that these and other gaps in living standards were in part a result of discriminatory Israeli policies in allocating funds to Jewish and Arab towns.

"Although Israeli governments declare they are committed to promoting equality among all citizens, Jews and Arabs alike, the reality in Israel shows equality is only in theory," said Nissim Dwek, a spokesman for Sikkuy, which is Hebrew for "opportunity."

Most of Israel's Arab citizens are descendants of Palestinians who remained inside Israel after the Jewish state was founded in 1948 in a war in which hundreds of thousands of others fled or were expelled. Those who remained in Israel now comprise about 20 percent of its population.

Unlike Palestinians living in the Gaza Strip and occupied West Bank, few Israeli Arabs have been involved in violence against the Jewish state, though many sympathize with Palestinian demands for an independent state.

In the 77-page report, Sikkuy said one of its more "worrisome" findings were gaps in life expectancy and infant mortality between Israeli Arabs and Jews in 2007, though both populations had steadily improved in both categories recently.

Jewish men lived an average of 78.4 years, while Arab men lived about four years less, or 74.9 years, the report said.

A similar gap was found between the women from both groups as well. Life expectancy for Jewish women was 82.4 years, while for Arab women it was 78.5.

Infant mortality was 4.8 per thousand for Arabs and 3.6 for Jews, the report said.

Poverty was also higher among Israeli Arabs than Jews, with 50 percent of Arab citizens living below the poverty line even after including welfare stipends, while the figure was just 15.7 percent for Jews, the report said.

Dwek, the Sikkuy spokesman, said these gaps were largely a result of Israel's inequitable distribution of funds.

Towns mostly populated by Arabs tend to get less money than those where Jews live, he said. Both population groups live mostly in separate towns and cities in the Jewish state.

One of the only figures to show a reverse picture was that regarding home ownership, which was 93 percent among Arabs, but just 70 percent among Jews. The report said this was partly because homes in Arab towns were cheaper than elsewhere.

An Israeli official said Prime Minister Ehud Olmert was planning to propose ways to improve the integration of Arab citizens in Israel's society at a conference expected to be held later this month.

"It is clear the situation is not so good and can do with an improvement, and that both sides need to make an effort to do so," the official said.



THE FACTS SPEAK FOR THEMSELVES

By Avirama Golan, December 3, 2008, www.haaretz.com

The recession, presumably, will not stop at the firing of employees and the closing of fancy restaurants. The report for 2007 by Sikkuy - The Association for the Advancement of Civic Equality in Israel, which details inequality between Israel's Jewish and Arab citizens, is flashing all its warning lights.

Sikkuy aims to help integrate Arab citizens into the life of the country. This is a truly Sisyphean aim. Who remembers, for example, the decision by Ehud Barak's government in 2000 whereby it would be ensured that, for a start, 10 percent of government employees would be Arabs? In 2007, 94.8 percent of government employees were Jews and only 5.2 percent Arabs. Not in management positions, of course.

Sikkuy's report is a model of restraint, responsibility and professionalism. The researchers and experts in their fields do not warn and they do not mourn; they choose to detail scientific data and explain them. Moreover, the report, which for the second year in a row deals with the social and economic aspects of inequality between Jews and Arabs - and leaves aside the dramatic aspects of equality before the law and political equality - does not ascribe exclusive blame to the state.

Thus, for example, the chapter on the health index notes the recognized fact worldwide that inequality in health derives mainly from socioeconomic gaps and these - including differences in income, education and employment - are not the health system's responsibility. Moreover, cultural differences and other factors like exposure to pollution and violence also contribute to the gap. It is possible, of course, to argue that the government - which has disassociated itself from all this - can also be blamed for not adapting the health services to different cultures, and for pollution, violence and work hazards. But the Sikkuy report has refused to indulge in finger-pointing. It prefers to provide facts.

The facts, indeed, speak for themselves and prove that since the previous report, inequality between Jews and Arabs has increased in every area. The infant mortality rate, for example, is 3.6 out of every 1,000 live births among Jews, and 8.4 among Arabs. There is also a difference in life expectancy, to the Arabs' detriment, and in recent years a greater proportion of Arab citizens have suffered from diabetes, obesity and heart ailments - diseases of the poor.

In education it is striking that the dropout rate in Arab schools is twice that in the Jewish population, and there is a huge gap in scores on elementary school achievement tests. There is also a gap in the percentage of students with matriculation certificates qualifying them for university (47 percent of Jews and 32 percent of Arabs).

In employment, the proportion of women who participate in the workforce is noteworthy (55 percent of Jewish women and only 17.9 percent of Arab women), though a relatively high percentage of Arab women are academics. The almost obvious conclusion is that higher education is a clear engine for socioeconomic change.

The overall picture shows an inverse relationship between the rate of growth in the Arab population and the services it receives, as discrimination worsens. This is the ill wind of exclusion, hatred and alienation blowing in statements like those by right-wing MK Effi Eitam, who is promising to expel Arabs, in the scandalous sanitizing of the "judaization" of regions in Israel and in the government's impotence against phenomena like the establishment in mixed towns of fanatical hesder yeshivas, which combine military service and religious studies.

Discrimination," the editor of the report, attorney Ali Haider, writes in the introduction, "erodes stability and social solidarity."

Indeed, this is the folly of inequality. And we have not yet said a word about the immoral aspect of this folly.



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