

Chapter 1

The Health Index

International conventions have determined that health is a basic right. The State of Israel is a signatory to these conventions and has anchored the right to health in local laws, first and foremost the National Health Insurance Law of 1994, which stated its commitment to provide equal health services to its inhabitants. The law clearly states that "National health insurance according to this law will be based on principles of justice, equality and mutual assistance."

Accordingly, every resident is entitled to health services based on principles of justice and mutual assistance, regardless of religion, race, gender, age or nationality.¹⁰ According to this law, health services are provided to all the inhabitants in return for relatively low public participation, by means of a progressive tax. At the same time, over the years there has been a continual increase in the expenditure on the health of the inhabitants. For example, in 1997 the percentage of health insurance (which includes supplementary insurance offered by the health maintenance organizations and health insurance from insurance companies) totaled 0.4 percent of the average household expenditure, and in 2008 it had increased to 1.4 percent. The sums spent in 1997 on medications and personal hygiene products totaled 1.4 percent of average consumer expenditures, compared to 1.7 percent in 2008.¹¹ This increase stems from an increase in the cost of medications, payments to independent doctors and/or specialists and the rescinding of the employer's parallel tax¹², which contributed to an increase in the disparities in accessibility. A 2007 Brookdale Institute survey found that 40 percent of participants in the survey had decided not to visit a specialist, 45 percent had decided not to use a medication for a chronic illness, and 26 percent among the lowest fifth percentile reported that the family's outlay for health was a very heavy burden.¹³

Health services are resources for which the bottom-line outcomes, as with every other resource, indicate gaps existing between sectors of society, in contradiction to the language of the law. One of the unavoidable results of unequal distribution is unequal access to these resources.

The concept of inequality in health refers to undesirable gaps that are preventable, and to differences in the state of health. These are measured by means of accepted indexes such as morbidity, mortality and/or disabilities. The concept "inequality in health" also

10 Yehudit T., Shoval and Ofra Anson (2000), **Social Structure and Health in Israel**. Jerusalem: Eshkol Institute, p. 283.

11 CBS, **Israel Statistical Annual**, 2003 and 2010.

12 This tax is paid by the employer for every one of his employees for whom National Insurance was paid, based on the employee's salary. It was cancelled at the end of 1996 after the legislation of the National Health Law.

13 Revital Gross, Shuli Brammli-Greenberg and Baruch Rosen (2007), "Self participation payments: The implications for access to services and equality." **Mishpat La'asakim**, 6.

refers to differences in access to health services (the degree to which the distribution of the services among population groups reflects the differences in needs); differences in the quality of the service (do at-risk populations receive high quality services, and are these services provided based on their culture, their income and their educational level); differences in the use of the service and in the results of the treatment process (whether these are clinical outcomes or the results of health promotion or prophylactic activities).¹⁴

In spite of the contribution of other factors (such as the individual's educational level and his socioeconomic situation) to the development of inequality in health, in the professional literature there is a consensus regarding the role of the government health system in maintaining and implementing the resources and making the services accessible (initial and secondary clinics, the distribution and availability of expert doctors and specialists, hospitals, medical equipment such as MRIs, CAT scans etc., self participation in doctors' visits and purchasing medicines, programs for prevention and for increasing awareness) in creating inequality in health.

A Physicians for Human Rights NGO position paper clearly points to the large gaps between the Tel Aviv and Central districts on the one hand, and the Northern and Southern districts, which have a high concentration of Arab citizens, on the other. Moreover, in sample comparisons between Arab and Jewish communities in the peripheral areas, a gap of 1.7 to 2 was found in the number of doctors per 1,000 people.¹⁵

The state of health of the population, as measured by rates of mortality, morbidity, disability, loss of work or study days, well-being and risk factors, is mainly a result of the level of income and education, and of employment and profession, formal and informal support systems, cultural values and environmental quality. These components are closely related to the distribution of social resources and the opportunity available to social groups for attaining them, and therefore are not equally accessible to all the groups that compose the society.¹⁶ Cultural, social and/or socioeconomic factors cannot be blamed for the fact that the Health Ministry ignores the bottom-line outcomes of its inhabitants' health; on the contrary, the Health Ministry is responsible to adapt the resources and to make high quality health services accessible to all citizens.

Until now there has been insufficient attention and activity on the part of the Health Ministry to reduce the gaps in health services, although the ministry claims that narrowing the gaps is one of its primary objectives. This has proved to be insufficient: The bottom-line outcomes point to an increase in gaps and to the inability of the Health Ministry to exercise its authority in order to require the health maintenance organizations to provide equal health services. The gaps between Arabs and Jews in the area of health – in the provision of services, promotion of health promotion, motivation and results – are reflected in various aspects of the health system, both infrastructure and processes. The situation is worrisome not only because of the gravity of the gaps, but also because they continue to widen substantially in major areas such as life expectancy, overall mortality and infant mortality.¹⁷

14 Leon Epstein, Rachel Goldwag, Shurug Ismail, Miriam Greenstein and Baruch Rosen, **Reducing health inequality and health inequity in Israel: Towards a national policy and action program**. The Smokler Center For Health Policy Research, The Myers-JDC-Brookdale Institute, Jerusalem, 2007.

15 Physicians for Human Rights (2008), **The right to health among Arab Palestinians in Israel: A comparative look**. Report on the occasion of World Health Day.

16 Shoval and Anson, **Social Structure and Health in Israel**.

17 Leon Epstein and Yuvia Horeb (2007), **Inequality in Health and in the Health System: Presentation of the problem and policy directions for action**. Jerusalem: Taub Center, p. 9.

The health of the Arab population is inferior to that of the Jewish population in almost every one of the accepted parameters. Arabs as a collective suffer from discrimination, social and political alienation and a profound sense of deprivation. The increase in inequality and the sense of discrimination exacerbates this situation. A poor quality of life, characterized by crowded housing conditions and a low income, is closely related to health problems. Arab society also suffers from a lack of resources for dealing with the problems, due to an undeveloped infrastructure of social welfare services, sanitation and health care.¹⁸ The scarcity of resources is especially blatant in the periphery (where there is a high concentration of Arabs), and mainly in the unrecognized Arab–Bedouin communities.¹⁹ The pace of development of health services in the Arab sector is slower than for Jews. Only in the 1990s did Arabs and Jews begin to have equal access to safe drinking water. But there are still villages, especially unrecognized ones that are not linked up to the electricity and telephone networks, where a suitable solution to the sewage problem – which must be solved in order to prevent illnesses – has yet to be found.

Over the years there has been an improvement in the overall state of health of both Jews and Arabs, but in spite of the improvement among Arabs, in recent years there has been a worrisome increase in the gaps between the two population groups. The National Health Insurance Law that was passed in 1995 ensured that all citizens benefit from health insurance, and increased the competition among the HMOs to bring in new members. As a result the residents of peripheral communities, including Arab communities, were actively brought in to the HMOs, and in many communities new clinics were built and the services of specialists became available for the first time.²⁰ The increase in Arab service providers improved access to health services, not only by increasing the number of Arabs working in medical services, but also by bringing health services to the consumers.²¹

As a result of the improvement in health services and their accessibility to the public, the health of the Arab population improved: Life expectancy increased (between 2001 and 2008 the life expectancy of Arab men increased from 74.5 to 75.9, and that of Arab women from 77.8 to 79.7), the infant mortality rate declined, as did death from birth defects, infectious disease and cardiovascular diseases. Nevertheless, in recent years the gaps between the two population groups have widened: Among Arabs there has been a worrisome increase in morbidity and mortality rates from diabetes, as well as a high frequency of obesity, especially among older women. The rates of smoking among Arab men are still high, as are mortality rates from birth defects and cardiovascular diseases. At the same time, there has been an increase in the incidence of malignant diseases,²² and particularly in mortality rates from lung cancer among Arab men and breast cancer among Arab women.²³

18 Shoval and Anson, **Social Structure and Health in Israel**, 67.

19 The state does not recognize the purchase rights of Bedouin Arabs over the lands on which they live, and therefore does not provide the local councils – and over 70,000 people – with resources to develop their infrastructure.

20 Michal Tabibian–Mizrahi and Alon Rubinstein (2004), **The Situation of Arab Children in Israel**. Submitted to MK Issam Makhoul, Knesset Research and Information Center.

21 Shoval and Anson, **Social Structure and Health in Israel**, 298

22 Jalal Tarabeia (2005), **The Health Status of the Arab Population in Israel 2004**. The Ministry of Health (henceforth Tarabeia, **The Health Status of the Arab Population**).

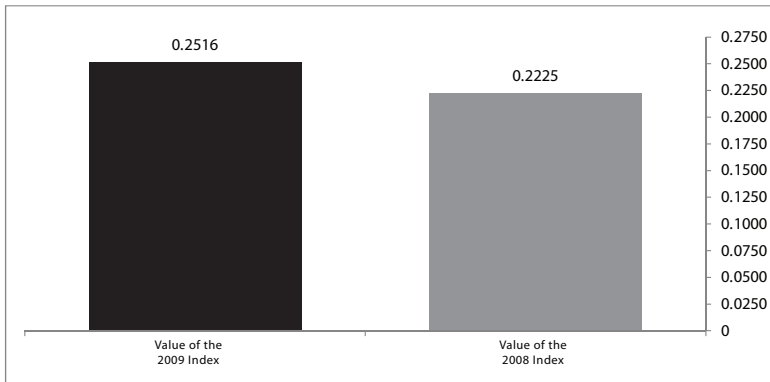
23 The National Center for Disease Control (2008), **60 Years of Health in Israel** – Publication 315 (henceforth **60 Years of Health in Israel**). Between 1979 and 2004 the mortality rates from cancer among Jewish men were stable, while there was an increase of 64 percent in mortality rates from lung cancer among Arabs. Among women, between 1979 and 2004 there was a decline of 13 percent among Jewish women in mortality rates from breast cancer, and an increase of 53 percent among Arab women during those same years.

The value of the 2009 Health Index: 0.2516

The value of the 2009 Health Index rose sharply compared to last year, by 13 percent, in other words, the gap between Jews and Arabs widened in favor of the Jews by 13 percent within a year (See Diagram 1.1). This gap has grown to 21.2 percent since we began to measure in 2006 (0.2076). This year, like last year, life expectancy for Jews and Arabs increased, but the improvement among Jews was greater (see Diagram 1.2). There was also a continual decline in the rate of infant mortality in both populations. The decline among Arabs is greater (see Diagram 1.3), but the gap is still large.

In regard to smoking the gap between Jews and Arabs increased: there were fewer Jewish smokers and more Arab smokers. Among Jewish and Arab women there was a small, very similar decline in the percentage of smokers (5.0 percent and 4.5 percent, respectively – see Diagram 1.4). In mortality rates for all the selected age groups the gap between Arabs and Jews continues, with the exception of females aged 10–14 (where the rate is identical). (See Diagram 1.5).

Diagram 1.1: Change in the value of the Health Index from 2008 to 2009



Indicators and variables

Using the standard statistics available to us, we continue this year to base our index on three indicators for examining the level of equality in health. This choice of indicators and variables stems from their importance in determining the level of equality. If we had at our disposal a greater selection of standard statistics on other variables – variables of morbidity (for example, the incidence of illnesses and how they are treated) and accessibility (for example, doctors and professional centers in communities), we would be able to provide a broader picture of the level of equality between Jews and Arabs.

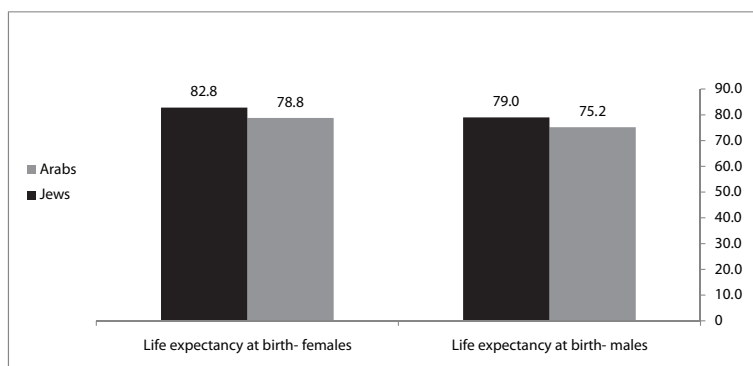
Indicators	Variables
Life expectancy	1. Life expectancy at birth by gender and population group
Mortality rates	2. Infant mortality rates by population group 3. Mortality rates at selected ages by gender and population
Health-promoting behavior	4. Percentage of smokers by gender and population group

Life expectancy at birth

The index of life expectancy at birth estimates the average number of years that a person born in a certain year will live, on the assumption that the patterns of mortality in the community remain unchanged throughout his life.²⁴ There has been an increase in life expectancy over the years in all the population groups, although at differing rates. Life expectancy is an index that enables us to compare the state of health of populations, both within the same country and worldwide. Life expectancy for men in Israel is in fifth place among the 30 countries with the highest life expectancy, and for women, in 23rd place.²⁵ Life expectancy of Jews and Arabs is on the rise, but the rate of progress differs in the two populations and the gaps are still widening.

The gap between Jews and Arabs in life expectancy at birth continues the trend observed in the previous indexes. For example, the gap in life expectancy at birth between Jewish and Arab men was 1.7 years in 1996 (76.66 and 74.9, respectively). In 2008 the gap grew to 3.7 years (78.7 and 75.0, respectively) and in 2009 to 3.8 (79 and 75.2 respectively). The gaps in life expectancy at birth between Jewish and Arab women was 2.6 years in 1996²⁶ (80.3 and 77.7, respectively), increased to 3.8 years in 2008 (82.5 and 78.7), and increased to 4 years in 2009 (82.8 and 78.8). Therefore, in spite of the increase in life expectancy in the general population, the gap has been maintained in favor of the Jews. The gap between Jewish and Arab men increased this year to 3.8, compared to 3.7 in 2008. Among women the gap increased from 3.8 years in 2008 to 4 years in 2009 (see Diagram. 1.2).

Diagram 1.2: Life expectancy at birth among males and females by population group



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkyu

24 60 Years of Health in Israel.

25 Ministry of Health (2009), *The Health Situation in Israel 2008: Selected Indexes for the Entire Population - Publication 323*, p. 16.

26 CBS (1998), *Israel Statistical Annual 49*, 1998

Infant mortality

The infant mortality rate is a comparative index that is used the world over to assess health of the population and the quality of health services. This index reflects, among other things, the influence of socioeconomic status on health, and enables comparisons over time among countries, and among population groups in the same country. In Israel there has been a continual decline in infant mortality. This decline is attributed to an improvement in quality of life and environmental conditions, and the development of technologies to monitor the fetus and the newborn during pregnancy, at birth and postnatal. The decline in infant mortality is also attributed to the effect of community prevention and support services on the health of the mother and the newborn.²⁷

Nevertheless, the gap between the infant mortality rate for Arabs and Jews remains the same – almost double in favor of Jews: In 2009, 255 Arab babies died in Israel compared to 339 Jewish babies, in other words 42.9 percent of the 594 infant deaths in Israel that year were in the Arab population.²⁸ According to the reports of the Central Bureau of Statistics for 2008, the main causes of death among Jewish infants are premature birth (47.8 percent) and birth defects (31.4 percent). The main causes of death among Arab infants are birth defects (38.6 percent of all deaths) and premature birth (30.4 percent).²⁹

In Diagram 1.3, we can see the decline in infant mortality among both populations compared to the 2008 index. In the Arab population infant mortality declined by 3.8 percent, from 8.0 per 1000 live births in 2008 to 7.7 in 2009. In the Jewish population the mortality rate declined by 3.2 percent, from 3.2 per 1000 live births to 3.1 in 2009. The highest infant mortality rate was found in the Negev Arab communities, especially in the unrecognized Bedouin villages – triple the national average and more (13 per 1000 live births, as compared to 4 per 1000 in the population as a whole).³⁰ The main causes of death among Bedouin infants in the Negev are birth defects, hereditary illness and premature birth. The policy that links the development of services with the country's desire to settle the Bedouin in permanent communities was reflected in lower investment in health, education and other areas. The residents are forced to travel long distances in order to receive health services or to wait for one of the mobile medical units that visit their village infrequently.

An intensive and consistent investment in preventive medical services, accessibility of health services, training local manpower, infrastructure – especially clean water, sanitation and electricity, and an information program among the Bedouin population in the permanent communities and the unrecognized villages, is likely to help increase awareness of prenatal tests and risk factors.

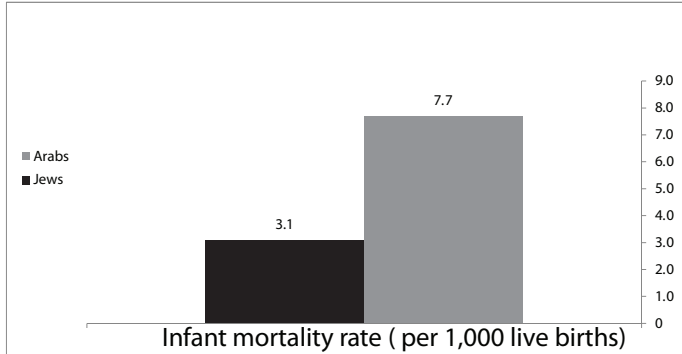
27 Tarabeia, *The Health Status of the Arab Population*, 54.

28 CBS, *Israel Statistical Annual 2009*: Table 3.11: Live births, deaths and infant deaths by district, subdistrict, population group and religion.

29 *60 Years of Health in Israel*, 19.

30 Adel Manna (2008), "Change and continuity in the Experience of Arab Citizens in Israel – Situation Assessment." In Adel Manna (ed.), *Yearbook of Arab Society in Israel* (2). Jerusalem: Van Leer Institute, Hakibbutz Hameuhad, p. 27.

Diagram 1.3: Infant mortality rate (per 1,000 live births) by population group



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Mortality rate at selected ages

As mentioned, the life expectancy at birth variable reflects the number of years that the individual is likely to live, based on typical current aggregate mortality rates. On the other hand, the mortality rate variable represents the percentage of those who die, with the cause of death linked to the quality of care and follow-up provided by the health care system, changes in the health system, the socioeconomic situation and the quality of life of the individual at every age in the course of his lifetime, based on the age of death.

This year we see that in every age group, with the exception of females aged 10–14 (where the rate remains unchanged), the mortality rates are higher among Arabs than among Jews. Diagram 1.5 shows that in the 1–4 years age group the mortality rate among Arab males is 0.7 – 3.5 times the mortality rate among Jewish males, which is 0.2, as it was last year. Among females in the same age group the gap in mortality rates increased since last year: This year it is 0.5 among Arab females compared to 0.1 among Jewish females. Last year it was 0.5 for Arabs and 0.2 for Jews.

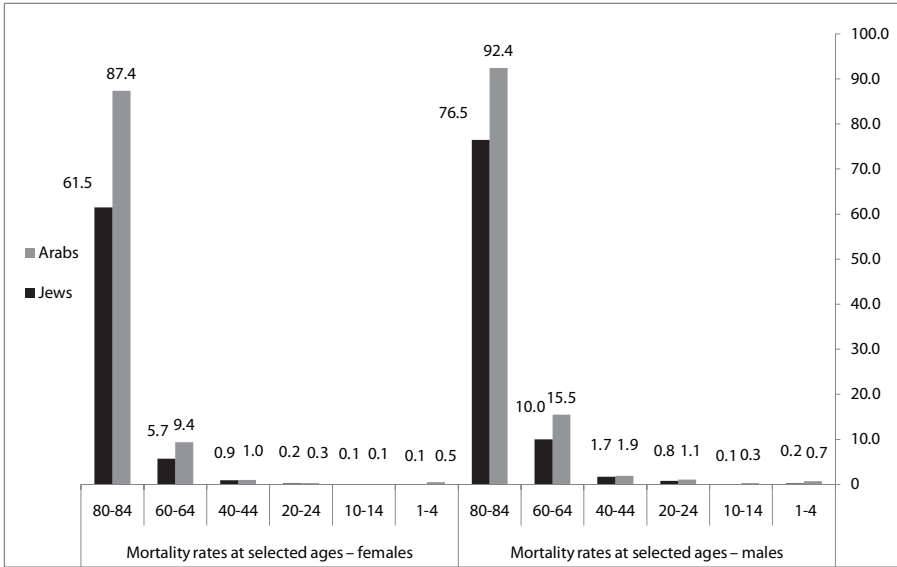
In the 10–14 age group the mortality rates among males and females remained unchanged, as was the case last year.

In the 20–24 age group the mortality rate among Arabs and Jews decreased by the same rate, so that the gap remains as it was last year. In the 40–44 age group the mortality rate declined in both groups by the same rate, so that the gap remains as it was.

In the 60–64 and 80–84 age group we found the greatest gap between Jews and Arabs, among both males and females. In the 60–64 age group the rate for Jewish males was 10 (compared to 10.4 last year) and for Arabs 1.5.5 (compared to 15.8 last year). Among females in this group the rate is 5.7 (compared to 5.9 last year) for Jews and 9.4 (compared to 9.6 last year) for Arabs.

In the 80–84 age group the mortality rate for Jewish males was 76.5 (compared to 76.8 last year) and for Arabs 92.4 (compared to 90.2 last year). Among females from the same age group the mortality rate for Jews was 61.5 (compared to 62.1 last year) and for Arabs 87.4, unchanged from last year.

Diagram 1.4: Mortality rate per 100,000 people by selected age and population groups



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

As noted, the mortality rates at various ages are affected by the quality of services, the use of health services, various habits, the availability, nature and distribution of health services, services provided to those with health insurance – such as supplementary or private medical insurance, and mammograms.

The 2009 health survey conducted by the Central Bureau of Statistics³¹ indicates that morbidity among Arabs is higher in many areas: The hospitalization rate for Arabs is higher than for Jews in every age group, with the exception of age 75 and above. The difference is especially blatant in the 25–44 age group, in which the percentage for Arabs is almost double that for Jews.

The percentage of those with supplementary and private insurance is higher among Jews than among Arabs: 83 percent of Jews – almost double that among Arabs (43.0 percent). The percentage of those with long-term care insurance through the health maintenance organizations is seven times as high among Jews (28 percent, as compared to 4 percent among Arabs). The percentage of those with private insurance is almost 14 times as high among Jews – 27 percent compared to 2 percent.

Mammograms: 60 percent of women aged 50 and above in Israel had a mammogram in the two years preceding the interview. The percentage is 10 percent higher among Jews (61 percent) than among Arabs (51 percent).

In a comparison between Jews and Arabs it stands out that a higher percentage of Arabs report diabetes in all over-35 age groups. The percentage of diabetes among Arabs is more or less doubles that for Jews.

³¹ CBS (2010), 2009 Health Survey

Cancer is more common among Jews than among Arabs. The percentage of those reporting cancer is 2–3 times higher among Jews aged 45 and above than among Arabs. About 60 percent of those reporting asthma are 45 and older. The incidence of asthma among Jews at that age is double that among Arabs. But there is a steep increase in lung cancer among Arab men and in breast cancer among Arab women.

Health-promoting behavior

Percentage of smokers

Smoking is considered the most important behavior factor affecting morbidity and mortality. In the past 25 years, the percentage of smoking among men and women in Israel has declined, Contributing to that were an increase in awareness of the damages caused by smoking and legislation restricting smoking in public places and places of work.³² Refraining from smoking, maintaining physical fitness and proper nutrition are the three behaviors with the greatest influence on good health. In many studies a direct connection was found between an absence of physical activity, smoking and unhealthy diet on the one hand, and morbidity and mortality, mainly from cardiovascular diseases, on the other.³³

According to the 2009 Health Minister's Report on Smoking: The percentage of smokers in the population as a whole in 2009 was 22.8: 22 percent of the Jewish population and 27.2 percent of the Arab population, 31.3 percent of Israeli men and 14.8 percent of Israeli women: 27.9 percent of Jewish men compared to 48.8 percent of Arab men, 16.6 percent of Jewish women compared to 5.2 percent of Arab women. In addition, 31.8 percent of Arab men who smoke are heavy smokers (over 20 cigarettes a day), compared to 12.8 percent of Jewish men. 10.9 percent of Jewish women are heavy smokers.³⁴

As in previous years, the index figures point to a clear gap in the percentage of smokers between Jews and Arabs by gender, with the percentage higher among men: 45.2 percent for Arab men and 28.5 percent for Jewish men.³⁵ We can see that among Jewish men the percentage of smokers declined by one percentage point, from 29.5 percent to 28.5 percent, but among Arab men there was a large increase of 2.8 percent, from 42.4 percent to 45.2 percent. On the other hand, Jewish women smoke three times as much as Arab women: 19.6 of Jewish women smoke– a decline of one percentage point from last year, when the percentage was 20.6 percent and 6.6 percent of Arab women smoke – a decline of 0.3 percent from last year, when it was 6.9 percent (see Diagram 1.4).

The same trend is evident among teenagers – smoking is more prevalent among Arab boys than among Jewish boys, and the same is true of Jewish girls compared to Arab girls. According to the HBSC (Health Behavior in School Children) surveys conducted

32 60 Years of Health in Israel, 37.

33 Tarabeia, *The Health Status of the Arab Population*, 174.

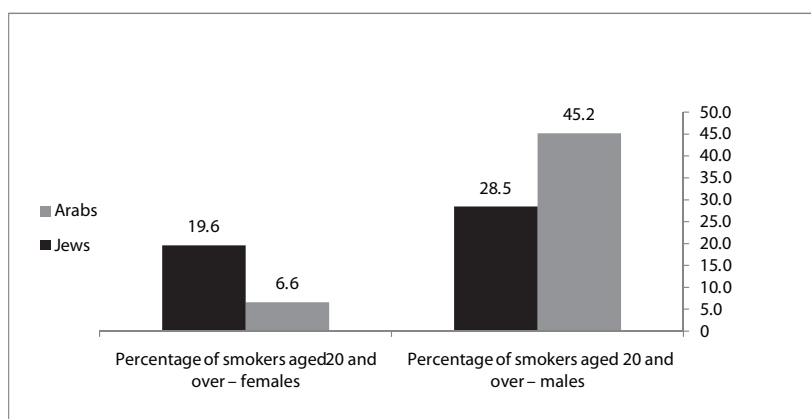
34 The Israel Center for Disease Control (2010), *2009 Health Minister's Report on Smoking- Publication 325* (Henceforth *2009 Health Minister's Report on Smoking*).

35 The difference in percentage points between the data of the Health Minister's Report and those of the index stems from the fact that the index data are based on an average range of 5 years, as we noted in the chapter "Foreword and Explanation."

in 1998, 2002, 2004 and 2006, among teenagers in Israel aged 11–16 there has been a decline in the number of those who smoke at least once a week among boys and girls in both population groups. The highest percentage of smoking is found among Arab boys, and the lowest among Arab girls. In 1998 the smoking rates were as follows: Arab boys 17.7 percent, Jewish boys 12.4, Jewish girls 6.4 and Arab girls 5.4. This percentage declined in all the groups in 2006: 12.6, 6.8, 4.1 and 2.6 respectively.³⁶

According to Health Ministry reports, the main smoking prevention activities in 2009 included E-learning programs to prevent smoking, a special program to prevent the onset of smoking among teenagers – mock trials, guidance in cities and local councils to implement a policy of a non-smoking cities, promotion of enforcement of the smoke prevention law in public places, the formation of a committee for planning policy for labeling tobacco products and a committee to plan a national program to reduce smoking in Arab society, as well as activity in the prisons to reduce smoking among wardens and prisoners. In addition, the Health Ministry is cooperating with non-profit associations, the Education Ministry, the health maintenance organizations and the Israel Cancer Association in order to prevent smoking.³⁷ These activities are a welcome step and should become more widespread, particularly among poorer populations, such as the Arabs.

Diagram 1.5: Percentage of smokers by gender and population group



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Summary and Recommendations

In this chapter we found that in spite of the improvement in the health of the Arab population over the years, the increase in life expectancy and the decline in infant mortality, the differences and gaps between Jews and Arabs are still very substantial. A disparity of four years in life expectancy is dramatic, and attests more than anything else to the state of health of Arabs compared to the Jews.

The situation described above points to an immediate need for government intervention in general and that of the Health Ministry in particular on all levels,

³⁶ 60 Years of Health in Israel, 29.

³⁷ 2009 Health Minister's Report on Smoking, 14.

to encourage health-promoting behavior, long-term investment in the resources of the health-care system, and the formulation of a detailed and budgeted program to increase awareness of health issues, preventive medicine and early detection of risk and morbidity factors among the Arab population. A suitable investment by the government in Arab health and disease prevention could reduce future government expenditures on expensive treatments, medications and rehabilitation.

We propose several steps that could affect the state of health of Israeli Arabs which are also reflected in the recommendations of medical experts and academics.

1. Government recognition of inequality in health and the adoption of a national intervention program to reduce the gaps, under the auspices of the Health Ministry. This obligates the various government ministries to take responsibility for the health of the entire population in Israel and to make a massive investment in improving the condition of the weaker populations, including the Arab community.
2. According to the recommendation of the Israel Center for Disease Control, reducing the gaps will require the planning of a holistic, system-wide government program that will include all the relevant agencies and will be based on the following principles:
 - The intervention program will address the typical causes of morbidity and the leading risk factors and will be adapted to the needs, culture and lifestyle of the Arab population.
 - Any intervention program to promote a healthy lifestyle must begin in childhood and be reflected in activity in schools, both through education and by increasing awareness.
 - There should be a discussion about affirmative action in allocating resources, changing the capitation formula³⁸, perhaps on the basis of the socioeconomic index and the periphery index, or on the basis of gaps in parameters of quality or quality-based remuneration.
 - The behavior and attitude of the doctors working in the communities have a significant influence on the community. Therefore the medical leadership should be strengthened in order to promote public health.
3. The Health Ministry must determine quantitative targets, including initiating a process of planning, implementation, assessment and follow-up, in cooperation with additional government ministries, and with a holistic perspective and implementation in the four fields of health: availability of services, access to them, adapting the services to the target population, and the quality of the services.

The prevention and intervention programs should focus on reducing the percentage of smoking, increasing awareness of physical activity, education towards proper nutrition and preventing obesity, early detection of diabetes, increasing awareness of early detection of breast cancer, reducing parental consanguinity and increasing awareness of the importance of genetic counseling and prenatal testing among pregnant women,³⁹ especially among the Bedouin population in the south.

³⁸ A formula according to which the National Insurance Institute distributes the money collected from health insurance payments to the various HMOs. This formula is based mainly on the gender and age of the insuree.

³⁹ Tarabeia, **The Health Status of the Arab Population**.

Chapter 2

The Housing Index

The right to a decent housing standard is a natural right that is anchored in many international conventions. The accessibility, price and quality of housing serve as an indication of the well being of the community. In addition to being a basic need for households and individuals, proper living conditions are an engine for development and growth and the largest target of investment for individuals and households.

Land and housing is considered the most sensitive subject in Jewish–Arab relations in Israel and in the attitude of the state towards its Arab citizens. Since the establishment of the State of Israel most of the Arab lands have been confiscated by the state and allocated for the establishment of Jewish communities, regional councils, nature preserves and public infrastructure.⁴⁰ For example, a British land survey for tax purposes mentions that in 1945 Sakhnin, which was a traditional rural–agricultural community, had an area of jurisdiction of 70,152 dunams (the Sakhnin Municipality, 2004). Today it has an area of jurisdiction of 9,688 dunams.⁴¹

The area of jurisdiction of the Arab local councils (only 2.5 percent of the area of the country for about 20 percent of its inhabitants⁴²) and the area zoned for construction of the Arab communities have been greatly reduced, exacerbating the housing problem among Arab families and young couples. The Arab villages have been undergoing rapid growth processes in the past decades and are turning into “mega–villages,” which are characterized by multistory family construction, infrastructure that does not suit the needs and increasing density without proper processes of planning and development.

Added to that is the absence of a rental housing market in the Arab communities, and great difficulty for Arabs to rent housing in Jewish communities. Most of the land in Israel (about 93 percent) is administered by the Israel Land Administration and the Jewish National Fund, two institutions that are run by an absolute Jewish majority. This exclusion has created serious inequality in the area of designation and ownership of land (privately or by leasing state lands).

Since 1948 the government has not permitted the establishment of a single new Arab community, with the exception of the Bedouin communities in the south – which are supposed to concentrate the Bedouin in smaller areas and make land available.

40 Oren Yiftachel (2000), *Land, Planning and Inequality: The Division of Space Between Jews and Arabs in Israel*, Adva Center, Tel Aviv.

41 Nimrod Luz (2007), *On Land and Planning Majority–Minority Narrative in Israel: The Misgav–Sakhnin The Land and Planning discourse Between the Majority and the Minority in the State of Israel: The Misgav–Sakhnin Conflict as Parable*. Jerusalem: Floersheimer Institute for Policy Study.

42 Yiftachel, op. cit.

In the Negev there are about 46 unrecognized Arab communities,⁴³ and the number of Arab citizens living in them is estimated at between 63,000 (the number adopted by the Goldberg Committee based on the data of the Interior Ministry) and 85,000 (the estimate of experts who appeared before the Goldberg Committee). In addition, 11 Arab communities in the Northern and Haifa districts have yet to be recognized.

At the same time about 700 new Jewish communities were established in the State of Israel – most of them moshavim, kibbutzim and communal settlements. The Arab citizens are excluded from these communities by the use of discriminatory criteria, and are not allowed to live in them. Recently the Knesset decided to grant legal validity to this discrimination when it approved on first reading the "Acceptance Committee" law for communal settlements, with the support of most of the members of the government.

Since its establishment, and during the course of the two major waves of immigration in the 1950s and the 1990s, the country has made it a strategic goal to provide housing for the Jewish citizens and used all its resources by establishing hundreds of communities and thousands of neighborhoods for Jews, and a massive leasing of land to Jewish citizens. At the same time it almost completely ignored the housing needs of Arab citizens, and until the 1970s even carried out a massive confiscation of land. It should be recalled that since the establishment of the state the number of both Arab citizens and Jewish citizens had increased tenfold. In spite of that, the state's resources were invested almost exclusively in creating housing for the Jewish population. The result is a severe housing shortage for Arabs.

As Yair Boimel⁴⁴ described so well, establishment discrimination and long-term neglect of Arab citizens is reflected in all areas, and particularly in the area of land and housing. He says, "This is de facto exclusion from the Israeli political/state and civic/public collective that gradually took shape, and their exclusion from government resources that are in the hands of that same collective. Therefore the main foundations of the unique de facto policy of the Israeli establishment that shaped and are shaping the place of the Arabs in Israeli society from its inception to this day, and which constitute the practical expression of Israeli ethnocracy are neglect, exclusion, discrimination and security control. These foundations are the basis for the practical principles of the policy that emerge from them."⁴⁵

The discrimination is reflected in shoddy infrastructure, a shortage of public buildings, a shortage of industrial zones, overcrowding and a low level of services. The level of development surrounding residential areas in all the Arab communities still does not meet the accepted standards in the State of Israel, and the gaps between the Jewish and

43 The Goldberg Commission: On December 12, 2007 Construction and Housing Minister Zev Boim appointed a commission to recommend a policy to the government for resolving Bedouin housing in the Negev, including the formulation of proposals for legislative changes. The commission was headed by former supreme court justice Eliezer Goldberg. On December 11, 2008 the commission published its recommendations.

44 Yair Boimel (2009), **61 Years of Supervised Confiscation - Cracking the Code of the Policy of the Israeli Establishment Toward the Arab Citizens**, Oranim College, pp. 4-5. (*couldn't find English transl., MS*)

45 From the CBS publication **Construction in Israel 2008: Publicly initiated construction is construction initiated by the government, national institutions, local authorities and companies fully controlled by these institutions** (Introduction, p. 21). The CBS sources of information regarding publicly initiated construction include a report about building permits from planning and construction committees and from an anthology of the directors of the Housing and Construction Ministry, as well as a report about housing starts in active construction and housing finishes, from the same anthology, a CBS field survey (for construction not initiated by the ministry) and by attributing data (for construction not initiated by the ministry that is not examined in the CBS field survey) (p. 24).

Arab communities in the quality of the buildings and their level of maintenance are only worsening.

Government programs that are supposed to take care of the housing needs of the Arab population are very limited. Only in 2001 did the state begin to include a few Arab communities (Nazareth and Umm al-Fahm) in the public construction programs that it promotes. Among the declared and principal goals of the Authority for Economic Development in the Arab Sector (which was established in February 2007) the targets in the area of economic and employment development, and in the area of housing and real estate, are most prominent.

In March 2010 the government decided to allocate NIS 782 million to 13 Arab communities, which will be allocated over five years and is supposed to deal with housing, employment, transportation and the prevention of violence. We can mention favorably the decision to deal with housing, but unfortunately it does not provide a sufficient solution to the housing shortage among the Arab public in general and in the communities included in the program in particular. One of the prominent barriers confronting the program in the Arab communities is a serious shortage of available land for construction. Based on the data of the Authority for Economic Development, there is an annual shortage of 5,000 housing units in the Arab population.

In that case, the housing shortage among the Arab population is worsening from year to year. This is directly connected to two salient issues that the government can endeavor to solve immediately. The first is the land issue, which includes three main elements: allocation, planning and construction. The second issue is related to the government's order of priorities in investment in basic infrastructure supporting modern physical development – for example water, sewage, drainage and a system of roads for transportation in general and public transportation in particular.

The value of the 2009 Housing Index: 0.2877

The value of the 2009 Housing Index increased by 2 percent and stands at 0.2877 this year, compared to the 2008 index, which was 0.2820. This increase joins the overall trend of an increase in the Housing Index –7.4 percent since we began our measurement in 2006, when it was 0.2678. The main cause for the increase this year, as in previous years, is the very low percentage of publicly initiated housing starts in the Arab communities as compared to a very high percentage in the Jewish communities (13.6 as high), as well as a sharp increase in housing costs in the past two years. The percentage of publicly initiated housing starts⁴⁶ in Jewish communities was an average of 16.3 percent of all building starts (in the previous index this percentage was 21.9) compared to only 1.2 percent in Arab communities (as compared to 1.6 percent in the previous index).

The average property tax payments remained the same among the Arab population – NIS 199.4 (\$1=approximately NIS 3.7) – whereas among the Jews there is an increase of 3.2 percent – from NIS 267 to NIS 275.8.

46 Arnona payments as reported to the CBS by the local councils, from the anthology "Arnona Payments: The rate of arnona per residential square meter is determined by a law of the local authority with the approval of the Interior Ministry. The fact that the average arnona payments among Arabs has not changed, while there has been an increase among Jews, reflects the improvement in housing quality among Jews and the lack of improvement among the Arabs. This does not reflect the actual rate of arnona payments, which has improved in recent years [Rafik Haj (2010) (in Arabic): **The Response to Payment of Local Taxes in Arab Society in Israel**, Nazareth, Dirasat Center].

The percentage of home ownership among the Arab and Jewish populations remains almost unchanged (from 92.8 percent to 92.6 percent among Arabs and from 69.74 percent to 69.66 percent among Jews between the 2008 and 2008 indexes). The high percentage of ownership among Arabs stems from the fact that construction is done almost entirely on private land, which is a disappearing resource, as compared to the substantial supply of public lands that the state offers to the Jewish public.

There are several characteristics of the housing shortage among Arab citizens:

1. The level of development in the residential areas in all the Arab communities still fails to meet the basic standards of a developed country, and is far from the level of development typical of the Jewish communities. There is a shortage of public spaces and public buildings and the level of infrastructure and maintenance is low. These findings are confirmed by the mapping carried out by the Authority for the Economic Development of the Arab sector.⁴⁷
2. The construction of a home in Arab society takes a relatively long time, since the amount of time depends on the financial ability of the homeowner. As a result, many families live in buildings whose construction is incomplete and are exposed to safety hazards.
3. Many Arab homes are built without a permit, and therefore their owners face various threats: demolition orders, heavy fines and criminal records. This situation exists in the Negev, in the mixed cities and in various Arab communities. Building without a permit is a direct result of the planning strangulation by the government in the Arab communities. In 2000 the government admitted that in order to eliminate past gaps on the one hand and to meet the natural demand on the other, the Arab citizens need about 10,000 housing units annually for four years (the data of the Authority for Economic Development in the Arab Sector today point to a need for 12,000 housing units annually). In spite of that the government has chosen to ignore the basic needs of the Arab citizens, and since 2000 has marketed only about 8,000 homes. Moreover, a shortage of government-supported initiated public construction – without which it is impossible to meet even a part of the demand for housing among the Arab population – has only increased their housing shortage.
4. Arab citizens who try to purchase apartments in neighborhoods in Jewish or mixed communities frequently encounter racist opposition.
5. Dozens of Arab communities (especially Bedouin communities in the Negev) are still considered unrecognized communities, with all that implies in terms of housing conditions and the network of services and infrastructure.
6. Arab neighborhoods in the mixed cities are still unrecognized, and the owners of houses populated with key money tenants are not permitted to enlarge or renovate the house.
7. The jurisdiction of the Arab local councils is limited, and the government authorities do not respond to requests to expand it in places vital to the planning or enlargement of residential areas.
8. Large parts of the land that was owned by the Arab population have been confiscated over the years. This process has reduced the land area owned by the Arab population and its availability for housing, and has led to complications regarding land ownership. These complications create difficulties in issuing building permits.
9. In spite of the fact that the Arab population has increased tenfold since the

47 <http://www.pmo.gov.il/PMO/PM+Office/rsuiot/ecoARhtm>.

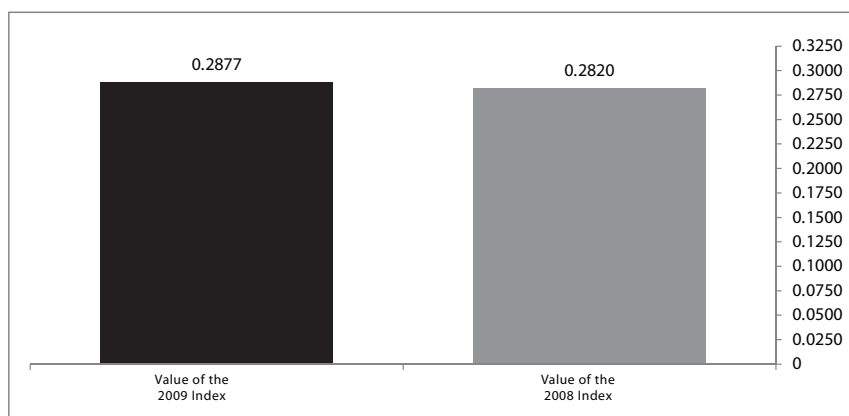
establishment of the state, and in spite of the promises made by ministers from time to time, no Arab communal settlements have been built since the establishment of the state nor has a single Arab city been built (with the exception of the seven permanent communities of the Bedouin Arabs in the Negev). This as compared to over 700 Jewish communities established since that time.

10. There has been no significant change in the participation and representation of the Arab population in an active, professional and significant manner in all the government planning institutions and at all levels, and Arabs are still excluded from the decision-making process on the subject.⁴⁸ A change in this situation is a vital condition for increasing the involvement of the Arab public in a fair presentation of its needs before the professional bodies, in order to increase the support of the planning institutions for independent construction – the most easily available way to offer a supply of housing that suits the growing demand.

In light of all the above mentioned challenges, the Equality Index only partially reflects the housing shortage among the Arab population, due to the unavailability of annual statistics that could have helped provide a more comprehensive description of all aspects of the situation. The number of variables at our disposal is limited, and therefore the influence of each of them is great.

As can be seen in Diagram 2.1, the value of the 2009 Housing Index indicates an increase – in other words, the gap between Jews and Arabs grew by about 2 percent in favor of the Jews, and this year is 0.2877, compared to 0.2820 in the 2008 index. The increase stems mainly from a widening of the gap in the percentage of publicly initiated housing of all housing starts in communities with a population of 10,000 or more. This variable faithfully reflects the government's attitude toward the needs of the Arab population and the degree of involvement of public policy in residential construction. The monthly expenditure on municipal property tax payments also contributed to widening the gap, although its influence was much smaller.

Diagram 2.1: Change in the value of the Housing Index from 2008 to 2009



⁴⁸ Rassem Khamaisi (2010), *Barriers to Including Arabs in the planning institutions and in shaping the public space in Israel*. Jerusalem: Floersheim Institute for Policy Studies.

Indicators and Variables

In order to examine the level of equality in housing, three indicators and seven variables were compared.⁴⁹ They appear in the following table.

Indicators	Variables
Availability of housing	1. rate of ownership of residence
	2. value of owner-occupied residence
	3. Percentage of residences constructed on public initiative of total building starts for housing in communities of 10,000 or more
Spaciousness of housing	4. number of rooms in the residence
	5. average number of people per room
Quality of housing	6. average monthly expenditure on housing
	7. average monthly expenditure on property tax payments

It should be noted that there are additional factors that affect the quality and level of housing, but we do not have continuous figures for them: Data such as the area of the house (in square meters), the quality of construction, the quality of finishing, the level of development surrounding the housing and more. Such continuous figures could have painted a clearer picture of the housing situation, but unfortunately at present the government and its institutions do not provide them.

Description of variables

Availability of housing: Percentage of those living in an owner-occupied residence

A home is considered the largest and most important asset owned by the individual or the household, and represents a major and ongoing investment in the lives of individuals and families. The percentage of Arabs living in a home they own among is 92.8 percent of all households, as compared to 92.6 last year. The percentage among Jews is lower: 69.66 percent, compared to 69.74 percent last year (see Diagram 2.2). The percentage of those living in a home they own does not necessarily reflect the percentage of home ownership, since there are households that own a home but live in a home they don't own. According to the findings of the CBS 2009 Social Survey, 15.8 percent of all households (Jewish and other) living in a home they don't own are owners of a home, and constitute about 5.9 percent of all households (Jewish and other). Among Arabs who don't live in a home they own, 5.1 percent own a home – about 1.0 percent of all Arab households. Therefore, even if we take into account families who own a home but live in a home they do not own, there is still a gap of about 21 percent in favor of Arab households in the rates of home ownership.

In spite of the high percentage of home ownership, the Arab communities suffer from deficient infrastructure that is not parallel to that in the Jewish communities: Many

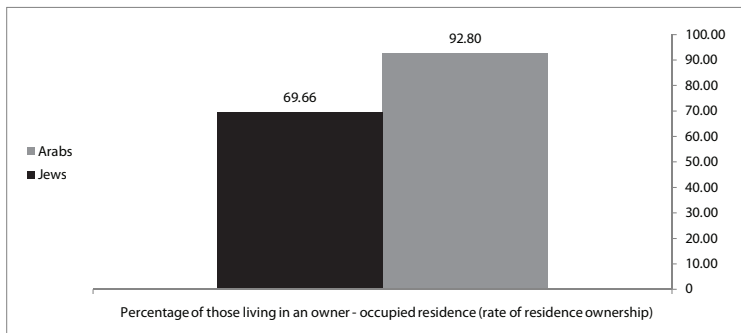
⁴⁹ Calculation of the index is based on a changing average of the variables in the past five years, in order to maintain the reliability of the estimates and the trend.

Arab homes are overcrowded, without orderly construction and proper infrastructure surrounding them. The limited supply of state lands in the jurisdiction of the Arab local councils prevents the establishment of public and educational institutions, facilities for culture and entertainment, a road system, sports facilities and suitable parks that meet the needs of the population.

The percentage of home ownership in the Arab communities is not significantly affected by the low income level typical of the Arab population, thanks to the high incidence of private ownership of land and the method of independent construction. Independent construction lowers the building costs significantly and enables owners of private land to progress with construction at their own pace, even if they have low and unsteady incomes. On the other hand, the opportunities for Arabs in the mixed cities to purchase housing units are clearly affected by their income level.

In spite of that, in light of the decline in land reserves available for construction in the Arab communities, the sharp rise in the value of the land, the high costs and bureaucracy involved in unfreezing land and changing its zoning for construction purposes, there is a constant increase in the influence of income on the chances of purchasing a residential unit. As construction by contractors increases in the Arab communities (as compared to independent construction), and as private land reserves available for development decrease, the influence of income level on the chances of purchasing a residential unit will increase. Because the Arabs' income level is significantly lower than that of Jews (by 33.0 percent), their ability to purchase a home will only decline in comparison with that of Jews.

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



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

The value of owner-occupied residences

According to the figures, and as they are reflected in Diagram 2.3, we see that the average value of a privately owned home in Arab communities is lower than the average value of such a home in Jewish and mixed communities (NIS 653,000 compared to NIS 776,200 respectively). Over the past years the gap is slowly narrowing in light of the rapid increase in the value of privately owned homes in Arab communities (see Diagram 2.3.1).

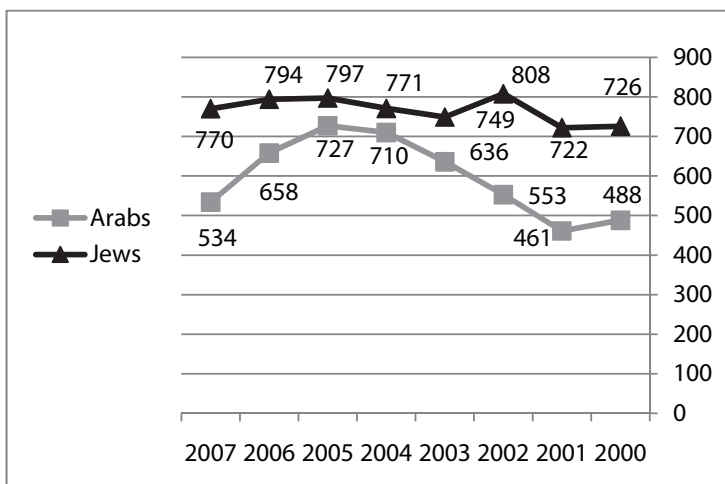
In recent years there has been an increase in the value of housing all over the country, including in the Arab communities. The main reason for that in the Arab communities is an increase in the value of the land, due to the dwindling amount of private land available for construction, a limited supply of state lands available for housing, the difficulty in changing the zoning of the land (from agricultural to residential).

Diagram 2.3: Value of owner-occupied residence, by population group (in thousands of NIS)



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Diagram 2.3.1: Value of owner-occupied residence In Jewish and Arab communities in 2000–2007 (in thousands of NIS)

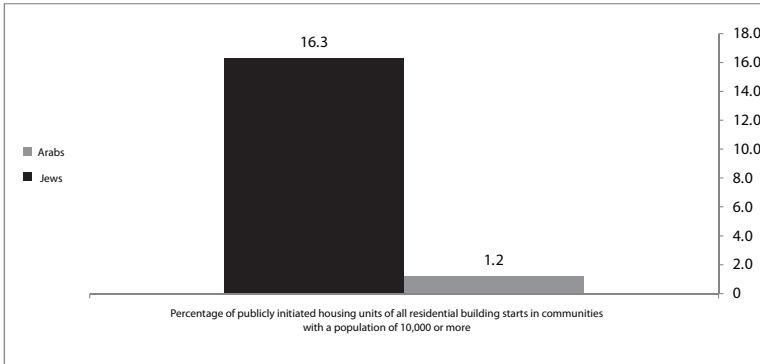


Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

The percentage of housing built by public initiative of all the residential building starts in communities with a population of 10,000 and more

Publicly initiated housing is one of the primary ways of expanding housing opportunities in Arab communities and increasing the exploitation of construction capacity on lots. The shortage of land and the growing demand for housing are creating an immediate need for such intervention, which should be adapted to the unique characteristics of the potential users. Diagram 2.4 describes the percentage of housing built by public initiative of all the residential building starts in communities with population of 10,000 and more: 16.3 percent (compared to 21.9 percent in the previous index) in Jewish and mixed communities, and only 1.2 percent (compared to 1.6 percent in the previous index) in Arab communities (see Diagram 2.4). The gaps this year are almost 13.6 times as great in favor of the Jews.

Diagram 2.4: Percentage of publicly initiated housing units of all residential building starts in communities with a population of 10,000 or more



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Spaciousness of housing: size of residence, number of rooms and density

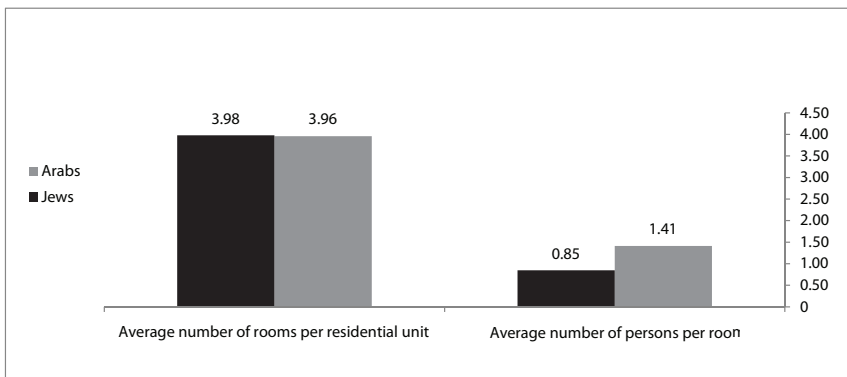
The Equality Index determines the spaciousness of housing using two variables: the size of the house and the density. These two variables can be measured both in units of area (square meters) or in number of rooms. Due to the limitations of the data at our disposal we measured the size of the house according to the number of rooms and the density according to the number of persons per room. In the past year the Central Bureau of Statistics published figures about the area of residential space subject to municipal property tax payments and the number of housing units required to pay property taxes, as published in the accounting records of the local authorities. Based on these figures we were able to estimate the average area of a residence in Jewish and mixed communities and in Arab communities. The figures were not included in the Equality Index, but we used them in order to make a comparison and to receive a broader picture of the average size of the residential unit and the factors affecting its density.

Size of residence: Number of rooms

The average number of rooms per residence in Arab households is almost identical to that in Jewish households (see Diagram 2.5). However, from a comparison of the average area of a housing unit in Jewish and Arab households, we found that the area in urban Arab communities (communities of 2,000 and more) is larger, about 124.9 square meters, as compared to 97.3 square meters (the average size of a residence) in Jewish and mixed communities⁵⁰.

Although the area is larger, the average number of rooms per residence is almost identical. Diagram 2.5.1 describes the distribution of households (Jewish and Arab) according to the number of rooms per residence. The diagram indicates that most of the households (61.2 percent among Jews and 77.2 percent among Arabs) live in three- or four-room residences. The main gap between Jews and Arabs is reflected in the percentage of households living in a residence of 4.5 rooms and more (23.8 percent of Jews compared to 8.6 percent of Arabs).

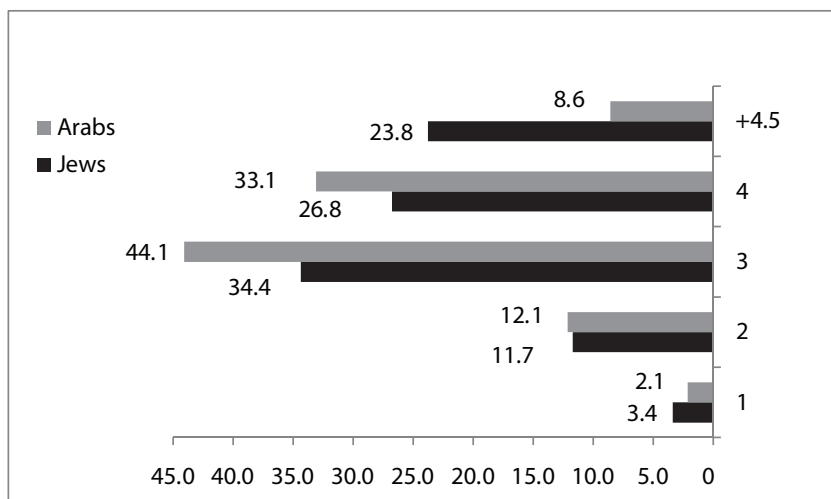
Diagram 2.5: Average number of rooms per residence and average number of persons per room by population group



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

⁵⁰ The estimate of the average area of the residence was made by dividing the area of the residences by the number of housing units according to the reports of the local authorities on arnona fees for housing according to square meter and the number of housing units, as published in the CBS publication **Local Authorities 2009**.

Diagram 2.5.1: Distribution of households by number of rooms per residence and by population group, 2008 (%)



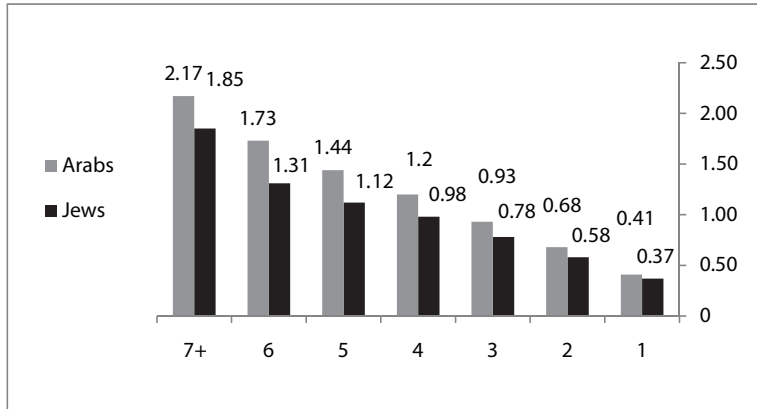
Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Average number of persons per room

As we have said, housing density can be measured both by area, i.e. square meters per person, and by the number of people per room. The figures at our disposal enable us to measure the housing density by the latter method (number of people per room). In Arab households the housing density is higher, at 1.41 people per room on average, compared to 0.85 among Jewish households, as in the 2008 index (see Diagram 2.5).

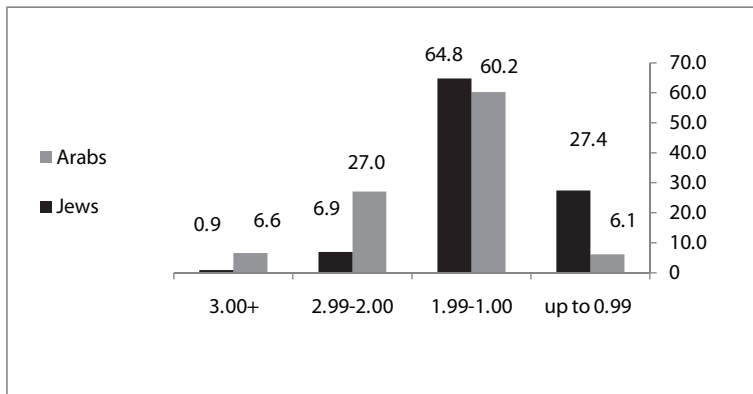
Housing density is higher among Arabs in terms of area per person as well. According to the CBS publication Local Councils in Israel 2009, in Arab communities the average area per person is 18.2 meters, compared to 33.7 square meters in Jewish and mixed communities. In addition, it turns out that the average number of people per room is 41.2 percent higher among Arabs than among Jews (1.43 versus 0.84, respectively), regardless of the size of the residence (see Diagram 2.5.2). In other words, housing density is always higher in Arab households.

Diagram 2.5.2: Average number of persons per room by household size and population group, 2008



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Diagram 2.5.3: Distribution of households with children by housing density and population group, 2008



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Diagram 2.5.3 describes the distribution of households with children up to the age of 17 according to housing density. In 64.8 percent of Jewish households with children, and in 60.2 percent of Arab households, the housing density is one to two people per room. The main difference is reflected in the lowest and highest density values: Whereas 27.4 percent of the Jewish households with children enjoy spacious conditions of less than one person per room (as compared to 6.1 percent of Arab households), 33.6 percent of Arab households with children are crowded in conditions of over two people per room (as compared to 7.8 percent of Jewish households).

Quality of housing:

Average monthly expenditure per household on housing

The expenditure for housing services was calculated by the Central Bureau of Statistics by assigning rental equivalents for residences of equal size in a certain community or area. This variable is an indication of the quality of the housing and of the level of maintenance. The higher the average expenditure for housing, the greater the probability that the quality of the housing will also be higher. The average monthly expenditure on housing services in Arab communities is relatively low, and constitutes 62.3 percent of the expenditure on housing services in Jewish and mixed communities (see Diagram 2.6).

Average monthly expenditure per household on municipal property tax payments

The higher the average property tax payments per household, the greater the ability of the local authority to provide a higher level of services for the residents. The average municipal property tax payments depend both on the fee per square meter and on the actual rate of collection. This rate depends on the number of those entitled to an exemption from property taxes and the number of those who refuse to pay. This finding, which is published by the CBS, describes the sum due for municipal property tax payments as reported by the local authorities. The sum due is not necessarily equal to the sum actually collected.

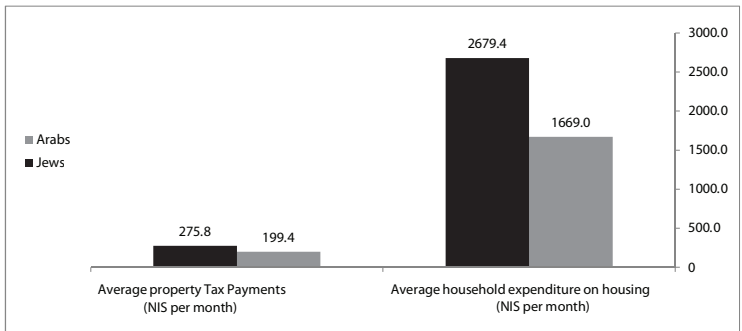
The average municipal property tax payments for housing among the Arab population is about NIS 199.4 per month, about 72.3 percent of the average property tax payments in Jewish and mixed communities, which is NIS 275.8 per month (see Diagram 2.6). It should be noted in this connection that the issue of municipal property tax payments for housing in the Arab local authorities, and their status as the main component of their income, is complex for several reasons:

1. The absence of employment and industrial zones in the planning space of the Arab population. It should be noted that these zones are the main source for municipal property tax payments. In Jewish communities, 65 percent (on average) of municipal property tax collection is derived from tax payments from industrial and employment zones, 20 percent from property tax payments from housing, and the rest from other sources such as donations from Israel or abroad. In the Arab communities the opposite is the case: 20 percent (on average) of the municipal property tax in the Arab communities comes from tax payments from industrial and employment zones, and an average of 80 percent comes from property tax payments from housing.
2. The equalizing grants⁵¹ have been reduced by over 50 percent in the past five years, without any alternative or graduated solution for the financial distress anticipated in the Arab local authorities.
3. Payment of the equalizing grant is conditional on the percentage of property tax

51 In accordance with the Suweiry formula and later according to the Gadish formula, which are used by the Interior Ministry to determine the size of the equalizing grant that it transfers to the local authorities.

collection, but in Arab communities some of the residents are unable to meet the property tax rate required of them, in spite of the repeated calls by the heads of the local authorities to the residents to pay their debts. This situation creates a vicious cycle: Many are unable to meet their debts to the local authority, and as a result the authority is unable to provide them with basic services or even to pay salaries to its employees. And if that is not enough, the Interior Ministry conditions the transfer of money on meeting an unrealistic rate of tax collection, which most of the residents are unable to meet. However, in recent years there has been an improvement in the collection rates among the Arab population.⁵²

Diagram 2.6: Average monthly housing expenditure by households and average arnona property tax payments for housing per household (NIS per month)



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Summary and Recommendations

The figures demonstrate a large gap in housing between Jews and Arabs. This gap also affects the standard of living, the relations between the groups in Israel and other areas. The index is likely to constitute an indication, even if partial, of important indicators in the area of housing that are unavailable, such as access to housing, suitable planning, development in the surroundings, community infrastructure, public buildings, and the horizon of solutions for the housing shortage.⁵³ The housing and land situation in Israel casts a shadow over Arab–Jewish relations and enflames the ongoing conflict. An improvement in the housing situation of the Arab population is an important step that could improve the situation of the Arab minority and favorably affect Arab–Jewish relations in the country. It should be noted that the Authority for the Economic Development of the Arab sector in the Prime Minister’s Office has begun to act to promote a five–year plan for economic and employment development in 13 Arab communities, and it is working to implement the targets it set for itself in the area of housing.⁵⁴

⁵² See footnote 46.

⁵³ Sikkuy is presently completing two studies that also relate to the housing shortage: a study of the marketing of land for development and construction in the Arab communities and a study on issues related to land registration in Israeli Arab society. The studies were published in April 2011.

⁵⁴ <http://www.pmo.gov.il/PMO/PM+Office/rsuiot/ecoARhtm>.

The government is responsible for closing the present gaps between Jews and Arabs in planning and housing, and is capable of doing so, by taking the following steps:

1. Giving **appropriate representation to Arab professionals** in key positions in the Housing Ministry, in the Israel Land Administration and in the local and district building and planning committees, and mainly in the national committee, as well as **including representatives of the Arab public** in formulating a comprehensive plan to solve the housing and land shortage in the planning area of the Arab population.
2. **A comprehensive plan to solve the housing and land shortage in Arab communities.** The plan will meet four main criteria: (1) increasing supply – creating a variety of housing solutions for the variety of needs of the Arab population; (2) accelerating the permit processes for planning and development of land for housing construction; (3) allocating budgets earmarked for a plan defined in advance both in terms of time and in terms of the size of the budget; (4) determining and formulating suitable and culture-sensitive criteria to finance the purchase and rental of residences.
3. **An examination of the phenomenon of building without a permit**, which is widespread in Arab communities, finding a full and just solution for residences built without a permit, and providing a suitable planning infrastructure and legal housing solutions; had they existed, construction without permits would not have developed to its present extent.
4. **Government recognition of the unrecognized Arab communities in the Negev**, according to equal and just criteria. **Putting into place mechanisms and tools to recognize and organize unrecognized neighborhoods in the mixed cities** (for example, in Lod and Ramle), **the expansion and renovation of key money homes and purchase of the homes by the tenants at a discounted rate.** In addition, **the construction of Arab communal settlements should be approved.**
5. **Lowering the housing prices** by including the Arab communities that are in clusters 1–4 (according to the socioeconomic ranking by the CBS) **in a special government assistance program.** The program will include **reducing taxes on land and increasing the supply of land for housing, assistance to the individual** in the cost of development and in mortgages, both based on the “build your own home” method and on the method of construction by contractors, or alternatively giving guarantees to banks to open tracks for mortgages in new housing projects and **encouraging the construction of public housing for those in need**, especially in the urban communities.
6. **Abolishing the expropriation laws and the procedures that discriminate against Arabs on issues of land and housing.**
7. **Expanding the areas of jurisdiction of Arab communities and adding state lands to them** in order to designate them for new residential neighborhoods and employment zones, and **expanding the built-up area** (Blue Line) in a manner that will enable suitable development and planning.

Chapter 3

The Education Index

Education is considered one of the pillars of any society and the engine of development, especially in the information era. Education has a potential to advance the socioeconomic and employment status, to improve health, quality of life and social welfare and more. Primary and higher education are among the most important tools for narrowing social and economic gaps, both on the individual and the group level. Equality of access to a good education, from early childhood to higher education, is a central factor in realizing the ideal of equality in a democratic society.⁵⁵

Until now Israel has not established a national education system that is uniform and open to all. The most prominent characteristic of education in Israel is the national, religious, ethnic and class separation, which is anchored in political and economic balances of power and is accompanied by profound inequality.⁵⁶ In Israel there are tremendous gaps in the educational achievements of various groups in society. These gaps are among other things a result of inequality in the starting point and of discrimination in the allocation of resources in the course of studies.

An analysis of government policy towards the Arab school system indicates a lower investment compared to that in the Jewish school systems, which is reflected in fewer resources.⁵⁷

Since the establishment of the state the Arab school system has grown, developed and improved. As a result there has been a significant increase in the rate of participation in studies by Arab children, and some of them have attained considerable achievements. In spite of that, the gaps in educational achievement between Arabs and Jews have remained in all areas and at all stages of education. This fact has contributed to the lower status of the Arab population in Israel, and is still doing so.⁵⁸

Khaled Abu Asbah⁵⁹ emphasizes that the school system in Israel "operates in conditions of inequality in input (resources invested in the system) and accordingly also suffers from inferiority in the bottom-line outcomes (such as achievements in international and national exams, the number of high school graduates, eligibility for matriculation and representation in higher education). Today nobody questions the inequality in education, "even among those who are responsible for the system on the level both of

55 Khaled Abu Asbah (2008), **The Arab School System and the Issue of Equality**. Mifneh, p. 43.

56 Shlomo Swirski and Noga Dagan-Buzaglo (2009), **Separation, Inequality and Weakening Control: A Situation Assessment of Israeli Education**.

57 Khaled Abu Asbah (2005), *The Arab Education System in Israel: Development and Current Situation Assessment*, in: Aziz Haider (ed.), **Arab Society in Israel Yearbook** (1). Jerusalem, Van Leer Institute, Hakibbutz Hameuhad, pp. 201–221.

58 Abu Asbah, *ibid.*, 44.

59 *Ibid.* 46, 50.

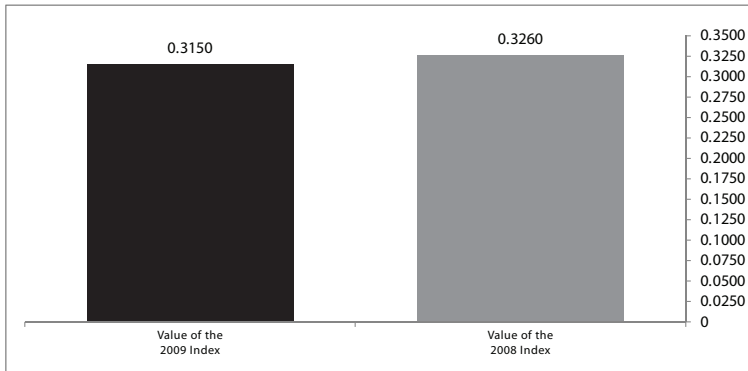
planning and of implementation.” The State of Israel has acknowledged the inequality and the gaps between the two school systems in the allocation of resources invested. In spite of this acknowledgement, and although the Or Commission determined that education is an area in which there is clear discrimination in the allocation of resources, and that it is easy to pinpoint and to close this gap, the discriminatory policy in resource allocation continues both de jure and de facto, resulting in relatively poor achievements for the Arab population.

The value of the 2009 Education Index: 0.3150

The value of the 2009 Education Index is 0.3150 – 3.5 percent lower than the 2008 index (0.3260), and indicates a consistent and ongoing decline in recent years. Since 2006 the inequality has decreased by 8.6 percent.

Diagram 3.1 describes the value of the 2008 index compared to the 2009 index. The decline in the value of the 2009 Education Index stems from a reduction in the gap between Jews and Arabs in the following variables: (1) the percentage of 2-year-olds in day-care centers and nurseries, (2) the percentage of 3–4 year olds in nurseries and kindergartens, (3) the percentage of academically trained teachers, (4) the decline in the percentage of uncertified teachers among Arabs, (5) and the increase in the percentage of those with 13 and more years of schooling among those aged 15 and above, and a decline in the percentage of those with 8 years or less of school among those aged 15 and above.

Diagram 3.1: Change in the value of the Education Index from 2008 to 2009



Indicators and Variables

An analysis of the disparities in the school system is usually conducted according to two main variables: input and output. The input refers to variables such as years of schooling, quality of teachers and infrastructure (classrooms), and the output refers mainly to the amount of schooling at the various age levels and to educational

achievements (from kindergarten to higher education).

As mentioned above, in order to enable a comparison of the input and output and the variables included in them over the years, each year the same indicators and variables are examined. The indicators chosen to examine the level of equality in education between the Arab and Jewish populations refer to aspects such as the resources of the school system, the pedagogical infrastructure, participation in schooling and educational output.

List of indicators and variables

Indicators	Variables
Resources of the school system	1. Average no. of pupils in elementary school classes
	2. Average no. of students in secondary school classes
	3. Average no. of teaching hours per pupil in elementary school
	4. Average no. of teaching hours per student in secondary school
Pedagogical infrastructure	5. Percentage of academically trained teachers
	6. Percentage of uncertified teachers
Participation in studies	7. Rate of enrollment in nurseries and day care centers at age 2
	8. Rate of enrollment in nurseries and day care centers at ages 3-4
	9. Dropout rate among 9th-12th graders
	10. Percentage of students in universities among those aged 20-34
Educational output	11. Percentage with 0-8 years of education among those aged 15 and over
	12. Percentage with 13 or more years of education among those aged 15 and over
	13. Median number of years of study among those aged 15 and over
	14. Percentage receiving matriculation certificates among all 12th graders
	15. Percentage receiving matriculation certificates that meets the minimum requirements for university entry, among 12th graders
	16. Average Metzav exam scores - 5th grade
	17. Average Metzav exam scores - 8th grade

Description of Variables

Resources of the school system

Classroom density

The number of students per class affects the attention that the teacher devotes to each student and the effectiveness of teaching. In a small class each student receives more attention, which is evident in their achievements. This argument has been heard several times from academic scholars⁶⁰ and Members of Knesset.⁶¹

Diagram 3.2 presents class size in Jewish and Arab education in 2009. The figures before us indicate gaps between the number of students per class in the two school systems, in favor of Jewish education, in all age groups in the schools, The average number of

⁶⁰ Nahum Blass (2008), **Reducing Class Size: Budgetary and Educational Implications**. Taub Center for Social Policy Studies in Israel.

⁶¹ See the draft bill: Limiting the number of pupils in kindergartens and elementary school classes, 2006 (P/1669), initiated by MK Ronit Tirosh. See also the draft bill: Public education (limiting the number of pupils in kindergarten and in the elementary school classroom) 2007 (p/17.2610), initiated by MK Lia Shemtov.

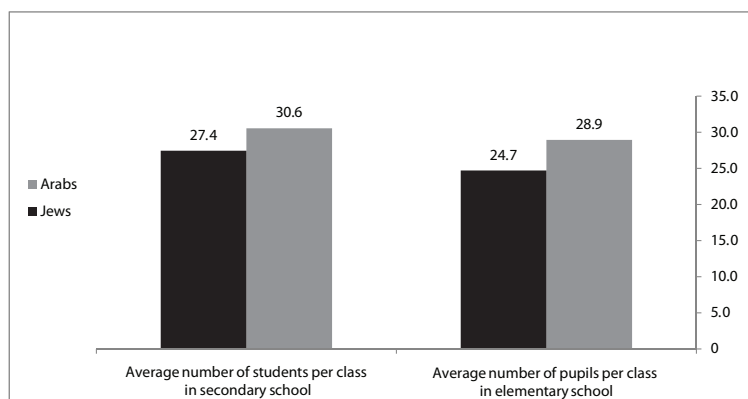
students per class in the Arab system is higher than in the Jewish system in the same age group, and negatively affects the students' achievements.

Between the previous index and the present one, we can see that the average number of pupils per class in Arab elementary education decreased somewhat – from 29.0 to 28.9 – while in Jewish elementary education it increased somewhat – from 24.6 to 24.7. But the gap in favor of Jewish education remains in place.⁶²

In secondary education the average number of students per class in the Arab system increased somewhat – from 30.5 to 30.6, compared to a decrease in the number of students in the Jewish system from 27.6 to 27.4 in the present index. This increase among Arabs and decline among Jews widened the gap between the two groups to 11.6 percent, compared to 10 percent last year.

The situation of the Bedouin Arabs in the unrecognized villages in the Negev is the worst. Tens of thousands of students have no proper infrastructure for a normal school day and they are forced to travel to schools in one of the Bedouin towns. This is a physical and financial burden that also contributes to the high drop-out rates and to low achievement.⁶³

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



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Average number of teaching hours

As has been the case every year since 2006, this year too there are gaps between the two population groups in favor of the Jewish population. Teaching hours are the total number of weekly classroom teaching hours divided by the number of students.

In terms of the average number of teaching hours, there is unequal budgeting of

⁶² The numbers of students indicated here are averages of the entire Arab school system. We are aware that in certain places there are about 40 students per class, while other classes are smaller. The problem becomes more acute in the crowded classrooms (over 35 students), which are very common in the Arab school system, and have a decisive influence on student achievement.

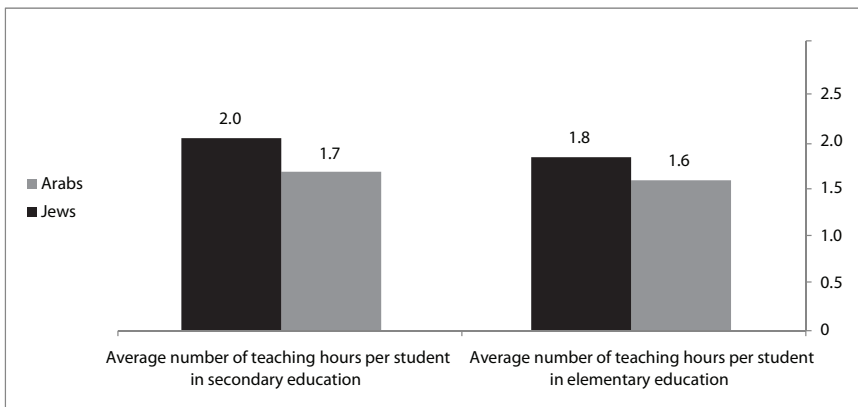
⁶³ Yossi Korazim (2003), *Children at Risk in Negev Local Authorities*. Ministry of Social Affairs, p. 8.

hours between Jewish and Arab education in favor of the Jews. The inequality stems, among other things, from the exclusion of Arabs from national priority programs (the Arab communities that are not in national priority areas do not benefit from special allocations of hours, whether on the basis of the "school development index" that was conducted until 2003 or of the "student development index" that also includes a component of living in a community included on the list of national priority A). The inclusion of this component discriminates against Arab students.⁶⁴

There is a gap in the number of teaching hours in favor of the Jewish population, both in elementary and secondary education. The gaps between Arabs and Jews in elementary education have narrowed from 18.7 percent in 2008 to 12.5 percent in 2009, because of the decline in the average number of teaching hours in the Jewish elementary schools from 1.9 to 1.8. In the Arab schools the average number of teaching hours in the elementary schools remains at 1.6.

In secondary education the gaps remain as they were last year – 1.7 for Arabs compared to 2.0 for Jews: a gap of 17.6 percent (see Diagram 3.3)

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



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Pedagogical infrastructure

Teacher education

As we noted in previous indexes, there is a direct correlation between teacher education and student achievement,⁶⁵ in other words, the students' achievement are greatly influenced by the teachers' education. The teaching community is the human capital of the school system, without which the system cannot function.

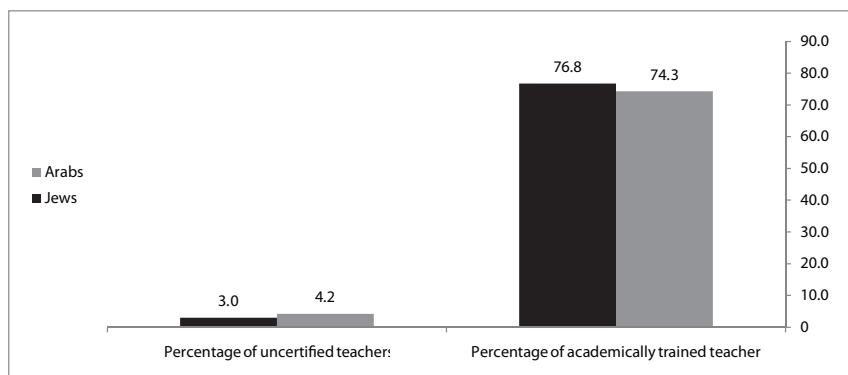
⁶⁴ Swirski and Dagan-Buzaglo, *Separation, Inequality and Weakening Control*, 35.

⁶⁵ Shmuel Shye et al (2005). *Eligibility and ineligibility for the Israel matriculation certificate: Input and output of Israeli high school students*. Jerusalem, Van Leer Institute.

Diagram 3.4 reflects teacher education. This year too, the percentage of academically trained teachers in the Jewish population is relatively higher than that among the Arabs – 76.8 percent compared to 74.3 percent. But there is evidence of an increase and an improvement in the education of Arab teachers. The percentage of academically trained Arab teachers increased from 71.0 percent in the 2008 index to 74.3 percent – an increase of 3.3 percent, compared to an increase of 1.1 percent for Jews – from 75.7 percent (2008 index) to 76.8 percent.

The improvement is also evident in the percentage of uncertified teachers in the Arab system: Their percentage declined to 4.2 percent (compared to 4.8 percent in the previous index), while among teachers in the Jewish system it is 3.0 percent (compared to 3.3 percent in the previous index) – a gap of 1.2 percent in favor of the Jewish population.

Diagram 3.4: Percentage of academically certified teachers and uncertified teachers in Jewish and Arab education



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Participation in schooling

Early childhood education

Proper education in early childhood is of great importance. Its main role is between the ages of three and six, in preparing the child for school intellectually, emotionally, cognitively and physically. At this age the child's language abilities develop, as does cognitive ability, social ability, self control, self regulation and more.⁶⁶ There are significant gaps between the two sectors in the rates of attendance at educational frameworks in early childhood. The gap is particularly acute for the Bedouin Arab population in the Negev, in which only 1.8 percent of children up to age three attend educational frameworks.⁶⁷ Awareness of the importance of early childhood education has increased recently among the Arab population as a result of the increase in the education level of the parents. At the same time, economic pressures and women entering the job market have pushed many parents into seeking extra-institutional solutions, such as non-profit and private organizations, which operate such educational frameworks.⁶⁸ But the rate of those attending Arab kindergartens and

⁶⁶ Abu Asbah, *The Arab Education System*, 47.

⁶⁷ Etti Weisblau (2006), *Children in the Bedouin Sector in the Negev*, Knesset Research and Information Center.

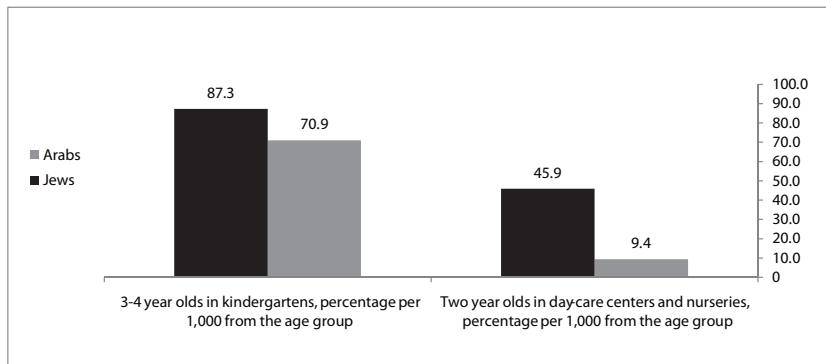
⁶⁸ Khaled Abu Asbah (2007), *Arab Education in Israel: Dilemmas of a National Minority*. Jerusalem: Floersheimer Institute for Policy Studies, pp. 100–101 (henceforth Abu Asbah, *Dilemmas*)

nurseries is still low compared to the rate among the Jews.

The figures in Diagram 3.5 indicate the percentage of those attending nursery schools – at age 2, and at age 3–4. As in previous years, the 2009 index also shows a gap in favor of the Jewish population in both age groups, with a particular large gap among 2-year-olds. In both groups there is an improvement in the percentage of those in educational frameworks at the age of 2, but the gap remains particularly large – from a gap of fivefold to 4.9 in favor of the Jews. Among Arabs the rate increased from 7.5 percent to 9.4 percent in the present index, and among Jews in the same age group from 39.8 percent to 45.9 percent. In other words, in spite of the improvement among Arabs, the gap between the groups remains almost unchanged.

In regard to those aged 3 to 4, there was an increase from 66.3 percent in 2008 to 70.9 percent in the 2009 index. Among the Jews there was a slight decline – from 89.1 percent in 2008 to 87.3 percent in 2009.

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



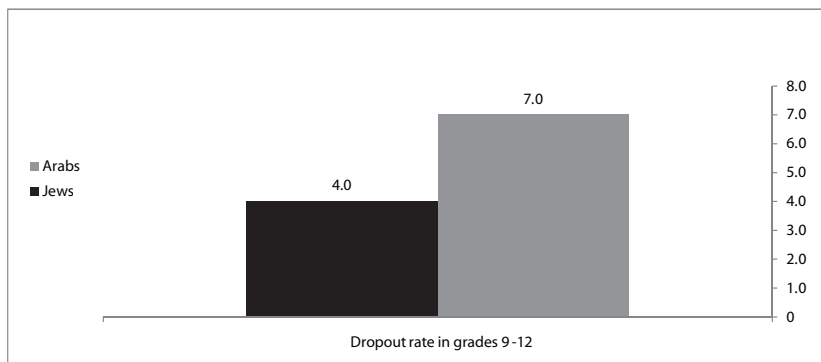
Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

School dropouts

The percentage of children of different ages who are studying is usually presented as an indicator of the success of the school system in including most of the children. The rates of study in the Jewish system approach 100 percent at every age level, but in Arab education the rates of those attending nursery schools in early childhood or in secondary school are lower and the dropout rate is higher. The dropout rate for students in grades 9–12 among the Arabs is 7.0 percent, while among the Jews it is 4.0 percent, a gap of 3 percentage points, like last year (see Diagram 3.6). Moreover, the percentage of Arab students who are unofficial dropouts is particularly high⁶⁹, as a result of gaps that are reflected both in less investment by the government and in more limited resources granted to the school system by the local authorities and the parents, who are in difficult financial straits. The system also suffers from a shortage of skilled professional human resources in various fields.⁷⁰

⁶⁹ Unofficial dropouts describes a population that is frequently absent from the school system or is present in the classroom passively and does not participate actively in learning.

⁷⁰ Miriam Cohen-Navot, Sarit Ellenbogen-Frankovits and Tamar Reinfeld (2001), *School Dropouts and School Disengagement*, Brookdale Institute.

Diagram 3.6: Dropout rate among 9th–12th graders

Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Percentage of students in university in the 24–30 age group

In the 1990s there was a real revolution in the expansion of higher education in Israel, particularly among Arabs.⁷¹

Did this expansion really contribute to an improvement of the Arab's socioeconomic situation? And if so, how did it affect achievements in the area of employment? The job market figures point to high percentages of unemployed among Arabs in general (11.5 percent), and among male and female college graduates in particular (10 percent and 30 percent, respectively).⁷²

In spite of the strengthening of the connection between financial ability and access to higher education due to the high cost of studies, the quality of their education and the difficulty in being accepted constitute barriers for students from the periphery and from a low socioeconomic background, especially Arab students who apply to universities in Israel. Due to the high correlation between ethnic and national origin and economic status, financial filtering reinforces cultural filtering, thus undermining the chances of students from weaker communities of being eligible for higher education in general, and of studying in the prestigious tracks in particular.⁷³

In spite of the increase in the number of Arabs with higher education, an in-depth examination indicates that most of the Arab students study in tracks with relatively low entrance requirements.⁷⁴ In the future this will also affect their employment opportunities and their future income level.

The university entrance exams requirements, such as knowledge of Hebrew and English, and the psychometric exams, cause difficulties for Arab students, for most of whom English is a type of fourth language – after spoken Arabic, the literary Arabic studied in school and Hebrew – and constitutes a major challenge. That is a possible explanation for the high percentage of Arab students denied acceptance to Israeli

71 Avraham Yogev (ed) (2008), *The Spread of Higher Education and distributional justice in Israel*. Tel Aviv University: Ramot Publishers, p. 7.

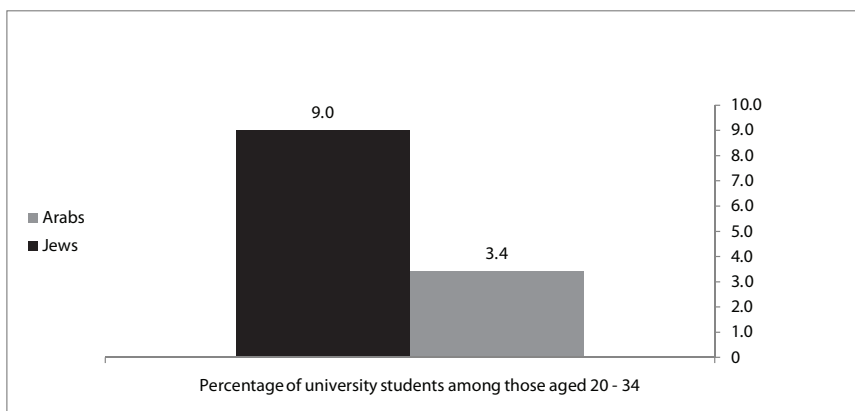
72 CBS, *Social Survey*, 2009.

73 Noga Dagan–Buzaglo (2005), *Social Rights in Israel: The Right to Higher Education*. Tel Aviv: Adva Center, p. 15.

74 Abu Asbah, *The Arab Education System*, 49.

universities (the number of Palestinian Arabs from Israel in academic institutions in Jordan alone is about 5,000)⁷⁵ or studying subjects with lower entrance requirements. The percentage of university students in the 20–34 age is 9 percent in the Jewish population (similar to the percentage in the previous index) – almost three times the percentage among Arabs: 3.4 percent (3.3 percent in the previous index) (see Diagram 3.7).

Diagram 3.7: Percentage of university students in 20–34 age group by population group



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Educational Output

Number of years of schooling

Education is seen as a factor of central importance, which affects the life of the individual not only economically and socially; it affects his lifestyle and health as well. Education represents a resource that promotes the attainment of other resources.⁷⁶ The process of turning Israel into a degree-oriented society, which attributes importance to academic degrees in the job market, began to accelerate in the 1990s.⁷⁷ But in spite of the increase in the number of educated Arabs, particularly women, there has been no improvement in the standard of living of the Arab population, due to a government policy of exclusion, which is evident in the private sector as well. The connection between a positive return for education and the level of education has thereby been severed.⁷⁸

As in previous years, this year too there is a profound gap between education among Jews and education among Arabs. The percentage of those with 13 and more years of study in the Jewish population is still 2.5 times that in the Arab population. In the Jewish population there has even been an increase (from 45 percent to 46 percent), while the situation in the Arab population has remained the same – 19 percent.

75 Kussai Haj-Yehia and Khalid Arar (2007), **Palestinian Arab Students Living in Israel Studying in Jordanian Universities: Between Aspiration and Challenge**. In the Derasat Yearbook, 2009 (In Arabic).

76 Shmuel Shye and Nomika Zion (2003) **Education and Social Justice in Israel: On Equality of Opportunity in Education**. Jerusalem: Van Leer Institute, p. 7.

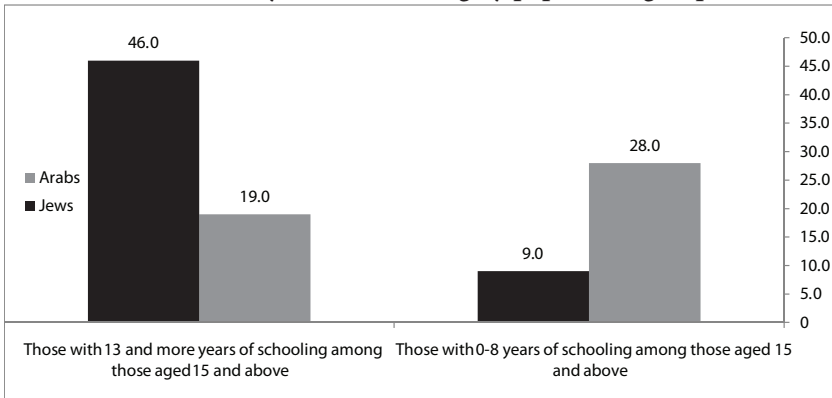
77 Yogeve, op. cit., 7.

78 Yaser Awad (2007), **Female Arab University Graduates in the Job Market**. Nazareth: Women Against Violence.

Diagram 3.8 below shows that the percentage of those with 0–8 years of schooling is more than three times as high among Arabs as among Jews.

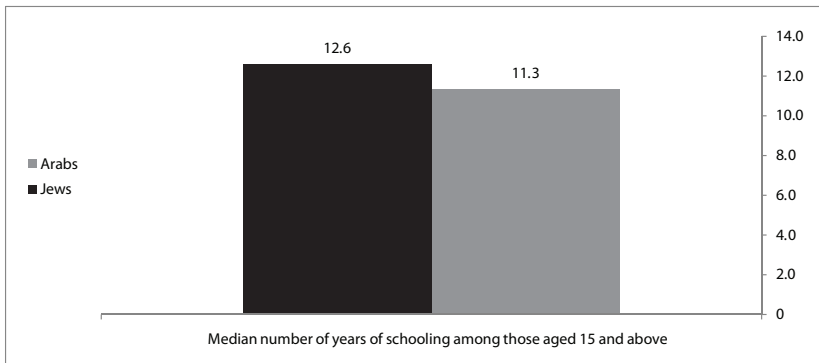
Regarding the median years of school among those aged 15 and above (Diagram 3.9) we can see a continuation of the trend mentioned in the previous indexes – a higher median among Jews, in spite of the decline from 12.7 to 12.6 and the increase from 11.1 to 11.3 among Arabs.

Diagram 3.8: Those aged 15 and older with 8 years of schooling and with 13 or more years of schooling by population group



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

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



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

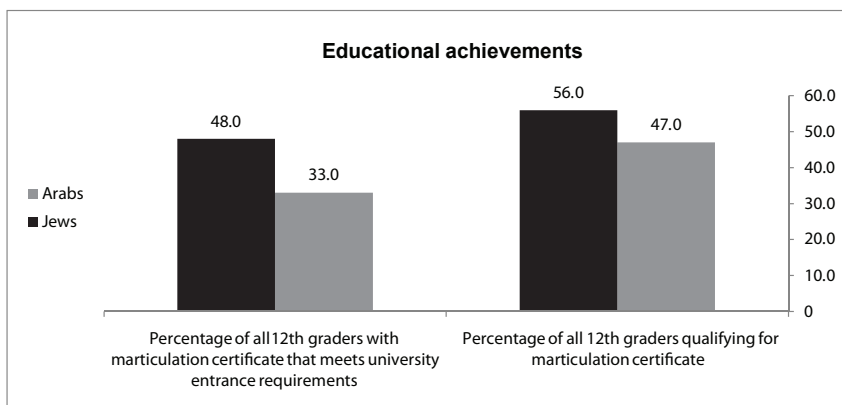
Educational Achievements

Exams can affect the individual’s chances of advancing on the social and economic ladder and his work opportunities, based on his performance. The clearest expression of the national separation in Israeli education is large differences in the level of achievements of Jewish versus Arab students.⁷⁹

79 Swirski and Dagan-Buzaglo, *Separation, Inequality and Weakening Control*.

Below we will examine, based on the data at our disposal, the percentage of eligibility for matriculation, the percentage of eligibility for matriculation that meets the minimum demands of the universities, and the differences in the Metzav standardized exams. Diagram 3.10 below indicates the percentage of those eligible for a matriculation certificate and the percentage of students who met the minimum demands of the universities, among all 12th graders. In two variables there is a gap in favor of the Jewish population. There is a gap of 45 percent in the percentage of those eligible for a matriculation certificate that meets the minimum demands of the universities. Compared to the 2007 and 2008 indexes, the percentage of Jews eligible for a matriculation certificate remains unchanged (56.0 percent in the past three years), while among Arabs it declined by 3 percent, from 50 percent in the 2007 index to 47.0 percent in the present index. The percentage of those eligible for a matriculation certificate that meets the minimum demands of the universities among Arab increased by one percent (from 32 percent to 33 percent), while among Jews there was no change in this figure (48 percent).

Diagram 3.10: Percentage qualifying for matriculation certificates among all 12th graders and percentage of 12th graders qualifying for matriculation certificates that meet the minimum requirements for university admission



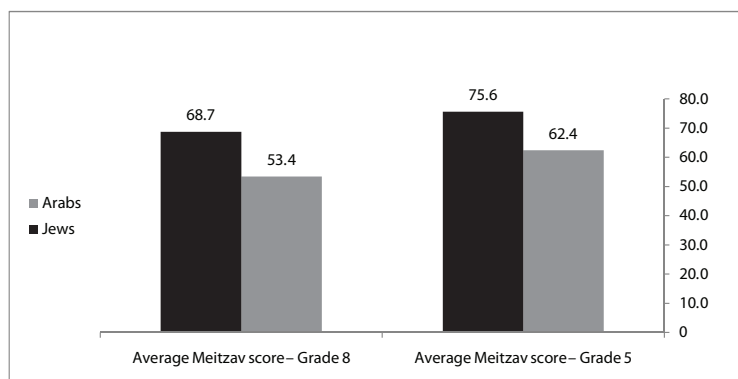
Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

The Metzav Exam

The Metzav scholastic achievement exams (measure school and individual achievement) include four areas of study: mother tongue, English, mathematics and sciences. Diagram 3.11 below describes the Metzav exam grades of Jewish and Arab students in Grades 5 and 8. The diagram indicates that the scores of Jewish students are higher than those of Arab students both in both fifth and eighth grade.

The gap between Jews and Arabs in Grade 5 declined by one point and is 13.2 points compared to 14.2 points in 2008. In Grade 8 the gap rose slightly, to 15.3 points compared to 14.7 points last year.

Diagram 3.11: Average grade in Metzav exams in 5th and 8th grades in the Jewish and Arab school systems



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Summary and Recommendations

The findings show that in spite of the relative improvement in recent years in the level of Arab education, and the increase in the number of years of education and the percentage of educated Arabs, the differences and gaps between Jews and Arabs are still great. The link between years of education and overall return is not reflected in an improvement in the living standard among Arabs.

We consider the promotion of education among the Arab public an important step in improving the situation of the Arab minority. Proper investment by the government in Arab education can reduce future government expenditures on solving social problems and on establishing supportive frameworks for families and children, and had it invested in them in the first place would have put them in suitable educational frameworks and afterwards in the job market, as productive people.

We propose several steps to the State of Israel that could promote and improve the situation of Arab education, as part of an overall program:

1. Placing the issue of Arab education as a national government priority in order to advance the Arab population.⁸⁰
2. Consultation with Arab educators and professionals who are familiar with Arab society and the Arab school system, in order to build suitable study programs.⁸¹
3. Promoting the subject of equality and anchoring it in legislation, and introducing affirmative action in education.⁸²
4. Establishing an authority or a body to follow up on the implementation of this policy.⁸³
5. Establishing a special pedagogical secretariat for the Arab population, which will work alongside the existing pedagogical secretariat of the Education Ministry and

⁸⁰ Yosef Ben David (1997), *The Bedouin School System in the Negev: Reality and the Need for Progress*, Jerusalem: Floersheimer Institute for Policy Studies.

⁸¹ Abu Asbah, *Dilemmas*; Majed Alhaj (1994), *Preparing educational programs in the Arab educational apparatus in Israel: transformations and successes*. Jerusalem: Floersheimer Institute for Policy Studies.

⁸² Abu Asbah, *Dilemmas*.

⁸³ *Ibid.*

- will receive broad powers regarding curricula, textbooks and in-service training courses. This is an important organizational step in light of the unique cultural nature of the Arab population in Israel.⁸⁴
6. Investment in physical infrastructure in Arab schools.
 7. A massive allocation of resources for a predetermined period to promote Arab education, similar to the government's investment in religious and ultra-Orthodox education.
 8. Promotion of technological education and expanding study tracks in Arab education.⁸⁵
 9. A thorough examination of the leisure time culture of Arab youth, and development of organized activities as needed in the fields of sports, culture and other types of recreation. With the help of local authorities and the Arab community a system of after-school enrichment, activities and informal education after school hours should be developed.
 10. Encouragement of higher education and absorption of Arab university graduates as members of the academic and administrative staff in the institutions of higher education.

84 Khaled Abu Asbah (1997), "Social and cultural variables which affect the process of change in the Arab educational system in Israel," In Khaled Abu Asbah (ed.): **Arab Children and Youth in Israel - From the Current Situation Toward an Agenda for the Future**. Jerusalem: JDC-Brookdale, pp. 3-22.

85 Expanding trade school education is also a means of achieving objectives that are not necessarily educational: Protecting the youth from dropping out and providing a framework that will protect them from exposure to crime.

Chapter 4

The Employment Index

In Israel there are two parallel economies: One is a developed, progressive Jewish economy that is racing forward, and the second is a backward Arab economy, which for years has suffered from institutional discrimination. In other words, Israel has developed a dual economy, in which the market, instead of being homogeneous, is divided into two separate economies, the central Jewish economy and the peripheral Arab one. The central economy includes large and highly profitable companies with substantial capital. Companies in the peripheral economy, on the other hand, face entirely different market conditions, have no influence on the market, are small, with fewer workers and little capital, and are more vulnerable to market forces.

The relationship between the two economies is characterized by dependence of the peripheral market on the central one, resulting in exploitation. At a time of growth, when there is an increase in demand, the companies in the central economy transfer part of the work to companies on the periphery. In times of recession, when there is less work, companies in the central economy and their employees are almost unaffected, whereas companies on the periphery cease their activity or reduce it to a minimum.

The flexibility of the companies on the periphery is the lever for the success of the companies in the central economy and their ability to guarantee employment stability. The flexibility on the periphery is due to groups of employees who do not have the privilege of employment stability, and are employed only when they are needed. The result is that the Arabs, most of whom work for Jewish employers, are the first to be ejected from the job market during a recession and suffer more from poverty – and there is a great disparity between them and the Jewish population. The Gross Domestic Product and the Israeli economy⁸⁶ clearly suffer from Arab alienation from the state and its institutions.

This situation affects the Arab unemployment rate, the percentage of poor Arab families (about 53.5 percent in 2009), and especially the rate of participation of Arab women in the work force, which is considered one of the lowest in the world (21 percent). The percentage of Arabs among all those employed is about 12.6 percent⁸⁷, while the Arab population is 20.2 percent of the Israeli population. The rate of Arab participation in the work force is 42.0 percent, compared to 59.2 percent for Jews.

⁸⁶ Yousef Jabareen (2010), *Arab Employment in Israel: The Challenge of the Israeli Economy*, p. 5.

⁸⁷ CBS, 2009 Annual, Table 12.1: The population of those aged 15 and above and the population of those aged 25–54 according to civilian manpower traits, population group and gender, p. 512.

In 2007 the average gross monthly salary in the Arab sector was NIS 5,419, which was 67 percent of the average salary for Jews: NIS 8,056. In addition, the hourly wage for Arabs is about 30 percent lower than for Jews with similar education. The gap between Arab and Jewish women reaches 23.0 percent.⁸⁸

Employment affects all areas of the life of the individual, the family and the group: socio-economic situation, standard of living, the chances of personal development by acquiring an education, and health. These are all liable to suffer in the absence of suitable employment, when there is no chance for advancement and for work in a well-paid job commensurate with the person's abilities.

As a result of radical changes in the Israeli economy – the development of high-tech industries, the decline of traditional industries, the retreat of the welfare state, the reduction of the public sector and the absence of a planned and long-term government economic policy for the Arab population up until the past two years – the marginalizing of the Arab population, including economic marginalization, has accelerated significantly.

Arabs are overrepresented in low-wage, labor-intensive industries (unskilled industry, construction and agriculture). The Arab population is almost entirely absent from prestigious branches of the economy that offer high salaries (high-tech, banking, insurance and finance, electricity and water).⁸⁹ In spite of the significant increase in the standard of living in Israel beginning in the early 1990s, and Israeli leadership in high-tech – an industry that has brought many families into the well-to-do middle class – Arab high-tech workers have not joined the industry. Of 248,300 high-tech workers, only 4.3 percent are Arabs.⁹⁰

Most Arab communities are in the geographical periphery and far from the center of wealth. They are all on the social periphery. The fact that there are not enough industrial zones nearby, especially high-tech industry that yields a suitable and profitable salary reduces employment opportunities and investment in them – 98 percent of industrial zones in Israel are in Jewish communities, and only 2 percent in Arab communities.⁹¹ The lost potential for the Israeli economy as a result of not fulfilling the labor potential of Arab men and women totals about NIS 32 billion annually.⁹²

Discrimination against Arabs in employment is not only governmental (for example, in their low representation in the civil service and on the boards of directors of government corporations), but is also reflected in discrimination and exclusion on the part of private Jewish employers.

⁸⁸ Jabareen, op. cit, 6.

⁸⁹ Sami Miari (2008), "The Dynamics of Unemployment Among Arabs in Israel: Evidence from Panel Figures." In Adal Manna (ed.), **The Book of Arab Society in Israel (2): Population, Society, Economy**. Jerusalem: Van Leer Institute, Hakibbutz Hameuhad.

⁹⁰ This percentage also includes non-Jewish workers who emigrated from the former Soviet Union. From CBS (Publication no. 1389). **The Development of High-Tech in Israel in the Years 1995–2007**.

⁹¹ Jabareen, op.cit.

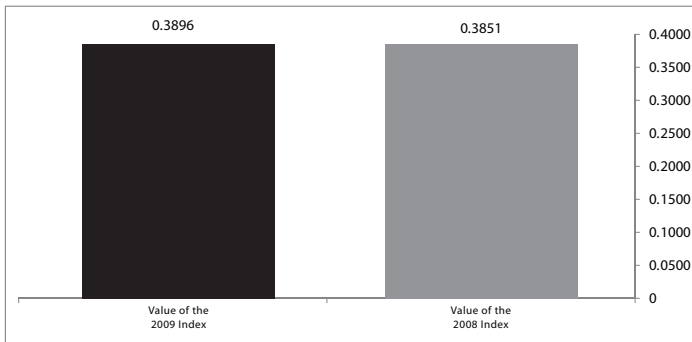
⁹² The basic assumption in this calculation is exploitation of the manpower among Arab women and men, based on the same percentages of participation in the work force by age groups in the Jewish population, multiplied by the average salary of Arabs by gender and industry.

The value of the 2009 Employment Index: 0.3896

The three indicators – the rate of participation in the civilian job market, the percentage of unemployment and the characteristics of the employed – demonstrate that the gaps in employment have widened in the past year. The rate of participation in the civilian work force increased in both population groups – a miniscule increase among Arab men (0.8 percent compared to 0.3 percent for Jewish men), and a greater increase among Arab women (0.8 percent compared to 0.5 percent for Jewish women). The percentage of the unemployed declined among Jews – both men and women. In the Arab population unemployment declined among men, while it increased among women. This year too, in the distribution of the employed by profession there were minor changes in the values of the variables, and in distribution by branch of the economy, the gaps widened particularly in industry, electricity and water, banking, insurance and finance. On the other hand, the gap in education widened in favor of the Arabs, since this year it declined among Jews and increased among Arabs relative to the previous year. This finding can attest to the fact that this profession serves as an outlet for Arab college graduates who do not succeed in becoming integrated into the Israeli economy, and especially Arab women. The 2009 index is 0.3896. As a result of the widening of the gaps the inequality index in employment for 2009 increased by 1.1 percent relative to the 2008 index, which was 0.3851, and by 0.36 percent since the beginning of measurement in 2006 (the 2006 index was 0.3882). This index declined in 2007 and since 2008 it continues to increase.

The main factors in the increase of inequality in employment are an increase in the percentage of unemployed Arab men and women, a decline in the percentage of those employed in academic and administrative professions, an increase in the percentage of non-professional workers; an increase in the percentage of those employed in agriculture; and a decline in the percentage employed in insurance and finance and in public administration.

Diagram 4.1: Change in the value of the Employment Index from 2008 to 2009



Indicators and variables

The Employment Index includes three indicators: the rate of participation in the civilian work force, the percentage of unemployment and the characteristics of those employed.⁹³

Indicators	Variables
Participation in the work force	1. Rate of participation in the civilian work force at ages 15 and above by gender and population group (%)
	2. Rate of participation in the civilian work force by age and population group (%)
	3. Rate of participation in the civilian work force by years of study and population group (%)
Unemployment	4. Unemployment rate by gender and population (%)
Employment	5. Distribution of those employed by profession and population group (%)
	6. Distribution of those employed by industry (%)

Description of variables

Participation in the work force

Rate of participation in work force by gender and population group

The rate of participation in the civilian work force⁹⁴ is 42.0 percent for Arabs compared to 59.2 percent for Jews. Diagram 4.2 demonstrates participation in the work force among Jews and Arabs, both men and women. The diagram indicates almost total equality between Jewish and Arab men in participation in the work force. For Arab men the increase is 0.4 percent (from 60.1 percent to 60.5 percent in the present index), compared to 0.3 percent for Jewish men (from 60.7 percent to 61.0 percent in the present index).

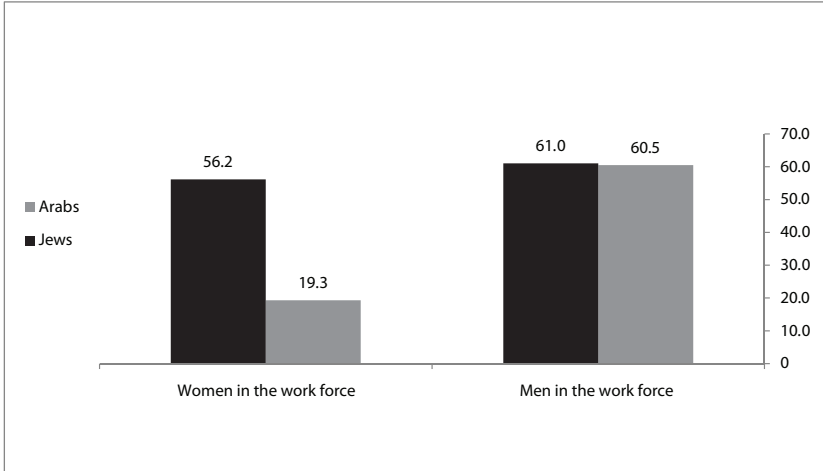
The greater gaps are found among women: For Jewish women the rate of participation is 56.2 percent (an increase of 0.5 percent compared to last year, when it was 55.7 percent) – almost three times the percentage among Arab women, which is 19.3 percent (an increase of 0.8 percent compared to last year, when it was 18.5 percent). The rate of participation of Arab women in the Israeli work force is one of the lowest female

⁹³ Some of the characteristics of the work force and of the employed appear in the index without a gender division. We believe that the figures should also be presented in this way, because of the great difference between the genders both in the rate of participation in the work force and in the unemployment rates and types of employment. But detailed statistics about Jewish and Arab men and women are unavailable before 2003, and at this stage we were unable to introduce it into the index because the values of the variables in the index are an average of the past five years. Therefore we added a gender distribution according to the 2007 CBS data, without adding it to the index at this point.

⁹⁴ The civilian work force are those aged 15 and above who were employed or unemployed during the determining week; the employed are those who worked for at least an hour during the determining week at any job in return for a salary, a profit or some other remuneration. The unemployed are those who did not work for even one hour during the determining week and were actively seeking work during the four weeks preceding the survey, by registering in the labor bureaus, turning personally or in writing to an employer or by other means, and could have begun to work had they been offered suitable work (availability for work).

employment rates in the world. This situation has many and varied consequences, including an exacerbation of poverty, a failure to fulfill the country's economic potential, a widening of gaps between Jews and Arabs, a delay in the development of an Arab middle class, reinforcement of the feelings of alienation from the country and its institutions, and harm to the status of women in general.⁹⁵

Diagram 4.2: Rate of participation in the civilian work force at ages 15 and above according to gender and population group



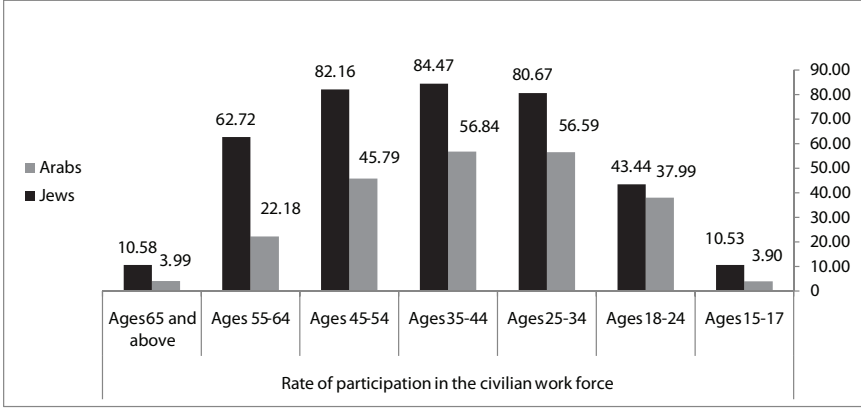
Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Rate of participation in civilian work force by age

Diagram 4.3 demonstrates participation in the work force among Jews and Arabs in various age groups. The rate of participation in the work force in all age groups is greater among Jews, and the gap increases with age. There is a large gap in almost all the age groups: 25–34 (1.42 times as high), 35–44 (1.48 times as high), 45–54 (1.79 times as high) and 55–64 (2.82 times as high). The large gap in employment in the 45–55 and 55–64 age groups can be attributed to the higher exit rate from the labor market of Arab men due to the constraints of physical labor (in which Arab representation is particularly high), which makes it difficult to remain at work, and in the preference for a young work force as an alternative. In addition, jobs with low wages and little training are vulnerable to changes in the job market.

95 Jabareen, op. cit.

Diagram 4.3: Rate of participation in the civilian work force by age and population group, 2008

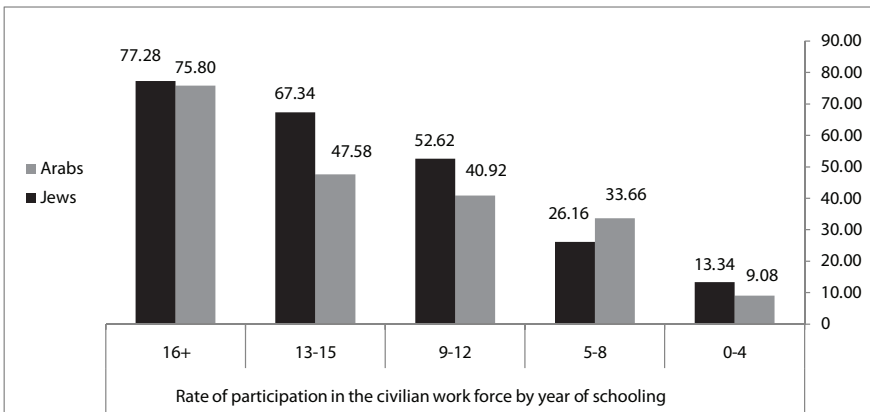


Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Rate of participation in the civilian work force by number of years of schooling

Diagram 4.4 below shows the rate of participation in the civilian work force by years of schooling, among Jews and Arabs. The rate of participation in both groups increases with the number of years of schooling. With the exception of the group with 5–8 years of schooling, in which there is a higher rate of Arabs than of Jews, in all the other groups the rate of participation in the work force is higher among Jews. The largest gaps in favor of the Jews are found among those with 9–12 years of schooling (1.28 times as many) and with 13–15 years of schooling (1.41 times as many). These gaps narrow among those with 16 or more years of schooling (77.3 percent among Jews, as compared to 75.8 percent among Arabs).

Diagram 4.4: Rate of participation in the civilian work force by years of schooling and population group



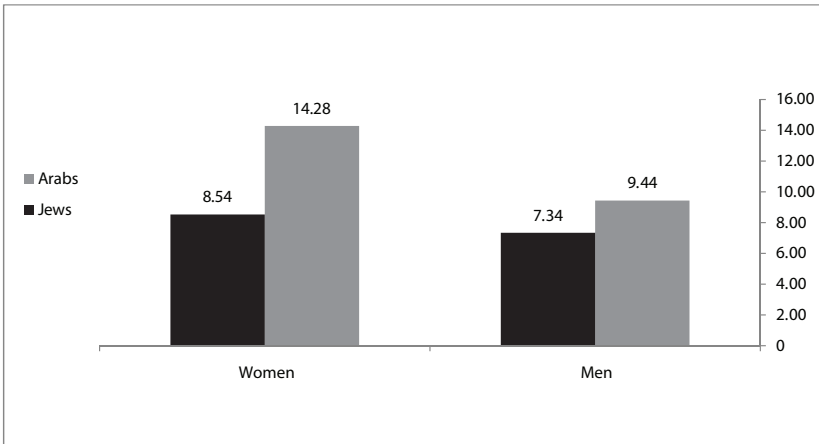
Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Unemployment

The diagram below indicates the rate of unemployment among Jews and Arabs, both men and women. It demonstrates a gap in the unemployment rate in favor of the Jewish population, for both men and women. The unemployment rate for men declined in both groups. For Jewish men it stands at 7.3 percent (a decline of 0.9 percent compared to last year, when it was 8.2 percent). For Arab men the rate is 9.4 percent (a decline of 0.9 percent compared to last year, when it was 10.3 percent).

The gap is greater among women, and increased relative to the previous year: While the unemployment rate among Jews declined to 8.5 percent (a decline of 1.1 percent over last year, when it was 9.6 percent), Arab women it increased to 14.3 percent (an increase of 0.3 percent over last year, when it was 14.0 percent).

Diagram 4.5: Unemployment rate by gender and population group, 2008



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

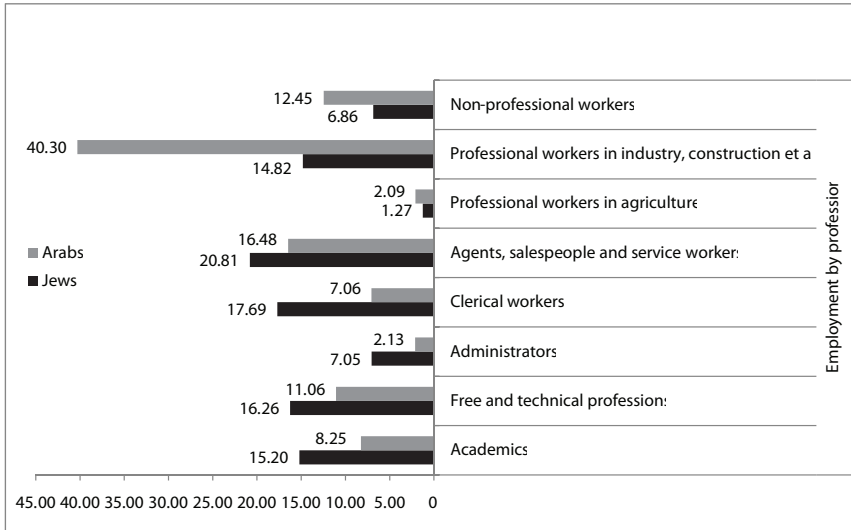
Employment

Distribution of those employed by profession

Diagram 4.6 indicates the representation of Jews and Arabs in various professions. Arabs are represented more in low-wage occupations than are Jews. Arabs are mainly "non-professional workers" or "professional workers in industry, construction etc" (over-representation of 40.3 percent Arabs compared to 14.8 percent Jews – 2.71 times as many), and "professional workers in agriculture." Not only are these labor-intensive, low-wage occupations, they require little investment in human capital, which makes it relatively easy to replace the workers with foreign workers. Arab representation in these occupations reaches 55 percent, while Jewish representation is less than 23 percent. Jews have higher representation in occupations such as "agents, salespeople and service workers," "clerical workers," "managers," "free and technical professions" and "academics." These are occupations that require a high degree of professionalism and special training, which yield a high income and require a high investment in

human capital. Among Jews 77 percent are employed in these occupations, and among Arabs 45 percent.

Diagram 4.6: Distribution of employment by profession and population group



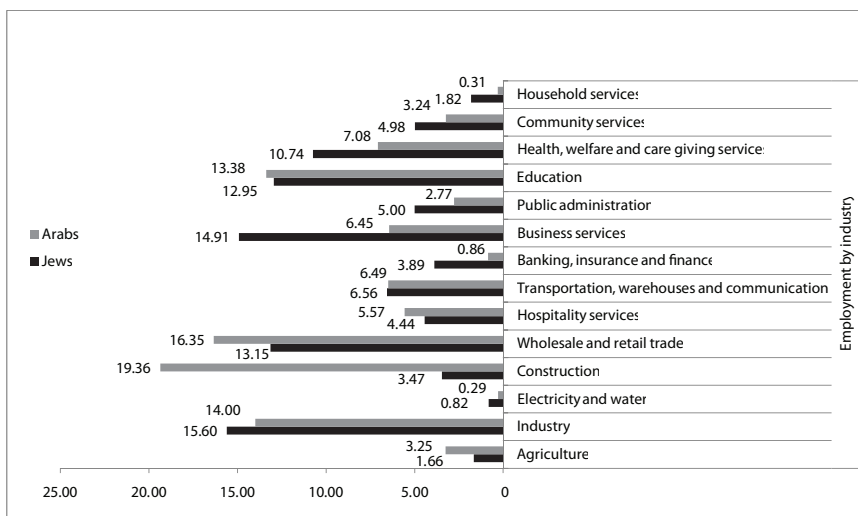
Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

Distribution of employment according to industry

Diagram 4.7 below shows employment according to industry among Jews and Arabs. There is a particularly large gap between Jews and Arabs in the business services industry – 14.9 percent of Jews compared to 6.5 percent of Arabs, 2.3 times less. In the fields of banking, insurance and finance the gaps have widened since last year, and currently the percentage of Jews is 4.5 that of Arabs, compared to 4.2 last year. In the field of education the gap narrows significantly and the rates are almost identical (13.4 percent among Arabs compared to 13.0 percent among Jews).

There is an especially large gap in construction: 19.4 percent of Arabs compared to 3.5 percent of Jews – 5.6 as many. As mentioned, the overrepresentation of Arabs in low-wage occupations affects the economic situation of Arab families, especially in the three industries with the lowest wages: construction, agriculture and hospitality/hotel services.

Diagram 4.7: Distribution of employment by industry and population group



Source: Central Bureau of Statistics, Israel Statistical Annual, 2009. Data processing: Sikkuy

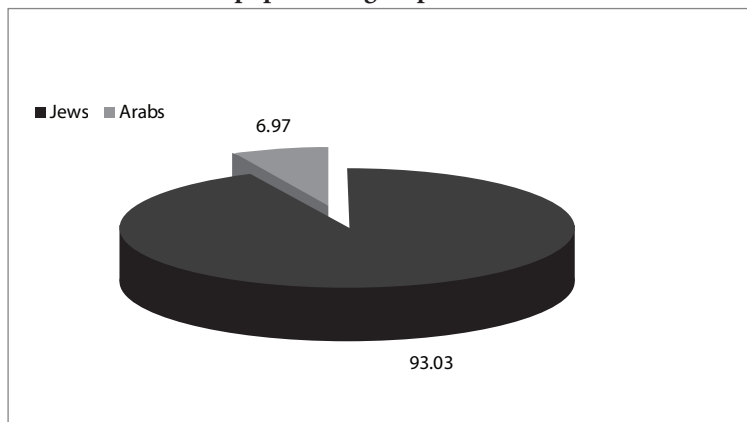
In the civil service too, which is a large employer, the Arabs are grossly under-represented. This exclusion and the discriminatory attitude of the government regarding the employment of Arab civil service workers constitute a negative example for Jewish employers in the private market. Fair Arab representation in the civil service is anchored in the Civil Service Law – Appointments (Amendment 11), 2000. In addition, for several consecutive years – since 2000 – several government decisions were made regarding an increase in the number of Arab civil service employees, but the rate of implementation has not met the objectives determined by the government.

At the end of 2007 the government decided (Decision no. 2579 from November 11, 2007) on quantitative targets for representation of the Arab population in government ministries and their support units. The objective was that by the end of 2010 at least 8 percent of civil servants would be Arabs, and by the end of 2012 the numbers would reach at least 10 percent. At the end of 2009 the percentage was 6.97 percent. At this rate of implementation by the Civil Service Commission, the decision will not be fully implemented before 2016 – a delay of at least four years. At present even those who are civil servants do not work in positions that influence the decision-making process, with most of them employed in junior and sectoral positions.

Arab representation on the boards of directors of government corporations is also very low – only about 8.5 percent. In specific public authorities the percentage of Arab employees is very low: In the Stock Exchange Authority there are no Arabs at all; in the Courts Administration the percentage is 3.4 percent, in Educational Television 2.2 percent, and in the Israel Land Administration 2.9 percent.

By the end of 2009 (the most up-to-date figures) 4,245 worked in the civil service, out of 60,882 workers, constituting 6.97 percent of all employees (an increase of almost 1 percent over last year, when the percentage was 6.7 percent) (See Diagram 4.8). In addition, in 2009 there was a decline in the number of Arabs hired by the civil service compared to 2008 (457 versus 578).

Diagram 4.8: Distribution of those employed in the civil service by (%) population group – 2009 index



Source: Annual reports of the Civil Service Commission, 2009. Data processing: Sikkuy

The establishment of the Authority for the Economic Development of the Arab, Druze and Circassian Sectors in the Prime Minister's Office is a positive step for encouraging employment and investment in the Arab population, and constitutes a vital tool for integrating the Arab economy into the central economy. The five-year plan that began in 2000 in 13 Arab communities, with a budget of about NIS 800 million, and the establishment of a private equity fund with a sum of NIS 160 million to be used to advance, expand or build factories to encourage employment of the Arab population, are additional crucial and positive signs for encouraging employment and increasing growth and investments in the Arab population, but they are insufficient.

The Arab population is in need of industrial and employment zones near the Arab communities and under their ownership (or under shared ownership with Jewish communities), a large-scale government program to increase employment among women, an immediate and large-scale system of public transportation to Arab communities, and government encouragement for channeling capital into the Arab economy – all in order to start a process to reduce the delay and to close the economic gaps created by government policy for over 60 years. Not only did the government fail to invest in the Arab economy; during the first decades of its existence it also actively transferred the means of production from the Arab to the Jewish economy,⁹⁶ causing damage that is evident to this day. The coming years will attest to the effectiveness of these tools and their effect on growth and on the degree of integration of Arabs into the central economy.

96 Yair Boimel (2007), *A Blue and White Shadow – the Policy of the Israeli Establishment and its Activities Among Arab Citizens in Israel: The formative years 1958–1968*. Pardes Publishers.

Summary and recommendations

These data reflect a serious gap between Jews and Arabs in employment, a gap that affects relations between the groups. As we have pointed out, the Israeli economy loses about NIS 32 billion annually due to a failure to integrate Arabs into the work force. Over half of Arab families are poor, compared to 15 percent of Jewish families. In addition to the burden on the poor families, the situation also burdens the social welfare and support services. An improvement in employment among Arabs is an important step towards improving the situation of the Arab minority, and will positively affect the relations between Arabs and Jews in Israel. A proper investment by the government in Arab employment, development of industrial zones and improving the income level of the Arab population can prevent future government expenditures on programs to deal with social and economic problems.

In light of the findings, we recommend a series of steps to improve the Arab employment situation, as reflected by the recommendations of employment experts and academics.

1. A strategic five-year plan should be prepared for proper representation of the Arab population in the Israeli economy, both in the public and the private sectors. The program will constitute a road map for achieving quantitative objectives by mapping and removing the barriers, with the help of new and culturally sensitive policy tools.
2. The State of Israel annually publishes tenders totaling over NIS 100 billion. We recommend the use of regulation as a policy tool to guarantee the integration of a certain percentage of Arab workers (15 percent to 20 percent) in the companies and/or businesses that win the tenders. Preparing a clear program with measurable objectives for such integration would be a necessary condition for winning the tender. This model is being used successfully in many European countries, in Canada and in the United States.
3. Regulation should be introduced to encourage Arab-Jewish partnerships in companies that bid on government tenders. In that way the government will indirectly, via tenders, employ large number of workers without any additional budget.
4. The Jewish private sector should be encouraged and offered incentives to hire Arab workers.
5. The government and civic social organizations should begin a campaign to reduce discrimination in the employment of Arabs in the private sector.
6. Industrial zones shared by Arabs and Jews should be built, and existing industrial zones enlarged. A special effort should be made to bring high-tech firms (new or existing ones) to Arab communities.
7. The government should encourage training and professional retraining of Arab workers for knowledge-intensive industries in order to provide lucrative jobs, especially in high-tech and in finance and insurance.
8. The government is supposed to offer incentives to companies that hire Arab workers (subsidizing a large part of their salaries for three years), as it did for immigrants from the former Soviet Union in the 1990s and as it is doing now in national priority areas.
9. A system of employment guidance and placement should be established for Arab men and women, and the placement units in the employment counseling offices in the Arab communities should be improved, so that they will be more helpful in job searches.

10. The participation of Arab women in the job market will increase by means of subsidies and by reinforcing the system of preschool play groups and afternoon daycare frameworks. There should also be assistance in the establishment of a public transportation system between potential places of work and the Arab communities.

Chapter 5

The Social Welfare Index

The welfare state aspires to guarantee the social security of its inhabitants, to provide them with a minimum income, nourishment, medical care, education, housing, employment and personal welfare services, to reduce poverty and social gaps as much as possible. These objectives are achieved in several ways: providing social services, direct payment of allowances, indirect guarantee of allowances by means of the tax system, as well as various intervention activities in the economy and the job market.⁹⁷

Responsibility for providing social services devolves on the welfare departments and branches that operate in every one of the local councils in Israel. The activity of these agencies is funded by two main sources: the central government and the local councils. In accordance with that agreement, the government funds 75 percent of the welfare budget of every local council, while the local councils are supposed to fund 25 percent of the budget. The National Insurance Institute is responsible for paying allowances and finances them (through collection of National Insurance fees) and the Finance Ministry (through various allocations by law).

In the 1980s the social welfare policy began to change. The change was reflected in the reduction of social services and expenditure on the social welfare safety net.⁹⁸ In recent years there has been a reduction in government transfer payments as part of the Gross Domestic Product. For example, in 2009 the share of GDP spent on transfer payments was 8.88 percent, compared to 9.2 percent in 2005. The average rate in OECD countries in 2005 was 11.6 percent (OECD, 2008) and in several developed European countries the parallel rate was 15 percent.⁹⁹

At the same time the influence of government intervention on the extent of poverty, by means of transfer payments and direct taxes, gradually declined. In 2000 the percentage of Arab families who were extricated from the cycle of poverty after transfer payments and direct taxes was 23.3 percent, and in 2008 it had declined to 13.5 percent. On the other hand, the percentage of Jewish families extricated from the cycle of poverty in 2000 was 51 percent, and in 2008 it was 46.2 percent.

The percentage of those registered in the social service departments, based on demographic characteristics, demonstrates an over-representation of Arabs compared to their relative proportion in the general population. In 2006 Jewish registration was 153 per 1,000,

97 John Gal (2006), "The Welfare State." In A. Ram and N. Berkowitz (eds.), *In/Equality in Israel*. Be'er Sheva: Ben Gurion University, p. 228.

98 Uri Aviram, Johnny Gal and Yossi Katan (2007), *Formulating Social Policy in Israel: Trends and Issues*. Jerusalem: Taub Center for Social Policy Studies in Israel.

99 National Insurance Institute (2009), *Annual Survey*.

and among Arabs 200 per 1,000 – a gap of 30.7 percent. On the other hand, in 2007 the Jewish registration was 148.8 per 1,000 compared to 204.8 Arabs – a gap of 37.6 percent.¹⁰⁰

In addition, a process of privatizing social service began. As a result, a substantial percentage of the services that the government and the local authorities are legally obligated to provide to a variety of populations in need are provided by non-government organizations that include private and business organizations.¹⁰¹

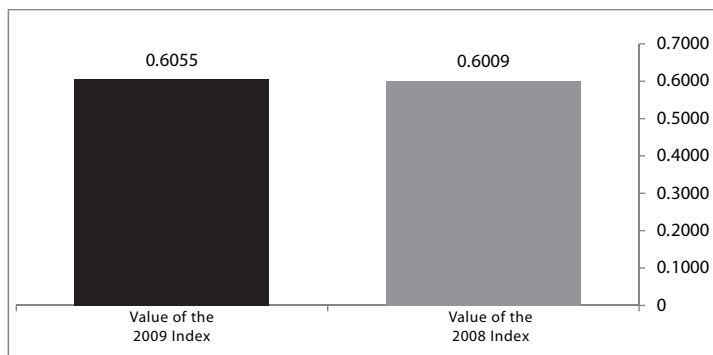
Privatization has led to an increase in the number of NGOs that operate in the field of social welfare. The direct connection between the welfare departments and many of their clients has also declined. Privatization has reduced the roles and the areas of responsibility of the government and the local authorities, has made monitoring and inspection of the organizations' activity difficult, and has created a complex network of services, which is characterized by duplication, competition and lack of coordination.¹⁰²

The weighted share of expenditure for social welfare in the Sikkuy index, of the entire national expenditure calculated for this index, declined to a level of 23.9 percent in 2009 compared to 24.1 percent in the 2008 index.

The value of the 2009 Social Welfare Index – 0.6055

The value of the Social Welfare Index is the highest of all the aggregate indexes, and this year stands at 0.6055. This is a moderate widening of the gap between Jews and Arabs of about 0.7 percent compared to the 2008 index, which stems from the increasing gap particularly in the indicators of the incidence of poverty and the effect of transfer payments and direct taxes on poverty. On the other hand, there has been stabilization in the indicator of expenditures on social welfare: On the one hand there has been an improvement in public expenditure on welfare per person, and on the other there has been deterioration in the caseload per social worker. In Diagram 5.1 we compare the value of the 2008 index (0.6009) with the 2009 index (0.6055).

Diagram 5.1: Change in the value of the Social Welfare Index from 2008 to 2009



100 CBS (2006, 2007), *The Face of Israeli Society*, Reports 1 and 2, Jerusalem.

101 Aviram op.cit.

102 Tuvia Horev and Yaakov Kop (eds.) (2009), *Resource Allocation for Social Services 2008*. Jerusalem: Taub Center for Social Policy Studies in Israel.

Indicators and variables

The indicators¹⁰³ explained below are divided into three main types:

1. Indicators that relate to the size of the financial needs of the population – the poverty rates (among individuals, families and children);
2. The effectiveness of transfer payments and direct taxes – their effect on reducing the incidence of poverty (among individuals, families and children)
3. Indicators that relate to government and local expenditures on social welfare services – their expenditures on local social welfare budgets and the number of positions filled in the social welfare offices

The choice of the indexes was based on two main factors: the importance of the index for receiving information about the situation of the welfare services and those who turn to them, and the availability of information. Several important indexes, such as an assessment of the results of the activity of the social services (the number of those rehabilitated etc.), the number of local and national voluntary organizations active in the communities, and the municipal and government services provided by the organizations (type of service, number of recipients, financial investment from independent sources) – were not included for lack of available information.

As mentioned, the Social Welfare Index includes three indicators: expenditure on social services in the local welfare bureaus, the incidence of poverty and the effect of transfer payments and direct taxes on the incidence of poverty.

Indicators	Variables
Expenditure on social welfare	1. Total annual public expenditure (government and local authorities) on social welfare per capita
	2. Average caseload per social worker
Incidence of poverty	3. Incidence of poverty among families, individuals and children before transfer payments and direct taxes
	4. Incidence of poverty among families, individuals and children after transfer payments
	5. Incidence of poverty among families, individuals and children after transfer payments and direct taxes
Influence of transfer payments and direct taxes on incidence of poverty	6. Percentage extricated from poverty among families, individuals and children as a result of transfer payments
	7. Percentage extricated from poverty among families, individuals and children as a result of transfer payments and direct taxes

Sampling of communities

In order to calculate the two variables "average annual total government expenditure (central government and local authorities)" and "average caseload per social worker," we will use a sampling of communities. We included specific communities because the data regarding these variables are reported according to community and not for the Jewish and Arab population as a whole. The sampling of communities includes 11 pairs of communities (one Jewish and one Arab) of similar population size and

¹⁰³ Calculation of the index is based on a moving average of the past five years, in order to maintain the reliability of the estimates and the trend.

belonging to the same geographical district (see Table A).

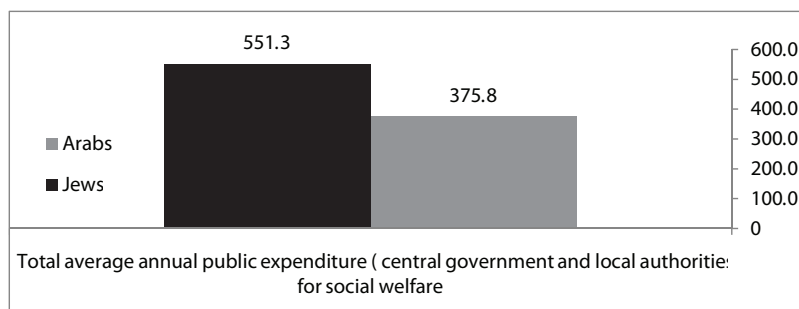
Table A: Sampling of Jewish and Arab communities

District	Jewish communities		Arab communities	
	Name of community	2008 population (thousands)	Name of community	2008 population (thousands)
North	Nahariya	51.6	Nazareth	66.4
	Migdal Haemek	24.8	Sakhnin	25.6
	Hatzor Haglilit	8.7	Ein Mahel	11.3
Haifa	Kiryat Motzkin	39.7	Umm al-Fahm	44.5
	Binyamina - Givat Ada	11.8	Jisr al-Zarqa	11.9
Center	Rosh Ha'ayin	38.6	Taibe	35.5
	Kiryat Ono	28.7	Tira	21.9
	Yehud - Neve Ephraim	26.3	Kalansuwa	18.3
Jerusalem	Kiryat Yearim	3.4	Abu Ghosh	6.2
South	Dimona	33.7	Rahat	43.9
	Yeruham	8.5	Kseifa	11.2

Public expenditure on social welfare

Diagram 5.2 describes the total average annual public expenditures (central government and local authorities) on social welfare per capita included in the 2009 sampling, as expressed in the sampling in Table A.¹⁰⁴ The data in the diagram demonstrate that the average annual expenditure per person in the Arab local authorities that were examined was NIS 375.8 in the data of the 2008 index and 348.1 in 2007. This is an increase of about 8 percent beginning in 2007, compared to an average annual expenditure per person of NIS 551.3 in Jewish communities in 2009, NIS 527.6 in 2008 and 508.6 in 2007 – in other words, an increase of 8.4 percent since 2007.

Diagram 5.2: Total average annual public expenditure (central government and local authorities) for social welfare (NIS per capita)



Source: Ministry of Social Affairs 2009, through the Freedom of Information Department. Data processing: Sikkuy

¹⁰⁴ It should be noted that in 2008, among Arabs there was an increase in public expenditure on welfare per person compared to 2007, from NIS 391.3 to NIS 420.8 – an increase of 7.5 percent. Among Jews there was a similar increase, from 608.1 to NIS 631.2 – an increase of 3.8 percent. This large increase among Arabs was very partially reflected in the 2009 index, because the index takes into account a moving average of the past five years. We are convinced that a continuation of this trend on the part of the Ministry of Social Affairs is likely to reduce inequality.

Caseload per social worker

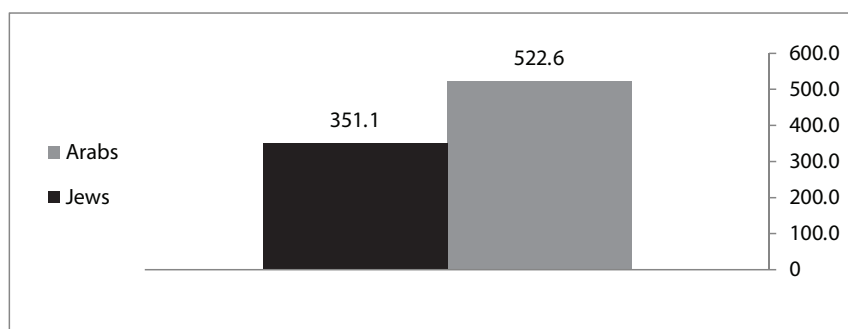
The caseload per social worker in the local welfare departments is another variable that points to the budget per case in the field of social welfare, since the lower the average caseload per social worker, the higher the budget per case.

Diagram 5.3 describes the average caseload per social worker. In the Arab communities it was 522.6 in the 2009 index, 501.2 in 2008 and 429.2 in 2007, an increase of 21.7 percent. On the other hand, the average caseload in the Jewish communities was 351.1 in 2009, 335.7 in 2008 and 348.7 in 2007 – an increase of 0.6 percent since 2007. While according to the 2007 index the caseload per social worker in the Arab sector was 23 percent higher than in the Jewish sector, in 2008 the gap between them doubled in one year and reached 49.3 percent. In 2009 this percentage declined somewhat to 48.8 percent. These figures attest to a decline in budget per case in both the Arab and Jewish sectors, while the gap between them remains.

It is important to note that among Arabs there was a decline of 25.8 percent in 2008 in the average caseload per social worker compared to 2007, from 677.1 to 502.4. Among Jews there was a decline of 6.5 percent from 2008 to 2007 was from 401.2 to 375.1. In spite of the large decline among Arabs, this variable in the index increased, as mentioned, from 501.2 in 2008 to 522.6 in 2009. This is because the index takes into account a variable average of five years (in this case 2004–2008).¹⁰⁵ We are convinced that a continued trend of decline in the caseload of the social workers as a result of the activity of the Social Affairs Ministry will substantially reduce inequality in this area.

Sikkuy is now conducting a comprehensive survey to examine the barriers that cause the large gaps in expenditure on welfare and in the caseload of the social workers, and will publish its conclusions accompanied by recommendations in mid-2011.

Diagram 5.3: Average caseload per social worker in Jewish and Arab communities



Source: Ministry of Social Affairs 2009, through the Freedom of Information Department. Data processing: Sikkuy

¹⁰⁵ The value of this variable in 2003 was low (395 cases per social worker). That is why the transition for a moving average of 2003–2007 to the moving average of 2004–2008 omitted this low value and added the value 502. This caused an increase in the moving average, in spite of the significant decline between the isolated years 2007 and 2008.

Incidence of poverty among families, individuals and children

Since the 1970s, poverty in Israel has been calculated based on the relative approach, which is a method used throughout the world. According to this approach – which guides this index – poverty is a matter of relative hardship that should be assessed on the basis of the standard of living typical of the society. A family is defined as poor if its standard of living, as reflected in income, is significantly lower than that of the society, and specifically if the available income per standard person¹⁰⁶ is lower than half the median of this income in the population as a whole. For example, the poverty line income (after transfer payments and direct taxes) per couple with one child in 2009 was NIS 4,809, with two children NIS 5,807, with three children NIS 6,805 and with four children NIS 7,712.¹⁰⁷

The National Insurance Institute (NII) poverty reports throughout the years indicate that the incidence of poverty among Arab families is significantly higher than among Jews. In 2004, 49.6 percent of Arab families were poor, while in 2008 the number was 49.4 percent. As a rule, the increase in the poverty rate among Arab families is very rapid: Between 2001 and 2008 the percentage of the poor among Arab families increased by 8.2 percent, compared to an increase of 0.9 percent among Jewish families.

Among the causes of the accelerated poverty among the Arab population are the cutbacks in the NII transfer payments, the policy of exclusion and the absence of a supportive policy for fair representation of Arabs in the various branches of the job market. For example, there was a decline of 43.4 percent and 45.3 percent respectively in the child allowances of families with four and five children between 2000 and 2009 (CBS Annual Survey 2009). Moreover, in 2009 the percentage of Arab families with four or more children was 35.9, compared to 8.7 percent of Jewish families (CBS, 2010 Statistical Annual). In 2000 NII allowances and the direct taxes were able to extricate 20.8 percent of Arab children from poverty, but in 2008 only 7.3 percent.

The index of the relative gap in the income of the poor that reflects the depth of poverty among families (in other words, the average distance between the income of the poor and the poverty line income) indicates greater poverty among Arabs than among Jews. In 2008 the gap was 36 percent for Arabs compared to 32.8 percent for Jews.

The employment figures for the Arab population indicate a high concentration of Arabs in low-wage, labor-intensive industries such as agriculture, construction, industry, wholesale commerce and education. The rate of participation by Arab women in the job market in 2009 was 21 percent, compared to 57.9 percent for Jewish women. Unemployment was 10.1 percent for Arab women compared to 7.5 percent for Jewish women. Moreover, unemployment among Arab university graduates is 9 percent, compared to 3.9 percent for Jews.¹⁰⁸

¹⁰⁶ A standard person in a family takes into account the principle of the advantage of size. The basis for comparison is a two-person family. This is a family with two standard persons. Therefore, a one-person family has a value of 1.25 standard persons. In other words, the needs of a one-person family are not evaluated as equal to half the needs of a two-person family, but are greater. Similarly, the needs of a four-person family equal that of 3.2 standard persons, and the value of its needs is not double the value of the needs of a two-person family, but less than twice as much.

¹⁰⁷ National Insurance Institute (2009), **The Dimensions of Poverty and the Social Gaps 2008**. Annual Report.

¹⁰⁸ CBS, **Social Survey**, 2009.

In 18.8 percent of Arab families not a single family member (of working age) is employed, compared to 9.7 percent for Jewish families (CBS, 2010). The average monthly salary for a salaried employ living in a Jewish urban community in 2008 was NIS 8,786, compared to NIS 5,847 for such an employee in an Arab urban community – a gap of 33.4 percent. In addition, the percentage of salaried employees in an urban Jewish community earning up to minimum wage is 40 percent, compared to 53.0 percent in an Arab urban community.¹⁰⁹ These figures accelerate the incidence of poverty and the income gaps between Jews and Arabs.

In Diagram 5.4 you can see that the incidence of poverty among Arabs is greater than that among Jews, both before and after transfer payments and taxes. The diagram demonstrates that before transfer payments and taxes (financial income), 60.6 percent of members of the Arab population are below the poverty line, compared to 26.5 percent of Jews. After transfer payments and taxes (available income), 54.4 percent of Arabs and 16.6 percent of Jews are below the poverty line.

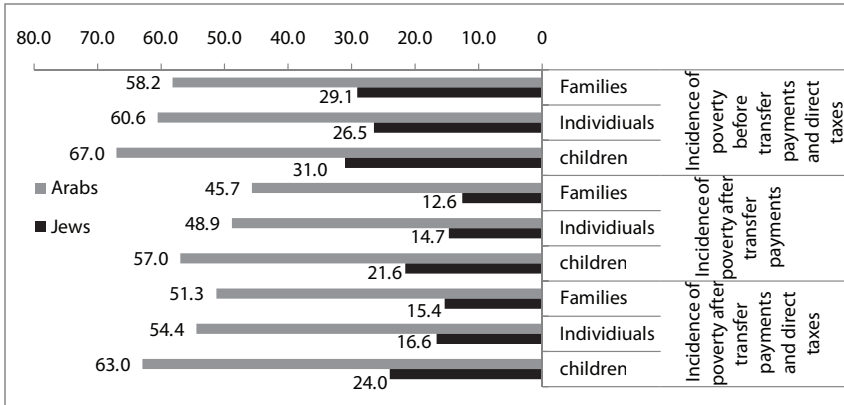
The system of direct taxes (income tax, National Insurance and health tax) is considered one of the government's most important tools for influencing the redistribution of income in the economy. A tax system is considered effective the more progressive it is (higher taxes collected from the rich and those with high salaries, and lower taxes from the poor and those with low salaries). The tool is not effective for a more just distribution of the country's income, especially among the Arabs, due to the typically low salary level. For example, the average monthly income from work of an Arab family is NIS 6,469, compared to NIS 11,064 for a Jewish family – a gap of 41.6 percent.¹¹⁰ Due to their low income, most Arab families are below the tax threshold.

In light of that, as we will see in the diagram, the findings of the index demonstrate that the incidence of poverty is higher in the Arab population, both among children and among individuals and families. It continues to be high compared to the Jewish population, even after transfer payments and direct taxes.

¹⁰⁹ Jacques Bendelac (2010), *Average Salary and Income and their Distribution according to Economic Variables – 2008*. Jerusalem: NII

¹¹⁰ NII 2009, *Annual Survey*.

Diagram 5.4: poverty rate among families, individuals and children before transfer payments and direct taxes, after transfer payments and after transfer payments and direct taxes, by population group



Source: The National Insurance Institute, Report on Poverty and Income Inequality, 2009. Data processing: Sikkuy

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

Diagram 5.5 below describes the effect of transfer payments and of transfer payments and direct taxes on the incidence of poverty. In other words, the diagram describes the percentage of those extricated from poverty as a result of transfer payments alone and as a result of transfer payments and direct taxes combined.

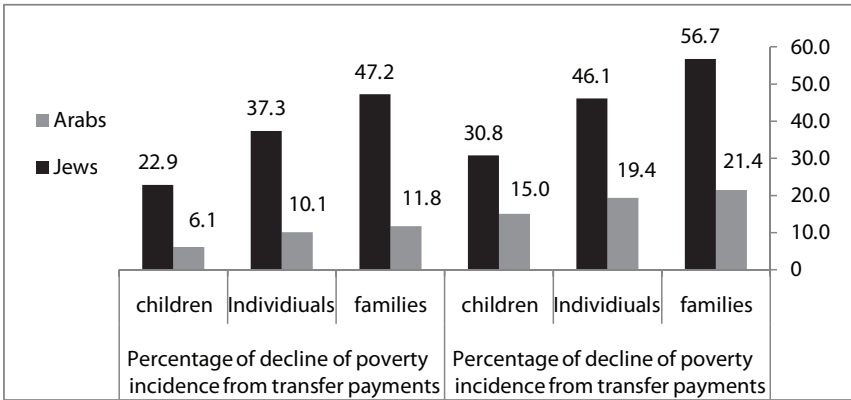
From the diagram we can see that the influence of these payments on the Jewish population is far greater than on the Arab population. The gap is particularly evident in the influence of transfer payments and direct taxes on families: Transfer payments extricate only 21.4 percent of Arab families from poverty, as compared to 56.7 percent of Jewish families (almost 2.6 times as many).

Diagram 5.6 indicates that according to CBS figures, in 2008 only 11.5 percent of poor individuals and 7.3 percent of poor children in the Arab population were extricated from poverty as a result of transfer payments and direct taxes, compared to: 36.9 percent of poor individuals and 22.8 percent of poor children in the Jewish population – 3.2 times as many. The explanation is that the government's current social welfare policy leads to relatively high rates of extrication from poverty for the elderly, new immigrants and single-parent families (59.4 percent, 55.7 percent and 38.6 percent, respectively).¹¹¹ The relative size of these populations is higher among Jews.

Among Arabs, on the other hand, there are many families with a single breadwinner, with no breadwinner and with four or more children. The rate of extrication from poverty among these families is 34.7 percent, 20.2 percent and 11.1 percent, respectively. In effect, the policy of allowances and the direct taxes does not currently provide a solution for the causes of poverty typical of the Arab population.

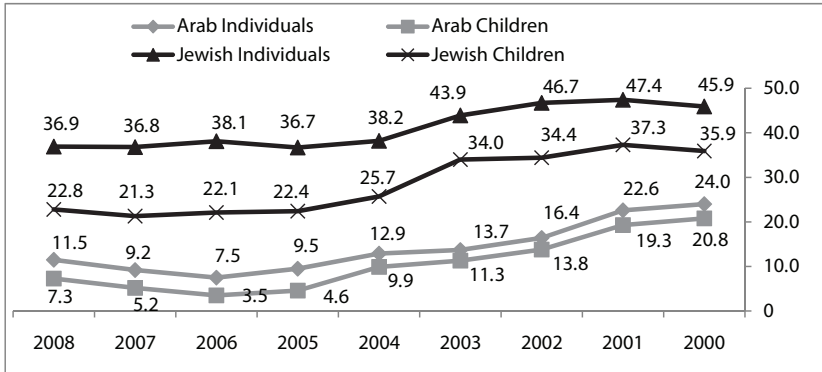
111 NII (2010), *Poverty and Social Gaps 2009*.

Diagram 5.5: Percentage of decline in poverty rate as a result of transfer payments and direct taxes, by population group



Source: Report on Poverty and Inequality in Income Distribution, 2009. Data processing: Sikkuy

Diagram 5.6: Percentage of individuals and children extricated from poverty as a result of transfer payments and direct taxes, 2000–2008, by population groups



Source: Reports on Poverty and Inequality in Income Distribution, 2000-2009. Data processing: Sikkuy

The harsh findings attest to increasingly large gaps in social welfare between the Arab and Jewish populations, and require immediate steps and long-term policy to reduce these gaps. Since the 1980s the area of social welfare in Israel has been steadily shrinking, particularly the NII transfer payments (child allowances, unemployment insurance and guaranteed income), which were designed for large families with low salaries, whether due to the constraint of working in weak industries or due to their economic vulnerability and their dismissal from the job market during periods of economic recession. Government policy toward the Arab population, without any alternatives for a suitable transition from receiving an allowance to salaried work, included, among other things, reducing the real value of the allowances, toughening the criteria for eligibility for various allowances, and an increasing use of selective principles and privatization.

In light of this, in order to improve the situation of the Arab population, there is a need for the following activities: First, anchoring social welfare rights in appropriate legislation, with special attention to the rights of weaker populations. Second, massive investment in special populations in Arab society, such as people with disabilities or single mothers, who are not suited to the job market. Third, genuine integration of the Arabs into all levels of the Israeli economy, from senior positions, to intermediate positions in the public and private sector, to the development of industrial and employment zones in the Arab communities. Finally, there should be a change in the existing system of matching funds, and a significant reduction in the rate of participation of weaker local authorities, based on the socioeconomic ranking of the community, its potential independent income based on municipal property tax fees (as opposed to collection) and the size of its population.

It should be noted that the Ministry of Social Affairs treats this index as another vital tool for follow-up and monitoring on the way to closing the gaps between the Arab and Jewish populations in the area of social welfare. In light of that, and in accordance with the agreement with the ministry, in the next index we will begin to expand the sampling of communities and the number of variables in the analysis in order to receive a broader picture of the gaps between Jews and Arabs in this area, and we will continue to maintain uniformity in the index over years.