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Fact: You can convince employers to hire Arabs

To encourage a Jewish employer to hire Arabs, effective regulatory tools need to be instituted as was done with the civil service

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As part of the Civil Service Law (appointments), in 2000, it was decided that there should be fair representation of "members of the Arab population, including the Druze and Circassian populations" in the Civil Service. The government decision mandated that by 2012 Arab citizens would have 10 percent representation. The government reserved specific positions for Arab candidates, offered them incentives such as rent subsidies in order to reduce the effect of the geographical factor, and required government ministries to report on Arab employment.

The government ministries demonstrated varying degrees of willingness to advance the policy, but wherever there was a lack of internal motivation, there was strong regulation and sanctions. The most effective tool was allocating specific jobs for Arab employees. The policy proved itself, and in 2016 the target was achieved. Within a decade the percentage of Arab workers in the Civil Service had almost doubled.

The success in the government ministries is a positive indication for the tools that can be used in the entire job market. The Finance Ministry predicted that in the absence of a dramatic increase in employment of Arab citizens, by 2057 we can expect an increase of 80 percent in the debt-to-GDP ratio, a decline of 6 percent in employment rates, and a 60 percent reduction in the increase in GDP per capita.

Public service is not composed of the Civil Service alone: 90 percent of public servants work in government companies, statutory corporations, local government and other places. The Civil Service Law that does not apply to them, and for years the percentage of Arabs working in them has been very low. The conclusion to be drawn from a comparison of the Civil Service to government companies and public corporations is clear - the government must impose sanctions and offer incentives to hire Arab candidates.

Why aren't we seeing a dramatic change in the private job market, despite the large number of highly qualified Arabs who could work there? The answer is

simple: Left to its own devices, the private market won't repair market failures such as nationality-based discrimination. The distance between the Arab employee and the Jewish employer is not only a function of the absence of buses, trains or daycare centers in Arab communities. It's a cultural and nationality gap, which prevents many Jewish employers from seeing that Arab candidates have the potential to become outstanding members of their staff.

Although there are exceptions, there is also an atmosphere of delegitimization of the Arab public in the media and the corridors of the Knesset, and it influences many employers. In order to bridge the distance and to cause Jewish employers to seek Arab workers, we have to apply effective regulatory tools, as the government did in the Civil Service.

A prominent example of such a tool, versions of which have been used in many countries, is the option of having the government demand that all its private sector suppliers report on the percentage of Arab workers in their work force, and even give preference in the tenders process to companies that employ more Arabs. When businesses have a chance to win tenders worth millions and sometimes even billions - the motivation to employ Arabs will increase dramatically. The State of Israel can and should act to bridge the nationality barrier and the discrimination, and to pave the way to increasing Arab employment rates in the private sector.

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