

تقرير سيكوي

דו"ח סיכוי

The Sikkuy Report 2004 - 2005

Monitoring Civic Equality Between Arab and Jewish Citizens of Israel

- ◆ Government development plans for Arab citizens
- ◆ Inequality in social welfare funding
- ◆ Fair representation of Arab citizens in the civil service

- Two years after the Or Commission recommendations

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Table of Contents

Introduction	5
Government decisions pertaining to Arab citizens, development plans for Arab communities and follow-up on implementation, 1999-2005 Michal Belikoff	9
Disparities between Arab and Jewish local authorities in the Social Welfare Ministry's budget (2004) Nada Matta	57
The representation of Arab citizens in the civil service, government corporations and local government Ali Haider	85
Appendix	99
Index of Diagrams and Tables	102
In the Media	106

Introduction

The past year will be remembered as a special one because of two significant events that have ramifications for the status and rights of the Palestinian Arab minority in Israel and the struggle to advance equality.

The first event is the murder of four Arab citizens by a Jewish terrorist in the city of Shfaram. Despite the fact that the prime minister was quick to denounce the incident and called the perpetrator a "Jewish terrorist," an inter-ministerial committee decided not to recognize the victims and their families as casualties of hostile activity. The second event is the publication of a decision by Mahash (the Ministry of Justice's Police Investigation Unit) to close the investigation against policemen suspected of shooting to death 13 Arab demonstrators in October 2000.

In the wake of these two events, a well-publicized civic campaign was mounted to change the government's decisions. This campaign was successful in beginning to generate a change, though the practical results are not yet tangible. The government decided to recognize the Shfaram victims and their families as casualties of hostile activity and proposed amending the pertinent legislation (the proposed amendment awaits Knesset approval). In regard to the October 2000 shootings, the attorney general decided to reconsider Mahash's decision, although when this reassessment process will be concluded is anyone's guess.

These two events demonstrate that opposition to injustice in a public, media-savvy and focused campaign can potentially succeed. In addition, the struggle to realize equality and justice requires patience, determination, and coordinated effort at all levels.

A third occurrence is broader and requires a longer-term struggle. The plan to develop the Negev and Galilee was brought to public attention last year in the context of the evacuation of settlements from the Gaza Strip. In a Sikkuy policy paper ("Development of the Negev and Galilee - For Jews Only?" - www.sikkuy.org.il), we explain our criticism of this process and propose ways to transform it from a plan to Judaize the Negev and Galilee to a plan for comprehensive and equal development for Jews and Arabs alike.

Government decisions pertaining to Arab citizens, development plans for Arab communities and follow-up on implementation, 1999-2005

*Michal Belikoff**

In the survey below, we will track some of the decisions made by the ministerial committee on minority sector affairs between the years 1999-2005, and the implementation of these decisions. Through these decisions, which delineate the lines of the Israeli government's policy toward Arab citizens, it will be possible to examine some of the aspects of this policy during the five years that have passed since the events of October 2000.

The purpose of this survey is to examine to what extent the urgent issues of gaps and inequality between Jews and Arabs are being addressed and how, or to what extent, the way these issues are being addressed contributes to reducing the gaps between Jews and Arabs and improving the status of the Arab citizens of Israel as equal citizens in the State of Israel.

The sources available to us include government decisions made in the framework of the Ministerial Committee for Non-Jewish Sector Affairs between the years 1999-2005¹, a report by the Division for Coordination, Follow-up and Control in the Prime Minister's Office on the implementation of the multi-year plan for the Arab communities between the years 2001-2004, reports by the state comptroller and material from various government Internet sites.

As part of this survey, we will focus on follow-up on the development plans and we will deal with four main questions:

1. What are the issues to be addressed and what are the principles of action as reflected in the government's decisions?
2. What is the scope of budget commitments and to what extent do the government

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1. This survey is presented with the following limitations and reservations: first, we did not have access to all of the decisions made by the ministerial committee on Arab affairs. Second, many government decisions that are not made in the framework of the ministerial committee on Arab affairs have a direct or indirect impact on the situation and status of the Arab citizens of Israel. We will only make partial reference to these decisions, if at all, in this survey.

ministries meet the budgetary commitments stemming from the government's decisions?

3. To what extent and in what way are the development projects progressing, and what are the main obstacles to progress? Here we will focus on tracking the implementation of projects in the framework of development plans of six government ministers in which most of the development budgets are concentrated: the Interior Ministry, Construction and Housing Ministry, National Infrastructures Ministry, Ministry of Transport, Ministry of Industry, Trade and Labor, and Education Ministry.
4. In a number of areas, we will address the results: What are the salient trends in regard to the gaps between Jews and Arabs in various fields of life during the past 5-10 years?

1. Issues to address and principles of action in government decisions

Staff work at the Prime Minister's Office

Starting in 1992 (the Rabin government), the Prime Minister's Office began coordinating inter-ministerial staff work in areas of development, economics and society (on country-wide, regional and sectorial levels) which the government views as especially important to promote. This entails issues such as the development of infrastructure for transportation, water, sewage and employment, as well as projects in the fields of society and social welfare.

Ministerial committees and directors-general committees were formed to draft comprehensive, multi-year plans such as the Ofek plan for targeted assistance, the plan for assisting confrontation line communities, and so on. Development for the Arab population is one of the subjects that was defined as an urgent topic that should be addressed in the framework of the staff work. During the 1990s, a framework evolved for addressing, implementing, tracking and reporting on issues of development for the Arab population.

Goals and principles of action

Between the years 2000-2004, the government made five decisions pertaining to the organizational structure for formulating government policy toward the Arab citizens of the state. In this framework, five main goals and principles of action were defined:²

- 1. Receiving a constant flow of information and situation assessments:** Receiving periodic situation assessments and an analysis of the current socio-economic and civil status of the Arab citizens of Israel, and the needs that stem from this, as well as ongoing reports and assessments of the mood in this community.
- 2. Formulating policy:** Formulating a uniform and coherent policy according to the situation assessments and needs identified in the field.
- 3. Inter-ministerial coordination:** Streamlining and coordinating the ministries' operations as part of the staff work.
- 4. Follow-up and control of implementation:** A standard of follow-up and control over the implementation of policy and development plans, both from a budgetary perspective and to measure the project's progress on the ground.
- 5. Representation of Arab citizens:** Expanding the representation of Arab citizens in the various stages of decision making and in each of the bodies and forums dealing with the formulation of policy. This, in parallel to the expansion of representation for Arabs as civil servants in various ministries, with an emphasis on senior positions.

2. Government decisions: 982 (Arab/21) from January 27, 2000; 983 (Arab/22) from January 27, 2000; 2676 (Arab /56) from December 14, 2000; 736 (Arab /8) from August 19, 2003; 738 (Arab /10) from August 19, 2003.

Formulating a standard for decision making vis-à-vis the Arab population

During the period under review, a transition was made from the use of an advisor to the ministerial committee for Arab affairs³ to the appointment of an advisory body responsible for analyzing the current situation and formulating proposals for action. Approximately two and a half months after the "October 2000 events," a decision was made to establish – for a trial period of one year – **a division for the Arab citizens in Israel**,⁴ which would operate alongside the ministerial committee for Arab affairs as an administrative unit in the office of the chairman of the ministerial committee.

In August 2003, as the Or Commission report was about to be published, it was decided⁵ to **establish a permanent advisory council, coordinated by the National Security Council**, for the affairs of Arab citizens in Israel and the relationship between them and the Jewish citizens of Israel. According to the government decision, the council would include representatives of all the ministries dealing with this issue, representatives of local authorities (Arab, Jewish and mixed), and external experts.

About one year later, in the framework of the Lapid Committee recommendations,⁶ it was decided to establish a **governmental authority for advancing the minority sectors**. This authority would aim to "advance and deal with the unique problems of the non-Jewish sectors on issues of planning and construction, budgets, preventing discrimination, fair representation in the civil service, advancing education and integration in the Israeli society and economy. In addition, [it will] maintain ongoing contact with the various government ministries in their dealings with minority sectors and report on this to the prime minister and the ministerial committee for Arab affairs."

3. Decision 983 (Arab/22) of January 27, 2000.

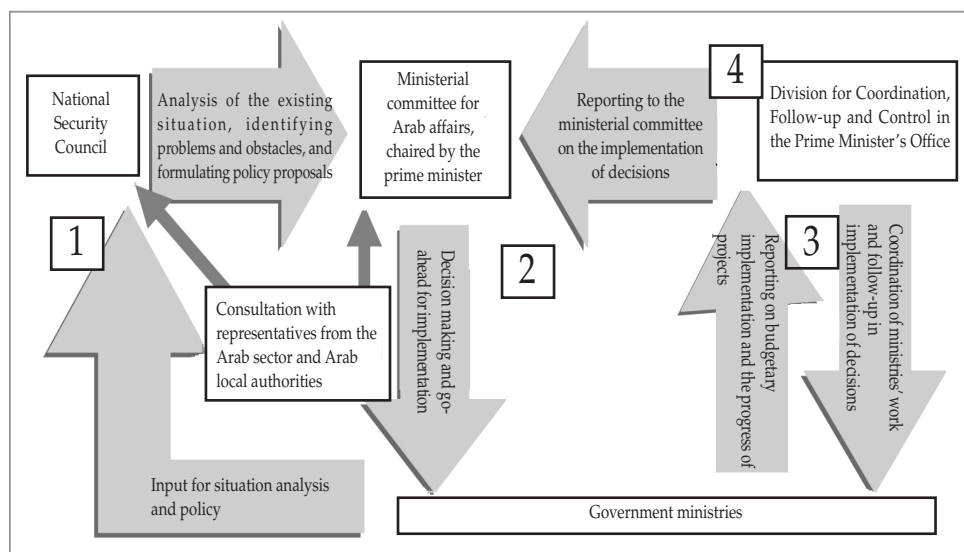
4. Decision 2676 (Arab/56) of December 14, 2000.

5. Decision 738 (Arab/10) of August 19, 2003.

6. Decision 2016 from June 13, 2004.

In accordance with the government decision, the authority was supposed to be established within three months of the decision. In the framework of this decision, the new authority was supposed to be responsible for a system of providing advice to the ministerial committee, coordinating between the various ministries, and follow-up and reporting on the implementation of government decisions. The decision to establish a governmental authority has not yet been implemented and, in practice, the National Security Council continues to coordinate the system of advice and periodic reporting to the ministerial committee. The Division for Coordination, Follow-up and Control in the Prime Minister's Office is coordinating the follow-up and control of the implementation of the government decisions and development plans (see Diagram 1.1 below).

Diagram 1.1: Process of formulating policy regarding Arab citizens and follow-up on implementation



The centralization of policy formulation vis-à-vis Arab citizens in the hands of the National Security Council emphasizes that Arab citizens are regarded as a security problem⁷ though this is an entirely civil issue. A long history of discriminatory allocation of resources is one of the main reasons Arab citizens again and again express a lack of faith in the government. Therefore, the decision-making processes concerning Arab citizens should be defined as a civil matter, guided by the principles of social justice and civic equality. The state should establish permanent and mandatory frameworks of dialogue with the Arab leadership, not only sporadic personal consultations. This type of change would serve as a basis for consensual action, would build trust between the state and about 20% of its citizens, and would channel the state's resources in a just and proper way toward Arab citizens, in equality with Jewish citizens.

The issues addressed by government decisions

The decisions made by the ministerial committee on minority sector affairs can be categorized under three main topics:

- Developing the Arab communities
- Land policy and enforcement of planning and building laws⁸
- Citizenship and identity⁹

The issue of land policy and the issue of citizenship and identity do not fall under the purview of this survey, which focuses on tracking implementation of the development plans in Arab communities. In an effort to bring the level of development in Arab communities to the national level, the development plans concentrated on the following areas: sewage infrastructure, road infrastructure, construction and completion of public buildings, developing places of employment and reducing disparities in education.¹⁰ In addition, emphasis was placed on the need to find a

7. "Our focus on the subject of Israel's Arabs relates to the fact that, in the security outlook, it says that if there is a minority and this minority of Arabs in the State of Israel will apparently continue for many years, what we do today... so that in another 20 years... 50 years, this minority will be a friendly, cooperative minority and not hostile – this is in essence the strategic view of the matter" – from a lecture by Dr. Reuven Gal, the deputy head of the National Security Council, "Toward Implementation of the Or Commission Report," in the framework of a seminar held at the Truman Institute on November 11, 2003 under the title "The Or Commission Report – A Turning Point in the Relations of Arab Citizens and the State".

8. Including subjects such as the land claims of the Negev Bedouin; preferential treatment accorded to individuals who have served in the security forces in land appropriations for residential construction, land prices and development fees; reorganization of the statutory bodies responsible for enforcing the planning and building laws.

9. Includes such topics as dealing with abandoned Christian and Muslim religious sites throughout Israel; national service for the Arab population that is not subject to mandatory conscription; Tolerance Day.

10. Development plans for the Druze communities, the northern Bedouin, the Arab and Bedouin communities in the south based on government decisions.

solution for budgetary problems in the Arab local authorities and in expanding their independent sources of income.

Infrastructure in Arab communities and in Arab neighborhoods within mixed cities: Sewage infrastructure – both internal systems and external links; road networks – completing and repairing internal roads and access roads to the communities; construction and completion of the public building infrastructure.

Employment: Development of employment zones and professional training to reduce the scope of unemployment and raise the level of participation in the work force.

Arab education: Reducing the gaps in achievement in education and eliminating the shortage of classrooms, equipment, laboratories and libraries.

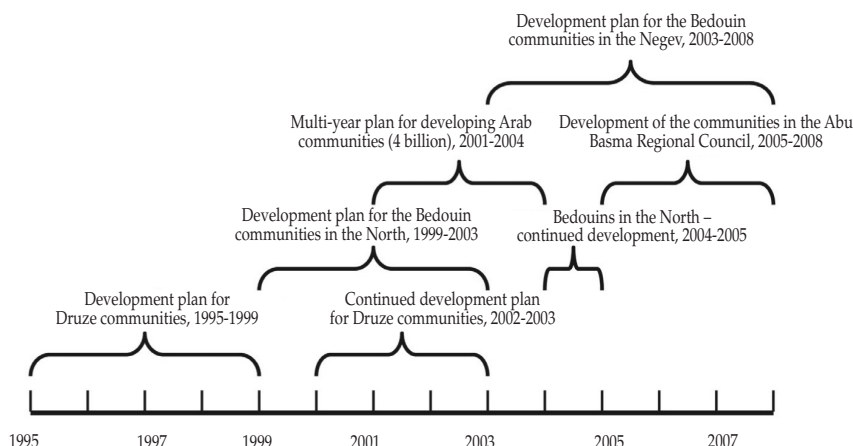
Arab local authorities: Reducing the budget deficits in local authorities, increasing independent sources of income for the authorities by providing tax-yielding sources such as employment and commercial zones, and at the same time, updating municipal ordinances in the local authorities and increasing tax collection.

Development plans for the Arab population

During the years 1995-2005, the government approved seven decisions pertaining to comprehensive development plans for Arab citizens, including budgeted projects for implementation within a defined period of time through 2008. This entailed five sectorial development plans: a multi-year plan for the development of Druze and Circassian communities – 1995-1999; a development plan for the Bedouin communities in the North – 1999-2003; a multi-year plan for developing Arab communities – 2001-2004; a development plan for existing Bedouin communities in the Negev – 2004-2008; and a plan for developing new Bedouin communities in the Negev – 2005-2008.

Diagram 1.2 (p. 16) describes the development plans and the amount of time allotted for their implementation. The sectorial division and its time frame sometimes reflects the government's priorities in regard to the various sectors.

Diagram 1.2: Development plans 1995-2008



2. Budgetary commitments of government ministries, 1999-2005

Between the years 1999-2005, five government decisions (see Table 1.1, p. 17) launched four multi-year development plans. The multi-year plans created a budgetary framework and, for the first time, charted operational goals for development plans for Arab communities. The development plans created two dimensions of government commitment: First, a commitment for implementing the projects. The projects mainly include the building or completion of infrastructure systems – such as sewage, roads, public buildings and the establishment of new residential neighborhoods.

The second dimension entails budgetary commitments for given time periods, with the aim of increasing the Arab population's relative share of the budgetary pie – in accordance with their proportion in the population and/or their development needs. Some of the appropriated budgets were pooled from funds already in the system prior to the plan and some were a budgetary addition that resulted from both a bigger pie and a redistribution of existing budgetary resources.

Table 1.1: Government decisions on development plans for Arab communities and Bedouin communities in the North and South

Government decisions	Name of plan	Period in effect	Budget (million NIS)	Treasury's part of this budget (million NIS)	Treasury allocation as % of plan's budget
4644 - Nov 15, 1998	Development plan for Bedouin communities in the north	1999-2003-	614.95	121.90	19.8%
1403 - Jan. 27, 2004	Continued plan for bedouins in the North	2004-2005	172.10	?	?
2467 - Oct. 22, 2000	Multi-year plan for developing Arab communities	2001-2004	3,946.85	1,150.70	29.2%
881 - Sept. 25, 2003	Development plan for existing Bedouin communities in the Negev	2003-2008	1,084.75	239.65	22.1%
3956 - July 22, 2005	Development of new Bedouin communities in the Negev	2005-2008	387.70	156.10	40.3%

Enlarging the pie: The Finance Ministry's role in the budget for development plans reflects the element of enlarging the pie – that is, increasing the allocations to government ministries for implementing development plans. According to Table 1.1 , the treasury's addition for the development plan for Bedouins in the South and North constituted about 20% of the plan's budget. In the multi-year plan for developing Arab communities, the budgetary addition comprised about 30%. In the Abu Basma Regional Council communities, the treasury's budgetary addition for development totaled about 40% of the plan's total budget.

Redistribution: As part of the multi-year development plan, the government decision (2467, from October 22, 2000) notes that a sum of about NIS 1 billion (approx. NIS 4.5=\$1) will be taken from internal ministerial sources and earmarked for the development of Arab communities. That is, the government decided to reallocate ministerial budgets in order to increase the overall budget share of the Arab population in the ministries' existing budgets.¹¹ All in all, the multi-year plan was supposed to double the funding for Arab communities to NIS 2 billion – NIS 1 billion from the treasury and NIS 1 billion from a reallocation of funds within the ministries.

11. In the government's decisions concerning the other development plans, no mention was made of internal diversions of funds within the ministries and we have no information concerning this from other sources.

Allocation data and implementation rates

The development plan for Bedouins in the North (decisions 4464 and 1403): In the framework of the development plan for Bedouin communities in the North (decision 4464), NIS 614.95 million was appropriated, of which NIS 540 million was spent¹² representing 87.8% of the sum allocated in the government decision. This is quite a high proportion for implementation, despite the fact that implementation of parts of the plan took longer than the scheduled time stipulated in the plan.¹³

The development plans for Bedouins in the South (decisions 881 and 3956): In the framework of decision 881 – the development plan for the seven existing Bedouin communities in the South, NIS 1,084.5 million was allocated for the years 2003-2008. The State Comptroller's Report No. 54B indicates that only five ministries and authorities began to implement the decision during 2004 (the Justice Ministry, Health Ministry, National Infrastructures Ministry, Israel Lands Administration and Public Works Department). As of the end of January 2004, only 37% percent of the sum that the government was supposed to allocate during that year was actually allocated. The other ministries had not even begun to implement the plan at that time.¹⁴ In 2005, NIS 210 million were allocated in the framework of the development program¹⁵ (There is still no implementation data). In the framework of decision 3956, a total of NIS 387.7 million was allocated for new Bedouin communities for the years 2003-2008.

Decision 2467: The multi-year plan for development of Arab communities (the "NIS 4 billion plan")

In the framework of the multi-year plan for developing Arab communities, a total sum of NIS 3.95 billion was allocated for the years 2001-2004. The development plan includes the Arab local authorities and the Arab communities belonging to

12. Press release by the cabinet secretary, attorney Yisrael Maimon, on January 27, 2004; Internet site of the Prime Minister's Office: www.pmo.gov

13. State comptroller, *Annual Report 52B for 2001 and Accounts for Financial Year (FY) 2000, 2002*.

14. State comptroller, *Annual Report 54B for 2003 and Accounts for FY 2002, 2004*.

15. Press releases, February 2005, accessed via the Industry, Trade and Labor Ministry's Internet site: www.moit.gov.il on October 15, 2005.

regional councils – a total of 73 communities within 56 local authorities, including 50 Arab municipalities and local councils, and another 23 communities in six regional councils (two Arab regional councils and four mixed councils).

Allocation and implementation data of the multi-year plan during the years 2001-2004:

Following the cutbacks instituted during the plan's implementation period, a sum of NIS 3.15 billion was actually allocated, representing 80% of the original budget stipulated in the government decision. Some 87% of this sum went into implementation; that is, the amount of actual spending implementation was NIS 2.74 billion, representing 69.4% of the original budget in the government decision.

Table 1.2: Allocation data and the implementation of the multi-year plan, 2001-2004

Decision 2467	NIS 3.95 billion
Allocation during the years 2001-2004	NIS 3.15 billion
Budget cutback	20%
Total implementation during 2001-2004	NIS 2.74 billion
% of implementation of decision 2467	69.4%
% of implementation of actual allocation	87%

Source: Prime Minister's Office, Division for Coordination, Follow-up and Control, "Follow-up Report on Implementing Decision 2467," August 2005.

Allocation and implementation data of the 2001-2004 multi-year plan by government ministry:

The actual budgetary implementation of each of the ministries relative to the original sum apportioned in decision 2467 is a result of two factors:

1. **The level of actual allocation**, that is – how much was actually allocated by government decisions in 2001-2004 relative to the original allocation in the framework of decision 2467.
2. **Implementation data from the total actual allocation**, that is – what percentage of the sum that was actually allocated was actually used.

Table 1.3 (p. 21) describes the impact of these two factors (the level of allocation cutback and the level of implementation) on the rate of budgetary implementation from the total allocation in the framework of decision 2467 in each ministry. The average budget cutback in the ministries was 20%. In Table 1.3, the government ministries are classified according to the ministries whose budget cutback relative to the sum stipulated in decision 2467 was higher or lower than the average cutback. In addition, the average level of implementation in the ministries was 87%. Table 1.3 classifies the government ministries according to the ministries whose level of implementation was above or below this average.

About 93% of the plan's budgets are concentrated in six of the 14 ministries participating in the plan (these six ministries are highlighted in the table with a gray background). The highest level of cutbacks were imposed on three of these six ministries: Ministry of Construction and Housing; Industry, Trade and Labor Ministry, and Interior Ministry (38%, 33% and 39%, respectively). In addition, the Housing Ministry and Industry, Trade and Labor Ministry were characterized by relatively low levels of implementation. Thus, the total level of implementation in these ministries was less than the average sum allocated in the framework of decision 2467. On the other hand, the National Infrastructures Ministry and the Transportation Ministry were characterized by low rates of budget cutbacks and high levels of implementation.

The aim of decision 2467 was to double the sum allocated to government ministries for Arab communities from about NIS 2 billion to about NIS 4 billion within a defined four-year period. However, in practice, the budget increase stood at NIS 738.3 million, just 37% of the designated increase for the years 2001-2004.

Table 1.3: Rate of budget cutbacks in the multi-year plan and the level of implementation by government ministry

	Ministry	Total budget allocated in decision 2467 (million NIS)	% of budget implemented from 2467 allocation	Rate of budget cutback		Level of implementation	
				Cutback more than 20%	Cutback less than 20%	Level of implementation less than 87%	Level of implementation more than 87%
1	Agriculture	60.0	21.20%	22.5%		27%	
2	Prime Minister's Office	8.0	31.30%	52.5%		66%	
3	Construction & Housing	700.0	45.40%	38.2%		74%	
4	Religious Affairs (Interior)	22.0	46.80%		9.1%	52%	
5	Industry, Trade and Labor	468.0	48.30%	33.2%		72%	
6	Interior	434.0	59.80%	39.4%			99%
7	Science and Technology	16.0	70.60%		16.3%	85%	
8	Tourism	24.0	72%	37.9%			116%
9	Education, Culture, Sport	1,165.0	72.10%		15.2%	85%	
10	Health	10.0	85%		(5%)	81%	
11	National Infrastructures	410.0	93.60%		5.5%		99%
12	Public Security	120.0	101%		0.0%		101%
13	Transport	505.0	102.60%		(4.4%)		98%
14	Israel Lands Administration	4.8	172.90%		(131.3%)	75%	
	Total	3,946.9	69.4%	Average cutback = 20%		Average level of implementation = 87%	

Source: Prime Minister's Office, Division for Coordination, Follow-up and Control, "Follow-up Report on Implementing Decision 2467," August 2005.

3. Projects for implementation and issues for government ministries to address

In this section, we will track the implementation of major projects in the six ministries that received most of the development budgets: the Interior Ministry; Housing Ministry; National Infrastructures Ministry; Transport Ministry; Industry, Trade and Labor Ministry; and Education Ministry. Implementation data at the project level exists mainly for the multi-year plan for the Arab sector and only partially for the development plan for Bedouin communities in the North and South.

Interior Ministry		
Government decisions pertaining to the ministry's areas of responsibility		
Decision number	Date	Title
980 (Arab/19)	Jan. 27, 2000	Interior Minister report on: State of the master plans for the Arab sector; state of the unrecognized villages in the Arab sector; national master plan 35
1433 (Arab/28)	Mar. 30, 2000	Working plan for updating master plans for communities in the Arab sector
2467	Oct. 22, 2000	Multi-year plan for developing communities in the Arab sector
881 (Arab/15)	Sep. 25, 2003	Plan for addressing the Bedouin sector in the Negev
3956 (Arab/40)	July 22, 2005	Budget supplement for the Abu Basma regional council
4464	Nov. 15, 1999	Development plan for Bedouin communities in the North
1403 (Arab/25)	Jan. 27, 2004	Development plan for Bedouin communities in the North
740 (Arab/12)	Aug. 19, 2003	Addressing the central problems for the Arab sector
Projects and issues for the ministry to handle, as reflected in the government decisions listed above: <ul style="list-style-type: none"> ● Development budgets for local authorities ● Establishing and renovating religious institutions ● Updating and preparing master plans ● Economic recovery programs for local authorities 		

Development budgets for local authorities – low level of implementation

The development budgets for local authorities are included in the framework of the multi-year development plan for Arab authorities, as well as in the framework of development plans for Bedouin communities in the Negev and the North. The main areas that are supposed to be addressed in the framework of these budgets

are: water supply systems; waste disposal and recycling systems; roads and sidewalks; and sewage systems.¹⁶

Development budgets in the framework of decision 2467 – the multi-year plan for developing Arab communities

According to decision 2467, the Interior Ministry was supposed to have allocated NIS 412 million during the years 2001-2004. In those years the ministry actually spent only NIS 243.1 million in the framework of development budgets for the Arab sector. This sum, which represents 59% of the amount allocated in the plan, was actually spent during the years 2001-2003 because development budgets in all sectors were canceled in 2004.

The weak financial situation of Arab local authorities makes them completely dependent on the development budgets. The cancellation of the development budgets reduced the ability of some local authorities to connect public buildings to infrastructure, pave sidewalks, replace water pipes, install street lighting, storm drains, etc.¹⁷

Construction and renovation of religious institutions – partially implemented

Renovation, construction and development of religious institutions : In the framework of decision 2467, the ministry was supposed to allocate NIS 22 million. In practice, NIS 20 million was allocated between the years 2001-2004, but the level of implementation was low (52%) and stood at NIS 10.3 million. According to the Prime Minister's Office's follow-up report on the development plan for the Arab communities, funds were spent for renovating and building 51 mosques and repairing 68 cemeteries.

Master plans – partially implemented

According to the government decisions, the Interior Ministry's Planning Administration was assigned the tasks of preparing an urban master plan and

16. Interior Ministry's 2005 budget proposal, Finance Ministry's Internet site: www.mof.gov.il

17. Prime Minister's Office, Division for Coordination, Follow-up and Control, "Follow-up Report on Implementation of the Development Plan for Communities in the Arab Sector" – Follow-up on implementing government decisions in the years 2001-2004, August 2005.

advancing detailed plans for 56 communities;¹⁸ updating plans in communities whose master plans do not provide appropriate planning solutions;¹⁹ and completing the preparation of master plans and detailed plans in Bedouin communities in the North.²⁰ The plans need to respond to the development needs of the communities during the next 20 years, focusing on the main points of weakness: allocation of public land and public buildings; allocation of state land for residential housing (see Housing Ministry); allocation of land for developing employment and industrial zones.

Decision 1433 is a work plan that the Planning Administration prepared for the years 2000-2004. The way the decision is worded reflects caution and skepticism regarding the likelihood of completing the planning processes according to the specified timetable (four years). The assessment was that the tender process for preparing the plans and the conceptualization stage of planning could be completed within three years, while it was unclear how long the third stage – the approval of the plans – would take. In a very optimistic forecast, the assumption was that it would require at least another year for approval of the plans. In this case, the required master plans could be prepared and approved within four years. In practice, the two initial stages also took longer and as of the first half of 2005, many plans were still not ready to be submitted.

In the framework of decision 1433, 56 communities were allocated a total of NIS 28 million. The decision, and the budget allotted to implementing it, were combined in decision 2467, which included 73 communities. At the beginning of 2005, a decision was made to update the plans of 15 additional communities. The data in Table 1.4 (p. 25) indicates that of 120 Arab communities, 88 communities are supposed to be included in the planning project by the end of 2005.

Of the 88 communities in the project, the planning process for 12 communities was completed at the master plan level by March 2005. There are 43 communities that have a general planning program and are now in the process of preparing a master plan. 18 communities are in the process of preparing planning programs; the aim was to complete the plans by the end of 2005.²¹

18. Decision 1433 from March 30, 2000.

19. Decision 2467 from October 22, 2000.

20. Decision 4464 from November 15, 1999.

21. From the remarks of architect Shamaï Asif, head of the Planning Administration, at a meeting of the Knesset Interior and Environment Committee on March 21, 2005, Protocol No. 410: Promoting Master Plans in Arab Communities.

Table 1.4: Status of updating master plans in Arab communities, as of March 2005

Title	Number of communities	Notes
Communities in which the preparation of the master plan was completed	12	
Communities that have a general plan and are preparing a master plan	43	The planning process and submission of plans for 24 of these communities was scheduled to be completed by the end of 2005
Communities that are in the process of preparing a general plan	18	Most of the master plans were to be completed by the end of 2005.
Communities in which the planning process is slated to begin	15	The communities were to be defined during 2005.
Total number of communities that are in the planning process	88	Of about 120 Arab communities

Source: A briefing by the architect Shamaï Asif, head of the Planning Administration, at a meeting of the Knesset Interior and Environment Committee on March 21, 2005, Protocol No. 410: Promoting Master Plans in Arab Communities.

The Interior Ministry's efforts to accelerate the planning process: At the beginning of 2005, the interior minister cancelled the directive to define municipal borders before beginning the planning process – a directive which had caused great delay in planning. According to the new directives, the master planning process could begin even if a community's municipal borders were not definitively demarcated. In addition, there is a trend to begin detailed planning even when the master plan is still incomplete.

Recovery plans for local authorities – preparing for implementation

In the framework of the multi-year development plans, there was insufficient attention paid to the financial situation of Arab localities and their ability to meet the various budget and loan terms for the various projects.. The development plans also failed to consider their ability to maintain the new infrastructures being built and their ability to equip and operate the public buildings under construction. The Druze local authorities experienced a similar crisis when implementing a five-year

plan (1995-1999), and this issue was addressed in a state comptroller's report.²² There is a shortage of income-yielding properties in the Arab local authorities such as commercial areas and industrial zones. According to the Central Bureau of Statistics, in 2003 there were 3,981 dunams (1 dunam = 1/4 acre) of industry within the boundaries of the Arab urban councils, which comprise about 1.5% of the total industrial area in local authorities in Israel.²³ In addition, in the Arab authorities, the rate of local tax collection on housing is low, as is the utilization of independent sources such as sewage and water surcharges.

Preparing a plan to strengthen the Arab local authorities – not yet implemented

The situation of Arab local authorities is addressed in government decision 740 from August 19, 2003. In the framework of this decision, the Interior Ministry was asked to prepare a plan for strengthening the Arab local authorities. This was to entail a focus on the unique problems of these communities, a definition of the obstacles to implementing the plans that have been formulated to date, and recommendations and ways to overcome them. This is a multidisciplinary process that the Interior Ministry is responsible for leading, though the implementation also involves areas of responsibility of additional ministries.

Arab local authorities in recovery plans

A government decision in February 2004 defined criteria for placing local authorities in a recovery program framework. At the beginning of 2005, 155 local authorities were in various stages of entering a recovery or restructuring process. These 155 localities included **68 Arab local authorities** (this is out of a total of 80 existing Arab local authorities; see Table 1.5, see p. 27).

A long-term solution for the budgetary problem in the Arab local authorities does not only entail financing the accumulated deficit, but also in establishing administrative mechanisms and economic tools. These will ensure stable, independent sources of income for the Arab local authorities, reducing their dependence on government sources and creating conditions in which they can provide their residents with an adequate level and quality of services.

22. State comptroller, Annual Report 52B for 2001 and Accounts for FY 2000, 2002.

23. Central Bureau of Statistics, *Local Authorities in Israel*, 2003, September 2005.

Table 1.5: Status of recovery programs as of January 31, 2005

Classification of local authorities	Number of local authorities in a recovery program	Arab local authorities in a recovery program	Number of local authorities in a restructuring program	
Authorities that have signed onto a recovery program	127	61	8	-
Authorities approved for a recovery program that have yet to sign onto it	5	3	1	-
Authorities for which a program is in the process of being revised and approved	7	-	2	1
Authorities that are likely to enter the framework, but have yet to submit a program	2	1	3	2
Total	141	65	14	3

Source: Interior Ministry, Report on local authorities in recovery and restructuring programs, as of January 31, 2005.

Ministry of Construction and Housing		
Government decisions pertaining to the ministry's areas of responsibility		
Decision number	Date	Title
2467	Oct. 22, 2000	Multi-year plan for developing communities in the Arab sector
881 (Arab/15)	Sept. 25, 2003	Plan for addressing the Bedouin sector in the Negev
3956 (Arab/40)	Juky 22, 2005	Budget supplement for the Abu Basma regional council
4464	Nov. 15, 1999	Development plan for Bedouin communities in the North
1403 (Arab/25)	Jan. 27, 2004	Development plan for Bedouin communities in the North
Projects and issues for the ministry to address following the government decisions listed above: <ul style="list-style-type: none"> ● Development of older neighborhoods ● Development of new neighborhoods ● Development of public institutions 		

Development of older neighborhoods – partially implemented

The project of developing older neighborhoods includes the completion of new infrastructure and improvement of existing infrastructure (decisions 2467, 1403, 4464, 881).

Development budgets: Decision 2467 instructs the Housing Ministry to coordinate the infrastructure development project in Arab communities. This entails pooling budgets from the ministries of Transportation, Interior and Housing; the Construction and Housing Ministry's share of this funding is NIS 220 million, at about NIS 55 million per year. During the years 2001-2003, the total amount implemented was NIS 129 million.²⁴

Development of new neighborhoods with high-density construction, 2001-2004

Public-initiated construction on state land – not implemented

Decision 2467 calls for the development of new neighborhoods to be built in high density public construction – about 5,000 housing units. Identifying lands for high-density construction on public land will be done in coordination with the Israel Lands Administration, the Interior Ministry and the local authorities. In Arab communities, no public-initiated construction project on public land was implemented during the allotted time period. In the framework of decision 2467, NIS 120 million was allocated for this project, while in practice only NIS 7.9 million was expended between the years 2001-2003. The main reason for the non-implementation of the project is a delay in the issuing of authorizations from the Israel Lands Administration.²⁵

In practice, 700 housing units are in stages of construction in the Schneller neighborhood in Nazareth. The Construction and Housing Ministry is conducting

24. Prime Minister's Office, Division for Coordination, Follow-up and Control, *Follow-up Report on Implementation of the Development Plan for Communities in the Arab Sector* – Follow-up of implementation of the decisions of 2001-2004, August 2005. The report does not contain implementation data for 2004 in the area of developing older neighborhoods.

25. 1. Prime Minister's Office, Division for Coordination, Follow-up and Control, *Follow-up Report on Implementation of the Development Plan for Communities in the Arab Sector* – Follow-up of implementation of the decisions of 2001-2004, August 2005; 2. The response of the Housing Ministry's Planning Division to a policy paper submitted by Sikkuy – *A proposal for equal development for Jews and Arabs in the Negev and Galilee*, June 2005.

negotiations with the Israel Lands Administration to receive authorization for planning 3000 housing units in the Umm Kubei neighborhood in Nazareth, as well as a neighborhood in Sakhnin with 400 housing units.²⁶ There is also planning underway for high-density neighborhoods in the following communities: Nahf – 500 housing units, Majd al-Krum – 528 units; Dir al-Assad – 200 units; Jisr a-Zarqa – 60 units; Um al-Fahm, Taibeh, Tamra, Ikhsal and Kafr Manda.²⁷

Under the division of responsibility between the Israel Lands Administration and the Construction and Housing Ministry, the ILA issues authorizations to the Construction and Housing Ministry for planning and development in accordance with its requests for implementing the plan. However, as noted above, this process of issuing planning authorizations has been drawn out, causing delays in implementing the project. The State Comptroller's Office found that the process of receiving authorization sometimes lasts for years – even five or six years in extreme cases. The lack of clear guidelines and priorities were among the factors that enabled the ILA to delay authorizations for years.²⁸

In addition, the state comptroller's findings that year revealed a number of cases in which the ILA commissioned the detailed planning of sites identified as appropriate for housing even before master plans were completed. The Ministry of Construction and Housing made efforts to receive authorizations for planning and development before these programs were completed. The state comptroller's report emphasizes that detailed planning may be performed alongside the preparation of a master plan only when the Construction and Housing Ministry and ILA do not have a planning reserve – and a quick solution is required. In practice, this is also done in some communities that had no lack of available planning reserves. For example: the expansion of the city of Karmiel before completing a master plan; in Or Akiva, the Construction and Housing Ministry requested authorization before the preparation of a master plan was completed, as well as in Yokneam and Kiryat Shmona.

26. The response of the Housing Ministry's Planning Division to a policy paper submitted by Sikkuy – *A proposal for equal development for Jews and Arabs in the Negev and Galilee*, June 2005.

27. Follow-up Report on Implementation of the Development Plan for Communities in the Arab Sector, 2005.

28. State Comptroller's Office, Annual Report 55b for 2004.

In a considerable number of Arab communities, there is a severe lack of planning reserves available for development, but the Construction and Housing Ministry and ILA did not make use of the available easements provided by law to expedite the process. The Construction and Housing Ministry was quick to ask for planning authorization before all of the master planning procedures were completed in Karmiel, but not in Sakhnin or Majd al-Krum. It did this in Or Akiva, but not in Jisr a-Zarqa.

New neighborhoods of high density construction on private land – not implemented

Decision 2467 calls for the development of new neighborhoods of high density construction by private contractors on private land on a scale of at least 50 housing units per neighborhood and at a density of at least six housing units per dunam (a dunam is approximately a quarter of an acre). It should be noted that in development zones A and B eligibility for subsidies includes sites in which the minimum number of housing units is 25.²⁹ This compares to 50 housing units in Arab communities according to decision 2467. The Housing Ministry's assistance includes the financing of detailed planning and participation in development up to a sum that does not exceed 50% of the approved infrastructure fees and to a ceiling of NIS 20,000 per housing unit. The project was not implemented at all because the stipulated guidelines did not succeed in encouraging this type of construction and did not create suitable conditions for implementing the project.³⁰

Development of public institutions – partially implemented

The Construction and Housing Ministry participates in the construction of public facilities in the fields of culture, society and sport. First priority was given to community centers and sports halls within the communities. Additional sources of financing – such as Mifal Hapayis (Israel's national lottery) and Interior Minister budgets earmarked for public institutions and development – were included in the sources for funding the project.

29. State of Israel, Housing Ministry, Planning Division, Procedure for Subsidizing the Private-Initiative Development of Urban Housing Construction from November 23, 2004.

30. The response of the Housing Ministry's Planning Division to a policy paper submitted by Sikkuy – *A proposal for equal development for Jews and Arabs in the Negev and Galilee*, June 2005.

The Construction and Housing Ministry is responsible for determining the program for public buildings, approving the work plans of communities and coordinating the implementation of construction (decisions 881, 2467, 4464, 1403, 3956).

Difficulties in implementing the public buildings project: The first difficulty in implementing the project stemmed from the cutbacks in the budgets of government ministries. This difficulty was overcome by constructing smaller buildings than originally planned, while leaving options for expanding them in the future. An additional obstacle to implementation were the liens placed on the accounts of a number of local authorities due to their problematic financial situation. At the end of 2003, the construction of 23 buildings was delayed or halted for this reason.³¹

Ministry of National Infrastructures		
Government decisions pertaining to the ministry's areas of responsibility		
Decision number	Date	Title
2467	Oct. 22, 2000	Multi-year plan for developing communities in the Arab sector
1328 (Arab/20)	Jan. 14, 2004	Development of sewage infrastructure of the non-Jewish sector
3958 (Arab/42)	July 22, 2005	Development of sewage infrastructure of the non-Jewish sector
2434 (Arab/44)	Oct. 5, 2000	Building a water supply system for Bedouin communities and service centers in the Negev
881 (Arab/15)	Sept. 25, 2003	Plan for addressing the Bedouin sector in the Negev
3956 (Arab/40)	July 22, 2005	Budget supplement for the Abu Basma regional council
4464	Nov. 15, 1999	Development plan for Bedouin communities in the North
1403 (Arab/25)	Jan. 27, 2004	Development plan for Bedouin communities in the North
Projects and issues for the ministry to address following the government decisions listed above: <ul style="list-style-type: none"> ● Arranging internal sewage systems, pipelines and treatment facilities ● Linking the new Bedouin communities to the water and electricity grids 		

Establishing internal sewage systems, pipelines and treatment facilities

According to government decision 2467, the Sewage Infrastructure Administration was to have provided loans and grants to local authorities for establishing internal

31. Follow-up Report on Implementation of the Development Plan for Communities in the Arab Sector, 2005.

sewage systems, pipelines and treatment facilities. The budget allocated for this purpose in the framework of the government decision was NIS 400 million, and the level of grants stood at 50% of the project's cost. The total allocation during the years 2001-2004 was NIS 387.6 million and, in practice, a sum of NIS 383.6 million was implemented. Despite the high implementation figures, it should be noted that the budget of the National Infrastructures Ministry is not the only budget allotted in the framework of the multi-year plan aimed at establishing internal sewage systems; the Interior Ministry (in its development budgets) and the Housing Ministry are also partners in this. The massive cutbacks in the development budget of these two ministries had an impact on the progress of the projects.

Establishing internal sewage systems – progress

A survey of Arab local authorities conducted by the state comptroller in 2001 indicated that 6.5% of the authorities have no internal sewage systems, 78% have partial internal sewage systems and 15.5% have complete internal sewage systems. In contrast, in 2004, (according to data from the implementation report on the multi-year plan) in 39 local authorities surveyed (about half of the Arab local authorities) – 5% of the communities have no internal sewage systems at all, 61.5% have partial sewage systems (30-80% of the residents are connected), and 33.5% of the authorities have a system that is complete or nearly complete (at least 90% of the residents are connected). See Table 1.6, below.

Table 1.6: Progress in implementing internal sewage systems in Arab communities, 2002-2004

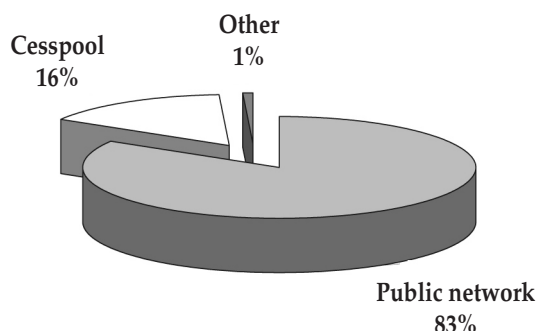
	(1)2001	(2)2004
A complete or nearly complete (at least 90%) internal pipeline system	15.5%	33.5%
Partial internal pipeline system	78%	61.5%
No internal pipeline system in place	6.5%	5%

Sources:

1. State comptroller, Annual Report 52B for 2001, according to a survey conducted by the state comptroller, 2002.
2. Follow-up report on implementation of decision 2467 - the development plan for communities in the Arab sector, August 2005.

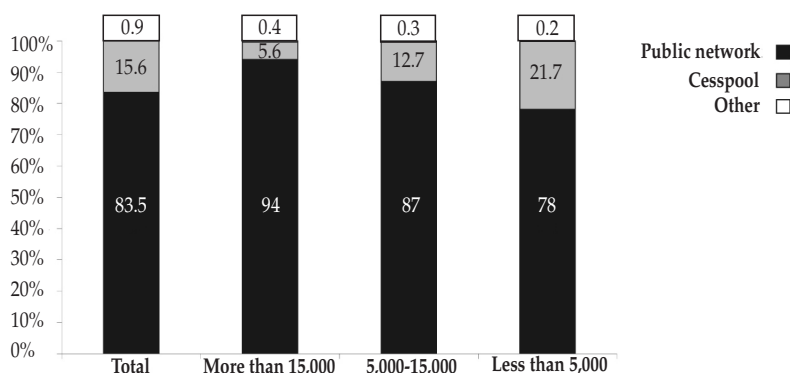
Another source for examining the state of internal sewage systems in communities is a survey conducted in 2004 by the Galilee Society and Mada al-Carmel. According to this survey, about 83% of the households in Arab communities are linked to the internal community sewage system and about 16% use cesspools. (See Diagram 1.3, below). The proportion of homes linked to the municipal sewage system increases as the size of the community increases. (See Diagram 1.4, below).

Diagram 1.3: Distribution of households in Arab communities by type of sewage link, 2004



Source: The Galilee Society & Mada, *Palestinians in Israel, Socio-Economic Survey, 2004*

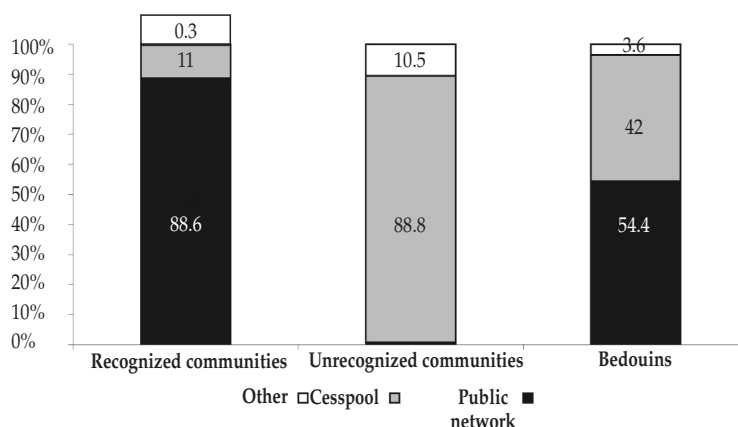
Diagram 1.4: Distribution of households in Arab communities by size of locality and type of sewage link, 2004



Source: The Galilee Society & Mada, *Palestinians in Israel, Socio-Economic Survey, 2004*

In recognized Bedouin communities, the proportion of households connected to the community networks was about 89%. In unrecognized communities, there are no central sewage systems. In total, 54% of the Bedouin households are linked to the local sewage system and about 42% use cesspools (see Diagram 1.5, below).

Diagram 1.5: Distribution of Bedouin households by type of sewage link, 2004



Source: The Galilee Society & Mada, *Palestinians in Israel, Socio-Economic Survey*, 2004

Connection to treatment plants – partial implementation

In January 2004, the government decided to add NIS 400 million to the loan budget for the years 2004-2006 in an effort to facilitate the connection of Arab communities to sewage treatment facilities; but this time the grant component stood at only 25% (decision 1328 of January 14, 2004). The lowering of the grant level from 50% to 25% was one of the factors leading to a significant slowdown in the development of sewage infrastructure. The reduced financing joined with the economic crisis the local authorities were experiencing and the local authorities found themselves unable to meet the loan repayments. In July 2005, in the framework of decision 3958 (which allocates NIS 400 million for continued development of infrastructure for waste treatment for the years 2005-2007) the grant level was restored to 50%.

The economic situation of the local authorities and their low collection level of sewage fees threatens the accomplishments that have been achieved in this field:

According to the Environment Ministry's figures,³² a considerable number of sewage treatment facilities are in disrepair or on the verge of collapse because the local authorities, including many Arab local authorities, are unable to pay the costs of building and maintaining these facilities. Thus, for example, the communities of Kabul, Sakhnin, Arabeh and Dir Hana were connected to the Karmiel waste treatment facility (beyond its planned capacity), putting a heavy load on the facility. Nonetheless, the facility cannot be expanded at this time because of the financial debts of the communities, which total about NIS 10 million. The Sde Ilan sewage treatment facility, which is supposed to serve the communities of Kafr Qana, Kafr Qama, Turan, Mashad, the Lower Galilee regional council and Ziporit industrial zone, halted its operations completely after the Israel Electric Corporation cut off the electricity supply due to the association's debts and the facility's operations staff quit.

The ability of local authorities to maintain the systems that are being built – and thus ensure that this investment literally does not go down the drain – is conditional upon resolving the economic situation of Arab local authorities and establishing mechanisms for increasing the collection of sewage fees.

Linking the new Bedouin communities to water and electricity infrastructure – is being implemented as the construction of new communities progresses

In accordance with decision 3956 of July 22, 2005 – the connection of new Bedouin communities by the Mekorot Water Company to the water network and preparations by the Israel Electric Corporation for linking the communities to the electricity grid are being implemented.

Connection to the electricity grid: Diagram 1.6 (p. 36) indicates that about 92% of households in the unrecognized communities, which represent about 32% of the Bedouin households in the Negev, are not linked to the electricity grid and received electricity supply from generators. About 3% of the households in unrecognized Bedouin communities are not connected to electricity at all.

32. Dr. Yael Mason, Director of Urban Waste in the Water and Rivers Division of the Environment Ministry, Internal Report: "Situation Assessment – Debts of Local Authorities for Treating Waste and the Anticipated Damage to the Environment and Public," letter from June 21, 2005.

Connection to the water network: Diagram 1.7 (below) indicates that about 60% of households in the unrecognized communities are connected to the public water network, while about 39% are connected privately and about 0.5% of households are not connected to any water system. All of the recognized communities are connected to the water and electricity networks.

Diagram 1.6: Bedouin households in the Negev that are connected to the electrical grid, 2004 (%)

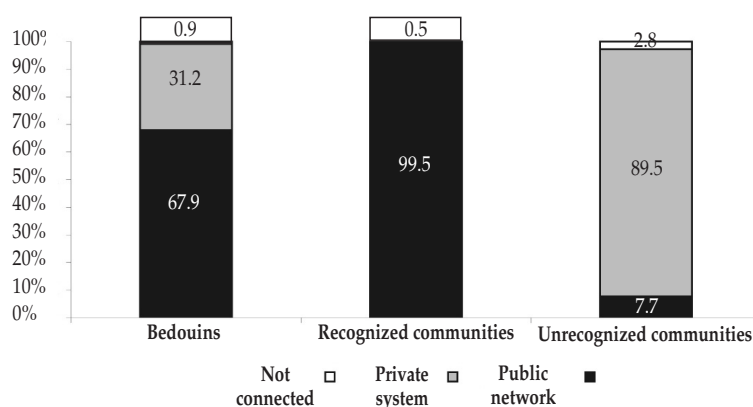
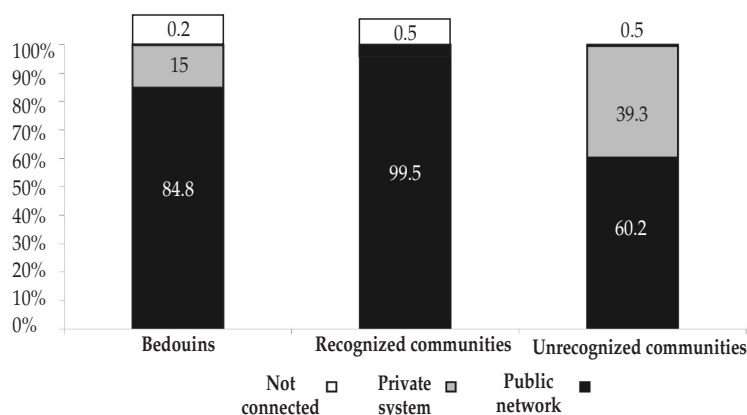


Diagram 1.7: Bedouin households in the Negev that are connected to the water grid, 2004 (%)



Source: The Galilee Society & Mada, *Palestinians in Israel, Socio-Economic Survey*, 200

Ministry of Transport		
Government decisions pertaining to the ministry's areas of responsibility		
Decision number	Date	Title
2467	Oct. 22, 2000	Multi-year plan for developing communities in the Arab sector
881 (Arab/15)	Sept. 25, 2003	Plan for addressing the Bedouin sector in the Negev
3956 (Arab/40)	July 22, 2005	Budget supplement for the Abu Basma regional council
4464	Nov. 15, 1999	Development plan for Bedouin communities in the North
1403 (Arab/25)	Jan. 27, 2004	Development plan for Bedouin communities in the North
Projects and issues for the ministry to address following the government decisions listed above: <ul style="list-style-type: none"> ● Development of internal roads ● Development of intercity roads and access roads to communities 		

Development of internal roads – the budget was implemented, but the infrastructure of internal roads is still weak

In the framework of decision 2467, the Ministry of Transport was supposed to allocate NIS 180 million for developing internal roads and safety projects in Arab communities. The Ministry of Transport formulated a plan on a budgetary scale exceeding the sum stipulated in the government decision and allocated NIS 211.2 million for the years 2001-2003 for developing internal roads – a sum that comprises 117.3% of the amount set in the government decision. But the high level of implementation does not necessarily reflect a response to needs. Despite the impressive allocation and implementation levels, the condition of internal roads in 57% of 47 local authorities was defined as weak or in need of improvement.³³ The initial condition of internal roads was so bad that the needs are still great.

Development of intercity roads and access roads to communities

In contrast to the high levels of implementation of internal roads, the budget of the Public Works Department (Ma'atz) – which was responsible for implementing the plan for developing intercity roads – suffered a cutback and was only partially implemented.

33. Prime Minister's Office, Division for Coordination, Follow-up and Control, *Follow-up Report on Implementation of the Development Plan for Communities in the Arab Sector – Follow-up of implementation of the decisions of 2001-2004*, August 2005.

Ministry of Industry, Trade and Labor		
Government decisions pertaining to the ministry's areas of responsibility		
Decision number	Date	Title
273 (Arab/1)	June 7, 2000	Unemployment in the Arab sector
2467	Oct. 22, 2000	Multi-year plan for developing communities in the Arab sector
737 (Arab/9)	Aug. 19, 2003	Including Arab local authorities in the joint administration of adjacent industrial zones
881 (Arab/15)	Sept. 25, 2003	Plan for addressing the Bedouin sector in the Negev
3956 (Arab/40)	July 22, 2005	Budget supplement for the Abu Basma regional council
4464	Nov. 15, 1999	Development plan for Bedouin communities in the North
1403 (Arab/25)	Jan. 27, 2004	Development plan for Bedouin communities in the North
3957 (Arab/41)	July 18, 2005	Encouraging industry and employment in the Arab, Druze and Bedouin sector
740 (Arab/12)	Aug. 19, 2003	Addressing central problem of the Arab sector
Projects and issues for the ministry to address following the government decisions listed above: <ul style="list-style-type: none"> ● Development of industrial zones ● Encouraging entrepreneurship and employment ● Vocational and technological training 		

Development of employment zones – Freeze in development of industrial zones during the years 2001-2004

Benefits for industrial zones – implemented

According to decision 2467, all of the benefits (assistance, grants, discounts, etc.) offered to companies located in industrial zones in a national priority area (under the Law for the Encouragement of Capital Investment) will apply to industrial zones included in the plan. The Industry, Trade and Labor Ministry, Finance Ministry and Prime Minister's Office will examine additional ways to encourage these industrial zones.

In December 2002, a directive was issued for demarcating development zones. According to this directive: Development Zone A will include the local authorities of the following districts: Jerusalem, the South, the North, Haifa, communities where the socio-economic level is in cluster 1-3 (lowest levels), with annual average unemployment of 10% or higher. According to these criteria, **most of the Arab communities are defined as Development Zone A for the purposes of developing industry.**

Development of zones for light industry and services– not implemented

The development of zones for light industry and services was intended to improve the quality of life by removing small industries from residential areas. The commitment to develop light industry and services zones was made in the framework of two government decisions: decision 2467 and decision 273 from June 7, 2001. Under decision 2467, NIS 80 million was allocated for the project, at about NIS 20 million per year. Of this, only NIS 18 million was actually implemented, comprising about 22% of the original budget. The reason for the low implementation rate is that in 2003 the budget line for the development of light industry and services was canceled for all sectors, including the Arab sector, and in 2004, the budget was not restored. In the framework of decision 3957 from July 18, 2005, a total of NIS 3.5 million was allocated from the 2005 budget for developing light industry in the communities of Kabul and Ka'abiya.

Development of industrial zones – low rates of implementation

In the framework of the multi-year plan for Arab communities, suitable land was to be identified for the establishment of industrial zones and infrastructure development in six development zones in areas of dense Arab population that are shared by a number of local authorities, subject to planning resources availability and a feasibility study (decision 2467).

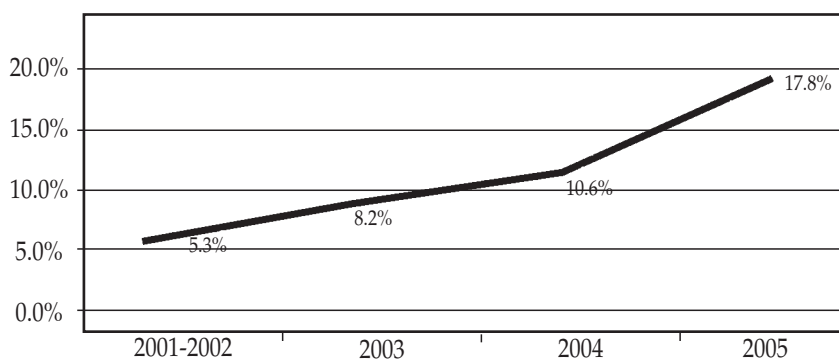
Between the years 2001-2004, not a single new industrial zone was established in an Arab community – the percentage of allocation and implementation of budgets for development earmarked for Arab communities is extremely low. Of NIS 120 million earmarked for development of industrial zones under decision 2467, a third of this sum, about NIS 40 million, was actually allocated. There were several reasons for this deep cutback:

1. According to government decision 1156 of December 24, 2001, some of the budgets were spread over the years 2005-2006.
2. The development budgets in the Ministry of Industry, Trade and Labor were slashed deeply, especially during the years 2002-2003 when the general development budget was cut by about 56%. This cutback also applied to

development budgets for Arab communities. The budget reduction was part of an across the board cutback imposed as a result of the economic crisis, and also stemmed from a reassessment by the ministry of the commitments it made in previous years. According to this assessment, the ministry was overcommitted because of the transition to developing regional employment zones (serving several communities) instead of industrial zones serving a single locality.

An examination of the share of Arab communities in the development budgets for industrial zones (item 760109 in the state budget) during the years 2001-2005 indicates that the share of Arab communities in the overall industrial development budgets did indeed rise steadily during this period, but their share is still lower than their proportion of the population (see Diagram 1.8, below).

Diagram 1.8: The share of Arab communities in the budgets for developing industry, 2001-2005



Sources:

1. Knesset Research & Information Center, background document entitled: *Policy of the Industry, Trade and Labor Ministry on Developing Industry and Employment in the Arab Sector*, June 2004.
2. Budget of the Industry, Trade and Labor Ministry, Item 760109, www.mof.gov.il
3. Government decision 3957 of August 17, 2005 (does not include Bedouin and Druze communities).

Employment zones are an important source for expanding the independent income of Arab communities and making places of employment more accessible to their residents. In communities that are hard-hit by unemployment, the potential for local tax revenues is naturally lower. Thus, reduction of the scope of unemployment – through the establishment of industrial zones among other measures – is essential for the residents' standard of living and their ability to pay their debts to the local authority.

Bedouin communities in the Negev: In the framework of decision 881, NIS 15 million was allocated for the years 2003-2008 for developing industrial zones in existing Bedouin communities – about NIS 2.5 million per year. In 2003-2004, the Industry, Trade and Labor Ministry did not allocate funds to the Bedouin communities in accordance with this decision or in general.³⁴ In the 2005 budget, about NIS 2.7 million was allocated in the framework of decision 3957 for continued development of industrial zones in the communities of Hura, Rahat and Segev Shalom.

Bedouin communities in the North: In the framework of decision 1403, NIS 3 million was allocated for the years 2004-2005 for developing industrial and light industry zones in Bedouin communities in the North. In the 2004 budget, no funds were allocated for these communities. In 2005, in the framework of decision 3957, some NIS 1.7 million were allocated for establishing and strengthening industrial zones in the communities of Zarzir and Ka'abiya.

Including Arab local authorities in the administration of regional industrial zones – not yet implemented

During the past year, the Ministry of Industry, Trade and Labor has given priority to the development of large regional industrial parks that are shared by a number of local authorities. These parks facilitate a more equal utilization of land resources and exploit the economy of scale. This arrangement is based on agreements for distributing revenues from local taxes between the participating local authorities. In the framework of decision 273 from June 7, 2001, the Industry, Trade and Labor Ministry was instructed to work on developing two to three joint regional industrial zones for the Arab blocs of communities in cooperation with neighboring Jewish communities, with the intention of upgrading their status as Development Zones A and bringing high-tech enterprises into these zones.

About two years later, in government decision 737 from August 19, 2003, the Industry, Trade and Labor Ministry was assigned the task of presenting a proposal for bringing Arab local authorities into the shared administrations of industrial zones adjacent to them. As of 2003, Arab communities were partners in three regional administrations: Dalton (Merom Hagalil, Mevo'ot Hermon, Safed and Gush Halav),

34. Amos Oltzwer, Background document entitled: *Policy of the Industry, Trade and Labor Ministry on Developing Industry and Employment in the Arab Sector*, Knesset Research & Information Center, June 2004

Ziporit (Upper Nazareth, Kafr Kana and Mashad) and Zachar (Safed, Hazor, Rosh Pina and Tuba Zangariya). Between the years 2003-2005, no additional Arab communities were added to regional administrations. In 2005, in the framework of government decision 3957, NIS 4 million were allocated for including Arab local authorities in five additional regional industrial zones: Turan in the Kidmat Galil industrial zone; Bustan al-Marj in the Alon Hatavor industrial zone; the regional council Misgav and Sakhnin; the regional council Emek Yizreel and Iksal; and the addition of Saghur³⁵ to the Bar Lev industrial zone.

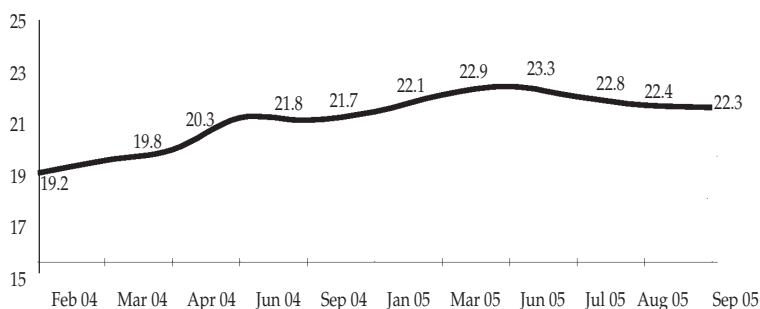
Bedouins in the South: In southern Israel, plans were submitted for two joint industrial zones for Jewish and Bedouin authorities – one at Lahavim Junction (August 2004) for the Bnai Shimon regional council, Lahavim and Rahat, and the second at the Shoket Junction (September 2005) for the Bnei Shimon, Meitar, Hura and Lakia.

Encouraging entrepreneurship and employment

The employment situation

The employment situation in Arab communities continues to be poor: The number of job seekers in Arab communities as a percentage of all job seekers in Israel is continually growing (see Diagram 1.9, below). Therefore, even during an era of cutbacks, there was room to give preferential treatment to Arab communities, including the development of industrial zones. But in practice, this was not done at a desirable pace.

Diagram 1.9: The proportion of Arab job seekers among total job seekers, February 2004 to September 2005 (%)



Source: Monthly reports of the Employment Service, February 2004 to September 2005

35. Saghur is a merger of Majd al-Krum, Dir al-Asad and Ba'aneh.

Diagram 1.10 (below) indicates that during 2004, the number of unemployed men declined in both the Jewish and Arab populations. However, while the decline in unemployment among Jewish men was also accompanied by an increase in the level of participation in the workforce, among Arab men there was a decline in the level of participation in the workforce during this same year (see Diagram 1.11, below).

Diagram 1.10: Unemployment rate among Jewish and Arab men, 2001-2004

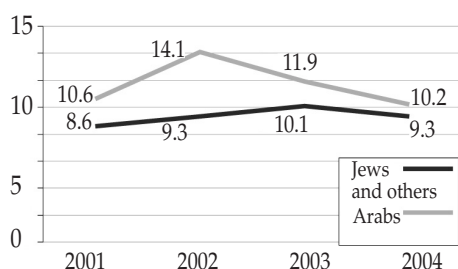
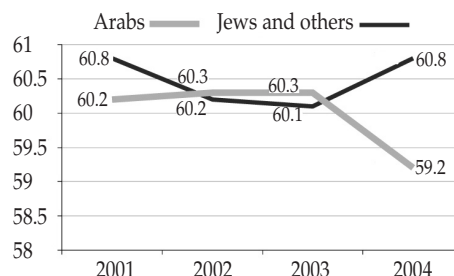


Diagram 1.11: Level of participation of Jewish and Arab men in the workplace by population group, 2001-2004



Source: Central Bureau of Statistics, Israel Statistical Abstract 2005

Among Arab women, there was a significant increase in the rate of unemployment between the years 2003-2004. During the same period, there was a 0.7% increase in the level of participation in the workforce (see Diagrams 1.12 and 1.13, below).

Diagram 1.12: Unemployment rate among Jewish and Arab women, 2001-2004

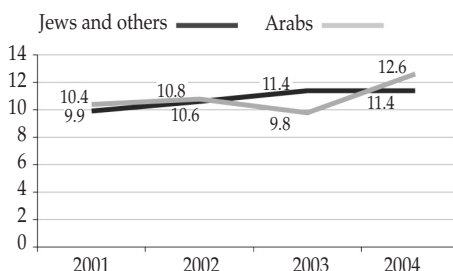
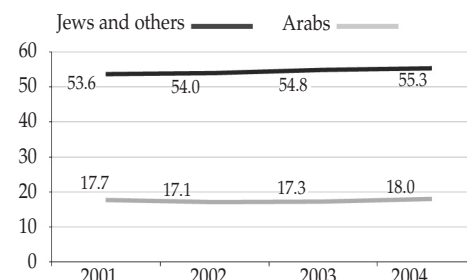


Diagram 1.13: Level of participation of Jewish and Arab women in the workforce, 2001-2004



Source: Central Bureau of Statistics, Israel Statistical Abstract 2005

Plan for addressing the problems of employment in the Arab sector – not yet implemented: According to decision 740 of August 18, 2003, the minister of industry, trade and labor must present a plan to the ministerial committee on the non-Jewish sector that includes details about those responsible for implementation, a mechanism for implementation, a budget and timetable for addressing the main problems of the Arab sector in Israel. This plan must examine, among other things, the factors that pose special difficulties in the area on employment in the Arab sector and in integrating Arab citizens in advanced fields of employment. In addition, the plan must identify the barriers to full implementation of the plan and existing solutions for promoting employment among Arab citizens. The plan will include recommendations to solve problems and remove barriers. The decision has yet to be implemented.

During recent months, the Ministry of Industry, Trade and Labor, in the framework of the Directorate for Developing and Promoting Employment, has been promoting a plan to advance the Druze population and integrate it in the general workforce in Israel.³⁶ In addition, data has been collected on the employment rates of Arab women.³⁷

In regard to the Bedouin population in the South, according to government decisions 881 and 3956, employment will be encouraged through professional training and activities of the Small Business Authority, with an emphasis on the employment of women (decisions 881, 3956). During the years 2003-2004, the Industry, Trade and Labor Ministry did not allocate any funds in the framework of the plan for developing Bedouin communities in the Negev. The ministry's Economic Research & Planning Administration has begun a preliminary analysis of the employment situation in Bedouin communities in the South. The Small Business Authority has also formulated a program for special training for the Bedouin sector in how to establish an independent business.

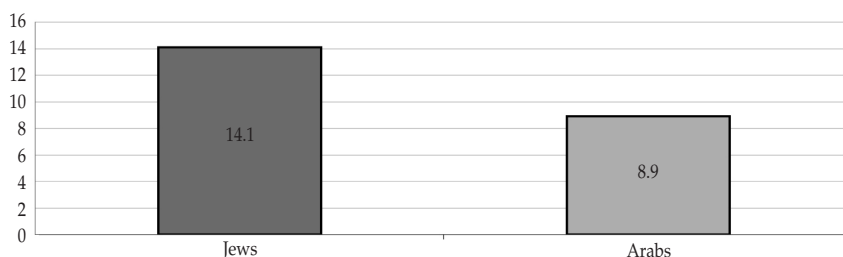
36. Amos Oltzwer, Background document entitled: *Policy of the Industry, Trade and Labor Ministry on Developing Industry and Employment in the Arab Sector*, Knesset Research & Information Center, June 2004

37. Osnat Fichtelberg, *The Participation of Arab Women in the Workforce during the Past Decade*, Personnel Planning Authority, Labor and Social Welfare Ministry, June 2004.

Vocational and technological training – partially implemented: In the framework of the multi-year plan for developing Arab communities, NIS 268 million was budgeted; 62% of this amount was actually implemented between the years 2001-2004.

Among Israelis of ages 20 and above, about 573,000 (about 13.3% of this population) participated in professional courses of study or training in 2004. The profile of graduates of courses and professional training reflects the strong groups in the labor market from the perspective of employment status, nationality, number of years living in Israel, education and income. Thus, for example, the proportion of course and training graduates among Jews is 1.5 times higher than among Arabs. The proportion of Jews in this age group (20 and older) who are studying was 14.1%, compared to only 8.9% of the Arabs (see Diagram 1.14, below).

Diagram 1.14: Proportion of students in courses and/or vocational training among Jews and Arabs, ages 20 and above, 2004 (%)



Source: Sari Fire, "Lifelong Learning – Courses and Professional Training, Information Sheets on the Labor Market in the State of Israel," the Ministry of Industry, Trade and Labor, Economic Planning Administration, April 2005

*The levels of participation in the workforce are lower in the Arab population and the rates of unemployment are higher. Poverty is spreading among the Arab population. This state of affairs demands a system-wide mobilization, targeting this as a high priority issue **for immediate and urgent action** – like the measures implemented during the 1990s to teach and retrain new immigrants from the former Soviet Union, and the action taken during the past two years in regard to employment of single parents. The Industry, Trade and Labor Ministry's handling of everything related to the identification and treatment of unique employment problems and barriers for the Arab population are too slow and limited, while the deterioration of the employment situation continues to intensify.*

Ministry of Education, Culture and Sport		
Government decisions pertaining to the ministry's areas of responsibility		
Decision number	Date	Title
2467	Oct. 22, 2000	Multi-year plan for developing communities in the Arab sector
740 (Arab/12)	Aug. 19,	Addressing the main problems of the Arab sector
881 (Arab/15)	Sept. 25, 2003	Plan for addressing the Bedouin sector in the Negev
3956 (Arab/40)	July 22, 2005	Budget supplement for the Abu Basma regional council
4464	Nov. 15, 1999	Development plan for Bedouin communities in the North
1403 (Arab/25)	Jan. 27, 2004	Development plan for Bedouin communities in the North
Projects and issues for the ministry to address following the government decisions listed above: <ul style="list-style-type: none"> ● Construction of classrooms ● Pedagogical programs and advancing technological education ● Support for cultural activities, art and sports ● Preparing a plan to advance education in the Arab sector ● Building cultural and sports facilities 		

Construction of classrooms – slow progress and growing distress:

In the framework of government decisions, budgets were allocated for building 2,360 classrooms during the years 1999-2008 in Arab communities, in Bedouin communities in the North and in Bedouin communities in the South (see Table 1.7, below.)

Table 1.7: Allocations for building classrooms for Arab kindergartens and schools, according to government decisions

Decision	Date	Sum (NIS million)	Years	Number of classrooms
4644	Jan. 15, 1998	42.0	1999-2003	100
1403 (Arab/25)	Jan. 27, 2004	15.0	2004-2005	approx. 30
2467	Oct. 22, 2000	875.0	2001-2004	1545
881 (Arab/15)	Sep. 25, 2003	200.0	2003-2008	400
3956 (Arab/40)	July 22, 2005	285.0	2005-2008	approx. 285
Total number of classrooms to be constructed during 1999-2008 in the framework of government decisions				about 2,360

Sources: Government decisions: 4644 from January 15, 1998; 1403 from January 27, 2004; 2467 from October 22, 2000; 881 from September 25, 2003; 3956 from July 22, 2005.

Decision 2467 provided for the construction of 1,545 classrooms between the years 2001-2004. In practice, the construction of 709 classrooms was completed during this period – an implementation rate of 46%. In accordance with decision 881, some 400 classrooms are supposed to be built in existing Bedouin communities during the years 2003-2008, including about 160 classrooms during 2003-2004. In practice, 132 classrooms were built during this two-year period (see Table 1.8, below).

Table 1.8: Classrooms (kindergartens and schools) built during the years 2001-2004 (not including Druze and Bedouins in the North)

Year	Arab	Bedouin	Total
2001	246	?	?
2002	152	45	197
2003	88	14	102
2004	223	118	341
Total	709		

Source:

1. Education, Culture and Sport Ministry, presentation about the plan to promote education in the Arab sector, June 2005.
2. Cohen and Bar-Natan, *Development Plan for the Communities in the Arab Sector, Follow-Up of Implementation of the Decision, 2001-2004*, Division for Coordination, Follow-up and Control, Prime Minister's Office, August 2005

In accordance with the government decisions listed above, the Ministry of Education is obligated to build another 1,419 classrooms during the years 2005-2008:

- Some 836 whose construction has not been completed or even begun (as of the end of 2004) in the framework of decision 2467.
- Some 30 classrooms in the Bedouin sector in the North, in the framework of decision 1403.
- 285 classrooms in the framework of decision 3956.
- And 268 classrooms in the framework of decision 881.

In a session of the Knesset Education Committee on September 13, 2005, the deputy education minister announced³⁸ the ministry estimates that there is a shortfall of about 1,800 classrooms for the Arab education system as follows:

Level	Number of additional classrooms needed
Pre-kindergarten	507
Kindergarten	218
Elementary	372
Middle school	439
High school	259
Total kindergarten and pre-kindergarten	725
Total grades 1-12	1,070
Total shortage of classrooms	1,795

The 2005 budget, together with Mifal Hapayis (Israel's national lottery), allocated funding for the construction of 980 classrooms in all the sectors, including 306 classrooms for Arab education (32%). The implementation figures for 2005 are still unknown.

Pedagogical programs and educational technology – partially implemented: In the framework of decision 2467, NIS 280 million was allocated for various pedagogical programs for advancing the education system in the Arab sector, and NIS 66 million for establishing courses of study in secondary schools and institutions of higher education in the fields of technology – a total of NIS 346 million. Between the years 2001-2003, a sum of NIS 155 million³⁹ was implemented – 59% of the sum allocated for these years in the framework of the government decision.⁴⁰

In the framework of decision 881 for developing Bedouin communities in the South, NIS 15 million was allocated for establishing technology courses for the Bedouin population between the years 2003-2008. Between the years 2003-2004, the Education Ministry did not allocate budgets in accordance with the plan.

38. Transcript from session 280 of the Knesset Education Committee on September 13 – remarks made by the deputy education minister.

39. Prime Minister's Office, Division for Coordination, Follow-up and Control, *Follow-up Report on the Development Plan for the Communities in the Arab Sector* – Follow-up of implementation of the decision during the years 2001-2004, August 2005.

40. State comptroller, Annual Report 54B for 2003 and Financial Statements for 2002, 2004.

Construction of cultural institutions and sports facilities: In the framework of decision 2467, NIS 28 million was allocated for establishing and upgrading cultural and sports facilities. Between the years 2001-2003, a sum of NIS 13 million was spent for this purpose.⁴¹

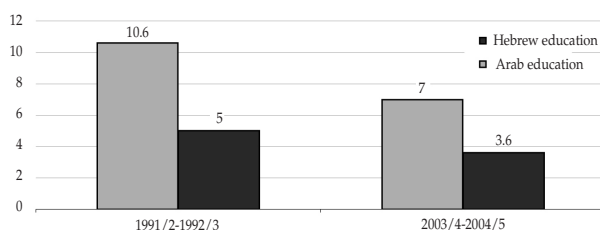
Preparation of a plan for promoting education in the Arab sector – implemented: Article 1(B) of decision 740 from August 19, 2003: Preparation of a plan for promoting education in the Arab sector, examining the barriers that have prevented the full realization of existing plans for promoting education and higher learning in the Arab sector and of their goals, and submission of recommendations on ways to remove them. In June 2005, the head of the ministry's Arab Education Division submitted a plan for promoting Arab education that includes proposals for addressing the main problems of Arab education – low academic achievements and high dropout rates.⁴²

Indexes for measuring the narrowing of gaps between Jews and Arabs in the field of education and higher education:

Dropout rates

There was a decline in dropout rates for grades 9-11 during the past decade in both the Hebrew and Arab education systems, but the gap between Jews and Arabs remained – the dropout rate in the Arab education system is double the dropout rate in the Hebrew education system (see Diagram 1.15, below). The high dropout rates are mainly the product of low academic achievements.

Diagram 1.15: Dropout rates in grades 9-11 between the years 1991/92-1992-93 and between the years 2003/04-2004/05, Hebrew education and Arab education (%)



Source: Central Bureau of Statistics, Israel Statistical Abstract 2005

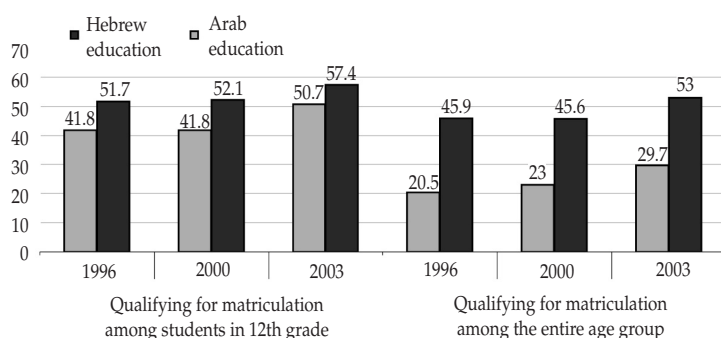
41. Prime Minister's Office, Division for Coordination, Follow-up and Control, *Follow-up Report on the Development Plan for the Communities in the Arab Sector* – Follow-up of implementation of the decision during the years 2001-2004, August 2005.

42. Presentation – *Multi-year Work Plan: Arab Education with a Look toward the Future*, Pedagogical Secretariat, Arab Education Division, Education, Culture and Sport Ministry, June 2005.

Qualifying for matriculation

The gap between those qualifying for matriculation in the Hebrew and Arab education systems is narrowing. However, due to the high dropout rate in the Arab education system, there are still large gaps between Jews and Arabs in the rates of qualifying for matriculation when the entire age group is included. In 2003, 53% of Jewish 17-year-olds qualified for matriculation, compared to only 30% of their Arab peers (see Diagram 1.16, below).

Diagram 1.16: Qualifying for matriculation among students in 12th grade and among the entire age group, in Hebrew and Arab education, 1996-2003 (%)



Source: Central Bureau of Statistics, Israel Statistical Abstract 2005

Meeting university entrance requirements:

Not every matriculation certificate grants its holder the opportunity to continue toward an academic degree. In 2003, only 18% of Arab 17-year-olds had matriculation qualifications that met university entrance requirements. This compares to 44% of Jews of this age. A significant reduction in the dropout rate, together with an increase in the level of achievements in the Arab education system, is an essential condition for a real narrowing of gaps in the level of education (see Diagram 1.17, p. 51)

Education for those in the labor force – gaps at the starting gate

Much has been said about the connection between educational achievements and the chances of success in the job market. Diagram 1.18 (p. 51) depicts the distribution of the Jewish and Arab population in the principal working ages (25-54) according to the last educational institution in which they studied. The gaps between Jews and Arabs narrow in younger age groups.

However, even in the youngest age group, ages 25-34, when they are just beginning their careers, the educational gaps are very deep. Among Jews of this age, the rate of academic education is 43.3%, nearly three times higher than the rate for Arabs of the same age group (15.2%). These figures are very similar to the data in Diagram 1.17, below, (Matriculation holders who meet university entrance requirements) regarding the gap between Jewish and Arab matriculation holders who meet university entrance requirements. This indicates that the opportunity to complete educational training after the school years is very limited. Similarly, it is worth noting that about 30% of Arabs of ages 25-34 have low education levels of up to nine years of schooling, compared to 2.6% of Jews in this same age group (see Diagram 1.18, below).

Diagram 1.17: Matriculation holders who meet university entrance requirements, as a percentage of the entire age group in the Hebrew and Arab education systems, 1996-2003

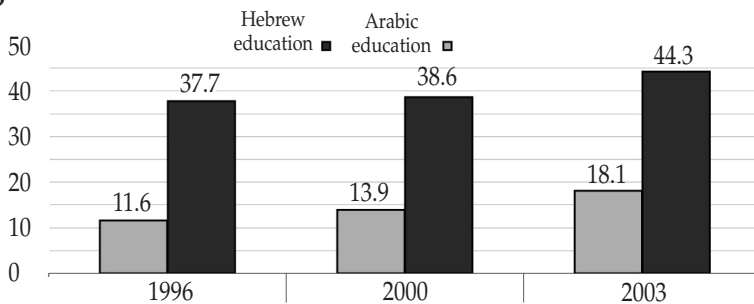
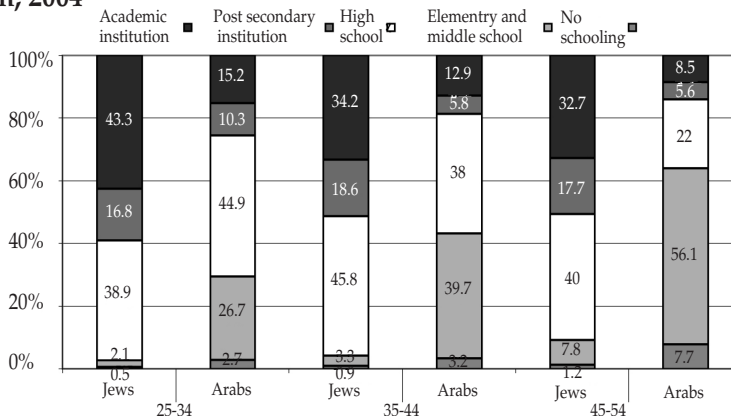


Diagram 1.18: Jews and Arabs of working age according to last educational institution, 2004



Source: Central Bureau of Statistics, Israel Statistical Abstract 2005

Table 1.9: Summary - project progress status for development plans

Ministry	Projects	Progress status	Factors affecting the pace of implementation
Interior	Recovery plan for local authorities	Not implemented Preparing for implementation	<ul style="list-style-type: none"> ● A decision to study the unique problems of Arab localities and to prepare a plan accordingly was made at the end of the third year of the development plan's operation. ● Still awaiting implementation of decision 740 on preparing a plan
	Development budget for local authorities	Partially implemented	<ul style="list-style-type: none"> ● Cancellation of development budgets in all sectors during 2003-2004
	Promoting master plans	Partially implemented	<ul style="list-style-type: none"> ● Delays in approvals for plans at regional planning boards ● Objections
	Building and renovating religious institutions	Partially implemented	<ul style="list-style-type: none"> ● Budget cutbacks ● Difficulties in Arab localities in allocating matching funds
Construction and Housing	Development of existing neighborhoods	Partially implemented	<ul style="list-style-type: none"> ● Cutbacks
	Development of new neighborhoods, with dense public construction on public land		<ul style="list-style-type: none"> ● Delays in planning authorizations from the Israel Lands Administration
	Development of new neighborhoods, with dense construction by contractors on private land		<ul style="list-style-type: none"> ● Terms of subsidies were not attractive enough and did not create suitable conditions for the project's success
	Development of public institutions	Partially implemented	<ul style="list-style-type: none"> ● Budget cutbacks ● Liens on accounts of local authorities
National Infrastructures	Completion of internal sewage systems	Mostly implemented	<ul style="list-style-type: none"> ● Cutbacks in development budgets of the Housing and Interior ministries slowed the pace of progress
	Connecting to end systems	Partially implemented	<ul style="list-style-type: none"> ● Worsening of loan terms by reducing the grant from 50% to 25% brought the process to a near complete halt ● Low rates of collection (if any) of sewage fees by local authorities threatens the continued functioning of the water treatment facilities
	Linking new Bedouin communities to electric and water infrastructure	Progress toward	<ul style="list-style-type: none"> ● The progress is parallel to the progress in establishing new communities

Table 1.9: Summary - project progress status for development plans (cont.)

Ministry	Projects	Progress status	Factors affecting the pace of implementation
Transport	Development of internal roads	Implemented	● Ministry implementation of over 100%, alongside cutbacks in development budgets in the Interior and Housing ministries
	Development of intercity roads and access roads to communities	Partially implemented	● Budget cutbacks in Public Works Dept.
Industry, Trade and Labor	Benefits for industrial zones	Implemented	● In the framework of the 2002 directive for development zones, most of the industrial zones in Arab communities are located in Development Zone A
	Development of light industry and services zones		● Budgets were completely erased in all sectors
	Development of industrial zones	Low implementation rates	● Budget cutbacks
	Adding Arab local authorities to directorates of regional industrial zones		● In the 2005 budget, NIS 4 million was allocated; no implementation data is yet available
	Plan to address employment problems in the Arab sector		● A plan was prepared for the Druze sector and study began on a plan for the Bedouin sector in the Negev
	Professional and technological training	Partially implemented	● Cutbacks
Education, Culture and Sport	Construction of classrooms	Partially implemented	● Cutbacks ● Failure and cancellation of PFI project ● Financial difficulties of local authorities
	Pedagogical programs and promotion of technological education	Partially implemented	● Cutbacks
	Building cultural institutions and sports facilities	Partially implemented	● Cutbacks
	Preparing a plan for advancing education in the Arab sector	Implemented	● Submitted in June 2005 as implementation of decision 740 from August 2003

In Conclusion

During the past decade, for the first time since the founding of the state, development plans for Arab communities have been drafted and budgets have been allocated for their implementation. This is in contrast to the policy of ignoring Arab communities that had prevailed until then among decision makers. In practice, the main signs of progress are in the deployment of physical infrastructure such as sewage systems in communities, the construction of some public buildings, initial work on road systems within communities and access roads to them. However, in other essential areas included in the development plans – for example, the development of employment zones and the construction of needed classrooms – the level of implementation has been very low and sometimes nonexistent. In addition, the deterioration in the employment situation and the gaps in education levels continue to contribute to an increase in poverty and widening of gaps between Jews and Arabs. The main factors that influenced the rates of allocation and implementation of development plans include:

- 1. Cutbacks in government budgets:** Cutbacks of government budgets and even the cancellation of some of them, such as the development budget of the Interior Ministry in 2004 and the budgets for developing light industry and services zones in the Industry, Trade and Labor Ministry during the years 2003-2004. In addition, in a number of cases – the budgets for implementation of some of the projects were deferred to subsequent years.
- 2. Bureaucratic barriers:** Delays in the master plan process and approval of plans, as well as non-implementation of a Construction and Housing Ministry plan to build neighborhoods on state lands due to a failure to resolve the matter of planning authorizations between the Ministry and Israel Lands Administration.
- 3. The economic condition of Arab local authorities:** Liens placed on the bank accounts of local authorities due to financial debts delayed the transfer of development budgets to the authorities. In addition, the economic condition of the local authorities affects their ability to maintain and operate the growing array of infrastructure being built. A modern array of infrastructure requires increasing expenditures by the local authorities. Without stable and independent sources of revenue, the local authorities will not be able to continue to develop the communities.
- 4. The “matching” system:** The weak economic condition of the Arab local authorities and their residents makes it harder for them to gain access to budgets that are

conditional on partial funding by the local authority or resident. This is expressed in the low utilization of budgets from the Agriculture Ministry (for improving agricultural techniques and transferring cowsheds and barns away from residential areas) and in diminishing utilization of development budgets and construction budgets for religious institutions.

5. Defective communication and expressions of distrust: The many years of neglect by the establishment has sowed alienation, suspicion and hesitation in the attitude of many Arab local authorities toward the establishment and in their conduct vis-à-vis government ministries. In certain cases, the conduct of local authorities has been interpreted by some government ministries as a lack of readiness to cooperate or a lack of interest in implementing a particular project.

Immediate challenges for the next five years:

The decision makers are faced with four main goals for the next five years:

- **Complete unfinished infrastructure projects:** such as sewage and road systems, public buildings and classrooms.
- **Find a long-term solution for the budgetary problem in Arab local authorities:** The weak financial condition of Arab local authorities makes them completely dependent on government budgets, detracts from the quality of service they can provide to their residents, and often threatens their ability to operate and maintain the growing array of infrastructure. While these authorities are in need of short-term assistance in covering the deficits they have accumulated, a long-term solution for the budgetary problems of Arab local authorities requires establishing stable and independent sources of revenue.
- **Strengthen the communities in Arab localities,** with an emphasis on the link between education and employment:
 - Lower the dropout rate and raising the level of education.
 - Mobilize to find **an urgent solution** for the employment problem among Arabs, similar to the way the state mobilized to improve the employment situation of other sectors of the population – such as new immigrants and single-parent families.
 - Develop a formula for involving the public in community frameworks in Arab localities, and strengthening the connection and trust between residents and the local authority and between residents and the central government.

- **Improve and streamline cooperation between government ministries and the Arab local authorities:** Establishment of accessibility committees comprising representatives of Arab local authorities and government ministries. The committees would work to improve and make more efficient the joint work of government ministries and local authorities, and to build trust. In the framework of the committees, services and resources provided by the various ministries would be enumerated together with the application procedures. In addition, the barriers to attaining these services and resources would be reviewed, together with ways of overcoming them.

A question of priorities

Despite the achievement of having Arab citizens included in development plans for communities in the State of Israel, the five years that have passed since the events of October 2000 have witnessed a growth in poverty and unemployment rates in general and among Arab citizens in particular. The widening of gaps between Jews and Arabs reinforces feelings of alienation and despair. The years 2001-2003 were characterized by an economic crisis and deep recession. This led to a policy of massive cutbacks in government expenditures. At the same time, a change occurred in the social-economic policy in Israel. The deep cutbacks and change in social policy put to the test the question of the Israeli government's country-wide, social and economic priorities and the place of Arab citizens in this set of priorities. The relatively slow organization of plan preparation and implementation, and the high level of budget cutbacks (which were no higher than the cutbacks in other budgets) do not convey a sense of urgency – as one might have expected in light of the growing gaps in the rates of poverty, unemployment, participation in the workforce, school dropouts and academic achievement.

Cutbacks are not an unavoidable natural disaster nor a divine decree, but rather a decision made by policy makers according to a set of priorities. Against the background of the economic crisis and its negative impact on the Arab population, it would have been appropriate to give high priority to the issues of social welfare, education and employment for Arab citizens.

The past year provided us with an interesting opportunity to understand the workings of the government, in general, and of the prime minister, in particular. Huge resources and government power are concentrated in the hands of the prime minister. Prime Minister Ariel Sharon initiated and executed the “disengagement plan” despite fierce opposition from members of his party and members of his government. Over the course of two years, he managed to allocate budgets for the plan, establish administrative mechanisms and monitor the execution of a media campaign. The prime minister even expressed his resolve and enthusiasm in front of the cameras, instructing the personnel assigned to implement the plan to “start working.”

Without expressing either opposition or support for this move, it was an instructive lesson in the power of the prime minister to carry out an action that constituted a turning point relative to the historic policy. The prime minister proved that when he wants it, he can do it. It would be desirable if the same approach were applied to instituting equality between Jews and Arabs in Israel, and to implementing the Or Commission’s recommendations.

Today, there is no doubt in the political system that unwarranted discrimination exists against Arab citizens and that this must be changed immediately. Here too, the required change in policy is both deep and substantial, and here also – a combination of determination by the prime minister and mobilization of public support could lead to a change in the structural and institutional discrimination against Arab citizens that has been practiced since the establishment of the state. The government must boldly state that equality between Jews and Arabs is a top priority for policy revision.

The goal of this report is to examine government policy toward Arab citizens. The report reviews the actions and failures of the executive branch, based on facts and data from reliable sources such as the Central Bureau of Statistics and reports from government ministries and local authorities. The report documents and interprets the findings, and recommends necessary paths of action.

The report contains three chapters:

1. In the first chapter, Michal Belikoff reviews a number of government decisions – in particular, the development plans for Arab communities during the years 1999-2005 – and checks the extent to which these plans have been implemented. This review sheds light on aspects of government policy during this period and is instructive in regard to the Israeli government's policies vis-à-vis Arab citizens.
2. In the second chapter, Nada Matta examines the issue of resource allocation for social welfare as reflected in ten Jewish cities and ten Arab cities during the 2004 budget year. The comparative study reveals a situation of blatant discrimination against Arab localities.
3. In the third chapter, attorney Ali Haider tracks the implementation of laws and decisions regarding the representation of Arab citizens in the civil service, government corporations and local government. Here too, the findings indicate only very slight progress.

A few words about terminology and definitions:

We refer to the population of Israel according to its division into Jewish citizens and Arab citizens. When we use a different term, such as “the minorities’ sector” or “non-Jews” or “Druze” or “Bedouin” – this is based on the source of our data and does not reflect the view of Sikkuy.

All of our comparisons are between Jews and Arabs: The state's resources are also allocated according to this division and this is what we are seeking to change.

During the past two years, we have expanded Sikkuy's research capabilities and we now have more numerous and precise data on the state of inequality between Jews and Arabs in Israel. But this is not our objective – changing this situation is the goal. We use this data to produce the Sikkuy Report and the policy papers we present to government ministries with the aim of changing the policy of discrimination.

We wish you fruitful reading, and hope this report will be used effectively to eliminate the gaps between Jewish and Arab citizens.

*Attorney Ali Haider and Shalom (Shuli) Dichter
Co-Executive Directors*

Disparities between Arab and Jewish local authorities in the Social Welfare Ministry's budget (2004)

*Nada Matta**

Introduction

The individual welfare services provided via the local authorities are designed to grant personal services and services to families and communities, in order to enable them to cope with hardship and improve their quality of life. The needs of individuals and communities are affected by changes from both within and outside the community: factors such as political status, socio-economic strength and geographic location have a direct impact on the state of social welfare in the communities.

In this document, we will compare the budgets of the Social Welfare Ministry (2004) for the social welfare departments in Arab local authorities to the budgets for Jewish local authorities. The goal of this document is to assess the principles of budget allocation, to examine whether there are discrepancies in budget allocation and, if so, whether they are justified.

In addition, we will try to focus on the relevance of some of the allocation categories for the various needs of the different communities. For this purpose, we conducted a comparison between the allocations in 2004 to ten Arab local authorities and the allocations to ten Jewish local authorities. The ten Arab communities surveyed are the ten largest Arab communities (23,000-62,000 people). The total population living in the ten Arab communities surveyed comprises about 27% of the Arab population in Israel. For the purpose of comparison, we chose ten Jewish communities with populations of similar size, which are located more or less in the same geographic region.

In the first section, country wide data will be presented about the state of social welfare among Arabs and Jews. In the second part, we will assess the extent of fairness and relevance of budget allocation criteria, as published by the Social Welfare Ministry, in relation to general characteristics of the Arab population. In the third section, we will present comparative data on a number of characteristics of the Arab and Jewish communities surveyed, such as population size, socio-economic ranking, age distribution, income level and unemployment rates. In the

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fourth part, we will present comparative data on the total budget allocation in the twenty communities surveyed, with a focus on five topics: tenured staff positions in the departments of social welfare, children, individual and family, the elderly and community work. The sources available to us were data from the Central Bureau of Statistics and National Insurance Institute, and the budget of the Social Welfare Ministry for social welfare expenditures in the 2004 budget year in the twenty local authorities surveyed. In addition, we used information we received from The Forum of Arab Directors of Social Welfare Departments.¹

Milestones in the development of social welfare services in Arab communities:

The level of socio-economic welfare in the Arab population, like other areas such as education and employment, is partly a factor of its different starting point in comparison to the Jewish population. Abu-Baker (2001)² emphasizes that the 1948 war created serious social welfare problems due to refugees, unemployment, poverty, destroyed villages, villages that became a place of refuge for people from other villages, and, among much of the population – even physical and emotional harm as a result of the breakup of families and loss of relatives. These social welfare problems, which were not treated by the military government, became worse. Haider³ notes that in 1958, 15 social welfare departments were established in the Arab sector, employing 32 social workers.

In 1978, the director of the northern district persuaded some of the Arab mayors to form “clusters” of social welfare departments – a formula that was not put into practice in the Jewish sector. The claim was that the local welfare departments would drain the local authority’s entire budget. Thus, four clustered bureaus were established – in Acre, Nazareth, Hadera and Haifa. The establishment of the clustered social welfare bureaus stood in contradiction to the Welfare Services Law of 1958. According to the directives of this law, each local authority must establish a social welfare department within the community. Abu-Baker⁴ argues that the government’s initiative to establish the clusters of social welfare departments was designed to reduce government expenditures on Arab localities, and that the establishment of

1. In 2003, **The Forum of Arab Directors of Social Welfare Departments** was formed, which tracks the state of social welfare in social welfare departments in Arab localities.

2. Khawla Abu-Baker, *The Social Welfare and Educational Policy in the Arab Population in Israel*, Center for the Study of Israeli Arab Society, Van Leer Institute, Jerusalem, 2001.

3. A. Haider, *Social Welfare Services for Israel’s Arab Population*, San Francisco, West View Press, 1991.

4. Abu-Baker, Op. Cit.

these clusters contributed to the growth in disparities in the fields of welfare services and to their institutionalization. In 1992, the social welfare minister at the time, Ora Namir, canceled the clusters of bureaus. For the first time, local welfare bureaus were established, a step that significantly raised the level of social welfare services in Arab communities.

The socio-economic condition of the Arab population is affected by a number of factors:

1. *Low starting point*: The relatively low starting point and the lack of suitable welfare services contributed to the significant deterioration in the socio-economic condition of the Arab population.

2. *Cutback in National Insurance Institute allowances*: From the annual review of the National Insurance Institute,⁵ it is possible to learn that the turning point in the government's social policy that occurred during the years 2002-2003 led to the spread of poverty in Israeli society in general and in Arab society in particular. The policy of cutting social welfare budgets also continued in 2004: cutbacks in child allowances, supplemental income benefits, allowances for the elderly and widowed, disability benefits and unemployment insurance. The ramifications of the new policy on the scope of poverty and the unequal distribution of national income mainly harm the weaker segments of Israeli society, which includes about half of the Arab households.

3. *Cutback in social welfare budgets*: In addition to the cutbacks in National Insurance Institute budgets, a process began of reducing social welfare budgets for local authorities. A report on resource allocation for social services for the year 2004⁶ points to changes in the government's allocation policy for social welfare. Between the years 2002-2004, the social welfare budget for institutional services was reduced while the expenditures for community services increased. In addition, the allocation of resources for social welfare within the budgets of local authorities also was reduced, especially in Arab local authorities and Jewish local authorities in outlying regions. All of this occurred despite the fact that in many communities the number of people in need of social welfare services was on the rise.

5. National Insurance Institute report on poverty and inequality, 2004

6. Yaakov Kop, Resource Allocation for Social Services, Taub Center, 2004

4. *Privatization process of social welfare services:* Another important factor influencing the state of social welfare is the process of privatizing social welfare services. In this process, the responsibility for providing government and municipal services is transferred to non-governmental organizations while the state and local authority retains a degree of control over the content and nature of the services. According to a report on the allocation of resources for social services (2004), there has been a recent phenomenon of local authorities developing independent initiatives in the area of social welfare, while mobilizing resources from within the local authority or from external agencies: foundations, the private sector, non-governmental organizations, donors, and so on. This process, which is taking place in strong communities, does not exist to the same extent in weak communities. The civic potential in a community or neighborhood, in addition to governmental and local participation in funding social welfare, has an impact on the level of social welfare and services.

The Arab population is characterized by high rates of unemployment and poverty, and a large dependence on supplemental income allowances. The Arab local authorities have suffered for years from a weak fiscal status and, as a result, the social welfare bureaus in these communities suffer from cutbacks in resources and under-funding, and have a shortage of expert personnel in various fields. All of these factors contribute to the deterioration of social welfare services.

Against the background of this difficult situation, the **Forum of Arab Directors of Social Welfare Departments** was established in 2003, which monitors the situation in social welfare bureaus in the Arab local authorities. One of the important activities of the Forum is to challenge budgeting criteria. The Forum petitioned the High Court of Justice in 2004 to revise the budgeting criteria for non-home arrangements for children (HCJ: 8714/04). The Forum argued that the criteria for non-home arrangements for children discriminate against the Arab population. The Social Welfare Ministry revised the allocation criteria for non-home arrangements⁷ and the court ruled that the case was no longer relevant after these changes. It is important to note that the Forum succeeded in putting a representative on the committee that defines budgeting criteria; previously, the committee did not include an Arab representative.

7. We learned about the changes in criteria in a conversation on November 9, 2005 with Mr. Ragheb Abbas, the director of the social welfare department in Kafr Kana and the representative of the Forum of Arab Directors of Social Welfare Departments on the Social Welfare Ministry's committee that defines the allocation criteria.

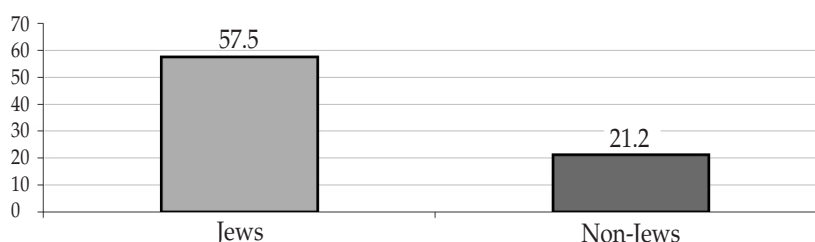
1. Some country-wide data on the state of social welfare among Jews and Arabs

In this section, we will present country-wide data comparing Jews and Arabs in terms of poverty, numbers of welfare recipients (supplemental income allowances), school dropout rates, and possession of savings plans. This comparison is aimed at providing a general picture of the disparities in the level of social welfare between Arabs and Jews.

Jewish children and Arab children

Poverty among non- Jewish children⁸ is nearly three times higher than among Jewish children: According to data from the National Insurance Institute, the poverty rate among Arab children in Israel is 57.5% - compared to 21.2 % among Jewish children. Thus, the chances of an Arab child being poor are three times higher than the chances of a Jewish child (see Diagram 2.1, below).

Diagram 2.1: Poverty among non-Jewish children compared to Jewish children, 2003*



Source: National Insurance Institute, Poverty and Inequality in Income Distribution 2004, data from 2003, diagram 9, page 399.

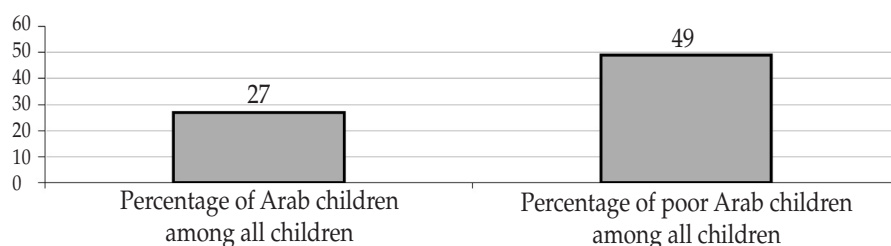
* The data includes East Jerusalem.

Half of the poor children in Israel are Arab children: Another indication of the severity of poverty among Arab children is a comparison of the proportion of Arab children among the entire population of children to the proportion of Arab children

8. The National Insurance Institute uses the non-Jewish category, which includes non-Jews who are not Arabs. In order to be precise, we will use its category of non-Jew instead of Arab in discussing data from the National Insurance Institute.

among the total number of poor children. While Arab children comprise less than a third of the population of children in Israel, they represent about half of the poor children in Israel (see Diagram 2.2, below).

Diagram 2.2: Proportion of Arab children among all of the children in Israel, compared to their proportion among poor children, 2003*



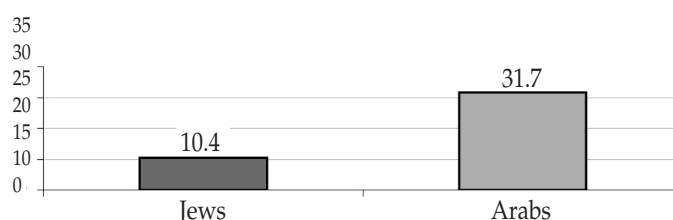
Source: 1. National Insurance Institute, Poverty and Inequality in Income Distribution, 2004.

2. Annual report of the National Council for Protection of the Child 2004.

* The data includes East Jerusalem.

Wide gaps between Arab and Jewish children in school dropout rates: High dropout rates are an indication of a high percentage of marginal youth and the need for intervention by the social welfare services. The percentage of 17-year-olds who do not attend school and do not complete 12 years of schooling is three times higher among Arabs than among Jews (31.7% versus 10.4%; see Diagram 2.3, below).

Diagram 2.3: Percentage of Arab and Jewish children aged 17 who do not complete 12 years of schooling

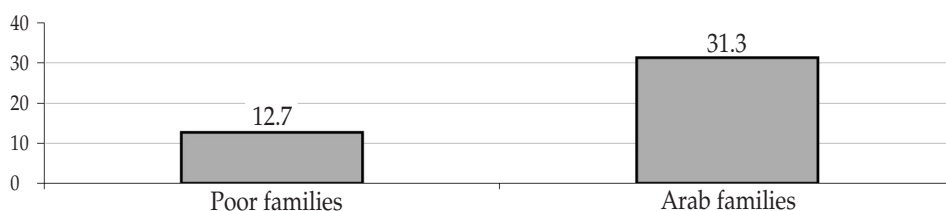


Source: Ministry of Education, Culture and Sport, Arab Education Division, from: Abdallah Khatib, "Research summary on dropping out, open and hidden", www.education.gov.il, 2005

Individuals and families – Jews and Arabs

The percentage of poor Arab families is three times higher than the proportion of Arab families in the population: In 2004, Arab families comprised 12.7% of all families, but poor Arab families comprised 31.30% of the poor families in Israel. (see Diagram 2.4, below).

Diagram 2.4: Percentage of Arab families in the general population versus their percentage among poor families, 2004

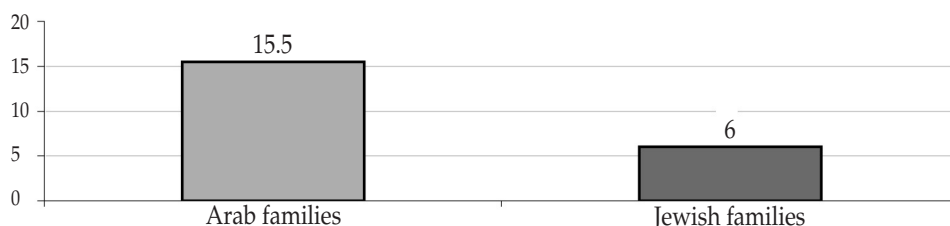


Source: National Insurance Institute, Poverty and inequality in income distribution, 2004.

The percentage of Arab families among the families receiving supplementary income benefits is twice their percentage in the general population:

15.5% of the Arab families are dependent on allowances from the state to ensure a minimal level of existence. This compares to 6% of the Jewish families (see Diagram 2.5, below). In addition, Diagram 2.6 (p. 64) shows that the percentage of Arab families receiving supplemental income assistance is twice as high as their proportion of all families in Israel.

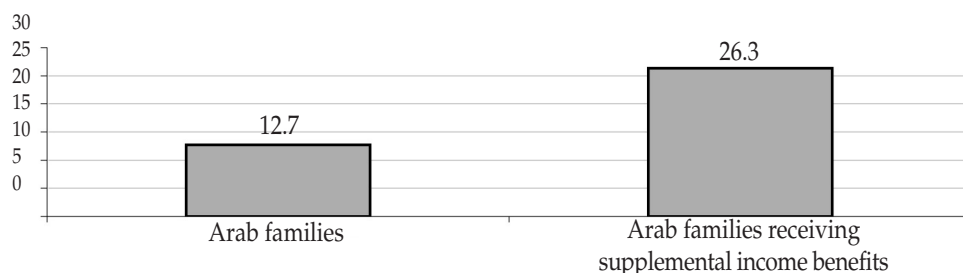
Diagram 2.5: Percentage of all Jewish families receiving a supplemental income allowance versus the percentage of all Arab families receiving a supplemental income allowance, 2004.*



Source: National Insurance Institute, Research Department

* Does not include Arab families in mixed cities.

Diagram 2.6: Percentage of Arab families among all families in Israel, versus the percentage of Arab families among the families receiving supplemental income assistance, 2004

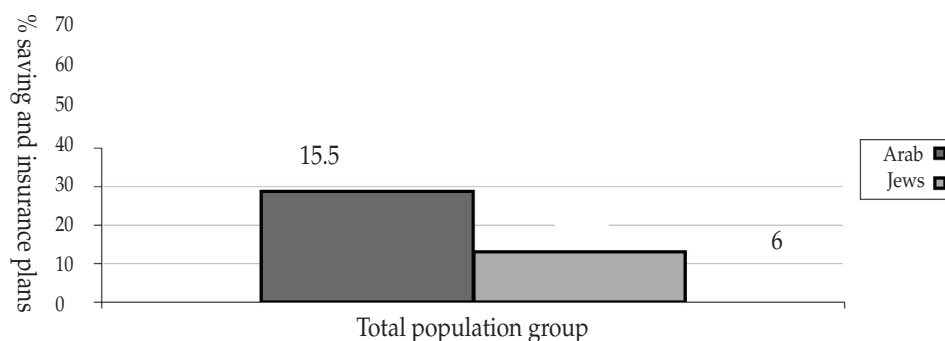


Source: Report on poverty and inequality by the National Insurance Institute, 2004, as well as data on recipients of supplemental income allowances from the NII's Research Department.

Note: The 26.3% figure refers only to Arab families in Arab communities, while the 12.7% refers to the entire country. That is, the percentage of Arab families receiving supplemental income may possibly be even higher.

Only about a quarter of the Arab citizens who are 20 years old or above have savings and insurance plans for retirement, compared to about two thirds of the Jews: 57% of the Jews who are 20 years old or above have retirement savings or insurance plans, compared to 26.2% of the Arabs in the same age group (see Diagram 2.7, below). These figures illustrate the disparity in the ability of Arab families to ensure their economic future when they become elderly. The low rate of participation by Arab women in the workforce is the main reason for this disparity.

Diagram 2.7: Retirement savings plans of those 20 years old and over, 2002*



Source: Social survey by the Central Bureau of Statistics, 2002

*The figures do not include East Jerusalem

2. Discriminatory criteria and valuations in Social Welfare Ministry allocations

The budget of the municipal social welfare departments is divided according to the various fields of social welfare. Each of the areas of social welfare has different criteria for determining the budget. We will review here the criteria for allocating funds and personnel, and the weight accorded to them.

Allocation criteria: On the Social Welfare Ministry's Web site, under the title "Budgeting local authorities in the social welfare services – criteria,"⁹ one can find criteria for funding some of the categories of local authorities' budgets (See Appendix 2). It should be noted that the lack of details about the criteria for allocating some of the budget categories does not allow for a precise assessment of all of the problematic points in the allocation, but one can still gain an impression from the type of criteria and their implications on the way budgets are allotted to Jews and Arabs.

A. Budgets

Criteria and valuations for allocation:

1. Basic facts: This entails the number of individuals and families known and/or being assisted by the social welfare department in the locality. Not all of those in need of welfare services actually apply to the welfare bureaus on their own. In some cases, individuals and families receive assistance as a result of initiatives by the local authorities to locate those in need. The paucity of resources of social welfare bureaus in Arab localities - both human and financial resources - prevents them from conducting an appropriate search for those in need.

Thus, a situation develops in which there is a gap between the number of those who actually apply for assistance (that is, the number of needy people who are included in the basic data) and the number of needy people in reality. Giving a significant weight to this criterion - for example, 30% in the budget for "families in distress" - is likely to constitute a discriminatory factor against Arab local authorities since the number of individuals or families who are known to or assisted by the welfare bureau does not always reflect their true scope in the communities.¹⁰

9. The Web site of the Social Welfare Ministry: www.molsa.gov.il

10. An interview with Ms. Camilia Matanis, the head of the Forum of Arab Directors of Social Welfare Departments, on August 11, 2005.

2. Socio-economic status: This criterion reflects the general distress in the communities and is given a weight of 10%. For the Arab communities, in which about half of the households are under living under the poverty line and most are ranked at 1 to 3 on the Central Bureau of Statistics' socio-economic scale, a valuation of only 10% for this criterion does not reflect the severity of this problem and is insufficient.

3. Families with many children: The percentage of families with 5 or more children (under age 24) among Arabs is 22.4%, compared to 6.1% among Jews,¹¹ but the weight given to this criterion is just 10% - and here also its weight is too low relative to the dimension of the phenomenon in the Arab population.

4. New immigrants: In most of the budget categories, there is a supplement for the immigrant populations (children, the elderly, and so on). The addition is given via a formula determined by the number of new immigrants in the community. In addition, a significant increase in the number of job positions in the community's welfare bureau is provided in accordance with the number of new immigrants. The assumption is that the new immigrant population is weaker and requires special assistance in the area of social welfare. Arabs do not receive any such attention as a unique population with greater and special needs in the area of social welfare, despite the prevalence of poverty.

5. National priority zones: Despite our repeated requests, we had difficulty obtaining information on communities classified as national priority areas by the Social Welfare Ministry. We learned from a source in the Prime Minister's Office that in 1998 the government decided on a uniform list of national priority communities for all of the ministries, with the exception of several ministries with specific needs. This decision was in effect until 2002. Currently, each ministry can decide on the issue of national priority as it sees fit. The list published on the Social Welfare Ministry's Web site is from July 2000 and is thus identical to the uniform list from 1998. One can see that this list does not reflect relevant priorities in social welfare issues. For example, the prestigious community of Kfar Vradim is located in national priority zone A, while a community like Tiberias (with a relatively low socio-economic status) is not even included in national priority zone B. In the 20 communities included in this survey, there is also no correlation between a community's classification as a national priority zone and its socio-economic situation and level of distress.

11. The Central Bureau of Statistics, Israel Statistical Abstract, 2005.

6. Single-parent families: This criterion generally receives an increase of 10%. The percentage of single-parent families in Arab society is relatively low in comparison to Jews. The percentage of single-parent families with children up to age 17 among Arab families stands at 4.45%, compared to 14.5% among Jewish families.¹²

Restrictive regulation – limiting the annual rate of budget growth to 130%:

When a community is slated to receive a budget increase due to a change in the criteria or valuations, the annual budget increase cannot exceed 130% of the previous year's budget. This regulation delays the funding increase for Arab communities whose budgets are low and gain a budget increase via internal ministerial adjustments stemming from the revision of distribution principles.

The matching method:

The Social Welfare Ministry finances 75% of the social welfare budget, while the local authority is responsible for providing the remaining 25%. Budgetary difficulties in Arab local authorities, which partly derive from low independent revenues, make it hard to secure budget resources.

B. Personnel and job positions at the social welfare departments

Criteria for allocating personnel at social welfare departments:¹³

- 1) A. Variables in allocating personnel in social services departments in local authorities.
 1. 25% - number of cases handled, weighted by intensiveness of treatment (the weight of the cases under treatment will decrease over the years)
 2. 75% - socio-economic data in the community, according to the following breakdown:
 - 20% - average wage of salaried workers
 - 20% - per capita income
 - 10% - unemployment in the community
 - 25% - young population (17 or younger) (child dependent)*
 - 25% - elderly population (65 or older) (elderly dependent)*
 (the percentages in the last two items are of the total population in the community)
- B. Metropolitan cities: a coefficient of 1.1 for the three largest cities: Jerusalem, Tel Aviv, Haifa.
 - Regional councils: a coefficient based on distance, number of residents and number of communities.
 - National priority zones: for national priority zone A - 1.10; for B - 1.05.
 - Total population: coefficient based on the size of the population in the community.
 - * intensiveness of treatment – according to directive 1.21 of the Social Work Ordinance.
 - In a community with 300-14,000 new immigrants, a half of a job position is allocated per 1,250 new immigrants; in a community with over 14,000 new immigrants, a half of a job position is allocated per 1,250 new immigrants for the first 14,000 immigrants and 0.375 of a job position is allocated per 1,250 new immigrants beyond the initial 14,000.
- 2) An increase is given to communities where new immigrants comprise more than 20% of the population and to communities with less than 30,000 residents.

* The allocation will not be less than 80% of the budget from the start of the previous year, and will not exceed 130% of the budget from the start of the previous year.

12. The Central Bureau of Statistics, Israel Statistical Abstract, 2005.

13. The Web site of the Social Welfare Ministry: www.molsa.gov.il

There are three dominant criteria that influence the disparity between Jewish and Arab communities in the allocation of personnel to social welfare bureaus: (1) the weighting of the criterion – the number of cases being handled, which stands at 25%; (2) national priority, and (3) new immigrant population.

1) Basic data: Due to the relatively small amount of basic data at the Arab bureaus. The 25% valuation for basic data increases the disparity between Jews and Arabs.

2) National priority: A community assigned national priority status A receives an addition of 1.1 versus 1.05 for priority B. Among the ten Arab localities included in the review, none has been accorded national priority A status, compared to four of the Jewish communities (see Table 2.1, p. 69). In addition, national priority zones are not defined according to social welfare needs, but rather according to other considerations that do not always reflect the social welfare needs.

3) New immigrant population: Arab communities do not receive an increase in funding or personnel for their special needs, unlike Jewish communities that receive additional budgets according to the number of new immigrants in the community.

3. Ten Arab and ten Jewish communities – a selection of comparative data

For the purpose of the study, Arab and Jewish communities were selected that have populations of similar size and are located in the same geographic area. Table 2.1 shows that the socio-economic ranking of the Arab communities is lower (despite that some of the ten Jewish communities studied are considered weak relative to the general Jewish population). In addition, the table shows that none of the Arab communities is classified as a national priority A zone.

**Table 2.1: Ten Arab communities and ten Jewish communities:
Population size, socio-economic ranking and national priority classification, 2004**

	National priority zones ²	Socio-economic cluster (of 10) ¹	Total population at the end of 2003 (in 1,000s) ¹
Um al Fahm		2	39.0
Shfaram		3	31.2
Taibeh		3	31.2
Tamra		2	24.7
Nazareth		3	62.7
Sakhnin	B	2	23.2
Rahat	B	1	35.8
Shagur	B	2	27.1
Baka-Jatt		3-4	29.4
Dalia - Usfiya		4	23.2
Carmiel	B	6	42.7
Migdal Ha'emek		4	24.8
Upper Nazareth		5	44.2
Afula		5	38.9
Rosh Ha'ayin		6	36.0
Ofakim	A	3	23.7
Tiberias		4	40.1
Netivot	A	3	22.9
Safed	A	4	26.8
Dimona	A	4	33.9

Sources:

1. Central Bureau of Statistics, The Local Authorities 2003, September 2004
2. Social Welfare Ministry's list of national priority, July 2000, from the Social Work Ordinance, www.molsa.gov.il

Table 2.2 (p. 70) shows that the Arab communities in this study have higher rates of unemployment (11.4% versus 7%) and lower average wages (NIS 3,795 versus NIS 5,084). In addition, there are differences in age distribution: The percentage of those under 18 years of age in the Arab communities is higher – 45.5% versus 33.07% among the Jews. And the percentage of those 65 years old and above in the selected Arab communities is 3.4% versus 10.4% in Jewish communities. In the Jewish communities, the percentage of new immigrants is 26.4%.

Table 2.2: Ten Arab and ten Jewish communities – various characteristics, 2003, 2004

	Average wage of salaried workers, 2002 (NIS)	Job seekers (%)	New immigrants (%)	65 years old and above (%)	0-17 years old (%)	Population (in 1,000s)
10 Jewish localities studied	5,084	6.94	26.5	10.4	33.07	334
10 Arab localities studied	3,795.42	11.4	0	3.4	45.5 3	27.5

Sources:

Central Bureau of Statistics, The Local Authorities 2003, September 2004

The Web site of the Employment Service: www.taasuka.gov.il

Note: See data in Appendix 3.

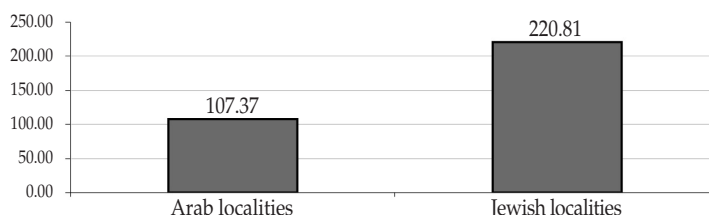
4. Social welfare funding for local authorities, December 2004

We will examine here the disparities apparent in the social welfare budgets in ten Arab communities and ten Jewish communities. We will also focus on four main budget categories: children, individual and family, elderly and community work. We will start by reviewing the total social welfare budgets and the number of personnel positions.

Total social welfare budgets in the selected Jewish and Arab localities:

Social welfare funding for the ten Jewish communities is double that of the ten Arab communities: Diagram 2.8 (p. 71) shows that the total of all budgets of the ten Jewish localities in 2004 was NIS 220.8 million compared to NIS 107.4 million in the ten Arab local authorities. In the Jewish communities, the funding earmarked for new immigrants was NIS 92.8 million and comprised 42% of the total budget. Even after subtracting this budget supplement for the new immigrant population, the budget for the Arab localities is equal to only about 83% of the budget allocated to Jewish local authorities. This is despite the significant disparities in the socio-economic situation of the two populations.

Diagram 2.8: Social welfare budget in Jewish communities versus Arab communities, 2004 (million NIS)

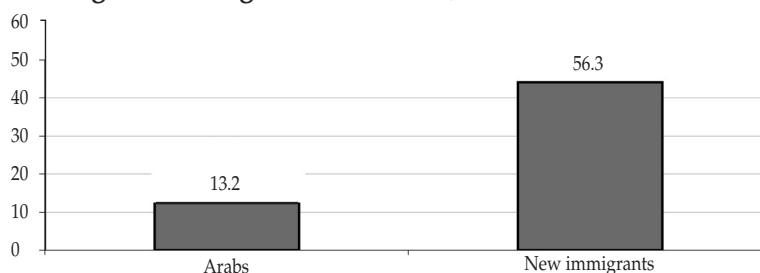


Source: Social Welfare Ministry budget for the local authorities selected for the study, December 2004

The treatment of new immigrants' problems versus the treatment of the Arab population's problems:

Beyond the fact that Israel is interested in encouraging aliyah [Jewish immigration] and offers preferential terms for the both immigrants themselves and the communities that absorb them, the state demonstrates great sensitivity (in comparison to its attitude toward the general population) to the weakness and vulnerability of the new immigrant population. This sensitivity is expressed in the various budget supplements for new immigrants and allowances from the National Insurance Institute. Data from the NII indicates that 18.8% of the new immigrants were living in poverty in 2004, compared to 15.9% of the overall Jewish population. On the other hand, among the Arab population, 49.9% of the families were living in poverty that year. An examination of the rates of emerging from poverty after transfer payments and taxes shows that among new immigrants, 56.3% emerged from poverty, compared to only 13.2% of the Arab population (see Diagram 2.9, below).

Diagram 2.9: Percentage of those emerging from poverty after transfer payments and taxes among new immigrants and Arabs, 2004



Source: National Insurance Institute, Poverty and inequality in income distribution, 2004.

Unlike the immigrant population, which receives focused assistance for its special needs and a policy of relatively effective allowances, there is no focus on the problems of the Arab population and its special needs. This is expressed in both the budgetary policy for the local authorities and the policy of allowances.

Permanent staff positions in the communities studied:

Disparity in the number of positions: In Jewish communities, the average number of positions is 23.2, while in Arab communities the average is only 16 positions.

Disparity in the caseload per position: In the Arab communities, the caseload is about 494 people for each position, compared to each 329 for each position in the Jewish local authorities (see Table 2.3, below).

Table 2.3: Number of positions and caseload

	Number of positions	Caseload per position
Arab communities	16	494
Jewish communities	23.2	329

Source: Social Welfare Ministry, 2004

Despite the fact that the socio-economic level in the ten Arab communities is lower than in the Jewish communities, and despite the fact that socio-economic level has a weight of 75% in determining the number of personnel position in a bureau, there is still a large gap between the Arab and Jewish communities in the number of positions and in the number of clients each position handles. It is reasonable to assume that the three discriminatory criteria are the reasons for this disparity.

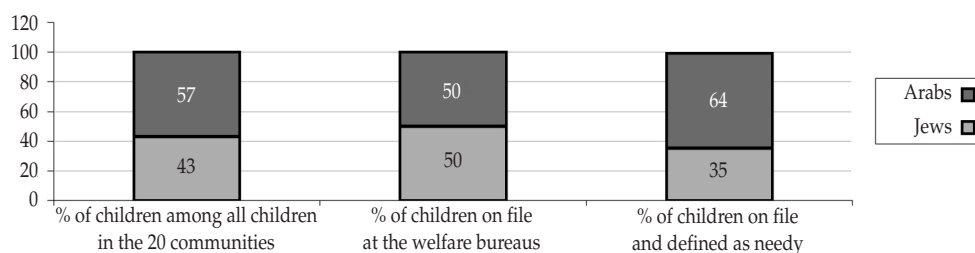
A. Children

Arab children ages 0-17 comprise 57% of all children in the 20 communities studied, and 50% of the children treated or on file at the welfare bureaus.

Diagram 2.10 (p. 73) shows the percentage of Arab children among the total population of children in the communities surveyed compared to the percentage of Arab children in the category of children on file at the welfare bureau and in the category of children in need. Arab children constitute 57% of the total population of children

in the communities studied. But, in the category of children in need, Arab children comprise 64% - a relatively higher percentage than the proportion of Arab children in the child population in the communities studied. On the other hand, it is significant that there is a low percentage of Arab children among the children on file at the welfare authorities (50%). This low percentage is peculiar in light of the relatively large number of Arab children among the population of children and in light of the number of children defined as needy.

Diagram 2.10: Percentage of Arab children among all children in the 20 communities studied, in various categories, 2004



Source: The annual report of the National Council for Protection of the Child, 2004

The percentage of children on file at the welfare offices in the Arab communities is lower in almost every community than in Jewish communities, and stands at an average of about 16%, compared to 21% in Jewish communities (see Table 2.4, below).

Table 2.4: % of children on file at the welfare departments

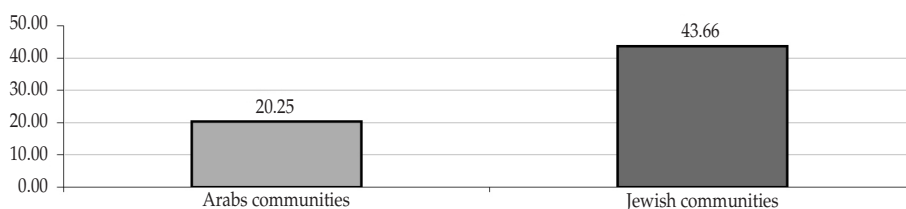
Jewish communities	% of children on file at each department	Arab communities	% of children on file at each department
Afula	23.1	Umm al-Fahm	16.7
Carmiel	17.1	Shfaram	17.3
Safed	27.5	Taibeh	12
Migdal Ha'emek	26.7	Tamra	15.9
Upper Nazareth	22.8	Nazareth	13.5
Netivot	25.6	Sakhnin	19.9
Rosh Ha'ayin	17.1	Rahat	15.9
Safed	27.5	Sagur	18.66
Dimona	13.2	Baka-Jatt	12.2
Ofakim	21.3	Dalia-Usfiya	16.76
	21.08	Average	15.87

Source: The annual report of the National Council for the Protection of the Child, 2004

The budgets of welfare bureaus in the ten Jewish communities for children and teenagers 0-17 are more than twice the budgets for welfare departments in the Arab communities:

Despite the fact that the number of children on file at the welfare authorities in Jewish and Arab communities is nearly identical (23,300 and 23,400, respectively), the total budgets for children and teenagers ages 0-17 in Jewish communities is more than twice than the budgets for welfare departments in the Arab communities (see Diagram 2.11, below).

Diagram 2.11: Budget of welfare departments in 2005 for children and teenagers 0-17 in the Arab and Jewish communities (million NIS)*



Source: Social Welfare Ministry's budget for the local authorities surveyed, December 2004

* The budget for children and teenagers also includes rehabilitation services (treatment and frameworks for child and teenage delinquents)

Principal factors that explain the budget disparity for children and teenagers:

- **Use of frameworks outside of the home** – This is less common in the Arab communities studied. The funding of these external frameworks is three times higher in Jewish communities than in Arab communities (NIS 23.8 million versus NIS 8 million).
- **Budget categories for Jews only** – About NIS 500,000 were allocated in the framework of disconnected ultra-Orthodox youth, and NIS 5 million were allotted to new immigrant children.
- **Disparities in budgets for treating teenagers and youth, creating parent-children connections¹⁴ and community programs¹⁵** – The allocation for the budget item on youth and teenagers in Arab communities comprises about 58% of the allocation

14. A multidisciplinary framework for children at risk and their parents.

15. Converting a certain percentage of the funds for non-home arrangements for assisting teenagers and children within the community. There is a relatively small number of teenagers and children in non-home arrangements in Arab communities. As a result, there amount of funds available for converting to treatment within the community in Arab localities is smaller than in Jewish localities.

for the same budget item in Jewish communities (NIS 148.8 million versus NIS 256.2 million). The allocation for the item on creating parent-children connections in Arab communities comprises 23% of the allocation for the same item in Jewish communities (NIS 72.8 million versus NIS 314.2 million.) In addition, the allocation for the budget item on community programs in Arab communities comprises 55% of the allocation in Jewish communities (NIS 181.5 million versus NIS 330 million).

- Disparities in allocation for “Miftanim” – Despite the large disparities between Jews and Arabs in school dropout rates, the allocation for Miftanim (a framework for addressing the needs of youth at risk) is nearly twice as high in Jewish communities than in Arab communities: In the Arab communities studied, NIS 1.1 million was allocated, while NIS 1.9 million was allocated in the Jewish communities.

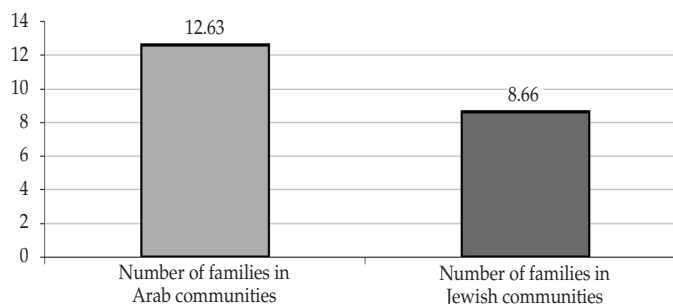
The difference in age distribution in the Jewish and Arab populations is expressed, among other ways, in the higher proportion of children in the Arab population. One might have assumed that this difference would dictate various emphases when making allocations to the two populations. In addition, there are real gaps related to the rates of poverty and school dropout among Arab children. This should be expressed in the relative share of budgets earmarked for teenagers and children in the social welfare budget. Instead, we found that in the Arab communities studied, where children comprise 45% of the population, the funding for teenagers and children constituted 18% of the overall social welfare budget, while in Jewish communities, where children comprise only 33% of the population, the funding for teenagers and children accounted for 19% of the overall welfare budget. This discrepancy points toward flagrant discrimination in the Social Welfare Ministry’s budget for Arab children.

B. Individuals and family

The number of families receiving supplemental income benefits in the seven Arab communities¹⁶ is 1.5 times higher than the number in the Jewish communities. In the Arab communities studied, 12,600 families receive supplemental income benefits versus 8,700 families in the Jewish communities (see Diagram 2.12, p. 76).

16. In regard to individuals and families, we had access to data for seven Arab communities: Umm al-Fahm, Sakhnin, Shfaram, Taibeh, Tamra, Nazareth and Rahat; and seven Jewish communities: Carmiel, Migdal Ha'emek, Upper Nazareth, Afula, Rosh Ha'ayin, Ofakim and Tiberias.

Diagram 2.12: Jewish and Arab families receiving supplemental income benefits in the 14 communities studied (in thousands), 2004

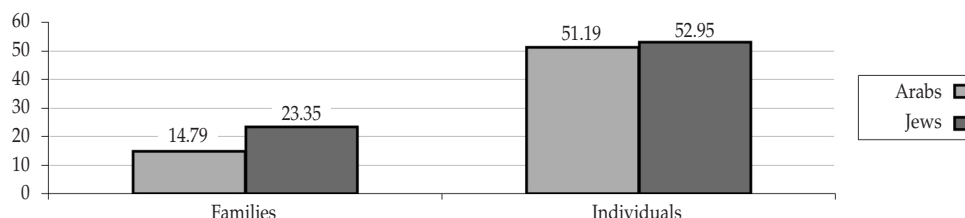


Source: Social Welfare Ministry's budget for local authorities, December 2004

Families and individuals assisted by the welfare departments in the communities studied

The number of Arab families assisted in the seven Arab communities studied is lower than the number of Jewish families (14,790 versus 23,350, respectively). However, the number of individuals is similar: 51,190 in the Arab communities studied and 52,940 in the Jewish communities (see Diagram 2.13, below). It may be assumed that two main factors contribute to the disparity in the number of families being assisted. 1) Size of family: The Arab families are larger, so there are fewer families in any given population size than in Jewish communities. 2) Ability to identify those in need: Not all of the needy families are registered at the welfare bureaus. The fact that the number of individuals being treated per job position in Arab communities is significantly larger than in Jewish communities is an indication of the difficulty in identifying and servicing needy individuals and families.

Diagram 2.13: Number of families and individuals assisted in Arab communities (in thousands), 2004

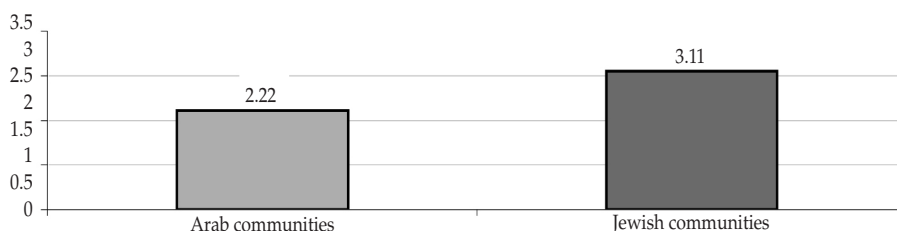


Source: Social Welfare Ministry's budget for local authorities, December 2004

The budget for individuals and families in the seven Jewish communities is nearly 1.5 higher than the budget in the Arab communities studied.

The budget for individuals and families in the seven Arab communities was NIS 2.22 million, compared to NIS 3.11 million in the Jewish communities (see Diagram 2.14, below). A large part of the budget disparity can be explained by the gap in the number of families assisted. But in light of the poverty rate among Arab families, the dependence on welfare allowances and the fact that the number of individuals receiving assistance is similar to that of Jewish communities, one might expect that the budget for the individual and family in Arab communities would be equal to that of the Jewish communities.

Diagram 2.14: The budget for the individual and family in seven Arab communities and seven Jewish communities (million NIS), 2004



Source: Social Welfare Ministry's budget for local authorities, December 2004

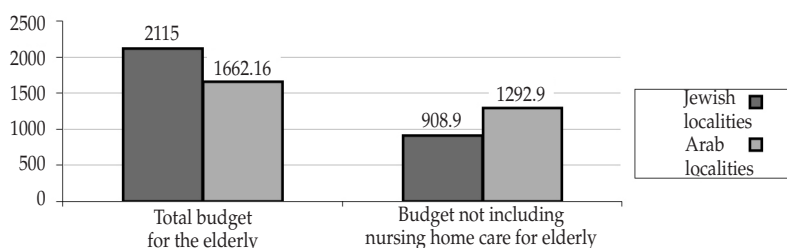
C. Budget for the elderly, ages 75 and above

The per capita welfare budget for the elderly (75 year old and above) in the ten Jewish communities is 25% greater than that budgeted in the Arab communities.

The social welfare budget for the elderly in the ten Arab communities was NIS 1,662.20 per person compared to NIS 2,115 in the Jewish communities. The budget disparity is attributed to the fact that elderly Arabs make less use of services such as hostels and nursing homes relative to the elderly Jewish population. The differences stem from both cultural preferences and lack of economic means of the elderly and their families for financing the stay at a nursing home. It is worth noting that when we examine the per capita allocation in the community (minus the number of elderly residing in nursing homes), we find a higher per capita allocation in the Arab

communities – mainly under the category of day programs for the elderly. The higher per capita allocation derives from the lower percentage of people aged 75 and above in the Arab communities. Thus, it is reasonable to assume that a club for the elderly in an Arab community serves fewer people compared to Jewish communities – therefore, the per capita allocation is higher in Arab communities. Still, as stated above, the overall public allocation for the elderly in Jewish communities is higher (see Diagram 2.15, below).

Diagram 2.15: Social welfare budget for those 75 years old and above in Arab and Jewish communities, 2004 (NIS per capita)

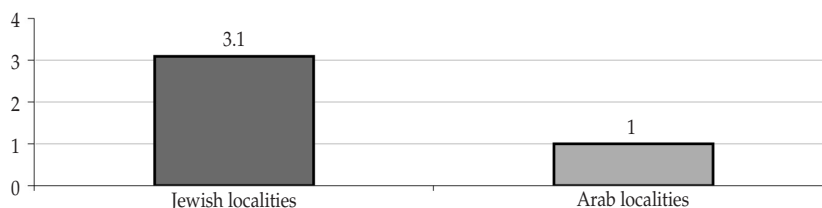


Source: Central Bureau of Statistics and Social Welfare Ministry's budget for local authorities, December, 2004

D. Community Outreach

The budget for community work in the ten Jewish communities is three times higher than the budget in the ten Arab communities. Community work focuses on locating people in need, identifying requirements, phenomena and problems affecting the quality of life in various communities, and developing social and community programs that match the needs of the community. In the framework of community work, joint activities are also undertaken with residents of the community on topics of society and the surroundings, along with activities aimed at empowering the population and involving it in decision-making processes. The total funding for community work in the ten Arab communities was NIS 1.04 million. This compares to NIS 3.1 million in the Jewish communities (see Diagram 2.16, p.79).

Diagram 2.16: Welfare bureau budgets for community work in Jewish and Arab communities, 2004 (million NIS)



Source: Social Welfare Ministry's budget for local authorities, December, 2004

Main reasons for budget disparities

- **Funding for community work:** The field of community work is only in its initial stages in Arab communities and there is a significant shortage of community workers.¹⁷ The sum stipulated in the community work clause in Jewish communities is double the budget in Arab communities (NIS 168,200 versus NIS 83,700). Still, there is a considerable effort being invested in developing community programs in Arab communities. This is expressed in an allocation that is four times higher in the Arab communities studied than in the Jewish communities (NIS 98,800 versus NIS 25,200).
- **Budgets for Jews only:** Funding for National Service (Sherut Leumi) – at NIS 150,000, and funding for assisting new immigrants in the community (group programs for immigrants, neighborhood workers for immigrants, and assistance and training – Ethiopians) – at NIS 713,000.
- **Conversion of funding from non-community institutions to community programs:**¹⁸ As stated above, the Arab population – for various reasons – makes scant use of non-home frameworks, and the budgets of the Arab local authorities in this area are very limited. This is the reason that when budgets earmarked for institutions are converted to budgets for use in a community program, the Arab communities again remain deprived – the sums available for conversion are very small relative to the Jewish communities.

17. An interview with Ms. Camilia Matanis, the head of the Forum of Arab Directors of Social Welfare Departments, on August 11, 2005.

18. Ibid.

In recent years, we are witness to a shift from assistance in non-home frameworks to assistance in community frameworks. From many perspectives, this approach is more suited to the needs of the Arab population, which for many reasons – some of them cultural – prefers to receive the assistance in a community framework. Available assistance in a community framework is expected to improve in many ways the accessibility of the Arab population to the array of services. The disparity in allocations for community work, especially in light of the relevance and need for this type of activity, directly harms the well-being of the Arab population and the chance of narrowing gaps between Jews and Arabs. The Social Welfare Ministry should place special emphasis on community work in Arab communities and provide the conditions that can promote community work.

In Conclusion

The Arab population “leads” in the scope of poverty, in dependence on welfare benefits, in the level of unemployment, in the rates of child poverty and school dropouts. In addition, there is a difference in the demographic structure of the Arab population and its age distribution, and this difference dictates activities whose focus is different than that of the general population in the country. Nonetheless, the resources available to the Arab social welfare bureaus are relatively low in nearly every field of social welfare, and the Arab social welfare bureaus suffer from a shortage of personnel. All this perpetuates the gaps between Jews and Arabs and even widens them.

Main factors behind the disparities in allocations between Jews and Arabs:

A. Problematic and discriminatory criteria:

- **Basic data** on the number of families, individuals and children on file and actually receiving assistance from the welfare departments: A vicious cycle has been created here, because the shortage of resources in the welfare bureaus prevents them from reaching all of those in need and, as a result, the basic data is low and does not reflect the true needs.
- **National priority communities:** The criteria for classifying a community in the framework of national priority communities do not necessarily reflect its social welfare needs. Communities included under this definition are not necessarily characterized by welfare requirements that justify additional

resources. This, as opposed to communities or pockets of distress in communities that are not included under this category and do not enjoy an increment in resources.

B. Valuations for criteria, which do not match the needs:

- **Low valuations:** The criteria of large families and socio-economic status are two main factors behind the poverty and distress in the Arab communities – but they are accorded relatively low valuations (10% each).
- **Single-parent families:** The percentage of single-parent families in the Arab population is relatively lower than the percentage in the Jewish population. Thus, from the perspective of the Arab population's needs, this criterion should be given a lower valuation.

C. Addressing special needs – assisting new immigrants:

The immigrant population is considered more vulnerable in the area of social welfare and thus receives special attention, reflected in a significant budget supplement. The Arab population has a different demographic structure that includes a very large proportion of children and a small elderly population. The difference in age distribution dictates different budget emphases. Allocation according to country-wide standards deprives Arab children, who comprise about half of the population in the Arab communities.

D. Non-governmental sources of finance:

In light of an overall process of ongoing cutbacks in government budgets and privatization of services, the Social Welfare Ministry's share of the overall social welfare is shrinking. Some 25% of the social welfare budget is based on participation by the local authority. In the Arab sector, the availability of non-governmental sources of financing – such as independent revenues or assistance of organizations from the civil or business sector – is low.

E. Limitation of percentages of budget conversion:

The process of transferring services to the community that until now were provided outside the community entails converting budgets from non-home frameworks to community budgets. Since the Arab population makes less use of non-community frameworks, the budgets that can be converted to community services are more limited – and thus the gaps in allocation are set.

For example, in converting budgets from non-home arrangements for teenagers, up to 20% of the budget can be converted, without taking into consideration the disparities in the size of the total budget.

F. Distribution of budgetary supplements:

The process of narrowing the gap in allocation has slowed due to the decision to limit the maximum increase from year to year to 130%. This means that revising the Social Welfare Ministry's principles of budget allocation, or a budget supplement, is distributed over a number of years. According to officials involved in social welfare in Arab local authorities, the time frame allotted for this is too long.¹⁹

Recommendations:

1. Revising the valuations of criteria and adapting them to the needs stemming from the various characteristics of the Arab population: Lowering the valuation of the basic data criterion and raising the weight of the socio-economic status and families with many children criteria. In addition, the weight of the criterion of single-parent families should be reduced. It would also be fitting to cancel the criterion of national priority zones, which does not reflect the social welfare needs of Jews or Arabs.

2. Defining a special assistance formula for the Arab population: Affirmative action for the Arab population as a vulnerable group in social welfare affairs due to their political, social and economic status via a special assistance formula for the Arab population – as was done with new immigrants.

3. Making adjustments in the type of services and ways of delivering them, in accordance with the special needs of the Arab population: Due to social or socio-economic barriers, the Arab population makes little use of certain services, including nursing homes for the elderly population and non-home frameworks in general. These frameworks are relatively costly, and as a result their non-use diminishes the Arab population's share of the budget pie.

19. From a conversation on November 9, 2005 with Mr. Ragheb Abbas, the director of the social welfare department in Kafr Kana and the representative of the Forum of Arab Directors of Social Welfare Departments on the Social Welfare Ministry's committee that defines the allocation criteria.

4. Converting budgets: The percentages of budgets earmarked for outside-community services that are allowed to be converted to community services should be increased. Or, alternatively, a uniform sum for conversion should be set. The option of converting funds from non-home services to assistance within the community (the current formula) does not serve the Arab social welfare bureaus in regard to promoting a process of narrowing allocation disparities. This is because services of this type are not prevalent in Arab communities, and the existing budgets are low in comparison to budgets in Jewish local authorities and relative to actual needs.

5. Placing special emphasis on developing community work: The many years of neglect and lack of access to many services created a feeling of alienation in the Arab population toward the establishment and skepticism in regard to the benefit to be derived from its services. The Arab communities need to be empowered and strengthened, and brought into the decision-making process. In addition, a direct connection with the community is maintained via community work, which enables the identification of pockets of distress and the definition of relevant methods of assistance. Among other factors, community work is based upon the specific needs of the community, which stem from the culture, values, demographic and socio-economic characteristics and so on.

The level of well-being of the population is a cornerstone that influences its ability to cope with all of life's needs. Success in coping with internal, personal and social problems leaves energy for the challenges of life. The Social Welfare Ministry ignores and is insensitive to the needs of the Arab population, and thus constitutes a significant obstacle in developing the level of well-being in the communities. The Social Welfare Ministry should make an effort to eliminate discrimination in criteria and adapt them to the needs of the Arab population.

Appendix 1: Funding for Welfare Services in Local Authorities – Criteria*

Category	Allocation Criteria	%
Children in day care	Children 0-4 at basic level	50
	Single-parent families at basic level	10
	Reason for assistance-1	10
	Reason for assistance-2	6
	Reason for assistance-3	4
	National priority region and regional councils	10
	Socio-economic level	10
Families in distress in the community	Community's population	30
	Families at basic level according to the following weightings:	30
	Families for periodic monitoring 1.0	
	Families in moderately intensive treatment 1.25	
	Families in highly intensive treatment 1.5	
	Single-parent families at basic level	10
	Large families at basic level	10
	National priority region and regional councils	10
Assistance for children in poor families in distress	Community's population	30
	Families at basic level according to the following weightings:	30
	Families for periodic monitoring 1.0	
	Families in moderately intensive treatment 1.25	
	Families in highly intensive treatment 1.5	
	Single-parent families at basic level	10
	Large families at basic level	10
	National priority region and regional councils	10
Summer camps for mothers	Socio-economic level	10
	Community's population	20
	Large families in the community	35
	Large families at basic level	25
	National priority region and regional councils	10
Immigrant families in distress	Socio-economic level	10
Maintaining children in boarding schools	Allocation according to the number of new immigrants (not including the elderly) relative to the total population of new immigrants in Israel (not including the elderly)	
	Children 0-18 in the community	15
	Children 0-18 at basic level	25
	Families with children at basic level	20
	Single-parent families at basic level	20
	National priority region and regional councils	10
	Socio-economic level	10
Caring for the child in the community	% of children 0-14 in the community	25
	Families with children at basic level	30
	Children 0-18 at basic level	10
	Children 0-12 not living at home	15
	National priority region and regional councils	10
	Socio-economic level	10

Children in distress – new immigrants	Allocation according to the number of immigrant children (0-18) in the community relative to the total population of immigrant children in Israel	
Caring for the elderly in the community	Elderly in the community Elderly at basic level Elderly in the community above the age of 75 National priority region and regional councils Socio-economic level	30 40 10 10 10
Caring for elderly immigrants	Allocation according to the number of elderly immigrants in the community relative to the total population of elderly immigrants in Israel	
Subsidizing salaries of local authority employees	<p>A. Variables for allocating personnel for social welfare departments at local authorities</p> <ol style="list-style-type: none"> 1. 25% - Number of cases, [misspelled in Hebrew] weighted by intensiveness of treatment. (The weight of the cases will be reduced over the years.) 2. 75% - Data on the socio-economic level in the community according to the follow make-up: <ul style="list-style-type: none"> -20 % - average wages of salaried workers -20% - per capita income -10% - unemployment in the community -25% - population 18 and younger (children dependence)* -25% - population over age 65 (elderly dependence)* <p>* as a proportion of the total population in the community</p> <p>B.</p> <p><u>Metropolitan cities</u>: A coefficient of 1.1 for the three large cities [not large Arabs] – Jerusalem, Tel Aviv and Haifa.</p> <p><u>Regional councils</u>: A coefficient based on distances, number of residents and number of communities.</p> <p><u>National priority zones</u>: 1.10 for National Priority Zone A and 1.05 for National Priority Zone B.</p> <p><u>Total population</u>: Coefficient based on [misspelling] the community's population size.</p> <p>* Intensiveness of treatment according to Directive 1.21 in the social work code of rules.</p> <p>In a community in which the number of new immigrants is 300-14,000: 0.5 job positions per 1,250 new immigrants.</p> <p>In a community in which the number of new immigrants is greater than 14,000: 0.5 job positions per 1,250 new immigrants for the first 14,000 immigrants, and 0.375 job positions for every additional 1,250 new immigrants.</p> <p>Reinforcement is provided to communities where the proportion of new immigrants exceeds 20% and to communities with less than 30,000 residents.</p>	

Source: www.molsa.gov.il

*The shaded criteria are considered discriminatory. Some of them receive are over-represented, in our view, and some are under-represented.

*For all categories: The allocation will not be less than 80% of the previous year's initial budget and will not exceed 130% of the initial budget from the previous year.

Appendix 2: General Data on the 10 Communities in the Survey of the Social Welfare Ministry's Budgets

		Socio-economic cluster (1-10) (1)	Total population at end of 2004 (in thousands) (1)	National priority areas (2)	% of youth (01-17) in 2004 (1)	% of elderly (65 and up) at the end of 2003 (1)	Unemployment rate in August 2005 (3)	Average wage (NIS) of salaried workers in 2002 (1)	% of new immigrants (since 1990) in the community (1)	Number of families treated by the welfare departments (4)	Individuals treated by the welfare departments (4)	Number of job positions (4)	Number of people per job position (4)
Um al Fahm	2	39.0		47.9	2.5	11.0	3357			3062	8404	18.56	452.80
	3	31.2		41.7	4.1	11.2	4266			2511	9111	13.97	652.18
Taibeh	3	31.2		44.5	3.5	7.5	3913			1617	6224	9.93	626.78
	2	24.7		44.9	3.1	13.8	3540			1271	4632	11.00	421.00
Nazareth	3	62.7		42.5	5.0	8.9	4276			3128	9897	37.69	262.60
	2	23.2	B	44.9	3.0	12.5	3608			1694	6092	10.20	597.25
Rahat	1	35.8	B	61.5	1.3	14.9	3608			1505	6830	15.33	445.50
	2	27.1	B	46.1	3.1							12.18	
Baka-Jatt	3/4	29.4		45.9	3.3								
	4	23.2		36.0	5.0								
Carmiel	6	42.7	B	25.9	12.4	5.9	5583	39.3		3302	6680	23.19	288.00
	4	24.8		32.2	11.1	6.4	4693	28.9		2993	6707	26.54	252.70
Upper Nazareth	5	44.2		23.3	16.2	7.2	4746	46.8		5935	12487	35.63	350.50
	5	38.9		28.9	12.2	6.7	4202	30.2		3979	9414	23.73	396.70
Rosh Ha'ayin	6	36.0		36.9	5.8	3.6	7679	6.9		2416	6482	19.20	337.60
	3	23.7	A	36.8	9.6	9.6	4258	29.9		2105	4941	18.50	267.00
Tiberias	4	40.1		32.0	9.6	6.9	4597	18.1		2629	6224	26.42	235.60
	3	22.9	A	43.0	6.8	8.0	4122	22.3		2190	6965	15.00	464.33
Safed	4	26.8	A	40.0	10.6	5.6	4831	19.5		2990	8635	20.26	426.20
	4	33.9	A	31.7	9.5	9.5	5129	23.1		2799	6174	22.74	271.50

Source:

(1) Central Bureau of Statistics CD on local authorities, 2004

(2) Labor and Social Welfare Ministry's Website: www.molsa.gov.il

(3) Employment Service's Website: www.taasuka.gov.il

(4) Social Welfare Ministry, 2004.

Index of Diagrams and Tables

Government decisions pertaining to Arab citizens, development plans for Arab communities and follow-up on implementation, 1999-2005

Diagrams

Diagram 1.1	Process of formulating policy regarding Arab citizens and follow-up on implementation	13
Diagram 1.2	Development plans 1995-2008	16
Diagram 1.3	Distribution of households in Arab communities by type of sewage link, 2004	33
Diagram 1.4	Distribution of households in Arab communities by size of locality and type of sewage link, 2004	33
Diagram 1.5	Distribution of Bedouin households by type of sewage link, 2004	34
Diagram 1.6	Bedouin households in the Negev that are connected to the electrical grid, 2004 (%)	36
Diagram 1.7	Bedouin households in the Negev that are connected to the water grid, 2004 (%)	36
Diagram 1.8	The share of Arab communities in the budgets for developing industry, 2001-2005	40
Diagram 1.9	The proportion of Arab job seekers among total job seekers, February 2004 to September 2005 (%)	42
Diagram 1.10	Unemployment rate among Jewish and Arab men, 2001-2004	43
Diagram 1.11	Level of participation of Jewish and Arab men in the workplace by population group, 2001-2004	43
Diagram 1.12	Unemployment rate among Jewish and Arab women, 2001-2004	43
Diagram 1.13	Level of participation of Jewish and Arab women in the workforce, 2001-2004	43
Diagram 1.14	Proportion of students in courses and/or vocational training among Jews and Arabs, ages 20 and above, 2004 (%)	45
Diagram 1.15	Dropout rates in grades 9-11 between the years 1991/92-1992-93 and between the years 2003/04-2004/05, Hebrew education and Arab education (%)	49
Diagram 1.16	Qualifying for matriculation among students in 12th grade and among the entire age group, in Hebrew and Arab education, 1996-2003 (%)	50
Diagram 1.17	Matriculation holders who meet university entrance requirements, as a percentage of the entire age group in the Hebrew and Arab education systems, 1996-2003	51
Diagram 1.18	Jews and Arabs of working age according to last educational institution, 2004	51

Government decisions pertaining to Arab citizens, development plans for Arab communities and follow-up on implementation, 1999-2005

Tables

Table 1.1	Government decisions on development plans for Arab communities and Bedouin communities in the North and South	17
Table 1.2	Allocation data and the implementation of the multi-year plan, 2001-2004	19
Table 1.3	Rate of budget cutbacks in the multi-year plan and the level of implementation by government ministry	21
Table 1.4	Status of updating master plans in Arab communities, as of March 2005	25
Table 1.5	Status of recovery programs as of January 31, 2005	27
Table 1.6	Progress in implementing internal sewage systems in Arab communities, 2002-2004	32
Table 1.7	Allocations for building classrooms for Arab kindergartens and schools, according to government decisions	46
Table 1.8	Classrooms (kindergartens and schools) built during the years 2001-2004 (not including Druze and Bedouins in the North	47
Table 1.9	Summary - project progress status for development plans	52-53

Disparities between Arab and Jewish local authorities in the Social Welfare Ministry's budget (2004)

Diagrams

Diagram 2.1	Poverty among non-Jewish children compared to Jewish children, 2003	61
Diagram 2.2	Proportion of Arab children among all of the children in Israel, compared to their proportion among poor children, 2003	62
Diagram 2.3	Percentage of Arab and Jewish children aged 17 who do not complete 12 years of schooling	62
Diagram 2.4	Percentage of Arab families in the general population versus their percentage among poor families, 2004	63
Diagram 2.5	Percentage of all Jewish families receiving a supplemental income allowance versus the percentage of all Arab families receiving a supplemental income allowance, 2004.	63
Diagram 2.6	Percentage of Arab families among all families in Israel, versus the percentage of Arab families among the families receiving supplemental income assistance, 2004	64
Diagram 2.7	Retirement savings plans of those 20 years old and over, 2002	64
Diagram 2.8	Social welfare budget in Jewish communities versus Arab communities, 2004 (million NIS)	71
Diagram 2.9	Percentage of those emerging from poverty after transfer payments and taxes among new immigrants and Arabs, 2004	71
Diagram 2.10	Percentage of Arab children among all children in the 20 communities studied, in various categories, 2004	73
Diagram 2.11	Budget of welfare departments in 2005 for children and teenagers 0-17 in the Arab and Jewish communities (million NIS)	74
Diagram 2.12	Jewish and Arab families receiving supplemental income benefits in the 14 communities studied (in thousands), 2004	76
Diagram 2.13	Number of families and individuals assisted in Arab communities (in thousands), 2004	76
Diagram 2.14	The budget for the individual and family in seven Arab communities and seven Jewish communities (million NIS), 2004	77
Diagram 2.15	Social welfare budget for those 75 years old and above in Arab and Jewish communities, 2004 (NIS per capita)	78
Diagram 2.16 (NIS millions)	Welfare bureau budgets for community work in Jewish and Arab communities, 2004	79

Disparities between Arab and Jewish local authorities in the Social Welfare Ministry's budget (2004)

Tables

Table 2.1	Ten Arab communities and ten Jewish communities: Population size, socio-economic ranking and national priority classification, 2004	69
Table 2.2	Ten Arab and ten Jewish communities – various characteristics, 2003, 2004	70
Table 2.3	Number of positions and caseload	72
Table 2.4	% of children on file at the welfare departments	73

The representation of Arab citizens in the civil service, government corporations and local government

Diagrams

Diagram 3.1	Arab and Jewish civil service employees, 2004 (%)	86
Diagram 3.2	Arab and Jewish directors, 2005 (%)	94

Tables

Table 3.1	Total number of civil servants and number of Arab civil servants, by year (absolute numbers and %)	87
Table 3.2	Total number of civil servants and Arab employees accepted into the civil service by year (in absolute numbers and %)	88
Table 3.3	Arab employees in the civil service by government ministry (in absolute numbers and %)	90
Table 3.4	Arab women employed in the civil service by government ministry (in absolute numbers and %)	92
Table 3.5	Arab and Jewish women on boards of directors of government companies (in absolute numbers and %)	93
Table 3.6	List of companies with Arabs directors	95

The Sikkuy Report 2004-2005 in the media

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

Sikkuy makes a major effort to publicize the report and its findings. When the report was released, the results were impressive. It was covered extensively in the Hebrew, English and Arabic newspapers, on television, radio and on the Internet.

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We bring you a few examples of this important coverage.

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Report: Discrimination against Arab municipalities unchanged

By **Jack Khoury**, Haaretz Correspondent

A new report published over the weekend by Sikkuy, The Association for the Advancement of Civic Equality in Israel, says the welfare resources channeled by the state to Arab municipalities are smaller relative to those provided to Jewish municipalities.

The annual report compiled by attorney Ali Haider, co-executive director at Sikkuy, held a comparison between ten Arab municipalities and ten Jewish municipalities of identical population size and geographical structure.

According to the report the total welfare budget in 2004 in the ten Jewish municipalities was NIS 220.8 million while the Arab municipalities totaled only NIS 107.4 million.

The report also examined the implementation of government decisions on issues related to the Israeli Arab sector since 1999 and affirmative action for Arab citizens in civil service and government-owned enterprises.

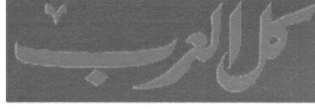
The report states that despite government decisions to address poverty in the Arab sector, Arab citizens do not enjoy adequate affirmative action in any of the government agencies.

According to the report's data only 5.5 percent of civil servants are Arab citizens. Less than 1.5 percent of municipal workers are Arabs and under a single percent have been employed by government-owned enterprises.

Most government agencies have not recruited new Arab employees since 2004.

Attorney Haider said "the government has a policy of neglect and disregard for the rights of Arab citizens, while a systematic and deliberate policy of discrimination is in place."

"This fact has caused a deterioration in all aspects of life [in the Arab sector]. The policy change required is profound and essential, and can only be implemented if the government holds an ongoing dialogue with leaders in the Arab public. Those leaders must be involved in the entire process of planning, policymaking and implementation," he said.



العدد 959 الجمعة 28.4.2006 - 30 ربيع الأول 1427

هوية كل العرب سجل الزوار إتصل بنا أرشيف الأعداد مساهمة

سيكوي تطالب اولمرت بتبني حقوق الجماهير العربية كهدف مركزي في استراتيجية الحكومة القادمة



تزامناً مع نشر تقريرها حول سياسات الحكومة تجاه الاقلية العربية

كتب: محمد محسن وتد

بعث القائمون على جمعية سيكوي مطلع هذا الاسبوع برسالة الى ايهود اولمرت المكلف بتشكيل الحكومة القادمة، مطالبين اياه بتبني حقوق الجماهير العربية لتكون كهدف

استراتيجي ومركزي في اطار الخطوط الاساسية للحكومة، وتزامنت هذه الرسالة مع نشر التقرير السنوي للجمعية والذي يتمحور حول سياسات الحكومة تجاه الاقلية العربية. التقرير يكشف عن عمق التمييز والاحجاف الذي تعاني منه الجماهير العربية، ويتناول قرارات حكومية بخصوص المواطنين العرب ومخططات تطويرية للمدن والقرى العربية ومتابعة تنفيذها ما بين الاعوام 1999-2005، الجزء الثاني من التقرير يتطرق الى الفجوات القائمة بين السلطات المحلية العربية واليهودية في ميزانية وزارة العمل والرفاه الاجتماعي، فيما يتطرق الجزء الثالث من التقرير الى تمثيل المواطنين العرب في سلك خدمات الدولة، الشركات الحكومية والحكم المحلي. هذا وقد جاء في الرسالة التي بعثتها الجمعية الى اولمرت ووقع عليها كل من البروفيسور يتسحاق غالنور والدكتور خالد ابو عصبه والمحامي علي حيدر، وشولي ديكتر عدة طلبات ومقترحات اهمها ان يبقى حزب 'يسرائيل بيتينو' خارج الائتلاف الحكومي، ان تأخذ الحكومة على مسؤوليتها تحقيق المساواة في كافة المجالات، وان تنتهج سياسة التفضيل لجهاز التربية والتعليم وادخال التعديلات عليه، رصد ميزانيات خاصة للسلطات المحلية، توفير اماكن عمل من خلال اقامة مناطق صناعية في البلدات والقرى، وان يمنح للجماهير العربية الحق في التعبير عن ثقافتهم. وقال المحامي علي حيدر وشولي ديكتر مديران عامان لسيكوي اليوم، واكثر من اي وقت مضى، يعترف الجميع في الحلبة السياسية بوقوع التمييز غير المسوغ ضد المواطنين العرب، وبضرورة احداث التغيير الفوري، ويتوجب على الحكومة احداث تغيير جذري وعميق في السياسات القائمة، على الحكومة ان تتحلى بالشجاعة الضرورية، وتضع المساواة بين اليهود والعرب على سلم افضليات التغيير.

عودة للعناوين...

يوم الخميس - 27 نيسان 2006

Kul Al-Arab, April 28, 2006

"Sikkuy calls for Olmert to make the rights of Arab citizens a main goal of the next government's guidelines"

"Sikkuy publishes its annual report on government policy toward the Arab minority"

יום א', ב' באייר תשס"ו, 30.4.2006

רק 5 אחוזים מעובדי המדינה הם ערבים

למרות החלטת הממשלה על הגדלת מספר העובדים הערביים, רוח של עמותת "סיכוי" מגלה: כבר שנתיים לא התקבל ערבי למרבית משרדי הממשלה ■ עוד טוענים בעמותה כי מדיניות הממשלה פוגעת בפיתוח המגזר הערבי

שבים ערבים ויהודים מוכיח כי על אף שהאזכור סיוה הערבית היא הענייה ביותר בישראל, תקציבי הרווחה של חיישובים הערבים נמוכים באופן משמעותי מאלה של חיישובים היהודיים. "קיימת מדיניות ממשלתית של הונח והתעלמות מכוונת של האזכור הערבים", אמר ע"ר עלי חידר, מנכ"ל שותף בעמותת סיכוי ועורך הרוח השנתי. "קיימת אפליה בשטחים ומסורת, רכי המביא להורדרדות בכל רמות החיים. השני במדיניות צריך להיות מודתי ורציני. אני קורא לממשלה לשתף את מנהיגות הציבור הערבי בי בחלק התכנון, קביעת המדיניות והביצוע".

אל, היה פער משמעותי בין ההחלטות שהתקבלו ובין הביצוע בשטח. לטענתם, התעלמות מוחלטת ממשלה מנעה פיתוח תשתיות, פיתוח בינוי ופיתוח חינוך עבור הציבור הערבי. כך, למשל, מראים המ"מזאים כי בשנים האחרונות לא נבנו שכונות חד"שיות עבור האוכלוסייה הערבית הפרטית, לא נבנו אוזרי תעשייה ויישובים ערבים לא הוכנסו לאוזרי תעשיית מרחביים - כל זאת זאת בניגוד להחלטות מפורשות של הממשלה.

הרוח, רק המישה אחוזים וחצי מעובדי שירות המדינה הם אזרחים ערבים. בשלטון המוניציפלי הם מהווים אחוז וחצי משיעור העובדים, ובחברות הממשלתיות עמד שיעורם על אחוז אחד בלבד. הרוח עוקב גם אחרי יישובם כל החלטות הממשלה בנוגע למגזר הערבי. בעמדות סיכוי אמרים כי כמה מהמספרים עשור במרבית התחומים של הממשלה לפתור את מצוקת הציבור הערבי בישרי אל, בהם משרד התשתיות ומשרד הפנים. אבל, במשרד התעשייה המסחר והתעסוקה, במשרד השי"כז ובמשרד החינוך, כמו גם במנהל מקרקעי ישרי

מאת איתמר ענברי

בשנים האחרונות נראה כי הממשלה מועלת לקי דום ייצוג הערבים במשרדות, ואף קיבלה כמה תחלי שות השובות בנושא. ואולם, האמת והעובדה שרישפת עמותת סיכוי היא שמשנת 2004 ועד הרי ום לא התקבל במרבית משרדי הממשלה ולו עובד ערבי אחד. התחנים מופיעים במסגרת רוח המענק של העמר תה אזרי יישוב המלצות ועדת אור, אשר מנביע על מספרים הועם של ערבים במשרדי הממשלה. לפי

Maariv, April 30, 2006

"Only 5% of civil servants are Arabs"

The representation of Arab citizens in the civil service, government corporations and local government

*Ali Haider**

Introduction

During the past five years, the Knesset enacted two laws aimed at increasing the representation of Arab citizens in the civil service and on the boards of directors of government corporations. These laws reflect the recognition that there is no justification for the low proportion of Arab citizens in the central government administration. In addition, the state declared that entrenched patterns of discrimination must not continue.

Moreover: successive governments, as described below, decided that a concerted effort must be made to change the existing situation. There is no need to speak at length about the importance and essentiality of a minority's right of representation in the central government – the entity responsible for allocating resources that are so needed by the minority to redress its weakness and to enable it to take part in formulating the allocation guidelines and their implementation. Providing the minority a chance to participate in the decision-making process would strengthen and stabilize the democracy and contribute to an improved socio-economic policy.

As part of this review, we will check the extent to which these laws are implemented.¹ We will review the various decisions taken by the government during the past two years and the extent of their implementation. This review will include updated and comparative data on two national groups – Arabs and Jews. This data portrays a detailed and comprehensive picture from a perspective of many years. We will also track the developments and trends in regard to fair representation in three important areas: the civil service, government corporations and local government.

* Ali Haider is the co-executive director of Sikkuy. He is an attorney and holds an LLM degree from Bar-Ilan University, Israel.

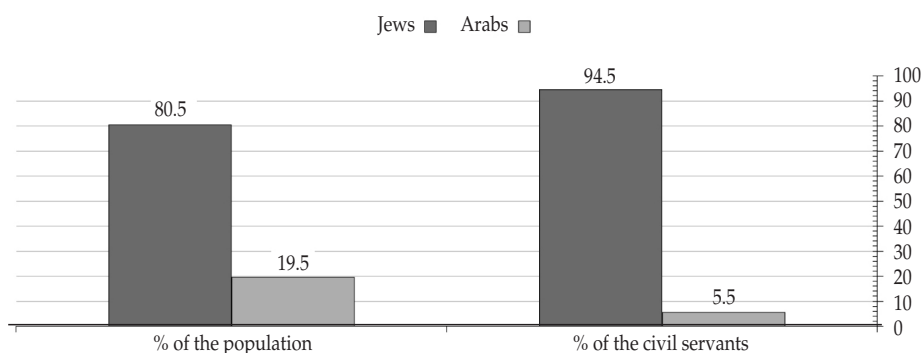
1. The formation of a subcommittee (of the Knesset Constitution, Law and Justice Committee) for follow-up of implementation of the Civil Service Law (Appointments) should be noted. The subcommittee, chaired by MK Azmi Bishara, convened a number of meetings and summoned representations of the Civil Service Commission, various government ministries and representatives of civil society organizations.

Representation of Arab citizens in the civil service

The annual report of the Civil Service Commission on the representation of Arab citizens in the civil service for 2004 (published in early September 2005) indicates that 3,154 Arabs were employed in the civil service at the end of 2004, comprising 5.5% percent of the total number of 56,914 civil servants.²

As noted in previous years,³ this number includes those employed in government ministries and does not include employees of government corporations, teachers employed by the education ministry, employees of the Government Employment Service, National Insurance Institute and various governmental authorities.

Diagram 3.1: Arab and Jewish civil service employees, 2004 (%)



Source: The annual report of the Civil Service Commission on the representation of Arab citizens in the civil service for 2004.

2. This figure also includes non-Arab Muslims (this apparently refers to Circassians: 80 employees, comprising 2.5%) and non-Arab Christians (most of whom are apparently immigrants from Russia: 190 employees, comprising 6%).

3. See Ali Haider, "Follow-up: Arab representation in the civil service, in government companies and in the court system", Sikkuy Report, 2002-2003, edited by Shalom Dichter and Dr. As'ad Ghanem, published by Sikkuy-Jerusalem, Tamra, July 2003.

Table 3.1: Total number of civil servants and number of Arab civil servants, by year (absolute numbers and %)

Year	Number of Arab civil servants	Total number of civil servants	% of Arab civil servants
1992	1,117	53,549	2.1
1993	1,369	53,914	2.5
1994	1,679	55,278	3.0
1995	1,997	56,183	3.5
1996	2,231	56,809	4.0
1997	2,340	57,286	4.1
1998	2,537	57,580	4.4
1999/10	2,818	58,115	4.8
2001/4	3,128	54,337	5.7
2001/12	3,176	55,886	5.7
2002/12	3,440	56,362	6.1
2003/12	2,798	50,382	5.6
2004/12	3,154	56,914	5.5

Source: The annual report of the Civil Service Commission on the representation of Arab citizens in the civil service for 2004.

An examination of these figures shows that despite the small increase in numbers of Arab employees in comparison to the previous year, this number is still far from reflecting representation of Arabs over the age of 15 (11%), who comprise the potential workforce, and it is certainly far from the Arab population's proportion of the overall population (19.5%).

Moreover, the small increase in the numbers of Arab employees in 2004 is the result of absorbing manpower agency employees, most of whom work in low-level jobs. Only 37.5 jobs were designated for Arab citizens – the rest of the employees were hired through the regular track.

Table 3.2: Total number of civil servants and Arab employees accepted into the civil service by year (in absolute numbers and %)

Year	Total number of employees hired	Total number of Arab employees hired	% of Arabs among all employees hired
2000	5733	297	5.2
2001	5841	315	5.4
2002	4400	251	5.7
2003	4531	193	4.2
2004	4668	249	5.3

Source: The annual report of the Civil Service Commission on the representation of Arab citizens in the civil service for 2004.

It is worth noting again that the Arab population is a group that deserves suitable representation among the employees of the civil service, and that this right is anchored in the Civil Service Law (Appointments).⁴

On January 27, 2004, the ministerial committee for Arab affairs decided that:

“in accordance with the directives of Article 15a(b) of the Civil Service Law (Appointments), 1959 (hereunder: The Appointments Law), and in accordance with Article 3 of the decision made on August 19, 2003 by the ministerial committee on the non-Jewish sector to promote equality and integrate citizens of Israel from the non-Jewish sector:

1. We set a goal that within three years of this decision, at least 8% of civil servants will be from the non-Jewish population – that, is: Bedouins, Druze, Circassians and Arabs – and within five years of this decision, at least 10% of civil servants will be from the non-Jewish population.

2. In order to attain the goal set in Article [1] above, we set the goal that during the year following this decision, 8% of the employees accepted to work in the civil service will be from the non-Jewish population and that during the subsequent year the number will be

4. Civil Service Law (Appointments) (Amendment 11), 2000, page 78.

15%. This goal will apply to every ministry and affiliated unit, and will take into consideration the proportion of candidates from the non-Jewish population who possess the required qualifications for working in the particular ministry or unit. The plan will be formulated by the Civil Service Commission in coordination with the government ministries and affiliated units..."

The figures in Table 3.2 (p. 88) clearly show that the government did not meet the goal it set for itself – that in 2004, 8% of the employees accepted to work in the civil service would be members of the Arab population – because 4,668 workers were hired to work in government ministries in 2004, among them 249 Arab employees, comprising just 5.3%. While the government decided to impose a hiring freeze for government ministries, which is slated to remain in effect through the end of December 2006, this freeze does not apply to jobs designated for the Arab population.

In practice, many Jewish employees were hired in 2004, despite the decision to freeze appointments. Thus, despite the government decision to designate a number of jobs for Arab citizens, the totals did not change. If the government does not immediately adopt practical measures, it is reasonable to expect that it will also fail to meet the goals for the next year.

The distribution of Arab employees by government ministries:

Six government ministries employ 2,843 Arabs, comprising 90.13% of all Arab civil servants. The Health Ministry, including government hospitals, employs about 56% of them. In the rest of the government ministries, the representation of Arab citizens is still marginal or non-existent. There is not a single Arab employee at the Water Commission, Antitrust Authority or Firefighting and Rescue Commission. At the Public Security Ministry, there is only one Arab employee. There are only two Arab employees at the Communications Ministry and at the Finance Ministry there are three Arab employees. The National Infrastructures Ministry employs four Arabs (see Table 3.3, p. 90).

In the following ministries and departments, not a single Arab employee was hired in 2004: Prime Minister's Office, Civil Service Commission, Finance Ministry, Public Security Ministry, Educational Television, Water Commission, Training and Profession Service, Antitrust Authority, Firefighting and Rescue Commission, Meteorological Service, Geological Institute, Electric Authority, the Center for Mapping Israel, and the Rural Construction Administration.

Table 3.3: Arab employees in the civil service by government ministry (in absolute numbers and %)

Ministry or unit	Number of Arab employees	Total number of employees	%	Comments
Water Commission	0	148	0	
Antitrust Authority	0	64	0	
Firefighting and Rescue Commission	0	17	0	
Port of Hadera	0	7	0	
Electric Authority	0	18	0	
Public Security Ministry	1	106	0.94	
Hasbara [Information] Center	1	18	5.55	
Geological Institute	1	103	0.97	
Rural Construction Administration	1	86	1.16	
Metrological Service	2	99	2.02	
Communications Ministry	2	143	1.39	
Science and Technology Ministry	3	57	5.26	
Civil Service Commission	3	177	1.7	
Finance Ministry	3	809	0.37	
Absorption Ministry	3	526	0.57	
Educational Television	4	204	1.96	
Government Printing Office	4	87	4.6	
National Infrastructures Ministry	4	145	2.75	
Center for Mapping Israel	5	277	1.8	
Prime Minister's Office	7	625	1.1	
Foreign Ministry	7	933	0.75	
Tourism Ministry	7	196	1.16	
Housing Ministry	8	666	1.2	
Training and Profession Service	9	219	4.1	
Veterinarian Services	12	265	4.52	
Israel Lands Administration	14	715	1.95	
Environment Ministry	14	464	3	
Agriculture Ministry	18	571	3.15	
Transportation Ministry	19	847	2.24	
Public Works	24	579	4.14	
Center Bureau of Statistics	27	750	3.6	
Agricultural Research Administration	28	754	3.71	
Customs and VAT	30	1796	1.67	
Industry, Trade and Labor Ministry	41	1300	1.95	
Justice Ministry	77	2213	1.9	
Education Ministry	126	2051	6.14	
Courts Administration	136	4032	3.37	
Income Tax Authority	194	3303	5.87	
Social Welfare Ministry	200	2653	7.53	
Interior Ministry	340	1566	21.71	
Health Ministry	1770	26374	6.71	

Source: The annual report of the Civil Service Commission on the representation of Arab citizens in the civil service for 2004.

2,500 Arab employees, comprising 79.3% of Arabs employed in the civil service, work in the northern districts and Haifa, and their representation in the government ministries in Jerusalem is still very small. There has been no change in the existing trend: Arab citizens are still employed in auxiliary and sectorial positions, mainly in their area of residence, or in jobs that can only be filled by Arab citizens. An examination of the data indicates that Arab citizens employed in the civil service fill professional positions and are mainly responsible for providing health, welfare, religious and education services, and that they are absent from senior policy-making positions. Their absence is still salient in several important and influential government ministries, such as the Industry, Trade and Labor Ministry, Defense Ministry, National Infrastructures Ministry, Communications Ministry, Finance Ministry and Tourism Ministry, as well as subordinate units like Public Works, the Israel Land Administration, the Water Commission, and the Firefighting and Rescue Commission.

Representation of Arab women in the civil service

The number of Arab women employed in the civil service, as of the end of December 2004, is 1,048, or 33.2% of the Arab employees in the civil service. The total number of women in the civil service is 33,051, comprising 65% of all civil service workers. The rate of representation of Jewish women is thus double the proportion of Arab women. While Jewish women have succeeded in reaching senior and influential positions in the civil service, Arab women are still serving in junior positions. The government must act to increase the number of women in senior positions in general and the number of Arab women in particular.

In 2004, 84 Arab women were accepted into the civil service. Arab women comprise 33.7% of the Arab employees hired in 2004.

36.7 of Arab civil servants (385 in number) have academic degrees and they represent 30% of the Arabs hired by the civil service that year with academic qualifications. 94.7% of the women are employed in six government ministries; their representation is still marginal or non-existent in other government ministries, as is the case for Arab employees in the civil service in general.

In the following ministries and authorities, there is not even one Arab woman employee: National Infrastructures Ministry, Agriculture Ministry, Foreign Ministry, Public Security Ministry, Water Commission, Finance Ministry, Antitrust

Authority, Firefighting and Rescue Commission, Meteorological Service, Electric Authority, Center for Mapping Israel.

In each of the following units and ministries there is just one female Arab employee: Civil Service Commission, Educational Television, Training and Profession Service, Science and Technology Ministry, Geological Institute, Communications Ministry. There are two Arab women working in the Transport Ministry and three in the Ministry of Construction and Housing .

Table 3.4: Arab women employed in the civil service by government ministry (in absolute numbers and %)

Ministry	Number of Arab women	% of the Arab women in the civil service
Interior Ministry	13	1.2
Income Tax Authority	32	3.05
Education Ministry	34	3.24
Other ministries	55	5.24
Social Welfare Ministry	81	7.72
Justice Ministry (including Courts Administration)	85	8.11
Health Ministry	748	71.37
Total	1048	100%

Source: The annual report of the Civil Service Commission on the representation of Arab citizens in the civil service for 2004.

Representation of Arab citizens on boards of directors of government corporations

In May 2000, the Knesset passed an amendment to the Government Corporations Law of 1975⁵ which directed that the composition of a government company's board of directors would give suitable expression to the representation of the Arab population.

On August 19, 2003, the ministerial committee on Arab affairs, chaired by Prime Minister Ariel Sharon, made a number of decisions on promoting equality for the Arab citizens of Israel. As part of the steps aimed at accelerating the implementation

5. Government Companies Law (Amendment 11), 2000, page 207.

process, the committee decided to instruct the government corporations and entities targeted by the law to work to achieve suitable representation for the Arab population on boards of directors. This is in accordance with the directives of the Government Corporations Law that mandates an effort to appoint Arab men and women as directors. The committee determined that by August 2004 at least one Arab would serve on each of the 105 governmental boards of directors. Together with the government decisions, the prime minister instructed the committee for reviewing appointments, headed by Judge Ravivi, to delay appointments to boards of directors as long as this condition (suitable representation of Arab citizens) is not met. The statistical report of the Government Corporation Authority is updated to August 2, 2005 – that is, five years after the amendment was passed and two years since the government decision and the prime minister's declaration that by August 2004 at least one Arab would serve on each of the 105 boards of directors of government companies. The report indicates that of 551 directors of government companies, there are just 50 Arab citizens (9%), including only 10 Arab women out of 189 female directors (5.3%) in government companies. The government did not meet the goals it set for itself and the number of Arab directors did not increase by a rate that is even close to the goal. It seems that the government did not live up to its commitments and is disdainful of the Knesset's laws and decisions pertaining to Arab citizens.

It is worthwhile noting that prior to the government decision, in March 2003, there were 38 Arab directors among 641 directors (5.9%).

Table 3.5: Arab and Jewish women on boards of directors of government companies (in absolute numbers and %)

	Arab women	Jewish women	Total
Number of directors	10	179	189
% of directors	1.81	32.49	34.30
Percentage of women	5.29	94.71	100

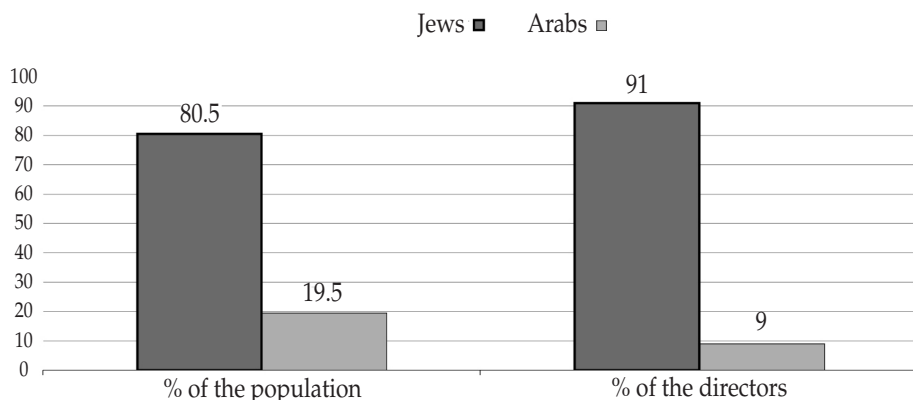
Source: Statistical report of the Government Companies Authority, updated to August 2, 2005

During the past two and a half years, the number of Arab women serving as directors rose from 6 to 10 (see Table 3.5, above). There are about 377 open positions waiting to be filled on the boards of directors of government companies, their subsidiaries and mixed companies. Of 105 government companies, Arabs are represented on only 47.

It may be concluded that the government does not really want to change the reality pertaining to the rights of Arab citizens. When the prime minister is determined to implement a certain matter, he establishes mechanisms, allocates budgets for them and makes sure they “get to work.” But when it comes to issues involving Arab citizens, the government tends to make promises and fail in implementation. The government cannot claim that there are no available positions, since 377 jobs are waiting to be filled; and it cannot claim that there are no suitable candidates. The issue of appointing directors illustrates the way the government behaves and functions vis-à-vis Arab citizens and their rights, and perhaps there is no other alternative than approaching the gates of the High Court of Justice again to compel the government to implement the law and honor its own commitments. Arab citizens deserve to be able to participate in the decision-making process and in formulating policy. Arab citizens are consumers and customers of many of these companies and it would be appropriate for them to be able to influence their policies.

We propose establishing a database that would include information on candidates with appropriate qualifications for the position of director of a government company, a database from which the ministers responsible for government companies would draw suitable candidates. This database would include information on Arab citizens and all citizens of the state. This tool would assist the ministers in selecting the best candidates and enable every citizen, man or woman, interested in being appointed to this job to submit their candidacy to the database. The database would be transparent and open to the entire public.

Diagram 3.2: Arab and Jewish directors, 2005 (%)



Source: Statistical report of the Government Companies Authority, updated to August 2, 2005.

Table 3.6: List of companies with Arab directors

Name of company	Number of directors
Agrexco Agricultural Export Company	1
Otsar Mifalei Yam	1
Atarim Project Development Corp., develops tourist sites in Tel Aviv-Jaffa	1
Agricultural Bank Of Israel Ltd	1
Haigud, Society for Transfer of Technology	1
National Coal Supply Corporation	1
Israel Coins and Medals Corporation	1
Tourist Industry Development Corporation	1
Eilat Coast Development Company	1
Arad & Dead Sea Region Development Co.	2 (including 1woman)
Old Acre Development Company	2
Environmental Services Company	1 (woman)
Hakfar Hayarok	1
Hameshakem – company for employing the elderly and disabled	1
Marine Education and Training Authority – Israel Military Industries	1
Culture & Economic Projects for State's Workers	1
Israel Electric Corporation	1 (woman)
Port of Eilat	1
Port of Ashdod	1 (woman)
Port of Haifa	1 (woman)
Ayalon Highways Company	1
Halamish	1
Shalom Mayer Tower	1
Maatz – Israel National Roads Company	1
Mekorot Water Company	1
Neta Urban Transportation Company	1
Amidar, Israel National Housing	1 (woman)
Inbal Insurance Company	1
Arim Urban Development Company	1
Prazot, urban government companyfor housing in Jerusalem	1 (woman)
East Jerusalem Development	1 (woman)
Study Fund for Social Workers	1
Study Fund for Biochemists and Microbiologists	1
Study Fund for Social Sciences and Liberal Arts	1
Study Fund for Engineers and Technicians	1 (woman)
Study Fund for Jurists	1
Study Fund for Workers on the Standard Scale	1
Pharmaceutical Study Funds	1
Insurance Fund for Natural Risks in Agriculture	1
The Caesarea Edmond Benjamin de Rothschild Foundation	1
Rotem Industries	1
Israel Railways	1
Shikmona – urban government company for renovating housing in Haifa	2
Electrical &Mechanical Services (EMS)	1
Tadmor Hotel School	1
Petroleum and Oil Infrastructures	1 (woman)
Total	50

Source: The data is from the Government Companies Authority and is updated to August 2005.

Representation of Arab citizens among employees in government companies, government authorities and local authorities:

Local government in Israel is composed of 261 local authorities, including 80 Arab local authorities. Arab employees comprise only 1.25% of the employees at the Union of Local Authorities (ULA), including its subsidiary operations – 13 Arab employees out of 1,009.⁶ Despite the fact that Arab localities participate in the funding and procurement of services from all of the bodies and institutions of the ULA, the representation of Arab citizens in the ULA is very far from reflecting suitable representation. The Arab employees are usually assigned to matters and fields pertaining to the Arab population, and most of them serve in field and operational positions rather than staff positions (where policy is made).

On January 27, 2004, the ministerial committee on Arab affairs decided to instruct the Justice Ministry, together with other relevant government ministries, to study the expansion of arrangements for suitable representation for the Arab population in other bodies, including local government, statutory corporations and government corporations. The Justice Ministry, together with other government ministries, was instructed to present its findings within six months. After this study, and especially after the Justice Ministry received data about the lack of suitable representation for the Arab population, the ministry proposed legislation that would require this representation.

According to a survey conducted in 2002 (the most up-to-date data),⁷ the proportion of Arabs employed in government companies stood at 0.8% (about 400 of 50,000 employees). There is now a bill before the Knesset, sponsored by MK Azmi Bishara and MK Ahmed Tibi, which would ensure suitable representation for Arab citizens among employees of government companies.⁸ The government agreed to advance this legislative initiation, as clarified below:

In Israel, there are a number of governmental authorities in which the representation of Arab citizens is marginal to non-existent. For example: Bank of Israel, Council for Higher Education, Second Authority for Television and

6. The data was presented during a meeting at the Justice Ministry in June 2004.

7. Ibid.

8. Knesset session 250, May 25, 2005

Radio, Antitrust Authority, Anti-Drug Authority, Nature and National Parks Protection Authority, Postal Authority, Government Companies Authority, Antiquities Authority, Israel Broadcasting Authority, Airports Authority.

In regard to some of statutory corporations, there is a requirement for suitable representation of Arab citizens based on the directives of corporation law, which stipulates that the terms of employment in these corporations will be like the terms of employment in the civil service. In other statutory corporations, there is no such requirement. MK Ahmed Tibi submitted a bill that would ensure suitable representation for Arab citizens in statutory bodies where the requirement for representation is not yet anchored in law.⁹

In regard to the local authorities, the Justice Ministry suggested that the legislation would apply to specific local authorities depending on their size and the makeup of their population. This aims, first of all, to impose this requirement for representation on mixed local authorities where there is both a Jewish and Arab population. The Interior Ministry would be empowered to expand this requirement for representation to additional local authorities.

In Conclusion

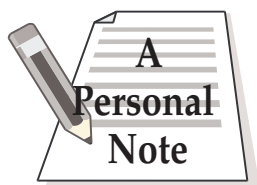
In light of the data presented above, it can be stated that since the events of October 2000, the relations between the state and the Jewish public, on one hand, and the Palestinian minority, on the other hand, are in crisis, characterized by a lack of trust. The various laws and decisions, which are not implemented in a satisfactory way, are liable to prevent many talented people from submitting their candidacy for available positions. Therefore, all of the government bodies should conduct an in-depth review of their personnel recruitment procedures and identify the barriers that make it difficult for Arab candidates to be hired. In addition, it is important to examine the job requirements, criteria for screening candidates and mechanisms for selecting new employees. Each organization should review the internal organizational procedures and atmosphere with the aim of identifying and correcting norms and biases that are liable to block Arab employees.

9. Presented to the Knesset speaker and his deputies, and submitted to the Knesset on March 7, 2005.

An examination of the government's performance leads to the conclusion that the government has taken only symbolic steps and has failed to provide an effective solution for the problem. The state makes policy declarations that are not given real expression. The policy is characterized by a lack of budgetary support and mechanisms for oversight and control.

Despite the fact that the State of Israel, following the lead of democratic countries such as the U.S., Canada and England, enacted laws promising fair representation, it has still not succeeded in establishing mechanisms and ensuring equal opportunity. For this to occur, there is a real need to establish an Equality Commission whose activity, status and independence is secured in law. This type of commission was established in Northern Ireland in an effort to eliminate discrimination, promote equal opportunity and affirmative action, and to monitor and supervise the implementation of the relevant laws in a way that ensures real change.

In my opinion, a commission should be established to examine why the relevant decisions and laws are not being implemented, and to propose recommendations and practical action. This committee should be headed by a (retired) Supreme Court justice and include members of the Knesset and experts.



After six years of editing the Sikkuy Report and intensive writing for it, I took leave of the position of editor this year and my partner in directing Sikkuy, Ali Haider, assumed this task.

In editing the report, I came to regard it as the backbone of the civic struggle to significantly change government policy through its in-depth focus on details, and its expertise in assessing the situation and proposing solutions. This expertise is one of the principal sources of strength of civic society when we come to present an alternative to government practice.

The first report I edited, in the summer of 1999, received no coverage in the Hebrew media. Since then, our methods of publicity have improved, the press has become more interested, and decision makers and the public have become more aware of the state of inequality between Jewish and Arab citizens. Today, there is no longer a need to persuade decision makers and the public that discrimination against Arabs exists in Israel, and we now need to take a leading role in changing this situation. The Sikkuy Report will always serve as a beacon to light the way for those who are ready to see this reality and, especially, to work to change it.

With the publication of this report, my wish to the new editor, and to the dedicated researchers, Michal Belikoff and Nada Matta, is that the report will indeed serve to lead toward equality between Jews and Arabs in Israel.

Shalom (Shuli) Dichter