

The impoverishment of Palestinian Arabs in Israel

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- The Israeli government sets a state budget which is allocated to all sectors of society.
- Claims of economic discrimination are rife given the disparity in living conditions between Palestinian Israelis and Jewish Israelis.
- 61.3 per cent of Palestinian families live below the poverty line compared to 29 per cent of Jewish families.
- Of the Israeli Civil Service employees, just 5% are Palestinian Israelis.
- The Israeli government spends \$1,100 per year on each Jewish Israeli student and \$192 per year on each Palestinian Israeli student.
- In the 2008 – 09 budget the Israeli government apportioned just \$11 million out of \$188 million to the Palestinian infrastructure within Israel.



The Palestinian population living within Israel is estimated to be 1.5 million citizens, approximately 20 per cent of the Israeli population. Of this number, about 370,000 are 'internally displaced'; they live in Israel but are not allowed to return to their homes or villages from which they were displaced during the 1948 Nakba (Catastrophe). Often regarded as the 'forgotten Palestinians' of the region, the Palestinians who reside in Israel find themselves in a unique situation compared to their compatriots in Israel and their neighbours in the West Bank and Gaza Strip –they are not entitled to the same rights as Jewish Israeli citizens and are not included or represented in the political negotiations.

In recent years, Palestinians in Israel have become more assertive and organized in their attempts to reverse the growing trend toward far right policies of racial discrimination. Since this trend has entered the official political discourse, the Palestinian community in Israel have campaigned to highlight the disadvantages they face. Israel's incumbent government have, since 2009, passed several bills to force non-Jewish citizens to declare loyalty to a 'Jewish state', as well as limit their ability to own or purchase property and land.



The Palestinian community in Israel functions within a distinct sphere to Jewish Israelis; they live in separate areas, follow a separate education system, and utilize a different health care system. Notwithstanding, almost all systems are centrally controlled and financed. As a result of this pattern of separate development the Palestinian community find themselves subject to policies of 'economic discrimination'. Much of Israel's budgets for social services are disproportionately distributed between the Palestinian and Jewish communities.

Poverty and Employment

A recent report by the Organisation for Economic Cooperation and Development (OECD) estimated that approximately 50 per cent of the families that live in impoverished conditions in Israel are Palestinian¹. About 61.3 per cent of Palestinian families were actually living below the poverty line compared to only 29 per cent of Jewish families.

The stark differences between the poverty of the two communities are a result of the lack of employment opportunities offered to Palestinian Israelis. Despite their noticeable lack of employment opportunities there is a significant absence of support from the state. Though the Israeli authorities maintain a welfare system to provide support for families suffering from economic hardship, Palestinian families often find themselves excluded from this. Most education scholarships and housing loans are only provided to people who have served in the Israeli army (which Palestinians are not required to do).

Though Israel is regarded by the European community as a 'burgeoning economy' – it has allowed two parallel economies to develop. Unemployment rates demonstrate this most glaringly. Of the 40 towns which suffer the highest unemployment rates in the country, 36 are Palestinian towns. Palestinians who manage to gain employment find that their wages are significantly lower than their Jewish counterparts; an average Palestinian wage is just under 30 per cent less than a Jewish wage. There are numerous reasons for the employment disparities between the two communities; the import of cheaper foreign labour, the lack of opportunities located near Palestinian areas and an inherent preference by Jewish Israeli employers to employ Jewish Israelis over Palestinian Israelis.



The Israeli authorities encourage large foreign worker migration from Sub-Saharan Africa and East/South East Asia, offering these workers higher wages than they would receive in their homes and other financial benefits such as housing and health care. As these workers offer a cheaper labour force, agricultural producers favour their employment. Palestinian communities tend to locate themselves in particular regions within Israel such as the Negev, northern Israel and Nazareth. As a result of this, there is less employment opportunities near these areas because businesses and entrepreneurs tend to locate their ventures in Jewish areas.

Israel's civil service employment figures reveal that of its total employees just five per cent are Palestinian, nowhere near representative of the 20 per cent of Palestinian Israeli citizens living within Israel. The Ministry of Finance and the Foreign Ministry together employ just 12 Palestinians despite their total workforce amounting 1,700. Until 2006 neither the Bank of Israel nor the state run electricity company employed any Palestinians. Total figures estimate that Palestinians hold just two per cent of employment posts in the Israeli government's ministries and parliament.ⁱⁱ

The Palestinian community accounts for just eight per cent of the overall economic activity within Israel. As the community faces severe financial difficulty they are unable to fund their own living to adequate standards; yet they receive little government support and often find themselves passed over for employment opportunities in favour of their Jewish and foreign counterparts.

Although the Israeli government have released figures exemplifying the lack of economic activity amongst Palestinian Israelis, they do not release any information relating to their budget allocations for welfare support or education allowances for the Palestinian community.

Much of the welfare support that Palestinians access is through local, community based philanthropic organisations. Of the state-funded welfare programme, no specific allocation is made for Palestinian Israelis, although the Mossawa Centre did in 2009 produce a report calling for \$128 million of the \$1.25 billion to be allocated to the Palestinian sector.ⁱⁱⁱ Only four per cent of the overall development budget was allocated to the Palestinian community in 2008/09, offering very few opportunities for economic development.

As unemployment continues to rise, the Palestinian inhabited areas cannot develop due to a lack of funds from the local inhabitants themselves. Hence the vicious circle continues as there remains no employment generation and no opportunity to develop businesses that would provide employment. As well as the lack of state support, much of the poverty is linked to the existing educational system, where Palestinian Israelis receive substandard schooling and facilities. Ultimately, they begin life with fewer chances to progress and achieve academically.



Education

Israel operates a two tier education system in which the Palestinian and Jewish communities function independently, though both are controlled by the Israeli government and their budgets are centrally allocated. Schools which are run by private organisations in both the Jewish and Palestinian communities are nonetheless centrally regulated and subject to the same rules as state run school.



The two tier system means that schools either operate within the Hebrew or Arabic speaking tier. Whilst much of the basic maths, science and English curriculum are similar, the curriculum differs in regards to history and culture. Whereas the Arabic schooling system must teach Hebrew as a second language, the Hebrew schools are not required to provide any knowledge of Arabic within their curriculum. Additionally, history lessons and text books offer a single historical perspective, which narrates Israeli history and disregards the Palestinian narrative.^{iv}

Although the two tier system ceases to operate at university level where both Palestinian and Jewish students attend the same universities, numerous obstacles are placed in the way of Palestinian students. Since the procurement of dormitory accommodation is based on military service they are automatically disqualified. Some far-right leaders advocate the denial of higher education as a means of forcing young Palestinians to leave their country. Benny Elon, a former cabinet minister, notoriously summed up the policy as: “I will close the universities to you, I will make your lives difficult, until you want to leave.”^v

As well as controlling the curriculum and the way in which the schooling system is managed, the Israeli authorities’ most effective form of manipulation is through the control of the education budgets. The financial distribution between the systems significantly discriminates against the Palestinian community. Several NGOs report on the inferior quality of education afforded to Palestinian children in comparison to their Jewish counterparts. The 2004 US State Department Country Report on Human Rights pointed out that the average number of school years for Jewish Israeli children was an extra three years more than Palestinians.^{vi}



The High Follow-Up Committee estimates that the Israeli authorities spend \$192 per Palestinian Israeli child per year compared to an average of \$1,100 per Jewish Israeli child per year. Similarly, a 2009 study by Hebrew University's school of education showed that budget allocation for special assistance for Palestinian Israeli students from poorer backgrounds was 20 per cent of the allocation for Jewish students.

As Palestinian Israel children receive less financial support, the state run education system runs at a sub-standard level and inevitably produces poorer results. Fewer Palestinian Israeli children enter high education than their Jewish counterparts, and the dropout rate among Palestinians is approximately 12 per cent whereas the Jewish Israeli dropout rate is just six per cent.^{vii}

The Israeli government's management of the education system exemplifies their delivery of economic discrimination. The budgets do not reflect the actual fiscal situation of the communities they purport to serve and the Palestinian Israeli community, though worse off, receives less financial support per student than their Jewish counterparts.

Infrastructure

The disparity in conditions between Jewish and Palestinian areas in Israel is evident, even without analysis of the budgets as the two communities inhabit separate areas in Israel. Palestinian areas show much less vegetation than the neighbouring Jewish areas, with dryer lands, worse roads and poorer housing. Israeli budgets do not take account of the worsening conditions in the Palestinian areas, which have received very little in terms of fiscal support for infrastructure development.

In the 2008 – 09 budget the Israeli government apportioned just \$11 million out of \$188 million to the Palestinian sector. State sponsored construction is often limited to Jewish areas and in recent years Palestinian areas have received just 13 per cent of the construction budgets.^{viii} Nazareth which is seen as the hub of the Palestinian community in Israel has a number of half constructed or very poorly constructed buildings, with overfull storage yards and little opportunity to fund further development. Yet, this is not due to lack of material or opportunity as Tel Aviv has become the forefront of modern development with sprawling, modern building complexes, offices and houses which resemble many modern cities across Europe. However, as the Israeli authorities offer less financial support, areas such as Nazareth remain undeveloped.

In 2010 the Israeli government pledged \$200 million investment in Nazareth - this pledge has been viewed with much scepticism as it follows a similar pledge made 10 years earlier to invest



in the same area but which did not come to fruition. In recent years the decaying roads in Palestinian areas have been widely reported in the international media as one of the most obvious symbols of Israel's 'apartheid' system. It is for this reason that the Israeli authorities have claimed they intend to invest huge sums in the development of these areas. However, the Mossawa Centre maintains that should any promised investment be filtered through, this would only cover previous cuts made to the Palestinian municipalities' budgets.

In addition to these multiple disadvantages in Palestinian areas, there is also the worsening problem of home demolitions, particularly in what the Israelis refer to as the 'unrecognised villages'. These are primarily Bedouin villages, mainly located in the Negev; they face regular demolitions by the Israeli authorities. The Israeli authorities have claimed that these homes are destroyed as they do not have the necessary 'permits' required by law. El Araqib, a village in the Negev has been destroyed 21 times in six months. Despite these claims by the Israelis, many of the villagers do have deeds which prove their ownership of the land, often dating back long before the creation of the state of Israel.

As housing loans cannot be obtained and Palestinian areas face a massive gap in investment, it is unlikely that they would benefit from any fiscal stimulus. Centrally controlled budgets are tightly managed and what little money is provided is used to part fill the potholes of previous cuts – leaving no money for further development.



Concluding remarks

Although Israeli does not produce a detailed budget providing accurate details on the proportion of spending for each community, it is evident that the Palestinian community in Israel continues to face a tidal wave of economic discrimination. Substantially more Palestinian Israelis live below the poverty line; they have less access to education and employment opportunities.

Despite Israel's accession to membership of the OECD in 2010 the imbalance between the two communities' remains one of stark contrast with other OECD countries. In fact, it could be argued that Israel is the only member state which implements laws to enforce a system of separate development - apartheid.

The apartheid policies of the Israeli government are applied to the economy of the Palestinian community as much as any other sector. Of all the accounts of racism in Israeli society, it is the economic racism which provides the most compelling evidence of state sanctioned policies which promote racial intolerance and disparity between the different communities in Israel.

Through limiting the budgets of services provided to Palestinian Israeli citizens, the government ensures a cyclical continuation of fiscal policies which impoverish, marginalize and subjugate the Palestinian community. They receive substandard education, live in poor housing conditions, suffer higher employment rates and have significantly less access to funds for infrastructural development. This two tier system is symptomatic of a worldview that is archaic, degenerate and ultimately self-destructive.



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