

## Economic Development and Integration of the Israeli Arab Communities

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After an hour and a half of lively debate, a clear consensus emerged between all of the distinguished speakers that improvement in quality of education for the Israeli Arab community is necessary to encourage economic development and integration.

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*By Maya Efrati*

*Second year student, Lauder School of Government, Diplomacy and Strategy*

Economic integration of the Arab sector is an increasingly important subject in Israel. Arabs compose 20% of the Israeli population, yet contribute as little as 6% of the economic capacity; a clear net loss not just for Arab population in Israel but for the Israeli economy as a whole. There are several major hindrances to the economic development of Israeli Arab communities, for example the lack of transportation to and from Israeli Arab towns. There is almost no investment in these communities due to such a clear lack of infrastructure in terms of electricity, transportation, and other basic necessities. Furthermore, the substandard transportation infrastructure presents a major obstacle for those Arabs who have no consistent way to get to work.

Another problem is the lack of credit and capital available to Israeli Arab communities. Credit is limited severely by high interest rates as well as extremely stringent constraints placed on loan recipients.

The main issue that all of the speakers emphasized was the lack of human capital. The level of education within the Israeli Arab community is extremely low, especially as compared to the Jewish Israeli community. The education gap between the Arab sector and the Jewish one is currently about 3.5 years of study, yet the gap is

compounded further by the difference in the quality of education. One main point that Mr. Samir Nachleh emphasized is that the quality of education must change. Students must be taught business, technology and industry in order for the future Arab workforce to have the same opportunities as the Jewish one. Furthermore, money invested per student differs greatly between central towns with a Jewish majority, such as Tel Aviv, and Arab peripheral towns. There is a clear correlation between the amount of money invested per student and the student's achievements in the professional world.



Samir Nachleh [photo: Ori Porat]

The government has endorsed an initiative attempting to raise the Arab sector to 10% of the economy, yet this goal probably will not be reached within its timetable. MK Dr. Ahmad Tibi noted this, adding that as



a result, the government should take active steps, rather than passive ones, toward the objective. In the public sector for example, Arabs are essentially relegated to lower levels, never reaching the echelons of decision-making reserved for the Jewish majority. Members of the Israeli Arab community often have severe difficulties in entering even the general workforce because of strong biases and distrust that exist throughout society.



MK Ahmad Tibi [photo: Ori Porat]

All of the speakers agreed that it is in the interest of the government and of the Israeli economy to evolve the Arab sector and integrate it into the economy. This assistance should not be given as goodwill or charity, but rather within the interest of the economy itself. Today 10% of the Israeli workforce is foreign, and at the same time Israel is exporting jobs to Eastern Europe and Asia. Israeli jobs are being outsourced, while unemployment remains prominent within the Israeli Arab community. This situation is obviously not beneficial for either Israeli Arabs as a community or for the Israeli economy in the global arena. When the interest of businesses, the goodwill of the government and the Arab population is combined, the Israeli Arab community within can experience true economic development.