



**UN CESCR INFORMATION SHEET # 1**

**MAY 2003**

## Social and Economic Rights - Palestinian Citizens of Israel

This document includes information relevant to questions #3, #9 and #24 from the UN CESCR List of Issues.

### Socio-Economic Cluster Rankings

In February 2002, the Israeli Central Bureau of Statistics issued a report which divided 210 villages, towns and cities into 10 socio-economic clusters, based on numerous indicators including education, standard of living, unemployment, and receipt of state benefits.<sup>1</sup> Localities grouped in cluster one ranked lowest according to these indicators; those in cluster 10 ranked highest. The following tables were derived from this cluster ranking.

**Table 1: Classification of Israeli Localities by Socio-Economic Cluster (2002)**

Socio-economic cluster ranking	Total number of localities in cluster	Number of Arab localities in cluster	Percentage of Arab localities in cluster
1	10	9	90%
2	37	32	86%
3	29	22	76%
4	30	14	47%
5	31	2	6%
6	17	1	6%
7	19	0	0%
8	25	0	0%
9	9	0	0%
10	3	0	0%
<b>Total</b>	<b>210</b>	<b>80</b>	

#### Observations

- All Arab towns are in clusters one to six; the majority of these towns are in clusters one to three, the poorest in Israel. All towns and cities in clusters seven to ten are either Jewish or mixed Jewish-Arab.
- All seven of the government-planned towns for the Arab Bedouin in the Naqab (Negev) are in cluster one, the lowest socio-economic stratum. The towns are Kessife, Rahat, Tel Sheva, Segev Shalom, 'Aroua, Hura and Laggiya.

Four pairs of towns from three regions of the country, including the four largest Arab towns in Israel, are compared in Table 2: In the Galilee region, Nazareth and Natserat Illit, and Shafa'amr and Migdal Haemeq; Umm al-Fahem and Afula in the Triangle; and Rahat and Dimona in the Naqab. Each pair includes one Arab and one Jewish town with comparable populations, located in the same geographic area.

**Table 2: Comparison of Selected Arab and Jewish Towns by Socio-Economic Indicators (2002)**

Town (Jewish towns in italics)	Population	Socio-economic cluster ranking	Average per capita income (NIS)	% aged 17-18 holding matriculation certificate
1. Nazareth	58,268	3	1834.53	40.61%
<i>Natserat Illit</i>	43,728	5	2464.9	46.48%
2. Shafa'amr	27,740	3	1666.2	26.82%
<i>Migdal Haemeq</i>	23,528	4	2261.91	36.52%
3. Umm al-Fahem	33,395	2	1153.0	23.60%
<i>Afula</i>	37,586	5	2547.95	40.47%
4. Rahat	38,982	1	1069.96	8.6%
<i>Dimona</i>	34,010	4	2310.93	37.24%

#### Observations

- All Arab towns are in socio-economic clusters one to three. All Jewish towns are in clusters four and five.
- Average incomes in the Arab towns range from 26 to 50% lower than their Jewish counterparts.
- There are between two and four times as many matriculation certificate holders in the Jewish towns than in their Arab counterparts. Only 8.6% of Rahat residents have matriculation certificates.

## Unemployment

In February 2003, the unemployment rate in Israel (the percentage of registered unemployed persons seeking but unable to find employment in the civilian labor force) was 10.3%, virtually unchanged from its 2002 level of 10.4%.<sup>2</sup> The unemployment rate has increased by 1.5% since 1999, when it stood at 8.8%.

**Table 3: Towns with Higher and Lower than Average Unemployment Rates<sup>3</sup>**

Towns with Higher than Average Unemployment Rates (2003)	
Arab	46
Jewish	0
Mixed	1
<b>Total</b>	<b>47</b>

Towns with Lower than Average Unemployment Rates (2003)	
Arab	28
Jewish	114
Mixed	6
<b>Total</b>	<b>148</b>

### Observations

- 46 of 47 (97.8%) towns with higher than average unemployment rates are Arab.
- The 25 towns with the highest unemployment rates, ranging from 13.9% - 24.8%, are Arab.
- The seven government-planned towns for the Arab Bedouin in the Naqab are among the 20 towns with the highest unemployment rates, ranging from 14.8% - 24.8%.
- 77% of the towns with a lower than average unemployment rate are Jewish towns.

## Poverty<sup>4</sup>

In 2000, the poverty line for individuals was NIS 1,338/month. For families, the poverty line depended on the size of the family and ranged from NIS 1,673/month to NIS 7,494/month.

### Incidence of Poverty Among Arab and Jewish Families (1998-2000)

Year	Arab Families	Jewish Families
1998	36.9%	15.1%
1999	40.6%	15.0%
2000	42.9%	14.3%

### Incidence of Poverty Among Arab and Jewish Individuals (1998-2000)

Year	Arab Individuals	Jewish Individuals
1998	37.1%	13.9%
1999	42.9%	14.2%
2000	44.9%	13.6%

### Incidence of Poverty Among Arab and Jewish Children (1998-2000)

Year	Arab Children	Jewish Children
1998	42.9%	16.1%
1999	51.4%	17.5%
2000	52.8%	17.2%

### Observations

- Between 1998 and 2000, poverty among Arab families, individuals, and children increased by 6-10%.
- Among Jewish families, individuals and children, the poverty rate remained relatively stable, neither increasing nor decreasing more than 1% during the period.
- Poverty rates among Arab families, individuals and children during the period were two and half to three times greater than those among Jewish families, individuals and children.

# Challenging State Policies of Socio-Economic Discrimination against Palestinian Citizens of Israel

## Supreme Court Cases filed by Adalah

**Challenging the Discriminatory Criteria Used to Determine Distribution of Balance Grants to Jewish and Arab Municipalities.** Petition filed in July 2001 seeking equal, objective criteria to be used by the government in distributing balance grants to municipalities. The budget deficits of Arab municipalities account for 45% of the total deficits of all municipalities in Israel. A complex method of calculating the distribution of these grants, which differs for Arab and Jewish towns, leads to discrimination in budget allocation. The state argued that, based on its calculations, there was no discrimination in the distribution method; on the contrary, there is a policy of affirmative action that awards Arab municipalities 21.5% of the budget

grants, which is greater than the percentage of Palestinian citizens in the state. Adalah rejected this claim and argued that in order to ensure a minimum of basic services for their residents, funding allotments for the Arab municipalities should be among the highest in the country, since these towns consistently rank lowest on all social and economic indices. The percentage-of-the-population criterion is not a relevant consideration in this instance; rather, distributions should be based on economic need. The Court issued an *order nisi* in June 2002. Case pending.

*H.C. 6223/01, National Committee of Arab Mayors, et. al. v. Ministry of the Interior, et. al.*

---

**Exclusion of Arab Localities from the National Economic Priority List.** Petition filed in May 1998 challenging the government's arbitrary and discriminatory selection of towns for the national priority list (NPL). The NPL classifies selected towns as "A" or "B" priority areas that receive benefits such as extra educational funding, additional mortgage grants and tax exemptions to residents, and tax breaks to local industries. The government assigns "A" and "B" status almost exclusively to Jewish development and border towns, and to settlements in the Occupied Territories. Almost all

severely socio-economically depressed Arab towns are excluded from "A" priority areas. Adalah argued that current selection discriminates against Arab towns, and that clear socio-economic criteria should be set for selection. In December 2002, the Court ordered the state to explain why it should not cancel the decision excluding Arab towns from the NPL. Case pending.

*H.C. 2773/98, The High Follow-Up Committee on Arab Affairs, et. al. v. the Prime Minister of Israel*

---

**Budget Cuts in Child Allowances.** Petition filed in 6/02 seeking the cancellation of an amendment to the National Insurance Law (1995) that would cut all child allowance payments by 4%, with an additional 20% cut in payments to families without a relative who served in the Israeli army. The majority of Palestinian citizens of Israel are exempted from and do not serve in the army and would be most severely affected by the new law. Adalah argued that the law is unconstitutional, as it intentionally discriminates

against Palestinian citizens and violates the right to equality. Adalah stressed that it is illegitimate in a democratic society to make the enjoyment of equal civil rights conditional on military service. In October 2002, the Court froze the implementation of the new law until the end of proceedings in the case. Case pending.

*H.C. 4822/02, The National Committee of Arab Mayors and Adalah v. Avraham Burg, Chair of the Knesset, et. al.*

## **The Multi-Year Plan for Development of Arab-Sector Communities**

### **Context of the Plan’s Introduction**

In early October 2000, Palestinian citizens of Israel staged demonstrations in towns and villages throughout the country to protest against the government’s oppressive policies against Palestinians in the 1967 Occupied Territories (OTs). These protests erupted three days after al-Aqsa Intifada began in the OTs, during which the Israeli army and security forces killed and injured scores of Palestinians.

During the demonstrations in Israel, the police and special sniper units killed 13 unarmed Palestinian citizens of Israel and injured hundreds more using live ammunition, rubber-coated steel bullets, and tear gas. The firing of live ammunition and rubber bullets at protestors, including the use of snipers, are all prohibited by law and even violate internal police regulations. Israeli Jewish citizens also attacked Palestinian citizens of Israel, their property and their holy sites in early October 2000. Close to 700 Palestinian citizens of Israel were arrested in connection with these events, and hundreds, including scores of minors, were indicted and detained without bond until the end of trial.

### **Challenging Lack of Implementation – More than NIS 94 Million Unspent in 2002**

The Association for Civil Rights in Israel (ACRI), Mossawa, and the National Committee of Arab Mayors filed a petition in February 2003 against several government ministries, demanding the full implementation of the Multi-Year Plan, and that unused budget funds for 2002 – over NIS 94 million (about US \$20.5 million) – be preserved and carried over to the 2003 budget.

At hearings held in February 2003, the Supreme Court decided that the petition would remain pending

### **Overview of the Multi-Year Plan**

**Source:** Government Decision #2467, approved 22 October 2000.

**Aim:** “To act for the socio-economic development and advancement of the Arab sector communities and to reduce gaps between the Arab and Jewish sectors.”

**Spending:** NIS 4 billion (US \$900 million) for 72 Arab towns over a four-year period, from 2001-2004. Three specific areas of spending: Physical infrastructure; economic development; education.

Soon after the October 2000 protest demonstrations, the Israeli government, led by then-Prime Minister Ehud Barak, decided to approve the Multi-Year Plan. By setting forth the Plan, the government attempted to calm the anger and frustration within the Palestinian community in Israel, as elections were imminent and the Labor Party sought “Arab votes.” While the Arab political leadership did not view the Multi-Year Plan as a solution to the historical discrimination against Palestinian citizens of the state, they agreed to welcome the Plan, hoping that it would be the beginning of such a process.

until the Ministry of Finance decides what it will do with the unused budget funds. The Court ordered the Ministry to present updated statistics regarding the amount of the remaining 2002 budget funds originally earmarked for the Plan. After the submission of statistics and the Ministry’s decision regarding the planned use of these monies, hearings on the petition will resume. Case pending.

See *H.C. 10886/02, Mossawa, et. al. v. Ministry of Finance, et. al.*

## State Attempts to Use Multi-Year Plan to Justify Exclusion of Arab Towns from Other Socio-Economic Programs

**Urban Renewal Programs (URP):** Petition filed by Adalah in January 2000 on behalf of the National Committee for Arab Mayors against the Minister of Construction and Housing, et. al. Petitioners challenged the discriminatory implementation of this government program, arguing that there is a lack of objective, socio-economic criteria to govern its administration.

Despite the stated purpose of the URP, which is to reduce societal inequities in the country, almost all of the poorest Arab municipalities were excluded from the program for 20 years. From the inception of the programs until the filing of the petition, 56 Jewish localities and 99 Jewish neighborhoods had benefited from the URP, as compared with 4 Arab villages and 14 Arab neighborhoods.

In December 2001, the Supreme Court ruled that government

ministries must set clear, objective and equitable criteria to determine URP beneficiaries, and implement the URP in communities that need it most. Further, the Court ruled that the Multi-Year Plan, relied on by the state to justify exclusion, cannot stand as an alternative to the URP for two reasons: (1) The state presented no evidence of actual, concrete budget allocations in 2001 in accordance with the Multi-Year Plan; and (2) The Court was not convinced that the Multi-Year Plan offered a parallel program rendering the URP allocations unnecessary.

See *H.C. 727/00, The National Committee for Arab Mayors, et. al. v. Minister of Construction and Housing, et. al.*, decision delivered 12 December 2001.

**Ofeq Program:** Petition filed in July 2002 by Adalah and the Tel Aviv University Law Clinic on behalf of the National Committee for Arab Mayors, the local councils of Kufr Manda, Ein Mahel and Kessife. Petitioners challenged the government's arbitrary and discriminatory decision to exclude Arab municipalities from "Ofeq" program funds.

The Ofeq program aims to improve areas where residents suffer from high unemployment rates and other low socio-economic living conditions. Of the 11 localities chosen for this NIS 1.44 billion (US \$30 million) program, only one is an Arab town, Tel el-Sebe (Tel Sheva). Tel el-Sebe is a government-planned town located in the Naqab, with a population of 10,000. Arab localities top the list of high unemployment areas that also have the lowest socio-economic status. The petitioners demanded that the government use clear, objective criteria, based on socio-economic need and unemployment rates, to

determine the beneficiaries of the program. In November 2002, the Court granted an *order nisi*.

The state responded to the petition in March 2003 claiming that:

- Arab towns and villages have the Multi-Year Plan, which provides programs similar to Ofeq, if not more. Therefore, there is no need to include more Arab towns in the program.
- The state admitted that it does not know exactly how much money each Arab town has received for which project or projects under the Multi-Year Plan.

Case pending.

See *H.C. 6488/02, The National Committee of Arab Mayors, et. al. v. The Director's Committee for Fighting Unemployment in Settlements with High Unemployment Rates, et. al.*

## Observations

- The state's implementation of the Multi-Year Plan lacks transparency. Reports provided by the state indicate that funds allocated for the program were spent by certain ministries, but do not identify how the funds were used, on which projects, in each Arab town. Further, Arab mayors report that they do not know how much money their towns are supposed to receive from

the plan, from which ministry, or for which projects.

- Researchers have found considerable evidence that the Plan will not close socio-economic gaps and disparities between Palestinian and Jewish citizens in Israel. In fact, studies have shown that governmental budget allocations to Arab communities in Israel have decreased from previous years.<sup>5</sup>

## Proposed Questions for Israel

1. What measures, if any, is Israel taking to alleviate the extreme socio-economic crisis faced by Arab communities and families in Israel? Given this crisis, why are Arab municipalities consistently excluded from socio-economic stimulus programs?

2. Why did the state fail to spend the funds allocated under the Multi-Year Plan for Arab towns and villages in Israel in 2001 and 2002?

3. Please provide information as to exactly how the state spent funds in 2001 and 2002 under the Multi-

Year Plan, e.g., by ministry, by project, by Arab town. If the state cannot provide precise information on actual project spending, what is the justification for excluding Arab towns and villages from other governmental programs to alleviate poor socio-economic conditions?

4. Please provide information on exactly how the state intends to spend funds in 2003 and 2004 under the Multi-Year plan, e.g., by ministry, by project, by Arab town.

---

## Notes

<sup>1</sup> Central Bureau of Statistics, "Characterization and Ranking of Local Authorities: Local Councils and Municipalities- index, rank, cluster membership, population, the values, and ranking for the variables used for the classification," Feb 2002, [www.cbs.gov.il/hodaot2002/13\\_02\\_48.htm#tabsgraphs](http://www.cbs.gov.il/hodaot2002/13_02_48.htm#tabsgraphs)

<sup>2</sup> Central Bureau of Statistics, "February 2003 Preliminary Trend Data of the Unemployment Rate Labour Force Survey," Table A, [www.cbs.gov.il/hodat2003/17\\_03\\_89tl.htm](http://www.cbs.gov.il/hodat2003/17_03_89tl.htm)

<sup>3</sup> Derived from Employment Services, "Data Regarding Workforce, Employment Seekers, and Rate of Employment by Town (in which at least 1000 belong to the workforce)," February 2003. To calculate the rate of unemployment for each town, the percentage of unemployed from 16 to 20 days and the percentage of unemployed 20 days and more were added together. This rate was then compared to the unemployment rate of 10.3%.

<sup>4</sup> National Insurance Institute, "Annual Survey 2001" (2002), Tables 1, 9, 10 (Hebrew).

<sup>5</sup> Shalom Dichter and Molly Malekar, "The 'Four Billion Shekel Plan' – A Road to Continued and Intensified Discrimination," in The Sikkuy Report 2001-2002, available at [www.sikkuy.org.il](http://www.sikkuy.org.il)