

# **The Arab Minority in Israel's Economy**

Patterns of Ethnic Inequality

**Noah Lewin-Epstein and  
Moshe Semyonov**



# The Arab Minority in Israel's Economy

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To the memory of our fathers,  
Jacob Lewin-Epstein and  
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# Preface

In a socially and economically integrated society the Arab citizens of Israel would long have been marked for special treatment—the object of concerted compensatory policies—to redress their disadvantaged situation. Israel, however, is an ethnically divided society, in which the Arab population is a subordinate minority. Lagging behind in educational achievement, standard of living, and public services, the Arab sector has encountered for the most part a lack of concern on the part of Israel's (mostly Jewish) public and its leadership. By examining patterns of competition and inequality between Jews and Arabs we intend to both contribute to sociological knowledge and to draw out policy implications.

Israeli Arabs are citizens of the state. As citizens they enjoy formal political equality, but since its establishment over forty years ago Israel has not developed a genuine universalistic civil ideology that would equally embrace all its citizens, regardless of their ethnic affiliation. For many years the Arab citizens of Israel have been all but “invisible” on Israel's public agenda. One cannot escape the conclusion that the primary disposition of the governments of Israel has been to keep the Arabs in a segregated marginal position within the Jewish state. The “invisibility” of the Arab citizens of Israel was also manifest in mainstream social science discourse until quite recently.

The research reported in this book joins a modest, but growing, body of literature that aims to redress the paucity of scholarly work concerning what we consider to be the principal cleavage in Israeli society. In the following text we intend to explore the extent of disadvantage faced by Arabs, particularly in the realms of work and resource allocation, and to examine its sources and institutionalized patterns. As such, we intend the contribution of this book to be twofold: first, to provide a theoretical perspective on multi-ethnic societies based on the concept of group competition, and second, to highlight a crucial aspect of inequality in Israel and enhance our understanding of Israeli society. We hope that our endeavor will stimulate further interest in Jewish-Arab relations in Israel and serve as a catalyst for changes that will make Israel a more humanistic and universalistic society.

It is important to clarify at the outset that the research reported here concerns the Arab *citizens of Israel*—those residing within the 1948 state borders. It does not include the residents of territories occupied by Israel since 1967



who are not citizens of Israel, and whose legal and political status is fundamentally different. The predicament of the latter undoubtedly deserves extensive investigation, and indeed our book *Hewers of Wood and Drawers of Water*, published in 1987, specifically addressed this issue. While recent events have clearly out-paced the bearings of past research, an updated examination of the topic is beyond the scope of the present monograph.

The decision to focus on the Arab citizens of Israel, rather than on Palestinians in general, reflects our conviction that the central issues facing Israeli Arabs and those residing in the occupied territories, although related, are fundamentally different, and they should not be confounded. In the forty-five years that Israeli Arabs have lived as a minority in the State of Israel they have emerged as a distinct segment of the Palestinian people. Although fully sympathetic to the plight of their brethren in the occupied territories, their interests are diverse, and their position as part of Israeli society plainly sets them apart. In no time has this been more evident than during the recent years of the *Intifada*. The aim of residents of the West Bank and Gaza is clearly to form a separate state. For Israeli Arabs, by way of contrast, the terms of participation in Israeli society are the central issue of concern.

This book is not intended to address all issues surrounding the condition of Arabs in Israeli society. In particular we do not deal with the matter of the realization on the part of Arabs not only of full citizenship but also full membership of the nation. We recognize that the problem of symbolic identification and Arabs' collective aspirations cannot be fully resolved without a fundamental metamorphosis of the State of Israel. We surmise, however, that addressing the issues of inequality and subordination in a systematic and pointed manner in itself may facilitate a "re-accommodation" of the Jewish majority and the Arab minority in Israel.

Throughout the book we use survey and census data, and we frequently employ statistical methods of analysis in order to provide precise details of the topics under discussion. Our data sources are varied although the overwhelming majority of statistical information comes from the Central Bureau of Statistics. We are fully aware of the difficulty in addressing broad issues of a fundamental nature, or of attempting to substantiate theoretical arguments, using statistical information depicting a particular period. This is a perennial problem facing researchers, which is accentuated when the data are measured at different points in time.

We devoted considerable efforts to bringing our data up-to-date. In some instances information was available for certain points in time but unavailable for others. Naturally, we made use of the best data available to us. Some of our analyses required particular information and very large sample sizes present only in population censuses, the last of which was carried out in 1983. The reader should take note that, apart from the historical background, our discussion of the data and their implications is given in the *present* tense, even though some of the data analyzed were collected several years back. We chose to use the present tense in order to emphasize the urgency of the issues under study and to convey the point that the patterns revealed are descriptive of the position of the Arab minority in Israel. It reflects our belief that

although specific figures may have shifted, the underlying patterns have remained substantially unaltered.

Our research was carried out over a period of several years and was supported by generous grants from the Israel Foundation Trustees (grant #14) and from the David Horowitz Institute for the Study of Developing Countries. Several superb graduate students helped out in data preparation, analysis, looking up references, and not least, in providing an attentive ear and commenting on our ideas. We extend our appreciation to Tammy Lerenthal, Anat Oren, and Rebecca Raijman. We benefitted from helpful suggestions made by Yitchak Haberfeld and Yehouda Shenhav on preliminary drafts, and we are especially grateful to Yinon Cohen, who took the time to read the entire manuscript and provided numerous illuminating comments. We take this opportunity to thank Yasmin Alkalai for her masterful handling of the large and complex data sets, and Sylvia Weinberg for her expert word-processing skills and for her never-ending patience. Deborah Golden contributed numerous suggestions while doing an outstanding job in editing the manuscript.

\* \* \*

Some of the findings presented in this book have been reported in *American Sociological Review* 53 (1988):256–266, 55 (1990):107–114; *European Sociological Review* 8 (1992):39–51; and *Social Forces* 68 (1989):379–396, 70 (1992):1101–1119.

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