



STATE OF ISRAEL
MINISTRY OF FINANCE

Economic development and integration plan for the Arab sector

March 2016



Inter-Agency Task Force on Israeli Arab issues

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The importance of the program

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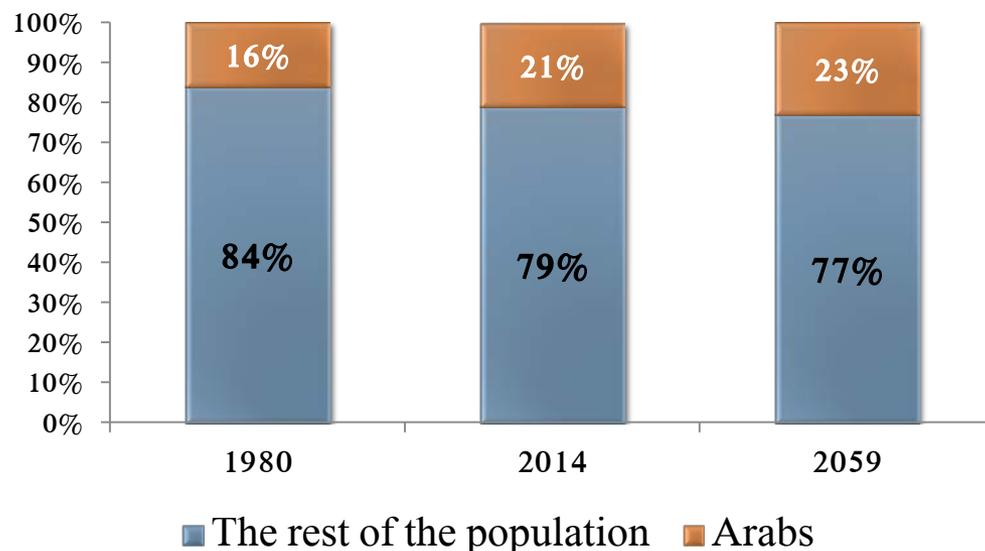
Examples of the program components

The importance of the Arabs economic integration



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A Glance to the future:
Demographic trends -
percentage out of total
population



**Employment
rate of Arab
women – 33.2%**

Employment and education rates



**Bagrut
entitlement rate
of Arabs - 45.7%**

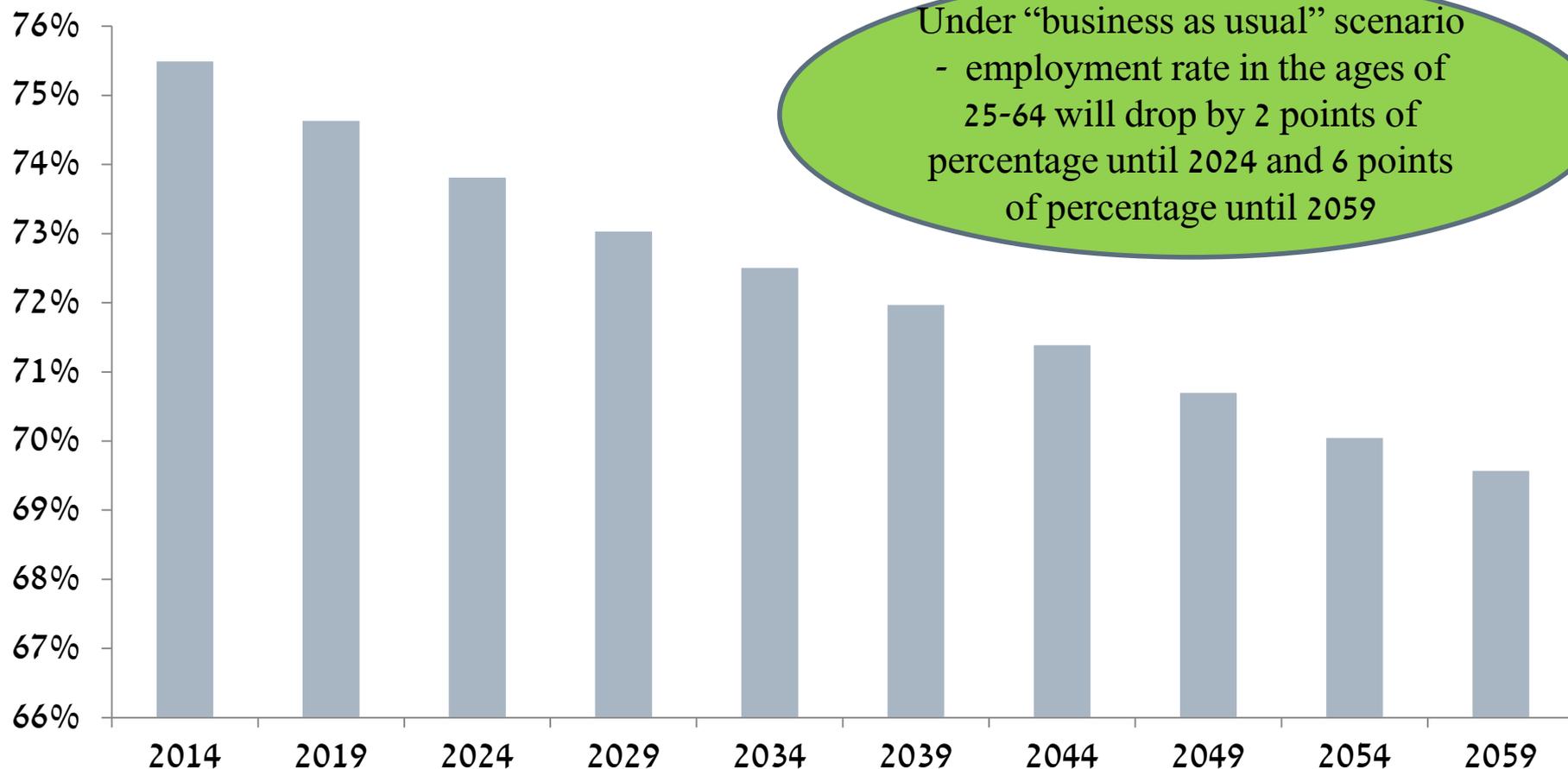
The importance of the Arabs economic integration

Challenges – influence of demographic on employment rate



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Employment rate



Source: CBS and the processing of Israel national bank. Based on the assumption that the employment rates and the fertility rates remain constant

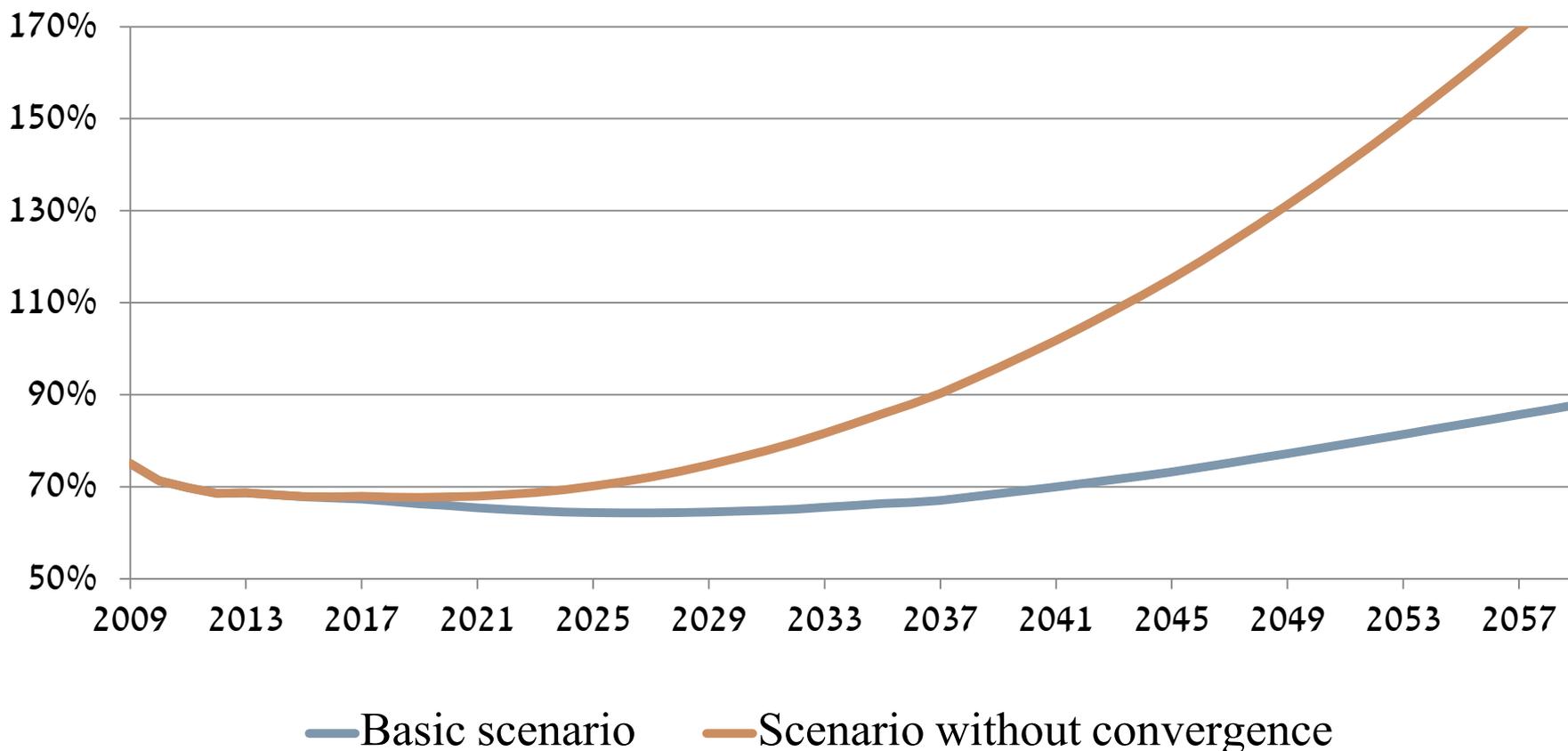
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Challenges – influence of demographic on debt to GDP ratio



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Debt to GDP ratio – with and without convergence of employment rates



The importance of the Arabs economic integration

The potential – increase in GDP per capita



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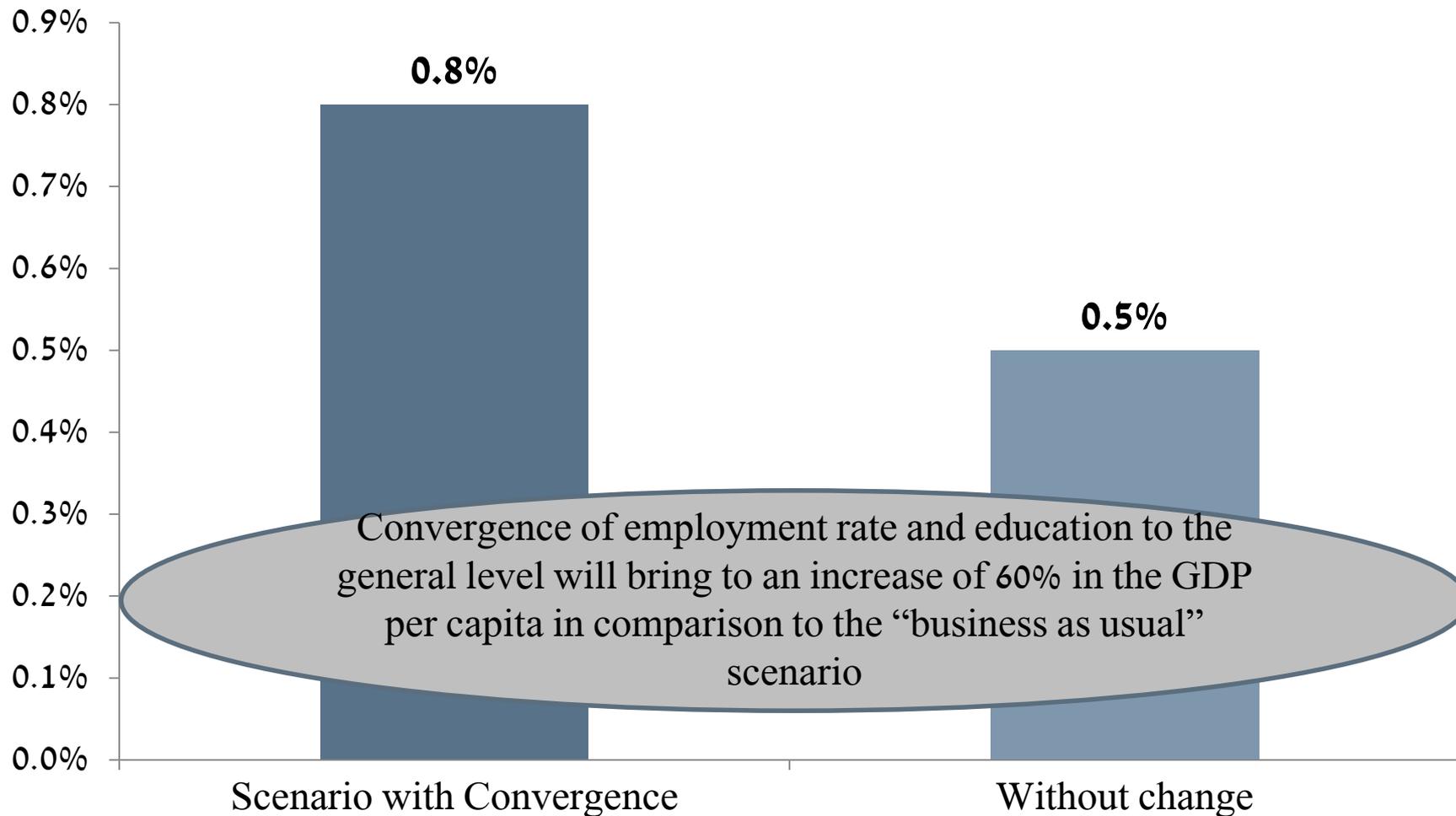


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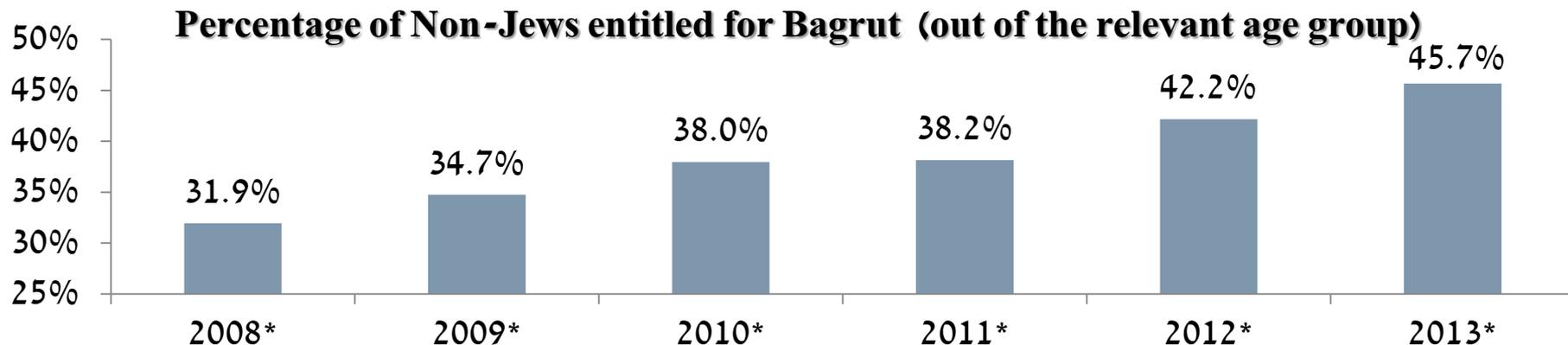
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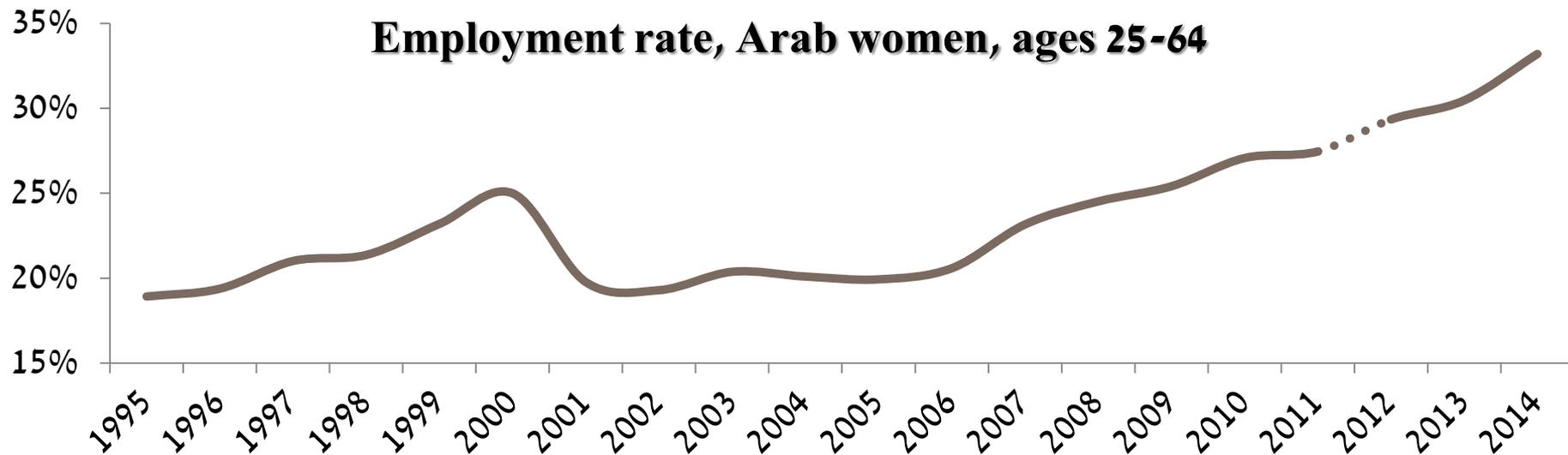
Positive trends



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* Starts at September at the prior year

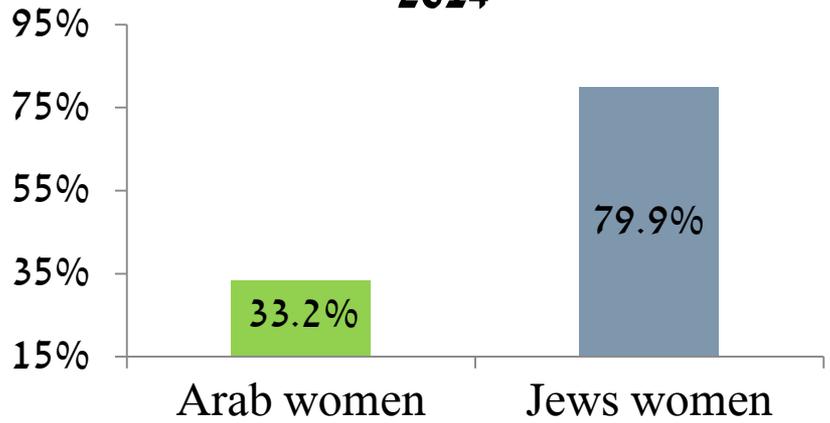


And still... the gaps require further steps

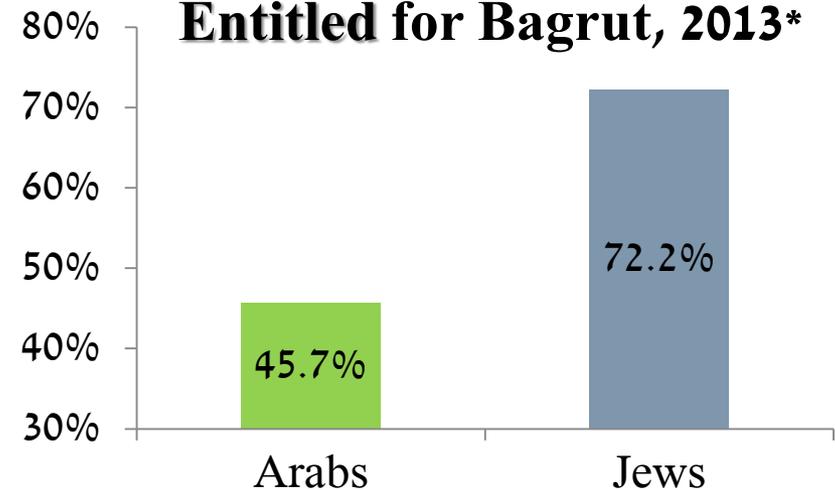


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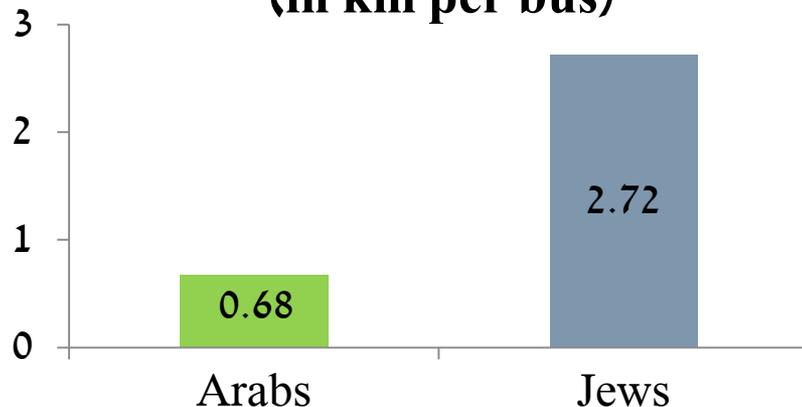
Employment rate, women 2014



Entitled for Bagrut, 2013*



Mileage a week for a person (in km per bus)



Poverty incidence, 2014

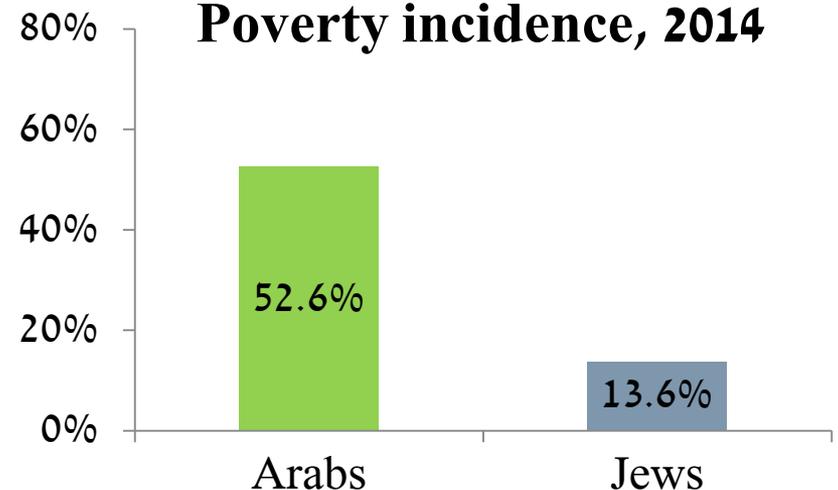


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Description of the process



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December 2014 – the Israeli government decides to assemble a team which examines the gaps and the main budget allocation mechanisms

The team works together with all relevant ministries and with arab mayors and members of Knesset

The work included:

1. Mapping the gaps
2. Setting long term goals
3. Setting steps to achieve the goals

December 2015 – Israeli government resolution - the plan for economical development and integration for arab society

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The main components of the program



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Education

- Setting long term goals in education and higher education
- Program to improve the quality of educational staff
- Ensuring a specific amount out of the informal education
- Remove barriers for construction of new classes

Transportation

- Setting goals to compare public transportation services
- Ensuring a specific share out of the new subsidy budget
- Ensuring a specific share out of construction of urban roads
- Provide accessibility for all data in Arabic

Housing

- Setting goals to increase the supply of housing
- Implementing the 120 days team recommendation
- Encourage building saturation
- Improve enforcement

The main components of the program



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Employment

- Ensuring a specific share of the new daycares budget
- Ensuring a specific share of the new children's home budget
- Operating centers for employment

Industry and Commerce

- Ensuring a specific share of development of industrial areas
- Ensuring a specific share of "employment track" budget
- Ensuring a specific share of small businesses assistance

Internal security

- Operating a new program that will improve the security in Arab authorities

The main components of the program



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Water and sewage infrastructure

- Setting goals to unification of all the Arab corporations
- Ensuring a specific share out of the grants for establishing and upgrading water infrastructure budget

National service

- Report on the progress of government goals for number of Arab volunteers in the national service
- Change the name of the volunteers program

Local authorities

- Implement a program for excellent authorities
- Increase the government grants for development
- Improve the human assets in the Arab authorities – cadets for local authorities

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Example

Public transportation



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Current gaps

- The number of average trips in buses per Arab citizen is only 17% of those of Jews citizen

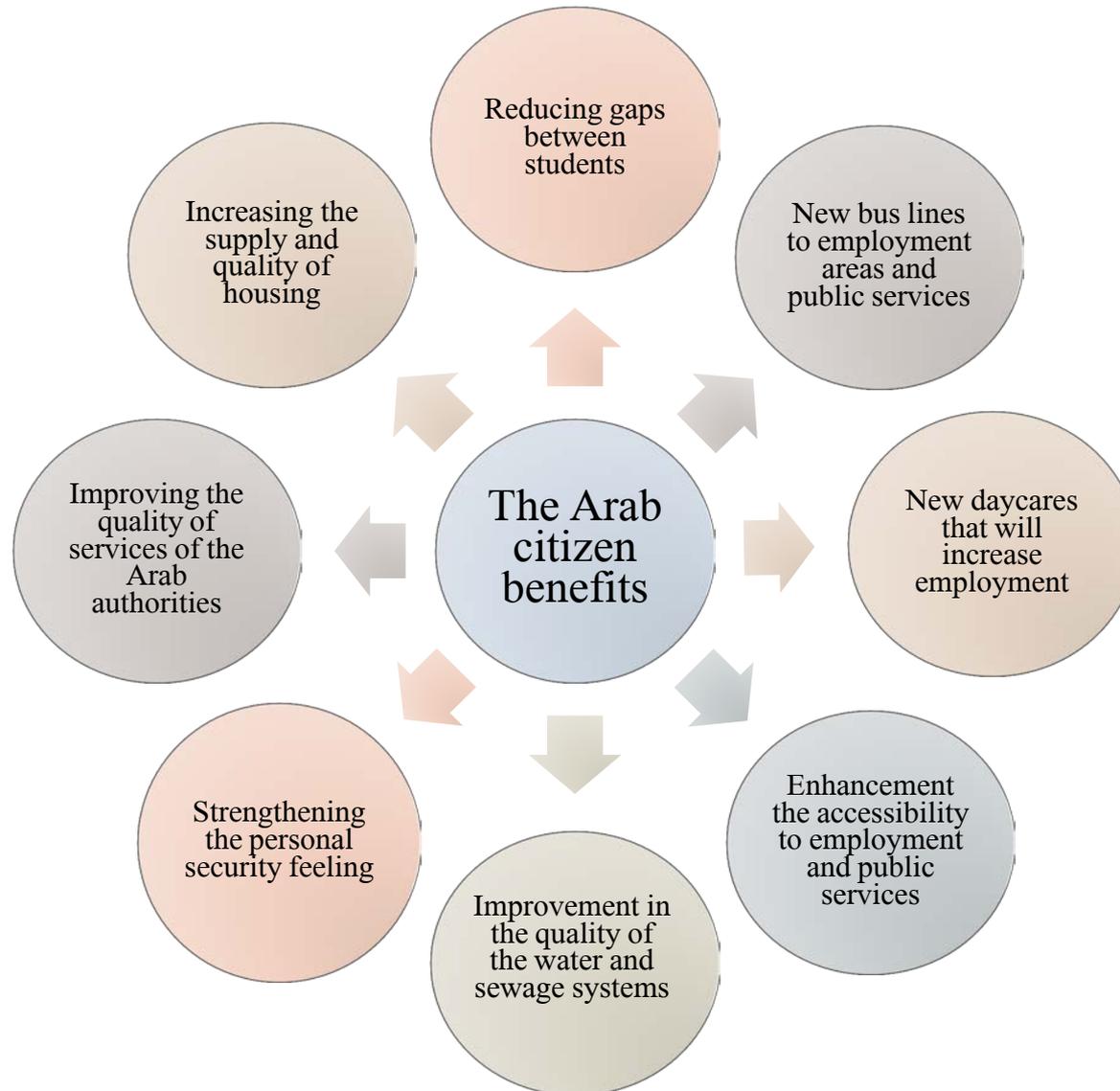
Setting goals

- Complete equality between similar Jews and Arabs authorities until 2022

Steps needed to achieve the goal

- In each year, 40% of the new subsidy for bus transportation will be allocated to the Arab authorities, until complete equality

The benefits of the plan





THANK YOU

