



# **From Barriers to Opportunities**

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**Summaries of Selected Policy Papers – 2011**

**Policy papers 2, 3 and 4**

**March 2012, Jerusalem-Haifa**

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- **Land Registration in the Arab Society in Israel** – Ruth Sar Shalom and Ruth Weinschenk-Vennor
- **The Marketing of State-Owned Land for Development and Construction in Arab Communities**  
– Hagit Naali-Joseph
- **The Allocation of the Welfare Ministry's Budget and Social Worker Positions to Social Services Departments in the Arab Local Authorities** – Michal Belikoff and Maha Abu-Saleh

**Editor: Ron Gerlitz**



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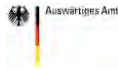
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## Message from the Co-Executive Directors

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These policy papers were published at the height of a civil struggle for social justice in Israel. This struggle – which was unprecedented in its scope, the public discourse that it has stimulated, its desire to create significant change in Israel and, particularly, its call to reduce the disparities in Israeli society –has succeeded in raising public awareness of the inequality among various groups in Israeli society.

Sikkuy, a civil society organization shared by Jewish and Arab citizens of Israel, plays a prominent role in the struggle for equality between Israel's Arab and Jewish citizens. We believe that equality between all the state's citizens must be a fundamental principle in every democratic society and country. Therefore, among our other activities, we concentrate on bringing about change in government policy toward Arab citizens. To this end, we have developed an innovative model entitled "From Barriers to Opportunities" in order to identify barriers to equality and recommend practical policies to remove them. Since the model was published in August 2010, Sikkuy's Equality Policy Department has been implementing it successfully in varied policy fields. The chosen policy fields are those in which we have a strong ability to influence government policy and those in which there is marked inequality between Jews and Arabs.

**This publication contains the summaries of three policy papers, published in 2011, in which we used the barriers mapping model for three issues:**

- The allocation of the Welfare Ministry's budget and social worker positions to social services departments in Arab local authorities.
- The marketing of state-owned land in Arab communities for development and construction.
- Land registration in the Arab society in Israel.

The first paper deals with the Welfare Ministry's budget and the portion of it used for social services in the local authorities. For a long time, Sikkuy has warned of severe inequality in the allocation Welfare Ministry budgets to Arab communities. But until now, we have not been able to examine the unequal allocations, and more important, the precise factors that cause it. Using detailed data given to us by the Welfare Ministry and the barriers mapping model, we have identified, for the first time, the factors that prevent the equal allocation of social worker positions and welfare resources to Arab communities.

The second and third papers, which deal with the subject of land, map the barriers and the factors that delay or prevent the registration of ownership of privately owned land in Arab communities and the barriers that delay or prevent the marketing of public land for housing in Arab communities.

The subject of land has been at the core of the conflict between the Arab citizens and the state throughout Israel's history. In many cases, this conflict has found expression in

discriminatory land policies and plans that deliberately ignored the development needs in Arab communities and frequently took active measures to restrict the development of the Arab communities both spatially and economically.

The policy papers presented here deal with land issues in which the state and Arab society have a strong common interest that is recognized by both by Arab leaders and the government.

The papers present the barriers to a policy of equality in these areas. The removal of these barriers will help significantly to alleviate the housing development shortage in the Arab communities, which stems from an acute shortage of available land for development.

**The three policy papers expose the deep causes of the unequal policy in the fields under study. This is an unprecedented achievement in the study of government policy toward Arab citizens.**

These policy papers do more than merely describe and analyze the situation. **They also include detailed, practical policy recommendations for equal allocations. We call upon the relevant government ministries, together with other governmental agencies, to take the required measures immediately to allocate state resources equitably.** We also call upon the heads of the Arab local authorities to take steps to remove the barriers that we found in their areas of responsibility. The policy recommendations in these papers could very well be an outline for closing the gaps in the fields under study.

These three policy papers were presented at Sikkuy conferences that took place in July and September 2011 with the participation of the highest levels of the government ministries and the Arab local governments. These studies, which proved the importance and effectiveness of the “From Barriers to Opportunities” model, constitute a basis for the work of the Equality Policy Department for change in government policy toward Arab citizens. **We are pleased to note that between the publication of this study in September 2011 and its publication in English in March 2012, various government ministries have already adopted some of its recommendations.** In 2012, the Equality Policy Department will continue advocating for policy change in the fields that were researched and will also use the Barriers Mapping model to analyze additional policy areas.

These studies were conducted as part of a complex process that requires teamwork, knowledge of multidisciplinary research, expertise and determination.

We wish to thank Michal Belikoff, Ruth Sar-Shalom, Hagit Naali-Joseph, Ruth Weinschenk-Vennor and Maha Abu Saleh, who conducted the research and, with creativity and determination, succeeded in discovering all the deep causes of the inequality and wrote their excellent papers.

We also wish to thank the directors of the Equality Policy Department, Ruth Weinschenk-Vennor and Amjad Shbita, for their important contribution to these papers and for their work with government ministries for policy change.

We also thank the high-ranking officials from the Welfare Ministry, the Housing Ministry and the Justice Ministry, as well as the representatives of the Arab local authorities, who assisted by providing information and attended meetings in which the findings were presented and discussions held about their implications.

We hope that these studies will provide readers with a deeper understanding of the situation and lead to a more equitable distribution of the state's resources to its Arab citizens.

Sincerely,

Ron Gerlitz and Ali Haider, Adv.

Co-Executive Directors, Sikkuy



## Introduction – Policy Research as an Integral Part of the Work of Sikkuy’s Equality Policy Department

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Following is a collection of summaries of policy papers that Sikkuy’s Equality Policy Department published over the past year. These papers are a basis for the work of the Equality Policy Department for changes in government policy toward Arab citizens. **The results of all the studies were presented to the highest levels of the relevant ministries: the Welfare Ministry, the Justice Ministry, the Finance Ministry and the Housing Ministry.**

Sikkuy also initiated joint meetings between government ministries and the Arab local authorities regarding the research findings in order to work together to find ways to implement the studies’ policy recommendations. **It should be emphasized that the work to implement the recommendations is the heart of the Equality Policy Department’s work for change in government policy.** The policy papers were published in their entirety both in Hebrew and in Arabic. We felt it was necessary to provide summaries in English in order to acquaint English speakers with the research findings and the process of policy change that Sikkuy spearheads.

Israel’s Arab citizens – who number approximately 1.2 million – comprise approximately 16 percent of the state’s population.<sup>1</sup> Most of the Arab population lives in Arab communities scattered throughout the country, most of them in the north. The Central Bureau of Statistics ranks Israeli local authorities in 10 socioeconomic clusters. Approximately 80 percent of the Arab local authorities in Israel live in communities that are ranked in the lowest three socioeconomic clusters, as compared with only 14 percent of the residents of the Jewish and mixed local authorities.

Since Israel’s establishment, the Arab population has endured discrimination and inequality in the allocation of the state’s resources. Such discrimination and inequality give rise to socioeconomic disparities between the country’s two population groups. In turn, these disparities, together with their accompanying feeling of deprivation, threaten social and political stability in Israel, which faces an ongoing national conflict as well. The elimination of the disparities in equal sharing of resources between Jews and Arabs in Israel is an essential condition for progress toward the internal stability of Israeli society. It is also an essential condition for alleviating the conflict between Israel and its neighbors, since disparities, inequality and discrimination fuel the conflict.

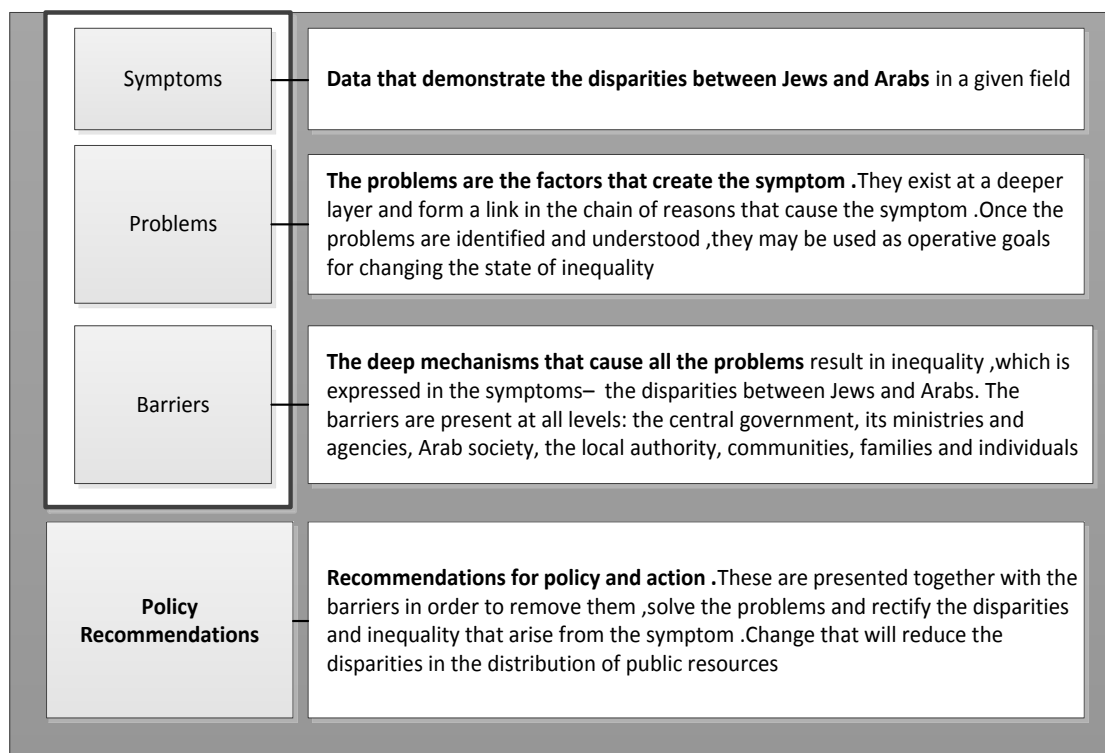
Over the past two decades, Sikkuy has been working to track and expose the disparities and inequalities in the allocation of the state’s resources to Jews and Arabs in every area of public policy. Over the past three years, we have expanded our work by mapping the factors that delay and even prevent equality in various issues and areas of public policy.

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<sup>1</sup> The Arab population comprises 20 percent of Israel’s population if we include the residents of East Jerusalem, who do not hold Israeli citizenship.

The “From Barriers to Opportunities” mapping model<sup>2</sup> includes a comprehensive survey of the current situation and the location of disparities and inequality in the area under study. These disparities and unequal situations are defined as symptoms. The job at the next stage is to locate the factors that gave rise to these symptoms. The model’s fundamental assumption is that the barriers to equality may be found, theoretically, among each of the interested parties and the players, including among decision-makers, the authorities responsible for carrying out the decisions and the recipients (the Arab local authorities and the target population). By means of this model, we are mapping the causes of inequality on two levels: problems – which are the direct causes of inequality – and the barriers that are the deep causes that create the problems. The mapping work helps us to make policy recommendations that are aimed, directly or indirectly (based on strategic and tactical considerations) at dealing with the causes of inequality.

**Figure 1: The Components of the Barriers Model**



This booklet includes summaries of three policy papers written by the Equality Policy Department during the year 2011. The policy papers deal with two areas of resource allocation: the allocation of welfare budgets and the availability of land for development.

<sup>2</sup> See the barrier-mapping model on Sikkuy’s website:  
<http://www.sikkuy.org.il/english/hasamim/mediniuteng.pdf>

The first paper examines the manner in which the welfare budget is distributed among the social services departments in the Arab local authorities. It also examines the sources of the unequal distribution in the section of the budget that deals with the allocation of social workers and personnel in the local authorities. Approximately half of the Arab population in Israel lives under the poverty line. The difficult economic situation of the Arab local authorities increases their dependence upon government budgets and creates an unfair burden on the personnel who deal with the situation on the ground. The paper proposes methods for ensuring equal distribution of the budget to social services departments in proportion to the number of people in need in each local authority.

Land is the dominant component in the national conflict between both peoples. The national conflict is a significant factor in the State of Israel's land and planning policy in relation to the Arab population. This policy, which influences the conflict directly, have a powerful potential to fuel it and even intensify it. One of the most obvious results of this policy is the severe shortage of available land for development in the Arab communities. This shortage, which is a barrier to the communities' proper development, prevents the residents from enjoying a quality of life equal to that of the rest of Israel's inhabitants.

The second paper lays out the difficulties in marketing state-owned land for construction in the Arab communities. Despite the severe shortage of available land for development, the response to land tenders issued by the state in the Arab communities is very low (approximately 20 percent). The policy paper suggests ways to overcome the barriers to successful marketing, thus providing housing solutions for people in the Arab communities who do not own land and depend on the small supply of public land in their municipal areas.

The third paper, which deals with the registration of ownership of land, maps the causes of the low percentage of private land in the Arab communities for which the process of registration and regularization were carried out for. This is land concerning which there is no argument over its status as private, Arab-owned land. However, the registration of land ownership is a requirement for all landowners who wish to exercise their rights over the land for commercial purposes, for housing or obtaining a construction permit. The paper suggests policy measures that would allow the registration of a large amount of land in the Arab communities – methods that would contribute significantly to the availability of land for development in these communities.

# **The Allocation of the Welfare Ministry's Budget and Social Worker Positions to Social Services Departments in the Arab Local Authorities – A Summary**

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**By Michal Belikoff and Maha Abu-Saleh**

**Editor: Ron Gerlitz**

## **Introduction**

This paper focuses on the issue of budgeting the social services departments in the local authorities. It compares the distribution of the Welfare Ministry budget to the social services departments in the Arab local authorities with the distribution of the same resources to the Jewish and mixed local authorities. The paper has two main goals:

First, to examine the state of equality or inequality in the distribution of the Welfare Ministry's budget to the social services departments of Arab local authorities as compared with local authorities in the rest of Israel. Second, to locate, define and map the principal barriers to equality between the Arab local authorities and the local authorities in the rest of Israel regarding the allocation of social worker positions for social services departments and formulate recommendations for removing them.

This paper is based upon data on the Welfare Ministry's budget for the local authorities and the allocation data of the quota of social workers for December 2009, which we received from the Welfare Ministry as part of the Freedom of Information Law. We also used research data from the Welfare Ministry that was published in February 2011 entitled: "A Survey of Social Services for 2009" as well as data from the Central Bureau of Statistics and the National Insurance Institute.

Since the population of the Arab local authorities is characterized by a low socioeconomic level, it has a high potential for needing social services. It follows that the Arab local authorities require more welfare spending as compared with the other local authorities, even as its potential sources of income are far smaller. In this state of affairs, many of the Arab local authorities are in financial difficulty, and when they try to provide social services to citizens, they encounter many financial limitations that often prevent them from implementing programs and using earmarked budgets.

## **The Arab Local Authorities' Portion of the Welfare Ministry's Budget for Social-Services Departments (December 2009 data)**

This chapter examines the degree of equality in the distribution of the Welfare Ministry's social services budget among Arab local authorities and local authorities in the rest of Israel. In order to accomplish this, we used the Welfare Ministry's published needs assessment evaluation of the various fields in which the ministry works and by population group. Based on this, we estimated the percentage of residents of Arab local authorities out of the overall population of people requiring assistance in areas serviced by the ministry (see Table 1).

**Table 1:** The proportion of people requiring social services in the Arab local authorities out of the general population of people requiring social services in areas serviced by the ministry

| Area of Service     | Local Authorities Total | Arab local authorities | Percentage |
|---------------------|-------------------------|------------------------|------------|
| Physical handicaps  | 89,700                  | 26,800                 | 29.9       |
| Blindness           | 21,333                  | 4,800                  | 22.5       |
| Mental disabilities | 34,274                  | 7,985                  | 23.3       |
| Children at risk    | 330,100                 | 87,200                 | 26.4       |
| Elderly             | 257,900                 | 20,987                 | 8.1        |
| Drug addiction      | 14,457                  | 2,600                  | 18.0       |
| Alcoholism          | 7,781                   | 2,022                  | 26.0       |
| Total               | 755,545                 | 152,394                | 20.2       |

Source: Estimate according to the data published in "A Survey of Social Services for 2009," Welfare Ministry, 2011.

In the next stage, we compared the percentage of residents of Arab local authorities of the general population of people in need, noting the percentage of the budget that the former received, according to the various areas of assistance. **As a rule, when distribution is equal, it is to be expected that the Arab local authorities will have a share equal or similar to that of their share of the general population of those in need of social services.** For example, if the residents of the Arab local authorities comprise 28 percent of the general population of disabled people in Israel, it would be expected that 28 percent of the rehabilitation department's budget would be allocated to them (see Table 2 below).

**Table 2:** The share of the Arab Local authorities of all those requiring social services and of the budget allocated to social services according to areas of activity in 2009

| Area of Assistance  | % Arabs of all those requiring social services | Total spending (millions of shekels) | Spending for Arab local authorities (millions of shekels) | Percent of total spending |
|---|--|--------------------------------------|---|---------------------------|
| Rehabilitation Department                                   | 28.8%  | 451.6                                | 43.0  | 9.5%                      |
| Department for Treatment of People with Mental Disabilities | 20.1%  | 1,310.1                              | 122.7   | 9.4%                      |
| Department of Social and Community Services                 |  | 1,928.3                              | 223.7   | 16.6%                     |
| Individual and family welfare services                      | 14.4%  | 113.4                                | 16.4  | 14.4%                     |
| Services for children and youth                             | 26.0%  | 960.7                                | 121.1   | 12.6%                     |
| Daycare centers   | 22.0%  | 211.9                                | 40.0  | 19.0%                     |
| Out-of-home treatment centers                               |  | 570.3                                | 46.1  | 8.1%                      |
| Community centers and programs                              |  | 178.3                                | 34.8  | 19.5%                     |
| Services for the elderly                                    | 8.1%   | 273.3                                | 14.1  | 5.2%                      |
| Department for children and youth and corrective services   |  | 86.0                                 | 10.8  | 12.6%                     |
| Testing services for children and youth                     |  | 1.1                                  | 0.2   | 18.2%                     |
| Center for treatment of drug addiction                      | 17.9%  | 10.3                                 | 0.4   | 4.0%                      |
| Center for treatment of alcohol addiction                   | 25.9%  | 13.4                                 | 2.2   | 16.0%                     |
| Children and youth disconnected from society                | 20.0%  |                                      | 1.4   | 15.0%                     |
| Young girls and teenage girls in distress                   | 22.0%  | 21.6                                 | 1.6   | 7.8%                      |
| Youth rehabilitation  | 19.2%  | 21.9                                 | 4.4   | 20.0%                     |
| Total budget of social-service departments                  | 20%  | 3,790.9                              | 401.7   | 10.6%                     |

**Table 2 demonstrates that in each of the areas examined, the share of the Arab local authorities in the budget of the Welfare Ministry is smaller than their percentage of all those in need.**

### **The Portion of the Arab Local Authorities in the Allocation of Social Worker Positions in the Social Services Departments (data from December 2009)**

In the previous chapter, we investigated the distribution of the budget according to the ministry's various work areas. Now, we will focus on the budget for social work positions in the local authorities. In this chapter, we will delve more deeply and investigate, in addition to the allocation of positions, the main barriers that cause the unequal allocation. We shall do this by using the Barriers to Opportunities model<sup>3</sup> that we developed at Sikkuy to locate, identify and map the barriers to equality and propose ways to overcome them.

We examined the distribution of the allocation of social work positions from three angles:

To what extent does the allocation formula allocate positions equally – in other words, sufficient for the percentage of people requiring services in each of the local authorities?

To what extent does the Welfare Ministry allocate the positions according to the formula?

How successful are the local authorities in staffing the positions that the Welfare Ministry allocates to them?

#### **To what extent does the allocation formula distribute positions equally, sufficient for the percentage of people requiring the services?**

According to the allocation formula, the basis for the division of social work positions among the local authorities is the size of the population. In other words, the percentage of positions that the local authority receives, out of all the positions that are allocated during any given year, is based on the size of each local authority relative to Israel's population. But in order to allocate the positions equally among all the local authorities with their varying demographic and socioeconomic characteristics, criteria and standards must be established that will reflect the dimensions of the disparity that stems from the various characteristics. The allocation formula includes six criteria. Four of them stipulate additional positions for the Arab local authorities: the average salary of wage earners, per-capita income, the dependency ratio of children, and the number of files and the intensiveness of their handling. Two of the criteria subtract positions from the Arab local authorities: the dependency ratio of the elderly, because the proportion of the elderly is

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<sup>3</sup> The barrier-mapping model is on the Sikkuy website at <http://www.sikkuy.org.il/english/hasamim/mediniuteng.pdf>

low in the Arab local authorities, and the proportion of those who receive unemployment payments – which does not reflect the employment situation accurately, but rather the percentage of those eligible for unemployment payments. This criterion is discriminatory, since it reflects the number of those eligible for unemployment payments rather than the percentage of unemployed. The number of those eligible for these payments in the Arab population is low relative to the Jews (particularly after the toughening of conditions for such eligibility in 2003). But the percentage of the unemployed among Arabs is higher than among Jews.

**According to our findings when we ran the allocation formula, in the year 2009 the formula allocated 16.5 percent of all positions to the Arab local authorities, while the percentage of those needing services in the Arab local authorities was estimated at approximately 20 percent. This finding is proof of allocation inequality that stems from the allocation formula itself.**

### **To what extent were the positions allocated according to the allocation formula?**

After examining the manner in which the allocation formula distributed the positions, we checked whether the Welfare Ministry allocates the positions according to the formula. According to our findings, the Arab local authorities were supposed to receive 16.5 percent of the positions, but only 15.4 percent of the positions were actually allocated to them. We found various levels of under-allocation in 53 of 82 Arab local authorities.

**Although the allocation formula determined that the Arab local authorities should receive 16.5 percent of the positions, they received only 15.4 percent.**

### **The staffing rate of positions in the Arab local authorities as compared with the rest of the local authorities**

Not all the local authorities succeed in staffing all the positions that are allocated to them in a given year. Between 2007 and 2009, the disparity in the percentage of staffed positions between Arab local authorities and the rest of the local authorities increased from 3.5 to 9 percentage points, evidently because of a relatively large increase in positions in the Arab local authorities in 2008 and 2009. (This was a 20 percent increase in positions in the Arab local authorities.) **In Arab communities, the decrease in the staffing rate appears more acute than in Jewish and mixed communities.** This may be explained by several factors:

1. A shortage of Arab social workers in the social service departments in the Negev
2. Financial problems in the Arab local authorities
  - The issue of matching funds – the Welfare Ministry funded 75 percent of welfare spending in all local authorities, with the local authorities obligated to fund 25 percent of the expenses as a condition for receiving a budget from the Welfare Ministry. Since the matching funds increase the local authority's spending, it is difficult to meet the conditions, particularly in local authorities under a recovery

plan, or those that work with an accompanying accountant or an appointed committee.

- Insolvency and seizures of the accounts of local authorities often lead to a failure to pay local authority employees – a more frequent occurrence in Arab local authorities.
- Many Arab local authorities are in financial crisis. As a result, they are in recovery plans drawn up by the Interior Ministry. The Interior Ministry imposes strict supervision on any personnel increases for local authorities under recovery plans. Since this makes it more difficult for Arab local authorities to obtain vital hiring permits from the Interior Ministry, in many cases the local authorities cannot fill the additional positions.

### 3. Political/social difficulties in internal organization in the Arab local authorities.

The staffing difficulties in the Arab local authorities have resulted in their utilizing only 87 percent of the positions allocated to them (as compared with 96 percent in Jewish and mixed local authorities). As a result, they were able to make use of only 14 percent of the total number of positions that were staffed in 2009.

#### **Inequality in the Allocation of Social Work Positions to Arab Local Authorities 2009**

- The percentage of people in need from the Arab local authorities, out of the general population of people in need, is estimated as at least 20 percent
- According to the allocation formula, Arab local authorities may receive only 16.5 percent of the positions
- The Welfare Ministry allocated only 15.4 percent of the positions to Arab local authorities
- In practice, the Arab local authorities used only 14% of the social work positions which were allocated in that year.

### **Work Positions**

Sikkuy has developed the Barriers to Opportunities model for mapping and analyzing barriers to equality and making policy recommendations. The model includes three components that have a circumstantial connection: barriers, which are the deep causes, lead to problems, which cause symptoms, which are the disparities and unequal situations that exist in reality.

### **Symptom**

Inequality between the Arab local authorities and the rest of the local authorities in Israel as regards the caseload per social work position: 14 percent of the positions for approximately 20 percent of those who require such services.



## Problems

**Problem 1: Under-budgeting.** According to the allocation formula, the Arab local authorities receive a smaller number of social work positions than the percentage of people in need of such services.

**Problem 2: Under-allocation** of social work positions for the Arab local authorities in relation to their fair percentage according to the allocation formula

**Problem 3: Relatively low rates of staffing** in the Arab local authorities in proportion to the total number of positions allocated to them

## Barriers

**Barrier 1: The lack of regular information and follow-up regarding the number of people in need, by population group and in general:** Today there is substantial recognition among the professional echelons regarding the difference in the percentage of people in need, which stems from the socioeconomic situation and socio-demographic characteristics. Yet there is still no regular periodical process of information-gathering and follow-up regarding the percentage of people in need of the population in various segments, among other things according to population group. This lack of information prevents the equal allocation according to the formula and reduces the ability to reach parity between the manner in which the allocation apportions the positions and the percentage of people in need in each of the local authorities.

**Barrier 2: The components of the allocation formula – in other words, the total criteria and the weighting given to each individual criterion – do not show the size of the disparity in the percentage of those requiring services.** In order to discover all the reasons that the formula does not allocate positions according to the rate of need, the formula should be run in various combinations and versions. In any case, the criterion of the percentage of unemployed people obviously does not show the extent of the shortage of jobs for Arab local authority residents, but only the number of people eligible to receive unemployment compensation – and there is a weak connection between the two. This is how the Arab local authorities lose positions rather than becoming eligible for additional ones.

**Barrier 3: The Welfare Ministry's difficulty in transferring positions from those local authorities which, according to the allocations formula, have too many positions, to local authorities that have too few.** Welfare Ministry officials claim that a redistribution of the positions creates, of necessity, political pressure on the Welfare Ministry, since this involves the dismissal of workers, or their transfer among the local authorities. The claim is also made that doing so might cause substantial harm to the welfare services in the local authorities where the redistribution of positions could cause large-scale cutbacks.

**Barrier 4: Difficulty making the “pie” bigger by using a budget supplement to make up for the positions that are missing according to the allocation formula.** Another way to make up for the missing positions for the Arab local authorities and in general is by using

supplements from the national budget in order to increase the number of positions available to the Welfare Ministry. Supplements of this kind were actually provided in 2008 and 2009, but not in an amount that made up for the total under-allocation according to the formula.

**Barrier 5: Financial difficulties often delay or prevent the staffing of positions allocated to the Arab local authorities.** The Arab local authorities have more difficulty than others in making use of the allocated social worker positions. This difficulty stems from the local authorities' financial crisis and the policies of the Interior Ministry, the Finance Ministry and the Welfare Ministry.

**Barrier 6: A shortage of Arab social workers in the Arab local authorities in the south.** Over the past decade, the percentage of Arab social work graduates has increased, but there is still a shortage of Arab social workers in the southern district. Until 2011, there were no incentives for social workers living in the north to relocate to the south, as there were for teachers, in order to help the Arab local authorities in the south to staff a higher percentage of positions.

**Barrier 7: Organizational, social and political difficulties in recruiting professional personnel in the local authorities.** The Welfare Ministry and officials of the Arab local authorities themselves claim that often the recruitment of a worker to fill an allocated position is delayed and even prevented due to internal differences of opinion in the local authorities, which are political rather than professional in nature.

## Policy Recommendations

We have set ourselves the goal of reducing, as much as possible and as quickly as possible, the disparities in the allocation of social work positions among the Arab local authorities and the rest of the local authorities in proportion to the percentage of people requiring social services. In order to do this, three main goals must be met:

The allocation formula must distribute the positions among the local authorities according to each local authority's percentage of the entire population of people requiring social services (Recommendation No. 1)

The Welfare Ministry must allocate positions to the local authorities based on the allocation formula (Recommendation No. 2)

The local authorities must make full use of their ability to staff the positions that the Welfare Ministry allocates to them (Recommendations 3-7)

Therefore, we propose the following measures:

- 1. The allocation formula should be revised such that positions will be allocated to local authorities based on their percentage of the entire population in need. In other words, 20 percent of the positions for 20 percent of the needy.**

In order to accomplish this, the percentage of the general population requiring services must be tracked methodically and at set periods.

All the components of the formula must be re-examined and changes made such that positions in a local authority will be allocated according to its percentage of the entire population in need.

In addition, the criterion “percentage of unemployed” must be changed or removed. There is no reason why positions should be taken away from the Arab communities while the problem of employment in these communities is one of the main causes of distress. The existing statistical findings must be re-examined and one statistic, or a combination of statistics, used in order to reflect more faithfully the extent of distress in the field of employment.<sup>4</sup>

## **2. Social work positions must be allocated according to the allocation formula.**

A specific target date must be determined to reduce the disparity between allocation based on the formula and actual allocation until the disparity no longer exists. This can be done by increasing the size of the “pie” – in other words, budget supplements from the Finance Ministry used to increase the number of allocations, and by the redistribution of existing positions.

## **3. Equal sharing of the welfare expense burden among the local authorities by differential matching funding**

In addition to the financial crisis from which most of the Arab local authorities are suffering, the percentage of people in need in the Arab local authorities is higher. This means that given a 25-percent uniform rate of participation in welfare spending in general and on social work in particular, they need to spend more on welfare per resident (of course, on condition that budgets are allocated to them according to their percentage of all the people in need). This can and must be balanced by means of *differential matching funding*.

Differential matching funding can be based on two principles, which can also serve as alternatives:

*Alternative 1 – based on the principle of equal spending per resident in all the local authorities.* As stated above, every local authority will pay its share of the matching funding according to its share of the population, while budgets will be allocated to it on the basis of its share of the population in need. Thus, welfare spending per resident will be equal in all the local authorities, while spending per person in need will be differential.<sup>5</sup>

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<sup>4</sup> The recommendation about changing the criterion “percentage of unemployed” was made after consultation with Professor Yaakov Kop, who was a member of the committee that determined the criteria and a member of the committee that constructed the allocation formula.

<sup>5</sup> According to this principle, the Arab local authorities whose share of the population is 14 percent will participate in funding 25 percent of the cost of 14 percent of the positions, but will benefit from 20 percent of the positions (based on their percentage of the entire population in need). Accordingly, they will participate, on average, in 17 percent of the cost of each social work position allocated to them. The rest of the local authorities, whose share of the population is 86 percent, will participate at a rate of 25 percent of the cost of 86 percent of the positions, since based on their share of the

*Alternative 2 – differential matching funding according to the socioeconomic ranking of the local authorities.* Since the socioeconomic ranking also reflects the potential for neediness as well as the local authority's economic situation, levels of participation will be determined for the local authorities according to their socioeconomic rankings.

#### **4. Opening a separate bank account for budget transfers in order to pay social workers**

The social services departments were not the only ones affected by delayed payment of salaries resulting from stopped payments. Municipal schools suffered from it too, and a solution was found by opening a separate bank account solely for the transfer of workers' salaries. We believe that since the welfare services are so vital, particularly in weaker communities, this measure should also be taken regarding social-service workers' salaries in the same local authorities that are forced to delay the payment of salaries to their employees.

#### **5. Providing incentives to Arab social workers to relocate to Arab communities in the south in order to work there**

The shortage of social workers in the Bedouin communities in the south is one of the causes of the particularly low staffing rates there. Incentives such as rent assistance and attractive salaries can encourage Arab social workers to relocate to communities in the south in order to work there.

#### **6. Strengthening the professional management infrastructure in the Arab local authorities**

The Interior Ministry must invest resources to improve the management of the Arab local authorities by massive investment in the training of managers in the local authorities. At the same time, the ministry should establish an ombudsman's office to provide a quick and efficient response to complaints by residents and workers of impractical management in the local authorities.

The leaders of Arab society must also deal directly with the management problems in the Arab local authorities and ensure that the required social resources are invested in order to change the current situation. Despite the state's direct responsibility for the state of the Arab local authorities, change cannot take place without mobilizing Arab society and its leaders to deal with the issue.

#### **7. Preparation of a community master plan for the welfare of the Arab local authorities that will define all the community's welfare needs and the social-services department's short-, medium- and long-term goals.**

This will enable more efficient use of the welfare budget in general and of the social-work positions in particular despite the strong financial restrictions.

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entire population in need, 80 percent of the positions will be allocated to them. Their rate of participation in the positions allocated to them will be 27 percent on average.

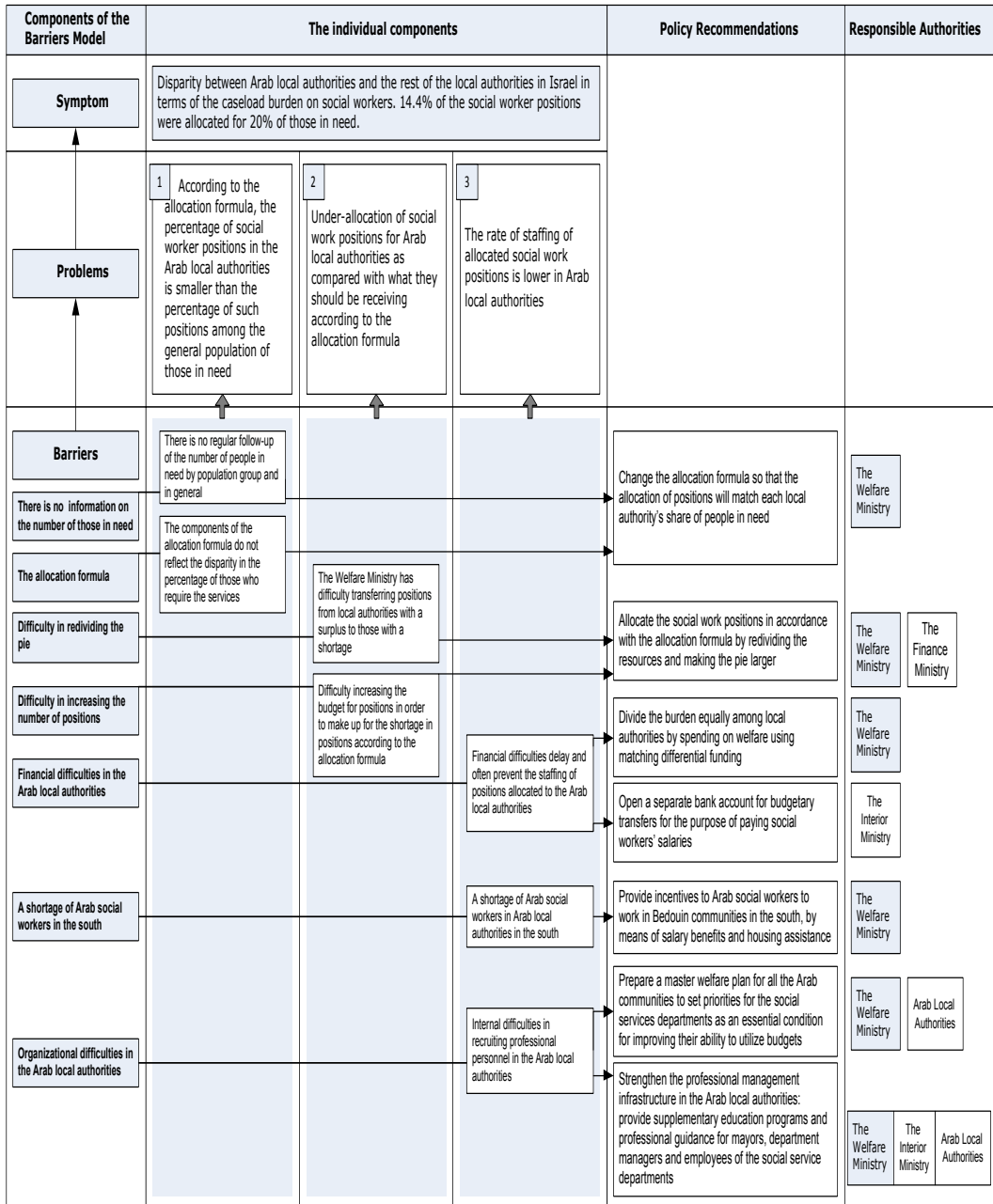
## Summary

We place particular emphasis on the necessity to make the required changes in the allocation formula, since an egalitarian formula is the most basic condition for the equitable distribution of positions.

We are aware that barriers regarding the level of implementation of the allocation formula could raise doubts about the effectiveness of providing supplementary positions if they cannot be put to use in any case. Nevertheless, we believe that the larger the disparity between allocations according to the formula and their implementation, the greater will be the pressure on the Welfare Ministry, the Interior Ministry, the Finance Ministry and the Arab local authorities to put them into effect. In the end, the number of social workers available to people in need in the Arab communities will increase, and the inequality will decrease.

It is also important to note that even if there is a connection between the barriers, each barrier stands mainly on its own. Thus, the implementation of any one of these recommendations by itself carries a high potential for changing the situation for the better and reducing inequality. **Therefore, all the relevant authorities - the government ministries, and first and foremost the Welfare Ministry, as well as the Arab local authorities - have a responsibility to act immediately to put the recommendations into practice.**

**Diagram 2: The Barriers Model – symptom, problems, barriers and policy recommendations – allocation of social worker positions to social services departments in the Arab communities**



# The Marketing of State-Owned Land for Development and Construction in Arab Communities – A Summary

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**By Hagit Naali-Joseph**

**Editor: Ron Gerlitz**

Most land in the State of Israel is public land (93 percent of Israel's territory) that is managed by the Israel Lands Administration (ILA). While some of the public land is owned by the state, a portion of it (approximately 12 percent) is owned by the Jewish National Fund (JNF). Only seven percent of the territory of the State of Israel is privately owned. Approximately half of that is privately owned by Arabs, and half by Jews. Of the municipal land belonging to Arab local authorities, only about 17 percent is public land owned by the state. While the marketing of state-owned land for development and construction in the Arab local authorities deals with the small amount of land resources available in the Arab communities, it still has significant development potential.

Land is one of the most charged subjects in Jewish-Arab relations in Israel, and the Jewish-Arab conflict has had a direct effect on land policy and planning policy in Israel in general and in the treatment of the Arab population in particular. One direct result of this policy is the creation of a severe shortage of available land for development in the Arab communities. However, over the past decade, the ILA has begun marketing state-owned land for development and construction for housing in the Arab communities. **Despite the shortage of available land for development, the tenders for marketing land in the Arab communities have failed repeatedly.**

**The goal of this paper** is to present a focused look at the marketing process and its factors, analyze the barriers that prevent successful marketing in the Arab communities and provide policy recommendations for dealing with them. A transition from failures to successes in the marketing of state-owned land in the Arab communities is essential for providing solutions to the shortage of housing in Arab society and for promoting equality in the division of national resources.

## The Marketing of State-Owned Land in the Arab Communities – The Interested Parties

The marketing of land in Israel is done by the ILA or by the Housing Ministry. We are referring to state-owned land that is available for construction and development, for which a construction plan exists. Because of Israel's land structure and the large amount of land under the management of the ILA, the central government must take measures to make land available for construction and development. These measures are derived directly from a policy that is influenced by the planning situation and the necessities of development.

The relationship to land in general in Arab society and the marketing of land in particular requires that a distinction be made between privately-owned and state-owned land.

Most of the land in the Arab communities – approximately 45 percent – is privately owned, while only 17 percent belongs to the ILA and 24 percent is owned jointly by the ILA and others. Since the latter types of land have multiple owners, it is more difficult to market them for housing development.

Despite the relatively small amount of state-owned land in the Arab communities, it plays a vital role in the development of the communities. There are two reasons for this: 1) most of the privately-owned land belongs to a small number of owners who are not interested in selling it, making such land unavailable to most of the Arabs who are seeking housing, and 2) the need to set aside state-owned land for public use (schools, public buildings, developed areas and so on).

**The Housing Ministry** promotes planning for land intended for marketing (land owned by the ILA), sets criteria for the development of lots in preparation for construction, and makes contracts with the local authorities regarding the funding of development expenses. The Housing Ministry funds 50 percent of the cost of development only in national priority communities. Generally, while the Housing Ministry invests a great deal in pre-sale planning, **the marketing process in its current form is carried out identically in both Jewish and Arab communities, with no consideration for the specific characteristics of Arab society.**

The ILA defines the type and criteria of the tender and prepares the necessary paperwork. Of the various tender methods that the ILA uses, the two most commonly used over the past decade are 1) tenders that require registration and a lottery for private construction and for the local residents, and 2) tenders that go to the highest bidder. Following is a brief description of two methods that are used in the Arab communities:

**Registration and lottery for private housing construction.** As part of this method, a minimum price is determined for the land, and a lottery is held at the end of the registration period. The lottery determines those eligible to receive a construction lot. Most tenders of this type also set specific conditions such as who the residents will be, whether the dwellings will be for those who do not own housing, and so on.

**Tenders that go to the highest bidder.** In this method, a minimum price is determined for the cost of the land (a price that is not published when the tender is issued), which is based on an assessment of the ILA's estimate of the price of land in the area and in the community itself. Once the tender is issued, bids for the land are accepted. The highest bid wins – and of course, it must be higher than the minimum price set in the tender. This method, which is more common in the Arab communities in the central region because of the high demand for land, has come under criticism because it has caused a dramatic increase in the price of land and of housing units in Arab and Jewish communities alike.

The choice of tender type demonstrates the ILA's policy in each district, even if the type of tender varies from place to place and depends on many variables. An analysis of the tenders that were issued for marketing over the years shows that the most common



method is the registration and lottery tender (for private construction and for local residents who do not own housing).

Of the total number of housing units put up for marketing, 66 percent were included in tenders that used the registration and lottery system and were intended for local residents who did not own housing. Thirty-four percent of the tenders went to the highest bidder. It should be noted that tenders for local residents who do not own housing are supposed to serve the needs of local residents and provide solutions for populations that cannot afford housing (those who are not wealthy, possess no land of their own, disabled, and so on). But in many cases, not even these tenders provide solutions for populations in need.

**The local authorities** are major players, beginning at the planning stage, in providing information about the community and its needs and in making decisions together with the Housing Ministry, the planning institutions and the ILA about the appropriate program for the community. Later on, the local authority plays an important role in making development agreements with the Housing Ministry before the land is put up for sale. The local authority does this by collecting taxes and fees from the residents for use in the program. When the tender is issued (putting the land on the market), the local authority plays a decisive role in the marketing process by encouraging the local residents to enter bids and by explaining the requirements.

Landowners and private entrepreneurs also engage in initiatives of their own, which are usually directed toward the construction of private homes. This is not the sort of private initiative that is familiar in Jewish communities, in which an entrepreneur buys land for development for a housing project intended for several dwellings. Contractor construction (by a private entrepreneur) is not yet widespread in the Arab communities. Entrepreneurs and contractors tend to avoid ILA tenders because they believe that there is no real estate market in the Arab communities and because they do not wish to join a project with a significant economic risk and a small profit. A major reason for this is that contractor construction is required to meet the plan's guidelines for urban construction regarding density and housing patterns that are not customary in most Arab communities. The contractors, who want to promote profitable projects, have difficulty doing so because of the current disparity between the planning guidelines and housing patterns in the Arab communities.

## **The Marketing Process**

The marketing process is comprised of four principal stages: 1) deciding on the planned product (an apartment complex or residential units that are to be sold); 2) preparing the tender (the Housing Ministry and the ILA); 3) issuing the tender (publicizing the tender and opening registration for a given period of time) and 4) the results of the tender (the last stage in which the tender's winners are made public).

Sikkuy's study found that there was almost no information about the results of the registration-and-lottery tenders and that there are gaps in reporting between the Housing Ministry and the ILA.<sup>6</sup> It was only about a decade ago that the ILA and the Housing Ministry began to put state-owned land up for marketing in the Arab communities. According to Housing Ministry data, from 2005 to 2009 lots designated for approximately 200,000 housing units were planned for marketing and development, of which 30,000 were slated for Arab communities. Land marketing in the Jewish community during these years reached approximately 70 percent of the housing units that were offered, while in the Arab community during that time only about 20 percent of the housing units put on the market were actually marketed. This indicates that there is very little actual marketing of land in Arab society, and as we know, it does not satisfy the growing need for housing solutions.

**The results of the tenders (the results in general and those about which detailed public information exists) demonstrate the lack of success in marketing housing units for development into homes on state-owned land in the Arab communities.**

## **Symptoms, Problems and Barriers in Marketing State-Owned Land in Arab Communities**

An analysis of the symptoms, problems and barriers resulted in the following findings:

### **Symptoms that indicate disparity between Jews and Arabs**

The high rate of success in the marketing of state-owned land in Jewish communities as compared with the low rate in the Arab communities (70 percent vs. 20 percent)

### **Problems that cause the symptom**

The publication of the tenders' results (which, as stated, is done only in part) shows two major reasons for the failure of marketing of state-owned land in the Arab communities:

**Problem 1: A low rate of response to the tenders that are issued – a small number of people offer bids.** This major problem has to do with the low response of the Arab population in Arab communities and the tendency to avoid these tenders.

**Problem 2: Offered tenders that are found invalid** –many tenders that were offered were found to be invalid. The reason for invalidating the tenders were varied. Among them were failure to meet the criteria, improperly submitted paperwork and failure to pay the required amount.

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<sup>6</sup> Sikkuy's intensive efforts to obtain information from the ILA and the Housing Ministry about registration-and-lottery tenders were unsuccessful. Officials of the ILA's information department claimed that these tenders are carried out by name and that in order to protect privacy, they may be publicized only after personal details are hidden, which, as stated, was not done.

## Barriers to the marketing of state-owned land in Arab communities

An examination of the barriers – in other words, the mechanisms of the deep causes of the problems in the marketing of state-owned land in Arab society – showed that the barriers existed both in the government ministries and agencies and in the Arab local authorities and Arab society. **It should be emphasized that most of the barriers that were discovered relate to the fact that the marketing process in its current form is carried out identically in Jewish and Arab communities, with no consideration for the specific characteristics of Arab society.**

### Barriers

#### **Barrier 1: The lack of appropriate personnel to market land in Arab communities**

As of now, no official of either the Housing Ministry or the ILA is specifically in charge of marketing land in Arab society. The lack of such an official (who should ideally be an Arab) to work in this field makes it difficult to market land successfully to the Arab population based on the needs of Arab society.

#### **Barrier 2: The lack of an organized structure for publicizing and explaining the tenders and making them accessible to the public**

Neither the ILA nor the Housing Ministry has any organized or built-in structure for holding marketing conventions or providing information about construction options and rights to lots offered for marketing to the public in Arab communities. It should be emphasized that providing this sort of information is obligatory in the Arab communities because the subject of the state's involvement in land matters is a highly sensitive one in Arab society. Sharing information is vital in order to show that this action is good for the country's Arab citizens.

#### **Barrier 3: Difficulty in marketing land that is owned by multiple owners (the ILA and others)**

The marketing of land belonging to multiple owners causes conflicts and disagreements, and prevents the public from responding to tenders for such land.

#### **Barrier 4: Lack of appropriate methods and skill in marketing the product, and the existence of irrelevant plans**

Most of the plans that are approved for Arab communities are neither updated nor relevant. Often, the existing plans apply to the past, and at times they are not feasible, yet they are put on the market anyway. In addition, not enough attention is paid to consolidating the product that is to be marketed – types of construction, density, public areas and so on. The result is not appropriate for the needs and characteristics of the Arab community.

#### **Barrier 5: The tender does not include appropriate methods for putting state-owned land on the market in the Arab communities**

In each of the two most common tender methods, there are barriers that either cause the failure of the tender or limited success in marketing the land. Tenders in which the highest bidder wins are harmful to a weak population, and allow wealthier populations from outside the community to buy land there. A tender that operates through registration and lottery for local residents and those who do not own housing gives priority to demobilized soldiers, thus discriminating against Arab citizens, who are legally exempt from military service.

**Barrier 6: Disparity between the views of Arab communities and those of Housing Ministry and ILA officials regarding the development costs**

Since the Arab population is not aware of the direct or supplementary costs of land development and sees them as unjustifiably high, in many cases it avoids responding to tenders. The Housing Ministry and the ILA do not make the information available to the public, nor do they explain the components of the cost and their significance.

**Barrier 7: Disparity between the views of Arab communities and those of ILA and Housing Ministry officials regarding the burden of development costs**

The number of housing units in the lots up for sale is planned according to the tender and the urban construction plan. But in many cases, the lots are bought up by a smaller number of people who register (for example, a lot containing 47 units is acquired by two purchasers). Thus the burden of the development costs per purchaser is much higher than planned.

**Barrier 8: Disparity between the views of Arab society and those of the state regarding desirable density levels**

The number of housing units per lot (as determined at the time when they are offered for sale) is a significant impediment to the success of the sale because most of the time, it is higher than expected in the Arab communities. This barrier has led to the failure of many tenders because people are reluctant to bid on a tender with such a large number of housing units and also because when the number of respondents is lower than designated in the urban construction plan, the tender is invalidated.

**Barrier 9: Marketing land “as is” increases the costs to buyers and/or reduces the size of the lot**

Often, the ILA also markets land that is not completely available and contains negative factors such as litterers, squatters and illegal buildings. The conditions of marketing do not include compensation for the evacuation costs, and often the only solution is to reduce the size of the lot intended for housing. This situation prevents many Arab citizens from responding to tenders.

**Barrier 10: Faulty communication and coordination between the ILA and the Housing Ministry hurt the marketing process and its results**

Housing Ministry officials mention the need to integrate the ILA more actively in everything that has to do with planning and assisting communities before they issue a

tender. The fact that the ILA joins the process only in the final stages, just before the end, undermines the quality of the planning and the ability to arrive at and construct a product that is appropriate for the residents.

**Barrier 11: Lack of local leadership in the Arab communities regarding the marketing of state-owned land**

The Arab local authorities feel disconnected from the process of planning and carrying out the marketing of land in their communities. At times, they cut themselves off from involvement in the sale of land in their communities, and at times try to change the conditions of the tender for political gain. In extreme cases, the local leadership sabotages the marketing by telling the residents not to respond to the tender.

## **Policy Recommendations**

**1. Recruiting and training personnel for the ILA and the Housing Ministry to promote marketing in the Arab communities**

As part of this recommendation, we feel that it is very important to appoint an official in the Housing Ministry districts who will coordinate between the various agencies involved in land marketing in the Arab communities, strengthen the connection with the local authorities, assist in planning marketing methods that are appropriate for the community's needs and provide information in the communities. In addition, local representatives who are either from the communities or very familiar with them must be appointed to serve as local channels to provide information, identify barriers and locate parties who are interested in promoting marketing in specific communities. In addition, an increase in the number of personnel in the marketing departments at the ILA and the Housing Ministry, which suffer from an ongoing personnel shortage, will help in general in dealing with the subject of land marketing in the Arab communities.

**2. Constructing a plan for the sharing of information and holding marketing conferences in every community where a tender has been issued**

Meetings with the local community and the potential population interested in responding to the tenders for the land could calm many fears, remove barriers and delays and increase the chances of successful marketing. We recommend that an organized structure be established to furnish publicity and information concerning land marketing in the Arab communities. This structure, which will be formed in partnership with the Arab local authorities and Arab professionals, will meet the needs and be adapted to the characteristics of the Arab population. We recommend holding marketing conferences in Arab communities at which representatives of the ILA and/or the Housing Ministry will state the conditions of the tender and the correct way to respond to it. These conferences will also be held in partnership with the local authorities and Arab professionals.

**3. Promoting the dissolution of partnership in land owned by multiple private owners and the ILA**

The planning authorities and the directors of the local authorities must initiate and encourage measures to dissolve partnership in land owned by private owners and the ILA. The dissolution will be carried out with funding from the ILA, after which additional lots will be accepted for marketing to community residents who do not own their own homes.

#### **4. Speeding up procedures to update old plans**

Before offering the land for sale, the old detailed plans must be updated to match the planned product in terms of time, place and potential purchasers. We recommend that a government decision be made to speed up the planning procedure and focus mainly on approved plans whose suitability should be examined, and to promote them for marketing.

#### **5. Suiting the method of issuing tenders to Arab residents**

The ILA must take a close look at the current tender methods and work to implement a method that is appropriate for Arab communities. It must also realize that the criterion of military service reduces and often prevents the possibility of winning a tender for people lacking homes who are eligible for apartments and did not serve in the military. Arab citizens are legally exempt from military service. Therefore, **the link between receiving public land and military service increases inequality and undermines the relationship between Arab citizens on the one hand and the Housing Ministry and the ILA on the other.** In the immediate future, we recommend changing the criteria suggested in the registration-and-lottery tender method and offering equal opportunities for those who do not own homes and did not serve in the military.

#### **6. Establishing an agency to provide information to the purchasing public about the components and importance of development costs**

The ILA and the Housing Ministry, in partnership with the local authorities, should provide information to the residents about the components and importance of development costs. Disparities of this sort, related to providing information, are easy to resolve, and it is essential to do so. Information and transparency regarding land and development costs in the ILA tenders are necessary in order to prevent speculation.

#### **7. Providing information to the residents about the financial advisability of taking advantage of approved building percentages in the lot**

The Housing Ministry and the ILA, in partnership with the local authorities, should provide information to the residents about the financial advisability of taking advantage of the full number of living units approved for the lot.

#### **8. Developing an appropriate mix of densities in Arab society**

It should be recognized that Arab society, like all societies, is heterogeneous and has various needs and capabilities that require a mix of housing options. Therefore, a housing program that includes a variety of housing types for the varied needs of any community should be developed.

Market surveys must be conducted in communities where land sales are to be held, and social planners who are familiar with the population in the communities should be brought on board. In this way, the plans will be as suitable as possible for the potential buyers.

The term “saturated building” must be avoided as much as possible as it creates resistance and hesitation among the Arab population.

Marketing models that allow groups to make purchases as families and allow contractors to construct at high density, but in a manner appropriate to needs and capabilities, should be promoted.

#### **9. Credit those who receive a lot for the expenses involved in removing pests, squatters and illegal structures**

Residents who receive lots (in accordance with estimated costs) should be credited for the anticipated expenditures on removing nuisances and dealing with squatters and illegal structures. In cases where the lot purchasers cannot change the state of the lot and must reduce its size, they should not be charged in advance for the entire lot.

#### **10. Creating a good working relationship between the ILA, the Housing Ministry and the Arab local authorities**

A good working relationship must be created and partnership strengthened between the ILA and the Housing Ministry when it comes to marketing in Arab society. Special days for joint training and study must be set for both agencies, and they must work together to strengthen the connection and level of coordination between themselves and the Arab local authorities.

#### **11. Training and support must be given to the local authorities as leaders of the marketing process in their communities**

The local authority and its head should take the lead in the processes of marketing and construction, enforcement and supervision, and professional familiarity with the subject of housing and public responsibility. Doing so is one of the keys to successful marketing. **The local authority must convey positive messages to the public, support tenders and encourage the residents to make offers. It must also work for housing solutions in the community, invest in public relations and stimulate public discourse on the subject.** Moreover, the local authority and the establishment must work together to build mutual trust and strengthen their relationship. A change in attitude will enable the creation of professional and productive cooperation between the Arab local authorities and the government agencies and their integration at all stages of the planning and implementation of marketing.

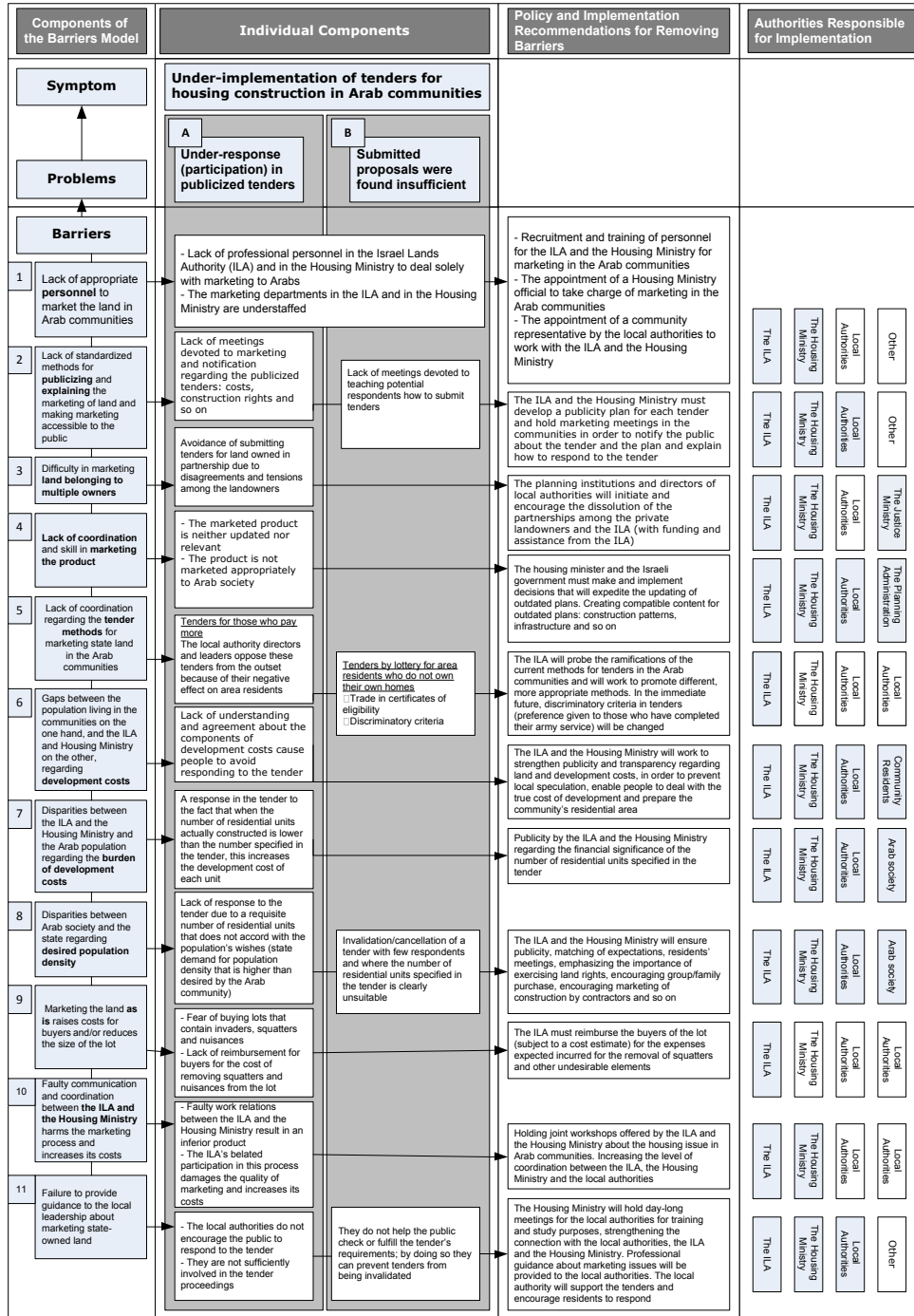
## **Conclusion**

The barriers and opportunities (the policy recommendations) presented here demonstrate that the starting point for dealing with land matters in Arab society must be vastly different from that in Jewish society. **The use of identical tools to market land**

**causes marketing failures and diminishes the potential use of state-owned land for housing in the Arab communities.** The policy and the tools for carrying it out must be appropriate for Arab society. Sikkuy calls upon the state authorities to adapt marketing policy to the characteristics of Arab society and Arab communities while working together with the Arab local authorities. We also call upon the leaders of the Arab local authorities to take an active part in leading the marketing processes in their communities. **This paper offers detailed and feasible recommendations, for all parties involved, for reaching this goal. If even part of these recommendations are adopted, there will be a significant improvement in land marketing, which will help to alleviate the shortage of land and housing in Arab society.**



**Diagram 3: The barriers model – symptom, problems, barriers and policy recommendations – the marketing of state-owned land in Arab communities (in separate file)**



## Land Registration in the Arab Society in Israel

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**By Ruth Sar Shalom and Ruth Weinschenk-Vennor**

**Editor: Ron Gerlitz**

Unlike the previous paper, which dealt with public land (state-owned land), this paper deals with the registration of privately-owned land. Although there is no argument between the state and the Arab citizens over the fact that it is privately-owned land by Arab citizens, for various reasons that we will enumerate below, the owners' registry has not been updated for years. Despite the difficulties in the registration process, there is no disagreement regarding the nature of the ownership of the land in question. Land registration issues are a key issue in the promotion of physical development, housing construction and the implementation of master plans and detailed plans in Arab communities. The proper registration of land and rights anchors a person to his or her land and allows logical physical development while providing an appropriate solution to housing needs. Without proper registration, land cannot be mortgaged or sold, community development plans can be delayed and construction permits cannot be granted.

Much of the land within the jurisdiction of the Arab communities is privately owned. Therefore, the need for and dependence upon land registration in the Arab communities is more widespread than in the other communities in Israel. Most residents of Arab communities, who constitute approximately 80 percent of Israel's Arab citizens, live on privately-owned land which in many cases is not registered in their name because the ownership registry has not been updated for so many years. As stated, this has severe ramifications at private and community levels. The current state of affairs stems from historical, socioeconomic and political factors that led to a longstanding neglect of this issue by the central government, the local government and the residents themselves.

In recent years, as pressures to develop the land have grown more powerful and the shortage of land available for development has become more acute, a certain amount of change has taken place in the Arab communities in the awareness of the importance of registration. There is more willingness among Arab citizens to register their land. In addition, several regulations were recently changed, which could make simplify the registration procedure. The time is ripe for inter-ministerial, system-wide work that will put the issue on the public agenda, provide information to the Arab citizens and training for the local leadership and professional personnel and, most important, deal with the barriers that prevent land registration.

In 2010, the government decided to introduce a five-year plan for economic development in the Arab sector. The plan includes a concrete method for dealing with the issue of land registration in Arab communities, which involves three major clauses:

1. It was decided that the Tax Authority Administration would establish an inter-ministerial team to make recommendations for the encouragement of the registration of land rights in the Arab sector.
2. It was decided that the accountant general of the Finance Ministry would establish an inter-ministerial team to make recommendations regarding credit and loans for real estate projects in the Arab communities.
3. A decision was made to allocate a budget for the promotion of detailed planning on privately-owned land. The Ministry of Housing and Construction and the Finance Ministry, in cooperation and coordination with the local authorities, will move detailed plans for privately-owned land forward and complete them, including consolidation and parcellation, for the construction of approximately 5,700 housing units. A supplementary budget of NIS 39.9 million has been allocated for this purpose. No detailed plan for privately-owned land will be put into effect as long as any issues of the land's ownership remain unsettled.

**A window of opportunity has therefore been created here**, since there is increasing demand for proper registration. This stems from awareness of the need for detailed plans (in order to grant construction permits on the individual level and to carry out development plans at the community level). In order to ensure that the detailed plan will be carried out, land and rights must be properly registered. In many cases, consolidation and parcellation are also necessary as an early stage in the registration of rights by the owners. Also, contrary to the situation until now, when Arab local authorities were unable to deal with the subject of detailed planning because of their economic situation, a government budget has now been allocated for it. However, those two components obligate the government to ensure that the work is carried out efficiently.

**Therefore, the goal of this paper is to give decision-makers a description of the major problems and to inform them of the barriers that prevent proper land registration in the Arab communities and the opportunities for improving the situation.**

## **The Current Situation**

Despite the dearth of public statistics, it is obvious to everyone that the state of land registration in the Arab communities is bad. Almost none of the original village centers (the core of the communities) are registered. Land that is not at the center of the original village is partially registered, but most of it was registered during the Mandate period – in other words, approximately 70 years ago. In practice, the land is held by multiple fourth-generation owners, who in most cases made intra-family agreements that have no legal validity, and their rights are not registered. The registration processes that began in the Arab communities are incomplete, lose their validity and are not implemented.

The state is responsible for leading the statutory process of land registration (for both privately-owned and state-owned land), but the initiative for proper registration of land lies with the landowners (there are no penalties for failure to register). This creates a situation in which there are bureaucratic, political and economic barriers that deter and

even prevent most of the landowners from taking the initiative to register their ownership of the land that they inherited and that belongs to them, despite the severe personal and public ramifications of failure to register the land properly, as illustrated in Diagram 1.

Diagram 1: The negative effects of failure to register privately-owned land



The current situation is characterized by a multiplicity of agencies that deal with various aspects and stages of land registration. The Justice Ministry is responsible for the final registration of land, both privately-owned and state-owned. The ILA conducts a registration system parallel to that of the Justice Ministry, which administers state-owned land that has been leased to contractors and individuals. The Construction and Housing Ministry participates in the process as a marketer of state-owned land, parallel to the ILA. The Interior Ministry promotes planning, including consolidation and parcellation, which in many cases has not reached the stage of actual registration of land rights. The Mapping Center of Israel, which is responsible for measuring and cadastral registration, operates according to timetables that are not coordinated with the registration process and in many cases, the measurements lose their validity.

Several years ago, the Finance Ministry established a committee to speed up land registration. Among its members were all the agencies connected with this issue. The committee was established in order to cope with the current fragmentation. Owners of privately-owned land have no representation there (and certainly not Arab owners of privately-owned land), since no one is in charge of ensuring the registration of rights to privately-owned land in its owners' name or of ongoing supervision of the issue. On the

other hand, the ILA and the Housing Ministry have a great deal of say on the committee as the parties involved in land arrangements. Despite the committee's existence, the major problem – the lack of a current integrative database that could provide a unified, single report of the situation – has not been solved. Such a database is required for the preparation of logical work plans on the basis of need.

## **Barriers to the Registration of Land in the Arab Communities**

Economic, social and political barriers combine with organizational and professional barriers that exist both in government ministries and agencies and in Arab society.

### **Economic barriers**

#### **Barrier 1: Difficulty financing consolidation and parcellation work as part of detailed planning**

Consolidation and parcellation work includes planning, measurement, assessment, legal work and validation through confirmation of the plan by the planning authorities. This work involves high costs, and in many cases, individuals or local authorities cannot afford them.

#### **Barrier 2: Past property-tax debt**

Those who wish to register land are obligated to obtain confirmation that they have paid property tax. Property tax is levied on vacant, non-agricultural land. As the result of a struggle by several social groups, the tax was abolished, but large past debts remain, preventing many Arab citizens from registering their land. Recently, following instructions from the five-year plan for economic development of the Arab sector, a government committee was established, and we hope that it will make courageous recommendations that include debt forgiveness, which would lead to significant change regarding this major barrier.

#### **Barrier 3: Compounding of past debts on the basis of land taxation**

All land transactions involve various taxes, either to the state or the local authority: capital gains tax on real estate, purchase tax, sales tax, land excise tax and various fees to the local authority. Intra- and inter-family agreements for the transfer of land are still common in Arab society. Such agreements are not reported to the tax authorities out of a desire to avoid the taxes that apply to land transactions, and in the past also because of long-ingrained habit. The state does not do enough to provide information and tools for dealing with the problem. Such tools would include registration campaigns that include forgiveness of past tax debt.

#### **Barrier 4: The economic advantages of not registering**

When land is not registered in the name of its actual owner, no liens can be put against it (either by the state as lender or by an individual creditor who has obtained a ruling from the Bailiff's Office). Often, support allowances or welfare payments are withheld from landowners. This creates an incentive to avoid registering land.

## Organizational Barriers

### **Barrier 5: The lack of a joint database**

Information about the state of land registration is scattered among the various government authorities. The information is unavailable, not public and cannot be consolidated in such a way that will show the current situation clearly. As things stand, the problems and their scope cannot be analyzed, and intelligent decisions regarding priorities cannot be made.

### **Barrier 6: Fragmentation of the registration process – responsibility, authority and under-budgeting**

Land registration is a legal procedure that requires planning, measurement and legal work. It is a complicated, expensive process that can lose its validity if it does not proceed properly. While the Justice Ministry is responsible for arrangement, it does not control all the levels of implementation, nor does it control the budget. The budgeting of some of the components of the arrangement is controlled by the Mapping Center of Israel, the ILA and the Housing Ministry.

### **Barrier 7: Non-representation of Arabs on the steering committee for land registration and the committee to expedite registration**

Arab citizens who own land privately are not represented on the steering committee for land registration or on the committee to expedite registration. They have no voice in setting priorities for action. This barrier combines with the fact that most construction planning lacks an Arab voice, particularly at the level of national and district planning. Thus the specific needs of the Arab community are not represented.

## Professional Barriers

### **Barrier 8: Lack of integration and coordination of the multi-disciplinary information required to address the issue, and lack of professional training**

The issue of land registration and rights requires profound and interdisciplinary knowledge in the fields of physical and social planning, taxation, law, valuation, surveying and more. There is a shortage of experienced multi-disciplinary personnel who specialize in the subject, as well as professional training about innovations in the field.

### **Barrier 9: Protracted legal procedures**

Issues involving claims of ownership and issues of opposition to consolidation and parcellation plans end up in courts. The courts often delay decisions on such sensitive and volatile subjects, either for fear of making a decision or due to delaying tactics used by one of the parties.

### **Barrier 10: The local leadership's difficulties in taking a leading role in the registration of land rights**

In many cases, the procedure of registering the rights of multiple owners requires that the local leadership take a leading role, particularly when it is necessary to mediate between the interests of an individual or a family and those of another individual or family, or the public interest. In many such cases, the local leadership avoids taking a leadership role because it is unaware of the importance of registration or fears the personal and political complexities that it entails. A shortage of appropriate information and training for the local Arab leadership perpetuates the situation.

#### **Barrier 11: Difficulties in leading the dissolution of partnerships in *musha*<sup>7</sup> land and the ILA's inability to deal with such procedures**

A great deal of *musha* land is shared by various owners, including the ILA as the administrator of the property of the 1948 refugees. Some of the owners and landholders refuse to engage in dissolution procedures or consolidation and parcellation, for fear that these procedures will be seen as recognition of the state's right to land belonging to relatives who were expelled or who left in 1948.

#### **Barrier 12: Suspicion and unwillingness of landowners to participate in the procedures required to register their rights**

There is a great deal of suspicion on the part of landholders that stems from their experiences from the recent past in which large tracts of land (either owned or held) were expropriated from Arabs and given to the state. The fact that until recently professional personnel and officials in the government ministries who dealt with these procedures were Jews only added to the suspicion.

### **Policy Recommendations**

#### **Changes in organization and awareness on the operational level**

All of the active players in the field of land registration must be consolidated and an inter-ministerial team created, working under the supervision of the Prime Minister's Office, to make land registration a priority. The team must work together with representatives of the leadership of the Arab local authorities, Arab professional personnel and representatives of the social groups that work in this field. The officials should be made to realize that registering land rights in the Arab owners' names is an immediate and direct national interest. **The inclusion of Arab professional personnel and leaders** in all processes and echelons of decision makers regarding land registration will help to dispel suspicion, solve problems and advance logical and coordinated plans for expediting registration.

#### **Collecting data and creating a joint database**

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<sup>7</sup> *Musha* – a method used during the Ottoman period for joint ownership of land belonging to a tribe, family or village. The state passed a law stipulating that land belonging to landowners who had been expelled or had left the country in 1948 would be considered state-owned land. This created a situation in which land is owned both by the state and by private individuals.

Data regarding the state of land registration and the registration of land rights must be collected from all the pertinent agencies. A joint database that can be updated continuously and that will show the work of all the agencies is essential because it will enable the creation of intelligent work plans on the basis of professional priorities.

### **Forgiveness of past property-tax debts and updated taxation on land transactions**

The existing mechanisms for forgiving past property-tax debt must be expanded to apply to all past debts. Regarding the compounding of past debts for land transactions, we recommend that such debts be forgiven for people who are no longer alive and that the minimum debt allowed by law be imposed together with the customary arrangements, with debt rescheduling arranged for those who cannot afford it.

### **Continuing trainings**

Continuing trainings and education must be offered to professionals who work in Arab communities (architects, urban planners, engineers, surveyors and lawyers) regarding the importance and advantages of registration and practical innovations for implementing it. These classes should also be offered to employees of the local authorities and community leaders. Classes should be initiated at the Institute for Continuing Education for Judges about the ramifications of non-registration of land on the fabric of life in the Arab sector, in order to encourage clear, detailed, practicable and quick rulings in conflicts over land.

## **Conclusion**

Land is the most sensitive issue in the national conflict between Jews and Arabs. Compared to it, proper registration of land is a secondary issue in which both the state and its Arab minority have a strong interest. Both the leaders of the Arab sector and the government are well aware of that. **This is a rare instance of agreement and identical interests regarding a subject that lies at the heart of this charged and controversial issue.**

**Recruiting the operational echelon for intensive cooperative work is a supreme interest for Jews and Arabs and for the state and its citizens. The solution to the conflict over land will enable dramatic improvement in the economic and physical development of the Arab communities and increase equality between Arabs and Jews in Israel.**



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