

Selected Findings

Statistical Report on Arab
Society in Israel
الكتاب السنوي للمجتمع العربي
في إسرائيل 2023

Muhammed Khalaily | Ahmad Badran | Arik Rudnitzky



המשרד לשוויון חברתי
וקידום מעמד האישה
הרשות לפיתוח כלכלי
של מגזר המיעוטים



وزارة المساواة الإجتماعية
وتعزيز مكانة المرأة
سلطة التطوير الإقتصادي للأقليات

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and transfers. The document provides a detailed list of items that should be tracked, such as bank deposits, checks, and credit card payments. It also outlines the proper procedures for recording these transactions, including the use of double-entry bookkeeping and the importance of balancing the books.

The second part of the document focuses on the preparation of financial statements. It explains how to calculate net income, determine the cost of goods sold, and compute the gross profit margin. It also discusses the importance of comparing current performance with historical data and industry benchmarks. The document provides a step-by-step guide to preparing the income statement, balance sheet, and cash flow statement, and includes a sample of each. It also discusses the importance of auditing the financial statements and the role of an external auditor.

The third part of the document discusses the importance of budgeting and financial planning. It explains how to create a budget that reflects the company's goals and objectives, and how to use the budget to monitor performance and make adjustments as needed. It also discusses the importance of forecasting future financial performance and the role of financial planning in long-term success. The document provides a detailed guide to creating a budget, including a list of items to include and a sample budget.

The fourth part of the document discusses the importance of tax compliance and financial reporting. It explains the various tax laws and regulations that apply to businesses, and provides a detailed guide to calculating and paying taxes. It also discusses the importance of maintaining accurate records for tax purposes and the role of a tax professional. The document also discusses the importance of financial reporting and the role of a financial analyst.

The fifth part of the document discusses the importance of risk management and insurance. It explains the various risks that businesses face, such as theft, fire, and liability, and provides a detailed guide to selecting and purchasing insurance. It also discusses the importance of risk assessment and the role of a risk manager.

The sixth part of the document discusses the importance of financial analysis and investment. It explains how to calculate key financial ratios, such as the current ratio, debt-to-equity ratio, and return on equity, and how to use these ratios to evaluate a company's financial health. It also discusses the importance of investment analysis and the role of a financial analyst.

The seventh part of the document discusses the importance of financial control and internal auditing. It explains the various internal controls that businesses should implement to prevent fraud and errors, and provides a detailed guide to designing and implementing these controls. It also discusses the importance of internal auditing and the role of an internal auditor.

The eighth part of the document discusses the importance of financial communication and reporting. It explains how to communicate financial information to stakeholders, such as investors, creditors, and management, and provides a detailed guide to preparing financial reports. It also discusses the importance of transparency and the role of a financial communicator.

The ninth part of the document discusses the importance of financial innovation and technology. It explains the various financial technologies that are available, such as blockchain, artificial intelligence, and robo-advisors, and provides a detailed guide to selecting and implementing these technologies. It also discusses the importance of financial innovation and the role of a financial innovator.

The tenth part of the document discusses the importance of financial ethics and social responsibility. It explains the various ethical issues that businesses face, such as bribery, corruption, and environmental damage, and provides a detailed guide to addressing these issues. It also discusses the importance of social responsibility and the role of a financial ethicist.



Statistical Report on Arab Society in Israel 2023

The Israel Democracy Institute's *Statistical Report on Arab Society in Israel* aims to provide information, data, and analysis that serve as the go-to address on Arab society for government officials, academics, professionals, and the wider public in Israel and abroad.

The Report presents data on the Arab population in Israel as a whole, while paying particular attention both to the socio-demographic diversity within the Arab sector, and to the comparison between Arabs and Jews in Israel.

The 2023 Statistical Report includes four chapters: The first chapter surveys the main demographic trends in Arab society, and also offers a comparison with Jewish society. The second looks at quality of life and living standards, on the basis of socioeconomic indicators and data on violence and crime in Arab society. The third chapter presents data on employment and income among Arab citizens, and the fourth analyzes trends in education. Most of the data presented in this report covers the period prior to the attack of October 7, 2023 and the war that followed—a war that impacted Arab society in various social and economic aspects of their lives.

The Statistical Report editors,
Muhammed Khalaily, Ahmad Badran, Arik Rudnitzky
Israel Democracy Institute



Chapter 1

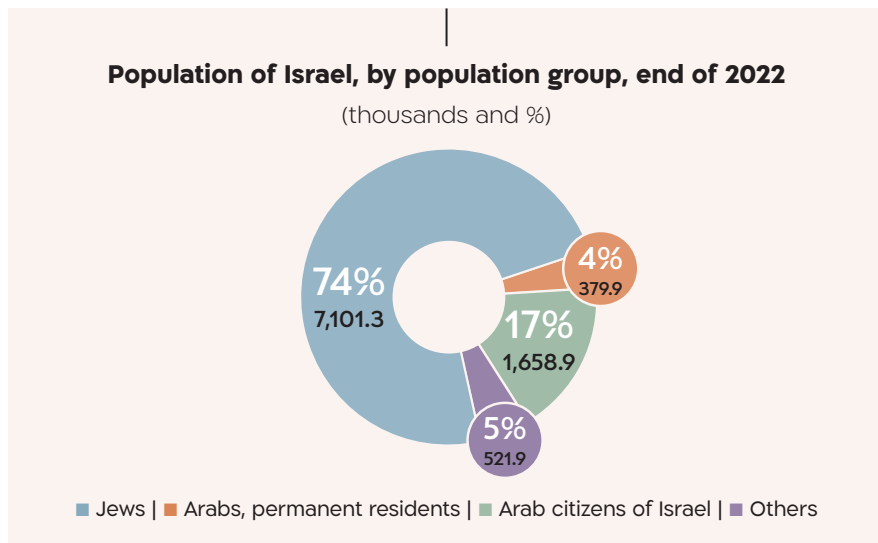
Demography

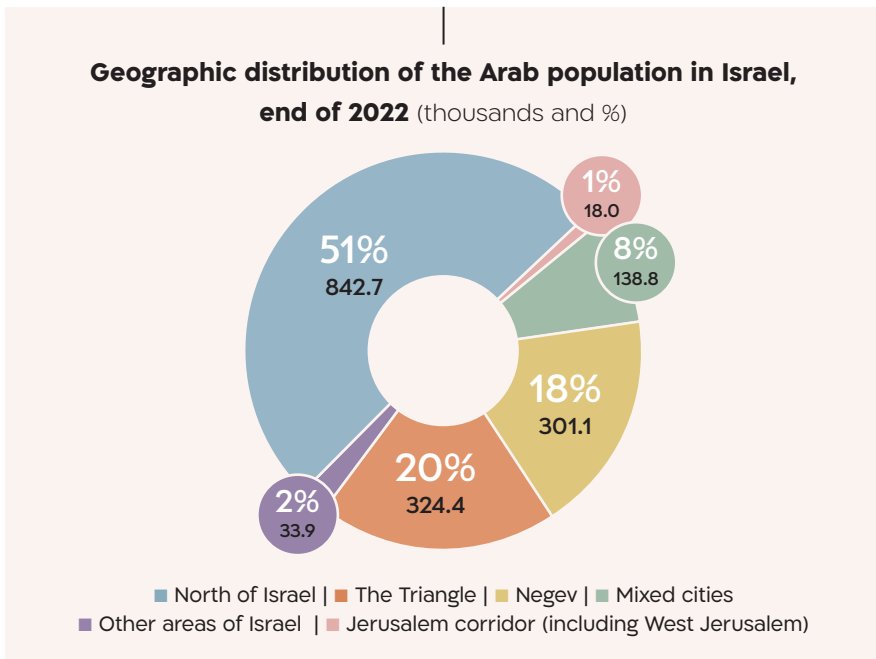
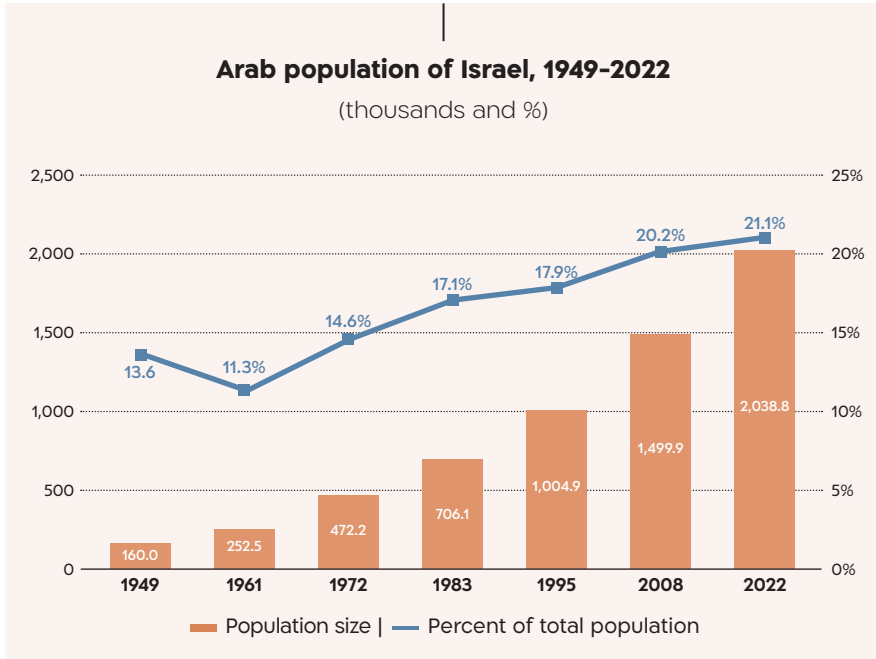
Population Size and Geographic Distribution

According to data from Israel’s Central Bureau of Statistics (CBS), the Arab population in Israel numbered around 2.04 million at the end of 2022, constituting 21.1% of the total population. This percentage comprises 17.2% who hold Israeli citizenship, and 3.9% with the status of “permanent resident,” who live in East Jerusalem.

There are 163 localities in Israel (including 13 cities and 68 local councils) in which the entire population are Arab Israelis. The two largest Arab cities are Rahat (with approximately 79,000 residents) and Nazareth (approximately 78,000 residents). The majority of Arab citizens are Muslim (83.2%), and the remainder are Druze (9.1%) and Christian (7.7%).

Half the Arab population (not including East Jerusalem) live in the north of Israel, and the rest reside in two main regions: the Negev and the “Triangle” (an area in central Israel containing the major Arab towns of Tayibe, Tira, Baqa al-Gharbiyye, and Umm el-Fahm).

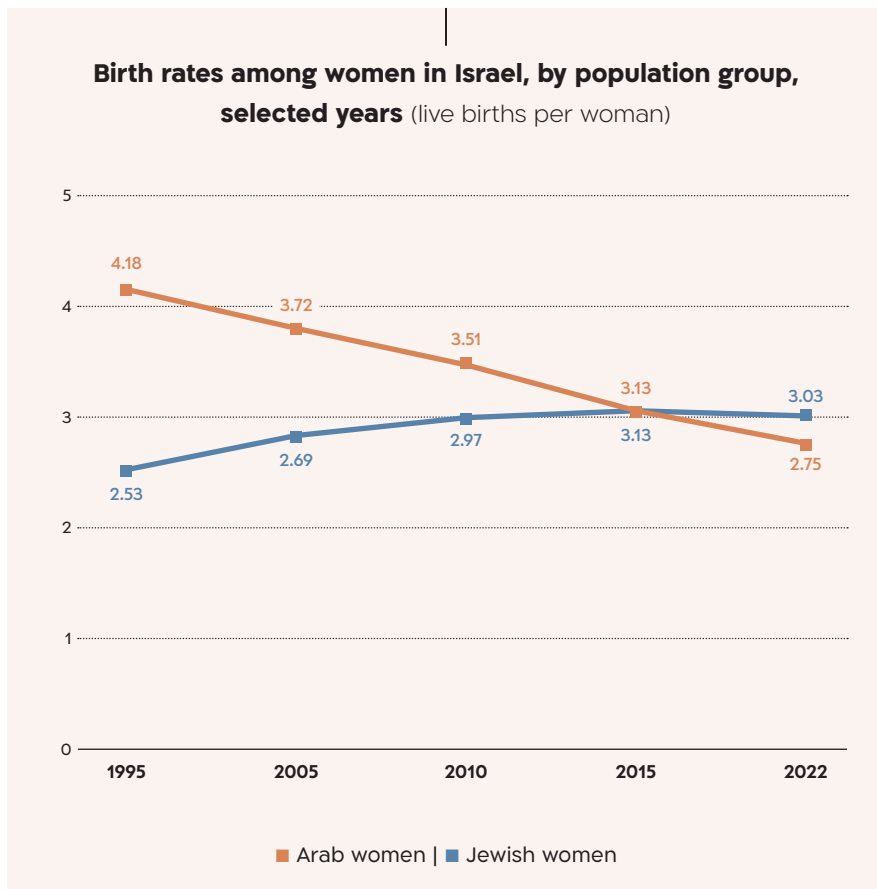




Birth Rates and Age Distribution

The overall birth rate for Arab women in 2022 (2.75 live births per woman) was lower than the equivalent rate for Jewish women (3.03, including among the ultra-Orthodox sector). The highest birth rate was found among Muslim women (2.92), followed by Druze (1.85) and Christian women (1.62).

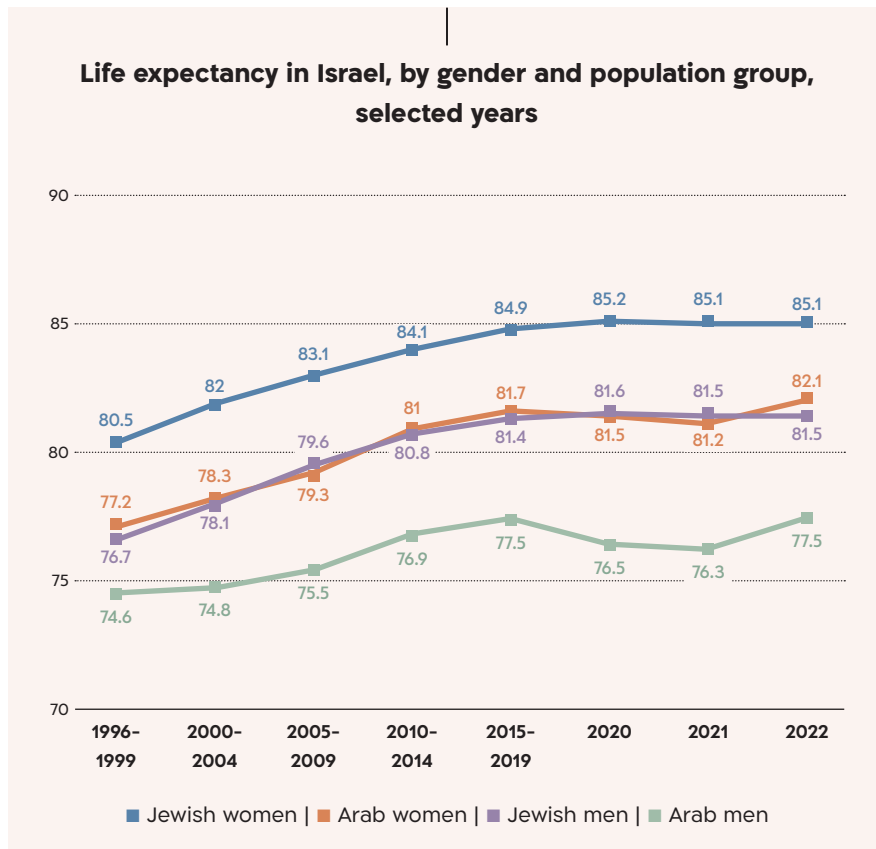
Due to high birth rates in the past, the proportion of children under the age of 18 in Arab society (36.8% of the population) remains higher than the equivalent proportion among Jewish Israelis (32.1%). The proportion of children among Muslims (38.5%) is higher than that among Druze (29.2%) and Christians (24.8%).



Infant Mortality and Life Expectancy

Between 2020 and 2022, the average rate of infant mortality among Arabs (5.1 per 1,000 live births) was more than twice as high as the equivalent rate among Jews (1.9). Within Arab society, the infant mortality rate among Muslims (5.3) was considerably higher than the rate among Druze (3.1) and much higher than the rate among Christians (1.9).

Life expectancy in Arab society has continued to rise, thanks to improvements in various health indicators, but there remains a significant gap between Arabs and Jews: Life expectancy for men and women in Arab society are now identical to life expectancy for men and women in Jewish society two decades ago.



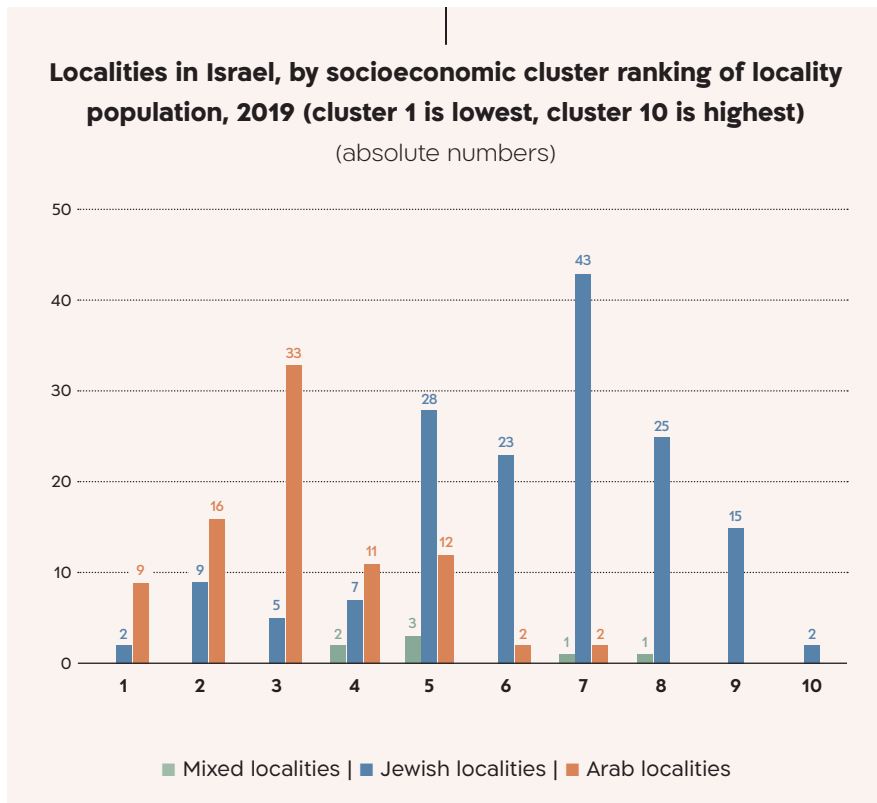


Chapter 2

Quality of Life and Standard of Living

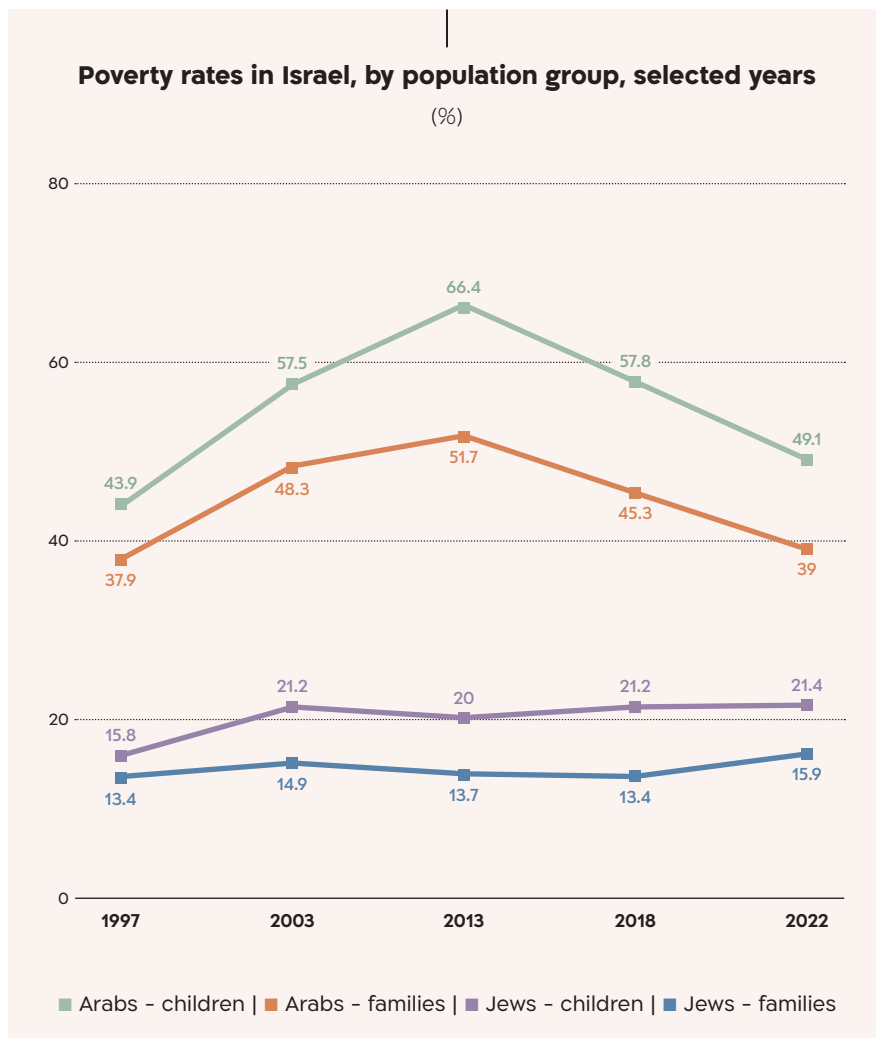
Socioeconomic Ranking of Arab Localities

Almost all Arab localities in Israel (95%) are ranked in the five lowest clusters (out of ten) in the socioeconomic index published by the Central Bureau of Statistics (CBS). By contrast, the majority of Jewish localities (67%) are ranked in the five highest clusters in the index.



Poverty Rates

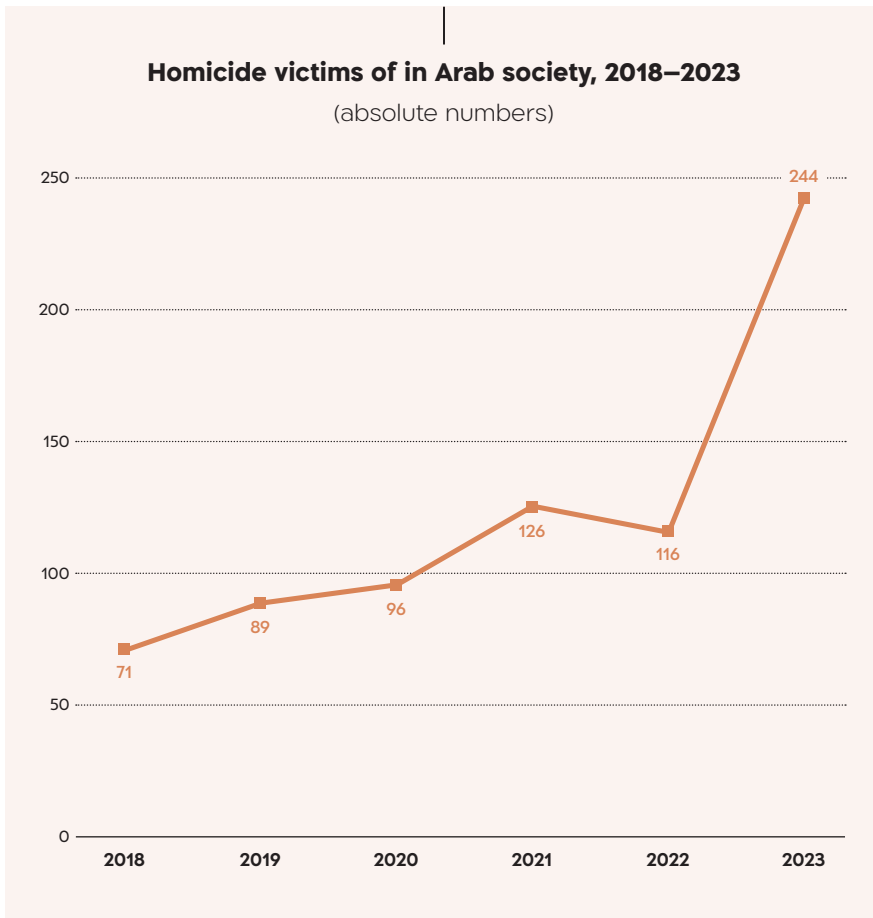
According to data from the National Insurance Institute (NII) for 2022, poverty rates in Arab society for both families (39%) and children (49.1%) are considerably lower than they were a decade ago. However, poverty rates in Arab society are still twice as high as the rates in Jewish society, for both families (15.9%) and children (21.4%).

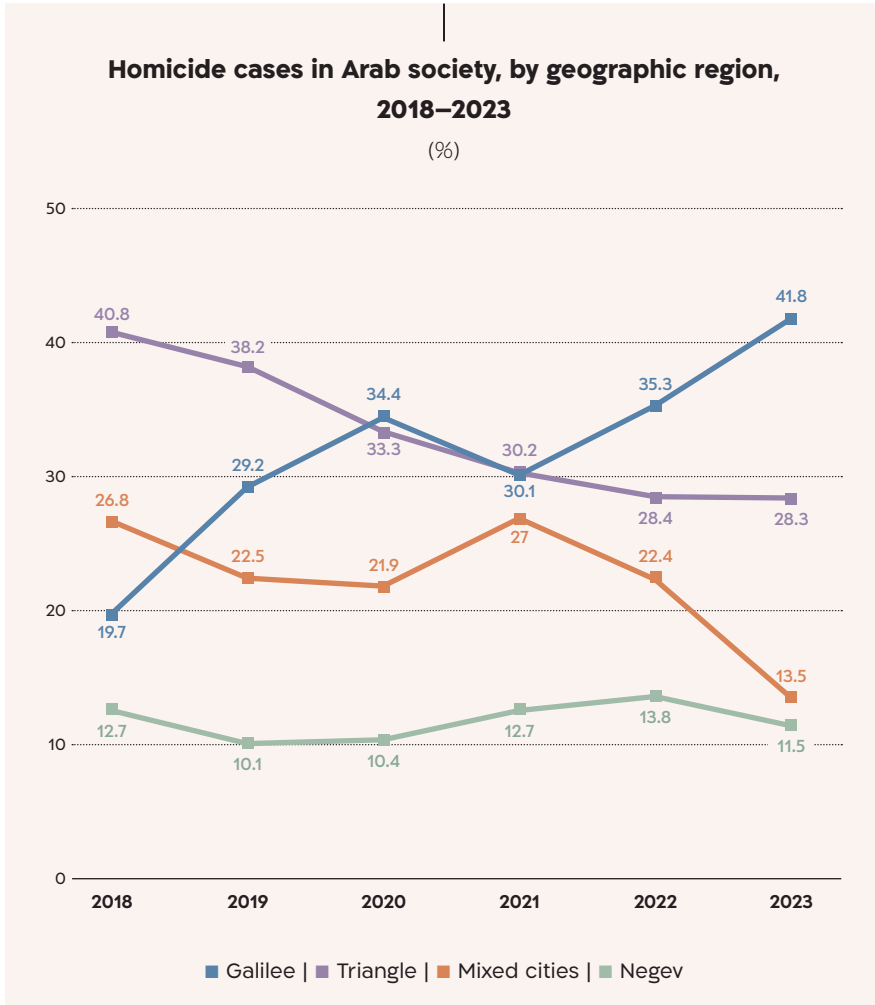


Violence and Crime

In 2023, the number of Arab citizens murdered in violent incidents reached an all-time high of 244. Overall, the number of victims of violence in Arab society has been climbing steadily in recent years, and the rising tide of violence has also claimed the lives of elected officials, including members of Arab local councils.

Until just a few years ago, a sizable proportion of homicide cases in Arab society occurred in the Triangle region. Today, most Arab homicides are committed in the Galilee. The homicide rate in the Negev remains lower than in the other regions.





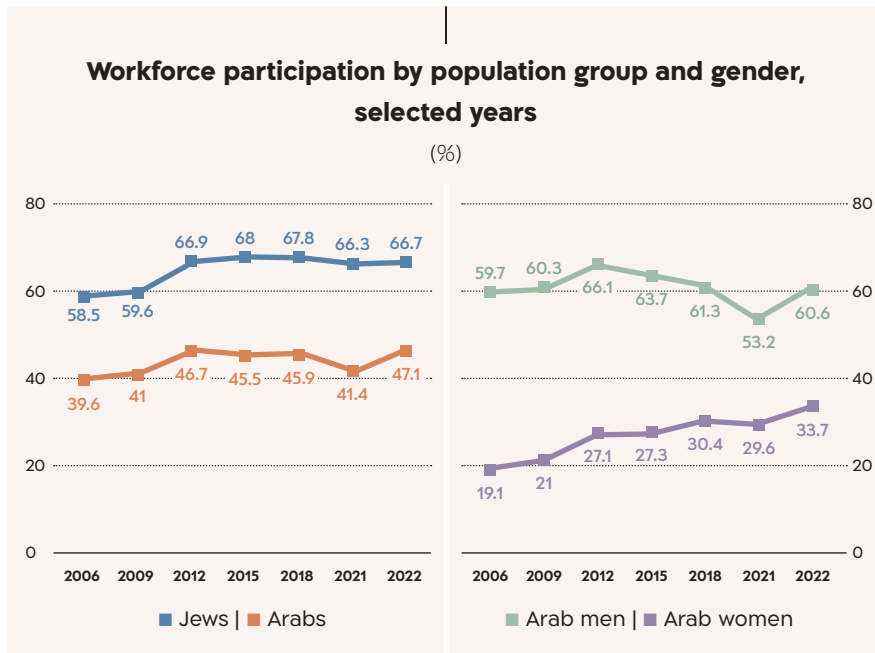


Chapter 3

Employment and Wages

Participation in the Labor Force

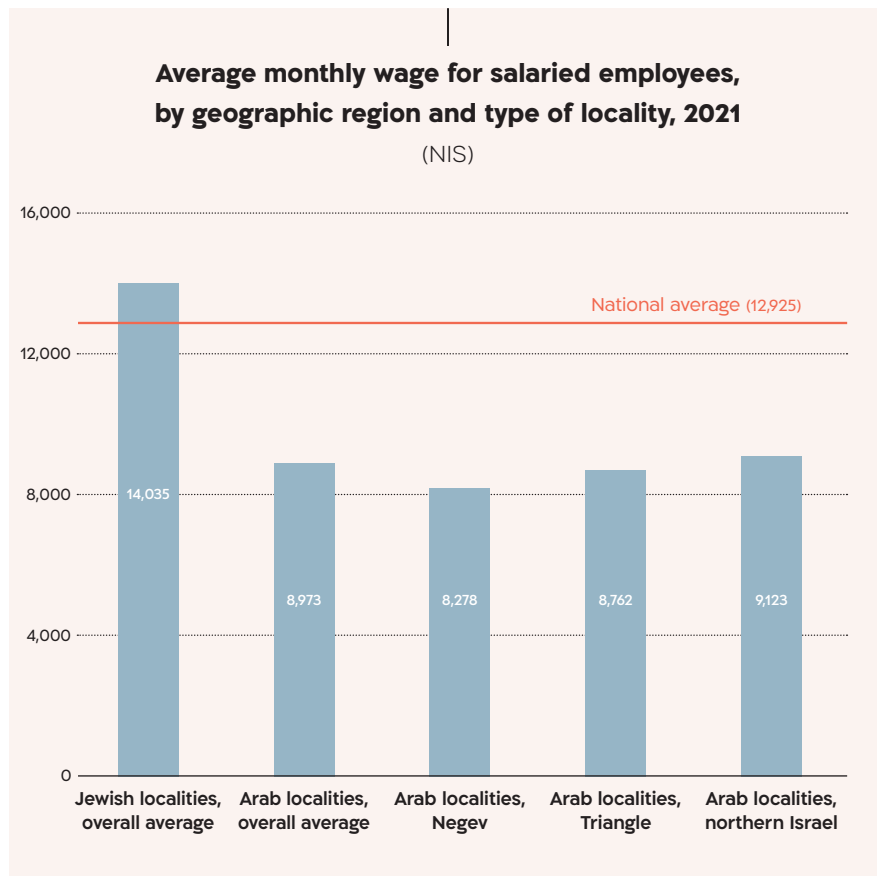
Rates of participation in the labor force among Arab Israelis are far lower than among Jews. According to CBS data for 2022, 60.6% of Arab men participate in the labor force, compared with 67.7% of Jewish men. The gap is even wider among women: Only a third of Arab women (33.7%) participate in the labor force, compared with 65.8% of Jewish women. The unemployment rate among Arabs (5.5%) is slightly higher than the equivalent rate among Jews (3.5%). The labor force participation rate of Arab men rose significantly in 2022 relative to 2021, due to the recovery of the Arab labor market from the effects of the COVID-19 crisis, and it has returned to the levels seen before the outbreak of the pandemic.



Arab Israelis in the Workforce

Arab employees are highly concentrated in specific economic sectors (such as construction for men and education for women), while the Jewish workforce is more diverse. Furthermore, the Arab workforce is concentrated in economic sectors with lower wages than those in economic sectors in which Jews are predominant.

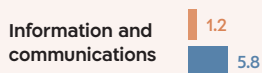
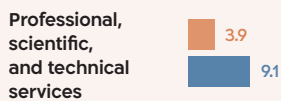
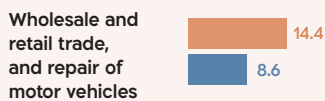
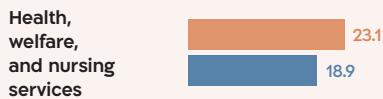
According to National Insurance Institute (NII) data, the average wage of a salaried employee in a Jewish locality (NIS 14,035) is more than 50% higher than the average wage of a salaried employee in an Arab locality, which stands at just NIS 8,973 (2021 data, updated to the end of 2023).



Employees by main economic sectors, by gender and population group, 2022

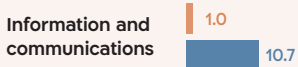
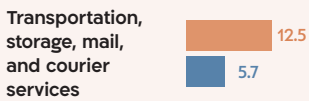
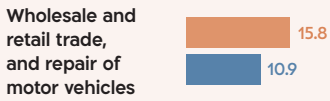
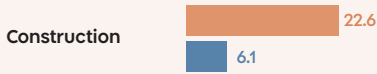
(%)

Women

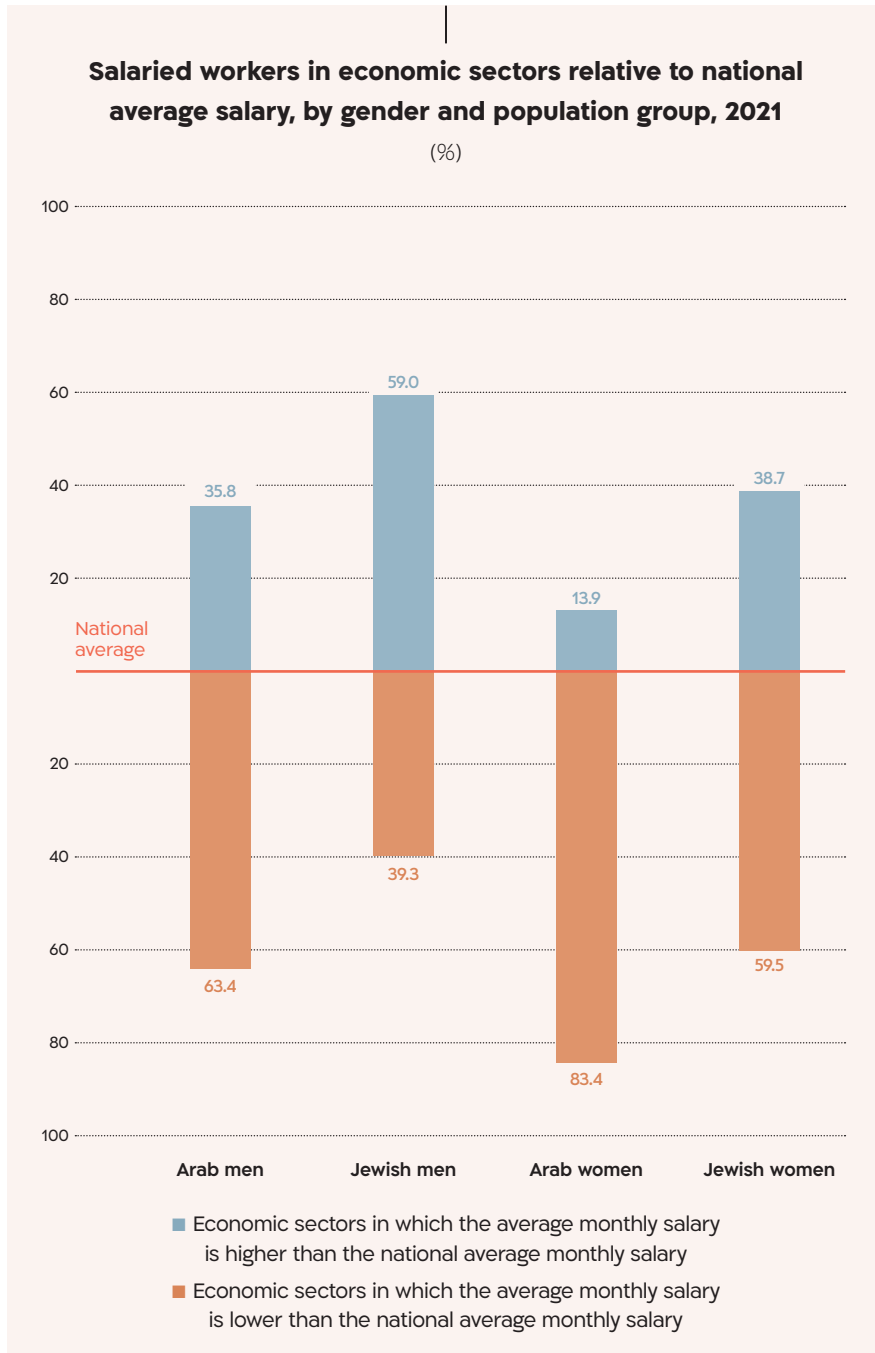


■ Arab women | ■ Jewish women

Men



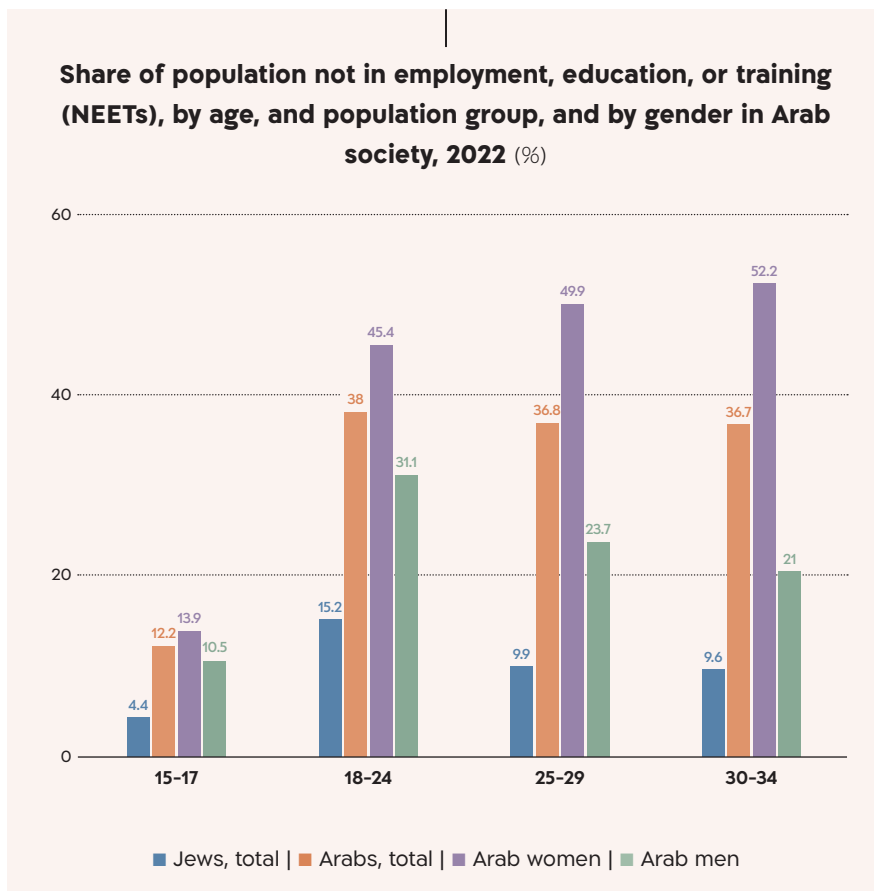
■ Arab men | ■ Jewish men



NEETs

According to data from 2022, 38% of Arab young adults, ages 18–24 are classified as NEETs (not in employment, education, or vocational training). This percentage remains almost unchanged in the next age group up (25–34). By comparison, only 15.2% of Jews in the 18–24 age group are classified as NEETs, and this percentage drops among Jews aged 24–35 as they integrate into the workforce.

The percentage of Arab men who are employed is almost double that among Arab women, and the percentage of Arab women classified as NEETs in all age groups is considerable higher than the equivalent percentage among of Arab men.



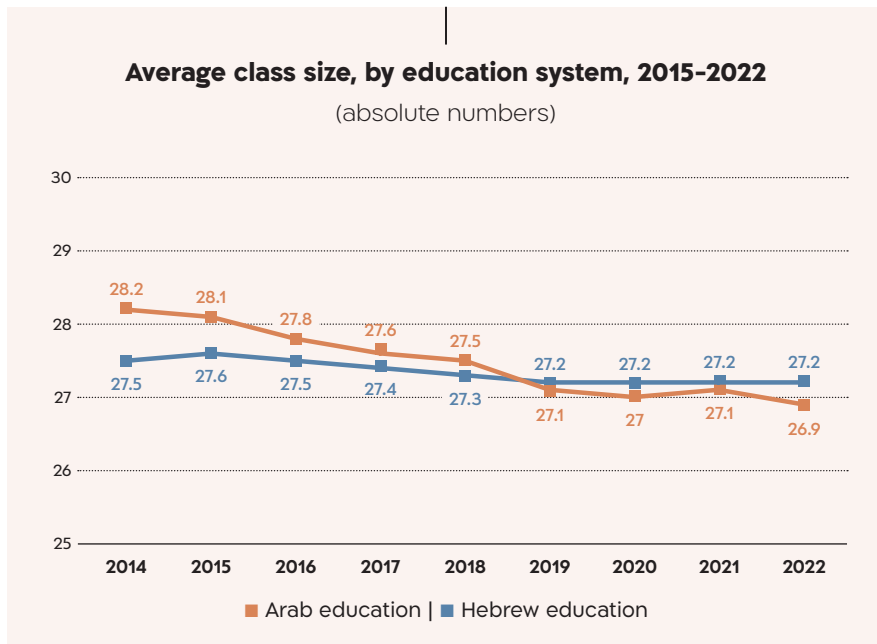


Chapter 4 Education

Physical Infrastructure of Schools

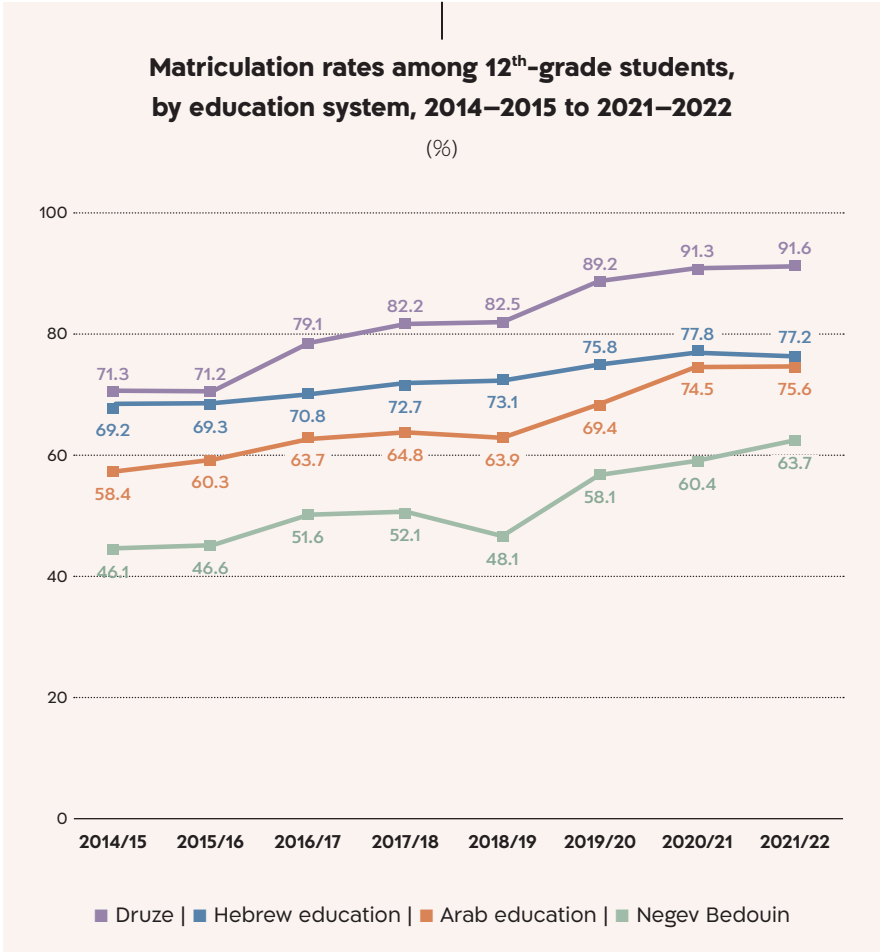
According to data for the 2022–2023 school year, there are 1,145 schools in the Arab education system in Israel, with 18,262 classrooms. The number of students from grades 1 to 12 in the Arab education system totals 449,035.

Up until a decade ago, the average class size in Arab schools was higher than the equivalent average in Jewish schools. Over the years, there has been a steady decline in the average class size in both education systems, though this decline has been steeper in the Arab education system. In the last few years, the average class size in the Arab education system has been lower than the average class size in the Jewish education system.



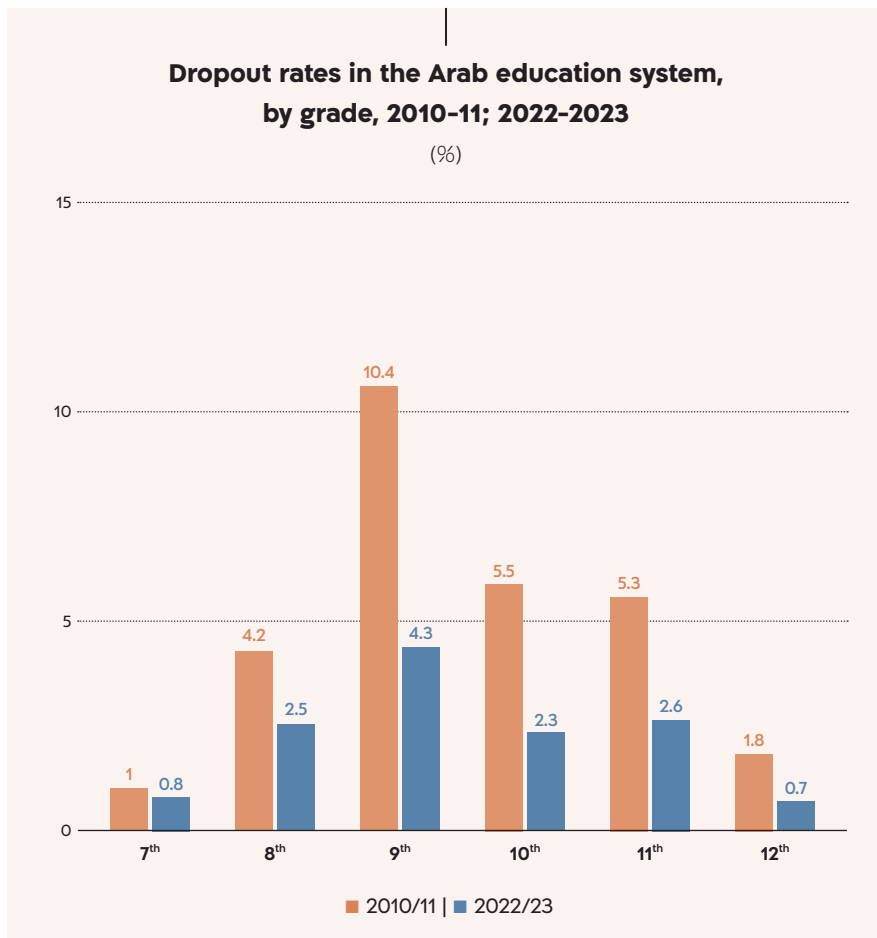
Academic Achievement

The matriculation rate (eligibility for a bagrut diploma) in the Arab education system has been steadily climbing, and in recent years the gap between the Arab and Jewish systems has been narrowing. In the 2021–2022 school year, the matriculation rate among Arab students (75.6%) was only slightly lower than that among their Jewish peers (77.2%). In the Arab education system, matriculation rates are particularly high among Druze students, while matriculation rates among Bedouins residing in the Negev are particularly low.



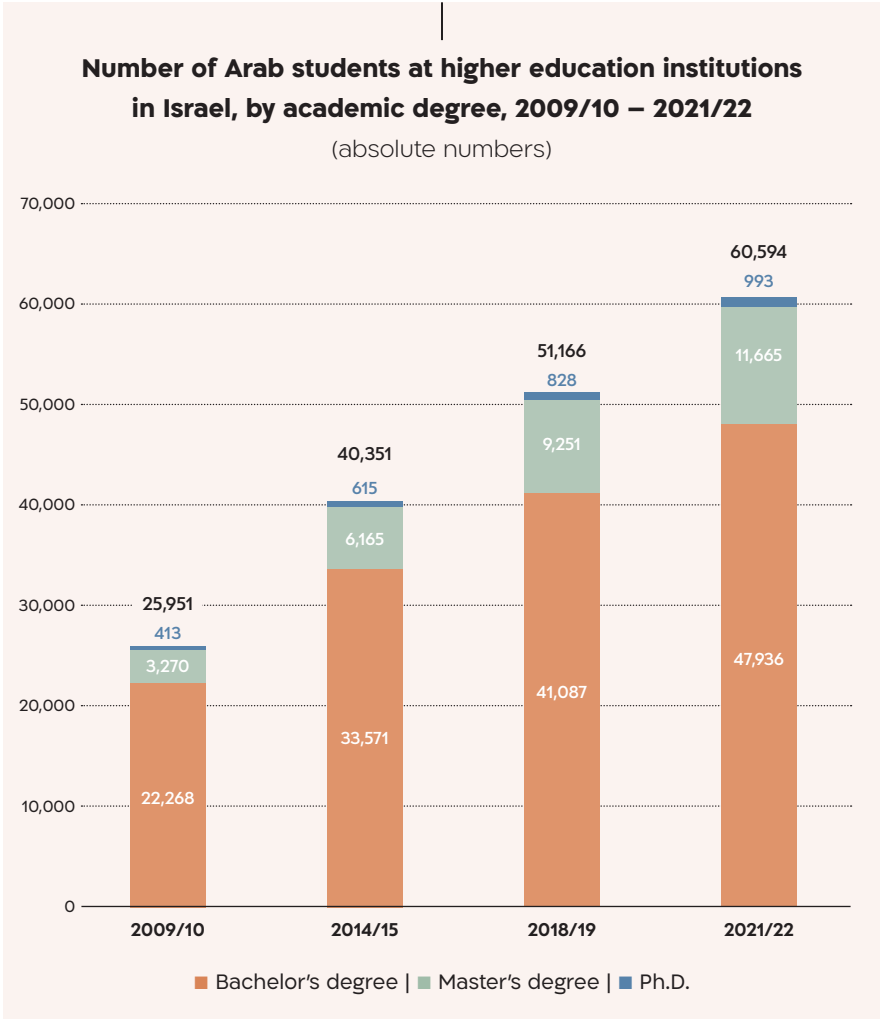
Dropouts from the Education System

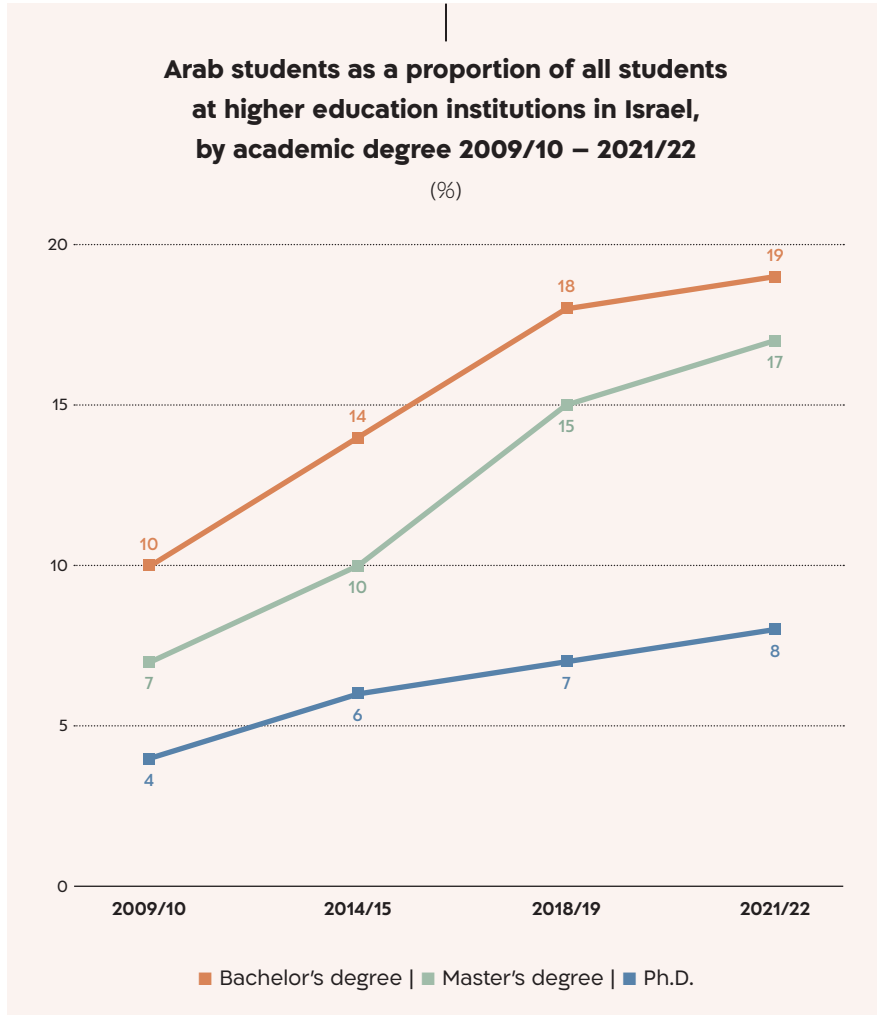
Over the last decade, there has been a decline in dropout rates among students in the Arab education system. The critical stage at which most dropout occurs is at the transition from ninth to tenth grade (from middle school to high school, in Israel), and according to the data, dropout is more common among boys. The overall dropout rate among Arab boys in the transition to 2022–2023 stood at 2.9% (compared with 2.8% among Jewish boys), while the dropout rate among Arab girls was 1.5% (compared with 1.0% among Jewish girls).



Higher Education

Over the last decade, the number of Arab students in institutions of higher education in Israel has risen considerably, as has their relative proportion of the total student population at these institutions. The number and relative share of Arab students at all academic degree levels doubled between the 2009–2010 academic year and the 2021–2022 academic year.





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This study was made possible by the generous support of Joan (z"l) and Irwin Jacobs.



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