

Selected Findings

Statistical Report on Arab

الاجتماعية Society in Israel

للإسرايلى للمجتمع العربى

فلسطين 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 between accounts.

Next, the document outlines the process of reconciling bank statements with the company's records. This involves comparing the bank's record of transactions with the company's ledger to identify any discrepancies. Common reasons for differences include timing differences, such as deposits in transit or outstanding checks, and errors in recording or omission of transactions.

The document then provides a detailed explanation of the accounting cycle, which consists of eight steps: 1) identifying and recording transactions, 2) journalizing, 3) posting to the ledger, 4) determining debits and credits, 5) preparing a trial balance, 6) adjusting entries, 7) preparing financial statements, and 8) closing the books. Each step is described in detail, including the necessary journal entries and ledger postings.

Finally, the document discusses the preparation of financial statements, including the balance sheet, income statement, and statement of cash flows. It explains how these statements are derived from the accounting records and how they provide a comprehensive view of the company's financial performance and position.



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

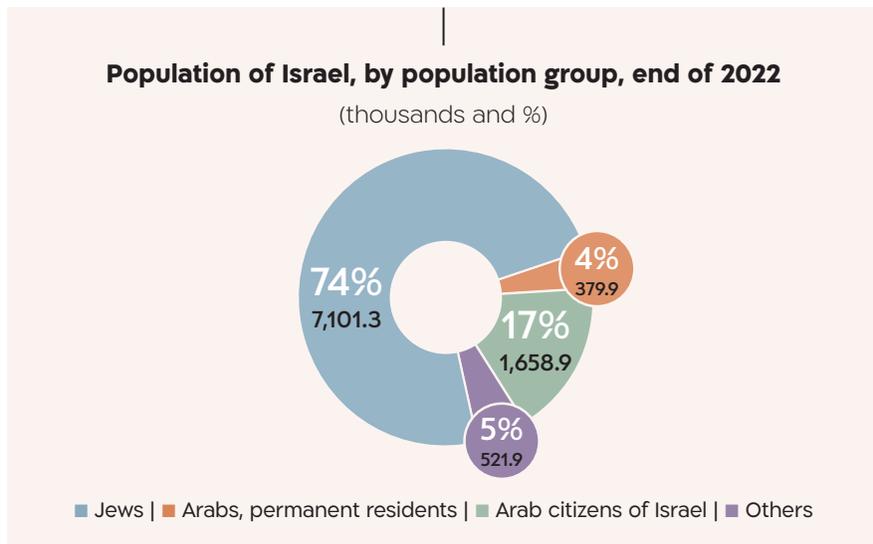
Demography

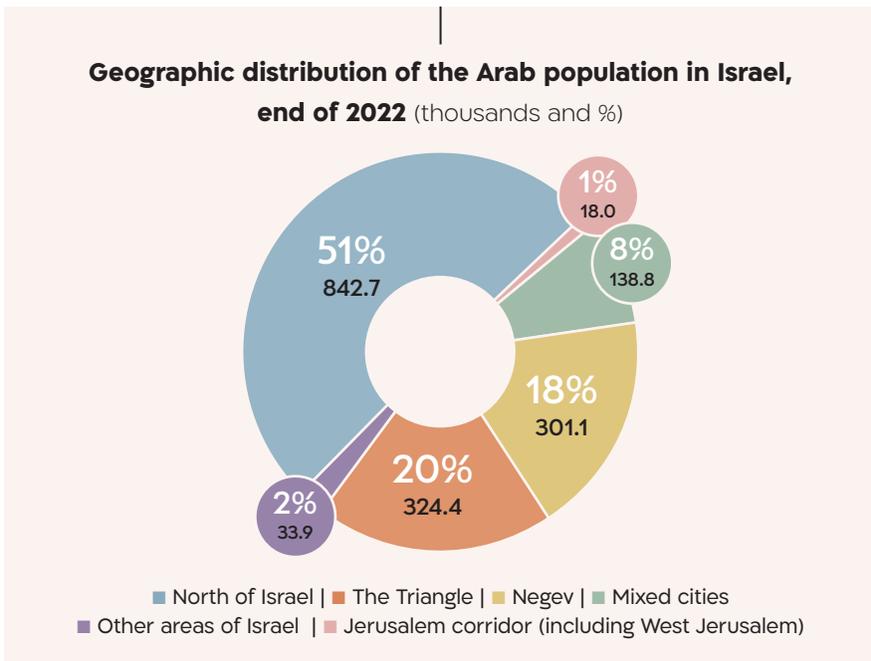
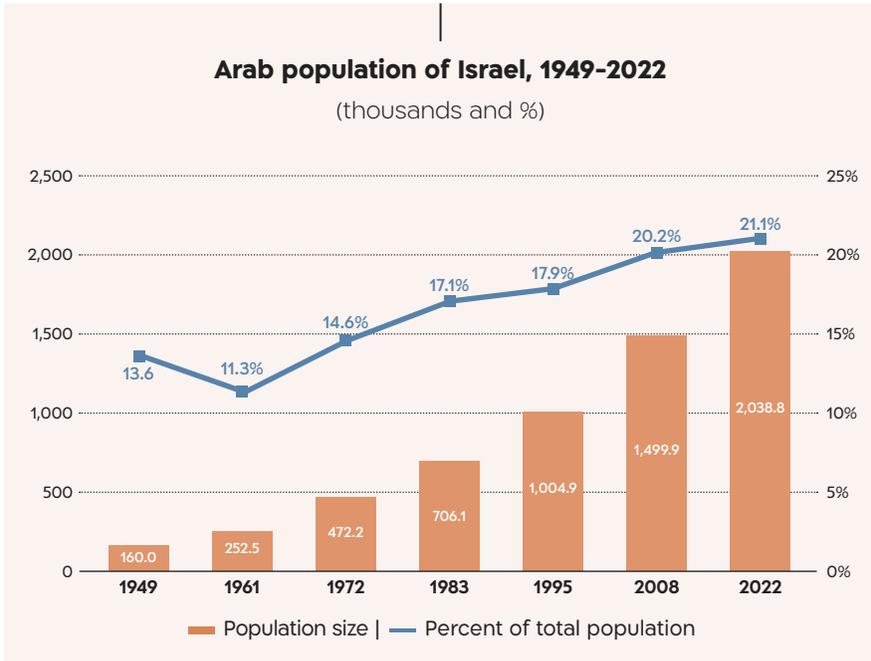
Population Size and Geographic Distribution

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).

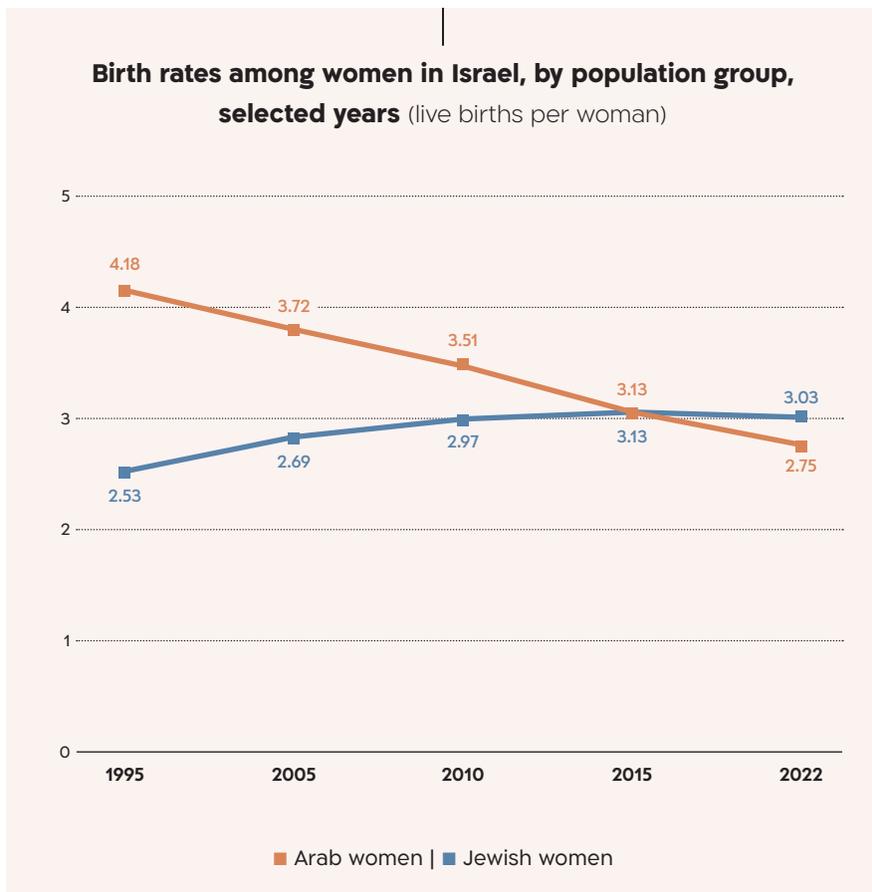




Birth Rates and Age Distribution

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).

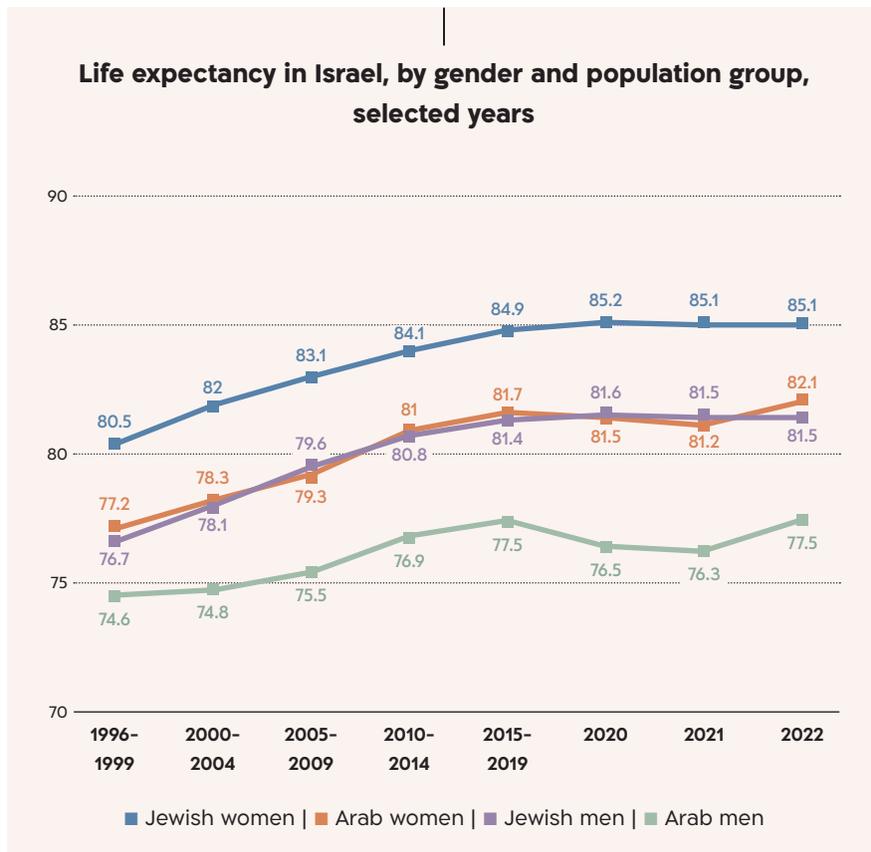
Due to high birth rates in the past, the proportion of children under the age of 18 in Arab society (36.8% of the population) remains higher than the equivalent proportion among Jewish Israelis (32.1%). The proportion of children among Muslims (38.5%) is higher than that among Druze (29.2%) and Christians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



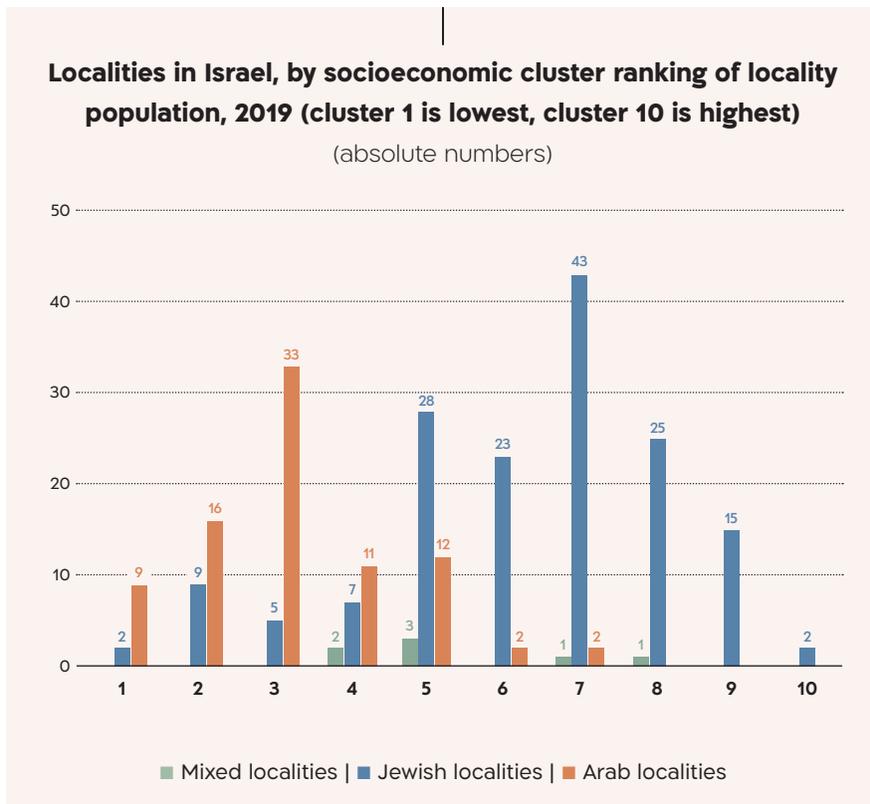


Chapter 2

Quality of Life and Standard of Living

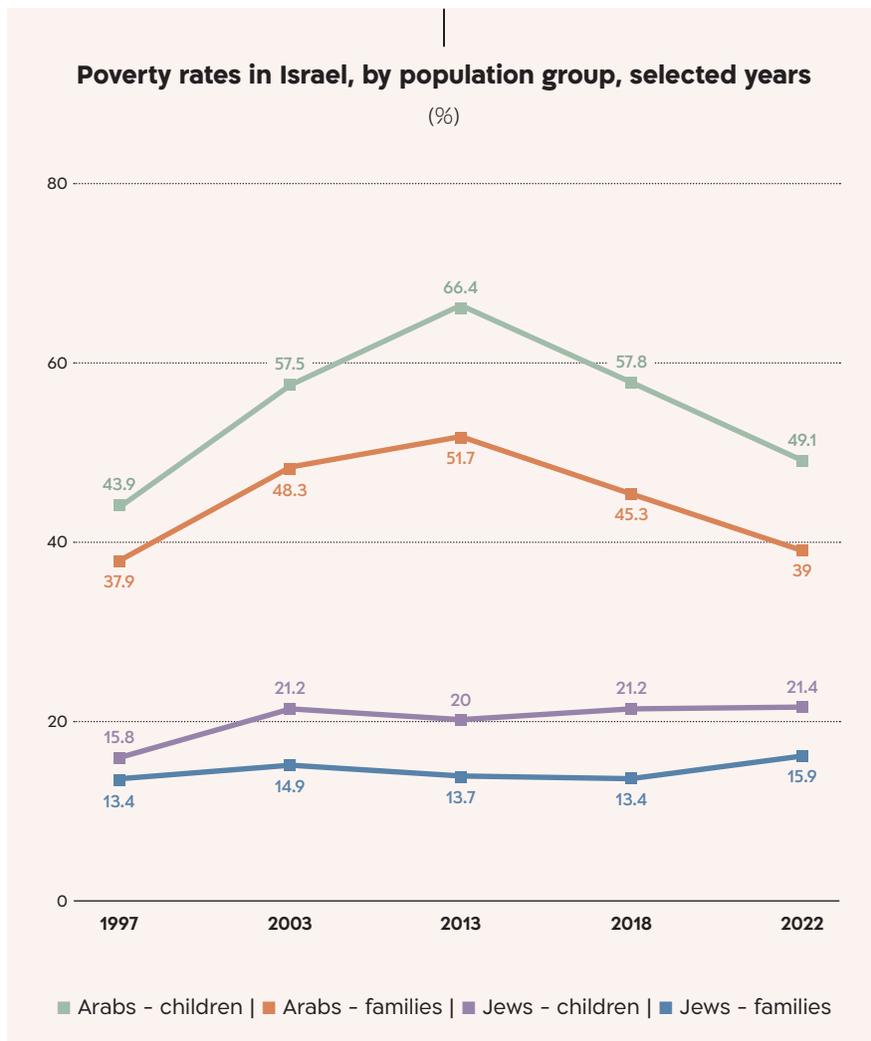
Socioeconomic Ranking of Arab Localities

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

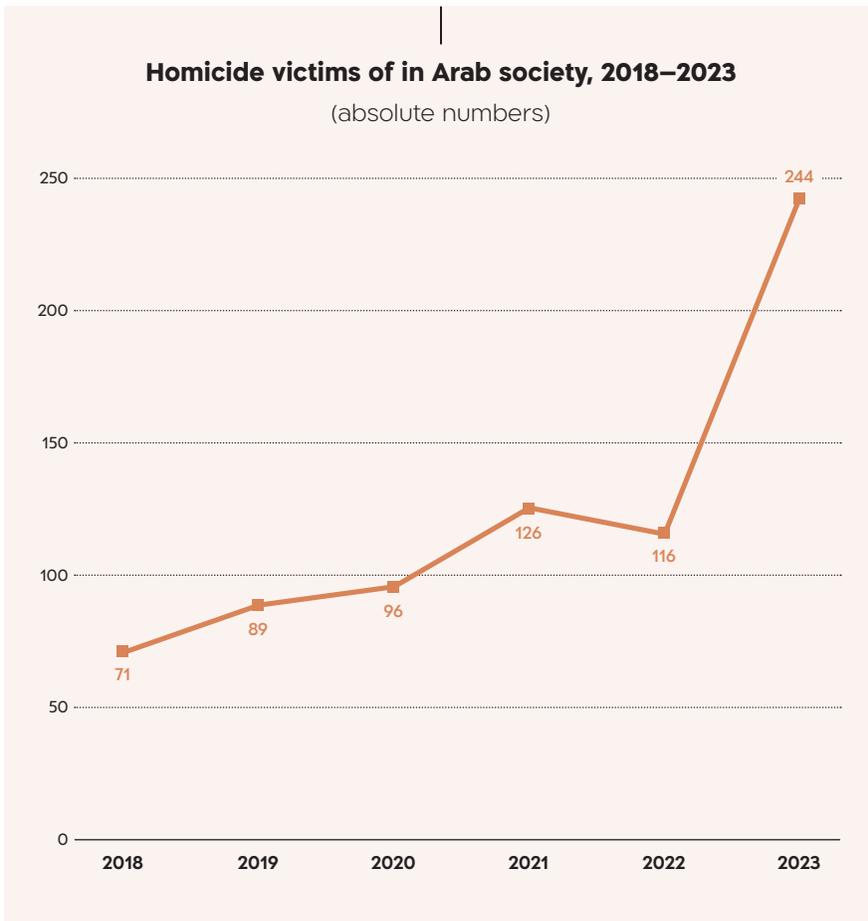
According to data from the National Insurance Institute (NII) for 2022, poverty rates in Arab society for both families (39%) and children (49.1%) are considerably lower than they were a decade ago. However, poverty rates in Arab society are still twice as high as the rates in Jewish society, for both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

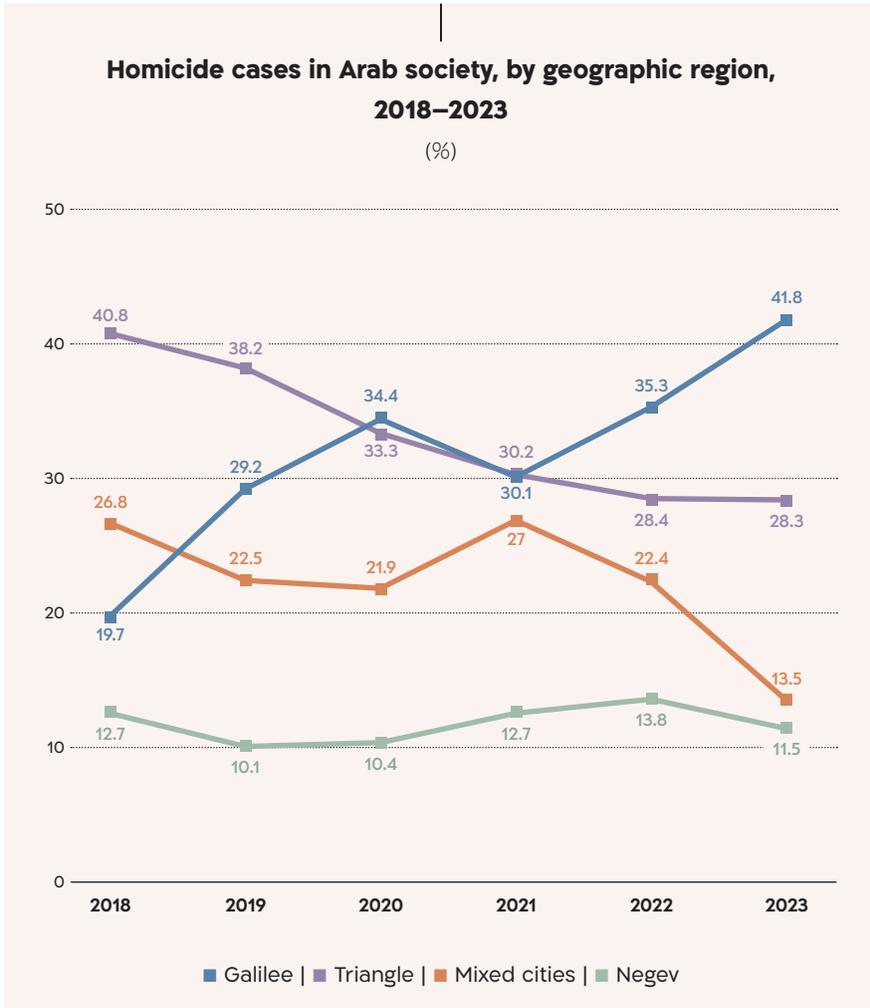


Violence and Crime

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.





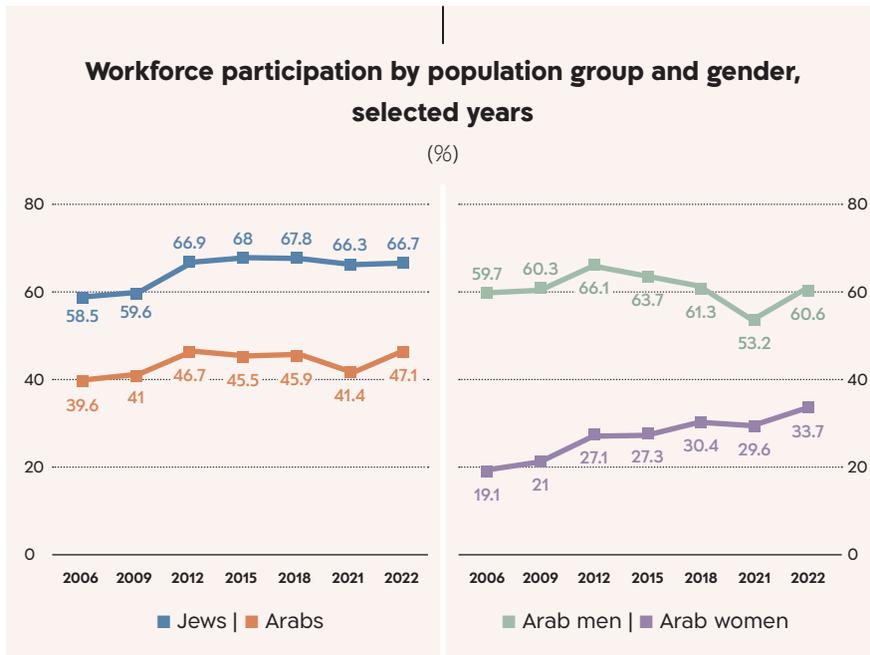


Chapter 3

Employment and Wages

Participation in the Labor Force

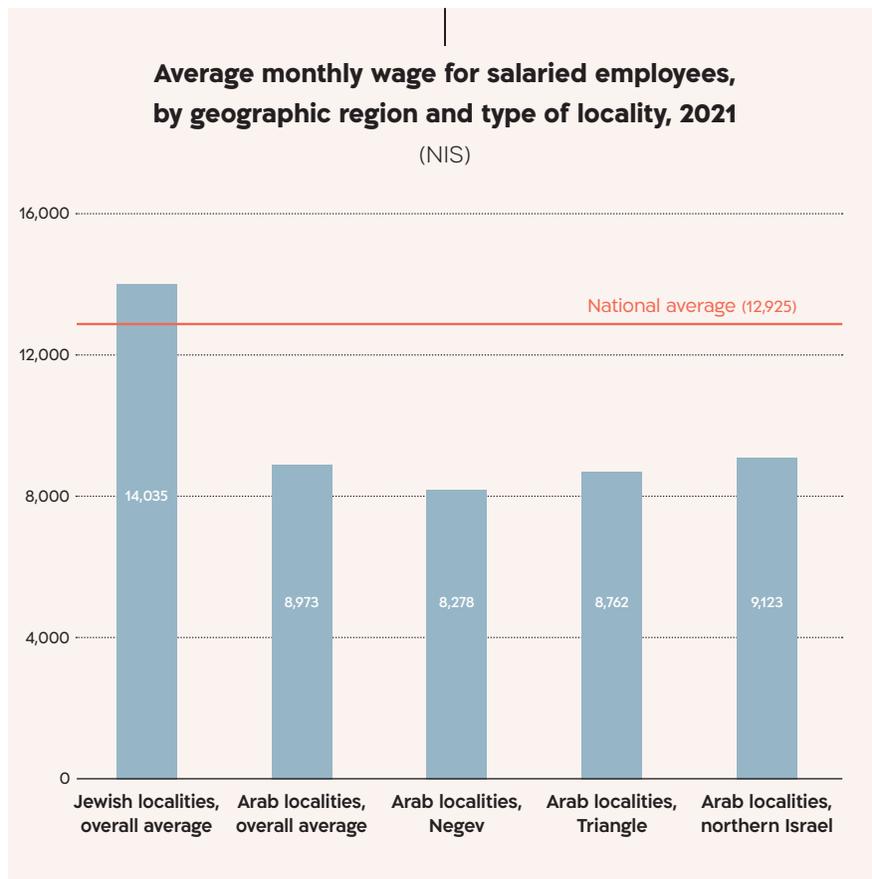
Rates of participation in the labor force among Arab Israelis are far lower than among Jews. According to CBS data for 2022, 60.6% of Arab men participate in the labor force, compared with 67.7% of Jewish men. The gap is even wider among women: Only a third of Arab women (33.7%) participate in the labor 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.

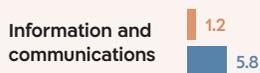
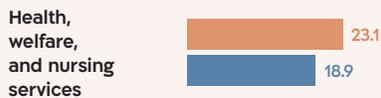
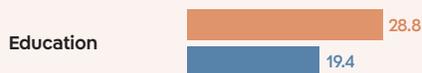
According to National Insurance Institute (NII) data, the average wage of a salaried employee in a Jewish locality (NIS 14,035) is more than 50% higher than the average wage of a salaried employee in an Arab locality, which stands at just NIS 8,973 (2021 data, updated to the end of 2023).



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

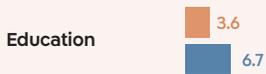
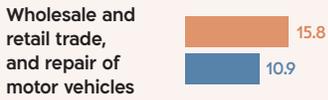
(%)

Women

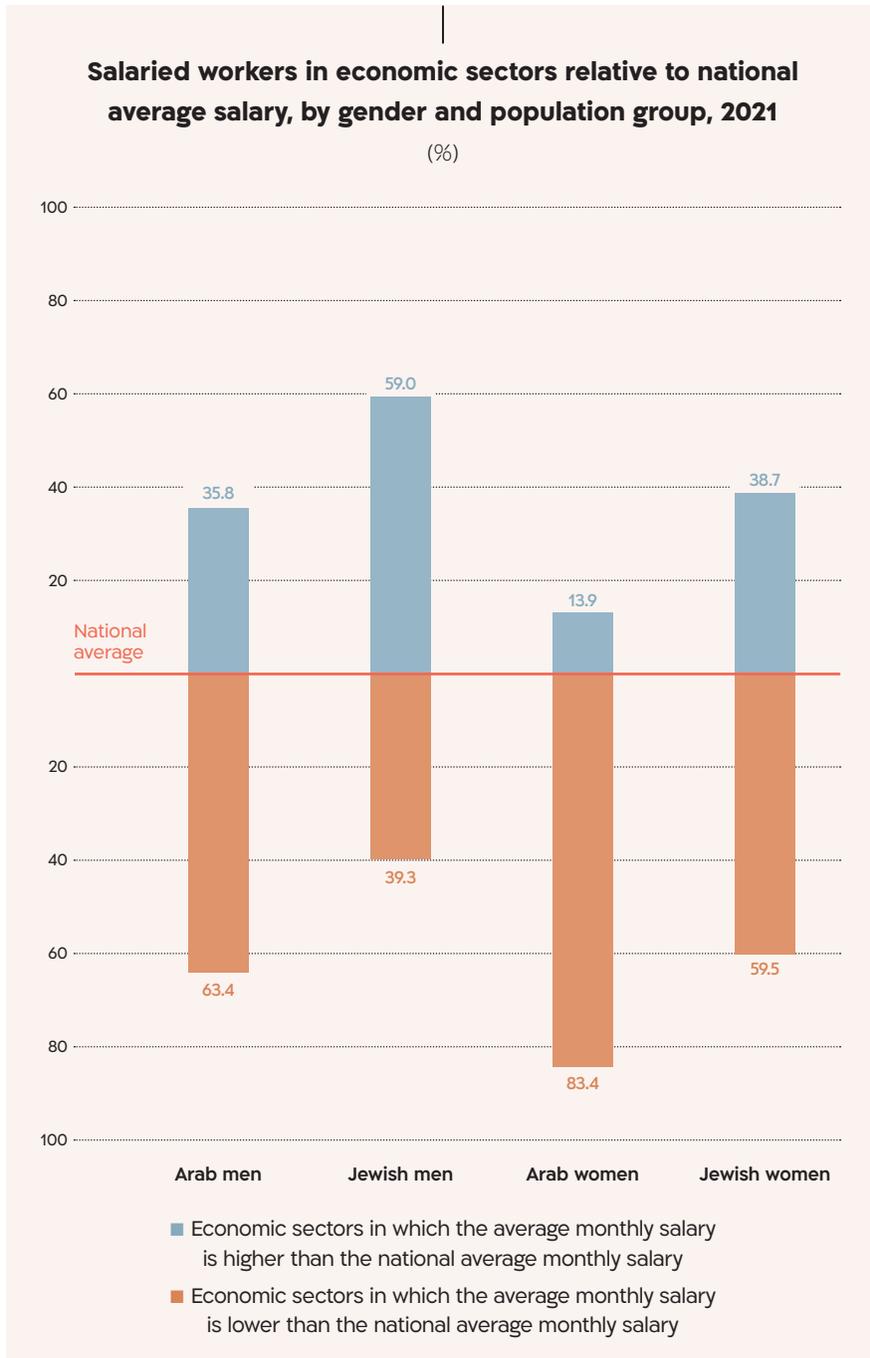


■ Arab women | ■ Jewish women

Men



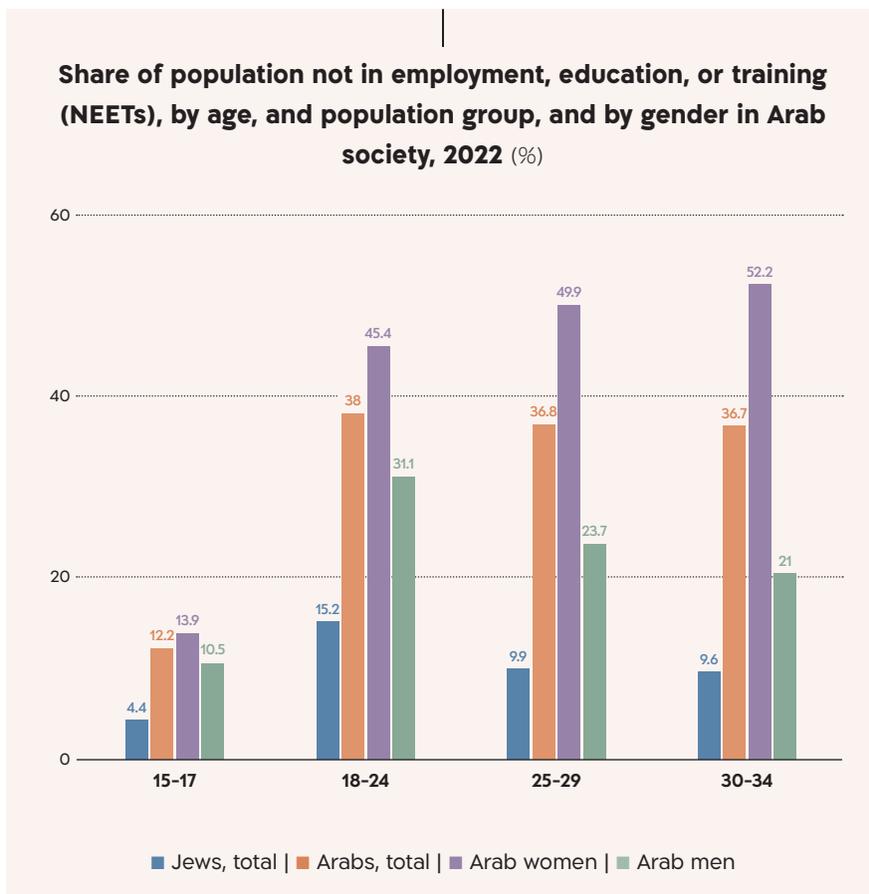
■ Arab men | ■ Jewish men



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 considerably higher than the equivalent percentage among Arab men.



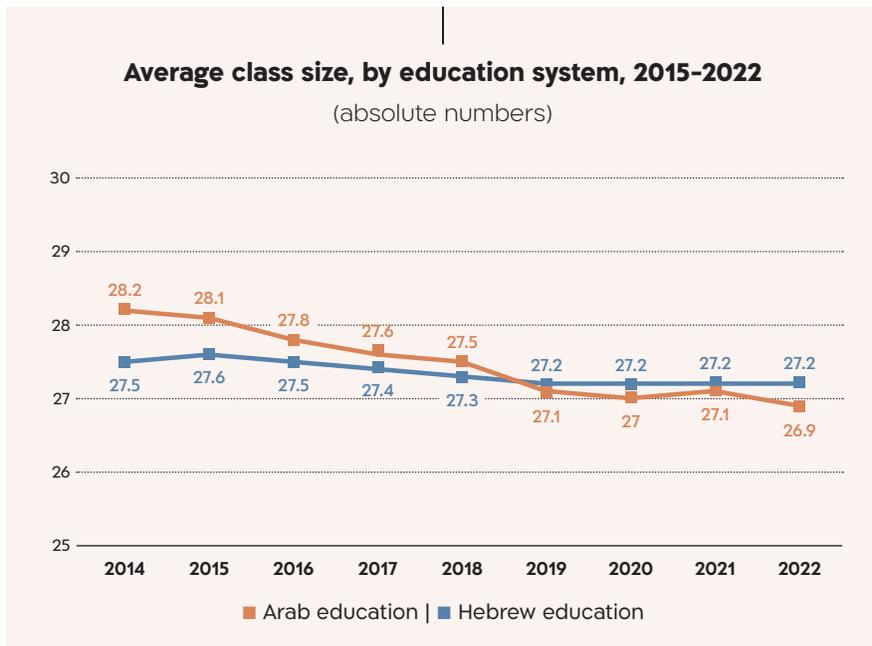


Chapter 4 Education

Physical Infrastructure of Schools

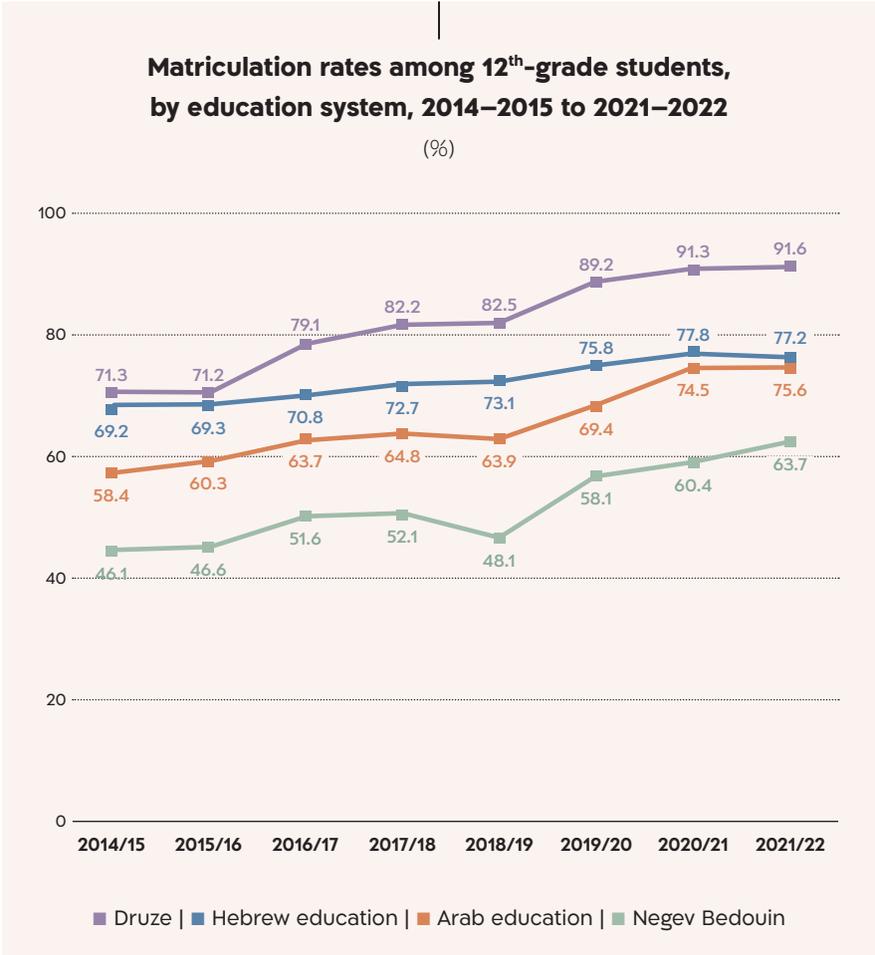
According to data for the 2022–2023 school year, there are 1,145 schools in the Arab education system in Israel, with 18,262 classrooms. The number of students from grades 1 to 12 in the Arab education system totals 449,035.

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.



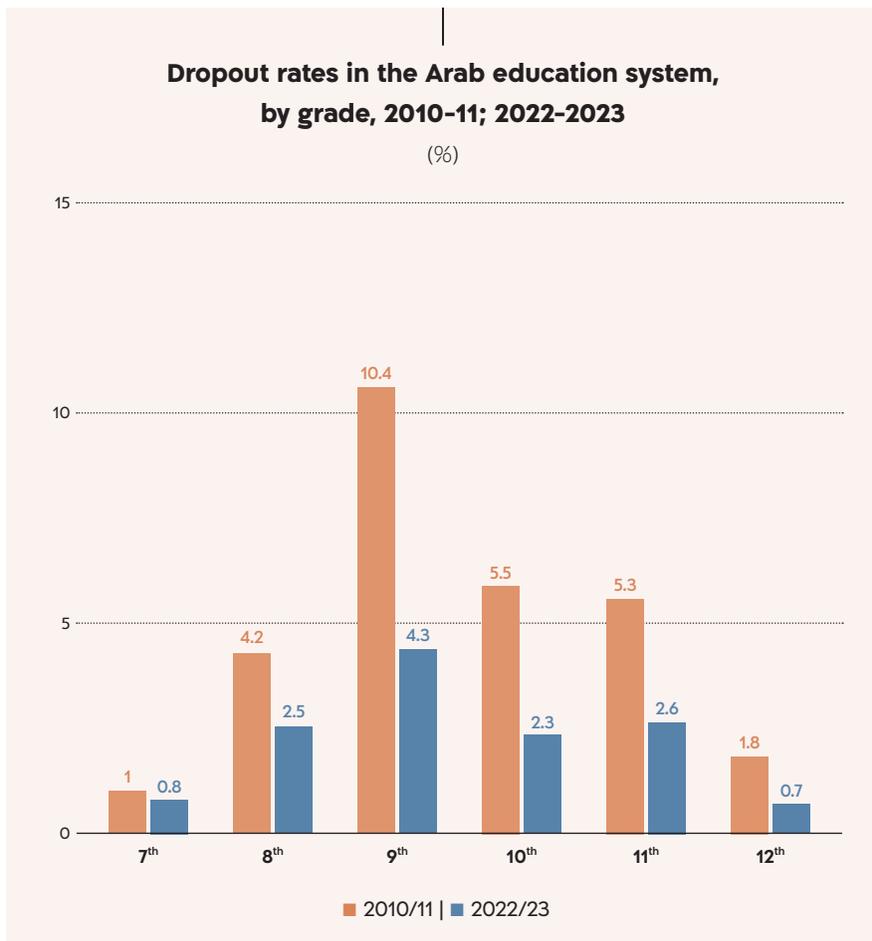
Academic Achievement

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.



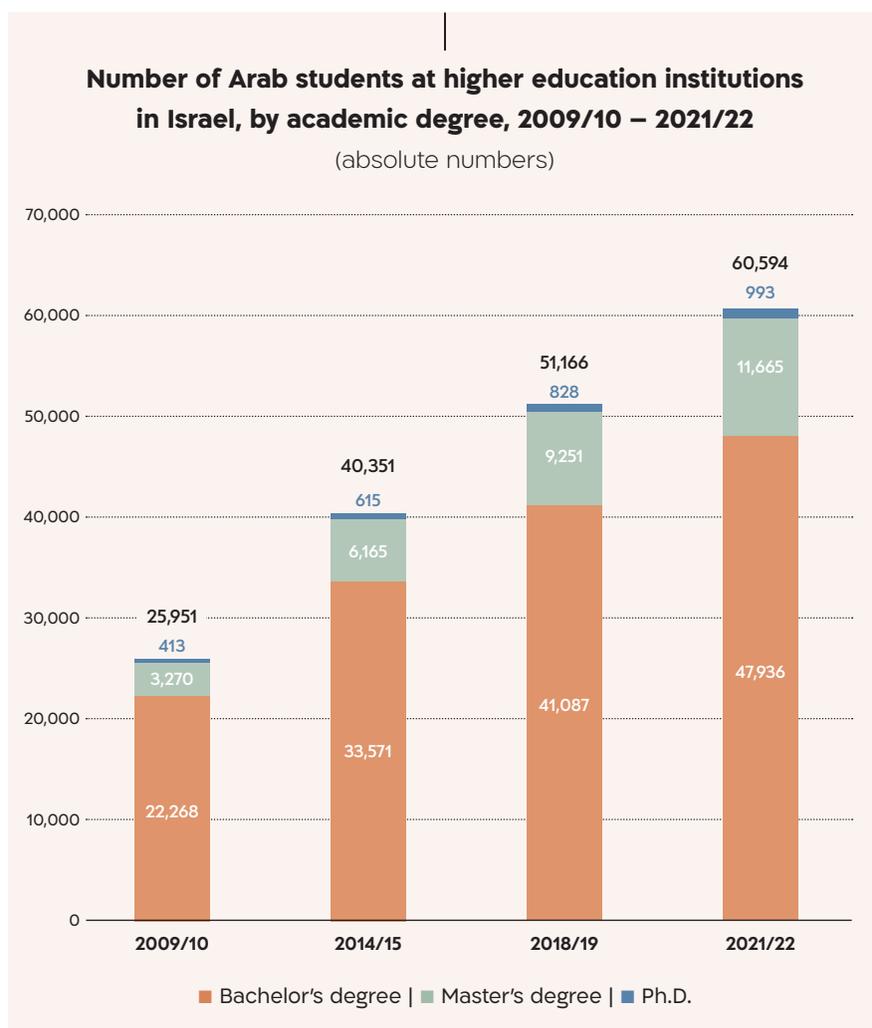
Dropouts from the Education System

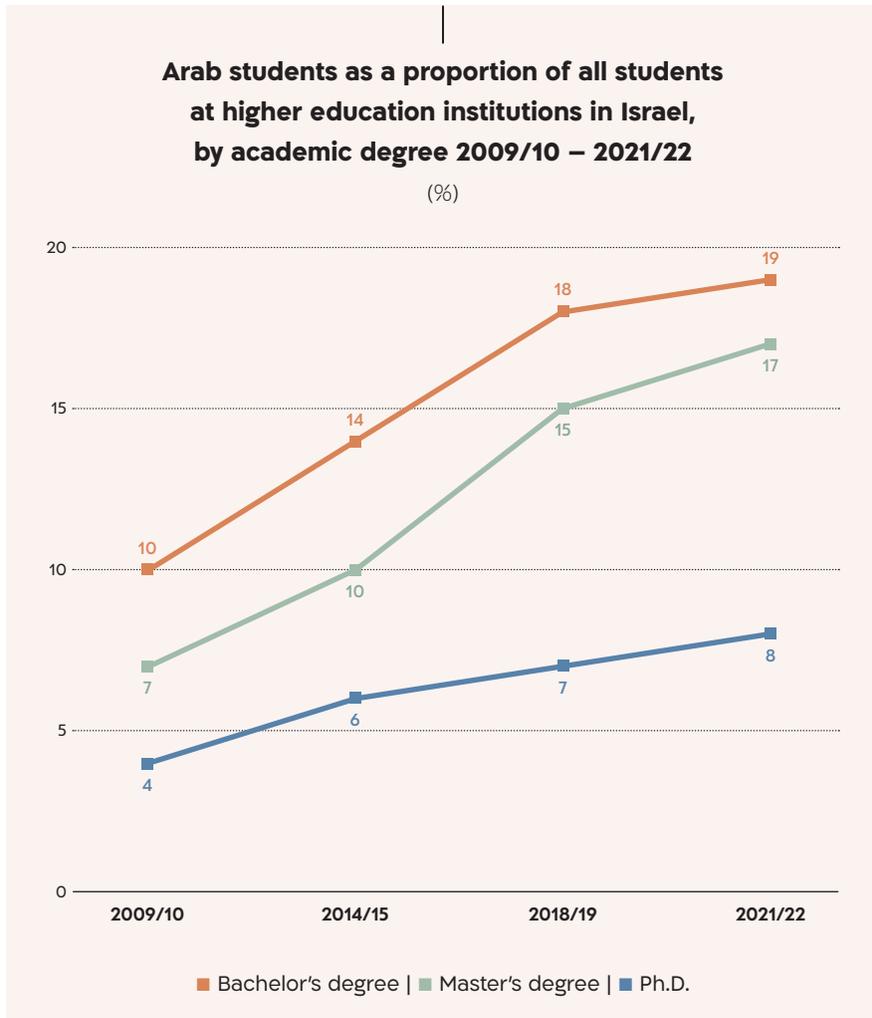
Over the last decade, there has been a decline in dropout rates among students in the Arab education system. The critical stage at which most dropout occurs is at the transition from ninth to tenth grade (from middle school to high school, in Israel), and according to the data, dropout is more common 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 the 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.





Dr. Muhammed Khalaily is a researcher in the Arab Society in Israel Program at the Israel Democracy Institute, and a lecturer at the University of Haifa's School of Political Science.

Dr. Ahmad Badran is a researcher in the Arab Society in Israel Program at the Israel Democracy Institute and a teaching fellow in the Department of Sociology at the University of Haifa.

Dr. Arik Rudnitzky is a researcher in the Arab Society in Israel Program at the Israel Democracy Institute, and at the Moshe Dayan Center for Middle Eastern and African Studies at Tel Aviv University.

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