

The Middle Class in Arab Society

- A sizable, powerful middle class can serve as a bridge between distinct groups with conflicting interests, thus contributing to economic growth, to stabilizing political systems, and to the social fabric.
- Given the considerable disparities between Arabs and Jews in Israel, a growing Arab middle class may mitigate some of the adverse effects of the disparities between the groups.
- Out of the various definitions used in the literature to define middle class, we opted for the one according to which lower middle class includes households where the equivalized disposable income per capita ranges from 75 percent to 125 percent of the median, and upper middle class comprises households whose equivalized disposable income per capita is between 125 percent and 200 percent of the median.
- Only 28 percent of Arab households belong to the middle class, and they are at the upper part of the income distribution among Arabs. In the past two decades, the lower middle class has grown in Arab society, while the incidence of poverty has declined.
- Middle class Arab households and individuals are markedly different from their non-ultra-Orthodox Jewish counterparts, and their share in Israel's middle class as a whole has not increased substantially in the past two decades, despite modernization processes and some improvement in living standards.
- In the past twenty years, education disparities between middle-class Arabs and non-ultra-Orthodox Jews have widened.

The role of the middle class in fostering economic growth, stabilizing political systems and reducing conflicts is widely acknowledged in the literature, and many studies have been devoted to these issues. The fundamental idea in this literature is that distinct groups with different characteristics may find it difficult to reach common ground and work together to achieve common goals. The further apart these groups are, the more difficult it is for them to bridge their differences. The middle class can serve as that bridge, mitigating these differences and thus contributing to alleviating conflict and stabilizing political systems and social structures. (See, for example Birdsall 2016, OECD 2019).¹

Israel's income distribution is characterized by high inequality and significant disparities between population groups, with one of its main ones being between Arabs and Jews. The level and quality of education, as well as employment rates, wages and consequently the income in the Arab population are considerably lower

¹ "Under Pressure: The Squeezed Middle Class", OECD Publishing, Paris. OECD (2019); <https://doi.org/10.1787/689afed1-en>; N. Birdsall (2016) "Middle-class heroes: The best guarantee of good governance". Foreign Affairs, <https://www.foreignaffairs.com/articles/2016-02-15/middle-class-heroes>.

than in the Jewish population. Despite declining birth rates among Arab families in recent decades, Arab households are still larger on average than Jewish households, and a significant proportion of them live in the country's geographic periphery. The percentage of poverty among Arab households is therefore higher. Alongside the political-security conflict in the Middle East, the situation makes it difficult to create a common language to promote goals that matter to Israeli society as a whole. Below we shall examine whether an Arab middle class has been forming in recent decades that could bridge the disparities and mitigate tensions.

A study by Khamaisi (2017)² depicts the growth of an Arab middle class and its impact on how municipalities are managed. The researcher argues that the Arab middle class has expanded, attributing it to the growth of young educated generations and the formation of a middle-class tradition that combines socioeconomic status with social affiliation (clan, ethnicity, neighborhood). The growth of the middle class raises the need for another type of local leadership, which is not necessarily based on the traditional clan affiliation, but rather on skills and education. The study's findings support the claim that the old clan social order is being undermined and is being replaced by a new order - which has yet to be fully developed - which seeks new political and leadership behavior patterns that will directly impact Arab local government, at both the political and administrative levels. Thus, concludes the study, the expansion of the middle class in Arab communities may be able to contribute not only to the finances of its households but also to the economies of their communities and the country as a whole.

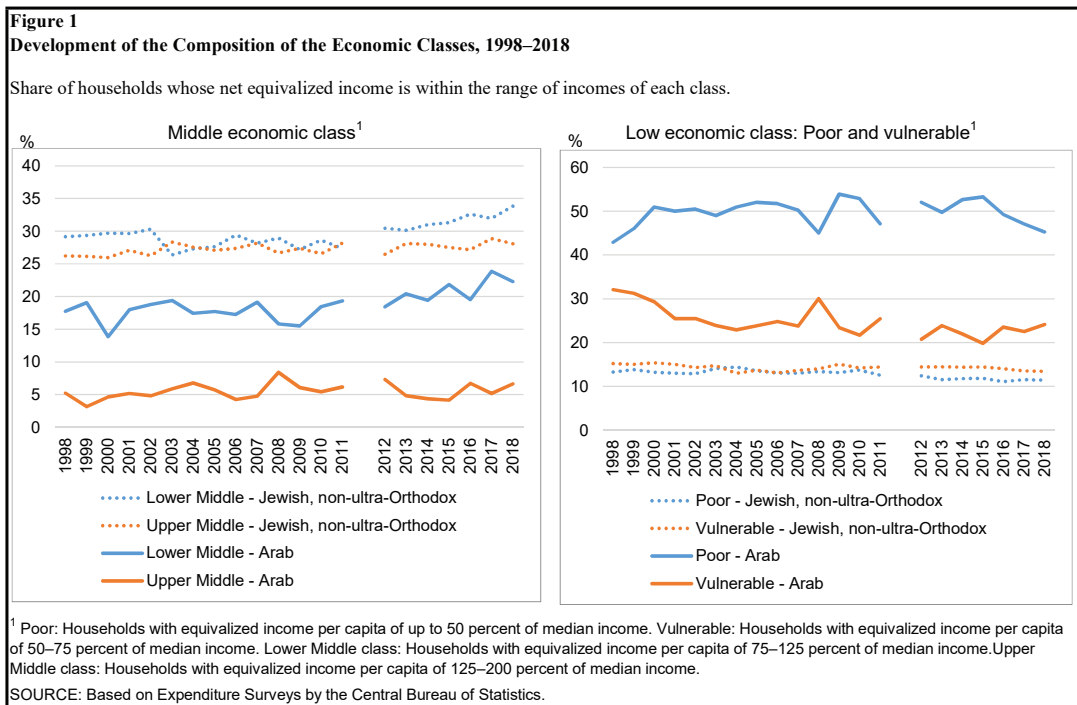
Despite well-acknowledged significance of the middle class, there is no consensus regarding the correct way to define the middle class or measure its size. Multiple methods and approaches are used, each of which has its advantages and disadvantages.³ For the purpose of the analysis below, let us define two cohorts that belong to the middle class: the lower middle class - households in which the equivalized disposable income exceeds 75 percent of the median income and is lower than 125 percent of the median income, in line with Thurow's definition (1984);⁴ and the upper middle class - households whose income is higher than 125 percent of the median income and less than twofold (200 percent) the median income. This definition has been widely adopted by numerous studies and policy papers, thus enabling a more convenient comparison to other countries and over time. Its main flaws are the arbitrary nature of setting a specific range around the median and the fact that it relies (as do a range of other definitions) on income in the current year as the sole determinant of class affiliation, ignoring other important aspects of that affiliation.

² See Khamaisi (2017). "The Growth of the Middle Classes and their Impact on the Management of Local Governments in Arab Communities", a research report summary, Jewish-Arab Center, University of Haifa.

³ For more information regarding the various methods for defining the middle class, see O. Peled Levy (2020). "The Middle Class in Israel", to be published in the *Bank of Israel Survey*.

⁴ L. Thurow. (1984). "The Disappearance of the Middle Class", New York Times, February 5, 1984.

Figure 1 shows the distribution of Arab and non-ultra-Orthodox Jewish households among economic classes. The division into classes was determined in accordance with the above definition of middle class and with the formal Israeli definition of poverty (households whose equivalized disposable income is less than half the median income).⁵ Between the poor and middle class is another class, which we will call the “vulnerable” class - households whose income is indeed higher than the poverty line, but who do not enjoy the economic security of middle-class households. Literature has found such households to be at higher risk of falling into poverty than households earning higher incomes.⁶ The definition of the vulnerable class is also under dispute.



⁵ Equivalized income: Equivalization is a statistical technique in which members of a household receive different weightings. It is based on the common assumption of economies of scale in a household’s consumption, that is, the assumption that the number of persons in the household does not uniformly and equally affect the standard of living from a given income. Total household income is then divided by the sum of the weightings to yield a representative income. Equivalization scales are used to adjust household income, taking into account household size and composition, mainly for comparative purposes.

⁶ See, for example:

H-A. H. Dang, and P. F. Lanjouw (2016) “Welfare dynamics measurement: Two definitions of a vulnerability line and their empirical application”, *Review of Income and Wealth*. Available online at <https://doi.org/10.1111/roiw.12237>

Table 1

The class composition of households: 2007-09 and 2016-18^a

Share that belong to each class out of the group

Households headed by 25-64 year old in survey year

	Poor (up to 50%)	Vulnerable (up to 75%)	Lower middle class (75-125%)	Upper middle class (125-200%)	High economic class (exceeds 200%)	Group's share in total population
2016-18						
Jewish, non-ultra-Orthodox ^b	9.3	13.1	35.2	29.3	13.2	78.4
Ultra-Orthodox	50.3	24.1	18.0	5.6	1.9	5.4
Arab	45.9	24.4	22.6	6.0	1.1	16.2
Total population	17.4	15.5	32.2	24.2	10.6	100.0
Share of net income	6.9	10.6	29.0	31.6	21.8	100.0
2007-09						
Jewish, non-ultra-Orthodox ^b	11.5	13.9	30.4	28.1	16.0	80.1
Ultra-Orthodox	53.8	20.7	16.6	6.0	2.8	4.2
Arab	52.7	24.8	15.9	5.4	1.0	15.6
Total population	19.7	15.9	27.6	23.6	13.1	100.0
Share of net income	6.5	9.1	24.8	30.3	29.3	100.0
Change from 2007-09 to 2016-18						
Jewish, non-ultra-Orthodox ^b	-2.2	-0.8	4.7	1.2	-2.8	-1.7
Ultra-Orthodox	-3.5	3.4	1.4	-0.4	-0.9	1.2
Arab	-6.8	-0.5	6.7	0.6	0.0	0.5
Total population	-2.3	-0.4	4.6	0.6	-2.5	
Share of net income	0.4	1.5	4.3	1.4	-7.5	

^a The analysis is based on a merge of expenditure surveys from 2007 to 2009 and from 2016 to 2018. The year 2017 is the first year for which we have data on the type of most recent diploma for each individual. Choosing the period for comparison in this table is intended to maintain the uniformity in how the data are presented.

^b Includes "Other"—households that are neither Jewish nor Arab.

SOURCE: Based on Expenditure Surveys conducted by the Central Bureau of Statistics.

The basis for determining the income range that defines each class is the equivalized median income in all households in Israel.⁷ That is, economic status is determined relative to the general population rather than within each population group. Under this definition, Arab households belonging to the middle class are at the top of the income distribution among the Arabs, since the income level of Arab households is generally much lower than that of Jewish households, especially among the non-ultra-Orthodox: Arabs have a higher incidence of poor as well as vulnerable households. Additionally, the proportion of Arab households belonging to the middle class is significantly lower than that of their non-ultra-Orthodox Jewish counterparts. In the past decade, the share of lower middle class Arab households increased slightly as did that of non-ultra-Orthodox Jewish households. In contrast, the proportion of Arab households belonging to the upper-middle class has not changed significantly in two decades.

Table 1 depicts the population distribution by class and by population group in the past decade. During this decade, the middle class (i.e., the proportion of households

⁷ In 2018, the median of equivalized income was NIS 5,750. Equivalized income of middle class households during that year ranged from NIS 4,313 to NIS 11,500.

belonging to it) grew, and its share of total income increased. The Arab lower middle class grew, in parallel with the decline in the share of poor households. In contrast, among the non-ultra-Orthodox Jewish households, the weight of those belonging to the middle class - both the lower- and upper-middle class - increased at the same time as the weight of households at the outer edges of the distribution decreased: the lower class (the poor and vulnerable) and the upper class.

Table 2
Demographic characteristics of middle-class households^a, 2016–18^b

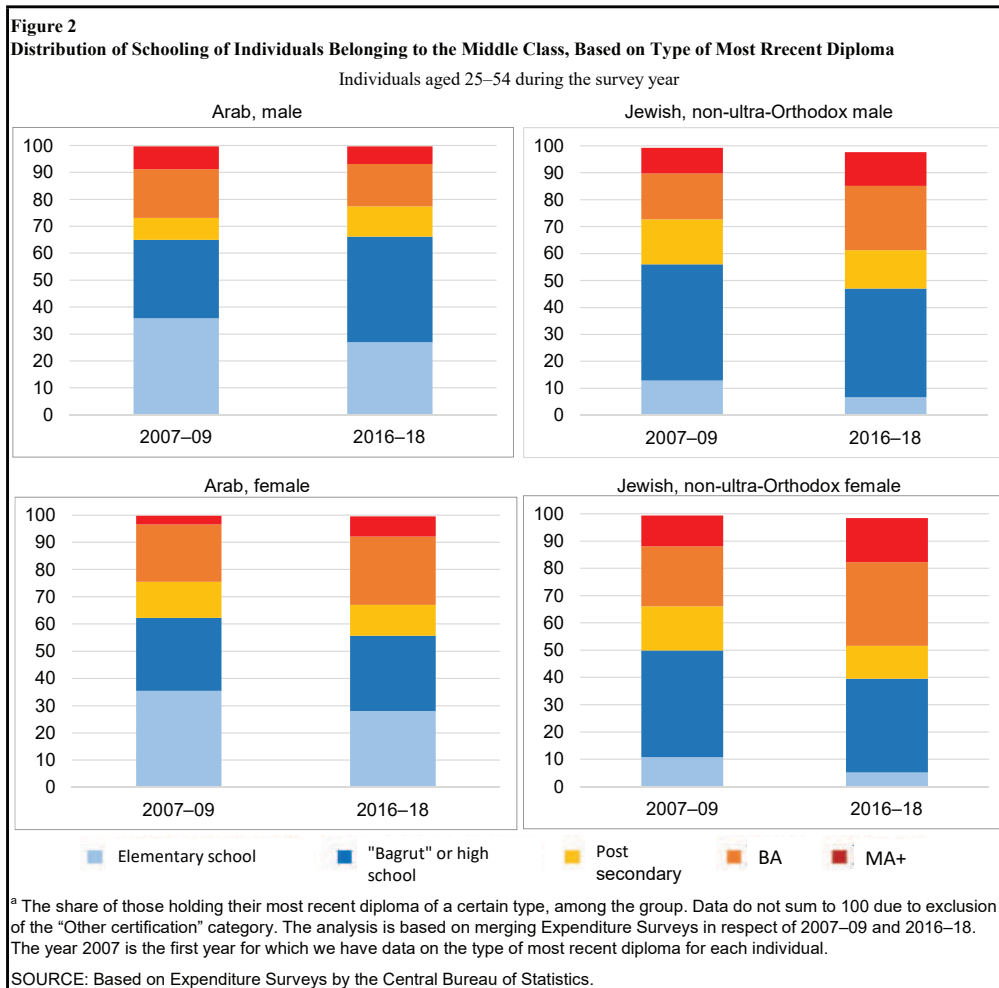
	Other households ^c		Lower middle class (75–125%)		Upper middle class (125–200%)	
	Arab	Jewish non-ultra-Orthodox	Arab	Jewish non-ultra-Orthodox	Arab	Jewish non-ultra-Orthodox
Share of households that belong to each class	71.5	39.3	22.3	32.6	6.2	28.0
Years of schooling						
0–10	49.1	15.6	33.0	13.5	17.7	7.4
11–12	31.9	24.4	30.3	30.1	24.6	24.4
13–15	10.7	23.6	15.3	24.8	11.7	25.3
16+	8.2	36.4	21.4	31.6	46.0	42.9
Total	100.0	100.0	100.0	100.0	100.0	100.0
Age						
18–24	2.2	2.8	1.6	1.7	0.7	0.7
25–34	16.3	13.9	18.1	17.0	13.0	15.0
35–54	50.3	32.1	47.6	43.0	49.4	42.0
55–64	12.7	18.4	20.3	15.5	23.9	19.6
65+	18.5	32.8	12.3	22.8	13.0	22.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
Family status						
Not married	12.5	38.3	11.9	31.1	14.1	27.8
Married, no children	16.1	29.3	28.5	22.4	38.9	33.1
Married, up to 3 children	45.1	20.3	51.0	35.0	43.4	32.9
Married, 4 or more children	18.4	4.6	5.5	4.7	0.9	2.3
No married, with 1-2 children	4.1	6.2	3.0	6.2	2.5	3.5
Not married, with 3 or more children	3.8	1.3	0.1	0.6	0.3	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
Peripherality index						
Very peripheral	3.1	2.7	3.5	2.7	3.4	2.2
Peripheral	36.6	9.1	42.8	8.6	46.9	7.3
Medium	29.7	22.4	32.7	24.0	37.0	19.1
Central	9.0	19.7	10.6	19.9	6.1	20.6
Very central	21.7	46.1	10.4	44.8	6.6	50.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

^a The demographic characteristics are determined according to the head of household.

^b The analysis is based on a merge of the Expenditure Surveys between 2016 and 2018.

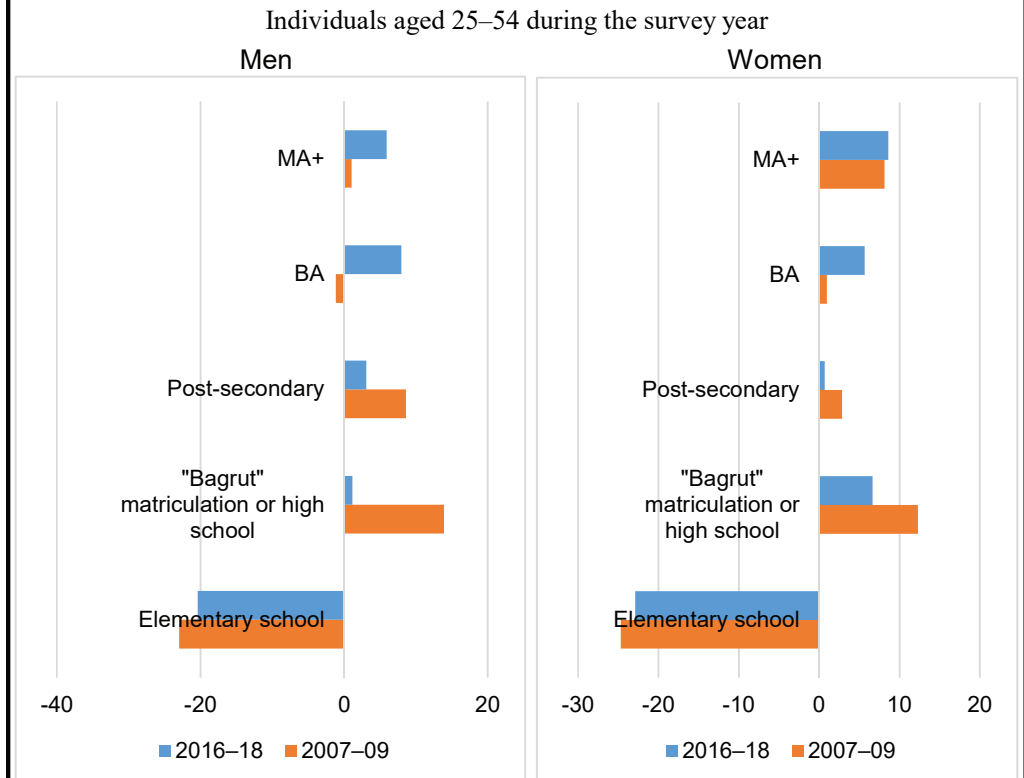
^c Other households are those that do not belong to the middle class: poor, vulnerable, and those that belong to the higher class. Among Arabs, this group includes mainly poor (around 64 percent of the group) and vulnerable (34 percent of the group). Among Jewish households, it includes those from the upper socioeconomic class (37 percent of the group) as well. See also Table 1.

SOURCE: Based on Expenditure Surveys conducted by the Central Bureau of Statistics.



Which Arab households belong to the middle class? Table 2 depicts the demographic characteristics of Arab households compared with those of non-ultra-Orthodox Jewish households. Significant disparities are evident across all characteristics: Arabs have fewer years of education; their heads of household are younger; a higher percentage of them are married with children; and larger households are much more prevalent among them. Arab households are concentrated in Israel's geographic periphery, while Jewish households are mostly located in either central or very central locations.

The disparities between Arab households belonging to the middle class and their Jewish counterparts are also reflected in the education distribution. Figure 2 depicts the distribution of education among Arabs and Jews belonging to the middle class, by gender. Some of the differences may be attributed to significant age composition differences between educated Arab men and educated men in the other groups (the educated Arab men are younger, on average). Another reason may be the considerable disparities in the quality of education and skill level of educated Arabs compared to educated non-ultra-Orthodox Jews. Despite the considerable increase in the

Figure 3**Schooling Gaps between Jews and Arabs in the Middle Class^a**

^a The schooling gaps are calculated as the difference between the rate of Jews holding their most recent diploma of a certain type and the rate among Arabs.

The analysis is based on a merger of expenditure surveys from 2007 to 2009 and from 2016 to 2018. The year 2007 is the first year for which we have data on the type of most recent diploma for each individual.

SOURCE: Based on Expenditure Surveys by the Central Bureau of Statistics.

proportion of Arab women with an academic degree, the rate of improvement has not caught up with the increase in the proportion of college-educated women in the non-ultra-Orthodox Jewish population, and the gap has grown, especially when it comes to bachelor's degree holders. Unlike other groups in the middle class, the share of Arab men with post-secondary and academic education decreased, despite the increase in their share among Arab men in the whole population. Figure 3 depicts the development of educational disparities.

The employment patterns of middle-class households (Table 3) demonstrate the complexity of characterizing the middle class as a bridging factor - one that contributes to shared interests due to the similarity between the Jewish and Arab populations. Middle class Arab households have similar employment rates to Jewish households in the same class or higher: About 80 percent of middle class Arab households have two or more earners. Yet at the same time, while middle-class Jewish households constitute

Table 3
Employment characteristics of households^a

Households headed by 25–54 year old

	Other households ^b		Lower middle class (75–125%)		Upper middle class (125–200%)	
	Arab	Jewish not-ultra-Orthodox ^c	Arab	Jewish not-ultra-Orthodox ^c	Arab	Jewish not-ultra-Orthodox ^c
Share of households that belong to each class	72.0	33.7	22.2	36.5	5.9	29.8
Employment patterns among the households						
No employed persons	11.7	8.6	0.0	1.4	0.0	0.6
One part-time employed person	9.9	11.1	2.8	3.6	0.8	1.5
Several employed persons in part-time posts	1.4	3.0	2.7	1.9	2.9	1.0
One full-time employed person	44.3	27.5	15.1	23.6	15.2	17.0
At least 1 employed person in a part-time post and 1 employed person in full-time post	15.1	18.7	27.3	24.4	21.6	23.5
2 or more full-time employed persons	17.6	31.2	52.1	45.1	59.5	56.3
Total	100	100	100	100	100	100

^aThe analysis is based on a merge of the Expenditure Surveys between 2016 and 2018.

^b Other households are those that do not belong to the middle class. Among Arabs, this group includes mainly poor (around 64 percent of the group) and vulnerable (34 percent of the group). Among Jewish households, it includes those from the upper socioeconomic class (37 percent of the group) as well. See also Table 1.

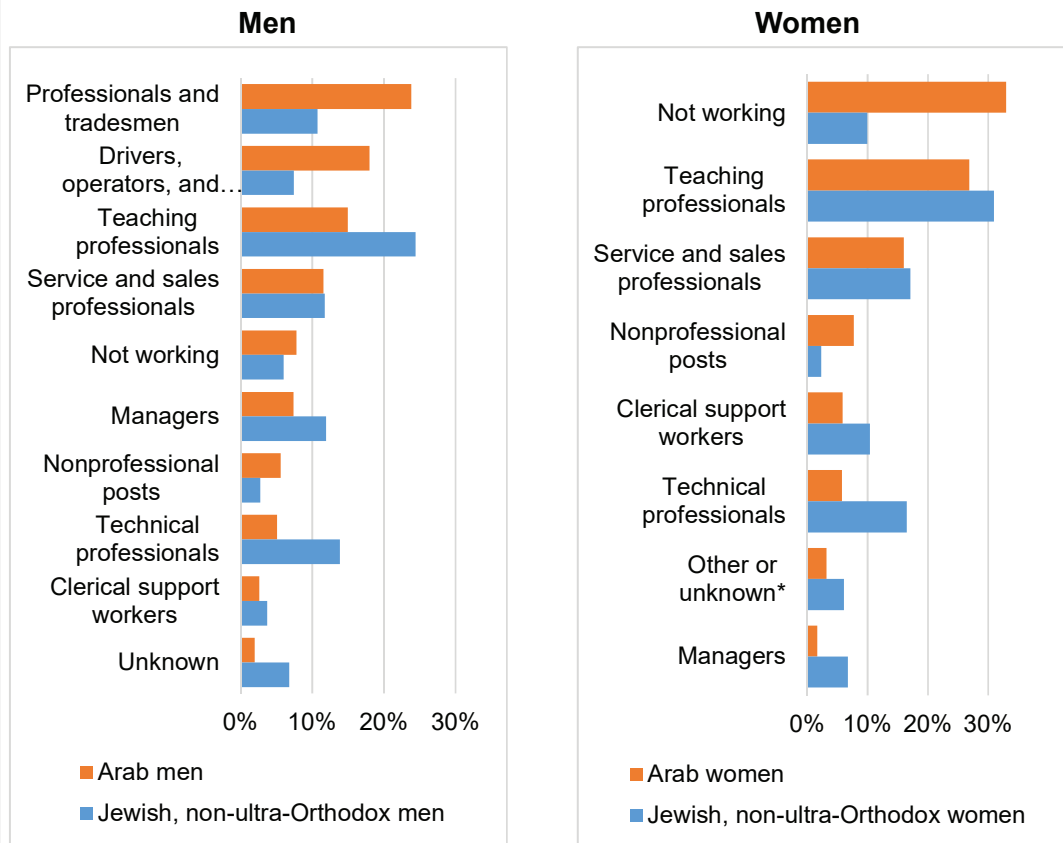
^c Includes “Other”—households that are neither Jewish nor Arab.

SOURCE: Based on Expenditure Surveys conducted by the Central Bureau of Statistics.

approximately two-thirds of the non-ultra-Orthodox Jewish population - which is indeed a middle group in this population - middle-class Arab households constitute a minority in Arab society, one that is markedly different from other Arab households. The considerable disparities in the distribution of occupations also indicate that these are markedly disparate groups.

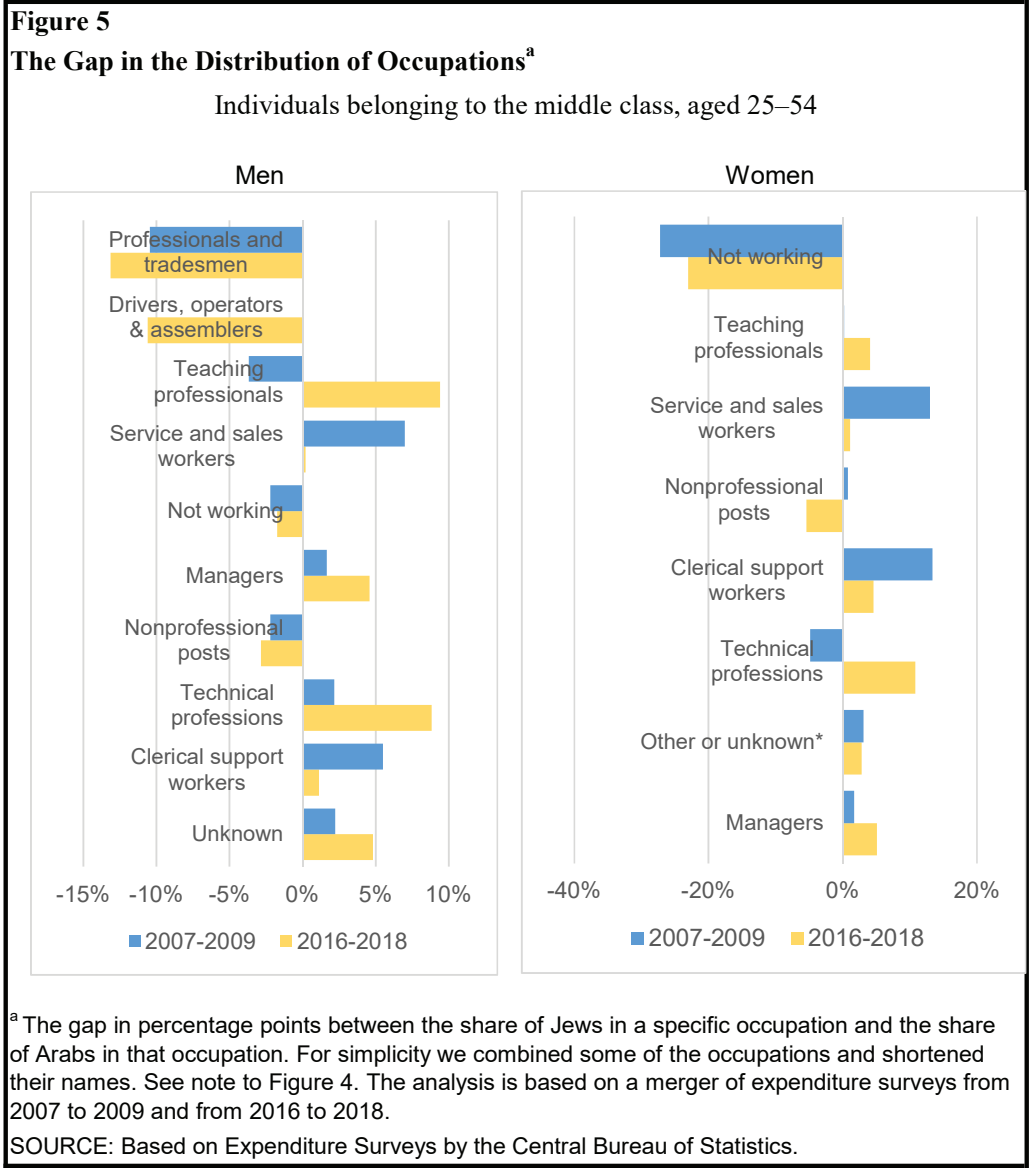
Figure 4 depicts the distribution of occupations among Arabs and Jews belonging to the middle class, by gender. Due to the considerable disparity in employment rates in Arab and Jewish societies, the “not employed” category has been added to the list of occupations. Unlike their non-ultra-Orthodox Jewish counterparts, middle-class Arab men are under-represented in high-status white-collar occupations that require college education, such as academia, management, and technical occupations such as practical engineers and technicians - that are associated in many sociological studies with middle-class or social elite affiliations. Most middle-class Arab men are engaged in manual labor and service provision (tradesmen and craftsmen, plant and machine operators, assemblers of products and machinery, and drivers) - low-status occupations, which rarely offer employment security and stability, and are associated with belonging to the lower classes. Nevertheless, the occupational differences between middle-class Jewish and Arab men are moderate compared to the differences between Jewish and Arab men in the general population, where considerable differences in class composition are also evident.

Figure 4
Distribution of occupations^a of individuals belonging to the middle class, 2016–18^b
 Individuals aged 25–54 during the survey year



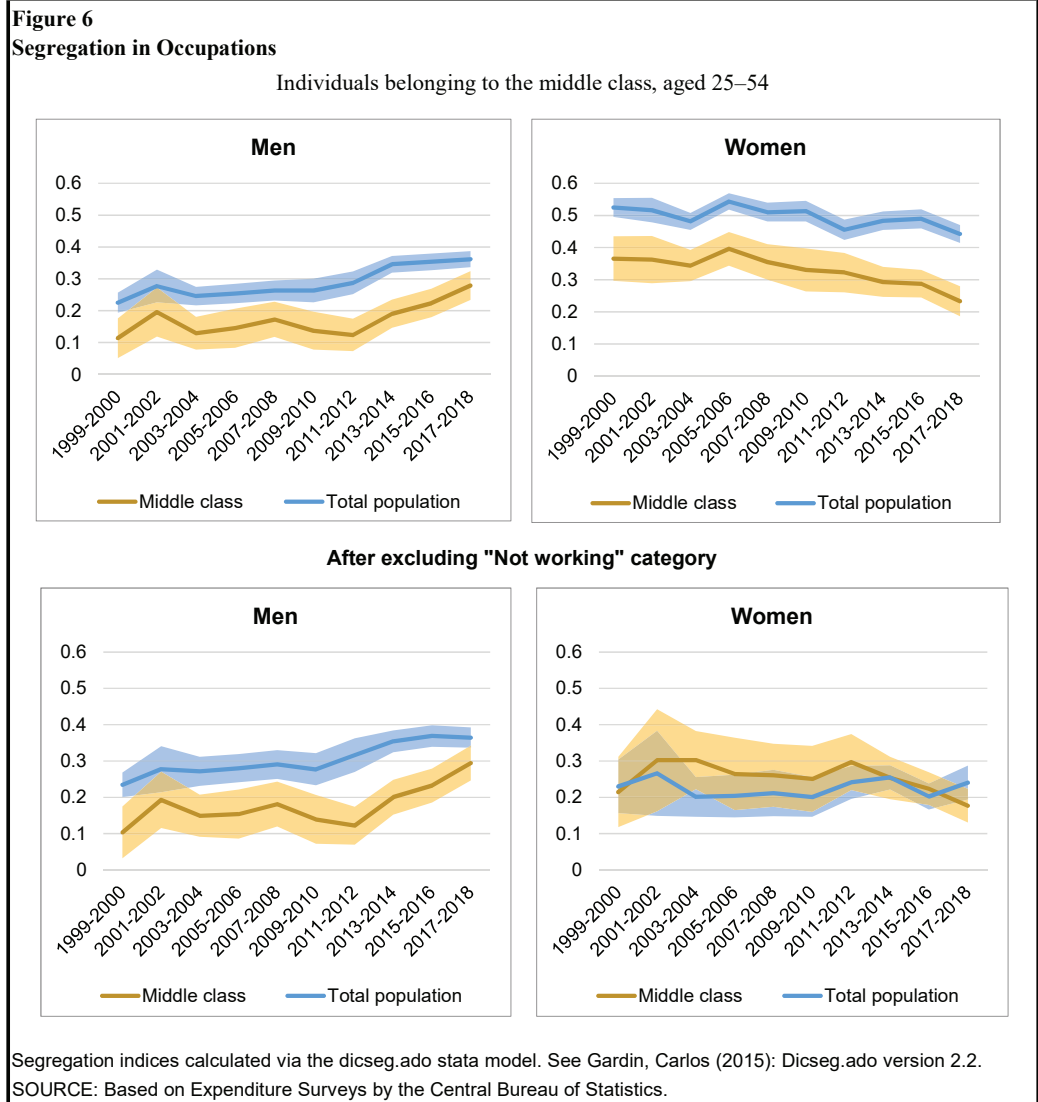
^a For simplicity, we merged some of the occupations and shortened their names:
 Among women, “Other or unknown” includes those who work in the following professions: Skilled agricultural, forestry and fishing workers, Tradesmen in manufacturing and construction and other tradesmen, Plant and machine operators, assemblers of products and machinery, and drivers, or when the occupation is unknown.
 Among men, the “Professionals and tradesmen” includes those who work in one of the following occupations: Skilled agricultural, forestry and fishing workers, Tradesmen in manufacturing and construction and other tradesmen.
 Among men, “Drivers, operators, and assemblers” includes those who work as Plant and machine operators, assemblers of products and machinery, and drivers.
 Among men, “Technical professions” include the following occupations: practical engineers, technicians, agents and associate professionals.

^b The analysis is based on a merger of expenditure surveys from 2016 to 2018.
 SOURCE: Based on Expenditure Surveys by the Central Bureau of Statistics.



Among middle-class women, the most significant difference between Arab and Jewish women is their employment rates. In terms of working women’s occupations - compared to their Jewish counterparts, middle-class Arab women are well represented in occupations requiring college-education and in services and sales, but are under-represented in management and technical professions. The share of Arab women in non-professional occupations is higher than that of Jewish women.

As the education gap between Arabs and Jews widened, so did the occupational gap. The difference in the shares of occupations requiring college education among Jews and among Arabs became larger (Figure 5).



In order to evaluate the significance of the occupational disparities and understand the development of these disparities, we estimated occupational segregation indices between Jews and Arabs by gender and economic class (Figure 6). Simply put, occupational segregation is how dissimilar two groups are. Most segregation indices estimate the distance from an equal distribution, with a value of 1 signifying a total dissimilarity (in our example: all Arabs are engaged in certain occupations while all Jews are engaged in others). A zero value signifies that the occupations distribution is the same for both groups, i.e., that there is the same share of employees in each

occupation in each group. One of the commonly used segregation indices is the Duncan and Duncan Segregation Index (1955), given by:⁸

$$D = \frac{1}{2} \sum_{i=1}^n \left| \frac{A_i}{A} - \frac{J_i}{J} \right|$$

where:

$J-1A$ - the number of Arabs and Jews in the general population, respectively

A_i and J_i - the number of Arabs or Jews in the occupation i .

n - number of occupations

The Segregation Index is estimated for the occupational classification at the section (major groups) level (single digit classification).⁹ The data used for the estimation include two breaks; in 2012, following the transition to monthly Labor Force Surveys and cancellation of the Income Surveys, a significant change in the expenditure surveys was introduced; in 2013, the classification of occupations was altered. Due to the few observations of Arabs belonging to the middle class, we merged the survey data for each pair of years from 1999 to 2018.

The occupational segregation between Jews and Arabs belonging to the middle class is significantly lower than in the general population. The finding is true for both men and women, but among women - the segregation is mainly due to the difference between employment rates among Arab and Jewish women. The segregation between middle-class employed Arab and Jewish women is not significantly different from the segregation between employed Jewish and Arab women in the general population. This is probably due to the fact that in most middle class Arab households - women work (although not all working Arab women belong to the middle class).

Among men, segregation has increased significantly in the past decade, while remaining unchanged or decreasing among women. In most years, the segregation between Arab and Jewish women is higher than between Arab and Jewish men. This is mostly due to the difference between Jewish and Arab women's employment rates. Throughout most of the period, the occupational segregation between employed Arab and Jewish women is lower than that between employed Arab and Jewish men in the general population, but in the middle class, segregation between employed Jewish and Arab women is higher than among men.

⁸ O. D. Duncan & B. Duncan, (1955). "A Methodological Analysis of Segregation Indexes." American Sociological Review, vol. 20, no. 2, 1955, pp. 210-217.

⁹ This classification is quite rough, thus it may lead to a relatively lower level of segregation in comparison with an estimate based on the classification of occupations by two to three digits. Thus, for example, Major group 2 – Professionals, includes both sub-major group 21: science and engineering professionals, and sub-major group 23: teaching professionals. In other words, in the same section (major group) there will be, for example, electrotechnology engineers (minor group 215) as well as secondary education teachers (minor group 233).

Middle class Arab households also differ from those of the Jews in their consumption patterns (Table 4). The difference between these households is indeed smaller than the difference between Arab and Jewish households in the general population, but it is still noticeable for several key consumption items. Middle-class Arab households spend less on current consumption per capita than their non-ultra-Orthodox Jewish counterparts. Nevertheless, since Arab households are, on average, larger than Jewish ones and their income is lower on average, the rate of expenditure out of

Table 4
Consumption characteristics of middle-class households, 2016–18

	Total population		Middle class ^a	
	Jewish non-ultra-Orthodox ^b	Arab	Jewish non-ultra-Orthodox ^b	Arab
Equivalent expenditure (average, NIS)	6,785	4,649	6,777	6,121
Financial expenditure, as a percent of total financial expenditure	100	150	80	91
Total expenditure, as a percent of total income	85	131	84	93
Distribution of expenditures, as a percent of total income				
Food (excluding fruit and vegetables)	11.3	26.3	10.9	15.9
Fruit and vegetables	2.9	6.9	2.7	4.2
Housing	26.2	27.9	24.7	16.1
Home maintenance and	8.2	12.7	8.1	8.5
Home furniture and equipment	2.6	5.4	2.6	4.2
Clothing and footwear	2.3	5.4	2.3	4.5
Health	5.1	5.8	5.0	4.4
Education, culture and entertainment	8.5	9.4	8.8	7.5
Transport and communication	14.4	23.3	15.1	21.5
Other products and services	3.5	8.0	3.5	6.1
Selected expenditures, as a percent of total income				
Monthly rent	8.1	3.5	7.2	2.0
Actual housing consumption	17.4	24.3	16.9	14.1
Other housing expenditures	0.5	0.1	0.5	0.1
	4.1	5.0	4.4	4.0
Other expenditures on education, culture, and entertainment	4.4	4.4	4.4	3.4
Travel on public transportation	0.6	0.8	0.5	0.4
Travel abroad	3.2	2.8	3.2	3.2
Vehicle expenses	8.4	15.1	9.1	14.6
Other transport and communication expenditures	0.3	0.6	0.3	0.4

^a Households whose equivalized disposable income is greater than 75 percent of median income and less than 200 percent of the median income.

^b Includes “Other”—households that are neither Jewish nor Arab.

SOURCE: Based on Expenditure Surveys conducted by the Central Bureau of Statistics.

their income is higher (and their savings are lower). This is despite the expenditure including attribution of housing expenses for homes owned by households - which is less prevalent among residents of Arab localities and is estimated on the basis of the property values and rental prices in the locality, which are not easily comparable among the sectors. Middle-class Arab households spend a smaller share of their income on health, education, and cultural activity (despite being larger on average) and a greater portion on food and transport. The higher transport expenses may be partly explained by the fact that middle-class Arab households are located in more geographically peripheral areas than their Jewish counterparts are. In addition, the quality of public transport services in Arab localities - especially urban ones - is lower than in other localities, i.e., middle-class Arabs are probably more dependent on private transport.¹⁰

We therefore see that despite modernization processes, an increase in women's employment and in the rate of college graduates, as well as a certain increase in the standard of living in Arab society (factors associated with the emergence of a middle class according to its sociological definition), there has yet to be a continuing process of increasing Arab society's share in Israel's middle class. Even Arab households and individuals belonging to the middle class - a relatively small cohort at the higher end of the income distribution in Arab society - are significantly different from their non-ultra-Orthodox Jewish counterparts. Due to the significance of the middle class as a stabilizing and bridging factor, which may also contribute to the economic integration of the rest of Arab society in Israeli economy - for example, by leading local government in Arab localities - there is evidently a need for policy measures to boost skills and productivity in Arab society and to decrease the disparities between Arab society and the non-ultra-Orthodox Jewish population.

Some of these policy measures were included in the Five-Year Plan for Economic Development in the Minority Population for 2016-2020 (Government Resolution No. 922 dated December 31, 2015). The government had decided to invest approximately NIS 15 billion in reducing social and economic disparities between minority sectors and the general population in Israel, while changing its allocation mechanisms. Resolution No. 922 was supplemented by Government Resolution No. 1480: Government Plan for the Empowerment and Socioeconomic Strengthening of the Bedouin Localities in Northern Israel for 2016-2020, dated June 2, 2016. The plan focuses on three key domains: empowerment of local governments, housing, and formal and informal education.¹¹

¹⁰ Bank of Israel (2019), "The Supply of Bus Services to Arab localities", in Selected Policy Analysis and Research Notes. Barak (2019) found that to support an increase in employment rates in Arab society, other barriers must be removed, with public transport being, at most, a complementary factor. Improving public transport has mainly helped women who have already overcome the structural and cultural barriers and were on the verge of employment (A. Barak, 2019). "The Effect of Public Transit on Employment in Israel's Arab Society." Discussion Paper Series, Bank of Israel, March 2019.

¹¹ For more information on the government's actions on education under Resolution No. 922, please see Chapter 6 in the Bank of Israel's 2019 Annual Report.