

## Chapter 7

### *Welfare Issues*

#### *Socioeconomic characteristics, policy, and migration patterns in localities that are in proximity to the confrontation lines of the Swords of Iron War\**

- With the outbreak of the Swords of Iron War, localities in the western Negev and along the border with Lebanon were evacuated for prolonged periods. Even though the evacuation was financed by the government and included economic support for evacuees, it may impair their functioning in the labor market, their children's functioning in the education system, and their well-being.
- Due to the war, significant physical rehabilitation efforts are required in some localities, and evacuees need short-term support in various civilian areas, including employment, since for many of them, employment takes place in the evacuated residential area.
- A short time after the outbreak of the war, the government established the "Tekuma" administration for the social, economic, and physical rehabilitation of localities within a 7 km range of the Gaza Strip, and their residents. There has so far been no decision to establish a similar administration to handle civilian and rehabilitation efforts with regard to evacuated localities along the Lebanese border and their residents.
- Over the years, the State of Israel has used a variety of means to support residence in the geographic periphery in proximity to the country's borders, and to reduce gaps between the country's center and its periphery with regard to the volume of public services and business sector activity. Additional support is expected to be included in the rehabilitation efforts due to the war.
- An analysis relating to localities that were evacuated during the war and to other nearby localities in the western Negev and along the Lebanese border indicates differences between the rural and urban populations. The rural population is more educated, has higher employment rates, and accordingly has higher labor income.
- Despite the security threat, western Negev localities have, in recent years, seen positive net incoming migration. This is particularly true of urban localities in the area. This positive migration has been influenced by low housing costs relative to the center of the country, increased supply of housing, and infrastructure development such as train stations. Net migration to urban localities along the Lebanese border was low.
- Long-term planning—particularly with regard to transport infrastructure, employment, strengthening the local authorities, and economic development—must relate to the entire geographic space in the confrontation areas and the areas near them, and not focus only on localities that are part of the "Tekuma Strip". This can balance the need to help areas that have been directly impacted by the war with the need to help those who have been indirectly impacted or have suffered less, to enjoy the economies of scale and to support regional growth in the coming years.

\* Thanks to the Central Bureau of Statistics for preparing the data files that were used in the analyses and maps in this chapter. Census data quoted in this chapter are subject to change.

## Part One: The Swords of Iron War and the resulting evacuation of localities

The Swords of Iron War broke out on October 7 with a multipronged attack by terrorist organizations from the Gaza Strip aimed at nearby localities in the western Negev. The civilian population in the area was the target of murderous violence and comprehensive damage to property. The following day, another front in the conflict was opened along Israel's Lebanese border, including rocket fire from Hizbullah and other terrorist organizations, to which the IDF responded. The war on the southern front continues, and the attacks on the Lebanese border have not ceased.

Due to the Swords of Iron War, many localities in the western Negev and along the Lebanese border were evacuated at State expense. The high intensity and long disruption for residents of these areas may have heavy impacts in economic and other areas.

Some of the localities in the Western Negev region suffered tremendous destruction due to the attacks, and residents have not been able to continue living in those localities. In addition, residents in both areas (the northern and southern confrontation areas) were exposed to security risks as a result of the attacks, and were evacuated from their homes subject to military orders and programs that the government approved. Some residents of localities that are somewhat more distant from the borders also chose to evacuate temporarily from their homes, even without security orders or government compensation programs.<sup>1</sup> The high intensity and long disruption for residents of these areas may have heavy impacts in economic and other areas.

This chapter uses a unique database to present the prewar situation in the confrontation areas from which most residents were evacuated. At the start of the war, a policy was implemented to provide immediate economic (and other) support to residents, and a policy for the short- and long-term rehabilitation of the confrontation areas, mainly in the western Negev, began to take shape. The data and analysis presented below are in regard to the socioeconomic state of the localities in the western Negev and Lebanese border confrontation areas and the internal migration trends that characterized those areas prior to the war. This information is intended to serve policy designers in shaping economic support for the residents and the recovery of those areas in the coming years.

### EVACUATION OF THE CONFRONTATION AREA LOCALITIES

The government activated three main programs to evacuate localities in the confrontation areas: "Southern safe distance" (for localities within 4 km of the Gaza Strip), "Northern safe distance" (for localities within 5 km of the Lebanese border, but in practice, localities within 3.5 km of the border were evacuated), and "Gust of Wind" (for localities 4–7 km from the Gaza Strip).<sup>2</sup> The alternative housing to which evacuees were sent—generally hotels—was for an undetermined period, sometimes

<sup>1</sup> Compensation Fund Regulations that define compensation for businesses in respect of loss or prevention of profit expanded eligibility to businesses that are located, or whose employees live, in localities that were not evacuated but that belong to a "special area" in which the security authorities imposed serious restrictions.

<sup>2</sup> See Government Decisions 950, 975, and 988 from October 2023, and Decision 978 with regard to the evacuation of Ashkelon residents who do not have a protected room in their homes and the elderly with no family backing.

distant from their original communities and work places. Alternatively, those eligible were offered the option of evacuating independently, with housing grants provided for those willing to rent in the private market. While the alternative housing was intended for short-term hosting, at the end of 2023 (about three months after the war began), about 115,000 evacuees remained in these programs—about 45 percent of them were northern residents and about 55 percent were southern residents.<sup>3</sup> Residents could return to evacuated areas depending on the security situation and, in some cases, also upon the rehabilitation of infrastructure. Where significant parts of localities were destroyed and now require comprehensive reconstruction and rehabilitation, residents formulated medium-term residential arrangements outside of hotels, until they can return to their homes.<sup>4</sup>

The evacuation programs finance residential stays and living expenses for evacuees, and define solutions for them in various civilian spheres—such as education for children and welfare services. Expenditures on evacuation, residence, living expenses, and reorganization grants for families totaled about NIS 3.5 billion until the end of the year. Even so, the evacuation of the population for an undetermined period, to facilities that are not appropriate for long-term residence, may increase their vulnerability in a variety of areas. For some evacuees, their attachment to their place of work may be impaired because the place to which they were evacuated is quite far from their place of employment. The temporary nature of educational frameworks, residential crowding in the hotels, and the uncertainty inherent in evacuation for an undetermined period may cause even broader impairment to well-being.

The return of residents to their homes is essential for returning routine to the evacuated localities, and will also make it possible to lower payments for temporary lodging at hotels or in other communities. The return process is expected to be gradual, and will require coordination between various systems. For instance, at the end of December 2023, the security establishment approved the return of residents to evacuated localities within 4–7 km of the Gaza Strip.<sup>5</sup> Accordingly, a budget was transferred to the local authorities in the region in order to move educational

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Evacuation of residents for an unknown period to facilities that are not appropriate for long-term residence may increase their vulnerability in a variety of areas.

<sup>3</sup> M. Lehrer, “Information on evacuees from the Lebanese border region during the Swords of Iron War—updated background for discussion”, Knesset Research and Information Center, December 31, 2023 (in Hebrew). According to Central Bureau of Statistics data, there were about 134,000 evacuees at the end of 2023 (Central Bureau of Statistics, “Population in Localities/Regional Authorities—Temporary Estimates, December 2023—in Hebrew).

<sup>4</sup> Examples of medium-term residential arrangements: Residents of Nir Oz took up temporary residence in Qiryat Gat, while residents of Nirim moved temporarily to Be'er Sheva, which are relatively close to the residents' Kibbutzim. Residents of Reim, on the other hand, took up temporary residence in Tel Aviv, which is relatively distant from their Kibbutz. The same is true for residents of Nahal Oz, who moved to Kibbutz Mishmar HaEmek in the north. (Information based on the “Tekuma” Administration's website.)

<sup>5</sup> Government Decision 1193 of December 2023.

institutions located within 0–4 km of the Gaza Strip (the area that remained evacuated) to locations more distant from the Strip.<sup>6</sup>

The rest of this chapter deals with three issues connected to localities in proximity to the current confrontation lines, and the analysis is based on data from the prewar period. Section 2 deals with government policy to support residence in the periphery, including in proximity to the country's borders and the confrontation areas. Section 3 presents data on the socioeconomic characteristics of the population in evacuated and other nearby localities. Section 4 analyzes migration to and from the confrontation line localities between 2017 and 2022. The analysis contributes to understanding the attraction of many population groups to these areas, and seeks to explain the demographic and economic growth processes in the years prior to the war. The chapter's conclusion relates to the nature of the desired policy.

## **Part Two: Government support for residence in the periphery and in localities in proximity to the border**

Due to the attack on the western Negev localities, the government established the "Tekuma Administration" to help evacuees from localities up to 7 km from the Gaza Strip and from Sederot, and to rehabilitate the area.

Due to the attack on localities in the western Negev, the government established the "Tekuma Administration" to help evacuees from the 46 localities that are within 7 km of the Gaza Strip and from the city of Sederot, and to rehabilitate the area.<sup>7</sup> The administration will be operating for five years, and is tasked with the rehabilitation and strengthening of life in these areas—the local authorities, the localities, the communities, and the residents. The name of the area was changed to "Tekuma Strip".<sup>8</sup> The administration is also tasked with construction, rehabilitation, and physical development of the Tekuma Strip and of the localities within it that were damaged, while leveraging investments to improve economic growth infrastructure. The administration is also intended to help authorized agencies in the government to rehabilitate economic activity and to harness its contribution to the development of the area, while providing an integrated response to the local authorities and localities in the area on all these topics. However, the administration does not deal with residents who want to permanently leave the area. According to the government decision that related to the establishment and functions of the administration, the administration's budget during the five years of its operation will be about NIS 18 billion.

<sup>6</sup> Based on the "Tekuma" Administration's website. Toward the end of February 2024, it was agreed that as of March 1, evacuated residents of the western Negev would return to their homes, subject to approval from the IDF, and that the State would finance residents who remained in temporary evacuation frameworks until July 2024. Those returning home at that time would be eligible for an acclimation grant.

<sup>7</sup> Government Decision 1127 of December 2023 presents an outline of the multiyear strategic program to rehabilitate and develop the "Tekuma Strip". A parallel administration to deal with civilian and rehabilitation efforts with regard to localities along the Lebanese border that were evacuated has not yet been established.

<sup>8</sup> The area was formerly known as "Otef Aza", Hebrew for "Gaza envelope". The new name is "Hevel Tekuma" or "Tekuma Strip". The Hebrew word "Tekuma" means "rebirth" or "revival".

The program to rehabilitate the Tekuma Strip is not being operated in a vacuum. The Israeli government has provided budgets and economic incentives to support residents, services, and economic activity in the periphery, for social and security reasons. In this way, it seeks to minimize socioeconomic gaps between population groups, encourage migration to the localities, and support economic development in those localities and their surroundings. The direct support for residence in the periphery, particularly in proximity to the country's borders, is provided through a variety of schemes. These include the following<sup>9</sup>:

The Israeli governments through the years have supported localities, services, and economic activity in the periphery using economic incentives, in order to reduce socioeconomic gaps, encourage migration to those localities, and support the development of the communities and their

**1. Income tax benefits for individuals:** The tax benefits are intended to attract new residents with high incomes (above the tax threshold) to localities in the periphery and prevent the migration of such residents from these localities, thereby strengthening the localities. The benefit takes the form of a reduction in tax liability (tax credit) for individuals, and its value is limited to a nominal ceiling. The rate of the reduction and the nominal ceiling to which residents in the beneficiary localities are eligible are determined in accordance with the peripherality of the place of residence, the localities socioeconomic rating, and its proximity to the border.<sup>10</sup> Residents of the western Negev who were evacuated from their homes were eligible for a tax benefit of the maximum 20 percent in 2023, and in localities within 5 km of the Lebanese border, residents were eligible for an average benefit of 13 percent. In the 2023–2024 budget, the Ministry of Finance estimated that in 2024, the value of the tax benefits for all beneficiary localities would be about NIS 2.3 billion.<sup>11</sup> Studies have shown that the tax benefit does not have the strength to attract target populations at a significant volume, since the decision on where to live depends on many factors, including housing supply and affordability, and local amenities such as services and access to the labor market.<sup>12</sup> Therefore, it is possible that a very high benefit may be necessary in order to convince people to move from the center of the country to the periphery.

**2. Designated government decisions to develop Priority areas:** By way of examples, the following are two programs from recent years that were defined in government decisions and that focused on localities in the western Negev and localities along the Lebanese border. These decisions include many clauses in a variety of fields.

<sup>9</sup> Additional benefits that are not mentioned include tax benefits as part of the Capital Investment Encouragement Law.

<sup>10</sup> Government Decision 1340 of February 2014.

<sup>11</sup> This estimation includes the benefit for residents of Eilat, and does not include benefits for security forces, which are given based on the same law.

<sup>12</sup> G. Ben-Naim (2010). "Tax Benefits for Localities—Does the Law Achieve Its Objectives", in *State Revenue Authority Report*, 2009–2010, Chapter 9 (in Hebrew); H. Etkes (2015). "Locality-Based Income Tax Credits: Characteristics and Limited Efficacy in Encouraging Internal Migration", in *Recent Economic Developments*, 140, April–September 2015, Bank of Israel Research Department. These findings are supported by the results of a comprehensive study on the matter currently being conducted by the Bank of Israel Research Department.

Most of the sources allocated for these programs were from existing budgets of government ministries, while a small amount was from incremental budgets:

- a. The program to “advance civilian resilience in the Gaza envelope” (Decision 462 from April 2023, which was preceded by similar decisions in previous years<sup>13</sup>) was allocated about NIS 1.7 billion for 2023–2024 across all of its items (based on the budgets detailed in the decision). The program’s items include cultural, educational, and welfare activities; development of innovation and technology in the business sector; strengthening personal security; health; strengthening and developing the local and regional economy; and more. The localities included within the “Gaza envelope” definition to which the program relates are those currently under the auspices of the Tekuma Administration.
- b. The program to “empower and develop Qiryat Shemona, Shelomi, and Metula” (Decision 3780 from April 2018) was set out for the years 2018–2022, and was allocated about NIS 350 million across all its items (based on the budgets detailed in the decision). According to the program, its items were intended to attract residents and to support the localities’ function as regional urban anchors along the Lebanese border. The program was set out in addition to the “North Program”—a multiyear strategic program to develop the northern district and the City of Haifa (Decision 2262 from January 2016) for the years 2017–2021, which was budgeted at NIS 19.3 billion. (A small part of this budget was incremental, while most of it was from the budgets of various government ministries.) According to a report from the State Comptroller, the latter program did not lead to a significant change in most areas of life in which it was involved.<sup>14</sup>

**3. Giving preference to the periphery in budgeting healthcare services (Capitation formula):** The budget designated for the health funds is divided among the four funds in accordance with the capitation formula weights. This formula grants the health funds increments for insured clients whose healthcare consumption is more expensive, including those who live in the periphery, out of a desire that the health funds not discriminate in accepting clients according to their characteristics. However, there is no certainty that the current formula incentivizes the strengthening of medical services in the periphery.

**4. Use of the peripherality index to allocate resources in the education system:** Peripherality is one of the criteria behind the allocation of resources in the education system. The more “peripheral” the school is, the greater its budget.<sup>15</sup> The peripherality component of the budgeting includes two aspects that reflect the

<sup>13</sup> See discussion of the previous programs and a budgetary review of the implementation of Decision 462 in N. Moshe (2024), “Monitoring the Implementation of Decision 462 to Strengthen Civilian Resilience in Sederot and Localities of the “Gaza Strip Envelope” for 2023–2024,” Knesset Research and Information Center (in Hebrew).

<sup>14</sup> State Comptroller (2021). “Annual Report 72a—Part Two: “National Development Programs for the North” (in Hebrew).

<sup>15</sup> These issues are detailed in the booklet, “Ministry of Education Participation in Local Authority and Ownership Budgets”, issued by the Ministry (in Hebrew).



low availability of educational and cultural resources in more distant localities: the distance between the locality in which the school is located and the cities of Tel Aviv, Jerusalem and Haifa, and the density of the relevant population (Jewish or Arab) in a 20 km radius from the locality.

5. **Umbrella agreements:** In 2013, the State began signing “umbrella agreements” with local authorities in urban localities. In these agreements, the State undertakes to finance the infrastructure and public facilities necessary to establish new neighborhoods, and the local authorities undertake to issue building permits and to implement the plans, including the construction of the infrastructure. The agreements also make it possible to renew the infrastructure in older neighborhoods, in that they allow for increasing the local authority’s sources that can be allocated to the matter. While the umbrella agreements are not necessarily aimed at periphery areas, they can enable cities in the periphery to grow rapidly. According to a Bank of Israel analysis, umbrella agreements signed in the cities of Netivot, Ofaqim, and Sederot make it possible to at least double their populations, while the agreement in Ma'alot-Tarshiha makes it possible to almost double the population.<sup>16</sup>
6. **Balance grants:** Balance grants to the local authorities that are allocated by the Ministry of the Interior are higher in local authorities in the lower socioeconomic clusters, and increments are given to localities along the confrontation lines and in Judea and Samaria. As shown in Table 7.1, the rates of locally financed income in the local authorities in the western Negev and along the Lebanese border are lower than in the other areas of the country, and this difference is covered in part by the Ministry of the Interior’s balance grants.

To conclude this section, it seems that the government allocates a wide variety of budgets to support the development of physical and economic infrastructure and social services in the periphery. These are intended to strengthen the periphery, compensate for the distance from the center of the country that involves a smaller variety of services and a higher cost in providing them due to the lack of economies of scale. The government support is also intended to compensate to a certain extent for the security risk involved in living close to confrontation areas. Alongside the importance of these goals, it must be ascertained that these budgets are allocated through transparent frameworks and that their contributions to the attainment of their goals are examined. The allocation of additional budgets, for instance through the administrations that will handle the rehabilitation and development of the border areas damaged during the Swords of Iron war, must take into account the resources that have already been allocated to those areas, particularly as part of multiyear programs, and lessons must be learned from how successful the currently or previously implemented programs were. Since the allocation of additional budgets due to the war may have an impact on the geographic space in proximity to the frontline localities, there must

<sup>16</sup> See Bank of Israel (2018), Annual Report for 2017, Chapter 9 for an explanation of Umbrella Agreements and an analysis of the local authorities’ potential to realize them through indices of their financial state.

be an examination of how it effects the gaps between population groups or localities within the periphery areas and what the potential implications of such effects are.

### **Part Three: Socioeconomic characteristics of the residents of the western Negev and Lebanese border regions**

Before formulating regional and socioeconomic development measures it is necessary to have an in-depth understanding of the region's demographic, social, and economic characteristics, and to acknowledge its advantages and disadvantages. This section presents selected characteristics of the residents and localities in the confrontation areas before the war broke out, by type of locality, compared to those of the residents of other localities in Israel. The criteria for defining the group of localities in the western Negev and Lebanese border regions to which the analysis relates is direct and intensive exposure to war, as reflected in the evacuation of the localities, and regional functional attachment between the localities.

The geographic area along the Lebanese border includes localities within 5 km of the border. These localities were evacuated, or their evacuation was considered, at the behest of the authorities.<sup>17</sup> This region includes the city of Qiryat Shemona and the local councils of Shelomi and Metulla, which were evacuated, as well as localities within the following regional councils (from east to west): Upper Galilee, Mevo'ot HaHermon, Merom HaGalil, Maale Yosef, and Mateh Asher.<sup>18</sup> We included the city of Ma'alot-Tarshiha—which is about 8 km from the Lebanese border—in the analysis, despite the fact that it does not appear in the government decision. We did so due to its size (about 23,000 residents) relative to the surrounding area, and because it is very close to localities that were included in the government decision.<sup>19</sup> The analysis therefore contains 47 urban localities and Jewish or mixed towns, with a total Jewish population in 2022 of about 77,000. (See the map below, which illustrates the analyzed area.)

The main analysis does not include five non-Jewish localities along the Lebanese border, or about one-quarter of the residents of Ma'alot-Tarshiha who are not Jewish (although these are labeled on the map below).<sup>20</sup> These residents are no less exposed

<sup>17</sup> All of the localities in this analysis (other than Ma'alot-Tarshiha) appear in Government Decision 975 from October 2023 as candidates for evacuation. However, by the end of the year, only those within 3.5 km of the border had been evacuated (M. Lehrer, "Information on evacuees from the Lebanese border during the Swords of Iron War—updated background for discussion", Knesset Research and Information Center, December 31, 2023 (in Hebrew)).

<sup>18</sup> These regional authorities also include localities that are more than 5 km from the Lebanese border, and are not included in the analysis.

<sup>19</sup> Nahariya is the next city in terms of proximity to the Lebanese border (about 9.5 km). It has about 64,000 residents.

<sup>20</sup> The non-Jewish localities are: Ghajar (Alawites, local authority), Aramsha (Beduin, Mateh Asher Regional Council), Hurfeish (Druze, local authority), Fassuta (Christian, local authority), and Reihaniye (Circassians, Merom HaGalil Regional Council). In addition, the municipality of Ma'alot-Tarshiha has about 18,000 Arab residents, who comprise about 23 percent of the total population of the analyzed area. Since this is a heterogeneous yet small population, the localities are not included in the analysis. They are also excluded from the analysis to make it easier to compare this region to the western Negev, where there are no non-Jewish localities.

Our analysis focused on evacuated localities in the western Negev and along the Lebanese border and on several nearby localities that were not evacuated.



than Jewish residents to the war and its implications. Yet the choice to separate them from the analysis is because this population group differs greatly from the Jewish population with respect to their socioeconomic characteristics. The differences between them are also reflected in migration patterns to and from the localities, which are analyzed in the next section.<sup>21</sup>

The western Negev includes all localities whose residents were evacuated with State financing<sup>22</sup>: the city of Sederot and the rural localities in the following regional councils (from north to south): Hof Ashkelon, Shaar HaNegev, S'dot Negev, and Eshkol.<sup>23</sup> In addition, the analysis includes the cities of Netivot and Ofaqim, which are more distant from the Gaza Strip, and which were not evacuated with State financing. These cities are urban centers for localities in the western Negev. (While Ofaqim is more than 20 km from the Gaza Strip, there were attacks there on October 7, and some of its residents were evacuated to hotels with municipal funding.) In total, 57 urban and rural localities were included in the southern sphere, with a total population as of the end of 2022 of about 150,000—about one-fifth of whom live in rural localities.<sup>24</sup> Ten of the localities in the analysis are not under “Tekuma Administration” auspices, since they are more than 7 km from the Gaza Strip.<sup>25</sup> These include Bror Hayil, Dorot, Naveh, Tzohar, Ohad, Talmei Eliyahu, Sdeh Nitzan, and Bnei Netzarim, whose residents were evacuated during the war (in accordance with Decision 988), and Ofaqim and Netivot, which were not evacuated. Eighty-two percent of the residents in the rural localities in this analysis live in localities that are under the auspices of the Tekuma Administration, and 29 percent of residents in the cities in this analysis live in Sederot, which is also under its auspices. (See the map below for an illustration of the analyzed area.) The analyzed area in the western Negev does not contain non-Jewish localities. The uniqueness of the data sources that were used for the analysis is that they enable an examination of small geographic units, and include unique information, for instance on present and past places of residence. The data include the census file for 2022, which has a representative sample of about 7 percent of the population (about 20 percent of households), and other datasets from the Central Bureau of Statistics.

<sup>21</sup> The Bank of Israel Annual Report for 2016 (Chapter 8) provides a broad discussion of the geographic dispersion of Haredim (ultra-Orthodox Jews) and Israeli Arabs, their socioeconomic characteristics, and their internal migration patterns, between 1995 and 2008.

<sup>22</sup> The localities noted in the appendices to Government Decisions 950 and 988 from October 2023. All of these localities, other than 8, are under the auspices of the Tekuma Administration.

<sup>23</sup> These regional councils also include localities that are more than 7 km from the Gaza Strip and are not included in the analysis.

<sup>24</sup> Localities were classified as “rural” if they are among the following locality types (according to the Central Bureau of Statistics localities file): Moshavim, Collective settlements, Kibbutzim, Communal localities, Jewish institutional localities, or other Jewish rural localities.

<sup>25</sup> These localities were also not included in the government definition of the “Gaza Envelope” area. (G. Faibish (2023). “From Greater Sederot to Tekuma Strip: What is the Gaza Envelope?” Knesset Research and Information Center – in Hebrew).

## Northern Border and Western Negev Localities Discussed in the Analysis

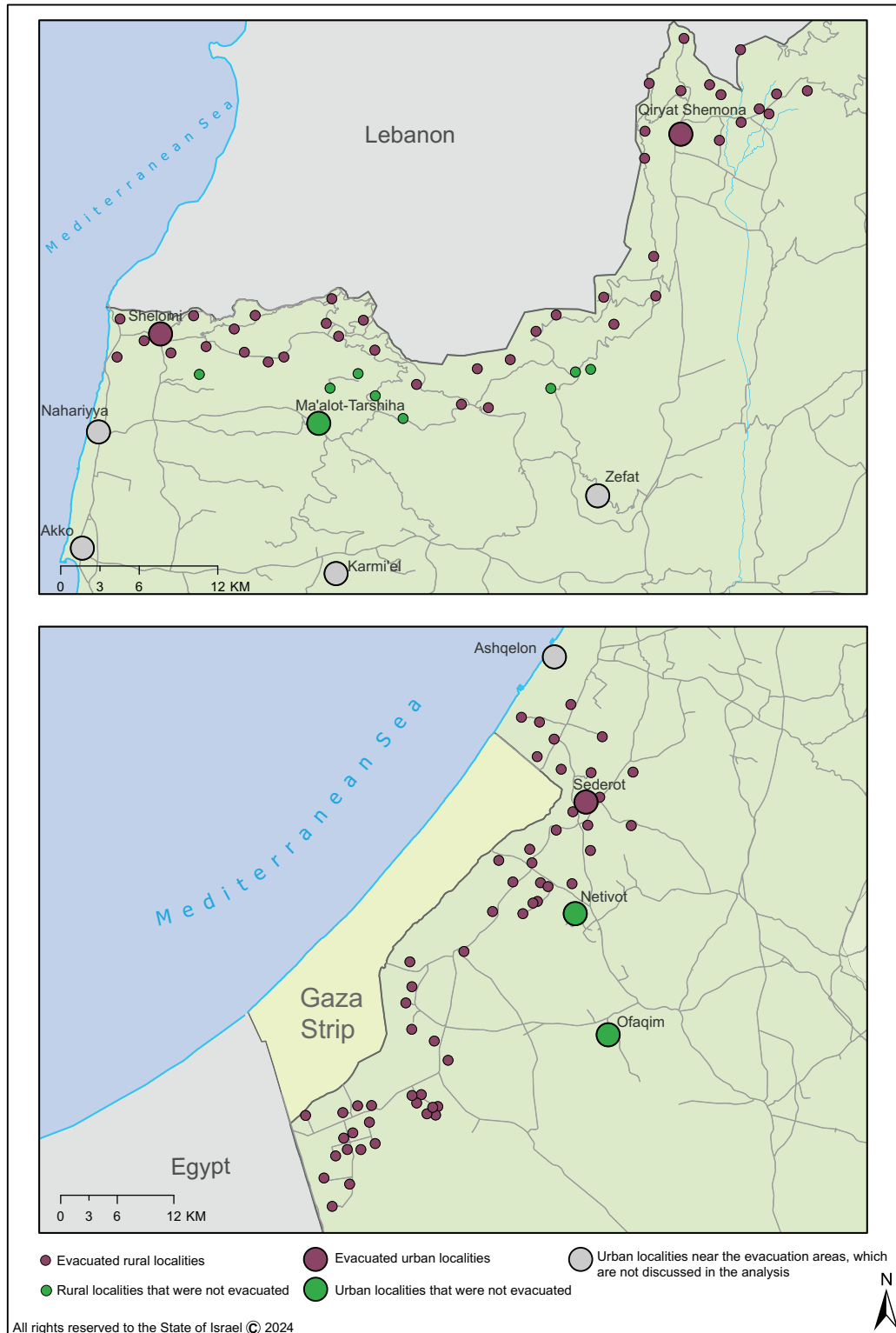


Table 7.1 presents the main data regarding the localities in the analysis by region, compared to the other localities in Israel.<sup>26</sup> The high rates of rural localities and their residents, particularly the Kibbutzim and Moshavim in the confrontation areas, are prominent in comparison to the rest of the country. The regions in the analysis are peripheral—particularly the localities along the Lebanese border, which belong to a very low peripherality cluster. In the entire country, the socioeconomic clusters of the regional councils to which the rural localities belong are higher than the urban localities, and this is the case in the analyzed areas as well. The socioeconomic cluster of the urban localities in the western Negev is particularly low, but it is worth noting that while Sederot is ranked in cluster 5 (as are Qiryat Shemona and Ma'alot-Tarshiha) and Shelomi is ranked in cluster 6, Netivot and Ofaqim are ranked in cluster 3. The various clusters reflect the different socioeconomic composition of the population between the municipalities.

The regions in the analysis are peripheral—particularly localities along the Lebanese border, which belong to a very low peripherality cluster.

**Table 7.1**  
**Characteristics of the localities in the analysis in the western Negev, Lebanese border, and rest of the country, 2022\***

	Western Negev	Lebanese border	Rest of the country
<b>Number of localities</b>	57	52	1,137
Rate of Kibbutzim	46	37	20
Rate of Moshavim	40	40	36
Rate of non-Jewish localities	0	10	13
Rate of other rural and communal localities	9	8	22
Rate of urban localities (Jewish)	5	6	10
<b>Population (thousand)</b>	147	94	9,342
<b>Non-Jewish and other population<sup>a</sup> (rate)</b>	0	23	21
<b>Population in rural localities<sup>b</sup> (rate, including Arabs)</b>	22	44	9
<b>Peripherality cluster<sup>c</sup> (weighted by population size)</b>	3.7	2.1	6.7
<b>Socioeconomic cluster<sup>c</sup> (weighted by population size)</b>	4.6	6.1	5.3
<b>Socioeconomic cluster<sup>c</sup> in rural localities (weighted by population size)</b>	6.5	6.6	6.6
<b>Socioeconomic cluster<sup>c</sup> in urban localities (weighted by population size)</b>	3.6	5.1	5.1
<b>Average tax benefit<sup>d</sup> for residents of beneficiary localities, by residential locality (percent)</b>	20	13	See note d
<b>Locally financed rate (Local income as a share of total income in the ordinary budget, weighted by population size)<sup>e</sup></b>	42	46	56
<b>Per capita expenditure in the ordinary budget (NIS, weighted by population size)<sup>e</sup></b>	9,319	10,392	8,320

\* The "Rest of the country" category includes Beduin tribes that live outside of localities. Arab localities and the Arab population are included in all categories in the table.

<sup>a</sup> Jewish and "Other" residents are generally presented together. "Others" includes non-Arab Christians, members of other faiths, and people with no classification in the Population Registry.

<sup>b</sup> Kibbutzim, Moshavim, and other rural localities.

<sup>c</sup> The peripherality cluster (calculated for 2020) and the socioeconomic cluster (calculated for 2019) are weighted by population size of the regional councils that belong to the area. The peripherality cluster (from 0 to 10) increases as the extent of peripherality decreases, and the socioeconomic cluster (from 0 to 10) increases as the socioeconomic situation improves.

<sup>d</sup> 2024 figure. The calculation of the tax benefit used a simple average of the beneficiary localities and the average tax benefit relates to the statutory rate and not to the effective benefit. Because the "rest of the country" category includes many localities with no tax benefits, the average benefit was not calculated for this category.

<sup>e</sup> The data relate to local authorities and do not include Kiryat Shmona.

SOURCE: Based on Central Bureau of Statistics and Israel Tax Authority data.

The population in the western Negev localities is younger than the population in the Lebanese border localities. It includes a higher rate of children and a lower rate of seniors (aged 65+) (Table 7.2). These differences in age composition are due to two main factors. The first is the higher fertility rate (see the analysis below), and the second is higher migration rates to western Negev localities, particularly to urban

<sup>26</sup> The table also relates to the Arab population, because it contains categories that cannot be separated into Jewish and Arab population groups, such as socioeconomic cluster and peripherality cluster of the localities and regional councils.

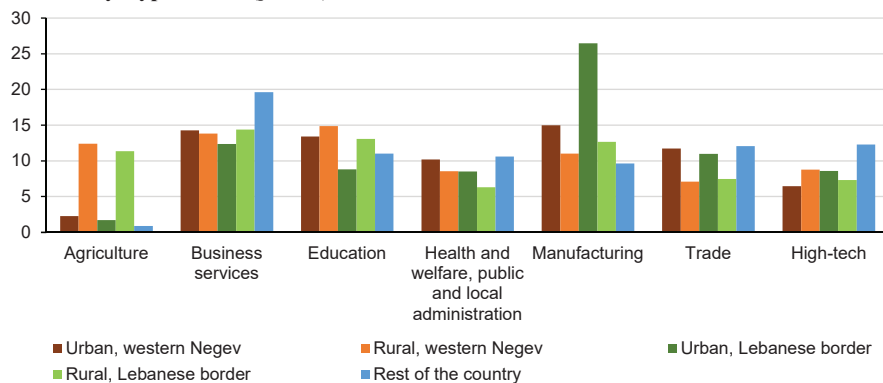
In both regions, residents of rural localities have stronger labor market characteristics.

localities, since migration is more typical of a younger population (see the analysis below). The high rate of *Haredim* in the urban localities of the western Negev is consistent with the relatively high rate of children and larger households.<sup>27</sup>

Other than the differences in demographic characteristics, residents of rural localities in both regions have stronger labor market characteristics (Table 7.3). The rate of academics in the rural localities (particularly in the western Negev) is higher than in the urban localities, as are the employment rates and income from salaried employment. A comparison of the urban population in the western Negev and along the Lebanese border shows that the latter has a slightly stronger profile.

The similarity in the economic structure of the north and the south is reflected in the employment distribution by industry, which differs from the distribution in the other regions of the country (Figure 7.1). The rate of those employed in agriculture, an industry that ties its employees to their residential areas, is particularly high in the rural localities of the western Negev and the Lebanese border region. In contrast, the rate of those employed in the business services industries in both of these regions, in both rural and urban localities, is lower than the national average. Residents in the urban localities of the western Negev, and more so along the Lebanese border, are employed in the manufacturing industries at much higher rates, but this does not necessarily mean advanced manufacturing, since the rate of manufacturing employees working in the high-tech sector is about two-thirds of the rate in the rest of the country. (The high-tech sector is divided between manufacturing and business services.) Another possible reason for the high rate of manufacturing employees is the years-long policy to encourage manufacturing in the periphery, through the Capital Investment Encouragement Law.

**Figure 7.1**  
Distribution of Employees (Salaried and Self-Employed), by Selected Industries, Region, and Locality Type\*, 2021 (percent)



\* There is some overlap between salaried employees in the high-tech sector and in the manufacturing and business services industries. The high-tech sector includes the following subindustries: 21, 26, 303, 62, 631, 720, and 721. For the definition of the localities in the various groupings, see Section 3.

Source: Based on Central Bureau of Statistics.

<sup>27</sup> The Haredi population's percentage in the city of Sederot is lower than the national average, while in Ofaqim and Netivot, it is significantly higher.

The large majority of residents of the western Negev and Lebanese border regions work in the area in which they live (Figure 7.2a), and many of them, particularly those who live in rural localities, are self-employed, and work in industries that are more typical of their locations (high rates in agriculture and manufacturing, Table 7.3 and Figure 7.1). This leads to a risk that their attachment to their places of work may weaken due to evacuation to more distant areas. The rate of those employed in their residential areas is higher in the Lebanese border region, which is more distant from the country's main employment centers. Few of those employed travel long distances to the Tel Aviv or center districts, and the rate of those who do is higher among the western Negev residents. The latter are closer to the center of the country, and public transit services from their localities to the center of the country are more accessible. Figure 7.2b shows the distribution of work places of western Negev and Lebanese border residents (rural and urban) with high labor incomes. In the rural localities of the western Negev and Lebanese border regions, there are more employees in the upper quarter of the income distribution than in the urban localities of those regions, but their rate is lower than the national rate. In the urban localities, the rate of workers with high labor income is about half the rate in the rural localities. In the western Negev, a larger share of high-wage employees travel to the Tel Aviv or center districts, while in the Lebanese border region, more of them stay to work in their residential areas.

Many residents of evacuated localities work in the areas in which they live, in industries that are more typical of their locations. Thus there is a risk that their attachment to their places of work may weaken due to evacuation to more distant regions.

**Table 7.2**  
Selected demographic characteristics of the population, 2022\*

Localities in the comparison	Urban western Negev	Urban Lebanese border	Rural western Negev	Rural Lebanese border	Rest of the country
<b>Age structure</b>					
Children up to 18 (percentage of the population)	38	27	37	29	32
65+ (percentage of the population)	9	16	13	15	15
<b>Demographic-social characteristics</b>					
<i>Haredi</i> (share of men aged 25+)	18	2	1	1	10
First grade students in Haredi education (percentage of first-grade students, 2021 figure)	44	14	9	-	29
Immigrants, 1989 or later (percentage of population aged 35+)	29	33	8	6	22
<b>Living conditions</b>					
Average number of people per household	3.4	2.6	3.0	2.6	2.9

\* The table relates to Jewish and "Other" residents, which are usually presented together. "Others" includes non-Arab Christians, members of other faiths, and people with no religious classification in the Population Registry. For a definition of the localities, see Section 3. The "Rest of the country" category includes the entire Jewish and "Others" population in Israel, other than those living in localities in the other columns.

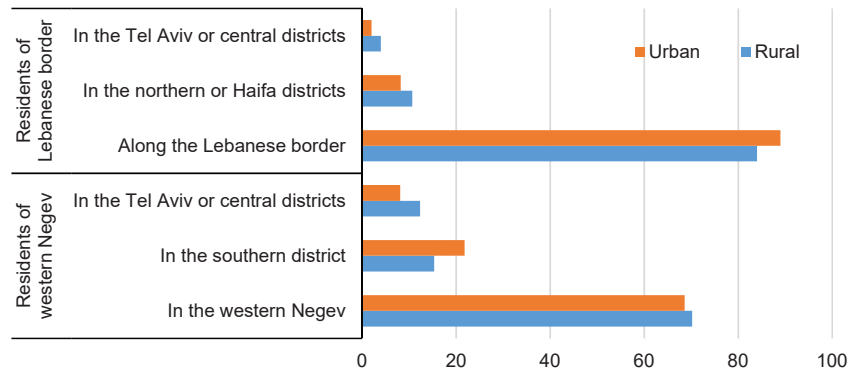
SOURCE: Based on Central Bureau of Statistics.

The quality of services offered in the region, including education services, may be a factor in attracting internal migrants. The education system's outputs and inputs reflect the quality of educational services to a certain extent, but they are influenced by other factors, including the characteristics of the local population (which may themselves be a factor in attracting migration to the region). It seems that in almost all indices of

the education system's inputs and outputs that were examined, the rural localities in the western Negev are doing better than the other groups (Table 7.4). However, it is worth noting that in the city of Sederot, the educational system's input and output indices (which are not presented separately), are similar to those of the rural localities in the western Negev, and higher than in the two other cities in the region.

**Figure 7.2a**

**Distribution of Work Places by Residential Location, Locality Type, and Region\*** (all workers, percent)

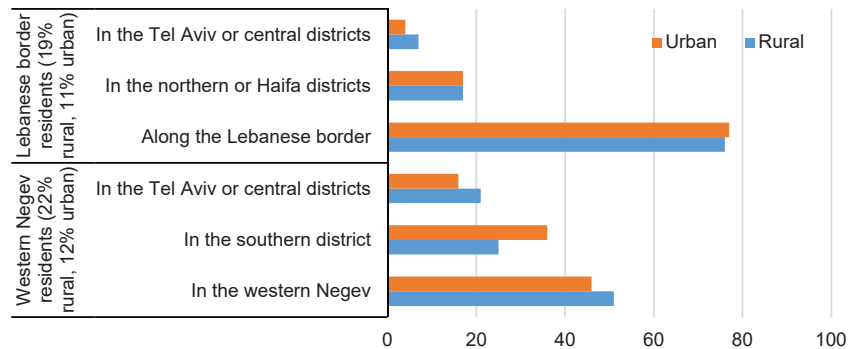


\* The figure relates to workers aged 25–64. To specify work places, the western Negev is defined as natural areas 614, 621, and 622, and the Lebanese border is defined as areas 21 and 24. Residential locations are in line with the definition in other places in the chapter.

Source: Based on Central Bureau of Statistics.

**Figure 7.2b**

**Distribution of Work Places of High Wage Earners by Residential Location, Locality Type, and Region\*** (workers above the 75th percentile of wages (national), percent)



\* The figure relates to workers aged 25–64. The distribution of wages is calculated for the entire country, by gender. The determination of whether an employee's wage is higher than the 75th percentile is accordingly. To specify work places, the western Negev is defined as natural areas 614, 621, and 622, and the Lebanese border is defined as areas 21 and 24. Residential locations are in line with the definition in other places in the chapter. In the other areas of the country, 27 percent of employees earn wages higher than the 75th percentile.

Source: Based on Central Bureau of Statistics.



To conclude this section, it seems that the rural and urban localities of the western Negev are prominent in that they include a relatively young and growing population. However, in other areas that we examined, the populations of the urban localities in the western Negev have things in common with those of the Lebanese border region. They both feature relatively low schooling rates, low employment rates, and low wages relative to the rural localities in their regions, and relatively high rates of employment in manufacturing—the rate of which is particularly high in the north. Similarly, there are many similarities between the residents of the rural localities in the western Negev and those along the Lebanese border, but in most areas that we examined, residents of rural localities in the western Negev have a stronger socioeconomic profile.

**Table 7.3**  
**Education, employment, and labor income\***

Localities in the comparison	Urban western Negev	Urban Lebanese border	Rural western Negev	Rural Lebanese border	Rest of the country
<b>Education</b> (age 35+, percentage of population, 2022)					
Up to 12 years of schooling	64	58	37	45	47
Academic degree (Bachelor's or higher)	19	25	44	35	37
<b>Employment</b> (25–64, 2022)					
Employees (percentage of men)	77	81	89	86	82
Employees (percentage of women)	77	75	85	79	79
Self-employed <sup>a</sup> (percentage of employed men)	10	13	15	24	15
Self-employed <sup>a</sup> (percentage of employed women)	7	10	13	21	12
<b>Monthly income from salaried labor</b> (aged 25–64, NIS thousand, 2021)					
Men, median income <sup>b</sup>	11.4	10.9	15.1	12.3	13.0
Women, median income <sup>b</sup>	7.2	7.4	9.6	8.5	9.1

\* The table relates only to Jewish (and "Other") residents. For a definition of the localities, see Section 3. The "Rest of the country" category includes the entire Jewish and "Others" population in Israel, other than those living in localities in the other columns.

<sup>a</sup> The rate of self-employed is calculated by dividing those with income from self-employed labor by the number of those with labor income (calculated on 2021 data and individuals were defined as self-employed even if they had additional income from salaried employment).

<sup>b</sup> This calculation does not include residents of collective Kibbutzim.

SOURCE: Based on Central Bureau of Statistics data.

**Table 7.4**  
**Jewish education system's inputs and outputs, 2021/22\***

Localities in the comparison	Urban western Negev	Urban Lebanese border	Rural western Negev <sup>a</sup>	Rural Lebanese border <sup>a</sup>	Rest of the country
Teachers with Master's degree or higher wage level (percentage)	34	44	46	44	45
Matriculation eligibility among 12th grade students (percentage)	65	71	81	76	78
Matriculation eligible who meet the universities' minimum requirements <sup>b</sup> (percentage of 12th grade students)	47	56	72	61	63
Students (percentage of the 20–25 age group) <sup>c</sup>	11	14	11	10	15

\* The table relates to the Arab population as well, since the data source does not enable us to separate it. For a definition of the localities, see Section 3. The "Rest of the country" category includes the entire Jewish and "Others" population in Israel, other than those living in localities in the other columns.

<sup>a</sup> The data on rural localities relate to the regional councils to which they belong.

<sup>b</sup> "Universities' minimum requirements" - matriculation eligibility including at least 3 study units in mathematics, 4 units in English, and one additional major subject.

<sup>c</sup> Some students may be students at institutions of higher education in confrontation area localities, who moved to live in the localities during their studies. About 28 percent of the students at these institutions live in the confrontation line communities. (Central Bureau of Statistics press release on higher education in Israel - select data for the 5783 school year).

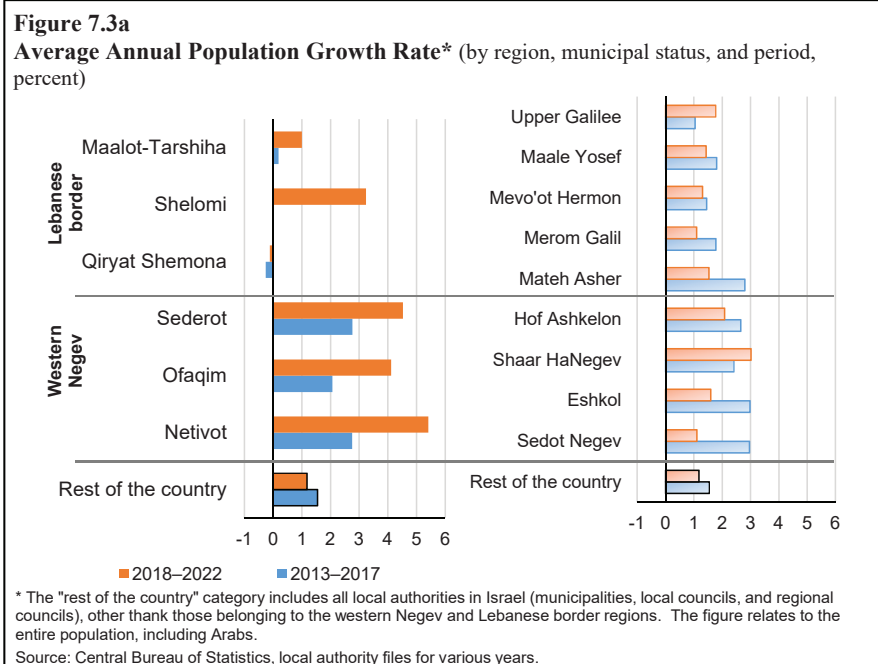
SOURCE: Based on Central Bureau of Statistics local authorities dataset.

## Part Four: Characteristics of migration to western Negev and Lebanese border localities between 2017/8 and 2022<sup>28</sup>

Between 2018 and 2022, the rapid growth of the population in urban localities in the south was due to positive and high net internal migration and high natural growth that were both above the national average.

Among the urban localities along the Lebanese border, only Shelomi had more rapid growth than the national average.

Between 2013 and 2022, the western Negev and Lebanese border regions enjoyed a positive population growth rate (Figure 7.3a). The high growth rate was prominent in the urban localities in the western Negev between 2018 and 2022, both relative to the other locality groups and relative to previous years. During these latter years, population growth in all urban localities in the south was due to a positive and high net migration balance, combined with high natural increase—both above the national average. Among the urban localities in the north, only Shelomi had a balance that was higher than the national average, and among the regional councils in the north, only Merom HaGalil had higher natural growth than the national average (Figure 7.3b).

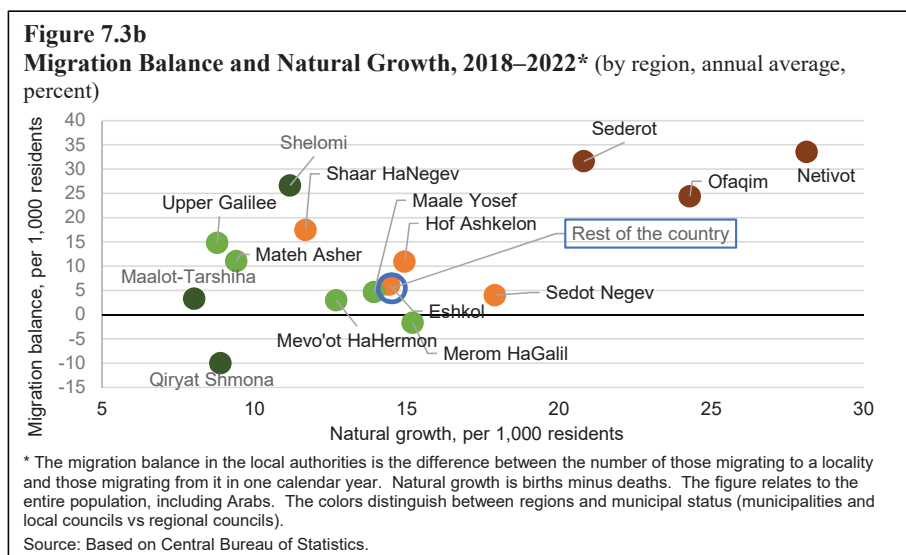


Population growth in the confrontation areas is in line with the data on building completions. In the urban localities in the south, there was a considerable jump in the number of residential building completions as early as the end of the first decade of the 21<sup>st</sup> century, while in urban localities along the Lebanese border, the acceleration in these data was apparent from 2019. A considerable part of the dwellings that were completed—in the northern and southern cities in the analysis—were built as part

<sup>28</sup> Migration is between localities in Israel and not within localities. The analysis discusses the Jewish population only, unless otherwise noted. Figures 7.3a and 7.3b do not include Metula, a local authority with about 1,700 residents. Metula is classified as a rural locality (according to its locality profile) and does not belong to a regional council. In the other analysis in the chapter, Metula is discussed among the other rural localities along the Lebanese border.

of the “Buyer’s Price” program. The increase in the supply of homes in the urban localities in the north and the south was also supported by the umbrella agreements discussed above. These agreements were signed in 2017–2018 with the municipalities of Maalot-Tarshiha, Ofaqim, Netivot, and Sederot. They apparently had a sizeable impact, as shown by the many building completions within the Buyer’s Price program.

According to census data, most migrants to the western Negev and Lebanese border localities migrated from within the same geographic districts, and just a few came from other districts. There were others who moved from one locality to another nearby, but these are not considered migrants to or from the region for the purpose of this analysis<sup>29,30</sup>. The migrants’ characteristics (Table 7.5) show that migrants from the western Negev and Lebanese border localities are slightly younger than those migrating to them, and that the rate of those with academic degrees among those migrating away from the localities was generally higher than among those migrating to them.<sup>31</sup> The urban localities in the western Negev feature a high rate of *Haredi* families, while the rate among migrants from the area is similar to the rate among those migrating to the area. As such, the rate of *Haredi* families in these localities in 2022 was similar to the rate in 2017. In the other locality types in the comparison, the rate of *Haredi* families is low, and their rate among migrants is negligible.



<sup>29</sup> The census obtains information on residential locality in 2022 and five years previously (2017). All of the census findings presented below are not final data, since the file is not final.

<sup>30</sup> Migration data are calculated from among families whose first member in the sample in 2022 was at least 30 years old. Those entering and leaving these areas do not include residents who moved between localities within the areas.

<sup>31</sup> Some of the academic migration away from the urban localities in the western Negev and nonacademic migration to them was apparently influenced by people studying at Sapir College (which is in Sederot) and at Hemdat College (which is in Netivot). Some of the students in those colleges live in those cities during their studies, and leave once their degree is completed. But this does not explain the entire outward migration of those with academic degrees, since the result remains even when limiting the population to older ages, for which migration for the purpose of Bachelor’s studies is less common.

**Table 7.5**  
**Characteristics of migrants to and from western Negev and Lebanese border localities, compared to the local population\*, 2017/18–2022**

		Households where the first individual is aged 30+			
		Western Negev localities		Lebanese border localities	
		Urban	Rural	Urban	Rural
Population in 2017/18	Median age	53	55	58	55
	Years of schooling	12	14	13	14
	Academics (percentage)	19	40	24	37
	<i>Haredim</i> (percentage)	17	1	2	1
Migrated to other areas, 2017/18–2022	Outgoing migrants (as a share of households in 2017/18)	8	8	10	17
	Median age	37	37	39	36
	Years of schooling	14	14	14	14
	Academics (percentage)	39	53	38	53
Population in 2022	Median age	51	53	58	55
	Years of schooling	12	14	13	14
	Academics (percentage)	19	40	25	36
	<i>Haredim</i> (percentage)	16	0	2	1
Migrated to western Negev and Lebanese border localities, 2017/18–2022	Incoming migrants (as a share of households in 2017/18)	20	15	11	15
	Median age	39	39	46	38
	Years of schooling	13	14	14	14
	Academics (percentage)	24	45	39	51
	<i>Haredim</i> <sup>a</sup> (percentage)	11	-	-	-

\* The characteristics of the residents and migrants relate to the first individual on the list, who answered the Census questionnaire for the household. Households where the first on the list was aged 30 and above remained in the analysis. For a definition of the localities, see Section 3.

<sup>a</sup> The rate of *Haredim* as a share of migrants is not shown where the number of observations was too low.

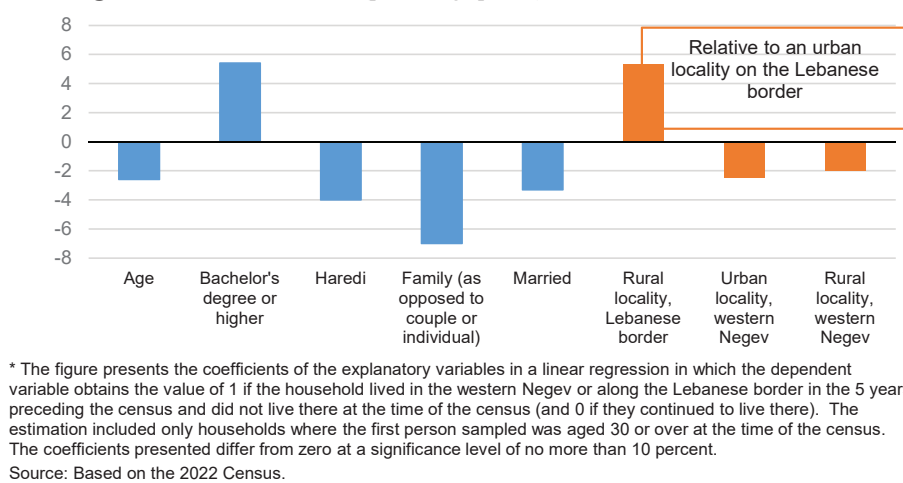
SOURCE: Based on the 2022 Census.

In a multivariate analysis, we examined what individual and household attributes are correlated with migration away from confrontation line localities, and with migration to them. First, we quantified the relative effect of individuals' attributes and type of locality on migration away from the confrontation line areas (the western Negev and the Lebanese border). For this purpose, we estimated a model in which the dependent variable is the likelihood of moving to live outside the confrontation line areas. This estimation included all Jewish (and other) households that, according to the census, lived in a western Negev or Lebanese border locality five years before it took place, and where the census contains information on their residential locality in 2022.<sup>32</sup> The regression coefficients are presented in Figure 7.4 (in blue), and all of them are different than zero at a statistical significance level of 10 percent. We found that outward migration is more typical of younger people than older. Every additional year of age is correlated with a decline of 2.6 percentage points in the probability of migration, but this effect declines with age.<sup>33</sup> Academic (as opposed to nonacademic) education is correlated with an increase of 5.4 percentage points in the probability of leaving the localities, and for a *Haredi* household, the probability of leaving these

<sup>32</sup> The census sample contained individuals who filled out the census questionnaire for all members of their household (whose details also appear in the census). These individuals are the "first in the list". In order to present households in the internal migration analysis, the first individuals in the list who are at least 30 years old were included.

<sup>33</sup> Since the age-squared estimate (which is intended to deal with cases in which the effect of each year of age is not fixed) is positive.

**Figure 7.4**  
**Attributes Correlated with Leaving a Residential Locality in the Western Negev or Along the Lebanese Border\*** (percentage points)



localities is about 4 percentage points lower.<sup>34</sup> Families tended to migrate away from the localities at a rate that was 7.0 percentage points lower than couples of individuals, and married people tended to migrate at a rate that was about 3.3 percentage points lower than those with a different family status.

Figure 7.4 also shows (in orange) the correlations between the type of residential locality (rural vs urban) in each region (western Negev vs Lebanese border) and the probability of leaving the confrontation line communities, compared to the probability of leaving a confrontation line locality for those that were living in an urban locality along the Lebanese border five years ago (base category). We found that when all other attributes are fixed, the probability of those living in rural communities along the Lebanese border leaving the region is the highest. In contrast, the probability of leaving urban and rural localities in the western Negev is lowest, and the differences are statistically significant.<sup>35</sup>

The factors of attraction to confrontation line localities were analyzed through an estimation of the characteristics of migrants that affect the probability of migration specifically to localities in those areas, in contrast to the choice to migrate to any other locality in the country. These estimations included only households that had migrated between localities between 2017/8 and 2022, and the probability of migration was

<sup>34</sup> We note that a young age and academic education are generally correlated with higher probabilities of migration (O. Causa and J. Pichelman (2020), “Should I Stay or Should I Go? Housing and Residential Mobility Across OECD Countries”, Economics Department Working Papers, No. 1626, OECD).

<sup>35</sup> The regression results shown in the figure and in the text are based on a linear estimation. We also estimated probit regressions and calculated the marginal effects at the average points. The results obtained in both estimation types are similar in terms of direction, intensity, and significance. The regression that estimates the probability of migrating away was also estimated in a nonpooled regression—in four separate estimations for those living in each area and locality type, and the results were maintained there as well. The positive coefficient for academic education was found only in urban localities (in the north and south), and the negative coefficient for “Haredi” was found only in urban localities in the western Negev.

estimated separately for each region and locality type: those migrating to urban localities in the western Negev (compared with those migrating to urban localities in any other region of the country), and those migrating to rural localities in the western Negev (compared with those migrating to rural localities in any other region of the country). Identical estimations were made for those migrating to urban and rural localities along the Lebanese border (compared with those migrating to other areas of the country). In addition to individuals' attributes, which were outlined in the previous estimation, these estimations also controlled for residential district prior to migration, since most of those migrating to the western Negev and Lebanese border areas lived in the southern and northern districts (respectively) before they moved. A main factor attracting migration to the southern and northern districts is housing affordability, which is much lower than in the other parts of the country. In 2022, the average price of a 3.5–4 room dwelling in the north was about 53 percent of the price of a similar dwelling in the central district, and the average price in the south was about 62 percent of the price in the center. The difference is slightly less for larger dwellings.<sup>36</sup> Controlling for residential district prior to migration reflects, to a certain extent, the effect of housing prices in the locality of origin, but the existing data do not allow for an estimation of the contribution of housing prices in the confrontation line localities to the attraction to those localities.

Figure 7.5 shows the regression coefficients that are statistically significant to at least 10 percent, with the different colored columns signifying the separate estimations for each region and locality type. Each coefficient indicates the gap between the correlation of the characteristic with the probability of migration to a locality (rural or urban) in the confrontation area (western Negev or Lebanese border) and the correlation of the attribute with migration to any other locality of the same type in Israel. For instance, a household that is a family (as opposed to couples or individuals) has a greater tendency to migrate to an urban locality in the western Negev than to an urban locality in another region, but is less likely than a couple or an individual to migrate to a rural locality along the Lebanese border. The figure shows that if a household is a family, *Haredi*, or has a nonacademic education, there is a greater tendency to migrate to an urban locality in the western Negev than to other urban localities in Israel, and that *Haredi* families had less tendency to migrate to rural localities in the western Negev (compared to other rural localities). The attributes of migrants to urban and rural localities along the Lebanese border generally do not differ from those of migrants to urban and rural localities in other areas, but *Haredim* had less tendency to migrate to urban localities there. Finally, all of the estimations found that residence in the southern or northern districts (and Haifa) has a positive and statistically significant correlation with migration to the western Negev or Lebanese border regions, respectively. (These estimations are not presented in the figure.)

To conclude this section, data on migration patterns to and from confrontation line localities in the western Negev and Lebanese border regions show that in the years

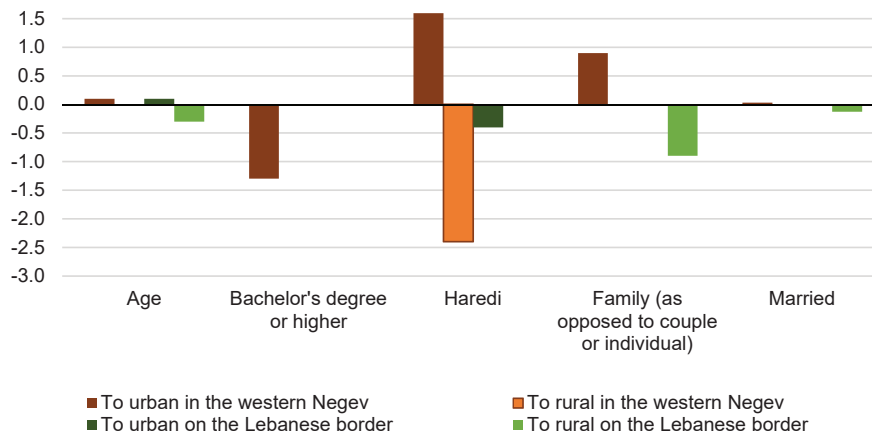
<sup>36</sup> Central Bureau of Statistics, Monthly Bulletin of Price Statistics, No. 10/2023, Table 2.2.



prior to the Swords of Iron war, the western Negev localities experienced significantly higher population growth than the other regions of the country, and even more so when compared to the confrontation line localities along the Lebanese border. The urban localities in the western Negev attracted relatively more families with no academic education, as well as high rates of *Haredi* families. However, since many non-*Haredi* families and families whose first individual has an academic education also migrated to urban localities in the western Negev, the rate of *Haredi* families there did not grow, and the rate of academic families did not change. Urban and rural localities along the Lebanese border were characterized by a relatively low, or even negative, migration balance, and low natural growth.

In the years preceding the war, western Negev localities experienced significant population growth that was higher than in the rest of the country, and significantly higher than in localities along the Lebanese border.

**Figure 7.5**  
**Attributes Correlated with Migration to a Residential Locality in the Western Negev or Along the Lebanese Border\*** (relative to other localities in Israel, by locality type, percentage points)



\* The figure shows the estimations of the explanatory variables in a linear estimation in which the dependent variable obtains the value of 1 if the household did not live in the western Negev or along the Lebanese border (in separate estimations by region and locality type) in the 5 years preceding the census and did live there at the time of the census (and 0 otherwise). The estimation included only households where the first person sampled was aged 30 or over at the time of the census. A positive (negative) coefficient is positively (negatively) correlated with the probability of moving specifically to the examined region as opposed to any other region in Israel.

Source: Based on the 2022 Census.

Absorbing the significant flow of positive migration to localities in the western Negev, particularly urban localities, was made possible thanks to significant growth in the supply of housing in those localities, which accounted for a rising share of residential building completions in the southern district. There was a similar process of growth in building completions, but at smaller rates, in the urban localities along the Lebanese border, as their share of total building completions in the northern district

increased as well.<sup>37</sup> Another factor attracting incoming migration is transit access to employment areas. Public transit services in the western Negev area have developed greatly in the past decade, thanks to the opening of the train stations in Sederot (2013), Netivot (2015), and Ofaqim (2016). In contrast, train stations in proximity to the Lebanese border are more distant from the localities there. There are stations in Nahariyya and Akko that were opened back in the 1950s, and in Carmi'el and Ahihud, that were opened in 2017. There is not one train station in the eastern Upper Galilee. However, despite the promise inherent in opening a train station, travel by train from the western Negev to the center of the country is apparently not sufficient. Travel to central Tel Aviv from Ofaqim, for instance, takes about an hour and a half, and train frequency as of this report is one per hour.

The momentum of demographic growth in the western Negev, as well as the start of such growth along the Lebanese border, may halt as a result of the security crisis due to the Swords of Iron War. A policy that supports demographic growth in these localities must first strengthen the security of residents. Moreover, alongside the growth in the supply of housing, it is important to invest in the cultivation and development of regional factors of attraction, such as infrastructure and high-quality services such as education, healthcare, culture, and transportation, as well as the creation of high-quality employment opportunities. These should attract new residents with high socioeconomic profiles, and prevent their migration away from these localities. Such investment brings with it the potential to support not only a positive migration balance, but also to reduce socioeconomic gaps relative to the other regions of the country, such as gaps in wages and in educational attainment.

## CONCLUSION AND POLICY RECOMMENDATIONS

The Swords of Iron War, which broke out in October 2023, had a particularly strong impact on residents of confrontation line localities in the western Negev and along the Lebanese border. As a result of the war, many confrontation area residents were evacuated from their homes, some for long periods the duration of which are still unknown. This may have many implications for the well-being of the population, including its economic state. A necessary precondition for the population's return to these localities is the return of security. Only then will residents be able to conduct a social and economic routine in their communities.

Before the war, demographic growth in the Lebanese border localities, which are more peripheral, was lower than in the other regions of the country, particularly compared to the localities in the western Negev, where there was rapid demographic growth that was greatly influenced by incoming migration. Expanding residential

<sup>37</sup> Dwellings that were completed in the urban localities in the western Negev accounted for about 19 percent of total housing completions in the southern district in 2017–2022. At the same time, dwellings completed in the urban localities along the Lebanese border accounted for about 3.5 percent of total housing completions in the northern district.

possibilities outside the center of the country is important for dealing with the rapid population growth in Israel, and Israeli governments down through the years have encouraged residency in the periphery and in proximity to the country's borders for various reasons—other than economic. In order to bring back the high demand for residence in the western Negev localities, and to create such demand along the Lebanese border, investment in the civilian realm will be required in the localities in these regions.

Due to the war, significant rehabilitation work is necessary in some of the localities that were directly hit by the terrorist attack or by rocket fire. For this purpose among others, the Tekuma Administration was established to deal with the localities in the south. Beyond rehabilitation from the direct damage, it is important that long-term planning in other fields—particularly in the development of transport infrastructure, strengthening the local authorities, and economic development—relate to the entire geographic space in the confrontation areas and in the areas surrounding them, and not just to the localities that were evacuated. The localities in these areas—both rural and urban—share employment, transportation, healthcare, business, and public service infrastructure. Therefore, planning with regard to the space as a whole will make it possible to exploit the advantages derived from the size of the localities and from the size of nearby locality clusters, as well as the advantages inherent in the interrelationships between the localities. Similarly, it is important that economic development combine the existing relative advantages, and that the development of additional advantages take into account targets of advancing innovation and economic efficiency, as well as narrowing the gaps between populations in rural localities and those in nearby urban localities. Formulate of such a strategic plan relating to the area as a whole for the western Negev region has already begun (led by the Israel Lands Authority and the Planning Authority), and it is important to advance a similar planning process for the area of the Lebanese border.

It is important that long-term planning processes take into account transportation links to high-quality employment centers, and that they examine whether the regional development strategy encourages the establishment of such employment areas from which all localities in the region can benefit. Looking at the area as a whole, an examination should be made, according to the principles of economies scale and completion vs substitution, of how the development of the services in the localities within the area also serves other localities within that area.

Even though the urban localities in the western Negev have benefited from positive migration, those with academic degrees have actually tended to leave those localities, as well as localities in the north, and the rate of those with academic degrees in those localities has not increased. In order to attract educated populations with high earning potential, it is worthwhile that as part of the policy design, investment in infrastructure and in services tailored to such populations be increased. Investment in education, culture, healthcare, and transportation has the potential not only to support a positive migration balance, but also to narrow socioeconomic gaps relative to the other regions of the country, such as gaps in wages and in educational attainment, and to improve the quality of life of the local population.

It is important that long-term planning regarding the confrontation line regions—particularly the development of transport infrastructure, strengthening local authorities, and economic development—address the entire geographic area of the confrontation regions and nearby areas, and not just the localities that were evacuated.

In order to attract educated populations with high earning potential to western Negev and Lebanese border communities, investment in infrastructure and in services tailored to these population groups should be increased as part of the policy design.

