

EU report on Israeli Arabs

DRAFT

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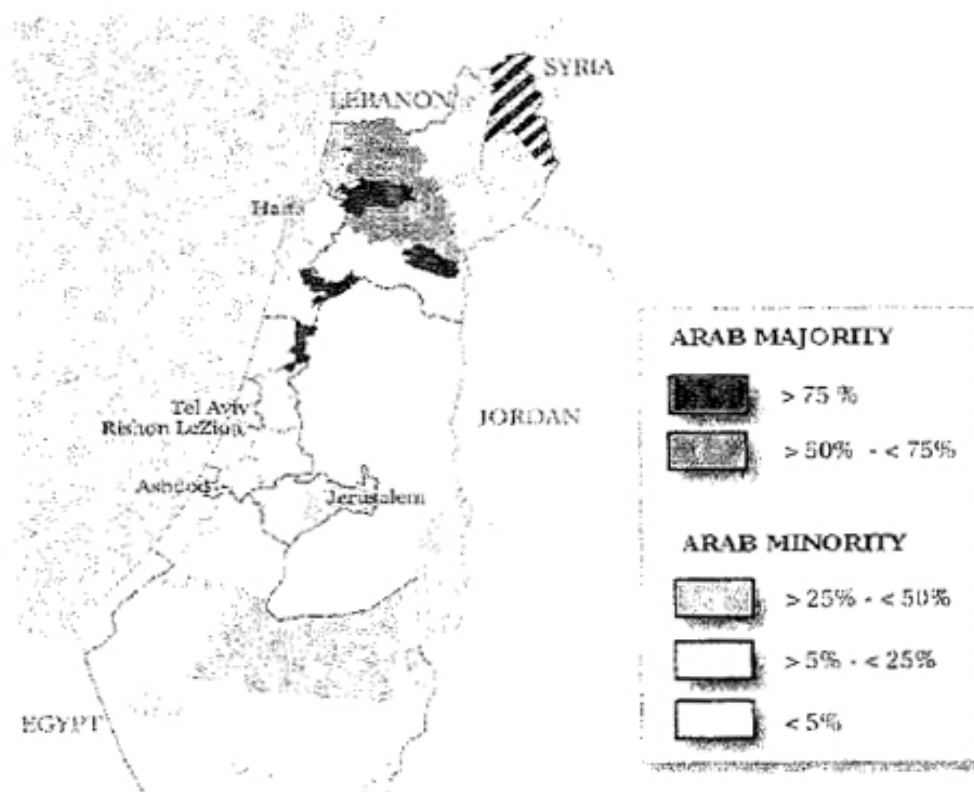
Introduction

Israel rightly prides itself on being a robust democracy, with full separation of powers. Its parliament, judiciary, civil society and media all hold the state's executive and institutions to rigorous account. The strength of Israeli democracy has long contrasted with unelected and autocratic regimes elsewhere in the region. This has been brought into sharp relief this year by some of those regimes' violent resistance to change.

But the quality of any democracy may be measured by the way it treats its most vulnerable citizens, in particular minority communities. Many European states are grappling with issues of integration and multiculturalism.

Israel's record

According to the Israeli Central Bureau of Statistics, in 2010 the Israeli population was 7.797 million. Of these 5,874.300 people are Jewish, while the Arab population has reached 1,600,100 (although this figure includes East Jerusalem and the Golan which the EU do not consider part of Israel). 44% of Israeli Arabs live in the North and constitute 53% of the total population there.



Map from Tsoref

Successive Israeli governments have defended Israel's record on their treatment. In his 24 May speech to the US Congress, Prime Minister Netanyahu said that while Arabs across the region were protesting for democracy, "We're proud in Israel that over 1 million Arab citizens of Israel have been enjoying these rights for decades. Of the 300 million Arabs in the Middle East and North Africa, only Israel's Arab citizens enjoy real democratic rights. Of those 300 million Arabs, less than one-half of 1 percent are truly free and they're all citizens of Israel".

It is correct that when it comes to voting, freedom of expression and assembly, and protection under the law (particularly for women), the rights of Israel's Arabs are generally well-respected. Israeli Arabs are also on average more prosperous and enjoy better access to education, health care and other state services than the populations of most neighbouring states.

But this is an artificial comparison. Israeli Arabs do not compare themselves to Arabs outside Israel, but to their Jewish fellow citizens. And unlike some minority communities elsewhere, Israeli Arabs did not migrate to Israel to flee repression or seek economic betterment. Israel came into being around them, within ceasefire lines which incorporated some 160,000 Arabs.

A state for all its people

This new state defined itself, in its Declaration of Independence and its founding documents, as both a Jewish homeland and a state for all its people, which would guarantee equal rights regardless of race or religion. But much work still remains to achieve this. Israel's Arab population is measurably worse off than its non-Arab majority in terms of income, education, housing, and access to land. However, significant disparities exist between and within the different sectors of the Arab-Israeli community. Israel has robust anti-discrimination legislation, but victims of discrimination have little access to state support if they seek legal redress.

And there is therefore little constraint on those who advocate discrimination, including from the public payroll – such as municipal rabbis who called last year for Jews not to rent property to Arabs – or on those who portray Israeli Arabs as disloyal and therefore probationary citizens whose nationality should be revocable.

Israeli Arab leadership

At the same time, Israeli Arab elected leaders are not harnessing the state's own mechanisms to address these. While Israeli Arabs have been elected Members of Knesset (MKs) since the state's founding, they have only rarely been part of governing coalitions. And much of their political energy currently is devoted to challenging Israel's foreign and security policy or its conduct in the Occupied Palestinian Territories. The participation of Israeli Arab MKs in visits to Gaddafi's Libya; in the 2010 Turkish flotilla to Gaza; and in the Fatah-Hamas reconciliation

ceremony; have not benefited those MKs' voters. On the contrary, such activity is used to reinforce the narrative of those who claim Israeli Arabs should not enjoy the same rights as their fellow-citizens until they prove their loyalty.

Shared interest

Many of Israel's admirers around the world have been impressed by the fact that Israel is at the same time a homeland for the Jewish people, and a state which is committed to treating all its citizens equally under law, regardless of their race or religion. If this character is eroded, it will reinforce those who seek to "delegitimise" Israel, and damage Israel's international standing at a time when its security depends on international and regional alliances.

It is therefore a shared interest of the EU and Israel that Israel lives up to its commitments to be a pluralist, tolerant and inclusive democracy, a Jewish state in which the rights of non-Jews are fully respected, at peace with its own Arab community and well-placed to be a partner for peace with its Arab neighbours.

This report will offer recommendations for the EU's dialogue with both the Israeli government and to the Israeli Arab community. In our dialogue with the Israeli Government on this issue, we need to be sensitive about perceptions of foreign interference in issues which Israel sees as a strictly internal question. This report will also make proposals for EU action within the framework of the EU-Israel Action Plan, in which the EU and Israel committed to engage in a political dialogue and to cooperate "to promote and protect rights of minorities, including enhancing political, economic, social and cultural opportunities for all citizens and lawful residents". The EU Human Rights Country Strategy for Israel - recently adopted at local level as joint Heads of Mission report - equally provides guidance for EU action in this field.

The Or Commission Benchmark

This report, like others which have examined the Israeli Arab issue in recent years, takes as its starting point the landmark 2003 report of the official commission led by Israeli High Court Justice Theodor Or to investigate the October 2000 events in which 12 Israeli Arabs and one Palestinian from the West Bank were killed by police during demonstrations.

The Or Commission report was the first public official analysis and acknowledgement of the discrimination faced by Israeli Arabs. Its unprecedented conclusion was that “Government handling of the Arab sector has been primarily neglectful and discriminatory”; that the October 2000 protests resulted from frustration at this neglect and discrimination; and that it was in the State’s interests “to take action to eradicate the stain of discrimination against its Arab citizens, in all forms and aspects”.

Accordingly, in addition to identifying responsibility for the use of lethal force against the demonstrators, the report made detailed recommendations about how the causes of their frustration should be addressed. These focused on areas to be discussed here, and which remain wholly relevant eight years later: equality, elimination of discrimination, and resolution of economic disparities.

Policing reform

The Commission made over 70 recommendations, which tasked the government, the police and Israeli Arab community leaders with actions necessary to prevent a recurrence of the violence. Some 80% of the recommendations related to the need for significant operational reforms of police procedures to manage civil unrest, and to improve relations between the police and the Israeli Arab community. Although Or had no powers to prosecute, and no-one has been charged over the October 2000 killings, reform of policing has been the key practical success of the Or Commission, particularly with regard to crowd control and dealing with demonstrations.

Key changes have been a moratorium on the use of live fire as a means of crowd control; an increased police presence which has seen the number of police stations in Israeli Arab areas rise from 3 to 105; a corresponding increase in non-Jewish recruitment, from 0.1% to 8.9%; and better police liaison with Israeli Arab municipalities and community leaders.

Result

As a result, within Green Line Israel (i.e. excluding East Jerusalem, where the Border Police are used for crowd control, and the West Bank and Golan Heights where both Border Police and IDF are deployed), there have been no fatalities since October 2000 as a result of police action during demonstrations or disturbances. The Acre riots of 2008, which had the potential to escalate into protracted inter-community violence, were skilfully and sensitively policed. Even the most potentially provocative

demonstrations – the annual “Save the Al Aqsa” rally by the Northern Branch of the Islamic Movement in Umm al-Fahm, or marches by right-wing Jewish activists through mixed towns such as Jaffa, are routinely contained without escalation. A *nakba* commemoration by Israeli Arabs in Jaffa in 2011, the first such demonstration to be permitted in the mixed Jewish/Arab city, was discreetly and effectively policed, and passed without incident.

Nonetheless, it must be noted that there exist security policies which are explicitly targeted against the Arab citizens of Israel. In March 2011, the Israeli Supreme Court requested an explanation of the automatic profiling of all Israeli Arab citizens as a security threat by the Israeli airport security authorities.

Outstanding issues & problems today

In contrast, few of Or's recommendations on the socio-economic causes of Israeli Arab frustration have been addressed. These causes persist, and may be grouped under two broad headings: i) economic disparities; and ii) unequal access to land and housing. Failure to address these has exacerbated a third area of frustration: iii) discriminatory draft legislation, and a political climate in which discriminatory rhetoric and practice go unsanctioned.

1 Economic disparities

Current indicators suggest the economic situation of Israeli Arabs is static or worsening. The most recent figures available from the Central Bureau of Statistics put average earnings in the Israeli Arab community in 2008 at 61% of those of Jewish households, down from 69% in 2003. Israeli Arab male unemployment averages 2% higher than among the Jewish community (10.3% to 8.2%), with women's unemployment over 4% higher (14% to 9.6%). According to the CBS data, the unemployment rate increases considerably in the South, where it is 14,2%, whereas this rate decreases in the Haifa region to 5,2%. According to the OECD, 50% of Israeli Arabs live in poverty.

TABLE 5.1 - MONTHLY INCOME PER HOUSEHOLD, BY POPULATION GROUP AND NUMBER OF PERSONS IN HOUSEHOLD

לוח 5.1 - הכנסה חודשית למשק בית, לפי קבוצת אוכלוסייה ומספר אנשים במשק הבית

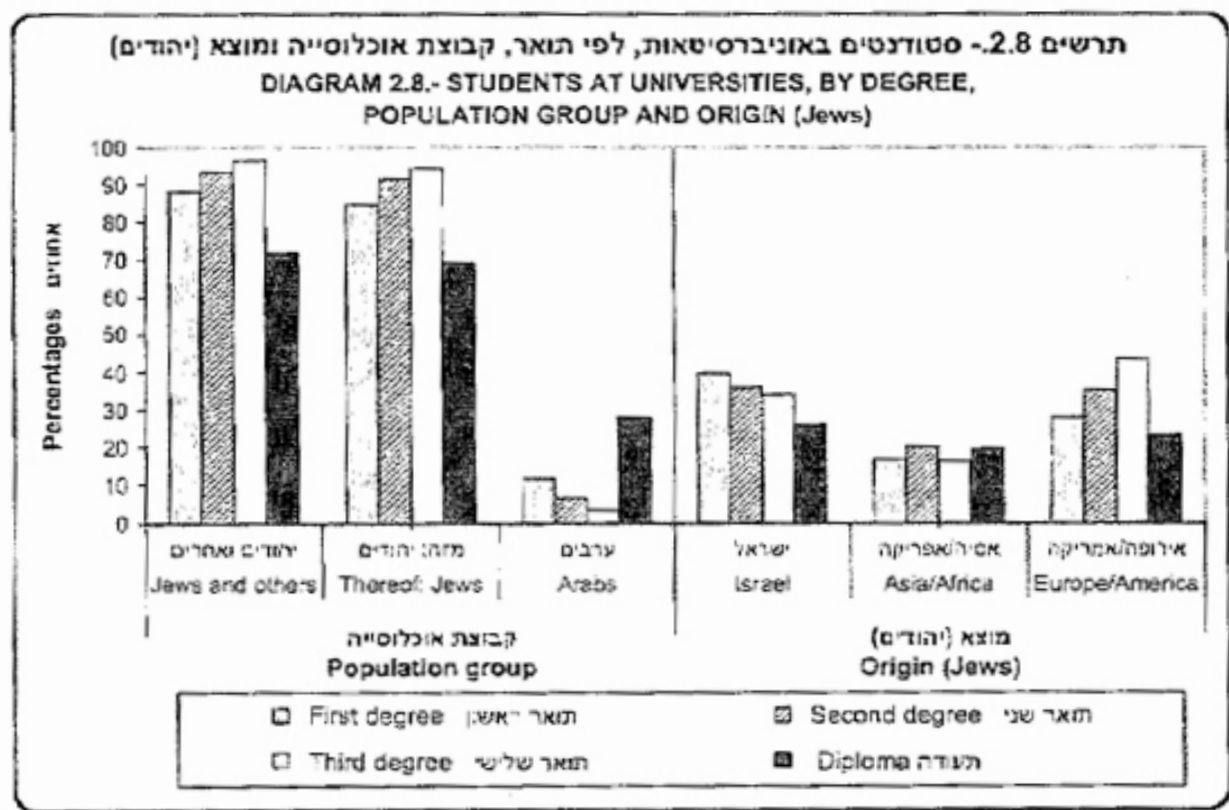
	2008														מספר משק בית
	משק בית יהודי							משק בית ערבי							
	0	1	2	3	4	5	6+	0	1	2	3	4	5	6+	
Households in sample	1,189	1,552	2,071	2,012	2,419	2,576	17,451	840	306	279	248	264	194	1,503	
Net money income per household	NIS														ש"ח
	14,087	17,131	15,336	18,787	10,826	9,796	12,112	8,394	7,091	7,795	6,732	4,970	2,971	7,217	הכנסה נטו למשק בית
Gross money income - total	16,593	21,352	19,158	16,669	12,479	6,797	14,589	9,148	8,217	8,812	7,794	5,924	2,956	8,109	הכנסה כוללת במשק בית - כולל
From work	12,372	15,091	10,428	10,112	7,627	3,536	11,710	7,328	7,194	7,297	6,949	2,630	41,127	8,029	הכנסה מעבודה
From wages and salaries	11,211	12,465	16,288	11,328	6,915	3,016	9,830	5,801	5,828	6,297	5,811	12,223	-	6,164	הכנסה משכר
From self-employment	2,063	2,406	2,151	1,864	1,664	679	1,482	1,375	1,365	1,042	-	-	-	1,175	הכנסה מעצמאות
From pensions and social insurance benefits	1,157	1,124	1,211	603	1,151	117	117	1,172	1,002	1,002	-	-	-	1,175	הכנסה מקצבאות
From allowances and assistance	1,057	1,548	1,212	1,269	1,107	136	107	1,154	-	-	-	-	-	1,175	הכנסה מקצבאות
From National Insurance Institute	1,673	1,082	1,068	1,192	1,720	1,235	1,334	1,682	1,109	1,262	1,219	1,780	1,110	1,429	הכנסה מביטוח לאומי
Compulsory payments - total	2,960	4,241	3,543	2,812	1,642	359	2,477	965	3,026	1,077	4,912	428	(256)	892	הוצאות חובה - כולל
Income tax	1,090	2,169	2,121	1,841	1,029	156	1,194	476	1,060	1,060	1,060	-	(1,156)	-	מס הכנסה
National insurance payments	1,870	2,072	1,422	971	613	203	1,283	489	2,966	1,017	3,852	468	160	892	הוצאות ביטוח לאומי
National health insurance	99	100	100	100	100	100	100	100	100	100	100	100	100	100	הוצאות ביטוח בריאות

Table from the Central Bureau of Statistics (2009)

One of the main reasons for the wage differential is the nature of the work conducted by Israeli Arabs: a majority (55.4%) do manual jobs, compared to only 23.3% of the Jewish community.

Education

This disparity is caused and sustained by low levels of educational attainment; the latest figures available from the Central Bureau of Statistics reported that in the academic year 2007-8, only 11.8 % of undergraduate students in higher education were Arabs, falling to 6.6 % of master's-level students, and just 3.5 % of doctoral students.



Graph from the Central Bureau of Statistics

And in June this year, figures from the Council for Higher Education showed that just 280 Israeli Arabs were employed as academic teaching staff in Israel, just 2.7% of the total. Only 1.7% of the higher education system's administrative staff are Israeli Arabs. Almost every university in Israel now has policies and programmes in place to drive these figures up, with varying amounts of success.

Economic activity in the Israeli Arab sector

Most economic activity in the Israeli Arab sector derives from small businesses. But in contrast to the world-renowned success of Israel as a “start-up nation” whose science, innovation, high-tech and entrepreneurship allowed it to prosper during the global downturn, businesses in the Israeli Arab sector rarely expand beyond the local. Part of the problem is the disconnection of the Israeli Arab business community from the formal economy. Israeli Arab business people tend to rely for finance on local or extended family networks; such funding is often undocumented and cannot be used to support applications for formal credit.

A related issue is tax evasion, which is estimated to run at 60% within the Israeli Arab community. This in turn undermines the capacity of local authorities in Israeli Arab areas to improve infrastructure or offer local development assistance to Israeli Arab businesses; local authorities are required to match central government funding of 75% with 25% raised from local taxation.

Israeli Arabs are also at a geographical disadvantage: most live in Israel’s “periphery”, in small, Arab-only towns in the north or the Negev where there are few employers other than small businesses. Only around 120,000 Israeli Arabs, under 10% of the total, live in mixed Jewish-Arab towns and cities where there is greater access to both public and private sector employment.

Access to the high-tech sector

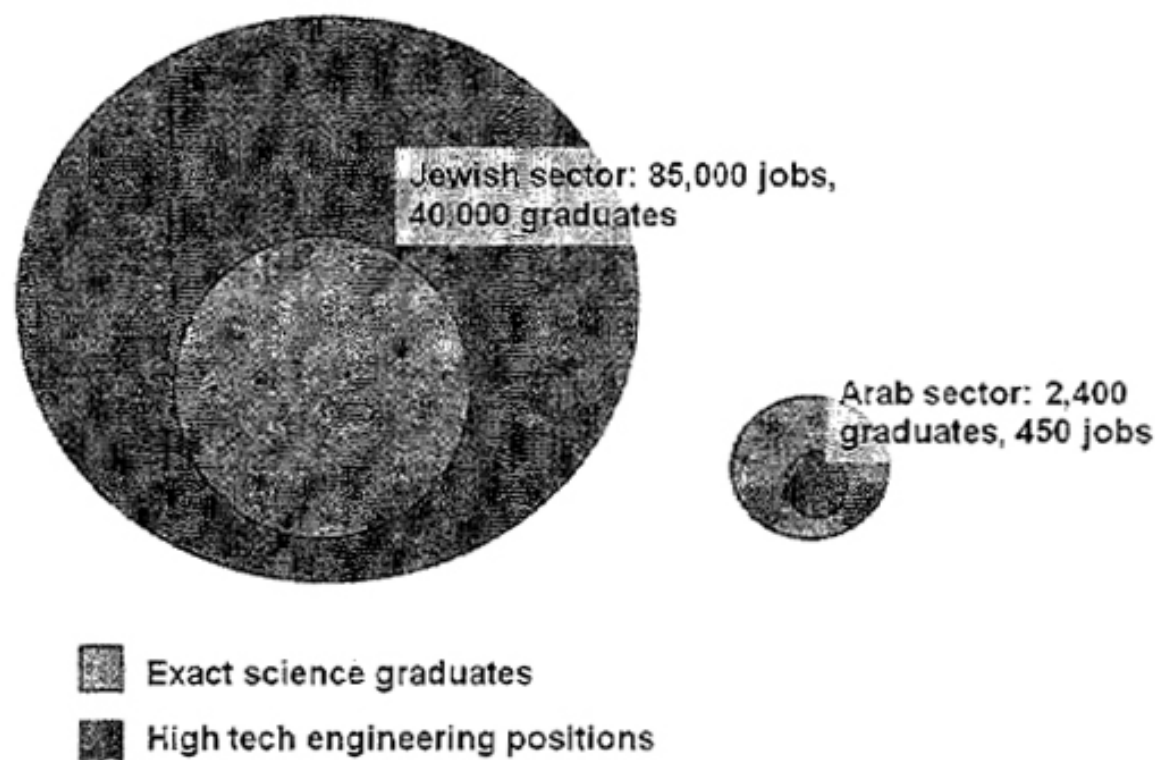
Lower levels of educational attainment combine with geography and discrimination to limit Israeli Arab access to the high-tech sector. President Shimon Peres has personally led efforts by the Israeli Government and private sector to redress the imbalance. Civil society organisations also try to address this issue. One example is Tsofen, an NGO which seeks to increase Israeli Arab access to the high tech sector. It advocates the creation of high-tech hubs in Israeli Arab areas, as a practical means of overcoming both the prejudice in many Israeli Jewish workplaces in central Israel and the vicious circle of geographic disadvantage: Israeli Arabs are less well paid, and hence cannot afford to move to central Israel where better paid jobs – such as in high-tech hubs - are to be found.

In the chart below, the 1st economy refers to Jewish Israelis, and the 2nd economy refers to Israeli Arabs. The chart illustrates how access to industrial zones directly impacts employment opportunities and level of income. On average 22% of the territories of Jewish municipalities are zoned for industrial use, but only 4.5% of the territories of Arab municipalities.

1 st economy	2 nd economy
22% industrial zones in Jewish communities	4.5% industrial zones in Arab communities
60% workforce participation	40% workforce participation
8086 NIS Avg per capita income	5419 NIS
57% of women work	21% of women work
Non-graduates also get access to high tech	Graduates cannot work

Additionally, disparity in education plays a large role in limiting Israeli Arab access to the high-tech sector. In the past ten years, 40,000 Jewish students have graduated with a science degree. In 2010, 85,000 Jewish graduates were working in software development (including non-science graduates).

In the Israeli Arab community, there have been only 2,400 science graduate in the last ten years, and in 2010 only 450 Israeli Arabs were employed in software development.



Tsofen is already leading the way with an initiative to develop high tech centres in Nazareth, the Galilee “Arab triangle” and the Negev.

Tsofen has encouraged high tech companies to develop business in Nazareth by:

- a) promoting the talent and potential of Nazareth and of Israeli Arab graduates; and
- b) introducing the Israeli Arab community to career opportunities in high tech.

Extending this to develop high-tech activity in other Israeli Arab areas will have a major impact on Israel's economic reality. While starting high-tech in Nazareth was a major achievement, successfully repeating this will prove that the potential harnessed in Nazareth is not unique to the city itself, but rather represents the entire Israeli Arab community, and that the model of high-tech innovation can be widely and successfully adapted across the Israeli Arab sector.

Government response

In an attempt to address economic underperformance in the Israeli Arab sector, in 2008 the Israeli Government established the Authority for the Economic Development of the Arab, Druze and Circassian Sectors (AEDAS). This was overseen from 2009 by the Office of Minorities Minister, created within the Prime Minister's office under Labour's Avishay Braverman, who initiated an ambitious plan to assist the economic integration of minorities in the economy. Following Braverman's departure from government in January 2011, the minorities dossier was absorbed by the Ministry of Trade, Industry & Labour.

In 2010 the government approved a \$215m, five-year economic development plan, intended to tackle wealth gaps through direct investment in housing projects, the development of financial institutions, tourism and trade, employment, and local governance in 13 Israeli Arab municipalities representing approximately one third of Israel's Arab population. This is the largest direct investment in this sector since the state's founding.

Employment in the public sector

Outside the private sector, access to public sector employment remains markedly unequal. Currently only 7% of government employees are Israeli Arabs. Having missed its target to increase this to 8% in 2004 and again in 2007, the government set a new goal of 10% Israeli Arab civil servants by the end of 2012. Of course, Israel is not alone among Western democracies in struggling to achieve proportionate ethnic minority representation in the workplace.

There is abundant precedent from elsewhere on which to draw. Indeed, one of the notable successes of recent years has been the creation in 2008 of the Equal Employment Opportunities Commission (EEOC). The EEOC has been supported by the Equality Commission for Northern Ireland, which won an EU competition to develop a twinning project to assist the EEOC's development, drawing on its experience of the successful implementation of fair employment legislation.

The EEOC has been hailed as the development with perhaps the greatest potential to remedy discriminatory employment practices. It has faced two main problems: a perception among Israeli Arabs that it lacks independence, as it is based within the Ministry of Industry, Trade & Labour; and shortage of staff. The Equality Commission for Northern Ireland, serving a population of 1.8 million, has some 130 staff; the EEOC - serving not only 1.6 million Israeli Arabs but an entire Israeli population of 7.7 million - has just 8.

The EEOC is more recently established; and its shortage of staff is due primarily to restrictions across government on the employment of new civil servants. It has the potential to change the climate in public employment by challenging unfair

decisions, and putting employers on notice that anti-discrimination legislation will be enforced. Key to its success will be government willingness to follow up legislation with the resources to allow the EEOC to fulfil its potential.

Exemption from military service: disadvantages & alternatives

Underlying much of the difficulty in achieving equal employment for Israel Arabs is their exemption from military service. By law, all Israeli citizens are subject to conscription into the IDF. The Defence Minister has the authority to grant exemption to individuals or groups of citizens. Longstanding government policy has been to exempt Israeli Arabs from mandatory military service, although it is mandatory for Druze (recorded as 9% of the Israeli Arab population. Druze from the Golan Heights, who do not hold Israeli citizenship, do not do military service). The government actively encourages Bedouin (around 10% of the Israeli Arab population) to volunteer for IDF service and many do - mainly as a means of integrating into Israeli society and advancing socio-economically. Druze soldiers especially reach senior positions in the IDF.

But the majority of Israeli Arabs do not undertake the 3 years (for men) and 2 years (for women) of military service which is compulsory for their Jewish fellow citizens. The effects of this exemption are manifold. Most significantly, the resultant inability of Israeli Arabs to specify military service on job applications allows for discriminatory selection. Some employers demand completed army service from their employees. Others justify positive discrimination in favour of discharged soldiers on the basis that those with military service bring a wider skill set and experience base, including skills taught while in the army. Discharged IDF soldiers also retain their security clearance which allows them much wider access to government employment including numerous security-related positions. (There are also indirect benefits such as certain mortgage or housing subsidies, and preferential admittance to college dormitories). And some employers argue that three years of contributing to the state should be rewarded.

More generally, Israeli Arabs do not gain the cross-country networks which Jewish Israelis develop and maintain as a result of their shared experience and future reserve duty with the same group of peers. And this difference reinforces in the national psyche the idea that Israeli Arabs are disloyal citizens who cannot be trusted with military training or sensitive information.

Draft Affirmative Action Bill

The Affirmative Action Bill, currently before the Knesset, seeks to enshrine in law this positive discrimination in favour of former soldiers, which would have the opposite effect on Israeli Arabs by further disadvantaging their employment

prospects. The draft bill was submitted in November 2009 by Israel Beiteinu MKs David Rotem and Hamad Amar. It states that Israeli citizens who have completed military or national service will be given preference when applying for positions in the civil service. The bill has passed its initial calling and was discussed in the Constitution, Law and Justice Committee to prepare for its first reading.

Opponents argue that the draft bill discriminates against minorities and others who are legally exempt from military service: religious women and people with disabilities in addition to Israeli Arabs. Knesset Legal Advisor Eyal Yinon and Attorney General Yehuda Weinstein have made clear their opposition to the bill on legal grounds. It is unlikely therefore to be voted into law.

National service

To help overcome these problems, Israel has developed the concept of civilian national service (*Sherut Leumi*). This programme was modelled on the national service programme for Orthodox Jewish women whose beliefs prevent them from serving in the IDF together with men. In return for serving up to two years as a volunteer in the community – working in schools or hospitals – national service volunteers receive the same benefits as discharged soldiers.

The Government encourages Israeli Arab youth to sign up for national service - Science and Technology Minister Daniel Hershkowitz has stated that “accelerating the involvement of the ultra-orthodox and the Israeli Arabs in voluntarism is a national mission”. But this has not enjoyed the buy-in of Israeli Arab leaders. A majority of Israeli Arab community groups have spoken out against their youth performing national service, as they see the programme as a stepping stone towards future mandatory conscription. Accordingly the number of Israeli Arab youths fulfilling national service annually remains low, at around 1,500 of an estimated 19,000 Israeli Arab high school graduates annually.

2 Land, housing and planning

Economic disparities are underpinned by the Israeli planning system, which limits Israeli Arab access to land and housing. Although up to 20% of the population, Israeli Arabs own only 3 % of the land. This was highlighted by the Or Commission:

“It is the State’s obligation to act toward its Arab citizens with equality and justice with regard to land use. The Arab sector has legitimate needs that stem from natural growth [...]. The State must allocate land to this sector according to the same egalitarian principles it uses with other sectors”.

The Or Commission found two main reasons for the housing shortage and illegal construction in the Israeli Arab sector: the lack of urban plans in most Israeli Arab towns; and the shortage of land available for construction.

Allocation of state land

Or recommended that identical criteria should be applied to the allocation of state land in Israeli Arab areas as to other sectors in the state (such as Jewish development towns in the periphery); and that the government accelerate the preparation of outline planning schemes for Israeli Arab towns, to allow legal construction there.

On the issue of allocation of state land, much attention has focused on the role of the Israeli Lands Administration (ILA); the ILA manages over 93% of the country’s land, the use of which is determined by planning committees on which Israeli Arabs are not proportionately represented. In the Northern District, where Israeli Arabs are almost 50% of the population, only 2 of 18 members of the planning committee are Israeli Arabs.

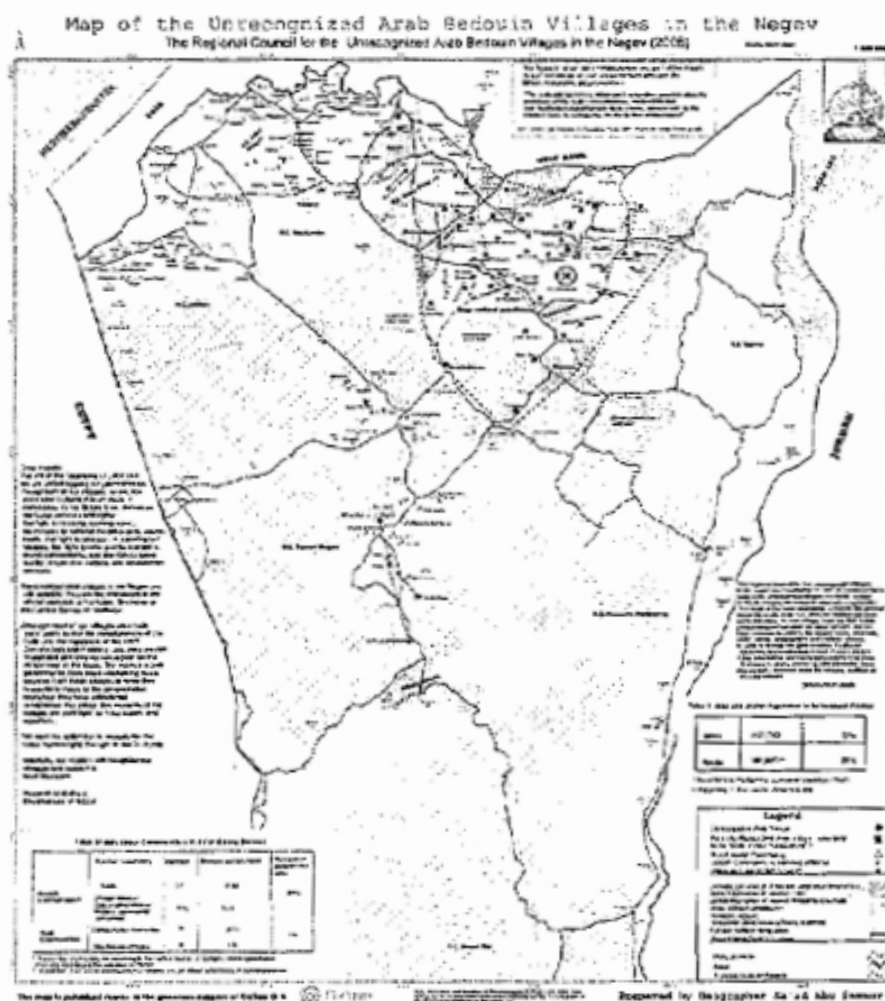
Planning policy

The problem is exacerbated by failures in planning policy. The lack of town plans and planning permission for Israeli Arab towns is one of the main causes of inequality, and of the failure of Israel’s Arab citizens to fulfil their economic potential. In many areas with a large Israeli Arab population, town plans either do not exist, or are out of date and do not reflect population growth. In the absence of plans, new building cannot be approved. But faced with existing overcrowding and expanding need for housing, Israeli Arab communities build without approval, which leaves them vulnerable to prosecution or demolition of the new structures.

The Interior Ministry has recently started drawing up new master plans for some Arab towns, including Taybi, Tiri, Qalnsawa, Almsherfi, Musmus, Taybi Alzoha’bi and Yaffa-Nazareth. This is welcome progress.

Unrecognised Bedouin villages & government policy

Of the 190,000 Bedouin in the Negev (a third of the area's population), two-thirds live in seven government-created townships; the remaining third live in some 34-45 unrecognised villages (figures vary), which lack basic services and infrastructure and are subject to demolition at any time. The unrecognised village of Al-Arakib, demolished twenty nine times during 2010-2011, has attracted international attention to the issue.



Map from the Regional Council of Unrecognized Arab Bedouin Villages

The state has been encouraging Bedouin to move to the recognised townships since the 1970s, but many are reluctant to renounce their ancestral land claims, a criterion for residence in towns. In 2008 the government-appointed Goldberg Commission, tasked with finding a solution to the land claims of the residents of unrecognised villages, recommended that the state recognise villages that had a critical mass of permanent residents and that did not interfere with other state plans.

In 2009 the government established a committee under the Head of Policy Planning in the Prime Minister's Office, Ehud Praver, to implement Goldberg's recommendations. Praver's report was finalised in September 2011 and adopted by the Israeli government on 11 September 2011. It recommends relocating 30,000 Bedouin to recognised townships, offering them alternative land and monetary compensation over 5 years. Bedouin leaders claim they were not consulted and do not support this recommendation, and the Praver recommendation, for now, looks unlikely to offer a long-term solution.

The Israeli authorities see this issue as a strictly internal question. The situation whereby minority communities live in unapproved structures on land to which they claim historical or customary right, and resist government attempts to re-house them, are not dissimilar to those faced by several European governments.

3 Draft legislation & political climate

Many Israeli Arabs complain that a state which seems unwilling fully to respect their rights as citizens also increasingly questions their loyalty. Israeli Arabs have historically responded positively to the state when well treated, engaging with its institutions and political structures to the extent of voting for and joining mainstream parties.

The decline in Israeli Arab membership of those parties, and the shift towards voting along sectarian lines for Arab parties (or those labelled as such) – or not voting at all – should be a key measurable indicator of increasing alienation. Voting intentions of first-time voters should demonstrate the extent to which a new generation of Israeli Arabs believes its place and prospects are better or worse than their parents'.

Loyalty

In the 2009 Knesset elections, loyalty to the State – and specifically to the Jewish character of the State – emerged as a political theme. The Israel Beiteinu party campaigned on the slogan “no loyalty – no citizenship”, and sought a mandate for the introduction of an oath of loyalty to the Jewish state for all MKs. The current Knesset has witnessed the submission of a number of government-supported draft bills which, if adopted as legislation, would have imposed limits on the fundamental freedoms of Israeli citizens. Among the proposals were some which would have denied some Israelis their citizenship, legalised discrimination in access to housing, and limited freedom of speech.

However many of these proposals result from the high legislative activity of the current Knesset, which permits each MK to submit multiple bills per session. It is significant that none of the bills which are of most concern have become law. Others, supported by the government, have passed only after significant watering down. The coalition majority provides the government with significant Knesset support for its

legislative agenda, but so far the checks and balances of the several stages of Knesset scrutiny, and the recommendations of the Knesset Legal Advisor, have proved sufficient to block or dilute the most discriminatory drafts. The 2010-2011 winter session of the Knesset saw the following laws enacted, in versions that were softened from the original bills or that are likely to have little impact in practice:

- **The “Nakba Law”** (Amendment 39 to the Budget Principles Law), originally conceived to ban any commemoration of the founding of Israel as the Nakba (“catastrophe”). Passed in softened form, under which public funding will be denied to organisations that mark Nakba Day, debase “the honour of the flag or the state emblem”, or express a view that rejects the state’s existence as “Jewish and democratic”. At present, few of the organisations within Israel which mark Nakba Day or might wish to (such as the Northern Branch of the Islamic Movement) receive public money or are likely to;
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- **The Admissions Committee Law** (amendment to the Cooperative Societies Ordinance), allowing communal settlements in the Negev and Galilee regions up to 400 households to reject candidates for residence who are considered unsuited to the community’s “social fabric”. The law explicitly prohibits rejection on grounds of religion or ethnic origin, though at the time of its passing several of its proponents made clear that it was about Arabs. It remains to be seen how this prohibition will be enforced, particularly in the absence of a state-supported body equivalent to a Race Relations Commission which might take up any cases of religious or ethnic discrimination under the new law;
- **A law to revoke citizenship for persons convicted of terrorism or espionage.** Passed in a softened version, according to which the revocation of citizenship would be under the supervision of the Attorney General and with the proviso that those subject to the process would not be left without a status.

As with the Affirmative Action Bill, existing checks and balances have proved sufficient so far to prevent the potentially most discriminatory new proposals becoming law. Still, these bills have had a chilling effect on Jewish-Arab relations and have recently contributed to a feeling of increasing alienation on the part of the Arab minority.

Political climate

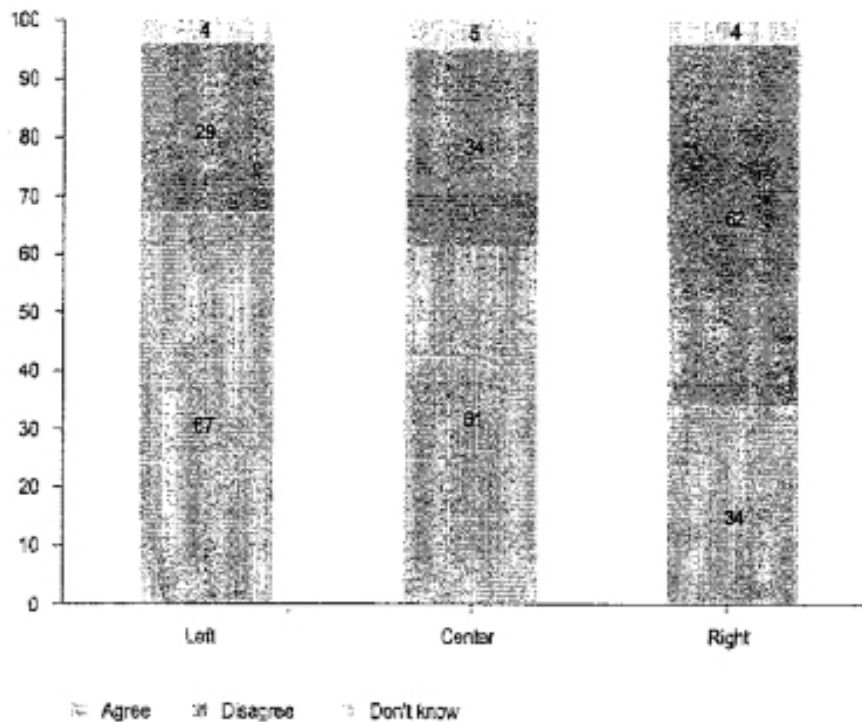
Public opinion polls show the level of distrust between Arab and Jewish citizens.

Jewish public opinion

The Israel Democracy Institute’s 2010 annual survey of the attitudes of Israeli Jews to Arabs offered some striking statistics in this regard:

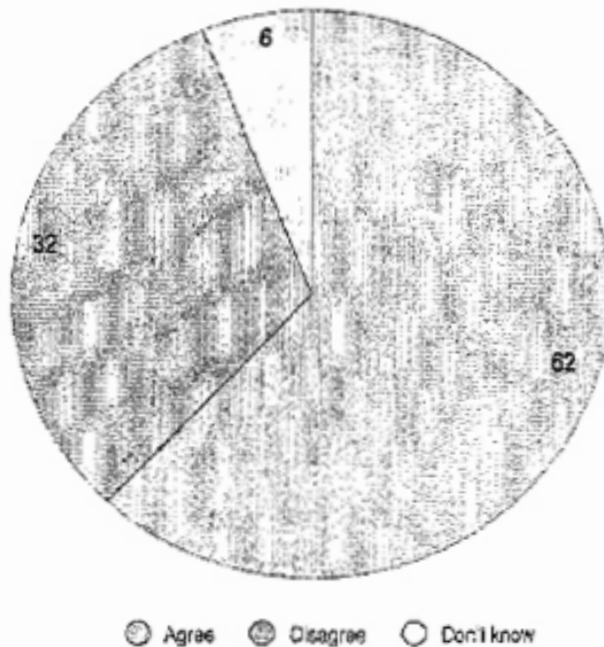
- 33% of secular Israeli Jews, 65% of religious Jews and 72% of haredim (ultra orthodox Jews) thought Arabs and Jews do not deserve equal rights;
- 86% of Jewish Israelis believe that important decisions should be made by a Jewish majority;
- 53% of Jewish Israelis say that the Israeli government should encourage Arabs to emigrate from Israel.

Support for full equality of rights between Jewish and Arab citizens of Israel
(Jewish sample; percent)



"As long as Israel is in a state of conflict with the Palestinians, the views of Arab citizens of Israel should not be considered on security issues"

(Jewish sample: percent)



Graphs from the Israel Democracy Institute's 2010 annual survey

The study also found that over a third of Israeli Jews would like to see Israeli Arabs lose their vote. Among teenagers the figure is over half, and among the growing ultra-Orthodox community, this rises to two-thirds.

Against this backdrop, in 2010 some 47 municipal rabbis called for Jews to be prohibited from letting property to Arabs. The rabbis' letter attracted little support, and was eventually condemned by Prime Minister Netanyahu. However no action has been taken against the rabbis, who are state employees, despite the existence of robust anti-incitement laws.

Arab public opinion

Meanwhile the University of Haifa's 2010 Arab Jewish Relations Survey showed over 62% of Israeli Arabs believed Jews to be a "foreign imprint" in the Middle East; and a similar proportion believed Israel had no right to exist as a Jewish state. Among Jewish respondents, 32.6% supported the cancellation of Israeli Arabs' voting rights; and 16.5% were opposed to Arabs living in Israel.

The survey's authors commented that "the deterioration in relations [between Jews and Arabs] is linked to laws the government recently legislated and the strengthening of radical religious figures on both sides".

Israeli Arab leadership

The Or Commission recommended to Israeli Arab leaders that they show greater responsibility in their messages and actions. The Commission noted:

“Praising violence as a means of attaining goals, even legitimate ones, is not equitable with the obligation of the leadership to act responsibly, because messages they send may create an immediate risk to public safety and, in the longer term, a danger to the social fabric”.

In 2006, the Arab Higher Follow-Up Committee, an extra-parliamentary umbrella organisation representing the Israeli Arabs but only enjoying de facto recognition from the GoI, produced a document entitled Future Vision, which was intended as the community’s direct response to both the Or Commission’s recommendations and the 1993 Oslo Accords, and set itself the ambitious goal of re-defining Arab-Jewish relations in Israel. However it focused as much on ambitious political, symbolic or rhetorical demands – starting: “The State should acknowledge responsibility of the Palestinian Nakba (tragedy of 1948) and its disastrous consequences on the Palestinians in general and the Palestinian Arab citizens of Israel in particular”.

These demands largely eclipsed its more moderate recommendations on economic development, employment, land and housing. The Future Vision document thereby replicated some of the problems Or had advised against in 2003: “More than once, the two struggles are presented by leaders of the Arab community as one struggle against one adversary, often an enemy. The concept of citizenship is incompatible with the presentation of the state as the enemy”.

Moreover the Arab leaders most visible to most Israelis remain those at the extremes, notably Islamic Movement Northern Branch leader Sheikh Ra’ed Salah whose alleged incitement to violence in October 2000 was condemned by Or. There are few moderate voices of similar prominence, reinforcing an impression in many Jewish Israeli minds that all Arabs agree with declarations by Salah, and some Israeli Arab MKs, that Israel is a terrorist state. This feeds the narrative that Arabs are inherently disloyal, and fuels calls to make citizenship – currently a right regardless of ethnicity or political view – conditional on a declaration of loyalty.

Conclusion: Areas for dialogue

While the international community is focused predominately on restarting the Israeli-Palestinian peace process, we should see Israel's treatment of its minorities as a core issue, not second tier to the Israeli-Palestinian conflict. We should support the vision for Israel of its founders: Israel as a homeland for the Jewish people, in which all its citizens have equal opportunities and are treated equally under law.

In our dialogue with the Government of Israel therefore, we should ensure we focus sufficiently on Arab-Jewish relations within Israel, and on the State's obligation to eliminate the disparities between its majority and minority communities. We should emphasise that addressing inequality within Israel is integral to Israel's long-term stability. And in endorsing the vision of two states for two peoples, we should emphasise that each state – like our own and most in the world – will need to accommodate and guarantee equal rights for ethnic and religious minorities.

Part of the problem has been an assumption – among many in both minority and majority communities – that the status of Israeli Arabs will not be resolved except through resolution of the Israeli-Palestinian dispute. The stalemate in the peace process, and the continuing occupation, inevitably has an impact on the identification of Israeli Arabs with Israel. It will be more difficult for Israeli Arabs to be wholly at ease with their identity while the conflict with the Palestinians continues. But this should not be an excuse either for hostile behaviour by Israeli Arabs which alienates the Jewish majority, or for failure by Israeli government to achieve genuinely equal treatment of Israeli Arabs.

In our dialogue with the Israeli Arab community, we should emphasise that they also have a responsibility to heal the gulf in trust that has opened up between the Jewish and Arab communities.

We should make clear that we will support a focus on specific economic development and anti-discrimination measures; but that discussion of these must be separated from political rhetoric.

And we should be clear that we see their community as 'Israeli Arabs' – refusing to identify as Israelis will hardly help build trust.

We should make the following points clear to both the government and the community:

- that we believe it is the state's obligation now to ensure the equality of all its citizens, regardless of future political developments;
- that the provisions defining the Jewish and democratic character of the state of Israel go hand in hand with the vision of equality for all its citizens,

as enshrined in its founding documents, and the effective realisation of that equality;

- and that we believe in common with most Israelis that Israeli nationality is an inclusive concept which can accommodate equally those of other faiths and ethnic origins.

As an outcome of this dialogue, we might offer the following:

To the Israeli government

To offer EU experience and assistance:

1. to re-examine the recommendations of the Or Commission and consider how their implementation might be facilitated through EU support and expertise;
2. to assist in achieving its goal of 10% of non-Jewish civil servants by end 2012;
3. to assist with equitable recruitment policies in the private sector;
4. to advise on mechanisms for enforcement of anti-discrimination legislation;
5. to advise on expediting implementation of reforms in land allocation and, most urgently, the completion of all town plans for Israeli Arab areas to allow legal development for housing and business;
6. to support creation of other anti-discrimination bodies alongside the Equal Employment Opportunities Commission, drawing on experience in EU countries of Race Relations Councils and Human Rights Commissions;
7. to share EU experiences in monitoring incitement, racist speech and intolerance, to achieve strengthened independent monitoring and prosecution.

To the Israeli Arab community (NGO's, MKs, community leaders, etc.)

1. increased project support for better economic integration, particularly in high-tech, IT and other growth sectors (such as Tsofen);
2. advice drawing on experience in EU countries on improving access to start-up capital and formal credit;
3. assistance in promoting the EEOC and advising on how to raise unfair employment practices;
4. assistance in popularising a new approach to civilian national service;
5. support for specific economic development and appropriate anti-discrimination measures;
6. support for the Bedouin community, drawing on European experience, in developing resolution strategies for the issue of unrecognised villages.

5 Recommendations for additional EU action

To help address the issues identified in this report, the EU and its Member States could take any or all of the following actions:

1. To seek regular updates on the government's 2010 5-year economic development plan for 13 Israeli Arab municipalities;
2. To lobby the government to prioritise achievement of its own target of 10% Israeli Arab employment in the civil service by the end of 2012;
3. To continue to support the Equal Employment Opportunities Commission, lobbying for increased resources and reduced dependence on the Ministry of Industry, Trade & Labour;
4. To share EU experiences with the enforcement of anti-discrimination legislation, including through anti-discrimination and equal opportunities bodies;
5. To support projects promoting co-existence in schools, integrated education, and teaching of Arabic;
6. To encourage Israeli universities in their efforts to increase the proportion of Israeli Arab students, faculty and staff. Where we have programmes of cooperation with Israeli universities, to ensure that they are actively seeking to include Israeli Arabs. **In promoting our scholarship programmes, we should make a particular effort to reach out to Israeli Arab students;**
7. To collate examples of successful alternatives to military service;
8. To support organisations working to bring Israeli Arabs into the high tech sector;
9. To encourage European companies setting up high-tech operations in Israel to invest in Israeli Arab areas;
10. To monitor and lobby against potentially discriminatory draft legislation, where appropriate through an EU demarche;
11. To cooperate with civil society institutions in undertaking such monitoring and activate lobbying when required;
12. To continue to coordinate EU member states' project funding to minimise duplication and ensure maximum practical impact in:
 - reducing economic disparities;
 - reducing educational disparities;

- ensuring all Israeli Arab areas have completed urban plans, with each member state potentially “adopting” a municipality to this end;
 - expediting the absorption of Israeli Arabs into Israel’s high tech, IT and other growth sectors;
 - popularising civilian national service.
13. Consider visits by European high-level visitors to Israeli Arab communities and meetings with Israeli Arab representatives;
 14. To include the position and treatment of Israel’s minority communities in high-level exchanges with Israel (ensuring this is not crowded out by discussion of the Israeli-Palestinian peace process);
 15. To include a component to promote the equality of the Israeli Arab community in financial assistance programmes.