

Palestinian Women Citizens of Israel in the Israeli Economy

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February, 2005

Table of context

I.	Introduction.....	3
II.	Arab Women and Poverty.....	5
	1. Incidence of Poverty	
	2. Factors Underlying Poverty	
III.	Institutional Obstacles – The Impact of State	
	Budget Cuts	8
IV.	Arab Women in the Workforce	10
	1. Legal Frame	
	2. Arab Women Employed in the Private Sector	
	3. Arab Women Employed in the Public Sector –	
	The State as an Employer	
V.	Obstacles for Equal Access to Employment Resources.....	13
	1. Industrial Zones in Arab Localities	
	2. Arab Local Councils as a Resource for Employment	
	3. Lack of Daycare Facilities	
	4. Vocational Training	
	5. Disparities in Income	
	6. Unemployment Compensation (Social Security)	
	7. Lack of Mobility and Public Transportation	
	8. Social Norms	
VI.	Women in Private Business	18
VII.	The Impact of Globalization and the GATS on	
	Arab Women	19
VIII.	NGOs Working for Achieving Arab Women's Economic	
	Rights and Empowerment	21
	About Our Organizations.....	24
	Endnotes	25

I. Introduction

1. Recently, a growth of 4% has been measured in the Israeli economy. However, the fruits of growth have seen an unequal distribution.¹ The current trend shows an ever-expanding inequality between the high income and the mid and low income households. This trend is entrenched due to the segmentation of Israeli society into diverse ethnic and socio-cultural groups, more apparent among the Palestinian citizens of Israel, especially among Palestinian women.²

Most recent statistics show that in 2003, Palestinian citizens of Israel comprise 19.3% of the entire population, while Palestinian women comprise over half of the Palestinian population living in Israel.³ These women face discrimination on many levels: firstly as women, secondly as members in a patriarchal, male-dominated society, and thirdly for being part of an indigenous ethnic minority living in Israel. And therefore, they are the most disadvantaged community living in Israel.

2. Since October 2000 and the outbreak of the second Intifada (the Palestinian uprising against the Israeli occupation), Palestinian women as well as men have been frequently affected by the conflict, both directly and indirectly. During 2002-2003, forms of state support were negatively affected by a series of government budgetary cuts, which led to a downturn in the nation's economy. All sectors of the population felt its affect, however poor families, and mainly Palestinian women, suffered the most.⁴

Over the past few years, the government of Israel carried out a total change in its social policies. This change has negatively contributed to the economic stability.⁵ Immediate cutbacks were directed at the working-age population, altering the social security net for citizens, and harming important and longstanding achievements of prior years.⁶ These economic measures were initiated, in response to the reduction of economic activity, which was the outcome of two factors: the Israeli – Palestinian conflict and the world recession.⁷ While other parts of the world began to sense economic growth, the recession in Israel only deepened. The conflict became the dominant factor in the Israeli recession.⁸ The Government was able to continue to allocate large budgets to military defense, to preserving the occupation, to defending and building new settlements and to expanding existing ones. It also invested billions in a wall, whose cost is much greater than originally planned and constructed after confiscating large portions of Palestinian territory.⁹

Moreover, the 2005 budget proposal, which is currently in the process of being approved in the Israeli Parliament, is a direct continuation of the destructive fiscal policies that are driving more and more families into poverty, and Palestinian women are the most group adversely affected.

3. Fiscal policies and budget cutbacks are not the sole factors behind the inferior status of Palestinian women. Social norms are an important factor contributing to this disadvantaged state. Palestinian women are living within a traditional and patriarchal society which bases its norms on a male-dominated hierarchy. Such norms, as will be discussed later in this report, prevent women from breaking into the workforce and entering the public sphere, leaving the private, personal sphere where they have been socialized and educated to function in, most comfortably. Such social obstacles preserve their inferior socio-economic status, so that most remain impoverished.

Both these factors, the institutional and the social, contribute collectively and individually to the weak status of Palestinian women in Israeli society and both factors should be discussed together.

The status of Arab women in the Israeli economy can be measured by examining two factors: the incidence of poverty among Arab women, and their engagement and status in the workforce. Both of these factors will be presented in this report.

II. Arab Women and Poverty

1. Incidence of Poverty

Poverty in Israel is measured by two indicators: the incidence of poverty and the poverty gap. The incidence of poverty indicates the rate of poor families from among all families in the entire population. The poverty gap is the difference between the poverty line (adjusted to number of persons in a family) and the level of income, proportionate to the entire population. In 2002, the poverty line for a family in Israel was calculated at 50% of the minimum monthly wage which was 1,395 NIS (about 315 USD).¹⁰

The National Insurance Institute's (NII) recent report¹¹ provides recent data regarding the incidence of poverty. It shows that a Palestinian family is three times more likely to be poor than a Jewish family - 55.6% of Arabs live below the poverty line, compared with 30.8% among Jews.¹² In addition data from 2003 shows that the percentage of Arab children living under the poverty line has risen to 57.5%, vis-à-vis 30.8% of Jewish children.

However, reports by NGOs have demonstrated that the incidence of poverty is higher than that illustrated in the NII report and they argue that NII's data did not take into consideration a few sectors of the population, such as Arabs living in unrecognized villages, nor did it consider the affects of government budget cuts, which mostly affected Arab families.¹³

Moreover, senior officials in the Bank of Israel recently stated that the poverty rate is indeed 30% higher than the NII reported.¹⁴

2. Factors Underlying Poverty Among Arab Women

There are a few major factors that influence the extent of poverty among Arabs in general and among Arab women in particular, such as low income and large families due to high birth rate.

According to the Central Bureau of Statistics (CBS) in Israel, the growth rate of the Arab population in Israel is one of the highest in the world – 3.4% average per year.¹⁵ In 2002, statistics showed that the birth rate among Jews is 2.64% per year, compared to 4.58% among Muslims, 2.29% among Christians, and 2.77% among Druze.¹⁶ High birth rates became one of the claims that the State used as a prime factor underlying poverty among Arab women.

Recent researchers, however, have revealed that some 75% of the factors underlying poverty among Arab families are not demographic factors or the high rate of birth, as the State generally claims, but rather the educational and economic components such as low education or lack of formal education, large families with a sole breadwinner, limited access to employment resources, a high unemployment rate and a tendency to be locked into certain professions.¹⁷

Low income is a function several factors in and of itself: high unemployment rates; low wages; and high proportion of single-breadwinner families due in large part to the low participation of Arab women in the labor force.¹⁸ 49.1% of Arab families depend economically on a single breadwinner compared to 31.6% among Jewish families.¹⁹ Most of the breadwinners in Arab families are men, thus leaving Arab women with a low rate of participation in workforce and low income – an important component in preserving their poverty status.

Institutional factors are another major obstacle to reducing the rate of poverty among Arab women. These include a lack of support for developing private enterprises and small businesses, the lack of resources for industries to develop local economies in Arab towns, the lack of support for integrating women into existing economic resources, and women's lack of representation in decision making positions. All these factors work to contribute to maintaining Arab women below the poverty line, and help to make poverty a source of dependency on the State.²⁰

The factors that underlie poverty, and the unique way they interact and operate to influence the incidence of poverty in the Arab sector in Israel demand that new policies and innovative strategies be introduced. More employment opportunities must be made available to the country's Arab citizens; professional education and training must be made more accessible as well. There is a need for developing local economies in Arab towns and for additional jobs to be created there too. Moreover, facilities such as daycare for working mothers should be readily accessible and public transportation plans should be provided to encourage women entering the workforce and to break out of poverty. Sikkuy – The Association for the Advancement of Civic Society stated in its recent report that encouraging positive attitudes toward Arab employees and positive behavior on the part of Jewish employers, both in the public and in the private sectors, are as essential as the previous factors, to help raise the rate of Arabs' participation in the workforce.²¹

Poverty in Israel has been regarded solely as an economic issue, as related to development. However a transformative argument should be provided when presenting the poverty status of Arabs in Israel. Indeed, the status of Arabs in Israel is inferior compared to any other ethnic group living in Israel, due to institutional policies. However, security factors related to the Israeli-Palestinian conflict became dominant in maintaining the inferiority of Arabs in Israel.

Thus, poverty should be related to from both the economic and the security standpoints. Such an outlook in dealing with poverty has been acknowledged in the recent report: Secretary General's High Level Panel on Threats, Challenges and Change, "A More Secure World: Our Shared Responsibility." As such, innovative and alternative policies and strategies to eliminate poverty should be provided and should be adapted to relate to the economic and social factors underlying poverty among Arabs as well as to the security factors arising from the conflict.

III. Institutional Obstacles – the Impact of State Budget Cuts

In 2002-2003, extensive structural changes were made in the government's social and welfare policy, legislated by the Israeli Parliament. Such changes were introduced into the system of social benefits of the National Insurance Institute (NII). This included a significant reduction in the level of most social benefits, which affected all population groups. Immediate cutbacks were particularly notable in the benefits aimed at the working-age population–unemployment, income support and child (family) allowance.²²

The turnabout in the government's social policy was originally from the budgetary crisis which was caused by the 2001-2003 recession, expressed in a drop in the standard of living, a rise in unemployment, and an erosion of wages.²³ The recession however was stemmed, particularly due to the outbreak of the second Intifada that led to budget cutbacks in most of the welfare and social budgets, while favoring the military and security budgets. The welfare budget comprises 30% of the overall state budget, while the defense budget comprises 70%, and is invested mostly in preserving the occupation of the Palestinian people, defending settlements and building new ones.²⁴ In addition, budget cutbacks were taken in order to build a wall on Palestinian territory, after confiscating Palestinian land in the name of "security." In addition to the state's budget invested in building such an illegal and discriminatory wall, a second phase of investment will be completed in the near future, to change the path of the current wall, partially already built, according to the Supreme Court's decision from Summer 2004, which stated that parts of the wall, built beyond the green line in Palestinian territories, violate Palestinian human rights and declared that they be rebuilt along the borders of the green line²⁵ - the change in the wall's path, is anticipated to be some 80-100 Million NIS.²⁶

Moreover, the state budget is about to spend approximately 6 billion NIS, invested in the implementation of the disengagement plan from Gaza.²⁷

As a result of all this, cutbacks were made in the state budget mostly in the social and welfare ministries. NII benefits were cut by about 5 billion NIS. The total benefits paid out fell by 7.2% in real terms²⁸ thus, affecting the population groups most in need of social services and the benefit recipients,²⁹ who are mostly women.

On the other hand, the Treasury Ministry announced that the government's new policies for the coming years will be based on fewer public expenditures and lower taxes, thereby claiming that such policies will produce economic growth. However, this form of economic growth will affect only the most well to do in society, those counted within the upper echelon with 20,000 NIS wages per month,³⁰ while 72% of the salaried employees receive 7,000 NIS wages, the average salary per month,³¹ and these are mostly men. Such a policy is leading to more social and economic inequality

and creating two socio-economic classes, an upper class being strengthened more than ever, and a lower class including women, who are being weakened more than ever. Benefits received from the NII were supposed to benefit the lower class, however, the level of benefits will not rise in 2005, due to the freeze imposed upon them until 2006.³²

The 2005 state budget is not any better than the budget of 2004, as it reflects a more neo-liberal attitude with more cutbacks. It continues to reduce taxes, especially for high income earners, which will lead to large losses in the state's income from taxes in 2005-2006. Most of the beneficiaries from the tax reduction are Jewish men, since they are the ones who receive the highest wages.³³

The 2005 budget undermines more the NII payments which are supposed to provide citizens with a social security net in the areas of unemployment, employment injury and pension. All of which have been under attack due to budget cuts. Women are the group most affected since they are the major and biggest consumers and receivers of the NII insurance payments, since inter alia they have the highest rates of unemployment;³⁴ they are employed the most in social services; they are the major users of social services and they are responsible for consuming education, health and welfare services for them and their family members.³⁵

As for the Arab population, the government was supposed to have financed the four year Development Plan for the Arab community, at the cost of 4 Billion NIS, from 2001 through 2004. To date, this plan has not been implemented. Instead, the government allocated less than 5% of its overall Development Budget during the past years; the Ministry of the Interior has not allocated any development budgets to the Arab Local Authorities for the past two years, despite the importance of funding infrastructure projects;³⁶ the Ministry of Industry and Trade did not develop even one of its 16 promised industrial zones³⁷ and the budget allocated to fund unimplemented projects for Arab citizens in the last few years was only a mere 3% of the development budget, while comprising almost 20% of the population.

IV. Arab Women in the Workforce

1. Legal Frame

The Israeli legal system contains a number of Acts that call for equality between men and women in employment, such as the Equal Pay Act – 1996, which calls for equal pay for equal work for men and women; Equal Opportunities in Employment Act – 1998, which calls for equal working conditions in the workplace for men and women; Women Employment Act – 1954, which entitles women to pregnancy leaves, maternity leaves and childcare leaves.

In addition, Israel committed itself to insuring equality in employment by cooperating with the international legal system in signing and ratifying the Convention on the Elimination of All Kinds of Discrimination Against Women (CEDAW) in 1991 which calls, in Article 11, for eliminating all kinds of discrimination against women in employment.

However, despite the existence of these legal obligation, neither gender equality nor racial equality exists. Gender inequality between men and women in employment and in the economy has been acknowledged for a long time, however racial inequality has been officially acknowledged for the first time by the governmental inquiry commission, The Or Commission, which was appointed by the government in 2000 to inquire and investigate the killing of 13 Arab citizens in October 2000, at the beginning of the second Intifada (the Palestinian uprising against the Israeli occupation). In its report the Or Commission stated:

"The State must initiate, develop and implement programs to eliminate the disparities [between Arab and Jewish citizens-ed.], notably in funding for all aspects of education, housing, **industrial development, employment** and services... The State, through its most senior echelons, must act to eliminate these disparities promptly and unequivocally by setting clear and tangible targets with well-defined timetables."

Prima Facie the legal system guarantees equality in the economic sphere, however, lack of enforcement and implementations of the legal system leads to an inferior status of women in general and Arab women in particular. The status of women in the workforce can be evaluated according to a few components:³⁸ their percentage rate within the workforce; hours of work (as for 2002, 34.9% of working women, work part-time, compared to 14.4% of men in part-time work) and unemployed women (as for 2003, women comprised 11.3% of the unemployed, compared to 10.2%, men).³⁹

2. Arab Women Employed in the Private Sector

As for 2002, the rate of participation in the workforce among Arabs in Israel, aged 15 and over, was 39% as compared with 57% among Jews.⁴⁰

Among men, the rate of Arab men in the workforce is similar to that of Jewish men, though there is a difference in the age groups represented.⁴¹ Among Arab women, only 17.1% participated in the workforce compared to 54% among Jewish women.⁴² In fact, Arab women comprise de facto 5.8% of the eligible workforce, though they are 18% of the working age rate among women.⁴³

The gap between the rate of participation in the workforce among Arab women and Jewish women narrows as the number of years of education rises, for instance:⁴⁴

1. The rate of Jewish women with higher education is similar to the rate of Arab women with higher education, since these Arab women face less restrictions by traditional constraints on their activity.⁴⁵
2. Among women with college education (16 years of school), the rates for Arab and Jewish women are similar: 74.6% for Arab women, compared to 78.4% for Jewish women.
3. The rate of Jewish women with up to 12 years of schooling in the workforce is three times higher than that of Arab women working, with the same years of schooling.

3. Arab Women Employed in the Public Sector - the State as an Employer

The Civil Service Act regarding Appointments applies to all modes of hiring and appointments to public posts. This Act calls for reserving 30% of all public posts to women. In addition, in December 2000, the Act was amended to ensure reserving 30% of public posts to Arab citizens. In 2003, the Israeli government explicitly committed itself to working towards creating jobs for Arab men and women to the most senior levels of civil service and to public posts. These promises were part of governmental guidelines issued by the Prime Minister's office – Ariel Sharon.⁴⁶

Data shows that in the last decade the proportion of Arabs employed in the entire civil service – public posts – increased from 2.1% in 1992 to 6.1% in 2002. Despite this seemingly increase in the number of Arab citizens employed by the State, a closer analysis reveals that it will take another ten years for the Arab representation in the civil service to equal their proportion in the population, if the increase continues at the same rate.⁴⁷

As for 2002, data showed that Arabs comprised only 6.1% of all civil service workers in the state of Israel,⁴⁸ whereas they comprised 19.3% of the whole population. Moreover, of all Palestinian employees in public posts, Palestinian women comprised only 38.8% when the total rate of Israeli women in public posts comprised 62.4%.⁴⁹

Although an increasing number of Arab women have joined the civil service in recent years, their percentage as a proportion of all Arab civil employers is less than two-thirds than that achieved by Jewish women, as a proportion of all Jewish civil employers (38.3% compared to 62.4% respectively).⁵⁰

V. Obstacles for Equal Access to Employment Resources

1. Industrial Zones in Arab Localities

Creating industrial zones within the jurisdiction of Arab localities and integration of Arab towns in regional industrial zones is crucial to the advancement of three objectives:⁵¹ creating local based revenue for Arab towns; proper zoning and land use, and most importantly, creating additional jobs for both men and women.

However, as of 2003, only 3.2% of the industrial zones in local municipalities and zones under Israel's ministry supervision are located within Arab localities.⁵² In addition, since 1998, there was not a single new industrial zone created in an Arab locality.⁵³

Industrial zones should be developed within the jurisdictional boundaries of Arab communities.⁵⁴ In 2004, 14 NIS million was budgeted to develop industrial zones in Arab towns,⁵⁵ comprising only 10% percent of the overall industrial development budget!⁵⁶

In addition, Arab towns should be added to the joint administrative authorities for regional industrial zones.⁵⁷ In 2003, the Government of Israel decided that within 30 days, the Ministry of Industry, Trade and Employment would present a proposal to add Arab municipalities to the joint administrative authorities of nearby regional industrial zones.⁵⁸ However, as of January 2005, this proposal has not been executed.

2. Arab Local Councils as a Resource for Employment

The biggest resource for employment in the Arab sector is the local municipalities. The socio-economic ranking of localities reveals that Arab towns are in the lowest ranks, the poorest localities. The Arab localities are in dire crisis and going through a privatization process which has led to the firing of Arab employees.⁵⁹ The first at risk of being fired, are with no doubt women, thus they are the first to lose their jobs and income source, and this reserves their low socio-economic status and leaves them living under the poverty line.

One way to develop Arab localities is to include them in designated national priority areas which will put them in a higher priority to be developed by the government.⁶⁰ According to a government's directive from December 2002, new principles were set forth for classifying towns. Communities receive an "A" development classification with high priorities if they are ranked in the lowest socio-economic rankings and if their annual unemployment rate exceeds 10%.⁶¹

A considerable proportion of Arab towns should be classified as “A” development areas, since most of them rank in the lowest socio-economic scale and about a fourth of them have unemployment rates exceeding 10%.⁶² However they are not included in such plans, hence, not developed properly.

Another lack of resources of employment is the lack of encouraging scientific research and development centers, generally set up in towns.

In Israel today, there are 24 technology incubators (scientific industry zones) operating, of which only one is in the Arab sector – the technology incubator in Nazareth, established in 2003.⁶³

The Ministry of Industry and Trade has the authority to provide the kind of incentives that will attract Arab industrialists to the incubators located around the country. To facilitate access and enhance trust of Arabs towards the State, a higher proportion of technology incubators can and should be situated in Arab towns to promote increasing employment resources and work opportunities.

3. Lack of Daycare Facilities

Daycare plays an important role in creating a supportive environment for working mothers and the existence of such facilities will encourage more women to join the workforce. In addition, such facilities serve as a resource of work and income, since most of the day care facilities are provided by women.

Daycare facilities supervised by the Ministry are provided in Israel to children aged 0-3 years and serving 15-20 children. Such centers operate on an extended school day and are intended to serve the children of working mothers, and children referred by local social service departments.⁶⁴

As of 2003, the Ministry of Labor and Affairs oversaw some 1,700 daycare facilities, of which only 36% are in Arab communities. Thus, only 2% of daycare centers in Israel are provided to Arab children.⁶⁵ In addition, data reveals that in the last decade an average of about 40 daycare centers were added annually of which only one, on the average, was added in the Arab sector.⁶⁶

In addition to these formal daycare centers, there are also intimate home-based daycares with up to 4-5 children, headed by women and managed in their own homes.

Since only 2% of formal daycare facilities are operated in Arab localities as illustrated above, the option left for Arab women is to leave their children in home-based daycares. However, as of 2004, out of 2,300 home-based daycares spread in 136 localities – including 67 Arab localities.⁶⁷

4. Vocational Training

Up through 2002, unemployed workers who were non-professionals or those who were in professions that were not in demand in the workforce, were referred to receive vocational training. While participating in this training, the unemployed were entitled to receive unemployment insurance compensation. Amendments to the Israeli law over the past two years created a situation whereby fewer unemployed people were entitled to unemployment compensation, and therefore fewer people were referred to vocational training. For instance, the number of Arab city-dwellers who participated in training courses dropped from 1,007 in 2002 to 384 in 2003.⁶⁸ In addition, while the unemployment rate in Israel has seen a steep rise, from 6.9% to 10.2% (an increase of 48%), the budget allocation for vocational training dropped by 47%.⁶⁹

Referring women to vocational training enables them to obtain needed skills for a profession, and helps them join the workforce and break out of the cycle of poverty.

Data reveals that men participate in vocational training more than women: 56.6% of men participated in vocational training as opposed to 44.4% women. In addition, data also show that Jewish women participate in vocational training more than non-Jewish women – including Arab women: 84.6% Jewish women as opposed to 15.4% of non-Jewish women.⁷⁰

In conclusion, there are fewer chances for non-Jewish women, including Arab women, to find employment opportunities which will enable them to enter the workforce and bring an end to their poverty.

5. Disparities in Income

Income from employment:

The average family income for Arabs in Israel is 57% of the average family income for Jews. Over half (56%) of the Arab families headed by a wage-earner are in the lowest one-fifth of Israeli families ranked by income, compared with only 16% of Jewish households in this rank. At the other end of the scale, only 3% of Arab households headed by a salaried worker are in the top one-fifth of households nationally, compared with 22% of Jewish households.⁷¹

In addition, disparities in income according to gender are also visible. Women earn on the average 61.5% of men's wage. One of the explanations to such disparities in income are related to women being employed in stereotypic professions, such as education, health and administrative posts, and many work part time jobs relatively to men.⁷² Many Arab women are also working in non-formal workplaces such as in agriculture and households – cleaning, without any social security benefits.

Income from other sources:

Income from government sources or private funds, from abroad, from property, or from pensions, all of these sources together comprise 11.5% additional income sources among Jewish families in 2002. Among non-Jewish households, in contrast, only 4.2% of average family income was from such additional sources, strengthening the dependence of Arab families on earned income and NII allowances.⁷³

6. Unemployment Compensation (Social Security)

During the last two years, revisions to the Unemployment Compensation Law were detrimental to all employees in the country. Arab employees were more adversely affected, restricting entitlement to unemployment compensation and thus increasing the number of Arabs families left without a breadwinner. Thus, despite increased unemployment nationally, the actual number of unemployed persons receiving unemployment compensation dropped.⁷⁴

A recent National Insurance Institute (NII) study⁷⁵ reported that the new restrictions on entitlement harmed mainly younger, less educated, and lower-earning employers and those who had worked an insufficient period of time to qualify for compensation. This profile is one that fits a considerable proportion of working Arabs in Israel. According to NII statistics, unemployment compensation recipients living in Arab urban areas comprised 10.1% of all those receiving such compensation in 2002; in 2003, the figure dropped to 8% despite the rise in unemployment among Arabs.⁷⁶

7. Lack of Mobility and Public Transportation

Arab women living in rural areas are isolated in their homes, as they are forbidden to move about freely beyond a certain radius outside their houses without a male accompanying them.

Lack of mobility and public transportation in Arab villages is another component in preventing full and equal participation of Arab women in the work force in addition to violating their basic right of providing equal and free access to movement.

8. Social Norms

Social and traditional norms comprise a great part of the inferior socio-economic status of Arab women in Israel. They are raised in a male-dominated society which shows preference to men and boys over women and girls. Working within the household is the natural place for women, and girls are raised to be homemakers, wives, mothers to children, caretakers for the ill, for the elderly etc. The Arab society makes a clear cut distinction between the private sphere as the natural place for women and the public sphere as the natural place for men. Thus, women and girls are

not encouraged to obtain higher education, participate in the workforce, and travel on their own or use public transport (this is more relevant in rural areas).

In addition, even when Arab women do participate in the workforce, they are encouraged to work in stereotypic female jobs and professions such as education, health and administrative posts, in which the level of income is considerably lower than in other more highly regarded professions.

VI. Women in Private Business

Most of the women in Israel employed in the workforce are salaried workers, and the chance that a woman will join the workforce as a salaried worker is higher than that of men. 91.4% of women in the workforce are salaried workers comparing to 82.4% among men.⁷⁷

Among women who work in private businesses, 4.4% are self-employed compared to 8.4% of men. In addition, 1.4% of those self-employed women are employers of employees compared to 7% among self-employed men.⁷⁸

Several factors exist explaining the low rate of women in private businesses, such as their social status; limitations from the surrounding environment including banks limiting women's access to loans; lack of education and vocational training; lack of business management knowledge and skills.⁷⁹

Encouraging private enterprise through small business development based on local initiatives can provide an effective employment solution in Arab residential towns and increase participation by Arabs, particularly women.⁸⁰

A governmental Authority for Development of Small and Medium Businesses started to provide training and assistance services to people who are interested in establishing their own private businesses or enterprises. Thus, Business Development Centers (BDC) were established and to date at least thirty of them operate, of which only three are in Arab communities.

The budget for the BDCs in the Arab communities in 2004 was 4.2 million NIS⁸¹, which is 10% of the overall budget of the Authority for Development of Small and Medium-Sized Businesses.⁸²

VII. The Impact of Globalization and the GATS on Arab

Women

The General Agreement on trade in Services (GATS) enables the signature countries to open up their services to foreign corporations. Israel has already opened up some of its services to international trade such as: business and financial services, tourism, communications, and environmental services.⁸³ Such competition, led to the closure of factories, which operated mostly in rural areas employing hundreds of women, and setting them up in other areas or countries where the cost of employment and industrial operation is significantly lower. These changes led to hundreds of job losses, especially amongst women, leaving them outside the workforce, raising the unemployment rate and economic dependency on the State.

Other social services such as; education, health, social welfare, culture, leisure activities and sports, are not open yet to competition among foreign corporations. However, since 50 members of the World Trade Organization (WTO) have already opened up their education and health services to foreign suppliers, it can be expected that the United States and European Union, will pressure Israel to open up education and health services to foreign competition as well.⁸⁴

Israel is developing its economy in this direction through privatization of public services, especially in education, leading to setting up private colleges, kindergartens and schools, or purchasing educational services from private companies, such as consulting and diagnosis services.⁸⁵ Privatization has also been seen in the health sector where private services are performed in public hospitals and commercial companies selling health insurance.⁸⁶

According to Adva, the Center for Information on Equality and Social Justice in Israel, the dangers inherent in the extension of GATS to public services, need to be examined in the light of current political, economic and social developments in Israel – such as the continuing growth in inequality between socio-economic groups, and the increasing pressures on Israel for privatization.⁸⁷

Such development will adversely affect women, since they have a big stake in the public education, health, social services. They are the largest consumers of such services and make up the largest percentage of employees in the sector. Arab women, as shown in this report, need these services the most, especially due to the fact that 80% of Arab women are unemployed.

Should these social services be opened to foreign competition, women will be the first employees to be laid off from the workforce, raise the unemployment rate and join other families living in poverty.

International pressure has succeeded with the privatization of few social services such as in the Wisconsin Plan (named after a method first introduced in Wisconsin – USA) – where the government has signed contracts with a number of private firms to operate vocational centers for some 14,000 unemployed. As part of the WP the unemployed will be trained in various professions, according to the needs of the markets. Such a plan should be regarded with caution. While these services are supposed to be under the government's authority and operation they will be placed in the hands of private operators, likely seeking to succeed quickly and preferring their own monetary profit.⁸⁸

VIII. NGOs Working for Achieving Arab Women's Rights

and Economic Empowerment.

1. Supporting Access to Employment for Women

Kayan – Feminist Organization

Supporting setting up local public transportation in rural areas

The Mobility Project responds to the needs of rural women, isolated in their homes, as they are forbidden to move about freely beyond a certain radius outside their houses without a male accompanying them. The project was conceived and created by the local women and began in a basic empowerment group within the organization.

A private bus service began service in late January 2005. Kayan will continue lobbying work bringing the issue of mobility to the authorities and to local women, promoting rural women's needs and the basic right to mobility as a way to enable access to employment and joining the workforce.

Kayan – Feminist Organization

Supporting childcare workers

The Childcare Workers Project was created with and for grassroots women around the country. Its aim is to protect the basic economic rights of some childcare workers living in Arab villages and towns in the periphery. Kayan works with childcare worker's in the Arab sector, who were not being paid for childcare services they provided in their homes, for thousands of children in dozens of villages and towns. The project is supporting the childcare workers in organization a professional union.

Mahout Project – The Haifa Women's Coalition

I-WORC Israel Women's Opportunities Resource Center

This project aims to widen employment access to unemployed women through provision of tools, knowledge and empowerment to women and supporting them access the workforce. This project supports both Jewish and Arab women.

2. Supporting Creating Small Businesses for Women

Kayan feminist Organization

Economic Empowerment - "Women's Supermarket" Home-Based Business

Mentoring women's group to organize in home base businesses, basing their income on selling home made food. Women receive economic empowerment and assistance in building their own small home-based businesses. Kayan is currently developing ideas for marketing women's produce and creating a feminist market. Toward more economic development, Kayan is holding groups for budget planning and economic literacy.

Economic Empowerment for Women - EEW

The organization seeks to improve the status of poor women in Israel both Jewish and Arabs through providing micro-credit loans for women who face hardship receiving loans from banks. With those loans, women are able to become entrepreneurs by setting up their own small businesses.

3. Economic Empowerment for Women, Training and Development

Kayan – Feminist Organization

Gender and Economics Knowledge-Based Training

Kayan together with the ADVA-Institute for Social Research and Policy, a training course on Gender and Economics, and the effect of economic policies on the lives of women in Israel, was held for Arab women. The women were trained to lead workshops and discussions in rural and urban locations, and bring economic literacy to more women, increasing women's ability to take an active part in private and public life.

The Center for Jewish-Arab Economic Development (CJAED)

CJAED aims to close the gaps between the Jewish and Arab sectors in Israel, thus building the foundation for sustainable economic development and peace. The center focuses on few areas: Business development and cooperation; management training and integration; women, empowerment and equality and public policy and planning.

4. Legal Tools for Achieving Women's Economic Rights

Kayan – Feminist Organization

Legal Department for Arab Women's Rights

The department was established in October 2004 aiming to advocate and litigate for Arab women's rights in all fields including economic and employment rights.

This report was initiated and submitted during the 49th session of the Commission on the Status of Women – United Nations, NY.

About our organizations:

1. Ittijah - Union of Arab Community Based Organizations (Special Consultative Status at the United Nations)

Ittijah is the network for Palestinian NGOs in Israel. Established in 1995, Ittijah was founded in response to a clear and widely felt need for increased cooperating and exchange between Palestinian Arab organizations, both large and small. Ittijah strives to strengthen and empower the Palestinian Arab citizens of Israel by promoting the development of Palestinian civil society and advocating for political, economic and social change. Ittijah's mission is to coordinate the activities and strategies of member organizations while fostering the development of members' institutional and organizational capabilities. Ittijah's constituency is its member organizations.



www.ittijah.org

2. Kayan – Feminist Organization (Member in Ittijah)

Kayan, which means "Being" in Arabic, is a feminist organization established in 1998 by Palestinian women living in Israel. Kayan is a capacity-building non-governmental organization devoted to women's development, and offers a wide array of courses, knowledge-based trainings, mentoring programs and activities with women's groups and associations, with non-profits, and with the public.

Current strategies for women's empowerment and gender-equity include: Grassroots Skills and Capacity Building; Knowledge-Based Training; Civil and Legal Demands; Networking and Coalitions; International Advocacy.

Kayan organizes, educates and motivates women to be vocal, visible and participatory members of society.

www.kayan.org.il

Endnotes

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²⁷ Haaretz Newspaper 7.1.05

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²⁹ *Id.*

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³³ *Supra* n. 24

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⁴² *Id.*

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