

Topic: **Authority for the Economic Development of the Arab, Druze and Circassian Sectors**

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General

- The Authority for the Economic Development of the Arab, Druze and Circassian Sectors, headed by Aiman Saif, was established by power of a Government Resolution in February 2007, and operates within the organizational framework of the Prime Minister's Office.
- The purpose of the Authority is to maximize the economic potential of the Arab, Druze and Circassian population by encouraging the economic and business activity within those communities, and integrating them into the national economy.² According to Izhak Schnell, "It is urgent that the government adopt a policy of promoting rapid industrialization and the development of other economic enterprises in the Arab sector in order to close the gap between Jews and Arabs in Israel."³

Strategy for Economic Integration

- The Authority's major goals and objectives are:
 - Establishment of a private investment fund for the Arab sector
 - Advancement of legislation
 - Plan for employing Arab women
 - Advancement of employment of academics – with the cooperation of "Kav Mashve"
 - Survey of positions of Jewish and Arab businesspeople
 - Making government tools more accessible – advancement of activities in cooperation with the Investment Center and the Chief Scientist
 - Establishment of a unique website which will serve as a business meeting place between investors from both sectors seeking business opportunities (similar to the initiative of the Businesses Authority)
 - Advancing the integration of local authorities in regional industrial zones.
 - Facilitating accessibility to Government aid.

¹ Compiled by Prof. Elie Rekhess, Associate Director, Crown Center for Jewish and Israel Studies, Northwestern University

² See: <http://www.pmo.gov.il/English/PrimeMinistersOffice/DivisionsAndAuthorities/Pages/AuthorityfortheEconomicDevelopment.aspx>

³ See: Izhak Schnell, *Arab Industrialization in Israel: Ethnic Entrepreneurship in the Periphery*, 188.

- Advancing the integration of minority businesses in the overall economic activity.
 - Encouraging factories in the minority sector to become suppliers of services and goods for the Government.
 - Encouraging joint Arab-Jewish business activity.⁴
- In 2010 the Authority embarked on an Economic Empowerment Plan for the Arab and Druze sectors, involving the investment of NIS 778.5 million for the period 2010-2014 (Plan 1539).⁵
 - The Plan focuses on housing (39% of the total budget), economic employment (29%), enhancement of personal security (19%) and transportation (13%).
 - 13 Arab and Druze localities are included in the Plan.
 - In Sakhnin, for example, 1900 housing units are planned to be added in the Wadi neighborhood. In Kafr Qasim, 600 dunams (150 acres) have been designated as a new industrial zone.
 - In the business sector, the Authority created a Private Fund (NIS 180 m.), a Micro Finance Fund (NIS 21 m.), Small Businesses Loan Fund (NIS 126 m. for 2009-2011)) and Tevel Fund for the Encouragement of Export (NIS 63 m.).⁶

Status of Initiatives

- A study published in March 2012 by Mossawa Center, an advocacy center for Arab citizens in Israel, showed that the government's development funding for the Arab sector was significantly inadequate for the community's needs.
- For example, Mossawa charged that in the case of the Ministry of Agriculture, 99% of the Ministry's budget went to Jewish farmers and associations.
- On the other hand, the Ministry claimed that it was expecting to meet the government's 2012 goal of having Arab and Druze employees represent 10% of its workforce.⁷
- In October 2012, Ron Gerlitz, co-executive director of Sikkuy and Batya Kallus, senior grants officer for the Moriah Fund, stated that empirical data suggested that the government was closing the gaps between its Jewish and Arab citizens in many fields, and refusal to recognize those changes was counter-productive. The speakers presented the following details and figures:
 - In the field of employment, the government has dedicated funds and the establishment of 22 employment guidance centers in Arab communities.
 - There were more than 300 Arabs currently working in high tech enterprises in Nazareth as compared to 30 in 2008.
 - The Ministry of Transportation initiated a process to introduce public busses to Arab communities and thus far has succeeded in Rahat, Kafr Qasim and other communities.

⁴ See: <http://www.pmo.gov.il/English/PrimeMinistersOffice/DivisionsAndAuthorities/Pages/AuthorityfortheEconomicDevelopment.aspx>

⁵ See: <http://www.pmo.gov.il/Secretary/GovDecisions/2010/Pages/des1539.aspx> (in Hebrew).

⁶ *The Second Annual Conference of the Authority for Economic Development*, March 20, 2012 [Hebrew].

⁷ *Israel investing more, but not enough, in Arab sector*, http://news.xinhuanet.com/english/world/2012-03/07/c_131453028.htm, March 7, 2012. Retrieved from American Task Force on Palestine, <http://www.americantaskforce.org>, Washington, D.C.

- The Ministry of Housing and Construction was successfully marketing the development of new housing on state-owned land in Arab communities including Nazareth and Umm al-Fahm.⁸

⁸ Gerlitz, Ron and Kallus, Batya, A Dangerous Position, +972 blog, October 19, 2012. <http://972mag.com/a-dangerous-position/58002/>