



**Studies of Israeli Society, Volume 10**

**Moshe Semyonov**  
**Noah Lewin-Epstein**  
*editors*

# Stratification *in* Israel

**Class, Ethnicity, and Gender**



# Stratification in Israel

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**Stratification in Israel**  
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# Introduction Past Insights and Future Directions: Studies of Stratification in Israel

*Moshe Semyonov and Noah Lewin-Epstein*

When Israel gained its independence in 1948, its population amounted to 600,000 Jews and 156,000 non-Jews (mostly Moslem and Christian-Palestinian). Fifty-four years later, the size of the Israeli population has increased almost nine-fold. Specifically, by the year 2002 the population of Israel approached 6.5 million persons, 80 percent of which are Jews. In addition to its 6.5 million citizens, Israel has recently become home to more than 300,000 foreign workers, half of which do not have valid working permits and are considered illegal labor migrants. The dramatic growth of the Israeli population and the change in its ethnic composition were accompanied by increasing socioeconomic and ethnic inequalities. In its early days, Israel was characterized by low rates of inequality. It was a society of immigrants most of whom were refugees who reached its shores with little belongings. Very few families arrived with a substantial fortune and fewer yet had the chance of accumulating a fortune in the country. The state that had just emerged from a long and bloody war was abruptly faced with the task of settling hundreds of thousands of immigrants and concomitantly with developing the economy's infrastructure. The above constraints, along with a centralist-socialist ideology, resulted in rather low and fairly undifferentiated levels of living during the first two decades of Israel's independence. From the late 1960s, however, Israel's economy expanded rapidly and the economic gaps between the rich and the poor widened steadily.

As an immigrant society Israel is characterized by considerable ethnic diversity. The ethno-national divide separates Jewish and Palestinian citizens of Israel. Each of the two populations, however, is further divided along various cultural lines. Palestinians comprise several religious groups, the largest being Moslems, followed by Christians and Druze. The Jewish population is composed of immigrants or offspring of immigrants who came from practically every country on the globe. While maintaining their unique religion, Jewish communities often adopted the ways of life typical in their place of residence. Consequently, entire Jewish communities that arrived in Israel within a short period differed from one another culturally and socially. From the early days of ingathering these differences were used as instruments of stratification. Jews of East European origin comprised the majority of Jews residing in Israel prior to independence and they controlled both the economic and political resources. They were in a clear position to dominate the stratification system.

The process of stratification and the emergence of inequality in the Israeli society are best understood in light of the unique historical peculiarities associated with the establishment and

development of the state, and when cast within the context of a national and territorial conflict in which Israel is still involved. Israel was established as the “homeland for the Jewish people.” Over the years it has become home to millions of Jewish immigrants from a worldwide Diaspora. At present, almost the entire Jewish population of Israel is either first generation immigrants or sons and daughters of immigrants. To illustrate the impact of the immigration flows on Israeli society, it should be noted that over the past fifty years immigration accounted for approximately 50 percent of the increase of the Jewish population and about 40 percent of the increase of the total population. The importance of immigration, however, is not only in its impact on population growth but mainly its impact on the national character, social composition and ethnic structure of the state, and its impact on patterns of stratification and inequality.

Israel is committed both ideologically and institutionally to the successful integration of its (Jewish) immigrants into the society. This is clearly stated in the Law of Return (1950) and the Law of Nationality (1952). According to these laws, every Jew has the right to settle in Israel and citizenship is automatically conferred upon arrival. The commitment of Israel to the successful integration of Jewish immigrants is evident from the generous support provided by the state to new immigrants as well as by the efforts of state authorities and volunteer organizations to facilitate the resettlement. This includes monetary support, language classes, social services and other. By contrast to Jewish immigrants, Israel makes it extremely difficult, almost impossible, for non-Jews to become Israeli citizens, or even permanent residents. In effect, the country relies on a system of pure *jus sanguineous* to determine the citizenship status of immigrants and their descendants: exclusionary model for non-Jews vis a vis “acceptance-encouragement” model for Jews. The credo of Israel as homeland of the Jewish people and the institutional structures that support this ideology are largely responsible for the persisting social and economic inequalities between Jews and Arabs and between Jews and the non-citizen foreign workers. These same constructs, however, do not provide a straightforward explanation of the patterns of inequality between Jews of different ethnic origins and the fact of the growing gaps in the second generation.

Throughout the years, the most meaningful split in Israeli society has been between the Jewish majority and the Arab-Palestinian minority. Jews began to repopulate the country at the end of the nineteenth century, hoping to fulfill the dream of building a home for the Jews in the historic land of Israel. Arabs had been living in the region and in Palestine for generations mostly as villagers and tenants of absentee landowners. Jews who arrived in Palestine established, for the most part, their own communities and created an economy that was largely separate from the Palestinian economy. Yet, competition and conflict over land and labor began early on and still remains a prominent feature of Jewish-Arab relations. By 1948, when Israel gained its independence, the Jewish population was already well established in several major Jewish cities, towns, and many agricultural communities. It was more advanced economically, better educated, and more organized politically than the Palestinian population. Following the war of independence, the conflictual relations between the two groups were structured along lines of Jewish superordination and Arab subordination. After a century of Jewish and Arab uneasy coexistence they are still highly segregated from each other both residentially and socially. The high level of segregation, which in effect means that Arabs and Jews reside in separate communities, is coupled with extreme socioeconomic disparities and serves as a major axis of stratification. The asymmetric relations between the groups are evident in the social, political, economic, and cultural spheres.

As noted at the outset, the Jewish population of Israel is far from homogeneous. Even in



contemporary Israel a Jew is not just a Jew. She or he is also an Ashkenazi, or a Mizrahi, a “Russian,” “Ethiopian,” “Moroccan,” “Yemenite,” “Iraqi,” “Romanian,” “Argentinean,” or a “Pole,” just to name a few examples. In general, however, the Jewish immigrants of Israel are divided into two major ethnic groups of roughly equal size: Jews of European or American origin (largely Ashkenazim) and Jews of Middle-Asian or North African descent (largely Sephardim). The two groups, often labeled also as Westerners and Orientals, occupy different positions in the system of stratification. The differentiation among the sub-populations, especially between the two major Jewish ethnic groups, is rooted to a great extent in patterns and sequence of the immigration flows to Israel.

Before statehood, Jewish immigrants arrived in Palestine mostly from East and Central European countries. The pre-state immigration was largely an ideological immigration with a goal of establishing a homeland for the Jewish people. When the state of Israel came into being, the veteran immigrants and their descendants were in position to occupy the upper posts in the economic sphere as well as the political and cultural elites. Mass migration to Israel commenced in 1947 and within a period of five years the number of Jews more than doubled. This large wave of immigrants included survivors of the Holocaust and entire Jewish communities from the Middle East (i.e., Iraq, Yemen, and Syria). Several years later, the Jewish communities of North African countries (Morocco, Tunisia, Algeria, and Libya) were uprooted and most of them arrived in Israel between the mid-1950s and mid-1960s. During this period the state embarked on an ambitious program of population dispersion and settling the frontier, and newly arrived immigrants were (sent) often directly from the port of entry to the newly established development towns in the periphery of the country. These towns that are characterized by labor intensive industrial structure and limited occupational opportunities are inhabited mostly by immigrants from North Africa.

The immigrants that arrived from Europe after Israel’s independence were able to rapidly ascend the socioeconomic ladder both as a result of the favorable treatment they received from their compatriots who were in positions of influence and their cultural affinity with the dominant groups as well as the skills and the cultural orientation that were suitable for a rapidly growing modern economy. Jews that arrived from Moslem countries in the Middle East and North Africa were often looked down upon as their cultural practices and beliefs differed from those of the socially dominant group and were deemed inappropriate for a modern society. Many lacked the formal education or skills required in better paying jobs. A social hierarchy formed quite rapidly, with Jews of European descent (mostly East European and especially those with some tenure in the country) at the top, the Palestinian-Arab population at the bottom, and Jews from the Middle East and North Africa in between.

The three decades that followed the mass-immigration were characterized by a relatively small number of immigrants, coupled with a considerable increase in state resources. These resources were generously allocated to the new immigrants to assist their successful settlement in the new country. It should be noted that during these decades immigrants arrived from a variety of countries, mainly as a response to push factors in country of origin (i.e., political unrest in Argentina, South Africa, Iran). Following the downfall of the Soviet Union, Israel experienced the largest Jewish immigration yet. The decade of the 1990s saw more than one million Jews from the former Soviet Union and their relatives arrive in Israel. Consequently, during less than one decade the population of Israel has increased by 20 percent. These immigrants were disproportionately characterized by a higher level of education and by professional occupations. Although they received considerable government support in the form of housing subsidies, living

allowances, and job re-training, many experienced considerable downward occupational mobility upon arrival in Israel. Intermediate assessments suggest, however, that despite the early downward mobility experienced by most immigrants they are gradually and steadily improving their positions in the Israeli stratification system and they are closing the socioeconomic gaps with native-born Israelis.

While recent immigrants of working age from the former Soviet Union have made large economic advances in the past, earlier immigrants from the Moslem countries in the Middle East and North Africa and their descendants still lag far behind Jews of European origin and their Israeli-born offspring. These socioeconomic gaps and the fact that they have not narrowed substantially have been the focal point of stratification and mobility research during most of the last half century. In the past decade, this literature was joined by a growing body of research on the persistence of socioeconomic disparities between Jews and Arabs. It would be fair to say, then, that until very recently issues of ethnic-linked inequality have dominated stratification research to the exclusion of other dimensions of stratification. Rapidly growing inequality and its intergenerational persistence, however, have generated several new strands of research. Changing patterns of family and work and growing feminist awareness have fueled scholarly interest in gender inequality and have resulted in a profusion of research reports on its manifestations in the labor market. The class dimension that was always overshadowed by ethnic cleavages is once again surfacing as the transformation of the labor market in the 1990s has magnified the division between the traditional industrial crafts and the promising hi-tech and information service occupations. Lastly, social stratification is constituted from patterns of consumption as well as production. It is manifest in the material as well as the symbolic arenas. Here, too, stratification research in Israel has slowly matured to incorporate these dimensions alongside the staple labor market studies.

The chapters included in this volume represent the range and depth of recent developments in the study of social stratification, mobility, and inequality. Although addressing a variety of issues, they have in common a focus on the institutional mechanisms that govern the allocation of rewards. Conceptually and methodologically, the volume provides a balanced mix. Some studies apply classical status attainment models and labor market research, developed primarily in American sociology, to the Israeli context; yet, they highlight the peculiarities of Israeli society. Others start out with particular characteristics of Israeli society, most notably the centrality of the state apparatus, and explore their consequences for social stratification. Together, we believe, they provide a comprehensive picture of the structure of domination and subordination in various spheres of Israeli society, ranging from educational institutions to the labor market, housing, standard of living, and the cultural arena.

Educational institutions have long been considered in the stratification literature to be the primary route for upward mobility and the main channel for status attainment. Schools are both sorting institutions and training grounds for the positions individuals occupy in the labor market. As such they serve as the major distributive mechanism to occupations and jobs. Since symbolic and economic rewards in modern societies are strongly tied to occupational positions, educational credentials are powerful determinants of socioeconomic outcomes and rewards. In this respect, educational institutions facilitate social mobility for some, but at the same time serve to reproduce socioeconomic inequalities. The central role of education in the stratification process is evident in Israel as is the case in Western industrial societies. This is the main theme of the chapters that comprise the first part of this volume. While focusing on different aspects of education and investigating different population groups the authors conclude that most of the

socioeconomic inequalities in contemporary Israel are a product of educational inequalities, at least with regard to the Jewish population. Rather than leveling educational attainment, the educational system, through its diverse programs and tracks, reproduced socioeconomic inequality and is largely responsible for the ethnic-linked socioeconomic disparities observed in the Israeli labor market. This argument was clearly articulated by Dar and Resh who suggest that despite decades of persistent efforts by the government to reduce ethnic inequalities in educational achievement between Jews of different origins, sizeable gaps still exist in Israeli schools. They contend that Israel has adopted an ideology of equality of educational outputs rather than equality of school inputs as a target of educational policy. This policy, however, failed to close the ethnic gaps in educational achievement between Jews of different ethnic origins.

Research carried out by Cohen and Haberfeld clearly supports the argument advanced by Dar and Resh. They demonstrate that despite major reforms and substantial investments in education, earning-gaps between Israeli-born of European-American origin and Israeli-born of Asian-African origin have not diminished. These gaps can be attributed almost entirely to gaps in educational attainment. Although the educational achievements of the second generation improved considerably relative to that of their parents who emigrated from Asian or African countries, they are still lagging far behind second-generation immigrants from Europe and America who are steadily securing their educational advantage. This finding is consistent with the thesis that in ethnically stratified societies privileged ethnic groups are usually able to attain higher average educational levels than members of subordinate ethnic groups. In an attempt to explain the social mechanisms that produced such advantages, Shavit suggests that much of the educational advantages of European-American Jews over Jews from Asian-African background were obtained via tracking. Whereas the former were disproportionately tracked into academically oriented high schools the latter were disproportionately tracked into vocational schools or programs. Tracking, however, cannot be used to explain the different levels of Jewish-Arab educational achievements. It is precisely spatial and institutional segregation that seems to be responsible for the relatively high rates of Arab involvement in post-secondary education. Despite government effort to allocate resources to Jewish schools and to advance the educational attainment of Asian-African students, competition with European students has had detrimental consequences for the educational attainment of the Asian-African Jews, whereas segregation (or lack of competition) facilitated the attainment of Arab students. The effect of segregation on differential educational attainments of Arabs and Jews is studied by Mazawi, who demonstrates that the concentration of disadvantages at the local level affects access to educational credentials differently for Arabs and Jews. Ethnic, spatial, and economic marginality determines the subordinate position of Arab localities in the opportunity structure. This exacerbates the negative impact of large family size, which is common in the Arab population, on access to high school credentials.

According to theoretical models of status attainment and of social stratification, the ways in which education mediates the relations between socioeconomic origins and destinations differ across societies. In relatively open societies (i.e., flexible stratification system) one would expect weak ties between social origin and educational attainment, but strong ties between education and socioeconomic destination. The result of such relations would be weak ties between social origin and social destination. In closed societies (i.e., rigid stratification systems) one would expect strong ties between origin and destination regardless of the ties between origin and education and between education and socioeconomic standing. In order to study the extent to

which a society's stratification system is "opened" or "closed," sociologists have proposed various classifications of the class structures as well as of the status ladders and have used these to study changes in class structure and class composition as well as patterns of intergenerational mobility along class structures or status ladders. To date, there are relatively few studies that focus on the class structure of Israel and on patterns of intergenerational class mobility. One of the first to propose a class scheme for Israel was Ben-Porat, who adopted the class typology proposed by Wright as a tool for studying the social organization of labor markets in capitalist societies. Ben-Porat argues that after statehood Israeli society experienced a process of emerging capitalism (despite large public sector and "socialist ideology" that dominated the pre-statehood era) and its class structure became more similar to Western capitalist societies. Despite structural changes in the size of some categories (e.g., an increase in managers-professionals and semi-autonomous workers, decline in proletariat and petite-bourgeoisie), these classes still represent relations of worker exploitation and at the same time they maintain ethnic and gender inequalities.

In a more recent contribution, Goldthorpe, Yaish, and Kraus utilize the class scheme offered by Erikson and Goldthorpe (adjusted for Israel). Their analysis reveals high levels of intergenerational fluidity within the Israeli class structure. They reject the notion that high mobility rates are the result of the large influx of immigrants to Israel and argue that the high mobility rates are best understood within the context of rapid structural change. In this respect, the patterns of class fluidity, for the most part, are not distinctive to Israel although the rates of mobility are indeed higher than that found in other industrialized societies. The study also calls attention to the importance of ethnic origin in Israel in producing different patterns of class mobility across generations. The study by Rosolio, which was carried out within a different research tradition, suggests that due to social and structural changes, a class society is developing in the kibbutz-the well-known communal and classless community-which was the "showcase" of Israeli society's resurgence for many decades. Similar to what is found in Israeli society as a whole, structural changes have eroded the ideological foundations of the kibbutz as well as the material bases that supported it throughout the years and produced noticeable class stratification in the kibbutz.

The study by Semyonov and Lewin-Epstein departs from the "class structure" tradition in intergenerational mobility research and investigates the persistence of family effects on the social and economic standing of their offspring. By focusing on standard of living (position in the consumption system rather than the production system) as an indicator of location in the stratification system, it is suggested that persistence of inequalities across generations is due partly to the role played by intergenerational family transfers and by parental support. The data reveal that even in later periods of the family lifecycle families that enjoyed parental support are more likely to enjoy a higher standard of living, net of their social and economic resources. Family material resources, then, play an important role in reproducing social and economic resources across generations and in maintaining the ties between socioeconomic origins and destinations in Israeli society.

What is often referred to as the process of stratification in modern societies is largely carried out in the labor market. In this arena resources of individuals and groups are transformed through labor exchanges into symbolic and material rewards. Studies of the social and ethnic organization of the labor market, thus, can shed light on the social mechanisms underlying the emergence of the stratification system, on asymmetric power relations among groups, on the nature of competition, and on the barriers to opportunities, rewards, and outcomes. In Israel,

socioeconomic inequalities are especially evident when the labor market positions and outcomes of Jews and Arabs are contrasted. Consequently, a growing number of sociologists and other social scientists are focusing on the ethnic organization of the Israeli labor market. This is clearly reflected in the selection of chapters in the part 3 of this volume. An historical perspective for understanding Jewish-Arab competitive relations for positions in the labor market is introduced by Bernstein's work. Using data from the period of British mandate in Palestine and utilizing the "split labor market" theoretical model, she suggests that a clash of interest between higher-priced (i.e., Jews) and cheaper (i.e., Arab) labor had already shaped the relations between the groups in the pre-state era. Yet, the clash of interest was not limited only to the economic interests. The clash between the groups also encompassed a multidimensional national conflict that is still evident in contemporary Israel. This line of argument is clearly manifested in the article by Sa'di, who takes the view that competition between Palestinian (Arabs) citizens of Israel and Jews resulted in Arabs' over-concentration in low-paid, blue-collar jobs. This is attributed to two processes: the gradual incorporation of Arabs into the Jewish-dominated labor market (that is, the Israeli economy outside of Arab communities) and the reproduction of an elaborate division of labor within a split labor market. Thus, subordination of Arabs in the Israeli labor market is best understood not as a result of differences in human capital resources (such as educational differences) but mainly as a result of the political subordination of Arabs in Israel and the role played by the state to promote Jewish interests.

Although the state apparatus has been "successful" in subordinating the Palestinian population to the Jewish interests through a combination of political, judicial, and economic actions it has not met with the same success in carrying out policies of integration and equalization in the Jewish population. The chapter by Kraus and Yonay clearly illustrates this point. They investigate the ethnic organization of the Israeli labor market, which they portray as comprised of four distinct groups: Muslim Palestinians, Christian Palestinians, Asian-African Jews, and European Jews. Using mobility data for large-scale surveys carried out in 1974 and 1991, they show that despite a lack of governmental support for Arab citizens, and the prevailing discrimination against Arab Palestinians, they have gradually narrowed the gap in both education and occupational standing with Asian-African Jews. They suggest that residential and educational segregation protected Arabs from direct competition with European Jews, while Asian-African Jews were not protected by segregation from the detrimental consequences of competition with the most advantageous group in Israel.

In recent years, especially during the last decade, the ethnic composition of the Israeli labor market, hence, of the Israeli stratification, has changed due to the massive entry of non-Jewish labor migrants. Following in the footsteps of many European societies that took the same path several decades earlier, Israel opened its gates to foreign workers from places as close as Turkey and Rumania and as distant as Central America and South East Asia. The importation of large numbers of foreign workers was motivated by the "intifada" (Palestinian uprising in the West Bank and Gaza Strip in 1987) as a replacement for Palestinian commuters who filled mostly low-paying menial jobs in construction, agriculture, and services. What began as temporary measures to ease the shortage of laborers as a result of barring the Palestinians from entering Israel has become a permanent and disturbing feature of Israeli society. Currently, foreign workers comprise about 10 percent of the Israeli labor force (50 percent of them are employed without work permits and are considered illegal). This new class of workers is located at the bottom of the labor market and the stratification ladder. Foreign laborers generally hold jobs that are not attractive to Israeli citizens and most of them earn very low wages (at times below minimum

wage). Many of these workers suffer from harsh and hazardous working conditions and they reside in the urban slums of Israel. Often they are targets for discrimination and they have little recourse to state institutions.

As this volume was being prepared for print the distorted character of foreign labor incorporation into Israel's labor market was clearly illustrated by recent government actions, which, at the same time, involve aggressive expulsion practices of foreign workers residing in Israel with no permit, and licensing manpower firms to "import" thousands of new workers. The politics of inclusion and exclusion of foreign workers in Israel are discussed extensively in the chapter by Rosenhek. He contends that while the formal policy of the Israeli authorities is marked by strong exclusionary practices of non-Jewish immigrants, some state agencies actually endorse and implement inclusion policies. These policies created, in effect, a new category of Israeli residents-non-citizen "foreign workers"-who are placed at the bottom of the labor market and of the social order. Nonetheless, they have become part of the stratification system as they interact both with other categories of Israeli residents and with various institutions of Israeli society.

At the same time that the literature on ethnic stratification and ethnic-linked socioeconomic inequalities in Israel was burgeoning, a new body of research on gender stratification emerged. With the dramatic and steady increase of female participation in the economically active labor force, and with the social change associated with it, more and more researchers have focused on gender as an important dimension of stratification and as a major source of social and economic inequalities in Israeli society.

Contrary to the ethos that Israeli women participated in nation and society building as men's equals, the reality of daily living is considerably different. The chapters in this volume suggest that gender inequality in Israel is substantial and pervasive. Dafna Izraeli argues that although Israel prides itself on being one of the very few countries in the world (perhaps the only one) where women are conscripted into military service as are men, the military, in fact, emerges as a major factor in the production and reproduction of men's domination in society. By introducing gender as a primary basis for classification, the military, in effect, intensifies gender distinctions to exclude women from positions of authority, power, and prestige. It is further suggested that the military contributes to gender inequality beyond the boundaries of the IDF (Israel Defense Forces) due to the nature of the human and social capital resources men accumulate during military service. When these resources are converted in the civilian arena they provide men with labor market advantages that persist over a long period of time.

The disadvantages and hardships faced by women outside the military are demonstrated by Mizrachi in her study of women in national elites. Mizrachi focuses on a sample of the very small population of women who were able to cross structural-institutional barriers and to achieve positions of high status and power-positions from which women are typically excluded. By conducting in-depth interviews with thirty-two women in elite positions (in academia, civil service, and board of directors of public corporations) Mizrachi identifies selection criteria of women into national elites and presents the sociological factors that shape and affect the process of recruitment of women to national elites in Israel.

The gender gap in Israel, similar to other industrial societies, becomes especially evident in the labor market. Research in Israel has repeatedly demonstrated that women are highly segregated in female-type occupations-they are over-concentrated in low-paying clerical, sales and semi-professional occupations, and in jobs and in positions with little power and authority. Furthermore, women's earnings are considerably lower than those of men even when their



human-capital characteristics and the amount of time they spend at work are taken into consideration. These patterns of gender-linked socioeconomic inequality have remained quite constant despite the dramatic increase in rate of female labor force participation during the second half of the twentieth century (women's share of the labor force rose from 30 percent in the mid-1960s to almost 50 percent in the 1990s). This is especially disconcerting in view of the substantial improvements in women's work-related skills as indicated by rising educational levels and women's growing orientation to labor market activity. The earning gaps have remained relatively stable despite equal employment opportunity laws that were legislated in recent decades. Systematic evidence of earning trends is provided in the chapter by Haberfeld and Cohen. In their research, Haberfeld and Cohen compare economically active Jewish women (of either European-American or Asian-African origin) with the dominant group in the Israeli labor market (i.e., men of European-American origin) in the years 1982, 1987, and 1993. Their findings indicate that most of the earnings gap between men and women cannot be attributed to productivity-related variables. It can be attributed, however, to market-economic discrimination. They further demonstrate that the gender gap in earnings has not changed much over the years; it has remained rather constant.

Addressing the issue of gender-related labor market inequality, Alon and Stier provide a rather unique glimpse at a central labor market institution, and examine how it operates in the case of women and men. They compare men's and women's job-searches and examine the relationship between job-search methods used by unemployed men and women and the quality of work they are able to acquire. Alon and Steir ask not only to what extent a specific method of job search helps to gain employment but also whether differential job-search methods lead to jobs that differ in quality (what they call job adequacy). They find that job search methods indeed differ and contribute to gender differences in the kinds of jobs women and men hold. This adds new insight into the way in which gender and labor market practices combine to increase socioeconomic inequalities and to reinforce gender stratification in Israel.

Most research on stratification in Israel has patterned itself on the study of class, gender, or ethnic inequality in other modern societies, mostly Western societies. In this respect, studies of inequality in Israel were generally cast within general theoretical frameworks developed and utilized in other societies (mostly the United States). The basic assumption underlying these studies is that the uniqueness of each society notwithstanding, there are certain generalizable processes that take place in market economies and these will affect social stratification in any society. Yet, the market model of stratification as used in other societies is somewhat problematic when it comes to Israel: an immigrant-settler society with a strong centralist government that remains powerful relative to market forces, and an ethno-nationalist ideology and institutional structure. The ethno-national character of the state is most evident, as we argued in the outset, in the "encouragement-acceptance" of Jewish immigrants, and in the "discouragement-exclusion" of non-Jews. Following this logic, Shafir and Peled propose a broad-based theoretical framework that would encompass both past and currently contending socioeconomic models and their corresponding cultural visions in order to understand the character of ethnic relations in contemporary "new Israel." Shafir and Peled discuss, first, the "citizenship discourses" in Israel and their resultant "incorporation regime," and outline, second, the ways in which Israel's citizenship structure and ethnic relations have been changing over time. Indeed, Shafir and Peled underscore "citizenship" as an important dimension of stratification by stressing the major role played by the state in protecting citizenship rights of different groups in the Israeli ethnic democracy.

The major role played by the state in shaping the system of stratification, coupled with the ethno-national character of the state, makes market models of social stratification somewhat problematic when applied to Israeli society. Throughout most of its history, decision-making in Israel has been most centralized and the state has been intensively involved in shaping opportunity structures and in implementing social policies. This, in turn, has long-term consequences for the social and economic status and differential opportunities of the various sub-groups in Israel. Yiftachel underscores the role of the state in affecting Jewish-Arab power relations. He examines these relations as they are manifested in land-use planning of the Galilee region (where Arabs are heavily concentrated), between 1975 and 1988. He focuses on three principal aspects of land-use planning: the power structure of the planning system; participation in the formulation of land-use plans; and Arab-Jewish efficacy in the planning process. Despite some changes in the asymmetric power-relations, Yiftachel finds that, in general, Arabs are largely excluded from the planning process and the policymaking process, even in a region where they constitute the majority of residents.

The chapter by Lewin-Epstein and Semyonov highlights the relationship between state planning and policies, and social inequality at the micro level. By studying the housing market and disparities in homeownership between social groups it is possible to evaluate stratification processes that are beyond the standard processes captured by labor market analysis. In particular, the chapter shifts attention from the production facet of the stratification system to the consumption dimension. It is argued that state planning in the area of settlement, with its multiple, generated differential opportunities for homeownership at different times and for different population groups. This opportunity structure resulted in different levels of homeownership across social groups. More importantly, these differences were transmitted intergenerationally, resulting in the reproduction of social and economic inequality among ethnic groups.

Research in the areas of stratification, mobility, and inequality in Israel has grown rapidly in the last decades. This ever-growing body of literature suggests that unlike societies dominated by market economies, patterns of inequality and stratification in Israel cannot be fully understood unless cast and evaluated within the unique social and historical context of the state, its ethno-national character, its political economy. Consequently, we hope that this volume serves not only as a window to past research but will also pave the way for new directions for future studies in social stratification.

## **Part 1**

# **The Role of Education in the Stratification Process**

# 1

## **Second Generation Jewish Immigrants in Israel: Have the Ethnic Gaps in Schooling and Earnings Declined?**

*Yinon Cohen and Yitchak Haberfeld*

Israeli Jewish society is characterized by an ethnic cleavage between Jews who immigrated to Israel from Europe and America (henceforth, Western), and those from Asia and Africa (henceforth, Eastern). There are persisting socioeconomic gaps between Western immigrants, who achieved high levels of education and earnings, and their Eastern counterparts, who never caught up with them or with native-born Israelis. Moreover, the gaps between the two immigrant groups with respect to the main socioeconomic measures, education and earnings, seems to be as persistent among immigrants' offspring (henceforth, second generation immigrants) as among the immigrants themselves.

This chapter focuses on second generation immigrants,<sup>1</sup> namely, native Israelis born to foreign-born parents. The literature analyzing the socioeconomic gaps between second generation Western immigrants and their Eastern counterparts is widespread. However, most previous research has rarely used a longitudinal or quasi-longitudinal research design. Rather, it has usually provided information regarding the gaps at one point in time, and then compared the results to studies done in the past, often using different data sets and sample designs. Moreover, the data used by most previous research were from the 1983 Israeli census. In that year, however, second generation Eastern Jews were too young for their socioeconomic characteristics to reflect their achievements in the educational system and their performance in the Israeli labor market. This chapter will contribute to the literature on ethnic gaps in Israel's labor market by detecting changes in the gaps during the years 1975–1992. The chapter is organized as follows: the first section reviews the recent studies documenting the development of ethnic gaps in Israel; the second section presents the data and measures; the third and the fourth sections present descriptive statistics regarding trends in the schooling and earnings gaps, for men and women, respectively; the fifth section presents multivariate analyses based on OLS regressions; and the final section presents the conclusions.

# **The Ethnic Cleavage in Israeli-Jewish Society**

## ***First Generation***

In May 1948, the newly established state of Israel had about 600,000 Jews, mostly foreign born of Western origin. During the next three and a half years, this relatively small population base actively attracted nearly 700,000 new Jewish immigrants. About half the immigrants were survivors of the Jewish Holocaust in Europe. The other half of this immigration wave, known as the “Mass Migration,” consisted of Jewish residents of Arab countries in Asia and North Africa. Following a short recess in immigration in 1952, immigration continued, albeit at a slower pace. During the next twenty-five years an additional 800,000 Jews immigrated to Israel. About 45 percent of them came from Europe, America, and Australia, and 55 percent from Arab countries in Asia and mostly North Africa.<sup>2</sup>

The social, economic, and cultural assimilation of Western immigrants in Israeli society was fast and complete. By 1975, their schooling, occupations, and earnings were no different than those of native-born Israelis or of veteran immigrants who arrived in Israel during the pre-state period (Boyd, Featherman, and Matras 1980). In contrast, as late as 1983, Eastern immigrants failed to achieve parity with the native population. Thus, while in other migration societies (United States, Canada, and Australia) the socioeconomic differences between most immigrant groups and natives disappeared after 11–14 years (Chiswick 1978), Jewish Eastern immigrants, both those who arrived during the mass migration (1948–1951) as well as in later waves, have failed, so far, to close the socioeconomic gaps between them and the other groups—Western immigrants and native Israelis.

## ***Second Generation***

While the experience of first generation Eastern immigrants was bad enough, it could be explained by the relatively low level of economic development of the source countries from which they came (Semyonov and Lerenthal 1991). But the persistence of socioeconomic gaps among the Israeli-born children of these immigrants is more difficult to explain.

It is beyond the scope of this chapter to review all the studies documenting the ethnic gaps and/or providing macro-sociological explanations for their persistence among the second generation (see, e.g., Peres 1971; Smootha 1978; Ben Refael 1982; Berenstein and Swirski 1982; Eisenstadt 1985). For the purpose of this chapter, the most important studies are the recent empirical papers focusing on the sources and development of the gaps among second generation immigrants. Such comprehensive studies were conducted by sociologists (Smootha and Kraus 1985; Nahon 1987; Semyonov and Lerenthal 1991), demographers (Schmelz, Dellapergola, and Avner 1991), economists (Yitzhaki 1986; Amir 1987; Mark 1994, 1996), and researchers of industrial relations (Haberfeld 1992).

Despite the many differences between these studies regarding methodology, data sets, and the researchers’ discipline, there is a consensus that the gaps in educational levels and earnings between Israeli-born of Eastern and Western origin were not attenuated compared to the differences found among their Eastern and Western parents. Put differently, despite the expectations for closing the gaps among the second generation, as found in other immigrant societies (Boyd et al. 1980; Carliner 1980; Borjas 1990; Simon 1990), the findings of these studies, especially those of Nahon (1987), Mark (1994; 1996), Amir (1987), and Habelfeld

(1992) suggest that the gaps within the second generation are no smaller, and perhaps even larger than the gaps observed in the first generation.

Moreover, these studies found that the ethnic gaps in educational levels between second generation Eastern and Western Jews were not smaller in the 1980s compared to the 1970s (Mark 1996). In Israel, as in other industrialized countries, investment in human capital is the main avenue through which men and women attain high paying jobs. Thus, the failure to close the gaps in educational attainment among the second generation immigrants is the main explanation provided by previous research for the persistence of the earnings gap. This finding suggests that schooling, not the labor market, is responsible for the economic gaps between second generation Western and Eastern Jews. In fact, most previous research did not detect differential labor market treatment (i.e., “discrimination”) of Jews of Eastern origin. Eastern Jews were not paid less than demographically comparable Western Jews.

Because schooling differences, and especially college education, were found to be the main factor responsible for the reproduction of the socioeconomic gaps in occupational distribution and wages among second generation immigrants, many studies focused on the reasons for the relative failure of Israeli-born Eastern Jews to attain college degrees. Some studies focused on the lower quality of schools serving Eastern Jews (Ayalon 1994). Others stressed the tracking in the Israeli educational system funneling a disproportionate number of Eastern Jews to terminal vocational secondary schools, thus preventing them from attaining the “matriculation certificate” which is a prerequisite for enrollment in college (Shavit 1984; Swirski 1990). Mark (1994) points out that in addition to these reasons, Eastern and Western Jews have different tastes for education. Members of the former group, she claims on the basis of expenditure surveys, invest less in human capital than the latter.

Another important finding of the empirical studies focusing on second generation Israeli immigrants is that the gaps among men are larger than among women (Semyonov and Lerenthal 1991). To be sure, Israeli women of all ethnic origins earn less than men of identical schooling, experience, and other measurable productivity-related characteristics. The question, however, is whether the trends in the gaps among women are similar to the trends among men.

To summarize, previous research reached four conclusions regarding the gaps among second generation immigrants in Israel. First, the gaps in education and earnings among the second generation are no less than among the first generation. Second, within second generation immigrants, the gaps in the early 1980s are no smaller than during the 1970s. Third, the schooling gap is the key factor responsible for the gaps in wages and earnings. Finally, the gap among men is wider than among women.

The present chapter uses data from 1975, 1982, and 1992 to examine whether the trends in the development of the gaps found in previous research regarding the 1970s and early 1980s are still valid for the late 1980s and early 1990s.

### ***Data and Measures***

The data are taken from the Income Surveys conducted by the Central Bureau of Statistics during 1975, 1982, and 1992. Income Surveys are conducted annually as a supplement to work force surveys, and include basic demographic information about respondents as well as earnings data. The surveys are based on a representative sample of households in urban communities with a population of at least 2,000. Since earnings data are not available for the self-employed, we limit our analysis to salaried workers in the labor force, 25–54 years old.<sup>3</sup> The upper age limit is due to the small number of second generation Jews older than 50. The lower age limit reflects



the fact that most Israelis serve in the military for two-three years, and rarely graduate from college and get a permanent job before they are 25 years old.

We define as second generation Jews all those born in Israel to foreign-born fathers, and all foreign-born Israelis who immigrated to Israel before they were 14 years old. This procedure is standard in migration studies that regard persons immigrating as children as second generation.<sup>4</sup> Thus, second generation Eastern Jews are defined as all those born in Israel to fathers<sup>5</sup> who were born in Asia or Africa, and those born in Asia or Africa and immigrated to Israel before they were 14 years old. Westerners are all those born in Israel to parents born in Europe, America, or Australia, as well as the foreign born of these continents who immigrated to Israel before they were 14 years old. In addition, we included the small group of third generation Israelis (Israelis born to Israeli-born fathers), within the group of Western Jews. There is evidence that this group, which is mostly from Western origin, is very similar in its educational and earnings attainment to Western Jews.<sup>6</sup>

We use two measures of schooling. One is years of schooling. The second is whether the respondent has at least a B.A. degree. Past research suggests that the two ethnic groups attend different types of schools, and, as a result, there is an educational gap in university attendance.

Earnings is annual salary from work. It is expressed in different currencies, as Israel changed its currency twice during 1975–1992. Since we compare the two ethnic groups during the same years, this does not pose any difficulty.

## ***Descriptive Results***

The average Israeli in 1992 had more years of schooling, was more likely to be a university graduate, and had higher earnings than in 1975 (Table 1.1). This reflects the expansion of the Israeli economy and educational system, keeping over 80 percent of its youth in high schools, sending increasing proportions of the graduates to higher education, and raising workers salaries. The important question for the purpose of this study is whether the increase in the educational attainment and earnings of Eastern Jews is larger than that of their Western counterparts, thus narrowing the gaps between the groups. In order to answer this question we present for each cell in [Tables 1.2](#) and [1.3](#) (age-group by gender by year) the ratio between the mean for Eastern Jews divided by the mean for Western Jews. The higher the ratio, the smaller the gap. A ratio of 1.0 indicates parity, and a ratio of over 1.0 indicates that Easterners' educational levels are higher than those of Westerners.

## ***Men***

*Education.* The ratio for years of schooling across all age groups (25–54) increased from .77 in 1975 to .82 in 1992. Likewise, the ratio for the percent graduating from college rose from .24 in 1975 to .27 in 1992. These small increases in the ratios suggest that the notion that the educational gap between the ethnic groups widened during the 1980s is not warranted.

While the overall increases in the ratio are small, they are persistent in all age groups with respect to years of schooling and in most age groups with respect to the proportion having a college education. The overall increase in the ratio thus reflects larger increases in some age groups, and lower or no increases in other age groups. Thus, with respect to years of schooling, we observe virtually no changes in the ratios among the oldest age group (45–54) and relatively small increases among those between 30 and 44 years old. This is not surprising given that most

people complete their secondary schooling before the age of 20, and their academic schooling 10–15 years later. Thus, the educational ratios among those over 30 years old reflect the educational gaps that were formulated during the 1960s, 1970s, and early 1980s. The ratios for these age groups, however, are less instructive in understanding the development of schooling gaps during the last decade, 1982–1992.

**TABLE 1.1**  
**Mean Years of Schooling, Percent with at least a B.A. Degree, and Mean Annual Earnings: Eastern and Western Jewish Salaried Men and Women, 25–54 years old, 1975, 1982, and 1992**

Year:	Mean years of schooling			Percent with at least BA			Mean annual earnings		
	1975	1982	1992	1975	1982	1992	1975	1982	1992
<b>Men:</b>									
West	12.8	13.8	14.2	24.9	35.5	41.4	26,181	191,429	62,088
East	9.9	10.5	11.6	5.9	8.7	11.1	20,624	134,173	42,066
<b>Women:</b>									
West	13.3	13.7	14.3	20.7	30.1	40.5	15,254	95,275	30,517
East	9.9	11.2	12.0	3.9	7.6	11.3	11,975	75,729	24,436

It is the youngest age group (25–29) that is the most meaningful to examine, as it contains the persons which have completed their schooling during the 1980s and early 1990s. Here we observe the largest increases in the schooling ratios. In 1975, the average second generation Eastern man had .77 years of schooling compared to his Western counterpart. By 1992, the respective figure for this age group was .89, which indicates a real, substantive improvement in the relative standing of Easterners in the educational hierarchy.

But years of schooling do not tell the entire story of the educational gap. The types of educational degrees are important, too. Our second measure of schooling—the proportion having B.A. degrees—suggests that as late as 1992 the gap is still substantial. Although the ratio among the youngest age group increases from .14 in 1975 to .17 in 1982 and to .25 in 1992, it is still very low. If we assume that the increase in the ratio during 1982–92 will continue at the same rate well into the next century, it will take another ninety-four years for the same proportion of Eastern and Western Jews in this age group to have a college degrees. In other words, the second generation Eastern men who are expected under these assumptions to achieve college graduation parity with Westerners are yet to be born.

**TABLE 1.2**  
**Ratios (Eastern/Western) of Mean Years of Schooling, Percent with at least B.A. Degree, and Mean Annual Earnings: Jewish Salaried Workers of Western and Eastern Origin, by Age and Sex, 1975, 1982, and 1992**

Age/Year:	Mean years of schooling			Percent with at least BA			Mean annual earnings		
	1975	1982	1992	1975	1982	1992	1975	1982	1992
25–54 Men	.77	.76	.82	.24	.25	.27	.79	.70	.68
Women	.74	.82	.84	.19	.25	.28	.79	.79	.80
25–29 Men	.77	.81	.89	.14	.17	.25	.88	.87	.87
Women	.82	.85	.88	.16	.32	.31	.89	.89	.96
30–34 Men	.76	.78	.81	.23	.23	.21	.84	.68	.85
Women	.70	.82	.86	.10	.21	.32	.76	.86	.83
35–39 Men	.76	.77	.82	.26	.20	.32	.74	.77	.60
Women	.60	.79	.84	.28	.31	.27	.55	.81	.78
40–44 Men	.75	.76	.80	.21	.23	.32	.75	.65	.69
Women	.58	.70	.80	.30	.13	.13	.71	.60	.82
45–54 Men	.77	.73	.77	.20	.31	.26	.77	.70	.63
Women	.80	.75	.77	.41	.00	.31	1.03	.74	.70
B.A. + Men							1.00	.83	.88
Women							.89	1.04	1.05

College education for Israelis lasts well into their thirties. In all survey years, the proportion of college graduates for both ethnic groups is substantially higher among those 30–39 than among those 25–29. This trend of obtaining academic degrees later in life appears to be getting stronger for both ethnic groups, but especially for Easterners. It is thus instructive to examine the development of the educational gaps within birth cohorts. The structure of our data enables us to follow the educational levels of those born between 1948 and 1957 at two points in time, in 1982 (when they were 25–34 years old) and in 1992 (when they were 35–44 years old).<sup>7</sup>

Following members of the two groups who were born in the first decade of Israel's existence indicates that during the 1980s both groups enhanced their education. For example, in 1982, when the birth cohort of 1953–1957 was 25–29 years of age, 28.5 percent of Westerners and 4.8 percent of Easterners had a college degree. The respective figures for 1992, when members of this cohort were 35–39 years old, are 41.6 percent and 13.2 percent (data not shown). A higher proportion of Easterners than Westerners get their college degrees later in life. This could explain why the college ratio for this birth cohort has increased from .17 in 1982, when they were 25–29 years old, to .32 in 1992, when they were 35–44 years old (Table 1.3). A similar increase in the ratio is observed among members of those groups born between 1948 and 1952, from .23 in 1982 to .32 in 1992.

**TABLE 1.3**  
**Ratios (Eastern\Western) of Mean Years of Schooling, Percent with at least a B.A. Degree, and Mean Annual Earnings: Jewish Salaried Workers by Age, Birth Cohort, and Sex, 1975, 1982, and 1992**

Cohort Year:	Mean years of schooling			Percent with at least B.A.			Mean annual Earnings		
	1975	1982	1992	1975	1982	1992	1975	1982	1992
1953–57									
Age:		25–29	35–39		25–29	35–39		25–29	35–39
Men		.81	.82		.17	.32		.87	.60
Women		.85	.84		.32	.26		.89	.77
1948–52									
Age:	25–27	30–34	40–44	25–27	30–34	40–44	25–27	30–34	40–44
Men	.79	.76	.80	.14	.23	.32	.92	.68	.69
Women	.84	.82	.80	.22	.21	.13	.87	.86	.82
1943–47									
Age:	28–32	35–39	45–49	28–32	35–39	45–49	28–32	35–39	45–49
Men	.76	.77	.77	.17	.20	.27	.88	.77	.61
Women	.74	.79	.83	.07	.31	.29	.80	.81	.72

These findings have opposing implications. On the one hand, it is evident that when comparing percentages of college graduates among those under 30 years of age, we overestimate the ethnic gap, as nearly two-thirds of second generation Easterners, compared to less than one-third among Westerners, attained their college degree when they were over 30 years old. On the other hand, the ethnic gaps in education between the groups are not confined to such measures as years of schooling, college attendance, and types of schools. Rather, the average age at which men of these two ethnic groups graduate from college is another dimension in which Westerners have a clear advantage over Easterners. The former complete their college education earlier in life than the latter, and this difference has far reaching implications for earnings gaps. The earlier one invests in college education, the more years he can expect to receive returns for his investment, and the higher his lifetime earnings. We will elaborate on this issue in the next section where we present the descriptive statistics regarding earnings of the two ethnic groups.

*Earnings.* The overall ratio in annual earnings between Easterners and Westerners decreased from .79 in 1975 to .70 in 1982 and to .68 in 1992 (Table 1.2). The increasing gaps in earnings between the two ethnic groups is surprising given that the educational gaps have not widened during this period, but rather narrowed, albeit not by much. Much of the increase in the earnings gaps has occurred during 1975–1982. During 1982–1992, the earnings gap decreased among some age groups and increased among other groups, especially the older age groups.

The gaps among older age groups are the most revealing, since they reflect differences when workers are at, or near, their peak earnings profiles, and may thus serve as an indication of what is expected in future years of younger cohorts. We thus present in Table 1.2 earnings data for three five-year cohorts born between 1943 and 1957. Members of the youngest cohort were born during 1953–1957, and were 25–29 years old in 1982. In that year, the average Eastern worker had annual earnings that were 87 percent of the earnings of the average Western. Ten

years later, in 1992, when members of this cohort were 35–39 years old, they earned only 60 percent of their Western counterparts. The experiences of the other two cohorts of second generation Eastern men was similar: when they were relatively young, in 1975, they earned 88–92 percent of their Western counterparts. After seven years, in 1982, when they were 30–39 years old, their relative earnings dropped to only 68–77 percent of Westerners' average earnings, and the percentages sank to 61–69 when they reached their peak earnings in 1992, when they were in their forties.

That in 1982 and 1992, but not in 1975, there were earnings differences between college-educated Western and Eastern Jews (bottom of [Table 1.2](#)) deserves further analysis. It could be that the gap in years of schooling between Western and Eastern men of at least college education has widened between 1975 and 1982. We have checked this possibility, and the results suggest that we can safely reject it.<sup>8</sup> We believe that part of the explanation for this finding is rooted in the age gaps at which Western and Eastern men complete their college education in the 1980s and 1990s compared to the 1970s. While in the 1970s we detected almost no ethnic differences in the ages of college graduation, by 1982 and 1992 Easterners got their college degrees at an older age than Westerners. Consequently, at any given age, the latter have more years of experience as college graduates, and therefore higher wages than the former.

Taken together, the results regarding men's earnings suggest a few trends. First, the earnings gaps during the years 1975–1992 have been widening. Second, in all three surveys earnings gaps are larger among older workers, who are at their peak earnings, than among younger workers. Third, earnings gaps among those with at least a B.A. degree that were nonexistent during 1975, started to develop during the late 1970s and 1980s. Finally, although much of the increase in the earnings gaps is the result of the seven-year period, 1975–1982, earnings gaps among the older age groups have continued to increase in the 1980s and early 1990s.

These trends, we believe, are primarily the result of two processes, one demographic, the other economic, affecting Israel during 1975–92. The demographic change affecting the earnings gap between the two ethnic groups is that they reached maturity by 1992. In 1975, the average ages of second generation Eastern and Western men in our sample were 32.6 and 35.2 years, respectively. By 1992, both groups had aged, reaching average ages of 37.3 for Easterners and 38.7 for Westerners. Thus, during this period, both groups aged and the difference between them narrowed. These changes, most likely, have affected the gaps in opposing directions. Since earnings are positively correlated with age and experience, the narrowing of the age difference between Western and Eastern Israelis probably attenuated the overall earnings gap between the two ethnic groups. But since the *rate* at which earnings increase with age and experience is positively correlated with schooling, the aging of both groups resulted in a larger earnings increase to Westerners than to Easterners. That the overall earnings gap increased during 1975–1992, suggests that the small attenuation of the schooling and age gaps between the two ethnic groups were not large enough to offset the earnings growth of the better-educated men. Thus, as long as there will be substantial schooling differences between Eastern and Western Jewish men, we can expect the earnings difference between them to grow with age until both groups reach their peak earnings.

While aging is no doubt partly responsible for the increase in the overall earnings gap between Eastern and Western Jews, it cannot explain the increase in the earnings gap *within* age groups. The main economic factor affecting the gaps during the years 1975–1992 is increasing income inequality in Israel. Between 1975 and 1982, the Gini coefficient for salaried households increased from .28. to .32 (Israel Central Bureau of Statistics 1983). By 1992, it



reached .35 (Israel 1993). This increase in inequality reflects many changes in the Israeli economy and society during that period, the most important of which for the purpose of the present study, is the increase in the returns to schooling. In 1975, men with less than college degrees earned 78 percent of men with at least a B.A. degree. The respective figure for 1982 is 65 percent, and for 1992, 57 percent (data not shown). Once again, it appears that the small improvements in the relative schooling of Easterners during 1975–1992 were too late and too little to offset the effect of increasing returns to higher education, which are partly responsible for the increase in the earnings gap between Western and the less educated Eastern men of the same age.

## **Women**

To examine whether or not the gaps among women are narrowing faster than among men, we compare the trends in the ratios (Eastern/Western) of the three variables (years of schooling, percent with at least a B.A., and annual earnings) for both gender groups over time. [Tables 1.2](#) and [1.3](#) are designed to this end—the figures for women are presented below those for men. It appears that there are no major gender differences in closing the ethnic schooling gap, although the improvement among the entire age group, 25–54, is a bit larger among women. Thus, Eastern women improved their overall ratio from .74 in 1975 to .84 in 1992. The respective figures for men are .77 to .82. Likewise, with respect to college graduation, the improvement among women, from .19 to .28, is larger than among men, from .24 to .27. While the ratios in 1992 are similar for both men and women, women started from a lower ratio in 1975. This implies that the rate at which Eastern women have been narrowing the college gap with Western women is faster than the rate at which their Eastern brothers have been closing the same gap. However, the major improvement in the ratio among women was achieved between 1975 and 1982. During 1982–1992, there are no appreciable differences between men and women with respect to the rate at which they closed the educational gap with their Western counterparts.

Examining the results by age cohorts ([Table 1.3](#)), there is one difference deserving consideration: While among men, the ratio for those with college degrees improves more in the older age groups, the opposite is true for women. This suggests that on the average, college-educated Eastern women obtained their degrees earlier in life than their Western counterparts, while the situation among men is reversed—Eastern men earn their degrees later than Western men.

Perhaps this fact is partly responsible for the results regarding the earnings gap. While the gap between men of the two ethnic groups widened significantly, from .79 in 1975 to .68 in 1992, the ratios among women have been similar for the entire period—.79 in both 1975 and 1982 and .80 in 1992 ([Table 1.2](#)). In fact, among women 25–54 years old, the earnings gaps are smaller in 1992 than in 1975, while among men of the same ages the gaps in 1992 are much larger than in 1975. Moreover, college-educated Eastern women not only closed the gap between them and Western college graduates, but actually surpassed their Western counterparts by 1982 and 1992 (bottom of [Table 1.1](#)). These findings are in accordance with previous research (Semyonov and Kraus, 1983; Semyonov and Lernerthal 1991) suggesting that the crowding of women within a small number of occupations does not enable a large variation in earnings between ethnic groups among women.

In sum, while both gender groups somewhat attenuated the ethnic educational gap during 1975–1992, the ethnic earnings gap among men has increased, whereas among women it has decreased during this period. We mentioned above three processes responsible for the increase



in the earnings gap among men during this period—aging, rising inequality through rising returns to college education, and age at college graduation. Apparently, the first two factors hardly affect the ethnic earnings gap among women, and the third affected it in the opposite direction. Among women, unlike men, Easterners are those who complete their university education at a relatively young age. This being the case, age at college graduation does not contribute to widening the earnings gap among women.

Both salaried women and men aged similarly during 1975–1992. Moreover, both Eastern men and women attenuated the age gap with their Western counterparts similarly. But since women’s earnings-age profiles are flatter than men’s, aging does not result in larger earnings gaps among them as it does among men. This can be seen in [Table 1.3](#), where earnings of cohorts are being reported. The ratios indicate that the earnings gaps among men are widening significantly with age, while for women the rise in the gaps is relatively modest. In short, while among men the effect of aging on the earnings of the more educated surpassed the effect of narrowing the age gap between the ethnic groups, the two effects apparently canceled out each other among women.

Likewise, the increase in overall inequality in Israeli society and in the returns to college graduation affected men much more than women. Among men, workers without a college degree experienced a sharp relative decline in their earnings—from 78 percent of their college graduate counterparts in 1975, to 57 percent in 1992. Among women, the decline was relatively modest, from 78 percent in 1975 to 70 percent in 1992. Thus, it appears that the rise in the Gini coefficient for households, reported above for the period 1975–1992, has been affected mostly by the rise in Western men’s earnings. This can be shown by observing changes in women’s earnings as a percentage of men’s earnings within ethnic groups. Among Easterners, women’s earnings as a percentage of men’s earnings were stable at 58 percent for the entire period. Among Westerners, the respective percentages declined from .58 in 1975 to .49 in 1992. Put differently, if we consider Western men as the benchmark for other ethnic-gender groups in Israel, we conclude that the earnings gap between this benchmark and all other groups has increased between 1975 and 1992.

## Regression Results

### *Men*

So far we have focused on ethnic gaps in schooling and their possible effects on gaps in annual earnings. However, earnings gaps may be due to other factors in addition to education. For example, it is possible that part of the ethnic gaps in annual earnings are due to differences in hours of work, experience, and other such productivity-related variables. To examine this question, we first ran OLS wage regressions for Western and Eastern men and women for the years 1975, 1982, and 1992 (a total of 12 equations). The dependent variable in the regression equations is the natural logarithm of hourly wage.<sup>9</sup> The independent variables in the equations are years of schooling, a dummy variable coded “1” if the person holds at least a B.A. degree, experience,<sup>10</sup> experience squared, a dummy variable coded “1” if the person is married, and a dummy variable coded “1” if the person immigrated to Israel as a child, as opposed to being born there (Appendix A presents the results of the regressions).

**TABLE 1.4**  
**Percentages of In Hourly Earnings between Second Generation Western and Eastern Salaried Workers by Gender, 1975, 1982, and 1992<sup>a</sup>**

Gender:	Men			Women		
	1975	1982	1992	1975	1982	1992
total gap <sup>b</sup>	.21	.31	.34	.38	.28	.26
Total gap in percent:	100%	100%	100%	100%	100%	100%
Years of schooling	81	40	43	90	58	61
B.A. +	-6	22	22	-6	0	15
Exp., exp. <sup>2</sup>	-6	-5	-9	-3	-1	-5
Married	4	3	0	4	0	0
Immigrated as child	0	2	0	2	4	2
Total "explained" gap	73	62	56	87	61	73
Total "unexplained" gap <sup>c</sup>	27	38	44	13	39	27

<sup>a</sup> Table reads: the differences in the average years of schooling between Western and Eastern men in 1975, 1982, and 1992 account for 81, 40, and 43 percent of the differences in their In Hourly wages in these years, respectively. The differences in average years of schooling between Western and Eastern women account for 90, 58, and 61 percent of the differences in their In Hourly wages in these years, respectively.

<sup>b</sup> These gaps are based on geometric means, not on actual earnings.

<sup>c</sup> The total unexplained portion of gap for men when Easterners serve as the base group are 25 percent for 1975, 43 percent for 1982, and 26 percent for 1992. The comparable figures for women are 20, 10, and 8 percent.

The regressions were run for one purpose only: to estimate the proportion of the wage gap between Westerners and Easterners that is due to each variable, as well as the proportion of the gap which has remained "unexplained." To this end, we used Oaxaca's (1973) method for decomposing the gaps in average earnings between the two ethnic groups. This was done for men and women separately. Thus, in each year, Eastern men are being compared to Western men, and Eastern women to Western women.<sup>11</sup>

Table 1.4 presents the results of the decompositions in percentages. The first three columns present the results for men. The main variable responsible for the earnings gap in 1975 is years of schooling (but not a B.A. degree). By 1992, the same variable is still the most important for explaining the ethnic gap in hourly wage, together with the B.A. degree. Ethnic differences in other variables have virtually no effect on the earnings gap (marital status and immigrating as a child) or a small negative effect (experience). The two measures for education (years of schooling and a B.A.), however, explain a larger portion of the total gap in 1975 than in both 1982 and 1992. In fact, all variables included in the models explain nearly three-quarters of the total gap in 1975, less than two-thirds in 1982, and even less than that in 1992. Put differently, fully 44 percent of the hourly wage gap between Western and Eastern men remains "unexplained" by the variables included in the model in 1992. This is a sizable portion, larger

than the unexplained portion found in 1982 (38 percent), and also larger than the unexplained portion in 1975 (27 percent).

The unexplained portion of the earnings gap may be due to ethnic differences in omitted variables (variables not included in the analysis such as quality of education, actual job tenure, actual years of experience). Had such variables been included in the analyses, they may have accounted for at least part of the unexplained portion of the earnings gap between the groups. In addition to omitted variables, measurement errors in the variables included in the analysis could also be responsible for part of the unexplained portion of the gap. Only if models are well specified (i.e., include all the relevant variables), and are free of measurement errors, may one conclude that the unexplained portion of the earnings gap is due to labor market discrimination (Cain 1986).

To be sure, no study, and ours is no exception, is totally free of measurement errors, nor from the probability that some omitted variables could lower the proportion of the unexplained gap, and thus the estimated portion of the gap which is due to labor market discrimination. However, to the extent that our models suffer from these problems, it is reasonable to assume that the effects of most omitted variables (e.g., quality of schooling, job tenure) were similar in the three surveys.<sup>12</sup> Likewise, there is no reason to expect larger measurement errors in the earnings survey of 1992 than of 1975, as the data sources we use are similar. We should therefore pay more attention to the *increase* in the unexplained portion of the gap during the period 1975–1992 than to the actual percentages, as the rise in this portion is probably net of measurement errors and most omitted variables.

Having said that, we cannot rule out the possibility that the effects of some omitted variables are indeed larger in 1992 than in previous years. In the case of men, the likely candidates are omitted variables associated with age at college graduation and aging. Consider, for example, the role of social networks for getting high paying jobs (Granovetter 1995). Assuming that Westerners' networks of friends lead them to better jobs and earnings than Easterners' networks, and given the evidence that such networks are more important among older workers than among younger workers (Granovetter 1995), it is possible that part of the growth in the proportion of the unexplained variance between 1975 and 1992 is associated with this omitted variable.

This being the case, all we may conclude is that there is *greater possibility* that discriminatory practices against Eastern men exist in the Israeli labor market of 1992 than is true for 1982 or 1975.

## **Women**

The last three columns of [Table 1.3](#) present the results of the decompositions for women. The two measures for educational level account for about the same proportion of the gap among women as among men. Also similar to men, ethnic differences in other variables hardly account for the earnings gap between Western and Eastern women.

The unexplained portion of the earnings gap among women has increased from 13 percent in 1975, to 39 percent in 1982, and then declined to 27 percent in 1992. The interpretation of the unexplained gap in the case of women is the same as for men. For evaluating whether there is labor market discrimination, changes in the unexplained portions are more important than the actual percentages in a specific year, assuming no major changes over time in the effects of omitted variables and measurement errors.<sup>13</sup>

Thus, while among men the figure for the unexplained portion of the variance is the largest in

1992, thereby supporting the conclusion that the role of ethnicity, and perhaps of discriminatory practices, may have increased between 1975 and 1992, for women there is no consistent trend in the direction of the unexplained portion of the gap. Thus, we may conclude that the existence of ethnic discrimination among Jewish women is less likely than among Jewish men.

This conclusion is consistent with previous research in Israel as well as in the United States. In both countries, ethnic-linked socioeconomic differences were found to be much smaller among women than among men (Almquist 1975; Haberfeld 1992; Semyonov and Kraus 1983), probably due to women's concentration in a few occupations, as well as to gender-based discrimination—two related processes that affect women similarly, regardless of ethnicity (Lieberson and Waters 1988; Semyonov and Lerenthal 1991).

## Conclusions

Israeli-Jewish society is characterized by an ethnic cleavage between Jews who immigrated to Israel from Europe and America, and those immigrating from Asia and Africa. The gaps between the two immigrant groups with respect to the main socioeconomic measures, education, and earnings seem to be as persistent among second generation immigrants as among the immigrants themselves.

The results presented in this chapter suggest that in spite of a slight narrowing of the ethnic gap in schooling—the main factor affecting earnings in the three survey years—the overall earnings gap between second generation Eastern and Western Jewish immigrant men has increased between 1975 and 1992. The increase in the earnings gap among men, despite the narrowing of the schooling gap, is rooted in three processes affecting the Israeli society and economy during this period: first, the aging of both ethnic groups, second, the increase in the returns to college education, and third, the tendency of Easterners to complete their college education later in life than Westerners. These processes affected men more than women, and therefore, the ethnic earnings gaps among women are smaller than among men, and the gaps have not appreciably changed during the period 1975–1992.

Education is the main factor affecting earnings for both men and women during the entire period. However, the proportion of the ethnic earnings gap, which remains unexplained by all variables included in our analysis for 1992, is nearly half among men, but only about one-quarter among women. The 1992 figure for men is higher than the figures in either 1975 or 1982, whereas for women, there is no consistent trend in the direction of the unexplained variance. These results suggest that the importance of ethnicity in earnings determination among workers of similar characteristics has increased during the last decade among Israeli Jewish men, but not among women.

What could explain the relatively weak effect of ethnicity on Israeli women? It seems that in Israel, as in the United States, the answer is rooted in gender-based processes that are far more important than ethnicity. As Lieberson and Waters (1988, p. 133) explain regarding differences in occupations among U.S. ethnic/racial groups: “the ethnic/racial effect is muted for women [compared to men] because they are already concentrated in certain occupations by virtue of the fact that they are women—gender differences in occupational distributions has a much stronger effect for women than do ethnic/racial effects.” Discussing ethnic/racial income differences among men and women, Lieberson and Waters (1988, p. 139) conclude that “the color line is less sharply defined for women than for men.”

Taken together, the rising importance of the ethnic factor in Israel among men, combined with little changes over time in gender-based occupational segregation (Cohen, Bechar, and Raijman 1987) and pay discrimination (Haberfeld 1996) are responsible for changes in the relative positions of the four Jewish groups in Israeli society. Specifically, the earnings gaps between the favored group in the society-Western men-and the three other groups under consideration-Western women, Eastern men, and Eastern women-have widened during the period 1975–1992, while the gaps within these three less advantaged groups have remained stable.

## **Acknowledgments**

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## **Appendix**

**Coefficient Estimates of In hourly Wage Regressions for 1975, 1982, and 1992: Second Generation Western and Eastern Salaried Men and Women (standard errors in parentheses)**

Gender:	Men						Women					
	1975		1982		1992		1975		1982		1992	
Ethnic group:	Western	Eastern	Western	Eastern	Western	Eastern	Western	Eastern	Western	Eastern	Western	Eastern
Variable:												
Yr. of schooling	.059*** (.007)	.044*** (.007)	.039*** (.009)	.057*** (.010)	.055*** (.009)	.083*** (.010)	.107*** (.011)	.083*** (.011)	.067*** (.013)	.110*** (.013)	.068*** (.009)	.085*** (.009)
B.A.+	-.060 (.059)	.173** (.086)	.267** (.062)	.024 (.081)	.255*** (.055)	.173** (.077)	-.141* (.076)	.035 (.162)	.006 (.070)	-.038 (.111)	.138*** (.047)	.189*** (.070)
Experience	.026*** (.007)	.005 (.009)	.025*** (.011)	.005 (.013)	.067*** (.010)	.026** (.011)	.026*** (.009)	-.027* (.014)	.022* (.012)	.025* (.014)	.051*** (.008)	.023*** (.008)
Exp. <sup>2</sup> (x100)	-.035** (.017)	.012 (.021)	-.035 (.028)	.028 (.029)	-.001*** (.027)	-.016 (.024)	-.047* (.023)	.088** (.034)	-.047* (.003)	-.057* (.034)	-.087*** (.023)	-.022 (.020)
Married	.208*** (.058)	.194*** (.049)	.412*** (.079)	.162*** (.061)	.160*** (.061)	.257*** (.055)	.136** (.054)	.163*** (.058)	.146** (.057)	.176*** (.063)	.031 (.042)	.130*** (.044)
Immig. as child	.002 (.033)	.039 (.038)	-.029 (.047)	.051 (.041)	-.005 (.049)	-.026 (.047)	-.018 (.044)	.006 (.058)	-.039 (.052)	.007 (.055)	-.029 (.043)	.012 (.046)
Constant	1.12	1.38	3.03	3.12	1.28	1.13	.558	1.12	2.90	2.24	1.18	1.08
R <sup>2</sup> (adjusted)	.168	.148	.185	.109	.248	.183	.22	.284	.098	.250	.189	.181
F ratio	24.0***	16.6***	25.2***	14.5***	44.9***	37.0	26.7***	19.0***	10.5***	23.2***	33.7***	32.2***
Number of cases	686	540	639	662	799	963	548	273	526	399	843	847

## Notes

1. Israeli Arabs are not considered in this chapter because they are not second generation immigrants, and they operate in a different labor market than that of Jews. See Lewin-Epstein and Semyonov (1993).
2. Since this chapter is concerned with second generation Jews, we are not concerned with immigration to Israel after 1978.
3. The results for education are appreciably the same if we include in the analysis those not in the labor force. Over 85 percent of Israeli-born men, 25–54 years old, participated in the Israeli labor force during these years. The participation rates among Israeli-born women of these ages are 55, 67, and 76 percent for 1975, 1982, and 1992, respectively (Israel 1993).
4. The results for both earnings and education are appreciably the same if we omit these children.
5. Data on county of birth for mother is not available.
6. The results for both earnings and education are appreciably the same if we omit third generation Israelis from the sample.
7. Although the data are not longitudinal in the sense that the samples include different individuals each year, we follow standard procedures of synthetic cohort analysis. This



procedure takes advantage of the fact that the samples are representative, and thus, it is possible to track cohort characteristics over time. For example, those 25–34 in 1982 are ten years older in 1992. Increases in the schooling of those 35–44 in 1992 compared to those 25–34 in 1982 thus represent schooling attainment by members of this cohort during the ten-year period.

8. The ethnic differences in years of schooling between those with at least a college degree were not larger in 1992 than in 1975 or 1982.
9. The results were appreciably the same when we used annual earnings as the dependent variable and included annual hours of work in the regressions.
10. Since Income Surveys do not include actual years of labor market experience, we measure experience as “age-years of schooling-6.” This is a better proxy for years of labor market experience among men than among women. Men tend to join the labor force immediately after completing their schooling or military service. By contrast, women are more likely to delay entry to the labor force, and/or experience voluntary work interruptions. While admittedly crude, we have elected to use this measure for women (rather than age in years) in order to have the same models for both gender groups. Ethnic differences in participation rates are negligible among men. Western women have about 5–8 percentage point higher rates of participation than Eastern women of similar ages (Israel 1993). However, among working men and women, there are no major ethnic differences in hours of work (data not shown).
11. The main drawback of the method proposed by Oaxaca (1973) is that the estimated effects may vary depending on the group chosen to serve as the benchmark group (see Jones and Kelley [1984], and Fishelson [1994] for a review of various decomposition techniques). To surmount this difficulty, we decomposed the gap each year twice: once with Westerners serving as the base-group, and once with Easterners serving as the base-group. In the interest of clarity, we follow the convention and present in [Table 1.4](#) the results where the superior group (Westerners) serves as the base group. However, we provide (in note ‘c’ to [Table 1.4](#)) the estimate for the “unexplained” portion of the gap which is obtained by using Easterners as the benchmark group.
12. Another such variable that we have decided not to include in the regressions is occupation. Since hourly wages are correlated with occupational status, one could argue that ethnic differences in occupations should be added to the “explained” portion of the gap, thus reducing the total portion of the “unexplained” gap, and hence the estimate for the level of discrimination. We have elected to follow the convention of discrimination studies that do not include occupations, as it is possible that entry to occupations is not free of discrimination. However, the general trend of the results remains the same when we included dummies for ten occupations and ten industries in the model. In these models the proportion of the unexplained gap among men increased from 8.4 percent in 1982 to 36.9 percent in 1990 (data not shown). The low figure for 1982 partly explains why previous research relying on data from the early 1980s and including occupational status in the models did not detect differential labor market treatment of Eastern Jewish men in the 1980s.
13. Changes in the effects of omitted variables associated with age at college graduation and aging are less likely among women than among men.

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## 2

# Segregation, Tracking, and the Educational Attainment of Minorities: Arabs and Oriental Jews in Israel

*Yossi Shavit*

In ethnically stratified societies, privileged ethnic groups usually attain higher average educational levels than members of subordinate ethnic groups. Several factors underlie this pattern. First, educational attainment is enhanced by privileged social origins, and students from advantaged ethnic origins benefit from the educational, occupational, and economic attainments of their parents. Second, dominant social groups use the educational system to secure their privilege across generations. By virtue of their cultural and political domination, educational selection is based on criteria that favor their offspring (Collins 1979). Third, dominant ethnic groups may control the political processes by which school systems are funded and structured and are able to promote those schools or educational districts attended by their children (Lieberson 1980, ch. 6). As a result of these factors, students from advantaged social origins do better in school and obtain more schooling, which, in turn, enables them to obtain more desirable occupations.

In industrialized societies, successive cohorts are staying in school longer. As the completion of primary and secondary education becomes universal, these levels of schooling lose their allocative role in the occupational attainment process since educational credentials are valued in the labor market only if they are scarce. Thus, higher education becomes increasingly important for occupational attainment (Featherman and Hauser 1978; Kraus and Hodge 1990).

When subordinate groups succeed in penetrating the educational hierarchy and attain a given level of schooling in large numbers, the dominant groups move up to the next level, preserving their relative advantage. In some cases, the disadvantage of subordinate minorities in the educational attainment process is perpetuated by tracking or other forms of organizational differentiation (Shavit 1984; Karabel 1972). The availability of non-academic tracks at the secondary level enables minorities to attain secondary education, but also serves as an obstacle to advancement into higher education. Consequently, ethnic differences in educational attainment

should be most pronounced at the highest levels of the educational hierarchy, at levels that are most valuable in the attainment process.

Arabs are a subordinate ethnic group in Israel. Until recent decades, the majority of Arabs was illiterate. Since the 1950s, school attendance rates have increased dramatically. In recent cohorts, nearly 90 percent of Arab-Israeli males have completed primary education, over 50 percent have completed secondary education, and nearly 20 percent were attending post-secondary education. These levels have been achieved despite the small per capita share of resources allocated to the Arab educational system, the less privileged social background of most Arab students, and the linguistic handicaps they suffer in the Hebrew universities. The proportion attending post-secondary education is now somewhat higher for Arabs than for Oriental Jews (Nahon 1987; Shavit 1989), a pattern that has emerged despite massive efforts to advance the education of Oriental Jews. This study aims to identify the structural factors that enable an underprivileged minority to “jump queue” in the educational attainment process.

## **Arab and Jewish Minorities in Israel**

Israel is a multiethnic society consisting of Jewish ethnic groups from different countries (e.g., Moroccans, Russians) and three major Arab religious groups (Moslems, Christians, and Druse). Approximately 83 percent of the Israeli population is Jewish and the remainder is Arab. The Jewish population is divided about equally between Orientals (those of Asian or African origin, primarily from Morocco, Iraq, and Yemen) and Ashkenazim (originating in Europe, primarily from Russia, Poland, Rumania, and Germany). About 75 percent of the Arab population are Suni Moslems, about 15 percent are Christians of various denominations, and about 10 percent are Druse (Central Bureau of Statistics 1985).

Jews are clearly the dominant group in Israel. The political system is aimed at the realization of Jewish national interests and aspirations, and is much more responsive to claims made by Jews than by Arabs. Jews enjoy a greater relative and absolute share of the resources allocated by the state (Al-Haj and Rosenfeld 1990), and enjoy more favorable occupational and educational opportunities (Zureik 1979).

Within the Jewish population there are important socioeconomic and class differences between the Ashkenazim and Orientals. The former are more privileged, are over-represented in positions of political power and in the professions, and their income is higher than that of the other groups. Oriental Jews are less educated on the average than Ashkenazim and are typically concentrated in lower white-collar and skilled blue-collar occupations (Smootha 1978).

### ***The Arabs***

In 1947, the year before Israel attained political independence, in the area that was to become Israel, the Arab population numbered about 650,000. Of these, about half a million, including many of the better-educated, urban, and well-off Arabs, crossed the borders into Lebanon, Syria, Trans-Jordan, and Egypt during the war of 1948 (Kayman 1984). The literacy rate was very low in the population that remained.

The Moslems and Druse in Israel are reaching the end of an important transition from a primarily agricultural to a proletarian society. Before World War I, an overwhelming majority of Moslems and Druse lived in small villages and engaged in small-scale agriculture. Since World War I, there has been a gradual proletarianization of this population that has accelerated since

the mid-1960s (Carmi and Rosenfeld 1974). Urbanization was not part of this process, and most Arabs still live in separate villages or small towns and attend Arab-language schools.

Christians are the more “modern” of the Arab groups—they are more urban, more highly educated, and their fertility rate is lower (Matras 1985). About half of Christian Arab students attend church-affiliated schools. These schools have a reputation for higher standards of instruction than the public schools.

### ***The Oriental Jews***

Until the late 1940s, the Jewish community of Palestine (later Israel) consisted primarily of European Jews. However, about half the immigrants who arrived later came from the Middle East and North Africa. These Oriental Jews differed from Jews of European origin in several important respects: their families were larger, their educational levels lower, and they lacked technical skills. Since the mass immigrations, there has been a strong correlation between ethnic origin and various dimensions of social stratification within the Jewish community (Smooha 1978; Smooha and Kraus 1985).

Initially, it was believed that ethnic inequalities were temporary and would disappear as the newcomers from Asia and North Africa assimilated the norms and educational patterns of the host society (Ben-David 1952; Eisenstadt 1967). However, recent research has demonstrated that in the thirty years since the mass immigration, ethnic gaps in occupational distributions and in income have not been reduced and in some instances have even increased (Bernstein and Antonovsky 1981; Nahon 1984, 1987). During the 1950s, many Asian-African immigrants were settled in new so-called “development towns” and villages. Although some of these communities contained a mix of immigrants, others were ethnically quite homogeneous. The disproportionate concentration of Oriental Jews in predominantly Oriental and often peripheral communities accounts for some of their soci-economic disadvantage relative to Ashkenazim (Spilerman and Habib 1976).

### ***Arab and Oriental Education***

Soon after the Oriental immigration began it became apparent that the average scholastic aptitude of Oriental pupils was lower than that of Ashkenazi pupils by a full standard deviation (Ortar 1967). Since then, the social advancement of Oriental Jews, especially their educational attainment, has been the subject of great concern in the political system. Ethnic integration of schools and enrichment and Head Start programs are examples of measures taken to raise the educational level of Oriental Jews (Peleg and Adler 1977). Various measures were aimed at increasing their rates of high school completion. During the 1950s and 1960s, when large proportions of Oriental children were dropping out at the primary level, the Ministry of Education issued a regulation that Orientals could pass the eighth grade National Standardized Seker Examinations at a lower threshold than was applied to Ashkenazim. Later, junior high schools were introduced in the hope that a 6+3+3-year system would ease the transition from primary to secondary education and reduce the drop-out rate of the old 8+4-year system. During the 1960s and 1970s, vocational tracks at the secondary level were expanded in order to provide low-aptitude students (which was almost synonymous with “those of Oriental origin”) with alternatives to the demanding academic college preparatory tracks. These programs resulted in a sharp increase in the rates of reaching and completing secondary education and in recent cohorts almost 85 percent of Oriental Jews complete some form of post-primary education. Efforts to

enhance attendance of Orientals at the post-primary level have not been translated into gains in higher education. Most Oriental secondary school students attend tracks that do not prepare them for the national matriculation examinations that are necessary for admission into most forms of higher education. Thus, despite the increase in the rate of post-primary education, the proportion entering higher education has remained stable at about 15 percent as compared with about 40 percent for the Ashkenazim.

Arab education, on the other hand, lacked any such massive efforts for the advancement of its students. There is very little tracking in the Arab system—over 80 percent of Arab secondary school students follow an academic track and over 50 percent sit for the matriculation examinations. Among Oriental secondary school students, only 25 percent are enrolled in academic tracks and fewer than 20 percent sit for the matriculation examinations.

Large gaps exist between the facilities and personnel available to the Jewish and the Arab educational systems. In the Jewish elementary schools, the pupil/teacher ratio is about 27:1 while in Arab elementary schools it is 35:1. The mean number of pupils per classroom in Jewish elementary schools is 25.8. In Arab elementary schools it is 31.1. The student/teacher ratios in Arab and Jewish secondary schools are 18:1 and 11:1, respectively (Central Bureau of Statistics 1986, p. 13). Until the late 1970s, inequalities between the two systems also extended to the qualifications of teachers. During the 1974–75 school year, over half of teachers in Arab primary schools were not certified to teach as compared with about 15 percent of teachers in Jewish schools.<sup>1</sup>

In view of their caste-like position in the Israeli social structure and their poorly financed school system, it is not surprising that the educational attainment of Arabs in Israel is low in comparison with that of Jews. The median years of school completed by Arab and Jewish men born in the late 1950s is 9.6 and 12.9, respectively (Central Bureau of Statistics 1987, pp. 572–3). (Although increasing rapidly, the school attendance rates of Arab women are still low at all levels).

Why do Oriental Jews fail to attain rates of higher education enrollment commensurate with their more privileged position in the Israeli social system? Conversely, how do Arabs, especially Moslems,<sup>2</sup> manage to attain post-secondary education at rates exceeding those expected on the basis of their socioeconomic characteristics and structural position in Israeli society?

## **The Competition Hypothesis**

A recurring theme in the literature on ethnic relations is that ethnic minorities may derive some benefits from residential segregation or social isolation from the dominant social groups. For example, Wilson and Portes (1980) show how minorities benefit economically from an enclave economy that shields them from exploitation by super-ordinate groups. Similarly, Hout (1986) argues that residential segregation of blacks in the United States and Catholics in Northern Ireland has enabled these groups to develop middle-class niches within otherwise disadvantaged labor markets. In the sphere of education, segregation and integration of ethnic groups and races exert conflicting influences. On the one hand, minority students who are schooled in segregated settings seem to develop a more favorable self-image and higher aspirations than those who must compete with more privileged students in integrated schools (Rosenberg and Simmons 1972). On the other hand, integration of minority students with students of privileged social origins seems to enhance their cognitive achievement (Dreeben and

Gamoran 1986).

In a comprehensive attempt to understand ethnic and racial differences in educational attainment, Ogbu (1983) distinguishes three types of minorities: Autonomous, Immigrant, and Caste. Autonomous and Immigrant minorities enjoy a cultural autonomy which shelters them from discrimination, and enables them to avoid direct contact with and internalization of their negative stereotype held by members of the dominant groups. In short, they benefit from their cultural, if not geographic, isolation from the dominant groups, and their children tend to succeed at school. These groups often maintain separate educational systems and their members need not compete with the dominant groups in the educational process. A familiar example is the role that parochial education has played in furthering the educational attainment of Catholic ethnic groups in the United States (Greeley and Rossi 1966).

In contrast to these ideal-type minorities who typically do well in school, Caste minorities exhibit persistent failure in school and are heavily concentrated at the bottom of the occupational and economic hierarchies. Caste minorities have usually been incorporated into the host society involuntarily, through slave trade or conquest for example. They are subjected to discrimination and are dependent on the wider, national economy for their livelihood. Caste minorities have no way out of their situation because discrimination blocks upward mobility and return immigration is not possible. Since occupational mobility is blocked to them, school success is not valued and they lack the motivation to invest in schoolwork.

Israeli Arabs exhibit some characteristics of Caste minorities: they have been incorporated into Israeli society involuntarily, they are subjected to discrimination, and they are highly dependent on the Jewish majority for their livelihood (Lustick 1980). At the same time, their residential segregation may enable them to avoid direct competition with Jews, especially in the sphere of education. Semyonov and Tyree (1981) compare the socioeconomic attainment of Arabs and Oriental Jews. When place of residence and socioeconomic background are controlled, Arabs obtain more schooling and more prestigious occupations than Oriental Jews, and they suggest that this is due to the fact that Orientals must compete with Ashkenazim in the same school system and in the same labor markets. Orientals are bound to lose in the educational competition with Ashkenazim because their average level of scholastic aptitude is much lower. On the other hand, the isolation of Arabs in a separate system shields them from competition with Jews, although Semyonov and Tyree do not test this interpretation.

The competition hypothesis cannot be tested directly because all Arabs attend separate schools. However, it can be tested for Oriental Jews, some of whom live in segregated communities while others are integrated with Ashkenazim. Therefore, I predict that Orientals who are educated in integrated settings (with Ashkenazim) are less likely to enroll in successive school levels than those educated in towns with a large Oriental majority.

## **The Tracking Hypothesis**

The Arab secondary educational system is predominantly academic and about 80 percent of Arab high school students are enrolled in this track. It has been argued that the availability of vocational education in the Hebrew system and the disproportionate placement of Orientals in vocational tracks accounts for some of the Oriental/Ashkenazi disparity in educational and occupational attainment (Shavit 1984; Swirsky 1981). I predict that the absence of vocational tracks in the Arab educational system explains the high Arab transition rate from secondary to

higher education and that when educational track is statistically controlled, the Arab advantage in these transition probabilities will diminish.

## **Data**

Two data sets are employed in this study. The first is a life-history study of a representative sample of 2,144 Jewish men born in 1954 who were interviewed in 1980–81 (Matras, Noam, and Bar-Haim 1984). The interview consisted of extensive questions on the respondent's educational, occupational, and residential histories and his social background. These data were combined with data from military personnel files that include measures of cognitive ability. Respondents who immigrated to Israel after age 13 and who were therefore educated abroad were excluded from the analysis.

The second data set includes 760 Arab men born in 1954 who were interviewed in 1987. These data were collected for the specific purpose of achieving close comparability with the Jewish data. However, military data files are not available for the Arab respondents, since most Arabs do not serve in the Israeli military. Druse respondents were excluded from the analysis because there are not enough of them in the data set. The variables employed in the analysis are described in [Table 2.1](#).

## **Findings**

The means and standard deviation of the variables for each ethnic group are presented in [Table 2.2](#). The data demonstrate the Ashkenazi advantage over the other groups in background variables and cognitive ability. The mean years of school completed for Moslem parents are the lowest of the four groups and their families are the largest.

**TABLE 2.1**  
**Definition of Variables**

Variables	Description
Father's and mother's education	Years of schooling completed by father and mother respectively.
Moslem, Christian	Dummy variables indicating Arab respondent's religion.
Oriental Jews	A dummy variable.
Siblings	Number of respondent's siblings.
Ability	A measure of verbal ability obtained from military screening tests (available for Jews only).
Community composition	A dummy variable indicating that 75 percent or more of the population aged 14–17 in respondent's place of resident at age 16 were Orientals, calculated from the 1972 census file.
Years attended	Years of school attended.
Academic track	A dummy variable indicating that respondent attended secondary education in a university-bound track.
Some secondary, secondary, post-secondary	Dummy variables indicating that respondent attended some secondary education, completed secondary education, or attended some post-secondary education, respectively.
Diploma	A dummy variable indicating that the respondent obtained the matriculation diploma.

Average background characteristics of Christian Arabs and Oriental Jews are similar. Of respondents with secondary school experience, the proportion that enrolled in an academic track is highest for the Arab groups, exceeding even that of the Ashkenazim, reflecting the lack of vocational tracks in the Arab school system. Of the Oriental Jews, 34 percent lived (at age 16) in communities in which 75 percent or more of teenagers were also Orientals. Of Ashkenazim, 21 percent lived in predominantly Oriental communities.

Ashkenazim are most likely to reach each of the educational levels. Oriental Jews and Christian Arabs enter secondary schools at about equal proportions but the latter are more likely to complete secondary school, to obtain the diploma, and to enter post-secondary education. By contrast, fewer than half of Moslem men begin secondary school. However, about one-third of Moslem men completed secondary school, about one-quarter obtained the diploma, and nearly one-fifth had post-secondary education. The proportion of Moslems continuing to post-secondary education exceeds that of Oriental Jews despite their lower social origins. Although our data set does not permit a comparison of Arabs and Jews on cognitive ability, the mean psychometric score of Arab university applicants is about a full standard deviation lower than the mean score of Jewish applicants (Alaluf and Sadan 1987), and the mean for Oriental Jews is lower than that of non-Oriental Jews (mostly Ashkenazim) by over half of a standard deviation (Kant and Oren 1988, Tables 1 and 2). This suggests that the mean score for Arabs is lower by



about half a standard deviation than the mean score for Oriental Jews.<sup>3</sup>

**TABLE 2.2**  
**Means and Standard Deviations of Variables by Ethnicity**

	Jews		Arabs	
	<i>Ashkenazim</i> Means (S.D.)	<i>Oriental</i> Means (S.D.)	<i>Moslems</i> Means (S.D.)	<i>Christians</i> Means (S.D.)
Years attended	11.46 (1.74)	10.49 (1.80)	9.68 (3.64)	10.93 (2.67)
Ability	13.55 (4.05)	10.51 (4.50)	— —	— —
Siblings	2.08 (1.77)	5.80 (2.90)	8.90 (3.43)	6.88 (2.99)
Father's education	9.81 (4.38)	5.65 (4.58)	3.16 (2.90)	5.20 (3.31)
Mother's education	9.42 (3.85)	3.54 (4.26)	0.77 (1.93)	3.52 (3.17)
Academic track	0.59	0.29	0.80	0.79
Some secondary	0.87	0.80	0.49	0.75
Secondary	0.63	0.34	0.32	0.44
Diploma	0.37	0.14	0.24	0.35
Post-secondary	0.36	0.14	0.19	0.22
Community composition	0.21	0.34	—	—

Notes: Data on ability not available for Arab groups. Data on academic track limited to respondents with some secondary education. Standard deviations not shown for dummy variables.

The first hypothesis predicts that Oriental Jews educated in integrated communities (with Ashkenazim) are less likely to progress from one school level to the next than Orientals schooled in communities with a large Oriental majority. The hypothesis is supported if the net effects of community composition in models of educational attainment are positive and significant.

Table 2.3 presents the parameter estimates of logit regressions of the probability of attaining successive educational levels given the attainment of a previous level. The models are estimated for Oriental Jews, excluding those living (at age 16) in the three major cities. The rationale for excluding residents of big cities, who comprise 14 percent of the Oriental Jews in the sample, is that in large cities a student's social and school milieu are determined at the neighborhood level and may not be reflected in the city-wide composition;<sup>4</sup> for smaller communities, the local ethnic composition is a better proxy for the relevant milieu. The models control for parental

education and number of siblings. The availability of a measure of cognitive ability is fortunate because this variable mediates and controls for the indirect effects of many unmeasured sources of variation.

**TABLE 2.3**  
**Logit Regressions of Selected Educational Transitions for Oriental Jews (standard errors in parentheses)**

Independent Variables	Transitions			
	From 8th to 9th Grade	From 9th to 12th Grade	From 9th Grade to a Diploma	From 12th Grade to Post-Secondary
Father's education	-0.004 (0.033)	0.124** (0.031)	0.084* (0.041)	0.093* (0.038)
Mother's education	0.017 (0.041)	-0.101** (0.032)	-0.073* (0.040)	-0.055 (0.039)
Siblings	-0.099* (0.048)	-0.064 (0.044)	-0.078 (0.059)	0.021 (0.055)
Ability	0.236** (0.031)	0.238** (0.032)	0.459** (0.058)	0.396** (0.051)
Community composition	0.209 (0.273)	0.372* (0.214)	0.543** (0.276)	0.710** (0.262)
Constant	-0.003	-3.088	-7.491	-7.216

\* p<.10

\*\* p<.05

For each transition, the effect of community composition is positive and in three of the four educational transitions it is significant. Oriental Jews who lived in segregated communities were more likely, net of the other independent variables, to progress from primary to secondary education and from ninth grade to twelfth grade. Ninth-grade Oriental Jews living in segregated communities were also more likely to obtain the matriculation diploma and to progress from twelfth grade to post-secondary schools.

These results are consistent with the hypothesis and suggest that where Oriental Jews compete among themselves in the educational process, they progress further than where they are exposed to Ashkenazi competition.<sup>5</sup>

Table 2.4 evaluates the role of differential tracking in shaping differences between Arabs and Oriental Jews in educational progression. The models are estimated for Moslems, Christians, and Oriental Jews. Moslems are less likely than Oriental Jews to reach secondary education (columns 1 and 2). This disadvantage persists (although reduced from -1.412 to -.934) when controls are added for parental education and number of siblings. The effect of Christian religion is not significant in either of the two models, indicating that Christian Arabs and Oriental Jews are equally likely to reach ninth grade. Despite their disadvantage in reaching ninth grade, Arabs who do reach ninth grade are far more likely than Oriental Jews to attend in an academic track (columns 3 and 4). This simply reflects the lack of vocational secondary education in Arab

schools. The Arab groups are also more likely to make the transition from ninth to twelfth grade (column 5), and their advantage in this regard is accentuated when parental education and family size are controlled (column 6). However, after controlling for track placement in ninth grade (column 7), the effects for the Arab groups are reduced considerably, indicating that most of the Arab advantage over Oriental Jews in the likelihood of reaching twelfth grade is due to their differential track placement.

**TABLE 2.4**  
**Logit Regression of Secondary and Post-Secondary Educational Transitions (standard errors in parentheses)**

	From None to 9th Grade	From None to 9th Grade in Academic Track	From 9th Grade to 12th Grade	From 9th Grade to a Diploma	From 12th Grade to Post Secondary Education								
Independent Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Moslem	-1.412** (0.113)	-0.934** (0.137)	2.281** (0.189)	2.674** (0.231)	0.939** (0.146)	1.220** (0.177)	0.477* (0.232)	1.524** (0.150)	1.836** (0.191)	0.862** (0.236)	0.614** (0.183)	0.742** (0.226)	0.335 (0.260)
Christian	0.264 (0.233)	-0.161 (0.251)	2.054** (0.297)	2.201** (0.317)	0.602** (0.234)	0.736** (0.251)	0.042 (0.307)	1.392** (0.237)	1.510** (0.255)	0.645* (0.312)	0.313 (0.305)	0.333 (0.319)	-0.039 (0.355)
Father's education		0.109** (0.019)		0.087** (0.022)		0.084** (0.019)	0.063** (0.021)		0.082** (0.021)	0.043 (0.025)		0.042 (0.025)	0.022 (0.027)
Mother's education		0.024 (0.023)		0.008 (0.023)		-0.016 (0.020)	0.033 (0.023)		-0.003 (0.023)	-0.008 (0.030)		-0.013 (0.031)	-0.008 (0.033)
Siblings		0.067** (0.020)		-0.034 (0.028)		0.030 (0.023)	0.002 (0.027)		0.050* (0.025)	-0.011 (0.030)		0.000 (0.031)	0.014 (0.033)
Academic track							1.587** (0.168)			2.477** (0.196)			1.118** (0.213)
Constant	1.375	1.156	-0.895	-1.293	-0.258	-0.489	-0.726	1.539	1.665	2.575	0.313	0.515	-1.009

\*\* p<.05

\*\*\* p<.01

The role of tracking in shaping ethnic differences in the likelihood of obtaining the matriculation diploma and attending post-secondary school can be evaluated in a similar manner. Among ninth graders, Moslems and Christians are more likely than Oriental Jews to obtain the diploma (column 8). Controlling for social background (column 9) accentuates these advantages somewhat, but controlling for track reduces them considerably (column 10). A similar pattern emerges for the transition from twelfth grade to post-secondary education: the advantage of Moslem Arabs over Oriental Jews is reduced to insignificance when track is controlled (column 13). The advantage of Christian Arabs, although not significant, is also reduced considerably when track is controlled.

These results indicate that some of the disadvantages for Oriental Jews vis-à-vis the Arab

groups in the likelihood of completing secondary school, obtaining the matriculation diploma, and entering post secondary education, are due to the differential availability of academic secondary education to the different groups.

## Discussion

In Israel, as elsewhere (Kraus and Hodge 1990), the effect of primary and secondary schooling on occupational attainment diminished during the 1960s and 1970s. This was accompanied by an increase in the occupational returns to post-secondary education. At the same time, primary and secondary education have become more accessible to all ethnic groups and socioeconomic strata. Reproduction theories of education would lead us to expect that as lower educational levels open up, the “threshold of social exclusion” shifts to higher educational levels. The results of recent Israeli research are consistent with this metaphor when applied to Jewish ethnic groups: the Ashkenazi/Oriental gap in post-secondary educational attendance has not diminished (Shavit 1989). Yet rates of post-secondary education among Arabs have increased dramatically and now exceed those of Oriental Jews. The major institutional mechanism accounting for the low rate of post-secondary education among Oriental Jews is the curricular differentiation of the Hebrew secondary system and disproportionate allocation of Oriental Jews to non-academic tracks. Why has the Arab secondary educational system not been differentiated into tracks, and why have Arabs, an otherwise disadvantaged minority, been allocated to university-bound tracks?

In Israel, non-academic tracks are usually vocational and often require expensive laboratories, machinery, and other equipment. It is plausible that the relative lack of vocational tracks into the Arab system reflects the general discriminatory attitude of the government bureaucracy and policymakers. However, non-academic tracks need not necessarily be vocational. In the United States, for example, a non-academic track often takes the form of a General Track. In Israel, too, there are non-matriculation tracks in which the curriculum is academic or general and does not require elaborate facilities. The fact that such tracks have not been introduced in the Arab school system suggests that cost may not be the only factor.

Two additional explanations are possible. First, vocational education in the Jewish sector was expanded to enable the many Oriental Jews who could not succeed in the academic tracks to attend some form of alternative secondary education. Thus, introduction of vocational tracks enabled the academic tracks to maintain their traditionally high standards while at the same time enabling Oriental Jews to acquire a secondary education. Unlike the Oriental Jews, Arabs did not threaten academic standards in the Jewish schools because they attended a separate system. In addition, there was less official concern with the Arab dropout rate than with that of Oriental Jews. Therefore, introducing tracking to the Arab system would not have resolved a policymakers’ dilemma as it may have done in the Jewish system.

Second, an important latent function of tracking is to shelter members of the dominant ethnic groups from minority competition in the labor market. The non-academic tracks diverted Oriental Jews from competition over academic, professional, semi-professional, and managerial jobs. The persistent occupational inequality between Orientals and Ashkenazim is mediated almost fully by differences in educational credentials (Smootha and Kraus 1985). Direct discrimination against Oriental Jews in the job market is not widespread. On the other hand, Arabs are excluded from labor market competition either directly through overt discrimination or on the basis of the military discharge criterion.<sup>6</sup>

Since university-educated Arabs find it difficult to obtain suitable employment in the Jewish-owned economy, they often turn to public sector employment in the Arab sector, primarily to teaching and to professional jobs in the Arab municipal government. This is consistent with Hout's (1986) assertion that residentially segregated subordinate minorities use the public sector, especially branches that serve their own community, as an avenue of occupational mobility.

**TABLE 2.5**  
**Occupational Distribution, Percent Employed in the Public Sector, and Percent Unemployed, by Ethnicity: Men with Post Secondary Education (1984 Labor Survey Data)**

Occupation	Total	Arabs		Jews	
		Moslems	Christians	Oriental	Ashkenazim
Scientific & academic workers	29.6	20.3	37.1	19.5	33.0
Other professional & technical workers except teachers	19.6	12.1	11.2	22.4	19.3
Teachers	4.1	30.1	19.1	5.3	2.3
Administrative & managers	15.4	4.7	1.1	13.2	16.5
Clerical & related workers	11.3	14.6	11.2	14.5	10.4
Sales workers	6.1	5.2	6.7	8.0	5.5
Service workers	1.9	3.1	—	3.5	1.4
Agricultural workers	2.4	0.5	2.2	1.9	2.7
Skilled blue-collar workers	9.2	7.8	11.2	11.0	8.6
Unskilled & semi-skilled blue-collar workers	0.5	1.6	—	-0.7	0.4
Employed in public sector*	30.0	59.0	50.0	29.0	29.0
Unemployed	2.4	6.5	1.1	3.9	2.0
N	7287	210	96	1495	5120

\* Public sector is defined as categories 3 (Electricity and Water Works) and 8 (Public and Community Services) in the one-digit Israeli classification of industries.

Table 2.5 presents the occupational distribution, the proportion unemployed, and the proportion employed in the public sector for Arab and Jewish men with at least some post-secondary education. Over 30 percent of employed Moslem men and 19 percent of employed Christian men with post-secondary education are employed in teaching, compared to 5.3 and 2.3 percent for Oriental and Ashkenazi men, respectively. Fifty percent of educated Christian men and nearly 60 percent of Moslem men with post-secondary education are employed in public



sector industries as compared with 29 percent of Jewish men with comparable education. Arabs rarely teach in Hebrew schools and very few educated Arabs obtain employment in local government in the Jewish sector.<sup>7</sup> Thus, these figures indicate that a large proportion of educated Arabs are employed within the Arab sector away from competition with Jewish workers.

As long as the acquisition of educational credentials by the subordinate minority does not threaten the job opportunities of the dominant group, education for the minority need not be rationed. In such cases, policymakers—who are presumably sensitive to dominant-group interests—are not under political pressure to invest in tracking or other mechanisms for the exclusion of the minority. Barriers to the educational attainment of minorities are not necessary if more direct means of social exclusion can be employed and if members of the dominant group are shielded from competition with minorities in the job market.

During the 1960s and 1970s, Arab primary and secondary educational systems expanded rapidly in response to larger birth cohorts entering the system. This has created job openings as teachers and administrators for Arab university graduates. In recent years, however, the increase in the number of public sector jobs in the Arab sector has slowed considerably. At the same time, an increase in the number of Arab university graduates has resulted in deterioration in the employment prospects. If this trend continues, it may lead to greater unemployment of educated Arabs and to a possible decline in Arab enrollment in post-secondary education. It may also lead to more aggressive attempts by Arabs to penetrate the Jewish economy and result in resistance among Jews to the high rates of post-secondary education among Arabs. Already there are proposals to block Arabs from entering universities.

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## Notes

1. This situation changed radically during the late 1970s and 1980s when increasing numbers of Arabs graduated from universities. Many of these graduates could not find employment in the Jewish-owned economy and turned to teaching. Consequently, the average educational attainment of Arab primary school teachers is now higher than that of Jewish school teachers.
2. The high educational attainment of Christian Arabs is not surprising because they have enjoyed the benefit of parochial school systems and a tradition of educational attainment since the previous century.
3. Mean psychometric scores for Arabs and Oriental Jews were also computed using the records of 1987 applicants to the University of Haifa. These records include test scores on the university admissions tests, a proxy for the Arab/Jewish distinction and country of origin (for Jews). The mean psychometric score for Arabs, Orientals, and Ashkenazim were 441.7, 487.0, and 528.5, respectively, and the standard deviation of the test scores is 100. Thus,

Orientalism are about as advantaged vis-à-vis Arabs as they are disadvantaged vis-à-vis Ashkenazim. The tests are administered in the language of the candidate's choice and have been shown to over-predict Arab academic success for Arabs, indicating that the tests are not biased against Arabs.

4. When respondents who lived in big cities were included, the effects of community composition were considerably attenuated.
5. Rather than signifying an effect of segregation, the positive effect of community composition may mediate the effects of other community characteristics that happen to be correlated with it. An ASR reviewer urged me to estimate the effect of community composition on the educational transitions of Ashkenazim. He/she suggested that "If segregation helps insulate minorities from competition they can't win, then we should see benefits for [Orientals] and no effect for Ashkenazim. On the other hand, if there are other aspects of the local opportunity structure involved, then these probably would have similar effects for both groups." I must take issue with this comment: Ashkenazim who live in "small ponds" are faced with less severe competition than those who must compete in "large ponds" (i.e., in localities where the competitors are mostly well-endowed Ashkenazim). Therefore, the effect of community composition on the attainment of Ashkenazim may be positive even if it only signifies a segregation effect. Nevertheless, I estimated its effects on the educational transition models for Ashkenazim. All the effects are slightly positive and none is significant.
6. Most Jewish men serve in the military for about three years. Arabs are exempt from compulsory conscription and only a few enlist, primarily Druse and Bedouins. Many firms require job applicants to show a certificate of discharge from military service. This is especially common in public sector organizations that have some connection with national security, and in private sector firms that carry out militarily classified contract work. The discharge requirement has become widespread and is now applied to many job openings that are not related directly to matters of national security. It serves as an important legitimator for the exclusion of Arabs from labor market competition against Jews.
7. There are some exceptions to this: most visible is the employment of Arab medical staff in the publicly owned hospitals and the growing number of Arab pharmacists and other para-medical vocations and professions. Although interesting in their own right, these exceptions constitute a small proportion of the total Arab labor force.

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## 3

# Exploring the Persistence of Academic Achievement Gaps: Social Differentials in Family Resource Returns in Israel

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Egalitarian school systems, impatient with sluggish societal processes, eagerly attempt to promote disadvantaged students. But, despite intentional educational investment and latent social amelioration, achievement differentials along social lines endure over time and, in some cases, even widen. The persisting differentials do not surprise the “allocation” theorists who rely on political and cultural mechanisms of exclusion in explaining the continuous superiority of the socially “strong.” They, however, challenge “socialization” theories that stress the capability of schools of boosting the achievement of the “weak” (Kerckhoff 1976).

Israeli Jewish education is an interesting case in this regard. Following socialist convictions and the Zionist notion of “the ingathering of the exiles,” Israel adopted equality of educational outputs, rather than quality of school inputs, as a target of educational policy. But despite decades of consistent efforts to reduce socioethnic differentials in academic achievement, sizable gaps still exist in the Israeli schools.

A full explanation of why schools fail to counter unequal family resources by equalizing school inputs is beyond the scope of this study. We do, however, examine a probable interaction between socioeconomic and cultural resources and the success of socially disadvantaged and advantaged students in converting educational, cultural, and social resources into academic achievement. This interaction may partly explain social differentials in achievement, as well as the reproductive nature of schools.

In the first section of this chapter, we propose a conceptual framework for the study of social differentials in achievement returns to family resources. In the second section, we summarize briefly the efforts directed at closing social achievement gaps in the Israeli Jewish schools and scrutinize the longitudinal development of these gaps. In the third section, the main thrust of this study, we examine the academic achievement returns to three family traits: ethnic origin, generation in the country, and socioeconomic level. We conclude with an attempt to reconcile

the longitudinal and the cross-sectional analyses and discuss some theoretical and practical implications.

## Conceptual Perspective

The correlation between socioeconomic and cultural resources and educational achievement is a well-established social fact; family background has repeatedly been verified as a potent predictor of academic achievement and educational attainment (Boudon 1974; Bourdieu and Passeron 1977; Coleman et al. 1966; DiMaggio 1982; Ekstrom, Goertz, and Rock 1986; Halsey, Heath, and Ridge 1980; Keeves, Morgenstern and Saha 1991; Mare 1981; Minkovich, Davis, and Bashi 1982; Schneider and Coleman 1993; Sewell and Hauser 1975; Teachman 1987; White 1982; Willms 1986). Accordingly, it is believed that the socioeconomic advancement of underprivileged families as well as the acculturation of immigrant families in the absorbing society will improve their achievement from one generation to the next (Furnham and Bochner 1982; Leslau, Krausz, and Nusbaum 1995; Stewart 1993).

The educational resources of the family can be represented in terms of several forms of capital. First, financial capital provides facilities like a room in the home for studying, materials that facilitate learning, and access to extracurricular activities and extra teaching that enrich and support a child's school learning. Second, ensuing from parents' educational attainment and experience, human capital (Schultz 1961) provides a pool of information relevant to schooling and the cognitive and attitudinal environment for learning (Kohn 1969). Third, cultural capital (Bourdieu and Passeron 1977) consists of the cultural habitat, codes, signals, traditions, tastes, and manners that all play a role in learning, and of patterns of communication and modes of linguistic usage (Bernstein 1977). Fourth, social capital (Coleman 1988) entails the political power, social networks, and social know-how which families use to pave the way for their offspring in the educational maze and to secure the best educational trajectory for them.

We regard socioeconomic status (SES), ethnic origin, and generation in the immigrant country as proxies for the financial, human, social, and cultural capital of the family that might facilitate academic achievement. Despite their overlap, each of these three variables deserves separate consideration since it accents a particular dimension in the transformation of family resources into school learning. Socioeconomic status, often measured by family income and parents' education and occupation, represents mostly physical and educational resources of the family, namely a combination of its financial and human capital. Ethnic origin is closest to what can be regarded as cultural capital; this is also sometimes related to the modern-traditional distinction. Generation in the immigrant country is akin to social capital.

The three variables are, in practice, interrelated. In multiethnic societies, there is usually an overlap between ethnic origin and socioeconomic status, with ethnic groups unevenly distributed along the socioeconomic ladder. In immigrant societies, the newcomers usually enter the lower socioeconomic positions. If immigrants of a specific ethnic origin characterize waves of immigration, then SES, ethnicity, and generation become connected.

There are two competing hypotheses regarding how family and school resources interact to produce academic achievement. Both are based on the assumption that individuals of various trait levels may react differentially to a given treatment. The "differential sensitivity" hypothesis (Smith 1972), ensuing from the Coleman and colleagues (1966) study of equality of educational opportunity, proposes that underprivileged students profit from school more than privileged

ones. Disadvantaged students come from a poor social milieu and bring inadequate family resources into the school; this makes them more dependent on school resources (Spady 1973). This hypothesis has received some empirical support from studies of academic effects of school and classroom integration and desegregation (Dar and Resh 1986; Thornton and Eckland 1980) and from the comparison of achievement in low-and high-income countries (Heyneman and Loxley 1982). According to this hypothesis, improving school quality will accrue greater profit to the socially disadvantaged and a continuing school improvement will narrow the achievement gap between the more and less advantaged.

In contrast to the differential sensitivity claim, the “Matthew effect” hypothesis (Walberg and Tsai 1983) proposes that the strong become stronger since their superior resources give them an edge over students with fewer resources in manipulating social and educational environments and in extracting their benefits. Hence, school improvement should accrue greater benefits for the initially advantaged, and achievement gaps should consequently widen.

The Matthew effect hypothesis is supported by the argument for exclusionary processes of student allocation into educational trajectories (Kerckhoff 1976). According to this argument, meritocratic selection favors the socially advantaged and deprives the less advantaged. Once in the higher-level trajectory, the advantaged benefit further from an enriched sociolearning environment as they are able to utilize more fully their personal and school resources; in contrast, the full realization of the personal potential of the disadvantaged is hampered in the impoverished sociolearning setting (Dar and Resh 1994; Oakes, Gamoran, and Page 1992).

Based on these hypotheses, we assume that individuals, groups, and social categories may differ not merely in the amount of a resource at their disposal but also in the returns they gain from a marginal amount of that resource (cf. Smooha and Kraus 1985). This difference depends on their ability to utilize social environments, including the school, effectively for their own benefit. This general claim of differential returns to resources may be specified in two propositions:

A. *The proposition of mutually conditioning resources.* Individuals may variously profit from a unit of a socioeconomic, cultural, or political resource because the efficiency of conversion of that resource into achievement may depend not only on the level of that particular resource but also on the combination of this resource with other resources. For instance, the educational utility of money may be contingent on levels of human and social capital that provide the social orientations, information, modes of activity, and social networks which facilitate the utilization of money.

B. *The proposition of the incremental utility of resources.* Similarly, individuals may variously profit from a unit of a particular resource, because any unit of this resource may yield different returns at different points of the resource scale. Ascending from a given level of achievement to a higher one, especially at the upper achievement levels, may depend on the possession of a certain level of that resource. This conditioning level may work as a threshold above which achievement is accelerated. For instance, only a given family income level may allow the private, extra teaching necessary for a student’s entrance into a more prestigious school trajectory.

Both mutually conditioning resource and the incremental utility of resources effects may produce differential academic returns to family resources. Both propositions suggest that the advantaged will become more advantaged. Thus, a combination of high socioeconomic and cultural levels and/or a cultural threshold effect may result in a greater ethnic achievement gap at upper socioeconomic levels. This differential convertibility of resources by the “strong” and “weak” may keep achievement differentials constant or even widen them over time. This is despite extensive school efforts to achieve educational equity and despite economic improvement and a certain acculturation of the weaker group.

Before moving into the empirical analysis of the differential returns of family resources, we shall examine the longitudinal effect of school improvement in Israel on social gaps in academic achievement.

## The Israeli Case

The social differentials in academic achievement within Israeli schools have emerged in the thirty to thirty-five years after large waves of immigration, following the establishment of Israel changed the ethnic and sociocultural make-up of the society. In contrast to the gradual, voluntary immigration characteristic of the pre-state society, the Jewish population doubled within three years during the 1950s and tripled within a decade. Whereas pre-state immigration was mainly European, the later influx of immigrants came mostly from Arab-Islamic countries and a smaller number of Holocaust survivors came from Europe. Despite large within-group heterogeneity, a social divide, reinforced by de facto residential segregation, evolved between established citizens and newcomers. The former, mostly Westerners (*Ashkenazim*), were more modern, fared better economically, and also dominated politically. The latter, mostly Orientals (*Mizrachim*), of a more traditional outlook and family structure, possessed poorer educational and economic resources and were in a state of cultural discontinuity; they became dependent on old-timers for their social and cultural absorption and thus constituted a “minority group” despite their almost equal numbers (Eisenstadt 1966; Smooha 1978).

### *Thirty Years of Efforts to Equalize Education*

Research in the 1950s had already revealed learning difficulties and a considerable achievement lag among Oriental students (Adar 1956; Simon 1957). Initially, the achievement lag was attributed to four causes: (a) poor school facilities, incompetent teachers, inadequate learning materials, and little experience in meeting the educational needs of the Oriental child; (b) poor economic resources of the immigrating families, especially their poor residences; (c) poor educational resources of the family; and (d) cultural discontinuity. All these factors were initially considered a natural part of the immigration process. It was assumed that their importance would diminish once the new state schools became consolidated and the newcomers improved economically, became acculturated in the absorbing society, and acquired the Hebrew language. However, this belief was undermined as eighteen years of nationwide testing (1955–1973) revealed repeatedly that there was an ethnic achievement gap of about one standard deviation at the end of elementary school (Ortar 1967).

Driven by an egalitarian outlook, concern for the state’s economic growth, and the electoral power of the Oriental community, the educational system reacted by adopting a bold policy of educational improvement (Adler 1986). A plethora of compensatory and enrichment programs and affirmative action measures was introduced from the late 1950s on (Adiel 1970; Peleg and Adler 1977). From the mid-1950s, a lower norm (“Norm B”) of achievement on a nationwide 8th grade test (*Seker*) allowed almost free secondary education for increasing numbers of students of Oriental extraction. A massive enlargement of vocational education during the 1960s and 1970s followed this measure. Coupled with the formation of comprehensive high schools, the expansion of vocational education was designed to increase high school enrollment for students considered unfit for academic studies (Kahane and Starr 1986). Residential education increased in the late 1960s to include one-tenth of the total school population and about two-tenths of the 13–17 cohorts, with the aim of providing an intensive-care education for both the weakest and most gifted among the underprivileged children (Kashti 1974). The preferential funding of schools with a higher percentage of disadvantaged students (“The Fostering Index”) provided special resources for these weaker schools.

Large-scale evaluation studies in the 1970s (Lewy and Chen 1977; Minkovich, Davies, and Bashi 1982) indicated an improved level of achievement among Orientals, but still refuted the assumption that vigorous educational intervention, directed preferentially toward disadvantaged children, would significantly reduce the ethnic achievement gap in a short time. Hence, a shift in the strategy of educational improvement was suggested. Instead of concentrating on segregative fostering, universal improvement in socially integrated settings was stressed. In 1968, a national school reform replaced the 8+4 school structure with a 6+3+3 structure. The new junior high school was designed to integrate students with both low and high resources not only in the school but at the classroom level as well, and thus simultaneously boost the achievement of the weaker students and improve interethnic relations (Amir, Sharan, and Ben-Ari 1984). In 1978, secondary education was made free (and compulsory until grade 10), driving school enrollment at age 17 in 1986 up to 79 percent of this age cohort, versus 46 percent in 1970 (Sprinzak and Bar 1988). Preschool education was also expanded and made free and compulsory at age 5. It was strongly subsidized for disadvantaged children at younger ages, spurring parents to enroll 67 percent of two-year-olds, 92 percent of three-year-olds, and 99 percent of four-year-olds in kindergarten in 1986 (Sprinzak, Bar, and Avnieli 1993).

Concurrent with the school improvement efforts, three trends among Orientals may have contributed to the reduction of social and ethnic disparities in academic achievement: (a) gradual socioeconomic improvement (Matras 1985) accelerated by utilization of mobility channels of small private entre-preneurship, which was not necessarily contingent on education (Yuchtman-Yaar 1985); (b) a reduction in family size approaching that typical of Western Israelis (Peres and Shrift 1978); and (c) increased educational attainment among parents and older siblings (Nahon 1987), also related to the free provision of secondary education from the late 1970s (Yogev and Ayalon 1986). These trends suggest an improvement in academic achievement not necessarily related to school improvement.

Considering these educational and social developments, the Israeli case allows examination of a universally disturbing issue: Can education loosen the link between family background, academic achievement, and educational attainment, or does it merely reproduce educational and, eventually, social stratification? More specifically, has the educational and social improvement of the disadvantaged been accompanied by a decrease in social achievement gaps, or have the achievement gains of the more advantaged kept pace with or even surpassed those of the disadvantaged? Studies of educational attainment (not necessarily of achievement) conducted worldwide have found more evidence of the latter (Boudon 1974; Featherman and Hauser 1978; Shavit and Blossfeld 1992).

## **Achievement Gaps over Time**

Two analyses presented here attempt to measure achievement differentials over time. The first examines all major Israeli studies relating learning ability and achievement to ethnic origin and SES that were published between 1967 and 1988 (data collected between 1954 and 1986). The second analysis minutely compares cross-sectional data of the junior high school study of 1986 with similar data collected thirteen years earlier.

### ***Trends over Thirty Years, 1955–1986***

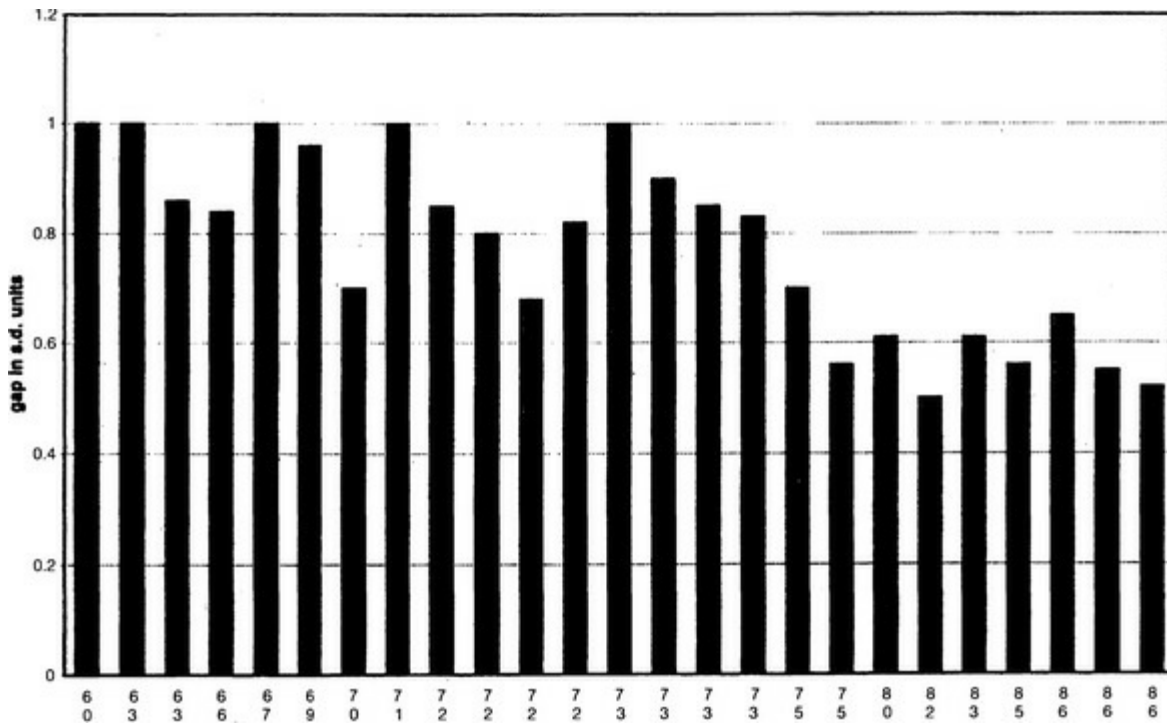
All studies selected for the analysis were based on large, usually nationwide samples, but they

differed in definitions of background variables and data analysis. Age of subjects ranged from 4 to 16. Tests included the Wechsler IQ test, *Milta* verbal ability test, *Seker* learning ability/achievement test, general achievement test, and specific tests in Hebrew reading comprehension, English, math, and science. These differences across studies allow only crude comparisons.

A brief summary of the seventeen studies is given in [Table 3.1](#). The twenty-one observations made in these studies, supplemented by three observations (ability, reading, and science tests) of our study (1986), are shown graphically in [Figure 3.1](#).

The analysis revealed large ethnic gaps in achievement over the years for a variety of age groups and subjects. Up to the end of the 1960s, the most commonly observed gap was a full standard deviation. Data from the early 1970s point to some narrowing of the gap, but still two of six observations show a gap of one standard deviation. A consistent reduction of the gap can be seen from about 1973, reaching .60 to .70 standard deviations in the second half of the 1970s. During the 1980s, the ethnic achievement gap was in the range of .60 standard deviations. Accordingly, SES became more strongly related to achievement than ethnic origin, indicating a diminishing effect of ethnicity.

**FIGURE 3.1**  
**Ethnic Achievement Gaps, 1960–1986**



**TABLE 3.1**  
**Effect Size Parameters of Achievement Gaps in Previous Studies**

Study	Data From	Age/Grade	Test	Ethnic Gap	Correlation with	
					Ethnic Origin	SES
<b>A. Gaps in Ability</b>						
Leiblich, Ninio, and Kugelmass (1972)	1967	4-6	Wechsler	1.00	—	—
Gafni (1978)	1973	6-16	Wechsler	1.00	—	—
Chen (1983)	1975	3rd	Milta	0.56	—	—
<b>B. Gaps in "Seker"<sup>a</sup></b>						
Ortar (1967)	1954-67	8th	Seker score	1.00	.50	.30
Smilansky & Yam (1969)	1963	8th	Hebrew Math	1.00 0.86	Larger for Eth. Or. than for SES	
Litwin (1971)	1966	8th	Seker score	0.84	.40	.40
Shavit and Arad (1987)	1969	8th	Seker score	0.96	—	—
<b>C. Achievement Gaps in Elementary Grades</b>						
Smilansky & Shefatya (1977)	1971	2nd	Reading	1.00	.33	.33
Lewy & Chen (1977)	1969-71	4th-6th	Total ach.	.60-.80 <sup>b</sup> 1.00-1.2 <sup>c</sup>	.40	.43
Minkovich, Davis, & Bashi (1982)	1972	6th	Verbal abil. Total ach.	.85 .80	— .40	— .40
Eshel (1980)	1975	1st-6th	Reading	.66-.75 <sup>d</sup>	.34	.44
Zozovsky (1987)	1982	5th	Science	.50	—	.29
Chen (1987)	1985	6th	Total ach.	.56	.28	.34
<b>D. Achievement Gaps in Grades 7-9</b>						
Lewy, Rapaport, & Rimer (1978)	1972	9th	Reading English	.68 .82	— —	— —
Chen, Lewy, & Adler (1978)	1973	8th	Total ach. Reading Math	.90 .85 .83	.43	.60
Chen (1983)	1980	8th	Total ach.	.61	—	—
Levin (1988)	1983	9th	Science	.61 <sup>d</sup>	—	—

<sup>a</sup> Nationwide test of achievement/ability administered to eighth graders and aimed at post-elementary school placement.

<sup>b</sup> For public secular schools.

<sup>c</sup> For public religious schools.

<sup>d</sup> Gap between advantaged and disadvantaged students.



**TABLE 3.2**  
**1973 and 1986 Effect Size Parameters of Ethnic and SES Achievement Differentials in the Junior High School**

	<u>Reading</u>		<u>Math</u>	<u>Science</u>
	1973	1986	1973	1986
d West.-Orient.	.85	.53	.83	.56
d SES Lo-Lo.Mid.	.31	.27	.35	.30
d Lo.Mid-Upp-Mid.	.61	.26	.60	.22
d Upp.Mid-Upp.	.46	.40	.48	.40
d Lower-Upper	1.38	.93	1.43	.92

### ***Comparing 1986 with 1973***

A second analysis compared our 1986 junior high school study with eighth-grade data collected in 1973 by Chen, Lewy, and Adler (1978) in a national sample very similar to our sample. Of the battery of tests employed at that time, we selected reading comprehension (the items of which were included in our own test) and math, the latter as an approximation to our science test. A comparison between the two studies, first by ethnic origin and then by SES quartiles, is presented in [Table 3.2](#).

The analysis shows a decline of approximately one-third of a standard deviation in the ethnic gap between 1973 and 1986. This decline may be explained by the changing proportions of Orientals and Westerners along the SES ladder in the two studies, indicative of the socioeconomic improvement and heterogenization among Orientals. In the 1973 study, Orientals comprised 91 percent of the lowest SES quartile and 76 percent of the third quartile, but just 72 percent and 58 percent, respectively, in 1986.

The achievement gap between upper and lower SES quartiles also declined over the thirteen-year period by approximately a third of a standard deviation. Particularly noteworthy is the reduced gap between the second and third quartiles. Concomitantly, the correlations between achievement and ethnic origin fell over time (.43 in 1973 and .27 in 1986), as did those between achievement and SES (.60 and .38, respectively). The comparison of 1986 and 1973 data thus substantiates the evidence of a narrowing of achievement gaps over time suggested by the previous survey of studies.

Both of our analyses show a considerable reduction over time in the social gaps in academic achievement. This reduction may be due to the equalizing efforts of the school system, as well as to the economic improvement, political empowerment, cultural assimilation, and greater educational attainment among the Orientals. Still, the puzzling question persists: Why do such large social achievement gaps, after thirty years of exceptional educational investment, and considerable social amelioration, still endure? Why are these gaps so tenacious? We delve into this question below.

## **Differential Returns to Resources**

Considering the distinction between quantity and convertibility of resources and the propositions of the mutual conditioning of resources and their incremental effects, we were led to analyze the differential effects of hypothetical shifts from one resource level to another within a particular resource and within “high” and “low” categories of other resources. These hypothetical shifts only simulate reality. Ideally, a follow-up of students within their respective families, across socioeconomic levels and from generation to generation is needed to support or disconfirm the differential returns hypothesis. However, such an analysis is impossible to carry out at this time, and we therefore rely on cross-sectional data.

## **Sample**

The data were collected in 1986 in a national sample of forty-seven junior high schools. The junior high school was chosen since at this school level the most consistent policy of social and interethnic integration was implemented. Though employing limited ability grouping (Resh and Dar 1992), junior high schools are also less affected by the differentiating tracking that characterizes high schools in Israel. Examining the differential return hypothesis at this school level allows us to bypass the “allocation” explanation of achievement differentials and to concentrate on the effects of family resources.

The sample was stratified to ensure representation of (a) schools with low, medium, and high proportions of disadvantaged students and (b) schools in cities, established towns, new development towns, and rural communities. About one half of the eighth and ninth grade classes were randomly selected in every school, bringing the total sample to 273 classes with a full database of about 6,500 students.

## **Variables**

Two achievement tests, identical for both grade levels, were administered: READING is a comprehension test of seven passages and 35 multiple-choice questions (Cronbach’s alpha = .82) drawn from the pool of IEA tests.

SCIENCE is a test of 36 items in biology, physics, chemistry and geography (alpha = .87) geared to the required curriculum of grades eight and nine. The two tests were scored as the percent of correct answers.

A student questionnaire generated student background data:

Socioeconomic Status is a weighted mean of father and mother’s education (FAED and MOED) and father’s occupation (FAOCC). Education was measured on a six-point scale ranging from partial primary education (coded 1), to at least a B.A. degree (coded 6). The sample means of FAED and MOED were 3.79 and 3.70, respectively, and they correlate .69. FAOCC was measured on Hartman’s nine-point Scale of Occupational Prestige (Hartman 1979). This scale was developed to reflect the Israeli occupational structure along the lines suggested by Blau and Duncan (1967). The sample mean of FAOCC is 5.35 and it correlates .70 with FAED and .56 with MOED. In the computation of the SES index, the indicators were adjusted for the different scales of education and occupation:  $SES = ((1.5 * FAED) + (1.5 * MOED) + FAOCC) / 3$ . The index correlates more highly with the measures of achievement (.35) than do its components (.29 to .31).

Ethnic origin was categorized according to parents’ and grandfathers’ country of origin: WESTERN, when both parents or both grandfathers (if parents were born in Israel) originated from Europe, America, Australia, or South Africa; ORIENTAL, when both parents or both

grandfathers originated from the Middle East or North Africa; MIXED, when one parent was Westerner and the other Oriental. These three origins were dummy-coded.

Data on the country of origin were also used to denote generations in Israel. Generation was categorized as GEN1, when both parents immigrated to Israel; GEN15, when one parent was born in Israel and the other immigrated to Israel; GEN2, when both parents were born in Israel (and grandparents immigrated to Israel); GEN25, when both parents and one grandparent were born in Israel. These generation variables were dummy-coded.

Grade level (GRADE 9) was included in the analysis both as a control and as proxy of an effect of a year of study. It was dummy-coded 1 for Grade 9, and 0 for Grade 8.

Gender (MALE) was included in the analysis as a control because of previous evidence of gender achievement differentials, particularly in science. It was dummy-coded 1 for males and 0 for females.

Intercorrelations of the variables are shown in the Appendix.

## ***Analysis***

The analysis consisted of four stages. The first stage recorded raw ethnic, generational, and socioeconomic gaps, as well as gender and grade level gaps. The second stage was a multivariate analysis of their relative effects in the whole sample. In the third stage, we attempted to estimate differential utilities of SES units along the SES scale. In the fourth step, parallel analyses explored differential effects within ethnic groups, generations, and SES halves.

# **Results**

## ***Raw Achievement Gaps***

The analysis presented in [Table 3.3](#) aimed at discerning raw achievement differentials by gender, grade, ethnic group, generation, and SES categories. It also gave preliminary indication of differential utilities of the hypothetical shifts between generations and SES levels. In this stage of the analysis we used effect sizes, that is, the mean achievement difference between the groups, divided by the pooled standard deviation (Cohen 1977).

The gender and grade achievement gaps in science are twice as large as those in reading. We shall return to this point later. We found an achievement gap of about .5 standard deviations between Orientals and Westerners on both achievement tests. This gap is in contrast to a very small difference between Westerners and mixed origin students (.15 standard deviations), partly explained by socioeconomic similarity (the respective SES averages of Westerners, mixed, and Orientals were 5.3, 4.7, and 3.6).

There was also a clear positive relationship between generation and achievement. The achievement gap between GEN1 (both parents born abroad) and GEN 15 (one parent born abroad, the other in Israel) is one-third of a standard deviation; it is considerably smaller between GEN15 and GEN2 (both parents in Israel); and there is virtually no difference between GEN2 and GEN25 (one grandparent born in Israel). This pattern of diminishing returns points to the importance of the first stage of absorption of the immigrant family.

The relationship between SES and achievement was detected first by analyzing achievement gaps between adjacent SES quartiles. A large gap of about one standard deviation was found between the lowest and highest quartiles; the gap was larger at the upper end of the scale (upper-

middle vs. upper) than at the lower end (lower vs. lower-middle). Since SES quartiles represent an arbitrary partition of the sample into four groups of equal size, this analysis was replicated with the more natural categories of father's education. Again, greater effects were found in the hypothetical shifts at the upper part of the socioeconomic ladder, notably from secondary to tertiary education. Both analyses thus show greater returns to socioeconomic resources in the upper social strata.

Besides the expected socioeconomic, generation, and ethnic differentials, this analysis yielded surprising indications of divergent academic returns along the socioeconomic and generational ladders. We delve further into these indications in the multivariate analysis of the relative effects of the three family background components.

**TABLE 3.3**  
**Achievement Means and Achievement Gaps (d=Effect Size) by Background Variables**

		Reading			Science		
		N	M	s.d	N	M	s.d
Gender	Male	3081	69.4	15.9	2769	59.7	19.3
	Female	3311	67.8	15.0	2813	55.6	16.9
			.10			.22	
Grade	8	3310	67.4	15.4	2877	55.4	17.8
	9	3162	69.6	15.6	2767	59.8	18.6
			.14			.24	
Ethnic- Origin	Western	2809	72.5	15.5	2565	62.2	18.0
	Mixed	733	69.9	15.0	655	59.0	17.6
	Oriental	2930	64.3	15.2	2424	52.1	17.4
				.16			.16
			.36			.39	
			.53			.55	
Generation	GEN1	3772	66.2	15.7	3197	54.6	17.9
	GEN15	1544	70.7	14.7	1399	59.9	17.7
	GEN2	936	73.1	14.8	847	63.3	18.4
	GEN25	213	73.5	14.5	195	64.4	18.2
				.29			.29
				.15			.19
				.03			.06
				.47			.53
SES Quarters	1 Lower	1614	61.7	14.8	1287	49.0	16.3
	2 Lower-Middle	1420	65.7	15.2	1206	54.5	16.9
	3 Upper-Middle	1803	69.8	15.0	1631	58.5	17.7
	4 Upper	1635	76.2	13.3	1520	66.1	17.7
				.26			.30
				.26			.22
				.41			.41
				.93			.93
Father's Educ.	1 Partial primary	541	61.5	15.5	425	49.6	16.8
	2 Complete primary	1006	63.5	14.9	822	51.5	17.2
	3 Partial secondary	1224	65.9	15.5	1050	54.2	17.1
	4 Complete second.	1632	67.9	15.1	1432	56.5	17.3
	5 Some tertiary	625	72.3	14.3	571	61.5	18.1
	6 At least B.A. degree	1444	75.8	13.8	1344	65.6	18.1
				.13			.10
				.15			.15
				.13			.13
				.28			.27
				.23			.22
				.92			.87

## ***Relative Effects of Resources***

Since ethnic origin, generation in Israel, and socioeconomic background are intercorrelated (see Appendix), we used a multivariate analysis to assess their relative effects on achievement. A stepwise OLS regression of reading and science on the three variables was applied with gender and grade level as controls. The dummy-coding of variables allowed comparisons of WESTERN and MIXED with ORIENTAL, of GEN2 and GEN 15 with GEN1 (GEN25 was pooled with GEN2), and of the fourth (upper), third, and second SES quarters with the lowest one. Table 3.4 presents the analysis for the total sample.

Males outperform females in each of the five regression models. The larger male advantage in science than in reading fits with other studies and is usually attributed to gender differentials in socialization (Levin 1988; Zozovsky 1987).

Grade level shows a similar stability. The effect of an additional year of study on science achievement is twice the effect on reading, suggesting that learning science is more school-dependent than reading (Coleman 1975).

Not controlling for generation and SES, Westerners show an eight-percentage point advantage over Orientals in reading and a ten-point lead in science. We also found a similar, but smaller, advantage favoring mixed youth over Orientals. The ethnic gap diminished only slightly when generation was controlled in the third step. It was reduced by more than half when SES was also controlled, indicating that a sizable part of the raw ethnic achievement gap reflects SES differences. However, the advantage of the Westerners over Orientals remained statistically significant even when SES was controlled. This indicates that the effect of ethnicity on achievement is by no means reducible to the effects of generation and socioeconomic level.

Controlling for ethnic origin, the achievement advantage of GEN2 youth over GEN1 students remained statistically significant, indicating that generation has a positive effect on achievement, independent of ethnic origin. GEN 15 youth also outperformed GEN1 youth, though by a smaller amount. But the generation effect was almost halved when SES was controlled, implying that the generation effect mirrors intergenerational socioeconomic differences and the association between generation and ethnicity.

Socioeconomic status is the strongest of the three family background effects. Adding SES to the analysis considerably reduced the effects of the other family resources. It also almost doubled the variance that we can account for in reading (a marginal increment of 6.3 percent) and increased it by a factor of 1.5 in science (marginal increment of 5.6 percent).

In the fourth step of this analysis, the advantage of Westerners over Orientals, and to a lesser extent of GEN2 over GEN1, was slightly greater in science than in reading. Ethnic origin differentiates between reading and science achievement more than SES, implying a greater dependence of science achievement on cultural and social capital. The greater effect of ethnic origin on science than on reading may be related to the more modern cultural orientation of the Western family and to the superior education of the Western parents.

**TABLE 3.4**  
**Raw (b) and Standardized (B) OLS Regression Coefficients of READING and SCIENCE**  
**on Background Variables**

		1		2		3		4		5		6	
		Read	Scien.	Read	Scien.	Read	Scien.	Read	Scien.	Read	Scien.	Read	Scien.
MALE	b	1.85*	4.33*	1.52*	3.94*	1.53*	3.94*	1.21*	3.59*	1.22*	3.61*	1.21x	3.59*
	SE	(.39)	(.48)	(.37)	(.47)	(.37)	(.46)	(.36)	(.45)	(.36)	(.45)	(.36)	(.45)
	B	.06	.12	.05	.11	.05	.11	.04	.10	.04	.11	.04	.10
GRADE9	b	2.22*	4.48*	2.09*	4.32*	2.10*	4.38*	2.02*	4.24*	1.98*	4.21*	2.02*	4.24*
	SE	(.39)	(.48)	(.37)	(.47)	(.37)	(.46)	(.36)	(.45)	(.36)	(.45)	(.36)	(.45)
	B	.07	.12	.07	.12	.07	.12	.07	.12	.04	.11	.07	.12
WESTERN	b			8.05*	9.72*	7.11*	8.57*	2.94*	3.94*	3.91*	4.45*	2.91*	3.92*
	SE			(.40)	(.49)	(.41)	(.52)	(.44)	(.55)	(.44)	(.55)	(.44)	(.55)
	B			.26	.26	.23	.23	.09	.11	.10	.12	.09	.11
MIXED	b			5.63*	6.49*	4.41*	5.06*	1.94x	2.34x	2.16x	2.75x	2.06x	2.44x
	SE			(.62)	(.77)	(.64)	(.80)	(.63)	(.76)	(.63)	(.79)	(.63)	(.79)
	B			.11	.11	.09	.09	.04	.04	.04	.05	.04	.04
GEN2	b					4.03*	5.18*	2.05*	2.99*	2.24*	3.31*	2.01x	2.95*
	SE					(.56)	(.70)	(.55)	(.69)	(.55)	(.69)	(.55)	(.69)
	B					.09	.10	.05	.06	.05	.06	.05	.06
GEN15	b					2.32*	2.57*	1.30x	1.44*	1.43x	1.65x	1.30+	1.44+
	SE					(.47)	(.59)	(.46)	(.57)	(.46)	(.54)	(.46)	(.57)
	B					.06	.06	.04	.03	.04	.04	.04	.03
SES	b							2.19*	2.43*			.93	1.20+
	SE							(.10)	(.13)			(.48)	(.59)
	B							.29	.27			.12	.15

SESQT4	b								11.84*	12.70*			
	SE								(.57)	(.72)			
	B								.33	.30			
SESQT3	b								6.33*	6.06*			
	SE								(.52)	(.66)			
	B								.18	.15			
SESQT2	b								3.35*	3.71*			
	SE								(.52)	(.66)			
	B								.09	.08			
SES <sup>2</sup>	b										.11+	.11+	
	SE										(.04)	(.05)	
	B										.17	.14	
Constant		66.5	53.3	62.6	48.6	62.0	47.9	52.7	37.5	59.1	44.9	55.7	40.5
R <sup>2</sup>		.008	.028	.069	.092	.077	.101	.140	.157	.137	.150	.141	.157

+ p<.05 (b>2 SE), x p<.01 (b>3 SE), \* p<.001 (b>4 SE)

### ***The Incremental Utility of SES***

The univariate analysis (Table 3.3) provided an initial indication of an incremental utility along the SES scale. The analyses above also revealed that SES exerts the greatest relative effect on achievement. The potency of the SES effect persuaded us to continue to explore two additional tests of the proposition of resource incremental utility. In the first test, we explore the effect of dummy-coded SES quartiles (model 5, Table 3.4). In the second test, we apply a polynomial regression model with a quadratic SES term (Pedhazur 1982) (model 6, Table 3.4).

Model 5 replicates the incremental utility along the SES ladder that has already appeared in the univariate analysis. A three to four point effect is shown in the move from the lowest to the second SES quartile; the effect is almost doubled between the second and third quartiles and is doubled again between the third and the highest quartiles. This incremental pattern was also replicated within ethnic groups.

Similarly, the small but significant effect of the SES quadratic term, with SES itself controlled (model 6), supports the claim that there is at least a trend for an incremental utility of SES with regard to reading and science achievement. Both results were replicated (but not shown here) using father's occupation or father's education or mother's education instead of the SES index. However, the quadratic effect of SES was not significant within ethnic groups.

### ***Differential Returns within Resource Groups***

Considering the proposition of resource mutual conditioning, we ran separate regressions for Westerners and Orientals (omitting the mixed), for the first and second generations (omitting GEN 15 and pooling GEN2 and GEN25), and for the upper and lower SES halves. This stage of



analysis explored the hypothesis that the advantaged groups of Westerners, second generation and upper-SES youth would show greater resource returns than their less advantaged counterparts. The six models are presented in Table 5. (Since we concentrate on between-model comparisons, only raw regression coefficients are shown, but the t-values provide a sense of the relative magnitude of the effects within groups.)

Oriental and Westerners do indeed vary in how they utilize resources. In general, the achievement of Westerners is more related to personal and family background data. The amount of variance in achievement accounted for by these predictors reached 13 to 14 percent among Westerners, versus 5 to 6 percent among Orientals. Gender, grade level, generation and, most importantly, SES all have a larger achievement payoff for Westerners than for Orientals.

It is worth noting the entirely insignificant effect of GEN2 among Orientals, implying that the “transition” from first to second generation does not matter much for the academic achievement of Orientals. This is partly explained by ethnic differentials in socioeconomic advancement between first and second generations: the effect size of one generation on SES is .65 among Westerners and .33 among Orientals. This difference is further reflected in the stronger ethnic effects (of both WESTERN and MIXED) within GEN2 than within GEN1, signifying a greater ethnic achievement gap in the second generation. The propensity of the more established generation to capitalize on its resources is also shown by the greater effects of SES and GRADE9 within GEN2.

The more general claim of the more efficient use of resources by the advantaged is further corroborated by the stronger effects of ethnic origin, generation, (GEN2 but not GEN 1) and SES itself within the upper SES half in comparison to the lower half.

We have merely modeled hypothetical transitions on the school grades, generation, and SES ladders without exploring actual transitions. Even so, it is safe to conclude that Westerners, second generation students, and students of higher socioeconomic position convert additional educational, cultural, and socioeconomic assets into academic achievement more effectively than Orientals, first generation students, and those of lower socioeconomic positions.

Of special interest in Israeli society are the ethnic differentials in resource returns. From the greater payoff, Westerners derive from an additional school year, generation, and socioeconomic level, one may presume an increase in the ethnic achievement gap at the upper grades, in the second generation and in the upper socioeconomic levels. This pattern is not in keeping with the common expectation that the ethnic achievement gap would narrow when disadvantaged students stay in school longer, and when their families have lived in Israel for longer periods and have upgraded their socioeconomic positions.

## **Conclusion and Discussion**

Three characteristics of Jewish Israeli society—two ethnic conglomerates, waves of immigration, and an egalitarian tradition—make its educational system a fruitful setting for studying why schools have been relatively unsuccessful in diminishing social gaps in academic achievement so limited despite their efforts to advance socially disadvantaged students. Although they have diminished over time, there are sizable ethnic, generational, and socioeconomic disparities in academic achievement in Israeli schools. Although the ethnic gap largely reflects a socioeconomic gap and to a lesser extent a generation gap, a significant ethnic gap is still found even when generation and SES are controlled.

**TABLE 3.5**  
**Raw Regression Coefficients of READING and SCIENCE on Background Variables:**  
**Estimating Effects within “Strong” and “Weak” Groups**

		Ethnic Origin				Generation				SES			
		Western		Oriental		GEN2		GEN1		Upper half		Lower half	
		Read	Scien.	Read	Scien.	Read	Scien.	Read	Scien.	Read	Scien.	Read	Scien.
MALE	b	1.80*	4.05*	.93	3.54*	1.53	5.12*	.74	2.53*	2.14*	4.39*	.19	2.68*
	SE	(.53)	(.66)	(.55)	(.69)	(.89)	(1.16)	(.49)	(.60)	(.47)	(.61)	(.55)	(.66)
	t	3.41	6.15	1.67	5.14	1.72	4.43	1.52	4.26	4.51	7.18	.36	4.05
GRADE9	b	2.87*	4.85*	1.34+	3.42*	2.47+	5.51*	2.42*	3.68*	1.76*	3.98*	2.52	4.09*
	SE	(.53)	(.66)	(.37)	(.69)	(.89)	(1.16)	(.48)	(.60)	(.48)	(.61)	(.54)	(.66)
	t	4.44	7.35	2.06	4.99	2.76	4.76	4.62	6.14	3.70	6.50	4.15	6.22
WESTERN	b					5.23*	4.64x	2.44*	3.60*	4.28*	5.50*	1.48+	2.21+
	SE					(1.29)	(1.67)	(.53)	(.71)	(.60)	(.78)	(.67)	(.81)
	t					4.06	2.78	4.26	5.08	7.09	7.07	2.21	2.72
MIXED	b					7.35*	5.14+	2.48+	5.28*	3.05*	3.55*	1.59	2.63+
	SE					(1.58)	(2.05)	(.99)	(1.23)	(.84)	(1.08)	(.99)	(1.20)
	t					4.64	2.50	2.50	4.31	3.64	3.28	1.60	2.19
GEN2	b	2.00x	3.03*	-.17	1.05					1.89*	3.13*	1.38	.99
	SE	(.70)	(.87)	(1.07)	(1.38)					(.63)	(.82)	(1.09)	(1.33)
	t	2.87	3.48	-.15	.76					2.98	3.82	1.26	.70
GEN15	b	1.67x	2.03x	1.99+	2.90+					.71	1.17	2.06+	2.25+
	SE	(.63)	(.78)	(.80)	(1.00)					(.58)	(.74)	(.73)	(.88)
	t	2.67	2.59	2.47	2.90					1.23	1.57	2.82	2.55
SES	b	2.54*	2.85*	1.81*	1.92*	2.26*	2.89*	2.10*	2.23*	2.36*	2.68*	1.81*	2.36*
	SE	(.14)	(.18)	(.16)	(.20)	(.28)	(.36)	(.14)	(.17)	(.20)	(.26)	(.27)	(.33)
	t	17.66	15.89	11.22	9.58	8.19	8.06	15.49	13.29	11.81	10.41	6.61	7.11
Const.		52.53	37.79	55.01	39.85	51.67	35.11	53.27	38.90	50.42	34.02	54.72	38.53
R <sup>2</sup>		.131	.141	.047	.062	.160	.179	.096	.097*	.088	.106	.030	.054

+ p<.05 (b>2 SE), x p<.01 (b>3 SE), \* p<.001 (b>4 SE)

Family background effects, mainly of socioeconomic position but also of cultural and social capital are to be expected. More challenging are the interactions between ethnic origin and SES, on the one hand, and generation on the other hand. These indicate greater academic benefits among the Westerners and a wider achievement gap between Orientals and Westerners as one hypothetically moves up the SES ladder and moves from first to second generation in Israel. Also intriguing is the trend toward a nonlinear effect along the SES ladder, with larger achievement returns at its upper part. Such a trend has also been found in the IEA study of science achievement of 14-year-old students in ten countries (Keeves, Morgenstern, and Saha 1991).

These findings support a general hypothesis: Students with high resources are better able to

convert social resources, and perhaps cultural and school resources, into achievement than low-resourced students. The “strong,” whether defined socioeconomically, culturally, or both, derive more from each marginal unit of a resource, be it higher socioeconomic level, added generation within the absorbing society, or additional academic year (or year of age). This propensity of the advantaged may account at least in part for the reproductive nature of schools and their relative failure to reduce social differentials in achievement despite costly programs of educational intervention.

In Israel, we need to add a more specific explanation for the intriguing negative generational effect among Orientals, one related to the timing of immigration and to differential conditions of absorption of respective groups of immigrants. The wider ethnic gap in the second generation, as compared with the first, can be explained in terms of critical events in the lives of the parents of our subjects (Inbar and Adler 1977). The parents of the second generation Oriental students experienced harsh socialization conditions, including cultural discontinuity, poor working and living arrangements, and poor schooling. These conditions were much harsher than those experienced by parents of the second generation Westerners, and even more so than those experienced by the first generation Orientals (Dar and Resh 1991). These socialization experiences may have hampered the ability of second generation Oriental Israelis to facilitate learning in their children, thus contributing to the widening of the ethnic achievement gap in the second generation.

Our findings discourage hopes for a rapid reduction of achievement gaps between ethnic and socioeconomic groups. However, comparisons with previous research indicate that social differentials are slowly but consistently narrowing. The ethnic gap, which was a full standard deviation in the 1960s, declined to about .80 standard deviations in the middle 1970s, and to about .60 standard deviations in the late 1970s and early 1980s. In our mid-1980s study, ethnic and socioeconomic gaps were found to be a third of a standard deviation smaller than in a parallel study thirteen years earlier.

Is this not an ostensible contradiction? On the one hand, Westerners and students from upper social strata are advantaged in utilizing relevant resources and converting them into achievement. On the other hand, we have shown a decline in ethnic and socioeconomic differentials over time. This contradiction can be resolved if the two trends are seen as separate effects. In a cross-sectional study of a single population, the marginal utility of relevant resources was indeed greater for the advantaged groups. Though we have no way of proving it, there is still the possibility that the disparity between strong and weak in the academic returns to a given level of resources was even greater in former decades. Hence, part of the smaller educational gaps in the 1980s might be due to a growing power of the disadvantaged groups to convert their resources in the learning process.

Our longitudinal analysis may reflect three beneficial processes for the disadvantaged. First, Orientals have more varied socioeconomic backgrounds than before, increasing their relative representation in the upper SES levels. This change is nicely reflected in the comparison of the SES ethnic composition of our 1986 sample and the sample of the junior high school study thirteen years earlier. Second, the Oriental family has accumulated financial, social, and cultural capital, increasing its bargaining power and ability to utilize educational resources. And third, school policies that were purported to promote underprivileged students have been improved, and their effects have accumulated. This may have longitudinally increased the efficacy of Oriental students in converting social resources into achievement and counterbalanced their initial disadvantages, as was revealed in the cross-sectional analysis.

The gradual improvement of the disadvantaged in eliciting academic returns from social and cultural resources may explain the reduced achievement differentials over time; the more effective conversion of resources into achievement by advantaged groups may explain why the reduction of ethnic and socioeconomic gaps has been so slow. The unequal endowment of students from varying backgrounds inevitably hinders the realization of sincere intentions to achieve greater educational equality.

Note that our findings were derived from the junior high school level, where outstanding efforts have been made to integrate students from diverse social backgrounds not only in schools but also in classrooms. This grade level is also less susceptible to the exclusionary effects of educational tracking that appear in high school. The relatively undifferentiated learning setting minimizes the exclusionary role of educational selection in mediating the greater utility of socioeconomic resources among the advantaged. It may therefore be argued that at least at this stage of their education, advantaged students profit more from processes of family socialization rather than from processes of school allocation.

Our cross-sectional study supports the Matthew effect hypothesis and corroborates the propositions about the underlying mechanisms that help the strong to become stronger—the proposition of the mutual conditioning of resources and the proposition of the incremental effect of resources. At the same time, the differential sensitivity hypothesis—the greater dependence of the disadvantaged on efforts of school improvement—is supported in our longitudinal analyses. Both effects thus seem to operate simultaneously, with their strength probably depending on the particular systemic and school conditions.

In light of these findings, what has appeared to be a failure of the Israeli school in eliminating social achievement gaps may in fact be interpreted as a modest success. These gaps not only did not widen, but they even narrowed. The lesson from the Israeli case is that, due to the unequalizing nature of family resources, educational systems committed to reducing inequality of educational outcomes must persist in positively discriminating in favor of the disadvantaged in allocating school resources.

## **Appendix**

### **Correlations, Means and Standard Deviations of Research Variables**

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1 MALE																
2 GRADE9	-.02															
3 WESTERN	.03	-.01														
4 MIXED	.02	-.03	-.31													
5 ORIENTAL	-.04	.03	-.80	-.33												
6 GEN1	-.02	.01	-.25	-.17	.36											
7 GEN15	.01	-.02	.09	.20	-.22	-.66										
8 GEN2	.01	.01	.18	.03	-.20	-.49	-.23									
9 GEN25	.01	-.02	.12	-.07	-.08	-.22	-.10	-.08								
10 FAOCC	.07	.02	.36	.05	-.39	-.27	.12	.18	.10							
11 FAED	.03	.01	.38	.04	-.41	-.26	.11	.18	.10	.70						
12 MOED	.04	.01	.43	.05	-.45	-.31	.14	.21	.11	.56	.69					
13 SES	.05	.02	.44	.05	-.47	-.32	.14	.22	.12	.87	.91	.85				
14 READING	.06	.07	.22	.03	-.25	-.18	.08	.12	.06	.32	.30	.31	.35			
15 SCIENCE	.12	.12	.23	.03	-.25	-.18	-.18	.07	.13	.07	.31	.29	.31	.35	.59	
<i>M</i>	.48	.49	.43	.11	.45	.58	.24	.14	.03	5.35	3.79	3.70	5.53	68.5	57.5	
$\sigma$	.50	.50	.50	.32	.50	.49	.43	.35	.18	2.44	1.58	1.49	2.06	15.5	18.3	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	

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## 4

# Concentrated Disadvantage and Access to Educational Credentials in Arab and Jewish Localities in Israel<sup>1</sup>

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### Introduction

This chapter examines structural effects of aggregated locality-level variables on access of the 17–18 age cohort to high school matriculation. The study compares Arab and Jewish localities in Israel.

Researchers studying the effects of ethnic spatial segregation and poverty on social opportunities found that segregation is associated with spatially defined patterns of “concentrated disadvantage” among subordinate groups (Krivo et al. 1998; Massey and Eggers 1990). “Concentrated disadvantage” was defined in terms of higher joblessness and poverty rates, as well as greater social dislocation and deprivation within segregated spatial settings. It was found to increase inequality in social opportunities between dominant and subordinate groups much more than within each group (Krivo et al. 1998, pp. 76–77). Crane (1991), Caldas and Bankston (1997) as well as Wenglinsky (1998, p. 233) concluded, from quite divergent perspectives, that the concentration of social and economic disadvantage, at the level of the local community or of the school district, acts as a significant structural determinant of educational achievement.

The concept of “concentrated disadvantage” (see: Krivo et al. 1998) is a useful tool to examine the structural mediation of unequal educational opportunities in deeply divided societies, such as in the state of Israel. Ayalon (1994) argued the point that it is critical to examine the extent to which structurally defined social and economic opportunities, operating at locality-level, further affect educational attainment in Israel. The argument was raised given the salient association between spatial distribution of the population, ethnic affiliation, individual background variables and status attainment. Relationships between these variables suggest that the concentration of socioeconomic disadvantage is much higher among spatially segregated subordinate groups,

such as Arabs and Eastern origin Jews, compared to their Western origin Jewish counterparts (Ben-Zadok 1993; Gonen 1985; Peled 1998; Weintraub and Kraus 1982).

In Israel, localities differ significantly in their ethnic composition, population size, and socioeconomic status. Compared to their Jewish counterparts, Arabs live on the average in smaller localities, with more limited economic resources (Yiftachel 1992) and lower per pupil investment ratios (Al-Haj and Rosenfeld 1988). Arab localities have higher natural increase rates, and on the average, a higher prevalence of larger families, though fertility differences persist within each group, respectively (Lewin-Epstein and Semyonov 1993, pp. 16–18; Shavit and Pierce 1991, p. 322). Economically, Arabs have a lower economic purchase power of commodities and other durable goods, such as electronic instruments and privately owned cars, spending proportionally more on food and shelter (Zureik 1988, p. 417). Occupational opportunities of Arab localities remain significantly restricted, as Arabs are dominantly employed in lower-income and underpaid manual occupations (Klinov 1990; Kraus and Hodge 1990; Lewin-Epstein and Semyonov 1992a, 1993; Sa'di 1995; Wolkinson 1991).

A socioeconomic classification of localities undertaken by Israel's Central Bureau of Statistics shows that *all* Arab localities rank in the lower and lowest clusters, exhibiting a significantly higher concentration of disadvantage, on all socioeconomic indicators compared to their Jewish counterparts (State of Israel. Central Bureau of Statistics, 1995a, pp. 40–41). Other sources further reveal that Arab localities have significantly less intra-locality occupational opportunities. Their dependence on a commuting workforce, employed outside its locality of residence, is significant. This workforce is employed mainly in manual and underpaid occupations (Lewin-Epstein and Sa'di, 1998; Lewin-Epstein and Semyonov 1993, 1994; Semyonov and Lewin-Epstein 1992; Shavit 1992). Similarly, less established Jewish localities inhabited by a higher proportion of Jews of Eastern origin have lower occupational and social mobility opportunities compared to their more established counterparts. These less established localities (mostly “development towns”) are overwhelmingly dependent on state development schemes and welfare allocations (Ben-Zadok 1993, pp. 98, 110; Peled 1998, pp. 710–712).

The extent to which the spatial concentration of disadvantage-at locality level-structurally affects educational opportunities in Israel has not been clarified systematically to date. Moreover, a major shortcoming of structural social research in Israel pertains, with few exceptions, to the lack of an explicit theoretical and empirical examination of state policies and practices and the extent to which they effectively condition the spatial distribution of educational outcomes. Several issues arise in this respect.

First, the state of Israel is legally defined as being an ethnic (Jewish) apparatus. It operates primarily as a political instrument through which Jewish interests and dominance are secured and reproduced. As such, state policies are characterized by differential spatial development schemes, from which Arab localities find themselves excluded or marginalized by definition (e.g., “Judaization of Galilee,” “Preferential Development Zones,” etc.), if not directly targeted (e.g., land expropriation, differential budgetary allocations in all domains, etc.). State planning policies considerably affect the economic and social mobility opportunities available within Arab localities, compared to their Jewish counterparts. They increase, in the last resort, Arab economic dependency and marginalization and Jewish political control (Falah 1993; Yiftachel 1992). In the domain of education, persistent state policies of discriminatory investment and development are practiced, whereas Arab localities, and Arab schools are allocated a significantly lower per pupil expenditure ratio compared to their Jewish counterparts (see, e.g., State of Israel. Office of the State Comptroller, 1992).

Further, significant disparities in the distribution of child allocations persist between Arabs and Jews. Such disparities are also associated with locality-level poverty among children, affecting the ability of households to cater to their educational and other needs (see, e.g., Ben-Arieh 1997, pp. 22–23). Ethnic disparities in child allocations by the National Insurance Institute (Nil) resulted, till fairly recently, from the inclusion of “military service” as a criterion in determining the economic value of state money transfers to families. Zureik (1988, p. 416) remarked that, as a result, “the larger the family size the greater the discrepancy in child support between both groups,” to the detriment of the larger Arab family (see Gal 1997, p. 12).<sup>2</sup> Ben-Arieh (1997, p. 23) and Sa’di (1997, pp. 34–36, 38) pointed to the fact that even after child allocations, more than 40 percent of children in the mid-1990s continued to live under the “poverty line,” as defined by the NIL. This amounted to more than twice the respective percentage among Jewish children. Sa’di (1997) concluded that inequalities in child allocations widened the economic gap between Arab and Jewish families. However, earlier research (see, e.g., Shavit and Pierce 1991) disregarded the extent to which differential child allocations, as a significant component of the “institutional support system” devised by the state, affect educational achievement, and especially of pupils from larger, and poorer, families. Basically, a greater prevalence of larger families within Arab localities implies proportionally lesser state support. The opposite is true for Jewish localities. As Arab families tend to be poorer (Ben-Arieh 1997, pp. 23–24), the prevalence of larger families within a locality, in a context of proportionally less state support (Sa’di 1997; Zureik 1988) and confined occupational opportunities (Kraus and Hodge 1990; Lewin-Epstein and Semyonov 1993), may be expected to significantly affect, in the final resort, educational opportunities and access to educational resources.

Secondly, in Israel, a locality’s ethnic composition plays also an important role in determining the extent of individual and collective access to educational resources, whether among Arabs or Jews. Among Jewish localities, Ayalon (1994) found that more established localities offer their pupils greater access to prestigious academic high school tracks compared to their less established counterparts. In established localities, pupils of Western origin have higher access opportunities to academic tracks than their counterparts of Eastern origin. Ayalon remarked that competition between both groups tends to result in a greater disadvantage to the latter, mainly due to their lower socioeconomic background. By contrast, in less established localities, those dominantly inhabited by Jews of Eastern origin, educational opportunities are more restricted and dropout rates higher.

Similarly, among Arab localities, it is possible to point to significant regional and socioeconomic inequalities in pupils’ mobility within the school system (Mazawi 1996, pp. 99–117, 124–129). Mazawi (1998) found that, compared to larger localities, their smaller counterparts tend to maintain academically oriented, and therefore more selective, high school tracks of study. Moreover, established localities were found to secure higher access rates to educational credentials compared to their less established counterparts. The socioeconomic status of the locality was found to supersede the effects of high school tracking patterns, probably due to the Arab public school’s still dominantly academic orientation. Contrary to expectation, tracking patterns were found to affect gender schooling opportunities much more than access to educational credentials. Further, localities in Galilee, possibly due to a wider array of community-based educational settings, were found to secure higher access rates to educational credentials compared to localities in the Triangle area.<sup>3</sup>

These studies suggest that the concentration of socioeconomic disadvantage at locality-level

constitutes a critical contextual determinant of educational achievement, beyond possible effects of lower-level variables. However, it remains unclear what particular *sources* (dimensions) of socioeconomic disadvantage are more significant than others in their mediation of broader educational inequalities in Israel. Further, though Arab and Jewish localities remain unequally positioned on most socioeconomic indicators, no particular examination was undertaken as to the relative effects of specific indicators on educational achievement within each group.

## Research Questions

Based on the above review, this chapter investigates the extent to which locality-level indicators of socioeconomic disadvantage mediate access to educational credentials among Arab and Jewish localities in Israel.

The two sets of independent variables operating at locality-level that are accounted for, represent distinct sources (dimensions) of socioeconomic disadvantage. The first set refers to locality-level sociodemographic structure. It includes measures of a locality's (a) ethnic composition (Arab/Jewish), (b) population size, and (c) prevalence of larger families. The second set refers to locality-level economic and labor market opportunities. It includes measures of a locality's (a) commodity purchase power, (b) prevalence of underpaid workforce, and (c) extent of unemployment allocation receivers. The dependent variable measures the proportion of the 17–18 age cohort within the locality successfully obtaining the matriculation certificate at the end of the twelfth grade.

The preceding review raises two major questions. First, does the higher concentration of disadvantage in Arab localities, and their spatial segregation, emphasize the primordially of the ascriptive ethnic affiliation, as a structural determinant of access to educational credentials? In this sense, to what extent is access to educational credentials at locality-level determined by the relative position of each ethnic group in the broader opportunity structure?

Secondly, what *sources* of concentrated disadvantage affect access to educational credentials in Israel? Can it be expected that distinct sources of socioeconomic disadvantage differentially affect access to educational credentials *within* each ethnic group?

It is broadly hypothesized, first, that access to educational credentials at locality-level is significantly affected by the broader ethnic stratification. As such, Arab localities, *qua* a subordinate group in the broader opportunity structure, will exhibit a lower access to credentials compared to their Jewish counterparts. Secondly, the macro-spatial distribution of socioeconomic inequalities in Israel will differentially affect the sources of disadvantage structurally determining access to educational credentials *within* each ethnic group. As the concentration of disadvantage is more generalized among Arab localities, sociodemographic variables are expected to affect access to educational credentials much more significantly than economic and occupational opportunities. The underlying assumption is that economic and labor market differentiation among Arab localities are relatively confined as a result of their essentially subordinate position in the broader opportunity structure. In such a case, their sociodemographic differentiation mediates educational inequalities much more significantly than economic and occupational opportunities. Among Jewish localities, the opposite expectation is formulated, as economic and occupational differentiation is more significant than sociodemographic variation. Further, less established Jewish localities are much more dependent on welfare and other state allocations compared to other localities, and particularly to their Arab counterparts (Ben-Zadok

1993, 107–110). In such a case, it is argued, sociodemographic variables will have a less powerful effect on access to educational credentials in Jewish localities compared to their Arab counterparts.

## Data and Method

*Data.* The data of the present study are aggregated, at locality-level and refer to the years 1993 and 1994 (State of Israel. Central Bureau of Statistics 1995a, 1995b). The data form part of an aggregated socioeconomic measure originally produced by the Central Bureau of Statistics (State of Israel. Central Bureau of Statistics 1995a). The data weight the factorial values of demographic, educational, economic and labor market variables in determining the socioeconomic status of a given locality. The present study decomposes the socioeconomic measure and uses its major aggregated constituents as independent variables. Thus, it is possible to capture, for each ethnic group separately, those socioeconomic dimensions that have the most significant effect on access to educational credentials.

*Sample.* The basic unit of analysis is the locality of residence. The research sample includes 148 extracted from a total population of 166 local authorities situated within pre-1967 Israel. The excluded 18 localities, of which there were 3 Arab and 15 Jewish, had substantive missing data which could not be reliably supplemented by any other source. With one exception, these were small localities, whether rural or suburban, distributed equally across Israel's various regions.

The final sample refers, therefore, to about 90 percent of the total population of local authorities situated within pre-1967 Israel in 1993. It includes 148 localities, 66 (45 percent) being Arab and 82 (55 percent) Jewish. The average number of inhabitants of an Arab locality was 9.76 thousand (Sd = 9.68) and of a Jewish locality 41.89 thousand (Sd = 59.16). About 80 percent of Israel's population lived in these localities in 1993.

*Variables.* The analysis is based on the following locality-level aggregated measures:

### (i) Independent sociodemographic variables

1. Ethnicity (ETH). Coded as a dichotomous variable, an Arab locality received the value 1 and its Jewish counterpart the value 0.
2. Locality population size (POP). This measure is expressed in terms of the number of inhabitants in the locality, in thousands, in 1993. As the effects of this variable are not linear, its original values were transformed to a logarithmic scale.
3. Percentage of families with 4 and more children out of all families receiving child allocations in 1994 (FAM). The measure refers to the prevalence of larger families within a locality from among all families receiving child benefits allocations.

Household size and number of children per household represent significant demographic differences between Arabs and Jews in Israel, as well as within each group, respectively. In 1994, the average household size in Israel had 3.58 individuals, with 5.27 for Arabs and 3.34 for Jews (State of Israel. Central Bureau of Statistics 1995b, p. 107, Table 2.33). Within each group, significant differences exist between localities, as a function of their population size and region: smaller and rural localities, have on the average more individuals per household, compared

to their urban and larger counterparts (*ibid.*, p. 107, Table 2.33). As to number of children per household, 62.5 percent of Arab households had 4 or more children up to age 17, compared with 27.5 percent of their Jewish counterparts (*ibid.*, p. 108, Table 2.34).

(ii) *Independent economic and labor market variables*

4. Proportion of privately owned cars produced in 1992–1994 out of all privately owned cars within the locality in 1994 (CAR). The proportion of new privately owned cars is conceived here as an economic indicator related to the commodity purchase power of a given community: the higher the proportion of new privately owned cars, the higher the commodity purchase power of a locality. In 1994, privately owned cars constituted 76.3 percent of all motorized vehicles in Israel. In that same year, 31.7 percent of all privately owned cars were 1992–1994 models (*ibid.*, p. 544, Table 18.17).
5. Percentage of employees earning below the minimum income, out of all employees in locality (INC). The measure expresses the percentage of working individuals who were underpaid, in 1993. The higher the percentage of underpaid workforce, the higher the representation of the local workforce in the least income-generating occupations. Further, it could be assumed that this measure indirectly expresses the extent to which a locality depends on Nil income supplement benefits, to which individuals earning below the minimum salary are entitled by law.
6. Percentage of receivers of unemployment allocations from among all individuals aged 19–64 within the locality (UMP). The variable refers to the percentage of potentially active individuals who were not employed, in 1994, for whatever reason.

In order to grasp the fuller meaning of this variable, it should be noted that Arab localities necessarily score lower on this measure. This is due mainly to a significantly higher proportion of their population aged 19–64 being *outside* the active labor force, either as household women (Lewin-Epstein and Semyonov 1992b) or as men retired from the labor force at the average prime-time age of 44 (Lewin-Epstein and Sa'di 1998). The latter retire as a result of the combined effects of physically demanding jobs and their inability to compete with younger and more educated cohorts (*ibid.*, p. 24). By contrast, Jewish localities score higher on this measure, because they have a higher proportion of people economically active in the labor force, women and men engaged in a more diversified set of occupational outlets for relatively longer periods of time (see Klinov 1990; Lewin-Epstein and Sa'di 1998).

Based on the above, the present variable measures, in fact, the extent of state support to a locality's 19–64 age group in case of economic inactivity. The lower the measure, the lower is the economic value of the state's unemployment allocations to a locality's 19–64 age group. The higher the measure, the higher is the economic value of the state's support for a locality's 19–64 age group in case of labor inactivity. In this sense, the measure reflects the extent to which the state may affect a locality's global income by directly supporting the 19–64 age group in case of economic inactivity.

(iii) *Dependent variable*

7. Proportion of 17–18 age group in the locality entitled to the General Certificate of Education in 1993 (GCE). In previous studies, different measures were used to assess educational attainment, such as mean years of schooling (Klinov 1990; Shavit and Pierce 1991), access opportunities to academic tracks (Ayalon 1994), or still, the percentage of matriculated twelfth graders (Mazawi 1998). The present measure refers to actual access proportions of the whole eligible age-cohort in the locality to educational credentials. As such, the measure includes not only successfully matriculated twelfth graders who studied within the school system, but also those individuals aged 17–18 who successfully matriculated through non-regular education networks as well.

*Analysis.* First, a regression analysis was performed to assess the relative effects of (1) sociodemographic and (2) economic and labor market variables on GCE for all localities ( $n = 148$ ). Secondly, in order to assess the differential impact of the independent variables *within* each ethnic group, the same statistical procedure was repeated for Arab ( $n = 66$ ) and Jewish ( $n = 82$ ) localities separately.

## Findings

### *Analysis for all localities*

Table 4.1 presents the Pearson correlations matrix, as well as the variables' means and standard deviations for all 148 localities, both Arab and Jewish.

Table 4.1 reveals significant differences between Arab and Jewish localities in their demographic, economic, and labor market characteristics, as well as in their access to educational credentials. The extremely powerful correlations between ethnicity (ETH) and other structural locality-level variables (especially FAM, CAR, and UMP) suggest that Arab and Jewish localities represent, by and large, distinct demographic and socioeconomic constructs. Arab localities are smaller in size, with a significantly higher prevalence of larger families. Further, they have a significantly lower commodity purchase power, a higher proportion of underpaid workforce, and a lower percentage of state support to individuals within the 19–64 age-group in case of unemployment. Arab localities also have a significantly lower access to educational credentials compared to their Jewish counterparts.

Other results in Table 4.1 show that the prevalence of larger families (FAM) is significantly correlated with economic and labor market structural variables. A higher prevalence of larger families is associated with a lower commodity purchase power, with a higher percentage of underpaid labor, and with a lower percentage of unemployment allocation receivers. These associations clearly indicate that the prevalence of larger families in a given locality is significantly associated with a higher concentration of socioeconomic disadvantage.

Finally, access to educational credentials (GCE) is significantly and powerfully associated with local sociodemographic structure, as well as with economic and labor market opportunities. The prevalence of larger families, as well as of a higher percentage of underpaid labor, are both negatively correlated with access to GCE. By contrast, a locality's population size and commodity purchase power are positively associated with GCE. Unexpectedly, the correlation between UMP and GCE is weak and nonsignificant. These associations suggest that access to



educational credentials is powerfully associated with sociodemographic and economically pertinent opportunities available at locality-level, but, apparently not with the extent of state support to the 19–64 age-group in case of unemployment.

Table 4.2 presents the metric (b) and standardized (fl) effects of locality-level variables on access to educational credentials (GCE), with adjustments for the demographic variables (ETH, POP, and FAM).<sup>4</sup>

Regression results in Table 4.2 reveal that the demographic variables, entered on step 1, account for 46 percent of the variance in GCE among all 148 localities. However, the only significant effect on GCE is that of FAM (fl = -.83, p s .01). The effect is stronger than the initial simple association between both variables (r = -.67, p s .01). Once other variables were controlled for, the effect of ETH on GCE has been extensively weakened and rendered nonsignificant (fl = .15, p > .10). This finding implies that the effect of ETH on GCE is mediated, essentially, through other variables.

**TABLE 4.1**  
**Pearson Correlations, Means and Standard Deviations of Variables (n = 148)**

	ETH	POP (log)	FAM	CAR	INC	UMP	GCE
<b>POP (log)</b>	-.44*						
<b>FAM</b>	.85*	-.44*					
<b>CAR</b>	-.86*	.44*	-.82*				
<b>INC</b>	.39*	-.09	.54*	-.49*			
<b>UMP</b>	-.63*	.19*	-.51*	.58*	.08		
<b>GCE</b>	-.52*	.22*	-.67*	.62*	-.70*	.04	
<b>Mean</b>	.45	2.55	24.52	.25	39.24	2.33	.31
<b>S.D.</b>	.50	1.15	15.47	.10	6.17	1.54	.16

\* p ≤ .01

ETH = Ethnicity

POP = Locality population size

FAM = Percentage of families with four and more children receiving child allocations in 1994

CAR = Proportion of privately owned cars which were 1992–94 models out of all privately owned cars within the locality in 1994

INC = Percentage of employees earning below the minimum income, out of all employees in the locality

UMP = Percentage of receivers of unemployment allocations from among all individuals aged 19–64 within the locality

GCE = Proportion of 17–18 age group in the locality entitled to the General Certificate of Education in 1993

The economic and labor market variables (CAR, INC, and UMP) were entered on step 2. Subsequently, the explanatory power of the equation rises to 68 percent, thus gaining an

additional 22 percent compared to step 1. The inclusion of the economic and labor market variables on step 2 deserves attention:

On the one hand, these variables significantly affect access to educational credentials. Commodity purchase power (CAR) positively and significantly affects GCE ( $f1 = .44, p < .01$ ). The prevalence of an underpaid workforce (INC) and dependence on state unemployment allocations (UMP) exert a significant negative effect on GCE. In this respect, once other variables were controlled for, UMP now clearly acquires a negatively significant effect on GCE ( $f1 = -.37, p < .01$ ), while its simple correlation with the dependent variable was almost nil and nonsignificant ( $r = .04, p > .10$ ). On the other hand, the inclusion of the economic and labor market variables affects the effect coefficients of the demographic variables. While FAM continues to preserve a negatively significant effect on GCE, nonetheless, once adjusted for, it loses about 40 percent of its standardized effect ( $f1 = -.48$  on step 2 compared with  $f1 = -.83$  on step 1, both at  $p < .01$ ).

**TABLE 4.2**  
**Metric (b) (standard errors) and Standardized (f1) Effects of Locality-level Variables on GCE and Pearson Correlations (r) between GCE and Locality-level Variables (n = 148)**  
 (see Table 4.1 for key)

	Step 1		Step 2		r
	b	$\beta$	b	$\beta$	
<b>ETH</b>	.05 (.04)	.15	.03 (.04)	.08	-.52*
<b>POP (log)</b>	-.01 (.01)	-.08	-.01 (.01)	-.10	.22*
<b>FAM</b>	-.01* (.00)	-.83*	-.01* (.00)	-.48*	-.67*
<b>CAR</b>			.69* (.17)	.44*	.62*
<b>INC</b>			-.01* (.00)	-.24*	-.70*
<b>UMP</b>			-.04* (.01)	-.37*	.04
<b>Constant</b>	.52*			.60*	
<b>R<sup>2</sup></b>	.46*			.68*	

\*  $p \leq .01$

These findings suggest that ETH does not appear to exert a direct independent effect on GCE, once other variables were controlled for. Rather, the prevalence of larger families, as well as economic and labor market variables, play a significant mediating role in this respect. The extremely powerful associations between ethnicity and other socioeconomic variables (especially FAM and CAR) clearly suggest that Arab localities exhibit a significantly higher

concentration of disadvantage, compared to their Jewish counterparts. In fact, these associations imply that FAM and CAR act as proxies of ethnicity. Consequently, while access to educational credentials in Israel is affected primarily by a locality's relative position in the broader opportunity structure, nevertheless, the higher concentration of disadvantage for Arab localities stresses the effects of their subordinate socioeconomic status on access to educational credentials. Quite interestingly, the findings also reveal that a higher dependence on state unemployment allocations negatively affects access to educational credentials within the locality.

**TABLE 4.3**  
**Pearson Correlations, Means and Standard Deviations of Variables for Arab (below diagonal, n = 66) and Jewish (above diagonal, n = 82) Localities (see Table 4.1 for key)**

	POP (log)	FAM	CAR	INC	UMP	GCE	Mean	S.D.
<b>POP (log)</b>		-.23*	.21*	.09	-.13	.05	3.00	1.23
<b>FAM</b>	-.02		-.38	.50*	.37*	-.62*	12.83	7.39
<b>CAR</b>	-.06	-.35*		-.30*	.08	.46*	.33	.06
<b>INC</b>	.12	.39*	-.39*		.68*	-.82*	37.12	5.81
<b>UMP</b>	-.12	-.53*	.17	-.05		-.60*	3.20	1.48
<b>GCE</b>	-.18	-.41*	.27*	-.32*	.13		.38	.15
<b>Mean</b>	1.99	39.04	.16	41.88	1.26	.22		
<b>S.D.</b>	.72	9.31	.04	5.59	.73	.11		

Note: Mean differences between Arab and Jewish localities are all significant at  $p < 0.00$  (two-tailed test of significance).

\*  $p \leq .03$

### ***Analysis by Ethnicity***

In order to capture the relative effects of structural variables on access to GCE *within* each ethnic group, a similar analysis was undertaken for Arab and Jewish localities separately. Table 43 presents the Pearson correlations matrix, as well as the variables' means and standard deviations for Arab and Jewish localities (below and above diagonal, respectively).

Findings in Table 4.3 show the already noted significant differences between Arab and Jewish localities. The former exhibit a greater prevalence of larger families, more confined, locally available opportunity structures and lower access to educational credentials compared to the latter.

Table 4.3 also shows that for both Arab and Jewish localities, commodity purchase power (CAR), as well as the prevalence of larger families (FAM), are negatively associated with the percentage of underpaid employees (INC). However, for Arab localities, the prevalence of larger families (FAM) and extent of state unemployment allocations to the 19–64 age-group (UMP) are negatively correlated ( $r = -.53$ ,  $p < .03$ ). At the same time, the correlation between the prevalence of underpaid workforce (INC) and extent of state unemployment allocations (UMP) is weak and devoid of statistical significance ( $r = -.05$ ,  $p > .10$ ). For Jewish localities, a

different pattern of associations was found whereas FAM, INC, and UMP all exhibit positively significant correlations among themselves (FAM-INC:  $r = .50$ , FAM-UMP:  $r = .37$  and INC-UMP:  $r = .68$ , all at  $p < .03$ ).

These correlations suggest that, for both Arab and Jewish localities, a greater prevalence of underpaid workforce and of larger families are associated with a lower commodity purchase power, that is, with greater poverty-related indicators. Yet, Arab localities, in contradistinction with their Jewish counterparts, tend to be associated, in addition, with lesser state unemployment allocations and with larger families. This implies that Arab localities receive much less state support in case of unemployment to cater to the needs of their larger families. Rather, Arab localities tend to rely more significantly on income from underpaid occupations. Jewish localities with a higher prevalence of larger families tend, by contrast, to rely more extensively on state welfare allocations.

**TABLE 4.4a**  
**Metric (b) (standard errors) and Standardized ( $\beta$ ) Effects of Locality-level Variables on GCE and Pearson Correlations ( $r$ ) between GCE and Locality-level Variables: Arab Localities (n = 66) (see Table 4.1 for key)**

	Step 1		Step 2		r
	b	$\beta$	b	$\beta$	
<b>POP (log)</b>	-.03 (.02)	-.19	-.03 (.02)	-.19	-.18
<b>FAM</b>	-.01* (.00)	-.41*	-.01* (.00)	-.40*	-.41*
<b>CAR</b>			.26 (.35)	.09	.27*
<b>INC</b>			-.00 (.00)	-.12	-.32*
<b>UMP</b>			-.02 (.02)	-.13	.13
<b>Constant</b>		.47*		.55*	
<b>R<sup>2</sup></b>		.20*		.24*	

\*  $p \leq .01$

Table 4.3 also indicates that access to educational credentials is negatively and significantly associated with locality-level demographic and economic characteristics. However, the negative correlations between CAR, INC, UMP, and GCE are much stronger for Jewish than for Arab localities.

Table 4.4a (for Arab localities) and Table 4.4b (for Jewish localities) present the metric (b) and standardized ( $\beta$ ) effects of locality-level variables on access to educational credentials (GCE), with adjustments for the demographic variables (POP and FAM).

Findings in Tables 4.4a and 4.4b show that the explanatory power of the independent variables is not equal for both ethnic groups. Structural locality-level variables explain, in the

final resort, 24 percent of the variance in GCE for Arab localities, and 77 percent for their Jewish counterparts, or about three times as much. The discrepancy suggests a significant interaction effect between a locality's ethnicity and other structural variables in determining access of the 17–18 age cohort to educational credentials.

**TABLE 4.4b**  
**Metric (b) (standard errors) and Standardized (f) Effects of Locality-level Variables on GCE and Pearson Correlations (r) between GCE and Locality-level Variables: Jewish realities (n = 82) (see Table 4.1 for key)**

	Step 1		Step 2		
	b	$\beta$	b	$\beta$	r
<b>POP (log)</b>	-.01 (.01)	-.10	-.00 (.01)	-.03	.05
<b>FAM</b>	-.01* (.00)	-.64*	-.00* (.00)	-.20*	-.62*
<b>CAR</b>			.67* (.18)	.26*	.46*
<b>INC</b>			-.01* (.00)	-.49*	-.82*
<b>UMP</b>			-.02* (.01)	-.22*	-.60*
<b>Constant</b>		.58*		.77*	
<b>R<sup>2</sup></b>		.39*		.77*	

\*  $p \leq .02$

For Arab localities (Table 4.4a), net of other effects, commodity purchase power (CAR), extent of underpaid workforce (INC), and extent of state unemployment support (UMP), add 4 percent to the explained variance when entered on step 2. The effect coefficients of these three variables lack significance ( $p \geq .10$ ). By contrast, the prevalence of larger families continued, on step 2 as well, to exert a significant negative effect on GCE ( $f = -.40$ ,  $p \leq .01$ ), emerging as a powerful determinant of access to educational credentials.

For Jewish localities (Table 4.4), the opposite is rather visible. Once entered into the equation on step 2, economic, labor market, and extent of state unemployment support variables add 38 percent to the explained variance. As a result, the effect of FAM is considerably weakened, losing over two-thirds of the strength of its standardized effect on step 2 compared to step 1 ( $f = -.20$  versus  $f = -.64$  respectively, both at  $p \leq .02$ ). By contrast, economic purchase power (CAR), the extent of underpaid workforce (INC), and the extent of state support to unemployed individuals aged-19–64 (UMP), all emerge as significant determinants of access to educational credentials ( $f = .26$ ,  $f = -.49$  and  $f = -.22$  respectively, all at  $p \leq .02$ ). Underpaid labor and state unemployment allocations significantly decrease access to educational credentials among Jewish localities. Commodity purchase power positively affects access to such credentials.

To summarize the major findings in Tables 4.4a and 4.4b: the 17–18 age cohort in Arab



localities secure a significantly lower access to educational credentials. As expected, Arab localities are much more affected in this respect by their sociodemographic characteristics than by their relatively homogeneous subordinate position in the broader economic and labor market opportunity structure. Localities with a higher prevalence of larger families have significantly less access to GCE. By contrast, Jewish localities are rather affected by their economic and labor market differentiation, much more than by their sociodemographic characteristics. Underpaid labor and greater dependence on state unemployment allocations, as well as lower commodity purchase power, all negatively affect access of 17–18 age cohort to GCE, considerably reducing the effect of the prevalence of larger families within the locality. The findings reveal a significant interaction effect between ethnicity and other structural variables. This effect remained inhibited in the findings discussed in [Table 4.2](#), probably due the powerful correlations between ETH, FAM, and CAR.

## Discussion

The aim of this chapter is to examine the relative structural effects of locality-level indicators of socioeconomic disadvantage on access to educational credentials in Israel.

The findings suggest that access to educational credentials among 17–18-year-olds in Israel is mediated through differentially situated unequal opportunity structures. Arab localities secure, on the average, a significantly lower access to educational credentials compared with their Jewish counterparts. Within each ethnic group, structural locality-level variables do not have an equal explanatory power. They explain 24 percent of the observed variance in access to educational credentials among Arab localities, compared with 77 percent among their Jewish counterparts. This discrepancy denotes an interaction effect between ethnicity and other structural variables at locality-level. In this sense, Arab localities stand for a structural context significantly less conducive of educational achievement compared to their Jewish counterparts. The findings also imply that a major part of the lower access of Arab localities to educational credentials could be more successfully explained by other structural variables unaccounted for in the present study. Such variables are associated essentially with the ascriptive affiliation of Arab localities, *qua* a sociopolitically subordinate ethnic group in Israel.

In terms of “concentrated disadvantage” (Krivov et al. 1998, p. 62), Arab localities exhibit greater homogeneity in their subordinate economic and labor market characteristics. Occupational differentiation among them is therefore relatively confined in its effects on access to educational credentials, compared with the respective effects among Jewish localities. Under such conditions, the prevalence of larger families—rather than economic and occupational opportunities—differentiates among Arab localities in their access to educational credentials. Within this context, it could be argued that “the prevalence of larger families” is acting primarily as a proxy of locality-level *per capita* income: localities with a higher prevalence of larger families deplete the already meager income available, as locality-level income allocation *per capita* is lower and state child allocations ever proportionally more inferior. Economic deprivation and poverty in Arab localities rise in direct relation to the percentage of larger families, whereas income levels remain more or less evenly distributed across localities. By contradistinction, localities with a lower prevalence of larger families are able to allocate available economic resources at a relatively higher locality-level *per capita* ratio. In the final resort, these localities’ experience may thus be securing higher access percentages to educational

credentials.

Among Jewish localities access to educational credentials is directly determined by economic and occupational opportunities: a higher prevalence of underpaid labor and greater dependence on state unemployment allocations, as well as a lower economic purchase power, all powerfully reduce access to educational credentials. These effects considerably weaken the impact of prevalence of larger families. True, the latter variable does continue to retain a significant effect. However, it stands at half the respective effect found for Arab localities. It may be therefore argued that the extent to which Jewish localities are dependent on state money transfers (e.g., unemployment and child allocations) negatively affects access to educational credentials. This interpretation, if pursued, implies that, within the dominant Jewish group in Israel, state money transfers may be associated to a broader reproduction of social and educational inequalities among Jewish localities, between less established Jewish localities (e.g., “development towns”), with limited occupational opportunities, and their more established counterparts with a significantly higher economic purchase power (see Ben-Zadok 1993, p. 118). Thus, a greater dependence on state allocations may somewhat reduce the negative economic effects of the prevalence of larger families. However, such allocations considerably boost the differentiating effects of unequal economic and labor market opportunities on access to educational credentials.

Briefly summarized, concentrated disadvantage at locality-level affects access to educational credentials in Israel in two complementary ways, both related to the segmented ethnic division of economic and occupational opportunities. Ethnic, spatial, economic, and labor market marginalization determines the subordinate position of Arab localities in the broader opportunity structure in Israel. Such a subordination exacerbates the negative economic consequences of the prevalence of larger families within Arab localities on access of high school pupils to educational credentials. By contrast, economic and occupational differentiation mediates unequal educational opportunities among Jewish localities much more significantly, as discussed by Ayalon (1994) (see also Ben-Zadok 1993; Peled 1998, pp. 710–712).

One may therefore posit that “concentrated disadvantage” cannot be considered as monolithic in terms of the structure *and* relative weight of its socioeconomic components. The present findings lend support to Krivo et al.’s (1998) contention that concentrated disadvantage is associated with greater inequality between subordinate and dominant groups much more than within each group.

Notwithstanding, as the present findings suggest, differential *sources* of “concentrated disadvantage” may be further acting as powerful mechanisms, actively mediating inequality within each group respectively. The end result is greater internal socioeconomic fragmentation within each group and a more complex and dynamic inequality structure. Clearly then, “concentrated disadvantage” is contextually situated, deriving its meanings from the broader sociopolitical and economic context in which inter and intra group power relations occur.

In sum, ethnic and labor market stratification, as well as state policies, constitute additional factors affecting the structure of available opportunities over and between macro-spatial units. In this sense, state welfare, investment and development schemes should be addressed as an integral part of a comprehensive account of the reproduction of unequal educational opportunities in a particular context. Future studies should examine how state policies and practices affect the extent to which “concentrated disadvantage” is structured and how, in turn, it mediates educational achievement of various social and ethnic groups.

## Notes

1. The present study was undertaken in 1997–1998 as part of a post-doctoral scholarship awarded by the Council for Higher Education (Israel), extended by a research grant through the Dean’s Office of Tel Aviv University School of Education, to all of whom the author is grateful. The author wishes to express his gratitude to Professor Richard Pring, Director, University of Oxford Department of Educational Studies, for his cordial invitation and academic hospitality. The author appreciates constructive comments on earlier drafts by Professor Hanna Ayalon and Dr. Audrey Addi-Racah, both from Tel Aviv University School of Education, as well as by three Anonymous *BERJ* Referees. The author alone assumes exclusive responsibility for the contents of the chapter.
2. For example, an Arab family with 4 children received in the early 1990s less than 60 percent of the respective Nil allocation granted to its Jewish counterpart (Zureik 1988. See also Sa’di 1997). By the sixth child, an Arab family received less than half the Nil allocation granted to a Jewish family. It should be noted that the universalization of Nil child allocation payments, and the revocation of the “military service” criterion, are scheduled to be gradually introduced between 1994 and 1997, thus paving the way for a more equitable distribution (Sa’di 1997, pp. 34–35). Others, though, expressed doubts, arguing that parallel to their universal allocation, child allocations on the whole are systematically losing a considerable part of their real economic value compared to the average salary. The devaluation of child allocations are part of a broader downsizing of state involvement in welfare schemes (Gal 1997, p. 12). The effects of such policy changes will still have to be examined in due course of time.
3. Defined quite broadly, the Triangle area is situated south of Galilee, along the western side of the “Green Line,” separating the Palestinian West Bank from Israel. For the purpose of the study, the area lies between the city of Um-El-Fahm in its northern section and the city of Tireh in its southern section.
4. The extremely powerful correlations between ETH, FAM, and CAR, as detected in [Table 4.1](#), could have resulted in a multicollinearity problem which would have affected the regression results. However, results in [Table 4.2](#) show that this was not presently the case, when the metric coefficients (b) and their standard errors were compared.

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## **Part 2**

# **Class and Intergenerational Process**

## 5

# Class Structure in Israel: From Statehood to the 1980s\*

*Amir Ben-Porat*

The historical process of mobilization from a traditional toward a modern industrial society is dealt with in the relevant literature under the topic of modernization or industrialization and growth.<sup>1</sup>

An alternative perspective recognizes almost the same components of the phenomenon, but offers a different conception, viewing the transition from traditional to modern society as a process of crisis, which eventually leads toward a capitalist mode of production.<sup>2</sup> The essence of the emerging capitalism perspective sometimes referred to in the literature as the “becoming capitalist” perspective, is the emergence of a new form of class structure.

In accordance with this argument, the emerging class structure in a capitalist system is always characterized by two basic classes, capitalist and proletariat.<sup>3</sup> Yet, the constitution of the society’s class structure—that is, the possibility of “middle class(es),” and the composition within an individual class such as the proletariat—is specified by the effects of the particular historical conditions. This structure may also be marked by the interpolation of class with other social categories prevailing in the society, such as ethnicity, religion, or nation.

The following description of the developing socio-economy of Israel since 1948 is based on the contention that Israel has been undergoing a process of transition toward a capitalist system unique in certain aspects.<sup>4</sup> I briefly review the major factors that have characterized the development of Israel since statehood in 1948, and have constituted the particular conditions and factors that molded the realm of opportunities. They include:

1. Mass immigration, particularly in the first decade, which increased the labor force and had a major impact on the economy at the levels of both production and consumption.<sup>5</sup>
2. Inflow of capital, a substantial part of which was unilateral, that made possible an accelerated development of the economy. At certain times this inflow was relatively massive.<sup>6</sup> Beyond its determinative effect on the development of the economy, it affected

the distribution of income and property between social categories, corporations, and sectors.

3. Mobilization from agriculture toward industry and services.
4. A massive change of occupation(s), mostly by immigrants. Occupational change affected up to 60 percent of the immigrants,<sup>7</sup> and a pronounced shift occurred between and within the sectors of the economy.
5. The growth of a capitalist, industrial, and financial sector, and an explicit mobility toward capital concentration.<sup>8</sup>

During the period studied, almost everything centered on the role played by the state. From the declaration of independence onwards, the state, by means of (political) intervention in the economy, has had a formative effect on the creation of conditions for class structure. This has been due mainly to the control of the state over the inflow of capital and its allocation, but also to other factors endowing the state apparatus with overwhelming power in politics and the economy.<sup>9</sup>

The present study follows the development of the class structure in Israel from 1948 until the 1980s through three sub-periods, or decades. The first covers the period from 1948 to the beginning of the 1960s, the second, the 1960s to the early 1970s, and the last covers the period that started in the mid-1970s and lasted to the mid-1980s. The division into these three periods is not arbitrary. It can be justified in terms both of socioeconomic development and of the changing conditions of the class structure.<sup>10</sup>

It is suggested here that class is primarily an effect of the structure, that is, of production and the relations of production. Class formation centers on the combined effect of this structure and politics. Thus, there is much sense in the old Marxist distinction between class “in itself and “for itself.” The structuralist perspective adopted here forces the student of class systems first to identify the basic social and historical conditions for class structure, and then to identify the possible contestant social categories that may suppress class formation. This last issue is pursued in this chapter through the cross classification of class with three (potential or actual) contestants of class formation: gender, ethnic origin, and religion.<sup>11</sup> In the case of Israel, ethnic origin has always been a basis of social cleavage, while gender did not become a prominent formative category until recently, and religion, which here refers to the division between Jews and non-Jews, cuts across two “societies” which, however, share major political and economic institutions.<sup>12</sup>

## **Class Model and Sources of Data**

The elucidation of the class structure of Israel is based here on the scheme constructed and examined by Wright et al. in both capitalist and non-capitalist (but industrial) societies.<sup>13</sup> Basically, the model suggests that in a capitalist society one may observe capitalists and proletariat, constituting the two basic and contrasting classes in a capitalist mode of production, and a “contradictory class,” which is a genuine class in this mode, composed of managers and professionals (or experts). The class structure of a capitalist society also includes the petit bourgeoisie; that is, people who possess some property, but have no control over the labor of others. In addition, two further contradictory classes may exist in a capitalist society: positions

which are situated between capitalists and petit bourgeoisie and are defined as small employers, and positions that are situated between the petit bourgeoisie and the proletariat and are defined as semi-autonomous. This class category is reflected in modern industry by experts, supervisors, and the like. The present perspective on class structure insists that classes are conceptualized as positions in the process of production, and are primarily the effects of the structure. Certain rules allocate people to class positions.

Although this study follows Wright, the measurement mode is different from that offered by him. First, the data used here to construct the class structure was insufficient to construct the classes in as detailed a manner as in Wright's scheme. Thus, small employers, petit bourgeoisie, and individuals who work in the family business, were combined into one class labeled petit bourgeoisie. Second, Israeli society includes kibbutzim and other producing cooperatives (about 5 percent of the entire population in Israel), in which ownership of the property and labor (and consumption in kibbutzim) are collective. This type of class position is different from any suggested by Wright. It may be considered as a class position of a future mode of production, a socialist one in which the entire class structure is assumed to be nonrelevant.<sup>14</sup> These positions were excluded from further analysis. The construction of capitalist, proletariat, and semi-autonomous classes in this study is, however, very similar to that of Wright's model.

The identification and description of the class structure in Israel is based on three population surveys that were conducted by the Central Bureau of Statistics (CBS) in Israel in 1961, 1972, and 1983. Each survey included an extensive interview with a fifth of the population surveyed. This portion of the population was required to provide information on employment at the time of the survey, including place of work, type of job, position in management (if at all), and so forth. This information was used to furnish a class structure for each survey.

A sample of 7,000 individuals was selected from each of the three surveys: women and men, Jews and non-Jews over the age of 21 (which, for the Jewish male, is the age at the end of three years of army service). The individuals in the sample were then sorted into class positions by a cross-classification of their occupation with their status in the market (employer, self-employed, employee, etc.). The information on professions, already classified in the CBS surveys into major categories according to the international code book, was re-classified into managers, professionals, technicians, and manual employees before crossing with status. This made it possible to distinguish the managerial/professional class from bourgeoisie and petit bourgeoisie. The semi-autonomous class positions are more problematic here. Because of the nature of the survey data, it was not possible to reconstruct this class according to the exact variables used by Wright. This, indeed, has some influence on the distribution of positions in the Israeli class structure as presented below.

The following section provides the results of the distribution of classes in Israel at the three points in time. The basic information is also cross-classified with gender, ethnic origin, and Jews/non-Jews. These variables offer an elaborated view on the composition of the class structure. It is worth noting that they are not neutral variables—under certain conditions they contest the process of class structure formation, and even suppress it.<sup>15</sup> The ethnic factor, for example, predominated in Israeli politics in the 1970s and still has some influence on the process of allocation to class position.<sup>16</sup>

## **The Portrait of the Class Structure**

The class structure of the 1980s is somewhat different from that of the 1960s, not to mention that of the 1950s when the class structure was formed at the same time as the state (see [Table 5.1](#)). The main observed changes in the class structure over the entire period are: a decrease in the petit bourgeoisie from 1961 to 1983; an increase in the managers-professional positions; an increase in the semi-autonomous class; and, most dramatically, the reduction in the proletariat, which ceased to be the relative majority in 1983.

There are several reasons for the above changes, but all are related to structural changes (mostly in the country's economy).<sup>17</sup> Any society in transition toward a capitalist system is assumed to experience some dramatic changes in the class structure as a result of industrial shifts which affect the between and within composition of certain classes.<sup>18</sup> The effects can be seen here in the distribution of, and between, classes. Another explanation for the change in the class structure is the mass immigration, amounting to hundreds of thousands of individuals, in the 1950s, and continuing to a lesser degree until the end of the 1970s. Thus, in the first decade, many individuals were allocated to the proletariat because of the poor economic situation. Others were able to enter the petit bourgeoisie as small artisans, open market traders, and so forth. These were "chosen" as class locations by the immigrants, but not as frequently by their children because the accelerated development of the economy probably made many positions redundant and opened new opportunities elsewhere. This improved economic climate also helps to explain the growing proportion of managers, professionals, and the semi-autonomous; a growing economy is accompanied by an increase of these positions.

**TABLE 5.1**  
**Class Structure: 1961, 1972, 1983 (percentages)**

Class	Period		
	1961	1972	1983
Bourgeoisie	1.6	1.8	1.9
Petit bourgeoisie	22.1	19.5	12.0
Managers and professionals	15.5	19.8	26.1
Semi-autonomous	18.4	24.3	30.7
Proletariat	42.4	34.6	29.3
Total	100.0	100.0	100.0

The fate of the proletariat is therefore also an effect of the developing economy. Nevertheless, some further clarification is required. Since the end of the 1960s, many proletarian positions in the Israeli economy have been occupied by Arabs from the Occupied Territories (about 70,000 at the beginning of the 1980s). These are not included in this study, and therefore the reduction of actual proletarian positions is far less than the figures in [Table 5.1](#).<sup>19</sup>

The association between class and gender is provided in [Table 5.2](#). Some not very dramatic changes appear to have occurred in favor of females. The composition of class by gender has changed since statehood. More women have entered the capitalist class. Also, the proportion of women in the managers-professionals, the semi-autonomous, and even in the proletariat has increased. This can be explained in part by the growing participation of females in the labor force—from 27.3 percent in 1960 (and an even smaller percentage before that year) to 36.6 percent

in 1983.<sup>20</sup> As in many other capitalist or becoming-capitalist states, the share of women in the Israeli labor force was, and still is, lower than that of men. The class structure of Israeli women was and is different from that of Israeli men as is shown in Table 5.3. Women tend, even more than before, to be in the contradictory class positions, according to the class system used here. This gender category is characterized by occupying contradictory positions (up to 75 percent in the 1980s). It is worth noting, however, that even the gender-cum-class composition is only a gross representation; ethnic origin and religion have always had considerable influence both on participation of women in the labor force and on their allocation to class position.

**TABLE 5.2**  
**Class Structure and Gender: 1961, 1972, 1983 (percentages)**

Class	Period/Gender*								
	1961			1972			1983		
	Total	F	M	Total	F	M	Total	F	M
Bourgeoisie	100.0	1.9	98.1	100.0	1.7	98.3	100.0	7.8	92.2
Petit- bourgeoisie	100.0	19.0	81.0	100.0	19.9	80.1	100.0	18.8	81.2
Managers and professionals	100.0	39.4	60.6	100.0	39.9	60.1	100.0	42.8	57.2
Semi- autonomous	100.0	31.7	68.3	100.0	44.8	55.2	100.0	54.3	45.7
Proletariat	100.0	18.8	81.2	100.0	18.1	81.9	100.0	21.8	78.2

\* F = females, M = males

The presentation of the results of this study excludes non-Jewish citizens in Israel. It is standard procedure to divide the Jews in Israel into two major categories: Sephardim—a category that includes those born/emigrated from Asia and/or Africa, and Ashkenazim—those born/emigrated from Europe or America. While the CBS has added another category—those who were born in Israel (divided into Sephardim or Ashkenazim according to their parents' origin), the immediate presentation is based on two categories only, Sephardim versus others (see Table 5.4). Ethnic distribution by the class structure was determined in part by the seniority of waves of immigration. The composition of the class-cum-ethnic component did, indeed, change during the period, but not at equal rates over all the class structure. Thus, the bourgeoisie was, and remained Ashkenazi, and Ashkenazim have remained the majority in every other class except the proletariat. Nonetheless, the proportion of Sephardim increased in every class during the period. Their share in the petit bourgeoisie was anticipated; this class position was probably used as an alternative avenue of mobility, since to become a petit-bourgeois one needs less formal credit. The increased share of the Sephardim in this class is supported by other studies.<sup>21</sup>

The increased share of this ethnic group in the semi-autonomous class indicates its penetration into the growing economy of Israel; more skilled individuals were required and more Sephardim became so. However, already by 1972, the proletariat (excluding Arabs) was more Sephardi than



Ashkenazi. The information in [Table 5.5](#) is significant. By 1983, the Sephardim had moved from the proletariat (the percentage was then only 36.8 percent, as against 64 percent in 1961) to the contradictory classes: semi-autonomous and managers-professionals. Considering this ethnic category in the labor force, which amounted to 41.6 percent in 1983, Sephardim were still under-represented in the bourgeoisie and the managers-professionals class ([Table 5.4](#)). They still constituted the majority in the proletariat, even though this class is no longer identified with this ethnic category, the commuting Arab labor from the Occupied Territories having replaced it in the lower ranks of the Israeli economy.

**TABLE 5.3**  
**Class Distribution of Females and Males: 1961, 1972, 1983**

Year and gender	Total	Class*				
		I	II	III	IV	V
1961 F	100.0	0.1	17.4	25.4	24.1	33.0
1961 M	100.0	2.1	23.6	12.4	16.6	45.3
1972 F	100.0	0.1	13.4	27.2	37.7	21.6
1972 M	100.0	2.5	21.9	16.7	18.9	40.0
1983 F	100.0	0.4	6.2	30.5	45.5	17.4
1983 M	100.0	2.7	15.4	23.6	22.1	36.2

\* Classes as in text

Arabs in Israel—those with Israeli citizenship—entered the Israeli labor market as “labor for sale” only in the second half of the 1950s. Until then, they were subjected to a military government, and employment and entrepreneurship were restricted. In 1961, Israeli Arabs constituted about 6 percent of the labor force in Israel, rising in 1983 to 11 percent. [Tables 5.6](#) and [5.7](#) compare non-Jews and Jews according to distribution of positions in the class structure. Moslems were, and continue to be, more than 80 percent of the non-Jewish category. The most dramatic change in the Arabs’ position in the class structure has been their increased share of the proletariat: almost twice that of 1983. In the position of property, their share may reflect the fact that many were small farmers. In positions of authority, such as managers and professionals and the semi-autonomous, their presence is less than their share in the labor force. The distribution of non-Jews by class adds some support to the information in [Table 5.6](#).

**TABLE 5.4**  
**Class Structure by Ethnic Origin: 1961, 1972, 1983**

Class	Year								
	1961			1972			1983		
	Ethnic Origin			Ethnic Origin			Ethnic Origin		
	Total	Seph*	Others**	Total	Seph*	Others**	Total	Seph*	Others**
Bourgeoisie	100.0	6.3	93.7	100.0	27.6	72.4	100.0	29.7	70.3
Petit- bourgeoisie	100.0	18.9	81.1	100.0	30.7	69.3	100.0	43.4	56.6
Managers & professionals	100.0	11.0	89.0	100.0	15.7	84.3	100.0	26.7	73.3
Semi- autonomous	100.0	21.1	78.9	100.0	33.6	66.4	100.0	44.3	55.7
Proletariat	100.0	41.2	58.8	100.0	51.8	48.2	100.0	52.3	47.7

\* Seph = Sepharadim

\*\* Others include Ashkenazim plus Israeli born

**TABLE 5.5**  
**Ethnic Category and Class Structure: 1961, 1972, 1983**

Class	Year					
	1961		1972		1983	
	Origin		Origin		Origin	
	Seph	Others	Seph	Others	Seph	Others
Bourgeoisie	0.4	2.2	1.4	2.1	1.3	2.4
Petit bourgeoisie	15.0	26.2	16.7	21.2	12.6	11.8
Managers & professionals	6.6	17.8	8.7	27.9	16.7	32.9
Semi-autonomous	14.0	20.0	23.0	26.5	32.6	28.9
Proletariat	64.0	33.8	50.2	22.1	36.8	24.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

From the 1960s, Arabs entered the Jewish economy mainly as proletariat. During the period under study, Israeli Arabs became a commuting proletariat. This has been the most prominent change in Arab class structure since 1948. Arab capitalists were, and remain, few. The Arab petit bourgeoisie are small farmers, artisans, small merchants, and some professionals. However, this class's share in the Arab sector has been reduced to one-third of its share in 1961. Israeli Arabs were engaged in two different markets, Jewish and Arab.<sup>22</sup> While barriers were not strict, the class mobility was one way: from agriculture in the Arab sector to the lower class positions in

the Jewish economy. The distribution of Arabs in the structure of the entire society, and the creation of class positions within their community, were highly dependent on the Jewish sector and the state.

The cross-classification of class with gender, ethnic origin, and Jews/non-Jews points to a phenomenon that is quite familiar in capitalist societies—the unequal distribution of minority groups in the class structure. A “minority group” is not so designated just because it is small in numbers vis-à-vis other group(s). Neither women nor the Sephardim are numerical minorities in Israel, but they are considered so for other reasons. The process of allocation to class position or mobility is one of the most critical processes in the fate of these groups. Gender, ethnic groups, and Jews/non-Jews, seem to determine a minority role in the Israeli class structure.

**TABLE 5.6**  
**Class Structure by Jews/Non-Jews: 1961, 1972, 1983**

Class	Year								
	1961			1972			1983		
	Total	Jews	Arabs	Total	Jews	Arabs	Total	Jews	Arabs
Bourgeoisie	100.0	100.0	—	100.0	96.4	3.6	100.0	96.9	3.1
Petit- bourgeoisie	100.0	90.6	9.4	100.0	92.2	7.8	100.0	90.9	9.3
Managers & professionals	100.0	98.0	2.0	100.0	98.0	2.0	100.0	93.9	6.1
Semi- autonomous	100.0	98.0	2.0	100.0	96.4	3.6	100.0	94.4	5.6
Proletariat	100.0	92.1	7.9	100.0	89.4	10.6	100.0	80.2	19.8

The position of minority groups is reexamined by their effective mobility in the class structure, a test that is suggested by the literature as highly informative.<sup>23</sup> The next section deals with the odds of mobility between classes according to the above three characteristics.

It has already been shown that the class structure of the Israeli society of the 1980s has changed from the 1960s, some classes expanding while others have contracted. These changes have been attributed to the structural changes in the socio-economy. This section deals with what happened to panels of people in the categories of gender, ethnic origin, and Jews/non-Jews with regard to the class positions. To answer this question, the procedure of estimates of disparity ratios is utilized.<sup>24</sup>

This procedure is one that allows for structural influences, that is, the chances for change of the above panels of individuals are associated with the structural changes in the class system and, correlatively, with those that occurred in the infrastructure of the society. In order to estimate this, two by two tables were used for the class structures of 1972 vis-à-vis 1961 and 1983 vis-à-vis 1972. The use of these ratios is intended to demonstrate whether, during the period studied, the changes in the makeup of the classes had an equal effect on the opportunities of the three

“minority” categories. As shown in Table 5.8, the minorities indeed improved their lot in the class structure. Sephardim in both sub-periods improved their class positions in every single class. For females, chances of mobility in the class structure increased in the second period. Non-Jews also benefited from changes in the class structure. Their opportunities in the second period seem better than in the first, probably because the Israeli labor market became more open.

**TABLE 5.7**  
**Jews-Non-Jews by Class Structure: 1961, 1972, 1983**

Class	Year					
	1961		1972		1983	
	Religion		Religion		Religion	
	Jews	Arabs	Jews	Arabs	Jews	Arabs
Bourgeoisie	1.7	—	1.9	1.2	2.0	0.8
Petit bourgeoisie	21.3	36.0	19.1	24.0	12.2	10.3
Managers & professionals	16.2	3.2	20.7	6.4	27.3	14.3
Semi-autonomous	19.2	4.0	25.3	11.7	32.3	13.5
Proletariat	41.0	56.8	33.0	56.7	26.7	61.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

## Conclusions

Israeli society after statehood underwent a process of emerging capitalism, even though this was occurring in a society with a relatively large public sector (state-and union-owned sectors), and the hegemony, until 1977, of a “socialist” regime in state politics. The fact remains that capitalism predominated in the economy and has extended its constituency. The class structure of Israeli society has been determined according to the predominant mode; thus, the size of the capitalist class is similar to that of other capitalist societies. Proletariat and the “middle classes” are also similar to other capitalist countries. The characteristics of Israeli society are revealed in the existence of co-operative formations that, in class terms, do not fit Wright’s model, but agree with the general conclusions on modes of production. Ever since statehood, Israel has belonged to the capitalist family of societies. An acceleration in the process of becoming capitalist is evident at the end of the 1960s, but is most conspicuous in the 1980s.

The class structure of Israeli society was determined by certain structural conditions and was shaped into its basic form by factors that were at their most critical during the first decade of statehood. Thus, in the beginning, the class structure was determined by mass immigration, a meager economy, inflow of capital, and specific policies of the state. During the period studied, the class structure became more “normal” in its distribution, as seen by the size of the petit bourgeoisie and other “middle” classes. However, the considerable reduction in the size of the proletariat is not so “normal” in emerging capitalist societies, although some reduction is

anticipated. The cause is simple and also related to circumstances unique to Israel-the occupation after 1967 of populated territories, which created a pool of cheap labor, a non-citizen proletariat without even the status of the Israeli proletariat. The entrance of this labor force into the lower ranks of the economy has enabled some of the previous proletariat to move one step upward, thus enlarging the semi-autonomous class.

**TABLE 5.8**  
**Disparity Ratios: Ethnic Origin, Gender, and Jews/Non-Jews: 1961–1972, 1972–1983**

Class	Period			
	1961–1972		1972–1983	
	<b>Ethnic Group*</b>			
	Sephardim	Ashkenazim	Sephardim	Ashkenazim
I	4.435	0.755	1.076	0.971
II	1.672	0.854	2.308	0.641
III	1.418	0.948	2.418	0.824
IV	2.988	0.840	2.104	0.940
V	1.250	0.819	1.266	0.812
	<b>Gender</b>			
	Male	Female	Male	Female
I	1.002	0.874	0.937	4.588
II	0.998	1.047	1.015	0.939
III	0.993	1.259	0.951	1.072
IV	0.808	1.414	0.828	1.214
V	1.062	0.962	0.954	1.205
	<b>Jews/Non-Jews**</b>			
	Jews	Others	Jews	Others
I	0.984	—***	1.004	0.914
II	0.939	0.829	0.984	1.179
III	1.000	1.000	0.958	3.157
IV	0.983	1.750	0.979	1.571
V	0.983	1.346	0.897	1.876

\* Classes as in text

\*\* Others = Moslems, Christians, etc.

\*\*\* Because of the empty cell in class I in 1962, this ratio was not calculated

Three potential categories of social formation were also examined by their class distribution. It appears that these behaved like minority groups-being over-or under-represented in certain classes. The overall development of society also advanced these social categories; the accelerated changes in the country's economy improved their internal class structure distribution. Nevertheless, Sephardim, women, and non-Jews have progressed more slowly in class terms



than their counterparts. There are definite reasons for this situation, related to the sociopolitical development of Israeli society. One may conclude that Israel in the 1980s is coming to resemble so-called modern Western capitalist societies much more closely, and so is its class structure.

## Notes

- \* This chapter is based on my book, *Divided We Stand: Class Structure in Israel from 1948 to the 1980s*, Westport, CT: Greenwood Press, 1989.
1. On modernization and industrialization by Marxist and non-Marxist authors, see Alan Richards, *Development and Modes of Production in Marxian Economics: A Critical Evaluation*, New York: Harvard University Press, 1986; Hollis Chenery, Sherman Robinson and Moshe Syrquin, *Industrialization and Growth: A Comparative Study*, London: Oxford University Press, 1986; Hollis Chenery, *Structural Change and Development Policy*, New York: Oxford University Press, 1979; H. Chilcote, Ronald Dahl, and L. Johnson (eds.), *Theories of Development*, London: Sage, 1983; J. Michael Poire and Charles F. Sobel, *The Second Industrial Divide*, New York: Basic Books, 1984; Simon Kuznetz, *Modern Economic Growth: Rate, Structure and Spread*, New Haven, CT: Yale University Press, 1966; Clark Kerr, John T. Dunlop, Frederick Harbison, and Charles A. Myers, *Industrialism and Industrial Man*, Cambridge, MA: Harvard University Press, 1960.
  2. Richards, 1986; M. Dobb, *Studies in Development of Capitalism* (rev. ed.), New York: International Publishers, 1964; M. Dobb, O. Zweezy et al., *The Transition from Feudalism to Capitalism*, London: New Left Review Books, 1976.
  3. E. Olin Wright, *Class Crisis and the State*, London: New Left Books, 1978; Nicos Poulantzas, *Political Power and Social Classes*, London: New Left Books, 1973; Adam Przeworski, "From proletariat into class: The process of class formation," in Karel Kautsky, "The class struggle to recent debates," *Politics and Society* 1, 4, 1977: 343–401.
  4. Amir Ben-Porat, *Divided We Stand: Class Structure in Israel from 1948 to the 1980s*, Westport, CT: Greenwood Press, 1989.
  5. Yoram Ben Porath (ed.), *The Israeli Economy, Maturing Through Crises*, Cambridge, MA: Harvard University Press, 1986; Haim Barkai, *The Genesis of the Israeli Economy*, Jerusalem: Maurice Falk Institute for Economic Research, 1983 (Hebrew).
  6. Bank of Israel, *Israel's Balance of Payments 1952–1984*, Jerusalem, No. 767, 1985.
  7. Moshe Sicron, *Immigration to Israel 1948–1952*, Jerusalem: Central Bureau of Statistics, 1957.
  8. Yair Aharoni, *Structure and Performance in the Israeli Economy*. Tel Aviv: Gomme, 1976 (Hebrew); Haim Ben Shahr and Saul Branfeld, *The Capital Market in Israel*, London: Weidenfeld and Nicolson, 1969; Ben Porath, 1986.
  9. Ben-Porat, 1989, *Divided We Stand*. The state of Israel controls and owns the land of almost the entire country and runs public services such as electricity, water, and so forth. The state also owns various enterprises that operate within the economy of the country.
  10. Ben-Porat, 1989, *Divided We Stand*.
  11. Rosemary Crompton and Michael Mann, *Gender and Stratification*, Cambridge: Polity Press, 1986; Edna Bonacich and John Modle, *The Economic Basis of Ethnic Solidarity*, Berkeley: University of California Press, 1981.

12. Dafna Izraeli (ed.), "Women in Israel," *Israel Social Science Research* 5, 1, 1987; Moshe Semyonov and Noah Lewin-Epstein, *Hewers of Wood and Drawers of Water: Noncitizen Arabs in the Israeli Labor Market*, Ithaca, NY: ILR Press, 1987; Ian Lustick, *Arabs in a Jewish State: Israel's Control of a National Minority*, Austin and London: University of Texas Press, 1980.
13. E. Olin Wright, Cynthia Costello, David Hechen, and Joy Sprague, "The American class structure," *American Sociological Review* 47, 1982: 709–26.
14. Wright, 1978, *Class Crisis and the State*; Ben-Porat, 1989, *Divided We Stand*.
15. Ben-Porat, 1989, *Divided We Stand*; Przeworski, 1977, "From proletariat in to class."
16. Yochanan Peres, "Ethnic relations in Israel," *American Journal of Sociology* 76, 1971: 1021–47; Sammy Smooha, *Israel: Pluralism and Conflict*, Berkeley: University of California Press, 1978.
17. Ben Porath, 1986, *The Israeli Economy*; Barkai, 1983, *The Genesis of the Israeli Economy*.
18. E. Olin Wright and Joachim Singleman, "Proletarianization in changing American class structure," in Michael Burawoy and Teda Skocpol (eds.), *Marxist Inquiries: Studies of Labor Class and States*. Chicago: University of Chicago Press, 1982, pp. 176–203.
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20. Central Bureau of Statistics, *Statistical Abstracts* (various years), Jerusalem.
21. Ben Porath, 1986, *The Israeli Economy*; Smooha, 1978, *Israel*.
22. Henry Rosenfeld, "The class position of the Arab minority in Israel," *Machbarot L'bokoret*, University of Haifa, 1972 (Hebrew); Semyonov and Lewin-Epstein, 1987, *Hewers of Wood and Drawers of Water*.
23. John Goldthorpe, *Social Mobility and Class Structure in Modern Britain*, Oxford: Clarendon Press, 1980; Robert Simkus, "Structural transformation and social mobility in Hungary 1938–1973," *American Sociological Review* 49, 1984: 291–307.
24. Goldthorpe, 1980, *Social Mobility and Class Structure*.

## 6

# Class Mobility in Israeli Society: A Comparative Perspective

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### Introduction

Studies of social mobility in Israel are still relatively rare. Moreover, few of those that have been undertaken have viewed mobility in a class structural context, and attempts that have been made to compare rates and patterns of mobility in Israel with those found in other nations have relied chiefly on data from the 1950s, restricted to the Jewish population (e.g., Matras 1963; Zloczower 1973). So far as we are aware, the one previous paper of immediate relevance to our present concerns is that by Tyree, Semyonov, and Hodge (1979), in which the authors report on an analysis of intergenerational class mobility in twenty-four nations, among which Israel was included on the basis of data from a 1974 survey. In fact, Israel emerged from this analysis in a position of some distinction: it appeared as the most fluid or “open” nation of all those represented. It has to be said, however, that while the study in question retains much theoretical interest, the quality of its data falls short of current standards and its analytical techniques have by now been superseded.<sup>1</sup>

In this chapter our aim is to use new data available for Israel in order to treat the Israeli case within the framework for the comparative study of class mobility that has been established by the CASMIN (Comparative Analysis of Social Mobility in Industrial Nations) Project. The data have been coded to the class schema developed in the course of this project, which is shown in [Table 6.1](#); and our analyses start from an application to a mobility table based on this schema of the “topological” model of “core social fluidity” in industrial nations that has been proposed by Erikson and Goldthorpe (1992a).

In proceeding thus certain disadvantages are incurred. Most obviously, we must work with the collapsed sevenfold version of the class schema, which it was necessary to adopt within the CASMIN project in order to achieve an adequate standard of cross-national comparability of data and to which the “core model” specifically relates.



Subsequently, we intend to carry out more detailed analyses of the Israeli case per se, in which we shall use the full version of the class schema and, on this basis, take up alternative modeling approaches that will enable us to address a range of further substantive and also methodological questions (such as that of the relative merits of topological and association models in the analysis of mobility tables). However, in so far as the focus of attention does fall on comparative issues, operating within the CASMIN framework provides major advantages that we seek to exploit. On the one hand, we can take over a reasoned comparative strategy based on the “core model” (cf. Erikson and Goldthorpe 1992, ch. 4 esp.); and, on the other hand, the importance attached within this project to data quality gives us good grounds for supposing that we may here reach significantly more reliable comparative conclusions on rates and patterns of class mobility in Israel than has hitherto been possible.<sup>2</sup>

The source of the data we use is a survey inquiry into social mobility in Israel conducted by Vered Kraus and Nina Toren in 1991–92 and based on a probability sample of the population located in pre-1967 Israeli territory. The survey resulted in interviews being completed with members of 4,800 Jewish and 900 Arab households—representing a response rate of 86 percent—but did not seek to cover non-citizen Arabs, from the Gaza Strip or West Bank, even if currently employed within the pre-1967 borders. In this chapter we concentrate on the mobility of men who were in the age-range 25 to 64 at the time of the inquiry.<sup>3</sup> Data on women’s mobility are also available from the survey and analysis of these is in train.

## **The Societal Context**

Although, as we have emphasized, our primary concern in this chapter is to view class mobility in Israel in comparative perspective, there are several distinctive features of Israeli society itself that must be given due recognition at the outset. First of all, Israeli society is—to an exceptional degree—a society of immigrants. In the first decade of the new nation (established in 1948), the number of Jews entering Israel from elsewhere in the world amounted to almost twice that of its initial population, and waves of such immigrants have continued to move into the country as Israel remains open to all Jews of whatever provenance. The process of absorption of immigrants has, moreover, been subject to considerable governmental influence. A policy of “decentralization” was adopted (Kipnis 1990), under which Sephardic Jews coming to Israel from less developed regions were settled largely on the periphery of the new nation. This policy has then tended to accentuate the ethnic stratification of Israeli society (cf. Spilerman and Habib 1976; Weintraub and Kraus 1982) in that the Sephardim have become concentrated in areas of the country with relatively unfavorable opportunity structures. The timing of immigration has also been shown to condition economic life-chances—earlier arrivals tending (along with native Israelis) to be advantaged over those arriving in more recent periods (Kraus and Hodge 1990). It is an important feature of our data-set that it provides us with information on the immigration histories of our Jewish respondents. We can then introduce distinctions based on these histories into our analyses of mobility.

**TABLE 6.1**  
**The Class Schema**

Full version	Collapsed version		
	Seven-class	Five-class	Three-class
I Higher-grade professionals, administrators, and officials: managers in large industrial establishments: large proprietors	Service class: professionals, administrators and managers: higher-grade technicians: Supervisors of non-manual workers	White-collar workers	Non-manual workers
II Lower-grade professionals administrators, and officials: higher-grade technicians; managers in small industrial establishments; supervisors of non-manual employees			
IIIa Routine non-manual employees higher grade (administration and commerce)	Routine non-manual workers; routine non-manual employees in administration and commerce; sales personnel; other rank-and-file service workers		
IIIb Routine non-manual employees, lower grade (sales and services)			
IVa Small proprietors, artisans, etc., with employees	Petit bourgeoisie; small proprietors and artisans, etc., with and without employees	Petty bourgeoisie	
IVb Small proprietors, artisans etc., without employees			
IVc Farmers and smallholders; other self-employed workers in primary production	Farmers; farmers and smallholders and other self-employed workers in primary production	Farm workers	Farm workers
V Lower-grade technicians; supervisors of manual workers		Skilled workers; lower grade technicians, supervisors of manual workers, skilled manual workers	Skilled workers
VI Skilled manual workers			
VIIa Semi- and unskilled manual workers (not in agriculture, etc.)	Non-skilled workers, semi- and unskilled manual workers (not in agriculture, etc.)	Non-skilled workers	
VIIb Agricultural and other workers in primary production			Agricultural laborers: agricultural and other workers in primary production

Source: Erikson and Goldthorpe (1992a, pp. 38–39).

Secondly, Israeli society is multiethnic in an unusually complex way. It has been described (Lewin-Epstein and Semyonov 1986) as a dual society but on two different levels. At the primary level, there is the division between Jews and non-Jews, the latter being predominantly Arabs. Arabs holding Israeli citizenship make up around 17 percent of the national population. In regard both to area of residence and occupation, a high degree of segregation exists between citizen-Arabs and Jews. There is evidence (Lewin-Epstein and Semyonov 1992; Shavit 1992) that Arabs have gained some benefit from geographical segregation, in that within their own enclaves they are less exposed to labor-market discrimination. However, it has to be added that since the Six-Day War of 1967, non-citizen Arabs from the Gaza Strip and West Bank territories have entered the Israeli economy in growing numbers and now account for around 7 percent of

the total workforce, with a heavy concentration in the least desirable occupations.<sup>4</sup>

At the secondary level, there is then the division among Jews between those of European or American origin, the Ashkenazim, and those of Asian or African origin, the Sephardim. Around 20 percent of Jews in the national population are the Israeli-born children of Israeli-born parents (the “Ms”) while the remainder are Ashkenazim and Sephardim in roughly equal proportions.<sup>5</sup> As we have already observed, the Sephardim are disadvantaged relative to the Ashkenazim in their opportunities for socioeconomic achievement, but there are indications that the degree of ethnic inequality in this respect is tending to weaken over time (cf. Kraus and Hodge 1990). These dualisms of Israeli society have led to some diversity of practice among Israeli sociologists. A number of studies, ostensibly of the national population, deal in fact only with Jews, while others include Arabs and, sometimes, not only citizen but non-citizen Arabs also. Here, as noted, our data do not allow us to include this latter group in our analyses but we are able to treat-and will, in fact, concentrate on-the entire citizen population. At certain points, though, we shall wish to consider the influence on mobility of ethnic group membership and we will then treat Jews and Arabs separately and also distinguish among Jews between Ashkenazim and Sephardim.

Thirdly, Israeli society has experienced over recent decades rapid structural change-in sectoral, industrial, and occupational terms alike. In particular, the proportion of the active population engaged in agriculture has declined to a very low level, while the numbers employed in services have expanded substantially (Kraus 1992). Although these changes are on the pattern that would be expected in the course of economic advance, it is important to recognize also the extent of governmental intervention, direct and indirect, in the development of the Israeli economy. Thus, the size and rate of growth of the services sector has from the first years of the new nation reflected high levels of public employment; while, on the other hand, the agricultural workforce would by now be yet further reduced were it not for governmental efforts to check its decline-for primarily ideological reasons-by offering tax relief to new entrants to agriculture and by providing capital and other resources for the formation of new kibbutzim and moshavim (Hanki, Rabushka, and Plesner 1989).

The magnitude of structural change, taken together with the effects of immigration and also of the influx of non-citizen Arabs into the labor market, would lead one to anticipate that the class distribution of respondents to the 1991–92 Israeli survey will differ widely from the distribution of their class origins (as indicated by father’s class at respondent’s age 14). That this is indeed the case can be seen from [Table 6.2](#). Here we present the basic intergenerational mobility table to be used in this chapter. The dissimilarity index (D) for the marginal distributions of the table is 30, a figure exceeded among the fifteen nations covered in the CASMIN Project only by Hungary, where the collectivization of agriculture radically reshaped the class structure, and by Japan.

## **The General Pattern of Relative Mobility Rates**

We assume in this chapter an understanding of the now widely accepted distinction between relative and absolute mobility rates; and we begin by considering the pattern of relative rates-or, as we would alternatively say, the pattern of social fluidity-that underlies the counts presented in [Table 6.2](#). As we have indicated above, we seek to obtain a comparative perspective on the Israeli case by applying to this table the model of core social fluidity developed by Erikson and

Goldthorpe. The model aims to provide a representation of the commonality in fluidity that prevails within the class structures of advanced societies, and in such a way that the sources of this commonality, and likewise of national variations on it, can be identified. Full details of the model and of its empirical and theoretical derivation are given elsewhere (Erikson and Goldthorpe 1992a, ch. 4, esp.); here we provide only a brief account.

**TABLE 6.2**  
**Counts and Marginal Proportions in the Seven-Class Intergenerational Mobility Table for Israeli Men (Jews and Citizen-Arabs) Aged 25–64**

Class of Origin	Class of Destination							N	%
	I+II	III	IVab	IVc	V+VI	VIIa	VIIb		
I+II	202	44	44	9	77	33	1	410	12
III	91	35	31	1	73	28	0	259	7
IVab	256	127	270	16	279	153	1	1102	32
IVc	83	25	71	46	74	87	1	387	11
V+VI	144	61	74	5	215	66	0	565	16
VIIa	137	85	104	7	227	135	3	698	20
VIIb	11	15	11	0	24	13	0	74	2
All	924	392	605	84	969	515	6	3495	
%	26	11	17	2	28	15	–		

As earlier noted, the model is a topological one (cf. Hout 1983), devised specifically for intergenerational mobility tables based on the sevenfold version of the CASMIN class schema (as shown in Table 6.1). That is to say, the model aims to elucidate the pattern of social fluidity underlying such tables by allocating their 49 internal cells to a limited number of subsets, within each of which the same “level of interaction” applies or, in other words, the same degree of *net* association between the classes of origin and destination involved. The model is innovatory in that it is constructed not from a single allocation of cells, or “levels matrix,” but rather by the superimposition of four such matrices, each of which is designed to capture a particular kind of effect. These effects are: (i) hierarchy (HI1, HI2)-effects on mobility resulting from differences between classes in the relative advantages they offer as classes of origin and from both their relative accessibility and desirability as classes of destination; (ii) inheritance (INI, IN2, IN3)-effects that increase the likelihood of individuals remaining intergenerationally immobile in the same class as that in which they originated; (iii) sector (SE)-an effect resulting from barriers to mobility between agricultural and non-agricultural classes; and (iv) affinity (AF1, AF2)-effects on mobility that derive from *particular* discontinuities (negative affinities) or linkages (positive affinities) between classes, and that operate, respectively, to reinforce or to offset the general effects of hierarchy and sector.

In Table 6.3, we show how the above effects apply to the cells of the seven-class mobility table. It may be noted that the allocation of hierarchy effects follows strictly from the threefold hierarchical division of the class schema (indicated by horizontal lines), and that of the sector effect from the division of agricultural and non-agricultural classes (indicated by vertical lines), while inheritance effects, of course, apply only in cells on the main diagonal. What the model

then says is that the number of cases in each cell of the mobility table will be determined by the effects operating in that cell-together with the main effects for the rows and columns of the table that define the cell and an overall scale effect. Cells in which no effects are indicated are considered as one of “neutral” fluidity in the sense that there are no effects at work that either particularly favor or inhibit the transitions to which the cells refer.

**TABLE 6.3**  
**The Model of Core Social Fluidity: Postulated Effects of Hierarchy, Inheritance, Sector, and Affinity in the Cells of the Seven-Class Intergenerational Mobility Table**

Class of Origin	Class of Destination						
	I+II	III	Ivab	Ivc	V+VI	VIIa	VIIb
I+II	IN1 +IN2	HI1 +AF2	HI1 +AF2	HI1 +SE	HI1	HI1 +HI2	HI1+ HI2+SE +AF1
III	HI1+AF2	IN1	–	SE	–	HI1	HI1+SE
IVab	HI1 +AF2	–	IN1 +IN2	SE +AF2	–	HI1	HI1+SE
IVc <sup>a</sup>	HI1+ HI2+SE	HI1 +SE	HI1+ SE+AF2	HI1+IN1 +IN2+IN3	HI1 +SE	SE +AF2	–
V+VI	HI1	–	–	SE	IN1	HI1+AF2	HI1+SE
VIIa	HI1 +HI2	HI1	HI1	HI1+SE	HI1 +AF2	IN1	SE
VIIb	HI1+ HI2+SE +AF1	HI1 +SE	HI1 +SE	HI1	HI1 +SE	SE +AF2	IN1

Note:

a. Class IVc, farmers and smallholders, is treated as being at the lowest hierarchical level as a class of origin but at the middle level as a class of destination. This is done in an attempt to take account of the significant increase in the average size of farms that has occurred in the recent past in almost all industrial societies (see further Erikson and Goldthorpe 1992, 46, 123–35).

In Table 6.4, we report the results of fitting the core model to the Israeli data. To begin with, the model is applied in its strictest form: that is, with the imposition of the parameters estimated for it by Erikson and Goldthorpe (see 1992, pp. 133–5). In this case, as is shown in the first row of Table 6.4, the fit is very poor-worse, in fact, than with any nation in the CASMIN set. Israel, we may conclude, clearly does not hold a central place in the “space” within which cross-national variation in fluidity occurs. However, if we then apply the model with its parameters being allowed to vary so as to be specific to the Israeli case, it can be seen from the second row of the table that its fit improves substantially. Indeed, the  $G^2(S)$  value now falls only a little short

of the standard that was taken as acceptable within the CASMIN Project (cf. note c). In other words, the indication here is that fluidity within the Israeli class structure largely complies with the pattern specified by the “core” model, even though the strength of some at least of the various effects at work is evidently deviant. Not surprisingly, then, it is possible to go on to produce an adequately fitting variant of the model through only a very slight modification.

What is entailed is simply the removal of the AF2, positive affinity, effect from two of the ten cells in which it is shown as operating in [Table 6.3](#): that is, the cells indicating mobility between Classes I+II and IVab—the service class and the petty bourgeoisie. In the core model the AF2 term is here intended to capture the affinity between these classes arising from the possession—and hence the possibility of *transfer*—of capital (Erikson and Goldthorpe 1992a, pp. 129–30). However, in the Israeli case, the heightened propensity for mobility that is thus expected is not in fact found. The explanation that seems to us most likely is that the amounts of capital associated with membership of the petty bourgeoisie, especially in the parental generation, are in the Israeli case unusually small and indeed insufficient for the affinity with the service class to be sustained.

Support for this interpretation can be seen by looking at the full version of the class schema in which (cf. [Table 6.1](#)) the distinction between Classes IVa and IVb is made. It turns out that among the fathers of our Israeli respondents about twice as many were allocated to IVb as to IVa, that is, were self-employed workers *without* employees, whereas among those CASMIN nations for which the IVa/IVb distinction can be implemented the tendency is for these classes within the parental generation to be of far more equal size. It is here further relevant to note that Kraus and Matras (1992) find that generally in present-day Israeli society the self-employed do not hold any distinctive economic advantage over the body of employees.

When the variant model is fitted the results are as shown in the third row of [Table 6.4](#), with  $G^2(S)$  now being at the 40 mark. However, since two effect parameters, those for the SE and AF1 terms, fail to reach significance, we refit the model excluding these terms, with the results given in the fourth row of the table.  $G^2(S)$ , it will be noted, rises to 43—but as against 30 degrees of freedom. In [Table 6.5](#), we then report the effect parameters that are estimated under this final version of our variant model for Israel, together with the values of these parameters as estimated under the core model.<sup>6</sup>

In considering the Israeli pattern of social fluidity as expressed by the variant model in relation to that of the core model itself, the non-significance of the SE and AF1 terms represent the most obvious deviations. The implication is (cf. [Table 6.3](#)) that in Israeli society no specific barriers exist to mobility between agricultural and non-agricultural classes, either in general (SE) or in the case of long-range mobility between Class I+II, the service class, and Class VIIb, that of agricultural workers (AF1).

**TABLE 6.4**  
**Results of Fitting the Model of Core Social Fluidity to the Seven-Class Intergenerational Mobility Table for Israeli Men Aged 25–64<sup>a</sup>**



	$G^2$	df	p	$rG^{2b}$	$\Delta$	$G^2(s)$ (1991) <sup>c</sup>
Estimated parameters	256.5	36	0.00	31.3	10.4	161
Nationally Specific parameters	62.8	28	0.00	83.2	4.7	48
Variant model	49.7	28	0.01	87.0	4.0	40
Variant model minus n.s. terms (SE and AF1)	52.3	30	0.01	86.0	4.0	43

Notes:

a. The basic model of the mobility table applied here is  $l_i^O + l_j^D + l_{ij}^I$ , where O is origin class, D destination class and I the interaction effect in the  $ij$ th cell. However, under the core model, the latter effect is given, in the way indicated in Table 6.3, by one or more of eight separate effects—i.e., two of hierarchy, three of inheritance, one of sector, and two of affinity. (See further Erikson and Goldthorpe 1992a, ch. 4).

b.  $rG^2$  is the percentage reduction achieved in the  $G^2$  returned by the model  $l_i^O + l_j^D$  proposing independence of origin and destination class.

c.  $G^2(S)$  is a means of standardizing  $G^2$ s for samples of differing size, given by  $((G^2 - df) / N) \times K + df$ , where K is the sample size to be taken as standard. Here K is set at 1991, which is the size of the smallest national sample in the CASMIN data-set. A  $G^2(S)$  of 40, implying, with 28 df, a p-value of approximately 0.05, has then been taken as indicating an adequate fit of the core model or of a variant—with correspondingly larger values being accepted if df increases through the dropping of non-significant terms.

One possibility is that we see here the effects of the pro-agricultural governmental policies earlier referred to and, in particular, of the offer of tax relief in order to encourage new entrants into agriculture. An alternative possibility, though, is that our results do not in fact demonstrate any real peculiarity of the Israeli case but merely reflect the inability of a rather modestly sized sample to pick up effects involving agricultural classes which, as earlier noted (and cf. Table 6.2), have sharply contracted and, indeed, in the case of Class VIIb, virtually disappeared. This issue is, unfortunately, one that we could resolve only on the basis of data from a substantially larger sample than that available to us, and that we must therefore for the present leave in doubt.

However, various other features of Table 6.5 do enable us reach rather more definite conclusions. First, as regards hierarchy effects, it can be observed that while the HI1 term, pertaining to barriers to “short-range” mobility, does not in the Israeli case fall much below the core level, the further low value of the HI2 term, pertaining to barriers to “long-range” mobility, is more consequential. Since, under the Israeli variant,  $HI1+HI2 = -0.49$ , as against  $-0.64$  under the core model, the implication is that in Israel such long-range mobility reaches almost two-thirds the level ( $e^{-0.49} = 0.61$ ) at which it would have been in the absence of hierarchical barriers,

as compared with only around half ( $e^{-0.64} = 0.53$ ) where core fluidity is supposed. Of greatest substantive importance here, one might suggest, is the relatively high propensity that is indicated in Israeli society for upward mobility into the service class on the part of men of farm (Class IVc and VIIb) and non-skilled working-class (Class VIIa) origins.

**TABLE 6.5**  
**Effect Parameters of the Variant Model for the Israeli Mobility Table and Parameters**  
**Estimated for the Core Model<sup>a</sup>**

	HI1	HI2	IN1	IN2	IN3	SE	AF1	AF2
Israeli Model	-0.17	-0.32	0.31	0.25	1.89	n.s.	n.s.	0.27 <sup>b</sup>
CORE	-0.22	-0.42	0.43	0.81	0.96	-1.03	-0.77	0.46

Notes:

a. Parameters for hierarchy and inheritance effects are presented *incrementally*: i.e., the values given for HI2 represent increments on those for HI1, those for IN2 increments on IN1 and those for IN3 increments on IN2. However, this is *not* the case with the parameters for affinity effects since AF1 refers to negative affinities and AF2 to positive affinities.

b. Modified term, see text.

Comparison with results from the CASMIN Project (Erikson and Goldthorpe 1992a, [Tables 5.3, 5.5, 9.2 and 10.2](#)) shows that in its openness in this respect, Israel still falls short of Poland, where the promotion of long-range mobility was a sustained political objective of the Communist regime. But Israel can be put together with several other nations, including Ireland, Scotland, and Japan, where mobility propensities are in general only rather weakly constrained by hierarchical effects.

Second, in regard to inheritance effects, Israel appears as yet more distinctive. In the Israeli case, as [Table 6.5](#) shows, the IN1 term, referring to the general propensity for immobility across all classes alike, is below core level; and then the IN2 term, referring specifically to immobility in the service class and the petty bourgeoisie, is even more notably depressed. Thus, in these two latter classes immobility is only one-and-three-quarter-times ( $e^{0.56} = 1.75$ ) what it would have been in the absence of inheritance effects, as against almost three-and-a-half-times ( $e^{1.24} = 3.46$ ) under the core model. In the comparative perspective afforded by the CASMIN results, Israel's generally low propensity for class immobility sets it alongside "egalitarian" Australia, the former Communist society of Czechoslovakia, and social-democratic Sweden, while the low propensity for immobility specifically within its service class and petty bourgeoisie is matched only in the rather special case of Communist Hungary (cf. Erikson and Goldthorpe 1992a, 151-4). When we turn to the remaining inheritance effect, IN3, which applies solely to the class of farmers, Class IVc, the picture does, it is true, change somewhat. Under our Israeli model, the value of IN3 is clearly above the core level, and, in fact, results in the propensity for immobility among Israeli farmers being towards the high end of the range established among the CASMIN nations. Nonetheless-and especially when the small size of the farm class in Israel is born in mind-the overall impression must be that within the Israeli class structure tendencies for intergenerational succession are, by comparative standards, notably weak.



Even if, then, we choose to regard the apparent absence of sectoral barriers to mobility with some degree of suspicion, the further evidence of [Table 6.5](#) still indicates that fluidity within the Israeli class structure is generally above “core” expectations-and indeed above that actually found in most other societies for which good comparative data are available. This last conclusion can, in fact, be strengthened by one further observation from the CASMIN results: namely, that the societies referred to above as having in common with Israel relatively weak hierarchical effects on mobility-Ireland, Poland, and Scotland-are, however, ones also characterized by relatively strong inheritance effects; while, conversely, of those societies noted as sharing with Israel weak inheritance effects-Australia, Czechoslovakia, Hungary, and Sweden-all but the last show appreciably stronger hierarchy effects.<sup>7</sup>

In sum, although the effects on social fluidity specified in the core model, with the possible exception of those for sector, are found to operate in the Israeli case on the generally expected *pattern*, these effects, in so far as they express barriers to mobility, tend to be a good deal less pronounced than the model would predict, with the result that the overall *level* of fluidity is unusually high. Since the time when Tyree, Semyonov, and Hodge (1979) wrote, developments in the analysis of social mobility tables have made “one number” measures of social fluidity less appropriate and attractive (see e.g., Wong 1990; Simkus et al. 1990; Erikson and Goldthorpe 1992a, ch. 11). Nonetheless, the results reported above must, on any reckoning, essentially confirm their conclusion that Israel ranks as one of the most open societies within the modern world.<sup>8</sup>

## **The Pattern of Relative Rates in Different Subpopulations and over Cohorts**

For a society such as that of Israel, complex and rapidly changing, it should not be readily assumed that the same pattern of social fluidity-the same “mobility regime”-applies equally to all sections of the population, nor that any given pattern is stable over time. In this section, our aim is to examine empirically how valid such assumptions would be.

We consider to begin with whether differences in patterns of social fluidity are to be found within the Jewish population that are related to immigration history. For this purpose, we divide the Jewish men in our sample into “natives” and “immigrants” but we include in the former group not only those born in Israel but also those who entered the country before age 14 and whose class origins are thus defined, for the purposes of our analyses, in the context of the Israeli class structure. Ideally, we would have wished to apply to mobility tables for each of these subpopulations the Israeli variant of the model of core social fluidity described above, and then to have compared the results. Unfortunately, though, when our sample is divided in the way in question the numbers in each table become too small to allow such a model to be satisfactorily estimated, and we have therefore to resort to a cruder approach.<sup>9</sup>

To avoid undue sparsity, we must, in fact, organize the mobility tables for native and immigrant Jews on the basis of the fivefold, rather than the sevenfold version of the class schema (see [Table 6.1](#)); and we then fit to these tables two models in succession. The first is the loglinear model, now generally known as the “common social fluidity” (CmSF) model, which states that across two or more mobility tables the underlying fluidity pattern is the same; or, in other words, that in the tables all corresponding odds ratios, defining origin-destination associations, are

identical (cf. Erikson, Goldthorpe, and Portocarero 1983). The first row of Table 6.6 shows that this model fits well-implying that, at all events, the mobility regimes of native and immigrant Jews have a large commonality.

It could, however, be that certain small differences are still present and, perhaps, ones that are of a theoretically important kind. The second model we apply is thus a logmultiplicative one, the “uniform difference” (UNIDIFF) model (Erikson and Goldthorpe 1992a, 90–92; cf. Xie 1992) which is designed to test for a possibility of just this kind: namely, that there are differences in the odds ratios underlying the two tables such that one or other set is *uniformly closer to the value of 7*-or, in other words, such that the net association between class origins and destinations is consistently weaker within one subpopulation than the other. The second row of Table 6.6 indicates that, in fact, the application of the UNIDIFF model fails to reveal any tendency of this nature: that is, it can achieve no significant improvement on the fit of the CmSF model ( $G^2$  is reduced by only 0.2 for the 1 degree of freedom lost). We can therefore say that, in so far as there are any differences in the regimes governing the intergenerational mobility of native and immigrant Jews, these are not only small but, further, not ones that can be characterized as implying greater or less fluidity overall.

This is an important result. It shows that our previous finding of the comparative openness of the Israeli class structure cannot be accounted for simply as an artifact of the class origins of the immigrants in our sample being defined in the context of some other society. And further it throws doubt on the suggestion entertained by Tyree, Semyonov, and Hodge (1979, pp. 417, 420) that massive immigration may in a more substantive sense be the key to Israel’s openness, in that when individuals are separated from their communities of origin family influences on their eventual class positions are likely to be attenuated.<sup>10</sup>

**TABLE 6.6**  
**Results of Fitting the CmSF and UNIDIFF Models to Five-Class Intergenerational Mobility Tables for Native and Immigrant Jews, Men Aged 25–64**

<b>Model<sup>a</sup></b>	<b>G<sup>2</sup></b>	<b>df</b>	<b>p</b>	<b>rG<sup>2b</sup></b>	<b>Δ</b>	<b>β</b>
CmSF	15.4	16	0.50	93.1	1.3	
UNIDIFF (N = 2780)	15.2	15	0.44	93.2	1.2	n.s

Notes:

a. The CmSF model is  $\log F_{ijk} = \mu + \lambda_i^O + \lambda_j^D + \lambda_k^M + \lambda_{ik}^{OM} + \lambda_{jk}^{DM} + \lambda_{ij}^{OD}$  where O is origin class, D destination class and M refers to the native/immigrant distinction. The UNIDIFF model replaces the  $\lambda_{ij}^{OD}$  term in the CmSF model with  $\beta_k X_{ij}$  where X is a term representing the general pattern of association between class origins and destinations derived from the values for  $\lambda_{ij}^{OD}$  and  $\beta$  is a term representing the strength of that association specific to native or immigrant status.

b.  $rG^2$  is the percentage reduction achieved in the  $G^2$  returned by the model proposing independence of class origins and destinations conditional on native or immigrant status: i.e., the CmSF model minus the  $\lambda_{ij}^{OD}$  term.

We turn next to possible differences in social fluidity among the three main ethnic groups within Israeli society that we noted earlier: the Ashkenazim and Sephardim among the Jews and the citizen-Arabs. Here again the relatively small sizes of our subsamples require us to work with five-class mobility tables and with the CmSF and UNIDIFF models.

From Table 6.7, it can be seen that the CmSF model does not fit these data at all well: that is, significant differences do exist among the mobility regimes of the three subpopulations distinguished. This may be reckoned as a further notable finding, since in the two cases—those of the former Czechoslovakia and Northern Ireland—where comparable analyses could be undertaken in regard to different ethnic communities within the CASMIN nations, little or no variation in fluidity patterns was revealed (Erikson and Goldthorpe 1992a, pp. 158–9, 169; cf. Boguszak 1990; Hout 1989).

Moreover, when the UNIDIFF model is applied a significant improvement in fit is obtained:  $G^2$  is reduced by 7.5 for the 2 degrees of freedom lost. The 6 parameter of-virtually-zero returned for the Arabs means that no difference can be detected as between the general levels of fluidity prevailing among this group and among the Ashkenazim, who are given a value of zero as the reference category. But the negative parameter estimated for the Sephardim indicates that in their case fluidity is at a higher level. It is important to be clear about what this finding means. It does not imply that the Sephardim are advantaged relative to the two other ethnic groups—only that among the Sephardim there is a weaker net association between class of origin and destination, which may, or may not, entail mobility of a desirable kind. Thus, for example, residuals under the CmSF model would suggest that Sephardic men *both* of farm (Class IVc and VIIb) origins *and* of white-collar (Class I, II and III) origins show a particularly strong propensity to be found in skilled manual (Class V+VI) positions. In other words, there is here some suggestion of the “perverse openness” that characterized the mobility regime of blacks in the United States some decades ago (Duncan 1969): that is, of openness that results from racially or ethnically linked disadvantages reducing the capacity of families to sustain any improvement in class position from one generation to the next.<sup>11</sup>

**TABLE 6.7**  
**Results of Fitting the CmSF and UNIDIFF Models to Five-Class Intergenerational Mobility Tables for Ashkenazim, Sephardim, and Israeli Arabs, Men Aged 25–64**

<b>Model<sup>a</sup></b>	<b>G<sup>2</sup></b>	<b>df</b>	<b>P</b>	<b>rG<sup>2b</sup></b>	<b>Δ</b>	<b>β</b> <b>(Ashkenazim = 0)</b>
CmSF	69.0	32	0.00	73.7	4.9	
UNIDIFF	61.5	30	0.00	76.6	5.0	
						Sephardim -0.42
						Arabs 0.00

(N = 3289)

Notes:

a. The CmSF model is  $\log F_{ijk} = \mu + \lambda_i^O + \lambda_j^D + \lambda_k^E + \lambda_{ik}^{OE} + \lambda_{jk}^{DE} + \lambda_{ij}^{OD}$  where O is origin class, D destination class and E is ethnic group. The UNIDIFF model replaces the  $\lambda_{ij}^{OD}$  term in the CmSF model with  $\beta_k X_{ij}$  where X is a term representing the general pattern of association between class origins and destinations derived from the values for  $\lambda_{ij}^{OD}$  and  $\beta$  is a term representing the strength of that association specific to each ethnic group.

b.  $rG^2$  is the percentage reduction achieved in the  $G^2$  returned by the model proposing independence of class origins and destinations conditional on ethnic group: i.e., the CmSF model minus the  $\lambda_{ij}^{OD}$  term.

It has to be further noted though from Table 6.7 that, even with the improvement made by the UNIDIFF model, an acceptable fit to the data is still not produced. In other words, significant differences in the fluidity patterns of the three ethnic groups exist *other than* ones expressing greater or less fluidity overall. Inspection of residuals under the UNIDIFF model reveals these differences to be so diverse in kind as to defy any general characterization, but what can be said is that it is again the Sephardim who are the most distinctive group.

**TABLE 6.8**

**Results of Fitting the CnSF and UNIDIFF Models to Five-Class Intergenerational Mobility Tables for Israeli Men Aged 25–64 in Four Ten-Year Birth Cohorts**

Model <sup>a</sup>	G <sup>2</sup>	df	p	rG <sup>2b</sup>	Δ	β
CnSF	46.2	48	0.55	86.3	4.0	
UNIDIFF (N = 3495)	43.7	45	0.52	87.1	3.8	n.s.

Notes:

a. The CnSF model is  $\log F_{ijk} = \mu + \lambda_i^O + \lambda_j^D + \lambda_k^C + \lambda_{ik}^{OC} + \lambda_{jk}^{DC} + \lambda_{ij}^{OD}$  where O is origin class, D destination class and C is cohort. The UNIDIFF model replaces the  $\lambda_{ij}^{OD}$  term in the CnSF model with  $\beta_k X_{ij}$  where X is a term representing the general pattern of association between class origins and destinations derived from the values for  $\lambda_{ij}^{OD}$  and  $\beta$  is a term representing the strength of that association specific to each cohort.

b. rG<sup>2</sup> is the percentage reduction achieved in the G<sup>2</sup> returned by the model proposing independence of class origins and destinations conditional on cohort: i.e., the CnSF model minus the  $\lambda_{ij}^{OD}$  term.

Finally, in this section we examine whether within our Israeli sample differences in fluidity are apparent in the mobility experience of men in successive birth-cohorts. For this purpose, we construct, using still the fivefold version of the class schema, mobility tables for four ten-year cohorts: that is, for those of men born 1927–36, 1937–46, 1947–56, and 1957–66. In [Table 6.8](#) we then report the results of fitting the CnSF (here “constant” rather than “common” social fluidity) and UNIDIFF models to these tables.

It can be seen that the CnSF model fits very closely, and that the UNIDIFF model is unable to improve upon it (G<sup>2</sup> is reduced by only 2.5 for the 3 degrees of freedom lost). In other words, relative rates of class mobility differ little from cohort to cohort, and in any event not in ways that reflect overall increases or decreases in fluidity.

To use such evidence from birth-cohorts distinguished within a single sample-in effect, age-groups-as a basis for investigating mobility trends over time is not, of course, unproblematic (for discussion, see Erikson, Goldthorpe, and Portocarero 1983). Nonetheless, we can still say that the results here presented give no grounds for supposing that the distinctive degree of openness of the Israeli class structure earlier revealed is the outcome of some current process of change, rather than being a relatively stable feature of Israeli society, formed at least several decades ago.

#### Absolute Mobility Rates

Having achieved some understanding of the pattern of relative rates of class mobility that prevail in Israel, we now turn to consider absolute rates, such as may be expressed in simple percentage terms. Absolute rates are, of course, in part determined by relative rates but also by various “structural” effects mediated through the marginal distributions of the mobility table. In this latter connection, we have already noted that in the Israeli table class origins and destinations are distributed in a markedly discrepant way, as might be expected in view of Israel’s pattern of economic development, history of immigration, and recent labor force changes. However, an alternative, and somewhat more sophisticated, approach to this matter is possible, and gives the results that are reported in [Table 6.9](#).

**TABLE 6.9**  
**Parameters for Shift Effects between Class Origins and Destinations Estimated under**



**Israeli Variant of the Model of Core Fluidity**

Class	Shift effect
I+II	set at 0
III	-0.57
Ivab	-1.79
Ivc	-3.32
V+VI	-0.50
VIIa	-1.49
VIIb	-3.58

Here we return to the variant of the core model of social fluidity that we have accepted for Israel (Table 6.4) and report the parameters estimated under it for origin-destination “shift effects” (cf. Sobel, Hout, and Duncan 1985; Erikson and Goldthorpe 1992a, pp. 204–5).<sup>12</sup> These can be understood as the effects of differences between the origin and destination distributions of the mobility table that raise or lower the odds of mobility to a given destination in a uniform way—that is, by the same factor across all classes of origin alike. In Table 6.9, Class I+II is taken as the reference category and its effect is set at zero. It can then be seen that the effects estimated for all other classes are negative—indicating that shift effects, in fact, favor entry into Class I+II, the service class, above all others. Thus, one could say that, across all origins alike, mobility into Class III, the routine nonmanual class, is structurally favored to not much more than half the extent ( $e^{-0.57} = 0.56$ ) of mobility into the service class, and so on.

What in comparative perspective is notable about the effects reported in Table 6.9 is their range. If one considers the *differences* between the effect for the service class into which mobility is structurally most favored and those for the two agricultural classes, IVc and VIIb, into which mobility is least favored, one finds that these amount, respectively, to factors of just under and of well over 30 ( $e^{3.32} = 27.7$  and  $e^{3.58} = 35.9$ ). Again as when D’s for marginal distributions were compared, only Hungary and Japan among the CASMIN nations can here provide a match for the Israeli case.

**TABLE 6.10**

**Total Mobility Rate (TMR) for Israeli Men Age 25–64 and Decomposition into Total Non-Vertical (TNV) and Total Vertical (TV) Mobility, Total Upward (TU), Including Long-Range Upward (TLU), and Total Downward (TD), Including Loni-Ranie Downward (TLD), Mobility<sup>a</sup>**

TMR	TNV	TV	TV/TNV	TU	TLU	TD	TLD	TU/TD
74	22	52	2.4	39	7	13	1	3.0

Note:

a. The total mobility rate is the number of all cases falling in cells off the main diagonal of the mobility table, expressed as a percentage of the sample N. Definitions of the components of this rate that are distinguished can be obtained by reference to Table 6.3. Vertical mobility is indicated in all cells that include the HI1 term; where the HI2 term is also included, the mobility is long-range. Upward mobility is in such cells to the S-W of the main diagonal; downward mobility, in such cells to the N-E. All other cells off the main diagonal indicate non-vertical mobility.

Given, then, such indications of the influence of structural change on the Israeli mobility table, one might, for this reason alone, expect absolute rates to be high. And this expectation is indeed borne out. In Table 6.10, we show, first of all, the total mobility rate and various of its components. By reference to CASMIN results, all of these rates can be regarded as lying towards the upper end of the cross-national range. In particular, we may note that the Israeli total mobility rate of 74 percent is exceeded only by that for Hungary (76 percent), while as regards total vertical, total upward, and long-range upward mobility rates, Israel is again in close company with nations such as Australia, Czechoslovakia, and Sweden (cf. Erikson and Goldthorpe 1992a, Table 6.7).

It is, though, of further interest to ask just how far these notably high Israeli rates are attributable to strong structural effects, and how far to the rather distinctive level of social fluidity that we have also observed in the Israeli case. One way in which we can approach this question is through a counterfactual exercise. That is, we can calculate what various absolute mobility rates would be, in Israel and in other nations, if all the nations involved did, in fact, have in common the pattern of social fluidity of the core model proposed by Erikson and Goldthorpe.

If this model is fitted to the Israeli mobility table (as, in fact, in the first row of Table 6. 4), the expected total mobility rate turns out to be 68 percent. And what we then further find is that, likewise under the expectations of the core model, the Hungarian rate still exceeds the Israeli-but so, too, now do the rates of several other of the “more mobile” nations in the CASMIN set. A similar outcome can be observed if the exercise is repeated with the other component rates referred to above. That is to say, if complete cross-national similarity were to prevail in social fluidity, as specified by the core model, then the Israeli rates would appear somewhat *less*, rather than more extreme. The conclusion must therefore be that in generating the unusually high absolute rates found in the Israeli case, structural effects, strong though they are, are still reinforced by those of the underlying pattern of relative rates. This conclusion may be further illustrated by noting that the actual Israeli total mobility rate, at 74 percent, is six percentage points higher than that which would be expected under the core model—a wider difference than occurs with any CASMIN nation.

**TABLE 6.11**  
**Intergenerational Inflow Rates for Israeli Men Aged 25–64**

	Class of Destination (% by Column)						
	I+II	III	Ivab	IVc	V+VI	VIIa	VIIb
Class of origin							
I+II	22	11	7	11	8	6	17
III	10	9	5	1	8	5	0
Ivab	27	32	45	19	29	30	17
Ivc	9	6	12	55	8	17	17
V+VI	16	16	12	6	22	13	0
VIIa	15	22	17	8	23	26	50
VIIb	1	4	2	0	2	3	0
N	924	392	605	84	969	515	6

When we move on to examine inflow and outflow rates, as presented in [Tables 6.11](#) and [6.12](#), the greater detail here involved makes cross-national comparisons a good deal more difficult. As might be anticipated from the foregoing, immobility within classes in Israel tends to be low and most forms of mobility between classes high, in relation to the standards set by the CASMIN nations; but Israel cannot all that often be picked out as occupying a quite extreme position. Overall, one could perhaps say, the pattern of inflow and outflow rates is best understood in comparative perspective if, as regards the structural context of such mobility, Israel is seen as lying in-between most European nations, on the one hand, and Japan, on the other (cf. Erikson and Goldthorpe 1992a, ch. 10)—while, however, displaying a generally greater fluidity within this context.

Thus, Israel is like the more advanced nations of Europe in having an agricultural sector that has seen rapid decline, so that agricultural classes are now of rather little quantitative importance, at least as classes of destination. But, as a further result of the recency of industrial development, Israel resembles Japan more than European nations in the extent to which the present-day members of all classes, and especially of the expanding white-collar classes, are drawn from the families of the self-employed workers and small proprietors of Class IVab rather than from working-class backgrounds—an effect further strengthened by Israel's distinctive experience of immigration. The rates of inflow to Class I+II and Class III from Class IVab origins of 27 and 32 percent, respectively, as shown in [Table 6.11](#), are, in fact, above the CASMIN range (Japan included), and so, too, it may be added, is the self-recruitment rate for Class IVab of 45 percent. On the other hand, it may be noted that the self-recruitment rate of the Israeli working class—i.e., Classes V+VI and VIIa taken together—is only 43 percent, which, while above the Japanese rate of 21 percent, is otherwise at the bottom of the CASMIN range.

**TABLE 6.12**  
**Intergenerational Outflow Rates for Israeli Men Aged 25–64**



	Class of Destination							N
	I+II	III	IVab	IVc	V+VI	VIIa	VIIb	
Class of origin (% by row)								
I+II	49	11	11	2	19	8	–	410
III	35	14	12	–	28	11	0	259
Ivab	23	12	25	1	25	14	–	1102
Ivc	21	6	18	12	19	22	–	387
V+VI	25	11	13	1	38	12	0	565
VIIa	20	12	15	1	33	19	–	694
VIIb	15	20	15	0	32	18	0	74

In outflow terms, Israel is distinctive in the low level of intergenerational stability shown within the two agricultural classes, reflecting the apparent absence of sectoral barriers to mobility, but also the decline of these classes—to the point, with class VIIb, of its effective elimination. At the same time, though, there are further similarities with Japan, and contrasts with European nations, in two respects. The first is in the relatively low intergenerational stability that is also displayed in the Israeli case by both the service class and the working class. As can be seen from [Table 6.12](#), only 49 percent of the sons of Class I+II fathers are themselves found in similar class positions, the Japanese figure being 47 percent; while for Classes V+VI and Vila together, the stability rate works out at 51 percent, as compared with 56 percent for Japan. Among European nations in the CASMIN set, the lowest figure for intergenerational stability within the service class is 52 percent, and within the working class, 61 percent. Secondly, Israel, like Japan, shows notably high rates of upward mobility on the part of men of farm origins into white-collar positions. The figures of 21 percent of sons of farmers found in service-class positions and 20 percent of sons of farm workers in routine nonmanual employment are both values that lie above the entire CASMIN range.

On this basis, one may then reach the following general conclusion: that the high degree of fluidity that we have discovered within the Israeli class structure *combines with* the pattern of change in that structure itself to make Israel one of the most mobile of modern societies. From the standpoint of the individual Israeli man, at all events, there is, in comparative perspective, a distinctively high probability of his ending up in a different class to that of his family of origin and, moreover, with clearly greater chances of movement in an upward than in a downward direction.<sup>13</sup> Correspondingly, if classes themselves are taken as the focus of analysis, then they must be seen as having only a relatively low level of “demographic” formation (cf. Goldthorpe 1987, ch. 12). That is to say, classes in Israeli society will tend to a lesser degree than elsewhere to form collectivities that, whether through intergenerational self-recruitment or the intergenerational maintenance of their memberships, sustain a well-defined identity over time.

## Conclusions

We began by noting that in the only previous analysis that allowed class mobility in Israel to be viewed in comparative perspective, that of Tyree, Semyonov, and Hodge (1979), Israel emerged as a preeminently open society. We have ourselves reported results, deriving from more reliable data and the application of more sophisticated techniques that serve essentially to confirm this finding. At the same time, this confirmation, together with our own birth-cohort analyses, would suggest that the Israeli situation is not ephemeral but one characterized by a rather high degree of continuity.

The pattern of fluidity that we have discerned within the Israeli class structure does, in fact, follow much the same “contours” as those proposed by the core model of Erikson and Goldthorpe, with the possible exception of the absence of barriers to cross-sectoral mobility. And from this point of view, at least, any claim of Israeli “exceptionalism” would appear misplaced. Nonetheless, in the Israeli case most effects represented by the core model as inhibiting mobility are decidedly weak, so that the overall level of fluidity appears higher than in other nations so far reliably studied. We have also considered absolute as well as relative mobility rates, and we have discovered that in this respect again Israel displays distinctive features. The unusually high rates of total and of upward mobility that have been indicated must be understood as, in part, a consequence of rapid economic development, large-scale immigration and recent labor force changes. But, as we have further shown, it is, in fact, the degree of underlying fluidity that contributes yet more decisively to these features.

In the context, then, of comparative mobility research, the Israeli case has to be reckoned as one of special interest. Given the finding of substantial cross-national commonality in fluidity patterns reported by Erikson and Goldthorpe, a strategic importance must attach to those societies that appear to stand, so to speak, on the edges of this commonality. In light of the foregoing, the issue that is centrally posed is that of how one is to account for the fact that the degree of openness of the class structure in Israel is in almost all respects greater than that which tends to be found elsewhere. We have ourselves presented evidence to show that, contrary to the suggestion made by Tyree, Semyonov, and Hodge, immigration is unlikely to operate as the key factor here, in any event in any direct way. And, we may add, the importance to the Israeli case of one other factor on which these authors place major theoretical emphasis would now also seem somewhat questionable: namely, that of the relative equality of the distribution of economic resources across classes. At least as regards the *personal* distribution of *income*, which perforce served as their key indicator, more refined analyses than those available in the 1970s reveal that Israel is not, in fact, so notably egalitarian as Tyree, Semyonov, and Hodge supposed—being clearly less so, for example, than Scandinavian nations such as Sweden or Norway (O’Higgins, Schmaus, and Stephenson 1990).<sup>14</sup> Thus, we believe the Israeli case should be taken as a challenging focus for future investigation: that is, both for further comparative analyses, in which Israel can now be included, and for more intensive analyses of its own mobility processes at the micro level (cf. Goldthorpe 1996, 1997), in which it will be possible to draw on other forms of data and analytical technique than those here utilized.

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## Notes

1. Furthermore, the macrosociological strategy followed by Tyree, Semyonov, and Hodge was that of treating nations as units within multivariate analyses and, thus, the details of the Israeli case, despite its appearance at one extreme of the observed range of variation in fluidity, were for them of less concern than this variation itself and its putative causes.
2. In debates that have arisen concerning the CASMIN Project, the issue of data quality has proven central. For example, Hout and Hauser (1992) have reanalyzed a subset of the CASMIN data using the full, elevenfold version of the class schema-with the aim of showing inter alia that “hierarchy” effects are of greater relative importance in shaping patterns of social fluidity than is implied by Erikson and Goldthorpe’s “core” model. The latter have responded (1992b) by re-emphasizing that mobility tables organized on the basis of this version of the class schema do not, unfortunately, attain a sufficient standard of comparability to warrant cross-national analyses: that is to say, the cross-national variation they reveal will to quite an unacceptable extent be artefactual. On similar grounds, Erikson and Goldthorpe would also call into question comparative analyses drawing on the collection of mobility tables assembled by Ganzeboom, Luijkx, and Treiman (1989), and especially where these data are used-as, for example, by Sorensen (1992)-without regard to the “quality control” variables that Ganzeboom and his associates provide.
3. In the CASMIN data-set, the standard age-range is 20 to 64, but a modification seemed desirable in the Israeli case in view of the large proportion of men between age 18 and 21 engaged in military service.
4. Since the non-citizen Arabs must now be considered as an integral part of the Israeli labor force, it is unfortunate that we lack information about them. However, while it has been suggested that their entry chiefly into the lower levels of the occupational hierarchy is likely to create an “escalator” effect, to the advantage of other groups within the labor market, no evidence of such an effect has, so far at least, been found (cf. Lewin-Epstein and Semyonov 1986).
5. This ethnic distribution of the Israeli population is not, of course, directly reflected in the sub-sample we here use, since the latter, as well as covering only Israeli citizens, is also delimited by sex and age.
6. The omission of the non-significant SE and AF1 terms from the model leaves the other effect parameters virtually unchanged except that the IN3 parameter falls to 1.89 from a previous 2.49.
7. A detailed quantitative comparison of the Israeli pattern of fluidity relative to that of all nations represented in the CASMIN data-set can be made via the method described in Erikson and Goldthorpe (1992, ch. 5, Annex). The relevant results for Israel are available from the authors on request.
8. If a “one number” approach is thought desirable, the analysis reported in Erikson and Goldthorpe (1992, pp. 380–2), based on an application of the CmSF and UNIDIFF models (see text below) to the mobility tables for all 15 CASMIN nations, can be repeated with the Israeli case added. The result is that Israel shows the highest level of fluidity in the sense that the odds ratios implicit in the Israeli table turn out to be closer to 1 overall than are those for any other nation. Full details of this analysis are available from the authors on request.
9. Experience within the CASMIN project suggests that difficulties in estimating the core

model are likely to be encountered unless the sample N at least approaches 2000.

10. The possibility does, however, remain that immigration has had some generalized effect on Israeli society of a kind conducive to greater fluidity. It has, for example, been suggested to us (by an anonymous referee) that in an immigrant society such as that of Israel, labor markets must be organized on a largely bureaucratic basis rather than being able to rely to the same extent as elsewhere on established local networks as channels of information and influence—which might, in turn, encourage mobility through worker recruitment and promotion being governed more by “universalistic” than “particularistic” criteria. In the case of Israel, large-scale bureaucratic institutions (such as the *Histadrut*) have certainly helped immigration processes and the absorption of immigrants. On the other hand, though, it could be argued that immigration is itself often also promoted and directed via social networks. This is obviously a matter for further investigation.
11. Further to this it should be said that the greater fluidity prevailing within the Sephardic community does not, of course, in itself imply any minimization of such disadvantages as its members may face in regard to patterns of occupational segregation or other aspects of discrimination in employment. The extent of such disadvantages among the Sephardim—and also citizen-Arabs—will be examined in later chapters.
12. Sobel, Hout, and Duncan themselves and likewise Hout and Hauser (1992) claim that the calculation of such shift effects is meaningful only if fluidity patterns are modelled as symmetrical. Erikson and Goldthorpe (1992b; cf. also 1992a, 204–5) show that this claim is misleading and, further, that it is an error to suppose that under an asymmetrical model of fluidity, such as the core model, shift effects will not be uniquely estimable. According to Luijkx (1994, pp. 217–8), problems of estimation will arise only with a *saturated* asymmetrical model.
13. Our analyses of women’s mobility may differ in this last respect, at least in regard to mobility via employment as opposed to mobility via marriage; but, in the light of results from other nations (cf. Erikson and Goldthorpe 1992a, ch. 7), it could be thought rather unlikely that the analyses will otherwise point in a contradictory direction.
14. As a further indicator of the likely degree of equality in economic resources across classes, Tyree, Semyonov, and Hodge used the proportion of salaried professional, technical, clerical, and sales staff in the total workforce. Israel again appeared distinctive among the 24 nations they considered in having the largest proportion. However, if, as a rough equivalent, we take the proportion of the Israeli sample found in our Classes I, II, and III together, this does not appear at all exceptional when set against the proportions found in comparable samples for other advanced societies in the late 1980s and early 1990s.

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# The Transformation of the Kibbutz: From a Classless to a Class Society

*Dani Rosolio*

## Introduction

Is a class society developing in the kibbutz? This has created an ongoing discussion at least since 1951. Eva Rosenfeld (1983) argued in 1951 that there existed a special type of social stratification in the kibbutz that had not created a class society. Pavin (1996) presented a thorough review of the research completed on this subject. He concluded that all scholars who dealt with the issue of class society in the kibbutz examined the differential access to resources in the kibbutz society to different members or groups of members in the kibbutz. The conclusion of this research review was that social stratification could be found within the kibbutz but there did not exist social classes. In other words, the kibbutz kept its nature as a “classless” society (Talmon-Garber 1970; Kressel 1976; Ben-Rafael 1986; Pavin 1986).<sup>1</sup> Theoretically, these findings were corroborated in studies dealing with the issue of social stratification in the Socialist states (cf. Wesolowski and Kolankiewicz 1979).<sup>2</sup>

In this chapter I argue that the changes in the kibbutz which have been occurring during the last ten years have the potential of developing a class society in the kibbutz. My argument stresses the need to define the social boundaries of the kibbutz community; and in the framework of this definition to examine whether the formation of a class society is in progress. By social boundaries of the kibbutz I mean the demarcation line between those who are a part of the kibbutz community, that is, the kibbutz members and their families, and “others.” In the kibbutz discourse as well as in the literature, these social boundaries imply a congruency between the members’ collective and the kibbutz community. This assumption should be examined because in the everyday kibbutz life, non-members as well as members play a role and interact in the kibbutz community experience.

## **Basic Assumptions of the Kibbutz Ideology**

One of the basic assumptions of kibbutz ideology is that the kibbutz is a classless society, that is, that the kibbutz members share their property and that there is no connection in the kibbutz between a member's contribution and his access to the resources of the kibbutz for his needs. Practices were created to preserve this basic assumption. They included the following rules:

- a. the kibbutz capital and property belong to the community;<sup>3</sup>
- b. there is no connection between the budget of the kibbutz member or family and his position or his earnings;
- c. positions in kibbutz government are rotated. The rule of rotation was formulated to prevent the development of a power elite that could gain benefits from their positions;
- d. No hired labor should be used in the kibbutz (Rosner and Getz 1996; Lanir 1990; Rosolio 1997).

In spite of these safeguards, differential access to resources in the kibbutz was found and the creation of a power elite was postulated (Shapira 1987). The findings did not reveal the emergence of a class society; Rosner (1985) referred to the danger in the introduction of hired labor into cooperatives and kibbutzim, arguing that it will bring degeneration of the kibbutz.

## **Classes and Strata: A Theoretical Approach**

In this chapter I am following Weber in the use of the term "class." Weber defined "class" in the context of people's economic status and their prospects in life as a result of their wealth and control of economic resources. He added to his definition the connection between the classes and the labor structure, and the positions held by people in the labor market as related to their location in the class system (Gerth and Mills 1958). Marx, in his class theory, emphasized that in the class society class-awareness and class-consciousness develops to define the class interest (Marx, 1983). Wright (1997) defined this class-consciousness as "particular aspects of the subjectivity of individuals." Therefore, I argue that in the context of the social boundaries of the kibbutz a class society is developing.

I use the term "social strata" in the meaning of structural inequality in a given society according to income, education, housing, origin, gender, etc. (Marshall 1994). In fact, the terms "class" and "strata" overlap as the result of the different discourses that defined them. I refer to the term "strata" in a less circumscribed fashion. In other words, I distinguish between the unequal access to kibbutz resources within the members' collective of the kibbutz (which was defined as the stratification in the kibbutz, a stratification in which class-consciousness did not develop), and the emergence of classes within the kibbutz community, accompanied by the development of class-consciousness in the different social groups that constitute the kibbutz.

To understand the class structure of a society it is relevant to analyze the structure of its labor market. It is postulated that the structure of the labor market follows the social stratification and class structure in a given society (Ryan 1981; Stier and Lewin-Epstein 1988), that is, that people's job opportunities are defined by their location in the social structure: class structure and labor market are linked.



## The Social Boundaries of the Kibbutz

The kibbutz community includes not only the collective of its members but also a variety of non-member groups. The question is whether these groups play a role in the creation of a class society in the kibbutz? Is it the result of the interaction among all social segments within its social boundaries?

Shepher (1980) argued that the social boundaries in which the kibbutz members act extend beyond the physical boundaries of the kibbutz community. Kibbutz members are constantly interacting with different environments. Many are the parents of children living outside the kibbutz. Others work outside the kibbutz (currently about 30 percent of the kibbutz members). There are numerous other examples of outside influence as well. This situation affects the discourse of kibbutz members because they concurrently interact with different environments; thus they function in a multicultural situation. The same rationale holds true inside the social boundaries of the kibbutz, containing as it does, different segments of population in addition to the collective of the kibbutz members. Each segment has its own subculture and discourse. As all these segments interact, a social structure is formed. It is a firm belief that this structure has the potential for the emergence of a class society.

Kibbutz society is composed of the following segments that interact on an internal basis: (a) the kibbutz members; (b) the hired workers who work in the kibbutz, but mostly live in neighboring towns; (c) temporary residents, volunteers, etc; (d) young people who grew up in the kibbutz, have finished their army service but are not yet members; (e) residents who rent apartments in the kibbutz.<sup>4</sup>

*Kibbutz members:* the average size of a kibbutz is about 370 inhabitants, of which about 210 are kibbutz members.<sup>5</sup> In the course of the last ten years, a downward trend can be discerned in the number of the member population in the kibbutz. In addition there is a continuing trend towards imbalance in the age structure of the kibbutz members, that is, they are getting older and the average age climbs (*Demographic summary, Takam 1996*). The effect of this development is that the kibbutz must hire more and more employees to meet its economic and social needs.

*Hired employees:* the percentage of hired labor rose between 1990 and 1995 from 31 percent to 52 percent of all kibbutz industry workers (Halperin 1998). In social services and agriculture the trend is the same.<sup>6</sup>

*Temporary residents:* the number in this group is unstable and floating, and in my view has no influence on the creation of a class society in the kibbutz. Nevertheless, their impact is two-fold: they balance the demographic structure to some extent and on the other hand they create a measure of instability in the kibbutz population.

*Residents who rent apartments in the kibbutz:* this segment is not yet significant in the kibbutz, but may become so in kibbutzim, which are in a demographic crisis, or kibbutzim located in urban areas, where renting out apartments can be profitable. In the framework of the recovery plans of these kibbutzim that are in an economic crisis, the kibbutzim were given the opportunity to use part of their land for commercial purposes in order to increase their income and regain economic viability. The idea of building neighborhoods in the kibbutzim for non-members grew out of this. The assumption is that such neighborhoods can solve two problems: both the economic difficulties and the demographic imbalance by bringing into the kibbutz young or relatively young people to counterbalance the aging kibbutz member population. This development is still in its early stages.

In summary, the kibbutz is more than the collective of its members and the members interact in their everyday life with several social groups of participants that play roles within the social boundaries of the kibbutz. Every social group described has its social boundaries and there is very little cross-over mobility from group to group. The differences between the groups and their status can be understood through their location in the labor market in the kibbutz.

## **The Kibbutz Labor Market**

In my study of the labor structure of kibbutz Ein Gal (pseudonym), I analyzed the types of work performed by kibbutz members and by hired workers and found the following results:

Kibbutz members manned only 48 percent of the work positions in the kibbutz, which were concentrated in education, industry, and services. Only a third of the members were working in agriculture. My analysis found that in our example (the industry in kibbutz Ein Gal) primarily kibbutz members manned the managerial positions while the hired employees were mainly blue-collar workers (Rosolio 1997). The labor market theory proposes that when people of lower social status begin to enter a certain profession, sector, or department, the status of all workers in that profession, sector, or department is diminished. Consequently, the higher status groups leave these sectors and professions (Semyonov and Lewin-Epstein 1989). At the same time, the reward in these positions also declines. This process explains why there is a change in working positions manned by kibbutz members when hired labor is introduced to the kibbutz. Kibbutz members even prefer working outside their kibbutz rather than staying in the “low status” blue-collar positions in industry and agriculture (Halperin 1998).

## **Class consciousness and Changes in the Kibbutz Discourse and “Social World”**

As was discussed previously, the social class structure exists within the framework of the social boundaries of a given society, for example, within the social boundaries of the kibbutz community. The structure of the labor market described above created status groups, in the Weberian meaning, according to the position of the employees in the enterprises. There is congruence between the position in the kibbutz labor market and the sector to which the worker belongs. The hired employees and temporary workers, who are non-members, hold the blue-collar jobs in the enterprises and services, while the kibbutz members hold most of the managerial and high-level service positions. There is hardly any mobility between the status groups in the different strata of the labor market, except for the movement of kibbutz members from the blue-collar jobs to higher levels.

These processes described create, in fact, a class structure. Wright (1997) defines class structure as follows:

Class structures differ not only in the distribution of people across the various locations in that structure, but also in the extent to which people’s lives are bounded by specific class location. At the micro-level, class is explanatory because it shapes the interests, strategies, capacities and experiences of people, and each of these effects depends not simply on the static location of the individuals in a job-class structure but also on the complex ways in which their lives are linked to various classes through careers, mobility, social associations and social ties. (p. 149)

In this author’s view this is an apt description of the situation in the kibbutz. There are almost no social ties or friendships among the different segments of the kibbutz population. The only

ties described in the citation that can be expected among kibbutz members and residents of the neighborhoods are now being planned and carried out in some kibbutzim. As we do not have any significant experience with that potential population. It is assumed that it will be a higher middle-class population and will be a reference group for kibbutz members. Among other things, we can expect that among these residents will be kibbutz-born families who like living in the community but not as kibbutz members.

**TABLE 7.1**  
**Changes in the Kibbutz Discourse**

Traditional kibbutz discourse	New discourse
Collective budget	Privatization
Committee	Board
Coordinator	Manager
Cultural committee	Leisure committee
Farm	Business
Kibbutz	Community
Reward	Profit
Work	Making a living
Work expenses	Salaries
Workers coordinator	Manager of human resource
General assembly	Council

Wright (1997) argued that in the micro-level we could refer to the subjectivity of individuals. I will add to this the connection between the process of class formation with the “social world” as Strauss (1993) defined it and with the changes of the discourse in a given society. According to Strauss, the “social world” of a community or a group consists of a set of shared goals, resources, and ideologies. The discourse is the language used by a given society to express its *Weltanschauung*, reality perception and the meaning and interpretation of reality (Foucault 1996). In other words, the meanings and language and symbols express the class-consciousness. The discourse developing in the kibbutz society is, in fact, the discourse of the non-kibbutz capitalistic society. This discourse takes for granted the existence of a class structure in the society. [Table 7.1](#) presents the changes in the kibbutz discourse.

The changes in the new language compared to the traditional one suggest that the new discourse has adopted the capitalistic “social world.” This can be interpreted as a result of the situation in which the members of the kibbutz found themselves in a class structure within the kibbutz social boundaries.

## **Change and Transformation in Kibbutz Members’ Opinions**

The Institute of the Kibbutz Research at Haifa University is conducting an ongoing public opinion survey of the kibbutz population since 1989. In this case, the trends in kibbutz members’ attitudes can be traced and analyzed. It is possible to determine whether the change in kibbutz

members' attitudes represents changes in the meaning given to the kibbutz reality (Berger and Luckman 1967), that is, a change within the system, or a transformation of it (Fletcher 1990) in the context of a class society which adjusts to the capitalistic environment. Table 7.2 presents some samples from this survey. It appears that there is a transformation in the kibbutz members' "social world" from a "social world" appropriate to a traditional kibbutz classless society to a "social world" of a class society like that of the outside society in which the kibbutz and its members function.

**TABLE 7.2**  
**"In favor" Response of U.K.M.<sup>7</sup> Kibbutz Members to a Public Opinion Poll on Kibbutz Issues in 1989–90 and 1996 (percentage)**

Questions	1989 %	1996 %
Money reward for more work hours	45	56
Material rewards to kibbutz officers	25	51
Using hired labor in jobs that kibbutz members are not willing to do	44	60
Differential salary to kibbutz members according to the member's contribution	34	45
Differential salary to kibbutz members according to the member's managerial position <sup>8</sup>	The question was not asked	34

N = 573 Adapted from Palgi and Sharir, 1997, pp. 32–35.

These findings demonstrate a constant trend toward attitudes that reflect the transition to a discourse which is embedded in a stratified society. As I argued before, the stratification in the kibbutz community changed to a class society because the kibbutz members form a distinct class within the kibbutz community, a class that controls and owns the kibbutz assets and resources.

Once class-consciousness developed in the minds of the kibbutz members, their demand to privatize the kibbutz assets by allocating them to the members surfaced. In a meeting of the United Kibbutz Movement Center, which is composed mainly of secretaries of kibbutzim, the participants were asked to respond to a questionnaire asking about their reaction to the idea that the kibbutz assets will be allocated to the kibbutz members. Table 7.3 presents their responses.

The data show that about a third of the respondents, who are kibbutz activists or kibbutz elite, are in favor of privatizing the kibbutz assets. Although the respondents are not a random sample, they reflect the trend quite accurately. If we add those who are in favor of privatizing the apartments it results in about 80 percent. Thus, we see the transformation of the kibbutz members' "social world" as it has developed along with the development of their class-consciousness.

**TABLE 7.3**  
**Response of U.K.M. Center Members to Questions Concerning Asset Allocation of the Kibbutz to Its Members—1995**

Attitudes	No. of answers	Percent
All the assets belong to the community	26	20.8
A separation between private assets (houses etc.) and public assets (means of production, land etc.)	58	46.4
Allocation of shares of the productive assets to the members	14	11.2
All assets, including the rights to the land, are privatized and should be owned by the kibbutz members	27	21.6
Total	125	100.0

Source: Rosolio 1997, p. 261.

## **The Emergence of a Managerial Class within the Members' Collective**

One of the results of the process described may be the emergence of classes within the kibbutz members' collective. Shapira (1987) argued that there is an emergence of a power elite in kibbutz enterprises. Leviatan (1994) found that the main agents of change toward privatization are the managers of the economic enterprises in the kibbutz. The managers who interact constantly with the managerial strata outside the kibbutz perceived them as their reference group, and adapted their discourse and their "social world" accordingly. Shenhav (1995) pointed out that in the development of bureaucratic organizations a managerial class emerges which develops its interests, discourse, and culture. This process is discernible in the kibbutzim as a result of the development of a class society and it explains the findings of Leviatan.

## **Conclusion**

The processes of change in the kibbutz, the introduction of hired labor in significant numbers in the kibbutzim, and the adoption of organizational structures were results of the economic crisis in which the kibbutzim found themselves. These processes affected the kibbutz social boundaries, which have developed different parameters. It was possible to refer to the social boundaries of the kibbutz as the boundaries of the members' collective as long as the traditional kibbutz discourse and "social world" were dominant. Although differential access to the community's resources existed within the members' collective, the safeguards of the kibbutz rules prevented the creation of social classes within the society. The massive introduction of hired labor created in the kibbutz a labor market in which the jobs and working position in the kibbutz were allocated along social lines and origins. Thus, a class situation was created. The social boundaries of the kibbutz were no longer congruent with the members' collective, because other status groups were included in the kibbutz experience. Within the kibbutz, several status groups interact, primarily the members and the hired employees, the latter mostly in blue-collar and low service jobs. One of the differences between the members and the hired employees is the

fact that the members have control over kibbutz assets whereas the hired employees do not. In other words, a class situation in the Weberian meaning is present.

This process brought in its wake the change of the discourse and “social world” of the kibbutz members. The kibbutz members, and first and foremost those in managerial positions, adopted the symbols, culture, and discourse of the capitalist environment. It influenced the decision-making processes in the kibbutz, led to privatized arrangements in everyday life, and resulted in the relinquishment of the safeguards that had served to prevent a stratification process in the classless society in the kibbutz. In the course of this process, the rank and file of kibbutz members developed a class-consciousness in keeping with the class situation within the kibbutz. In this process, a manager class emerges within the kibbutz members’ collective. This new class is the main agent of change and transformation of the basic assumptions of the kibbutz. Although the processes described in this chapter are an on-going phenomenon in the kibbutzim, it is possible to reverse this process by adopting appropriate methods of participation and collaboration between the social status groups within the kibbutz. This would seem to be a major challenge, with which the kibbutzim and their movements should cope. A great deal can be learned from the failures of the cooperative movement, and mainly from the production cooperatives and from social experiments in other Utopian communities.

## Notes

1. The references presented here represent the main findings and arguments on the subject of social stratification in the kibbutz.
2. Although we may be skeptical today about theoretical formulations of Eastern European theorists from those years, it seems to me that their theory on the subject of stratification in socialist states is relevant, in the case of the kibbutz.
3. Legally, the property of the kibbutz belongs to the mutual association of the kibbutz.
4. At the present time, there is intensive activity to build neighborhoods for non-members in some of the kibbutz settlements.
5. The data are taken from the United Kibbutz Movement, but it can be assumed that they are representative of all kibbutzim.
6. There are no accurate data on the number of hired workers in kibbutzim, but there are enough indications to enable us to assert that the data on hired labor in kibbutz industry represents the general situation.
7. U.K.M.-United Kibbutz Movement.
8. The question was not asked in 1989.

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## 8

# The Impact of Parental Transfers on Living Standards of Married Children

*Moshe Semyonov and Noah Lewin-Epstein*

Students of social mobility and status attainment have long been concerned with the social mechanisms underlying the transmission of resources and privileges across generations. The logic embodied in this research tradition contends that parents pass advantages to offspring through socialization and investment in human capital resources (i.e., education), which affect, in turn, labor market outcomes (i.e., occupational status, earnings). Labor market outcomes are viewed as determinants of one's position in the system of stratification (i.e., economic well-being).

While acknowledging the role of family resources in the process of stratification, researchers of status attainment have not elaborated on the ways in which family intergenerational transfers affect socioeconomic inequality, nor have they examined the effect of such transfers on economic well-being.<sup>1</sup> In most studies of status attainment and intergenerational mobility, the impact of family background on socioeconomic attainment was mostly studied through the effect of two variables—father's education and father's occupational status on educational attainment and labor market outcomes of offspring (e.g., Blau and Duncan 1967; Duncan et al. 1972; Hauser and Featherman 1977; Jencks 1972).<sup>2</sup>

The emphasis on education and on labor market outcomes as indicators of one's position in the system of stratification can be attributed to the theoretical perspective of functional-structuralism in which the status attainment model is rooted. This perspective, which is essentially individualistic, stresses the impact of merit, skills, and performance on the rewards received in the labor market (e.g., Davis and Moore 1945; Horan 1978; Knottnerus 1978). The status attainment model assumes that the direct effect of parents' status represents the effect of family wealth and resources on child's labor market outcomes. The status attainment model rarely examines the effects of parental support and rarely examines the status of offspring in terms of standard of living and economic well-being.

In the present chapter, we intend to extend the discussion of social stratification beyond the labor market paradigm by focusing on two issues: first, we will evaluate the impact of

intergenerational transfers of material resources on economic well-being; second, we will evaluate family standing in the stratification system not only in terms of labor market outcomes, but also in terms of the possession of household goods (as an indicator of standard of living). By focusing on the family unit it is possible to consider three aspects relevant for intergenerational mobility: family wealth, family size, and parental assistance behavior.

## **Intergenerational Transfers—Literature Review**

The sociological literature on intergenerational mobility has followed two major research traditions. The first—stemming from the pioneering work of Sorokin (1927) and Rogoff (1953) focused on the inheritance of occupation or class position across generations. The second, building on the original work of Blau and Duncan (1967), cast the issue of mobility in terms of status attainment. Within this framework, attainment—measured as occupational standing or earnings—is determined by family background. The effect of family background on socioeconomic standing in the model is largely mediated by educational achievement.

Whereas both approaches share the view that family of origin affects socioeconomic standing of offspring, they largely ignored the role played by intergenerational transfers of wealth and parental support.<sup>3</sup> At most, the effects of intergenerational transfers of wealth on socioeconomic standing were addressed in a limited context. For instance, in the context of occupational class mobility, Erikson and Goldthorpe (1992) noted the high rates of occupational inheritance among the petty bourgeoisie and farmers (see also Robinson 1984; Simkus 1984). They suggested that in these classes “...fathers may be able to pass on a ‘going concern’ directly to their sons or, alternatively, to endow them with the capital necessary for them to ‘start up on their own’” (pp. 125–126). They also explained the high retention rates in the “service class” (primarily high-grade professionals) by “...the intergenerational transmission of capital, in the form of both accumulated wealth and also ‘cultural capital’” (p. 126).

In spite of the widespread agreement in the stratification literature that the transmission of family assets and resources across generations is a major source of socioeconomic inequality, only a few studies focused on the impact of intergenerational transfers on socioeconomic standing. The studies that examined patterns of intergenerational transfers (mostly in the area of sociology of the family) have arrived at the following three major conclusions: (a) intergenerational transfers are quite prevalent, with financial transfers being the most important form of parental support (Susman and Burchinal 1962; Hogan et al. 1993; Mark and McLanahan 1993; Hao 1996; Cheal 1983); (b) intergenerational transfers have significant consequences for the wealth distribution in society (e.g., Wolf 1994; 1992; Hamnett et al. 1991; Hamnett 1991; Hao 1996); and (c) the frequency and level of private transfers vary across family structure, ethnic origins, and family context (e.g., Silverstein and Waite 1992; e.g., Cox and Rank 1992; Hao 1996; Mark and McLanahan 1993; Lee and Aytac 1998).

There are two primary mechanisms by which families pass on advantages to their children: transfers of material goods and investment in human capital (Henretta 1984). Transfer of material goods may include various forms of financial aid, gifts, and bequests. Parents often extend financial support to children toward the purchase of a specific major item such as a car or a house (Henretta 1984; Pickvance and Pickvance 1995). Some goods are given at an early age while others are transferred in the form of inheritance, mostly when the recipients reach advanced age (Morgan et al. 1962; Harbury and Hitchens 1979; Kelley 1978; Mark and

McLanahan 1993).

Research on the second form of parental assistance—investment in human capital resources—has focused mainly on parental support of schooling (e.g., Steelman and Powell 1991; Blake 1985; Downey 1995). Investment in higher education is viewed in the literature as the most beneficial form of intergenerational transfer since it carries the highest rate of return over the life course (Menchik 1982). This view stems from the notion that in modern labor markets, education has become the primary determinant of economic outcomes (i.e., occupational status, earnings). Indeed, in both the human capital paradigm and the status attainment model, education serves as the key proxy for individual's productive capacity and as the major distributive mechanisms of individuals to positions in the labor market (e.g., Blau and Duncan 1967; Jencks 1972; Hauser and Featherman 1977).

The importance of education notwithstanding, both common wisdom and sociological writings lead us to believe that family wealth and intergenerational transfers of resources are important determinants of social and economic inequality. Whereas the reliance on labor market outcomes as indicators of social stratification fits well with theoretical paradigms that focus on the system of production, it is less satisfying for understanding differences in living standards and consumption. The effect of family origin on living standard of offspring is dependent on three attributes: family wealth, sibship size, and assistance behavior. Parental wealth represents potential resources to be reallocated across generations, which may be used by the recipients to enhance their position in the commodity market. Family wealth may be transferred intervivosly or in the form of inheritance. Intervivos assistance directly increases the resources available for offspring consumption. Expectations for future transfers may also alter present consumption behavior. Hence, other things being equal, offspring from wealthy families will enjoy higher living standards than offspring of families who are less well-to-do.

Sibship size determines the number of persons among which family wealth is divided. This, in fact, is the basis for the dilution hypothesis (e.g., Blake 1989, 1985; Coleman 1983; Shavit and Pierce 1991; Downey 1995) according to which parents of large families have to spread their resources more thinly than parents of families with fewer children. Thus, the number of siblings in family of origin is expected to have a negative effect on standard of living.

While intergenerational transfers are dependent on the availability of at least some family resources, families vary substantially in actual assistance behavior (e.g., Lee and Aytac 1998; Hogan et al. 1993). The differences between families are manifested with respect to whether support is provided, the level of support, and the type of support. Moreover, the effect of family resources on standard of living will depend on the timing as well as the form of transfers. Other things being equal, we expect that offspring who receive intervivos support are likely to attain a higher living standard (as reflected in the material possessions of the household) than those who receive no support. In modern society, household goods and material possessions serve both as status symbols and as indicators of living standards (Rainwater 1974; Levy 1987; Semyonov et al. 1996). We expect that the effect of assistance toward education on living standards will be mediated through labor market outcomes. Other forms of financial assistance, however, are expected to exert a direct effect on living standards, net of labor market outcomes.

## **Data and Variables**

The present analysis is based on data from a National Family Survey (conducted in Israel in

1995). The sample includes 1,607 Jewish families living in urban areas.<sup>4</sup> Data were obtained by means of a questionnaire administered in a face-to-face interview that was conducted in the respondent's home. The Family Survey provides detailed information on demographic, social, and labor force characteristics of members of the household as well as characteristics of the families of origin of both husband and wife. Data were also obtained on wealth, financial resources, and standard of living. In addition, the Family Survey provides information on actual transfers from parents to children. These data enable us to examine the impact of family intergenerational transfers and support on living standards. For the purpose of the analyses reported in this chapter, a series of variables were selected to represent: the socioeconomic origin of both husband and wife, current socioeconomic status of the family, various forms of parental support, and current standard of living. The unit of analysis in this study is naturally the family, not the individual.

*Standard of living* of the family is a weighted measure of the number of household goods that are in the possession of the family. Eleven items were selected. They include: color television, VCR, microwave, air-conditioner, video camera, compact disk player, dishwasher, washing machine, dryer, personal computer, and car. Each item was given a value of 1 when it was in the possession of the household (and 0 otherwise). The index was constructed by adding the values for each item weighted by its relative scarcity. That is, in the scarcity index of living standard, each item was given a weight calculated as  $1-p$ , where  $p$  is the proportion of households in the total population who possess the item.<sup>5</sup> The standard of living index represents the family's position in the system of consumption and will serve as the dependent variable in the study. The independent variables that are used to predict standard of living include indicators of family's socioeconomic background, current socioeconomic status, and parental financial assistance.

*Socioeconomic background* variables of both husband and wife when they were 16 years old include economic standing of family of origin, home ownership, father's occupational status, size of family of origin, and ethnic origin.<sup>6</sup> The family background variables are defined as follows: (1) economic standing of family of origin is measured on a 5-point scale on which respondents indicated the relative economic standing (above or below average) of the family (at age 16); (2) homeownership distinguishes families that owned their apartments or homes (coded 1) from others; (3) father's occupational status was based on the three-digit socioeconomic index of occupations in Israel; (4) family size is measured by the number of siblings in the family of origin; (5) ethnicity is based on the distinction between Jews of European or American descent (the advantaged group) and Jews of Asian or North African origin (the disadvantaged group).<sup>7</sup>

*Current socioeconomic status and characteristics* of the family are represented by the following variables: (1) household earnings, estimated by the gross monthly earnings of all members of the household from all sources (in NIS);<sup>8</sup> (2) education level, defined in terms of husband's years of formal schooling; (3) age (of husband), expressed in years;<sup>9</sup> and (4) family size (which is introduced as a control variable) is measured by the number of persons in the household.

*Parental financial assistance to children* throughout the life-course is measured by three items: (1) financial assistance toward purchase of a home; (2) financial assistance to fund schooling; and (3) financial support throughout the years to meet living expenses. Three dummy variables were created so that when a particular type of support was provided the item was given a value of 1 (and 0 otherwise).<sup>10</sup>

# Analysis and Findings

## *Descriptive Overview*

A descriptive overview of the variables included in the analysis (means, standard deviations, or percentages) is displayed in [Table 8.1](#). The values in column 1 pertain to the total sample; the values in columns 2 and 3 pertain, respectively, to families that benefited from at least one type of parental support, and families that received no support. The figures at the bottom of [Table 8.1](#) indicate that more than half of the Jewish families in Israel (60 percent) have benefited from at least one type of financial assistance from parents, and that 40 percent of the families received no financial assistance from either husband's or wife's parents. The most common type of parental assistance is transfers toward meeting living expenses over the years (37.8 percent) and toward purchase of a home (36.5 percent).

When families that received support (column 2) are compared with families with no support (column 3) some meaningful differences are observed. The differences are evident with regard to both current socioeconomic status of the household and the socioeconomic status of family of origin of husband and wife. Specifically, those who received support are likely to be offspring of parents of higher economic standing and higher occupational status. They are also more likely to be members of the superordinate ethnic group in Israel (Jews of European or American descent). In addition, those who benefited from parental support tend to have fewer siblings, and their parents were more likely to have owned a home when they were growing up. It is important to note that the differences in the background variables between those who received support and those who did not receive support are similar for husband's and wife's origin.

Families with and without support differ not only with regard to origin, but also with regard to current socioeconomic status, labor market outcome, and standard of living. That is, families that benefited from parental assistance are likely to have higher levels of education and higher levels of earning than families with no support. Furthermore, the former group scores considerably higher on the index of living standard than does the latter group. To be specific, the mean value of the index of living standard for those who received some form of parental assistance is substantially higher than the mean value for those who received no financial support. The ratio between the two subgroups is  $2.54/1.91 = 1.3$ .

**TABLE 8.1**  
**Mean Values (Standard Deviations) and Proportions of Origin and Current Characteristics of Families by Parental Support (N = 1607)**

Variable	All Families	Some Parental Support	No Parental Support
<b>Family of Origin—Husband</b>			
Ethnicity (European)	0.53	0.63	0.36
Economic standing	2.84 (0.89)	2.95 (0.84)	2.66 (0.94)
Father's occupational status	27.82 (18.6)	30.36 (19.97)	24.08 (15.66)
Number of siblings	3.42 (2.61)	2.87 (2.40)	4.24 (2.69)
Home ownership	0.61 (0.49)	0.67 (0.47)	0.52 (0.50)
<b>Family of Origin—Wife</b>			
Ethnicity (European)	0.49	0.59	0.35
Economic standing	2.94 (0.86)	3.08 (0.81)	2.72 (0.88)
Father's occupational status	28.37 (18.57)	31.50 (20.36)	23.76 (14.41)
Number of siblings	3.42 (2.57)	2.87 (2.40)	4.23 (2.70)
Home ownership	0.63 (0.48)	0.72 (0.45)	0.51 (0.50)
<b>Parental Support</b>			
Education	0.27 (0.44)	0.61 (0.49)	
Housing	0.36 (0.48)	0.45 (0.50)	
Living expenses	0.38 (0.48)	0.68 (0.48)	
<b>Socioeconomic Characteristics</b>			
Age	45.67 (11.22)	43.46 (10.18)	48.95 (11.86)
Education	12.38 (18.6)	13.11 (2.34)	11.32 (2.77)
Earnings	5324.26 (3185.90)	5984.44 (3137.30)	4358.13 (3007.10)
Size	2.697 (1.43)	2.52 (1.37)	2.95 (1.49)
Index of living standard	2.29 (1.27)	2.54 (1.26)	1.91 (1.19)
N of Cases	1607 (100%)	957 (56.6)	650 (40.4%)



## Testing the Model

At the outset of this chapter we suggested that the position of the family in the system of stratification is determined not only by socioeconomic origin and labor market outcomes but also by actual intergenerational transfers of wealth and resources. Thus, we expect that families that have benefited from extensive financial assistance would be able to maintain higher living standards (net of origin and net of current socioeconomic status). In order to test this hypothesis and to examine whether and to what extent parental support intervenes between socioeconomic origin, current socioeconomic status, and economic well-being, we estimated a series of regression equations. In equation 1 we estimate the effects of the origin variables of husband and wife on current standard of living. In equation 2 we add to socioeconomic origin three indicators of parental support as predictors of standard of living. Hence, equation 2 enables us to examine the extent to which actual transfers (toward education, housing, and living expenses) intervene between origin and current standard of living. In equation 3, we add current socioeconomic characteristics of the household to the set of predictors. Thus, equation 3 enables us to examine whether parental support exerts any significant effect on living standard, net of labor market outcomes, and socioeconomic origin. The coefficients of the three equations are presented in [Table 8.2](#).

Equation 1 demonstrates rather clearly that standard of living is strongly dependent on the socioeconomic status of family of origin. Standard of living is likely to be higher among families of higher socioeconomic origin (of both husband and wife). The origin variables that exert positive and significant net effect on living standard are father's occupational status and European descent (of husband) and economic standing and home ownership (of wife). The number of siblings of husband and wife exert negative significant effect on living standard. That is, other things being equal, sons and daughters of large families tend to have lower living standards than those of small families. The negative net effect associated with large families of origin is consistent, indeed, with the dilution hypothesis (Coleman 1988; Blake 1985, 1989).

In equation 2, the three types of parental support are added to the characteristics of family of origin as predictors of standard of living. The findings reveal that both support toward housing and toward education are likely to enhance living standards, but financial transfers to meet living expenses do not significantly influence living standards. The effects of parental support for housing and for education are more than twice their standard error, and, indeed, significant, while the effect for support for living expenses is not significant in conventional levels as statistical tests.

The impact of family of origin on standard of living is not fully mediated through parental support. The findings reveal that father's occupational status (husband) and homeownership (wife) retain their net significant impact on living standard. Once parental support is taken into account, neither ethnic origin nor the subjective socioeconomic standing of the family of origin exert any significant effect on standard of living. The negative effect of family size that was observed in equation 1, however, remains negative and significant in equation 2. That is, when parental assistance is given, it is likely to be allocated in smaller amounts in large families (where shares are divided among many potential recipients). In this respect size of family of origin serves as a proxy for the amount of assistance provided.

The coefficients of equation 3 lend support to the thesis that material possession is determined

not only by labor market outcomes but also by actual transfers and financial assistance from parents to children. As expected, living standard is highly dependent on current characteristics of the family. Living standard is likely to rise with earnings, education, and age as is evident from the positive and significant effects of these variables on standard of living. Earnings represent the current flow of economic resources; education may represent potential future earnings as well as preferences for consumption; age serves as a proxy for accumulation of wealth and resources.

The effects of current labor market outcomes on standard of living notwithstanding, the findings revealed by equation 3 lend support to the two hypotheses concerning the impact of parental assistance. The effect of parental support for education is mediated through the attainment of labor market outcomes and socioeconomic status, and the effect of parental support for purchasing housing has a direct independent net effect on living standard. That is, whereas support for education does not retain its significant effect in equation 3, support for housing is more than three times its standard error and still significant. In other words, those who benefited from parental transfers toward the purchase of a home are likely to attain higher living standards than expected on the basis of their origin and current socioeconomic status.

Taken together, then, the analysis presented in [Table 8.2](#) suggests that the impact of parental financial assistance for housing has a long-lasting influence on standard of living. Apparently, support for housing is so significant and substantial that when provided it enables families to release funds to improve standard of living. Interestingly, even when parental support, socioeconomic origin, and current socioeconomic status of the family are taken into consideration, the size of wife's family of origin and homeownership still significantly influence living standards. We have no explanation for these findings. At this point we can only speculate on their meaning.

To sum up the findings reported in [Table 8.2](#), the data suggest that while current status and labor market outcomes exert a strong effect on standard of living, there still exists a direct net effect of family of origin via transfers and support. Other things being equal, families that benefited from parental assistance are more likely to maintain higher living standards. The type of support most consequential for living standards, net of labor market outcomes, is financial assistance toward the purchase of a house. The type of support that is mediated via socioeconomic and labor market success is support toward acquisition of education. The type of support that has no impact on living standard is financial transfers to meet living expenses. Indeed, the position in the consumption order of those who received extensive support from parents is significantly higher than predicted on the basis of their potential past and present resources.

**TABLE 8.2**  
**Coefficients of OLS Regression Equations (Standard Errors) Predicting Family Standard of Living (N=1607)**

<b>Variable</b>	<b>Model 1</b>	<b>Model 2</b>	<b>Model 3</b>
<b>Family of Origin—Husband</b>			
Ethnicity (European)	0.17 (0.09)	0.12 (0.09)	0.07 (0.08)
Economic standing	0.04 (0.04)	0.04 (0.04)	0.03 (0.03)
Father's occupational status (x 10)	0.005** (0.02)	0.004* (0.02)	0.001 (0.02)
Number of siblings	-0.06** (0.02)	-0.04** (0.02)	-0.02 (0.01)
Home ownership	0.08 (0.07)	0.05 (0.06)	0.05 (0.06)
<b>Family of Origin—Wife</b>			
Ethnicity (European)	-0.03 (0.11)	-0.06 (0.09)	-0.10** (0.03)
Economic standing	0.11** (0.04)	0.08 (0.04)	0.04 (0.04)
Father's occupational status (x 10)	0.001 (0.02)	0.0006 (0.02)	-0.0005 (0.01)
Number of siblings	-0.08** (0.02)	-0.07** (0.02)	-0.06** (0.02)
Home ownership	0.34** (0.07)	0.26** (0.07)	0.23** (0.07)
<b>Parental Support</b>			
Education	—	0.22** (0.08)	0.02 (0.09)
Housing	—	0.40** (0.07)	0.27** (0.07)
Living expenses	—	-0.002 (0.55)	0.03 (0.06)
<b>Socioeconomic Characteristics</b>			
Age	—	—	0.008* (0.003)
Education	—	—	0.08** (0.01)
Earnings <sup>a</sup>	—	—	0.14** (0.000)
Size	—	—	0.07** (0.02)
<b>Constant</b>	1.79**	1.76**	-0.20
<b>R<sup>2</sup></b>	0.151	0.178	0.318

\* p < 0.05; \*\* p < 0.01

<sup>a</sup> multiplied by 1,000

## Estimating the Contribution of Parental Support

The analyses presented thus far have clearly demonstrated that parental support exerts a significant effect on the living standards of Israeli families. In the analysis that follows, we evaluate the contribution of parental support in terms of earnings equivalence needed to maintain a certain standard of living. We distinguished three family types defined by their socioeconomic attributes. The first type is represented by the mean values of the socioeconomic characteristics of all families included in the sample (the values are presented in column 1 of [Table 8.1](#)). We will refer hereafter to this group as “the typical family.” The second type is represented by the mean socioeconomic characteristics of families who received some form of parental support (the values for this group of families are listed in column 2 of [Table 8.1](#)). We will hereafter refer to this group as the “advantaged family.” The third type is represented by the socioeconomic characteristics of the families who received no parental assistance (listed in column 3 of [Table 8.1](#)). We refer to this group hereafter as the “disadvantaged family.”

We used equation 3 in [Table 8.2](#) to estimate the expected living standards of each family type under conditions of either full support or no parental support. We arrived at these estimates by inserting the mean values of the socioeconomic characteristics of each family type into the regression equation (model 3), predicting standard of living for the total population of families.<sup>11</sup> The logic underlying this estimation procedure is to ask what the expected living standard of a specific family type would be had it been determined by mechanisms that operate in the general population under conditions of no support or full support. The difference between actual living standard of a family type and expected living standard serves as an indicator of the net contribution of parental support to the living standard of a specific family type. The results of this analysis are presented in column 4 of [Table 8.3](#).

Equation 3 in [Table 8.2](#) was also used to estimate the earnings needed to maintain the standard of living in each of the three family types under conditions of no support or full support. The estimation procedure was carried out by fixing the living standard at the mean value for the three family types respectively, and deriving the income level needed to meet the given standard of living under varying conditions of family support.<sup>12</sup> The difference between actual earnings and the estimated value provides an indication of the contribution of family support to maintaining living standard. The results of this procedure are displayed in column 6 of [Table 8.3](#).

Table 8.3, which summarizes the estimation procedures, is organized as follows: columns 1 and 2 list the family types and the hypothetical conditions under which the model was estimated. Columns 3 and 4 display the actual mean living standard of each family type, and the expected living standard under the conditions specified in column 2. Columns 5 and 6 present the mean monthly earnings of the three family types and the monthly earnings required to maintain current standard of living, respectively.

The data clearly demonstrate the importance of parental financial assistance for the living standard of offspring and indicate the monetary implications of this support. In the case of the “typical family,” the standard of living as measured by the index of household possessions would be lower (2.17) had the family received no parental support. It would increase from 2.29 to 2.36 if all families would receive full support. The standard of living of “disadvantaged” families would increase from 1.91 to 2.21 had they benefited from full parental support. In the absence of parental support, the standard of living of the “advantaged” group would decline from 2.54 to

2.36.

From a somewhat different perspective, it can be seen that the earnings of the “typical” family would have to increase by 14 percent (from 5,324 to 6,152) in order to maintain its standard of living in the absence of parental assistance. However, had the “typical family” received full parental support, it could maintain its current standard of living with only 72 percent of its actual current earnings (3,858 instead of 5,324). In the case of the “disadvantaged” family, had it received full parental support it could maintain its current standard of living with considerably lower earnings. By contrast, in the absence of such support, the “advantaged” family type would require substantially higher earnings than its actual earnings in order to enjoy its current living standard.

## **Discussion and Conclusions**

The major goal of the research reported here was to examine the extent to which family intergenerational transfers affect living standards, and the extent to which such transfers reinforce and reproduce social and economic inequality. The data reveal that support is strongly associated with the social and economic status of family of origin. Those who benefited from parental support tend to come from more affluent families, and those who received no support are more likely to come from families with little resources. The data further reveal that families that received support are more likely to enjoy high living standards, net of current social and economic status.

**TABLE 8.3**  
**Estimated Expected Living Standard and Earnings Needed to Maintain Current Living Standard under Conditions of Full Parental Support and No Parental Support of Three Family Types**

(1)	(2)	(3)	(4)	(5)	(6)
Family Type	Hypothetical Condition Under which the Model is Estimated	Actual Living Standard*	Expected Living Standard*	Actual Monthly Earnings**	Monthly Earnings Needed to Maintain current Living Standard**
Typical	No Support	2.29	2.17	5324	6152
Typical	Full Support	2.29	2.36	5324	3858
Disadvantaged (Received No Support)	Full Support	1.91	2.21	4368	2242
Advantaged (Received Some Support)	No Support	2.54	2.36	5984	7248

\* Measured on the index of living standard

\*\* Measured in NIS

From a theoretical point of view, the findings reported here suggest that models of stratification that are oriented toward explaining individual's performance in the labor market are less suitable to explain inequalities in living standards. In order to understand inequality in material possession, it is thus crucial to consider the role of the family support in general, and the role of intergenerational transfers of resources in particular. Flows received from parents in the form of intergenerational transfers are significant determinants of the family standard of living. Indeed, the analysis unraveled, at least in part, the mechanisms through which socioeconomic advantages are transmitted across generations. Specifically, the findings reveal that the impact of financial support toward education on economic well-being is mediated through labor market success. Other forms of parental assistance, especially financial support toward the purchase of housing, have a long-lasting effect on living standards net of labor market position.

Taken together then, it becomes evident that intergenerational assistance does not merely reproduce socioeconomic inequalities. In effect, it is likely to enlarge inequality between the poor and more affluent segments of society. That is, since support is more prevalent among families of high socioeconomic status and since parental assistance has an independent effect on the standard of living, the gap between offspring who receive and who do not receive support is expected to increase. Indeed, the family plays a major role in the reproduction and reinforcement of inequalities in society.

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## Notes

1. See Henretta and Campbell (1978) and Campbell and Henretta (1980) for an insightful discussion of this issue.
2. Several studies have also demonstrated the effect of father's income on the economic standing of offspring (e.g., Jencks 1979; Cohen 1986; Solon 1992).
3. It is implicitly assumed in the model that parental education, occupational status, and income capture variation in family wealth as well as in other resources and its impact on children's socioeconomic status (Henretta and Campbell 1978; Campbell and Henretta 1980; Thurow 1975). These variables, however, are too narrowly defined to detect variation in family resources in general and family transfers in particular. Similarly, labor market outcomes, such as occupational status and earnings, are too narrow measures to capture variations in economic well-being, living standards, wealth, and consumption capacity (Campbell and Henretta 1980; Henretta and Campbell 1978; Oliver and Shapiro 1995; Semyonov, Lewin-Epstein, and Spilerman 1996).
4. The sample compiled was based on probability sampling of geographical clusters of households, stratified according to their socioeconomic level. It is a representative sample of the urban Jewish population of Israel in age groups relevant to the purpose of the study. Agricultural and non-Jewish populations were excluded from the framework of the study due to the unique pattern of intergenerational transfer of wealth maintained by these social groups. Due to the fact that the study focuses on property and the transferal of assets, it was decided to over-sample clusters characterized by higher socioeconomic scores, where, it was assumed, most of such activity would take place. Systematic sampling was conducted within clusters until the quota for the cluster was met.
5. This "scarcity" measure was proposed by Zagorski (1998). We examined two additional indices: one based on the simple sum of items in possession of the family, and the second index that weighted the items by their monetary replacement value. The three measures are highly correlated and lead to identical conclusions. For the sake of parsimony, we report the results for the scarcity index only.
6. Economic well-being of family of origin is captured by the first three variables-economic standing, homeownership, and father's occupational status. Although these variables do not directly measure family wealth, together they provide a good proxy. Economic standing is a relative measure and useful here since respondents referred to different time periods and different places of residence (when they were 16). Homeownership has long been considered the major component of family wealth for most families. Occupational status represents a position in the labor market that, for most people, is the major source of earnings.



7. The two ethnic groups are roughly of equal size. However, Jews of European-American origin are characterized by smaller families and are advantaged in every aspect of social stratification involving education, occupational status, earnings and wealth, and standard of living (Lewin-Epstein et al. 1997; Semyonov, Lewin-Epstein, and Spilerman 1996).
8. The rate of exchange of NIS (New Israeli Shekels) at the time was about NIS 3.50 to US\$1.
9. Husband's and wife's education and age are highly associated with correlations exceeding  $r = .9$ . Thus, we used husband's education and age as proxies of the family education and age.
10. We have data only on whether or not support was given and not the amount of financial support provided. Since support was given at different points in time, it is impossible to compare amounts with any accuracy.
11. The set of equations that were used to estimate expected living standard ( $y$ ) is specified as follows:

(1) Typical Family with No Support

$$y = -.20 + .07 h .53 + .03 h 2.84 + .01 h 27.82 - .02 h 3.42 + .05 h .61 - .10 h .49 + .04 h 2.94 - .0005 h 28.37 - .06 h 3.42 + .23 h .63 + .008 h 45.67 + .08 h 12.38 + .00014 h 5324.26 + .07 h 2.697$$

(2) Typical Family with Full Support

$$y = -.20 + .07 h .53 + .03 h 2.84 + .001 h 27.82 - .02 h 3.42 + .05 h .61 - .10 h .49 + .04 h 2.94 - .0005 h 28.37 - .06 h 3.42 + .23 h .63 + .02 h 1 + .27 h 1 + .03 h 1 + .008 h 45.67 + .08 h 12.38 + .00014 h 5324.26 + .07 h 2.697$$

(3) Disadvantaged Family with Full Support

$$y = -.20 + .07 h .36 + .03 h 2.66 + .001 h 24.08 - .02 h 4.24 + .05 h .52 - .10 h .35 + .04 h 2.72 - .0005 h 23.76 - .06 h 4.23 + .12 h .51 + .02 h 1 + .27 h 1 + .03 h 1 + .008 h 48.95 + .08 h 11.32 + .00014 h 4358.13 + .07 h 2.95$$

(4) Advantaged Family with No Support

$$y = -.20 + .07 h .63 + .03 h 2.95 + .01 h 30.36 - .02 h 2.87 + .05 h .67 - .10 h .59 + .04 h 3.08 - .0005 h 31.50 - .06 h 2.87 + .23 h .72 + .008 h 43.46 + .08 h 13.11 + .001 h 5984.44 + .07 h 2.52$$

12. The set of equations that were used to estimate the income needed to maintain current standard of living ( $y$ ) is specified as follows:

(1) Typical Family with No Support

$$.00014y = 2.29 - (-.20 + .07 h .53 + .03 h 2.84 + .001 h 27.82 - .02 h 3.42 + .05 h .61 - .01 h .49 + .04 h 2.94 - .0005 h 28.37 - .06 h 3.42 + .23 h .63 + .008 h 45.67 + .08 h 12.38 + .07 h 2.697)$$

(2) Typical Family with Full Support

$$.00014y = 2.29 - (-.20 + .07 h .53 + .03 h 2.84 + .001 h 27.82 - .02 h 3.42 + .05 h .61 - .10 h .49 + .04 h 2.94 - .0005 h 28.37 - .06 h 3.42 + .23 h .63 + .02 h 1 + .27 h 1 + .03 h 1 + .08 h 45.67 + .08 h 12.38 + .07 h 2.697)$$

(3) Disadvantaged Family with Full Support

$$.00014y = 1.91 - (-.20 + .07 h .36 + .03 h 2.66 + .001 h 24.08 - .02 h 4.24 + .05 h .52 - .10 h .35 + .04 h 2.72 - .0005 h 23.76 - .06 h 4.23 + .23 h .51 + .02 h 1 + .27 h 1 + .03 h 1 + .008 h 48.95 + .08 h 11.32 + .07 h 2.95)$$

(4) Advantaged Family with No Support

$$.00014y = 2.54 - (-.20 + .07 h .63 + .03 h 2.95 + .001 h 30.36 - .02 h 2.87 + .05 h .67 - .10 h$$

.59 + .04 h 3.08 -.0005 h 31.50 -.06 h 2.87 + .23 h .72 + .008 h 43.46 + .08 h 13.11 + .07 h 2.52)

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## **Part 3**

# **The Ethnic Organization of the Labor Market**

# Expanding the Split Labor Market Theory: Between and within Sectors of the Split Labor Market of Mandatory Palestine

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## **Split Labor Market Theory and Its Critics**

Palestine, under British mandatory rule since the end of the First World War, was an arena of confrontation between Arabs and Jews over land, immigration, and political power, as well as over place and position in the labor market. This chapter will deal with the split labor market of mandatory Palestine and the actors within it. The analysis will make use of the split market theory of Edna Bonacich.<sup>1</sup> In her theory she posits a situation in which two groups of labor, belonging to different ethnic and national origins, meet in the same labor market. The more advantageous ethnic group has been able, due to its past history and its more advantageous position within world capitalist development, to ensure a higher value for its labor but considers itself threatened by the presence of the less advantageous groups, whose labor has lower value and thus greater attraction to employers who aim to maximize their profits. The theory then goes on to develop the different ways in which cheaper labor might serve to displace and substitute higher-priced labor and the strategies pursued by the latter in recurring attempts to maintain its relative advantage.

Dominant group workers react to the threat of displacement by trying to prevent or limit capital's access to cheap labor, through efforts to exclude members of "cheap labor" groups from full participation in the labor market. That these exclusionary efforts have a "nationalist" or "racist" character is a product of historical accident, which produced a correlation between ethnicity and the price of labor.<sup>2</sup>

Thus, in the absence of a split labor market we would not expect the emergence and confrontation of nationalist movements. Or, in other words, nationalist or racist confrontations boil down to the material clash within a split labor market.

Split labor market (SLM) theory was developed by Bonacich as a materialist explanation of racism and ethnic antagonism. It stemmed from a criticism of existing theories, initially those theories that emphasized cultural and ideological factors as the cause of racism, but also as a criticism of other class-based theories of racism, ethnicity, and nationalism. Bonacich tested her theory primarily by examining and explaining historical events, such as race relations in the pre-Civil War United States,<sup>3</sup> or the high level of unemployment of blacks in the United States in the 1950s.<sup>4</sup> By using an historical method, she has mitigated, somewhat, the mechanistic logic of the split labor market theory. Historical analysis locates the discussion in a multidimensional setting, leading the writer to admit to the complexity of the situation—"One of the goals of sociology, if it is to be a discipline of dynamics as well as statistics, should be to explain history. An endeavor to do so enriches sociology, for concrete historical events, in all their complexity, force us to expand and modify our theories."<sup>5</sup> This process of expansion and modification is even more evident when other scholars put the split labor market theory to test. So do, for example, Makabe,<sup>6</sup> Peled and Shafir,<sup>7</sup> Corzine et al.,<sup>8</sup> Boswell,<sup>9</sup> Howell,<sup>10</sup> and Marks.<sup>11</sup>

While the SLM theory that Bonacich developed explicitly focuses on the labor market, claiming that the relations of the three parties within it provide the sole explanatory dynamics for the relations between those parties and for the overall level, type, and fluctuations of racial and ethnic antagonism in a given society, additional factors do lurk either in the foreground or the background. "This is not to deny," writes Bonacich, "that other factors, such as ideological heritage and strictly political considerations, played a part in the developments. Rather, it is to show that material interests in a split labor market can explain a great deal."<sup>12</sup> Yet when Bonacich moves away from the discussion of historical cases to the presentation of her model, these other factors fade out and are claimed, at times, to be mere symbols, masks, or artifacts of the material relations which would fade away once the split labor market is transformed.<sup>13</sup>

Some of the writers who have followed the exploration of the split labor market theory and put it to test, usually with sympathetic expectations, have ended up adding further factors to explain the dynamics of their historical case and suggesting that these elaborations are important additions to the theory itself. Boswell, for example, discusses the discrimination against the Chinese immigrants to the United States between 1850 and 1882 and concludes by proposing a new model of the split labor market theory that "combines analysis of split labor markets with developments in the mode of production to predict the sources of ethnic discrimination, including segregated markets and discriminatory legislation, and the development of a racist discourse."<sup>14</sup> Carole Marks's study of relations between black and white people in the United States during the period between 1865 and 1920<sup>15</sup> focuses attention on factors relatively unnoted by Bonacich and pays special notice to the role that employers played. She argues that employers are not merely faced with labor market differentiation but actively intervene in effecting the strategies that the higher-priced labor pursued, thus weakening radicalism and caste and increasing the probability that an exclusionist strategy would be followed.<sup>16</sup>

While sympathetic to Bonacich's attempt to develop a materialist analysis of racism, Buroway develops an elaborate criticism of her theory. He argues that she has overlooked the centrality of the state's autonomous role and has underestimated differentiations within capital,<sup>17</sup> as well as distinctions within the labor process.<sup>18</sup> He concludes his critique by arguing, more generally, that

by imposing the dynamics of the split labor market on very different racial orders, Bonacich's treatment produces the same effect as an ideology which explains away very different situations by labeling them as "racism." As in ideology, so in the split labor market theory the specific forces arising out of concrete political and economic structures and leading to particular types of racial order are awarded only incidental treatment. As I shall try and show in the next part, race relations

cannot be understood outside the specific class structure and state in which they are embedded.<sup>19</sup>

My own evaluation of Bonacich follows along similar lines. I point to omissions, but, unlike most of the above critiques, I argue against reducing the significance of racism or, more specifically, in the case of Palestine, of nationalism, to material class relations alone. Bonacich's theory tends to be highly limited and, more important, mechanistic and deterministic. Without taking into account a far more varied and complex setting than a generalized labor market containing three major actors, we will have little understanding of those very actors and the relations between them. It is not enough to be provided with a list of the ways in which cheap labor might be substituted for more expensive labor and a list of the strategies the latter might pursue in response. If we are to understand which modes of action were actually pursued and by whom and, as important, which possible modes were rejected or overlooked, and if we want to gain insight into why some courses of action were successful while others were not, we must locate our actors in an historically real setting. To be historically real, the presentation of this setting should show the ways in which the actors are motivated by more than economic factors alone and in which the economic factors, certainly not to be underestimated, are themselves dynamically shaped by additional factors that do not necessarily overpower or certainly not overdetermine but dynamically interact with economic circumstances.

Groups of workers of different ethnic and national origins are motivated, in many cases, not only by the desire for employment and for maximal wages; and employers are not always motivated only by the desire to maximize profits. Nationalism, the creation, consolidation, and advancement of a national entity, is an additional, powerful force affecting relations between groups whose interests, in these respects, might be contradictory. Nationalism, I am arguing, is relevant for the dynamics of the split labor market, in that it actively intervenes in it. National aspirations and national interests in themselves help determine the split and the ways in which the different parties react in the split labor market context. At times, it is in the context of national movements that the split is formed in the first place, and it is in the context of national conflict that the strategies of both the more expensive and cheaper labor are shaped and played out. Nationalism is not merely a facade for conflict between labor market interests, disappearing when the latter element is removed. Nor, on the other hand, is nationalism a force that determines all else, so that labor market contradictions are merely playing out national conflicts. In historical cases of conflicting national groups within a split labor market, we can expect the competition between the two groups of workers to contribute to the sharpening of the national boundaries, while the differing national interests might be expected to affect the strategies pursued within the split labor market. The case of Palestine, the focus of this chapter, is an especially good example for such intricate relations. Both the Jewish nationalism-Zionism and the Palestinian nationalism responded on numerous fronts, as part of their process of formation, to each other, including the restricted and split labor market of Palestine. Thus, any adoption of Bonacich's split labor market theory for the case of Palestine, in its economically restricted form, as Shafir does,<sup>20</sup> to a major extent, is neither adequate for understanding relations between Jews and Arabs in Palestine nor beneficial for developing the split labor market theory.

The absence of adequately considering the role of the state in relation to the split labor market relations has already been noted.<sup>21</sup> The role of the state should be considered in at least two capacities: first, the state, through its institutions, as a determiner of policy for the economy in general such as labor legislation, immigration policy, extent of state intervention vis-à-vis private enterprise and, second, the state as an employer, usually an important one, even in highly private capital-oriented economies. In both capacities the state has a wide range for influencing the very



form of the split of the labor force and the actions and reactions of both groups of workers. The state, in the case of Palestine, was a colonial state governing a population containing two conflicting national groups. Thus, the colonial power governing the state had its imperial interests to consider in determining its policy in each sphere, including labor. The state, in its capacity as an employer, attempted to reduce its costs, an imperial policy in itself, so that none of the expense of the colonies would fall on the taxpayer of the governing power. Because it was also responsible for law and order, the state strove to keep social unrest to a minimum, including that coming from such sources as labor market competition. Finally, the state, as in other spheres, expressed multiple and contradictory commitments in its labor policy to each national group. The outcome of these multiple considerations might well differ in different cases. It should not be theoretically determined in advance, but it most certainly should be studied as part of the analysis of concrete historical cases.

Having argued so far that Bonacich's analysis ignores essential factors that intervene and affect the split labor market, I would also claim that her analysis of the labor market itself is overly simplistic. All workers, both high and low priced, may meet in a wide range of specific settings. These should not be equated with each other in terms of the nature of the threat that lower paid workers pose or in terms of the strategies which can be pursued by more expensive workers or by those representing the interests of employers. The economy may be divided into different sectors on the basis of identifying those who own the means of production, a fact that might well affect their relation to the different groups of workers. Furthermore, industries differ in the level of skill they require, a factor that might be highly significant in evaluating the nature of the threat posed by cheap labor and the options open to the more expensive labor. In addition, enterprises within the same industry might differ in terms of the way their labor is recruited and organized and of the way the labor process is organized and controlled. These features, once again, might be extremely important in understanding the way in which relations evolved between the cheaper and more expensive groups of workers. In any concrete historical moment, these multiple levels are intertwined. In any sociological-historical analysis, the multiple strands should be unwound and then related to each other again while retaining the overall historical and sociological sense of events and of evolving structures, as well as a sense of the actions of the various participants.

Most applications of the split labor market theory have concerned relations between black and white people in the United States and in South Africa, as well as discrimination against Asian immigrants to the United States. Recently, a number of applications of the split labor market theory to Palestine have been attempted, not so much to explain relations between Jews and Arabs, as to explain features of the Jewish settlement and, specifically, of Jewish labor and its organization, as an outcome of the competition between higher-priced Jewish labor and cheaper Arab labor.<sup>22</sup> I shall continue along similar lines, attempting to explain the patterns of employment of Jews and Arabs in the split labor market of Palestine while accounting for the wide variations in these patterns in different sections of the labor market. But, in contrast with previous studies, I shall argue that these variations can be accounted for only through the interrelation of economic class factors with political and national ones.

## **The Split Labor Market of Mandatory Palestine**

The Zionist immigration of Jews to Palestine from eastern and then central Europe, which

began at the end of the nineteenth century, was geared to establish a Jewish settlement that evolved from the notion of a Jewish national home to that of a sovereign entity and, ultimately, a state. Jewish settlement grew rapidly from approximately 83,800 in 1922 to 174,600 in 1931 to 549,000 in 1945 and 609,000 in 1947.<sup>23</sup> At the same time, the Arab population of Palestine was also undergoing rapid growth, increasing from 679,800 in 1922 to 858,700 in 1931 to 1,245,400 in 1945 and 1,333,800 in 1947,<sup>24</sup> largely due to a high Arab birth rate but also as the result of some migration from neighboring countries.<sup>25</sup> Thus, we witness the formation of two expanding populations. Both consisted of a large segment of laborers in search of work in a developing economy, but one expanding much less rapidly than the growth rate of the potential labor force of both national groups.

The particular history of each labor group, both Jewish and Arab, led to very different levels of wage rates for each. Immigrants from semi-industrialized areas, the Jews had previous experience with wage labor as well as extensive experience in political and labor organizations. The Jews also entertained high expectations concerning the new Jewish settlement and strove to achieve a standard of living that they deemed suitable for “civilized” individuals and a “civilized” collective. In Palestine, the workers formed a number of political parties and, in 1920, established the General Federation of Jewish Labor, known as the Histadrut, which organized approximately 70 percent of Jewish labor within a few years of its establishment. It also supplied a wide range of social services and provided employment through the large contracting company that it owned-Solel Boneh.

The Arab workers were primarily migrants from rural areas. Most migrated on a rather temporary basis. There was an almost unlimited supply of potential migrants both from rural Palestine and from neighboring countries because the agricultural sector was unable to provide sufficient minimal income for everyone living there.<sup>26</sup> They had very little experience in wage labor, few necessary skills, and worked, to a major extent, as casual unskilled workers. Their standard of living both in the village and as migrants was extremely low.<sup>27</sup> The first major workers’ organization, the Palestine Arabs’ Workers Society, was established in Haifa in 1925, but was only intermittently active during a large part of the period.<sup>28</sup>

There is abundant evidence that a large disparity in wages existed between Jewish and Arab workers throughout the Mandatory period, from 1919 to 1948, as can be shown in a number of government reports. The Wage Committee of 1928 report,<sup>29</sup> the memoranda prepared by the Government of Palestine for the Palestine Royal Commission,<sup>30</sup> and the survey of Palestine, prepared for the Anglo-American Committee of Inquiry,<sup>31</sup> all indicate that Jewish workers earned two to four times as much as Arab workers, a difference that was especially marked in the case of unskilled workers.

## **Between Sectors**

Palestine’s economy was clearly distinguished by three different sectors owned by Arabs, Jews, and the government.<sup>32</sup> Briefly, the Arab sector was largely agrarian but was also undergoing a process of urbanization. Beside agriculture, with its expanding cultivation of citrus, its important industries were construction and commerce, accompanied by the beginnings of industrialization.<sup>33</sup> In contrast, the Jewish sector was largely urban, with highly developed social services,<sup>34</sup> and an emphasis on construction and developing modern industry. Its agriculture

provided some of the foodstuff necessary for the Jewish community's consumption and citrus, the main export item of Palestine's economy. Although the government economy was smaller than the other two, it was still the single largest employer of labor in Palestine. The government sector was concerned mainly with the administrative and strategic governing of Palestine, including roads and other public works, municipal development, and transport services.

The three sectors were closely related to one another. Labor, capital, and commodities moved between the sectors. Jewish labor was employed, to differing extents, in both the Jewish and the government sectors, while Arab labor was employed in all three sectors. Capital also flowed between the sectors. On balance, taking the year of 1935, Metzger and Kaplan show that 3,939 Palestine pounds sterling were transferred from the Jewish to the Arab sector, while 1,350 were transferred back.<sup>35</sup> The transfer of Jewish capital was due mainly to purchase of land, payment of rent, purchase of goods, and payment of wages; while Arab capital entered the Jewish sector primarily through the purchase of goods and, to a smaller extent, the purchase of services.<sup>36</sup> The government sector took part in the transfer of capital in two ways—first, by obtaining its revenue from both the Arab and Jewish sectors and, second, by reallocating that revenue to the two other national sectors through its expenditures. To the extent that the Jewish contribution exceeded not only its share in the population, an unrefuted fact, but also its share in government expenditure, a far more controversial claim, one can talk of an indirect transfer of capital from the Jewish to the Arab sector by means of the government budget.<sup>37</sup>

The third interchange between the sectors was that of commodities and services or, put somewhat differently, the catering of each sector to the needs of the other. This was more evident in the case of the Arab sector in relation to the Jewish one, as the Arab sector attempted to respond to the needs of the expanding Jewish sector with its impressive purchasing power. The reciprocal purchases between the Jewish and Arab sectors indicate clearly that the structural differences between the sectors, noted above, created links between them, rather than isolation. The Jews bought mainly agricultural produce and, to a lesser extent, building material from the Arabs, while the latter purchased industrial products from the more industrially advanced Jewish sector.<sup>38</sup>

The three sectors of Palestine's labor market, the Arab sector, the Jewish sector, and the government sector, all had the same potential and actual amount of labor available to them. No legal restrictions limited the movement of workers from one sector to the other, nor were there significant difficulties of geographic mobility within Palestine. Nevertheless, very different patterns of employment emerged in the three sectors. In the Arab sector of the economy, exclusively Arab labor was employed. In the Jewish and government sectors, on the other hand, both Jewish and Arab labor was employed, though in very different proportions. In the Jewish sector, the higher-priced Jewish labor composed approximately 90 percent of the labor force and Arab labor composed approximately 10 percent. The labor force in that sector was divided between the production of commodities (agriculture, industry, and construction), which accounted for slightly over half the labor force, and services (public and private services, professional and personal services, trade, transport, and finance), which accounted for the rest. The Arab workers were not distributed equally in all sections of the Jewish sector. The Arab workers were concentrated in the production of commodities, primarily in agriculture and to a lesser extent in construction. They accounted for 21.3 percent of commodity production workers in 1922, for 15.7 percent in 1927, and for 13.5 percent in 1935. Their proportion among service workers amounted to only 2 to 3 percent.<sup>39</sup>

In the government sector, the relative proportion of Jewish and Arab labor was almost the

reverse, though once again Jews and Arabs were not similarly dispersed in all sections of government employment. The relatively small proportion of Jewish labor was represented to a greater extent in the more skilled levels of employment and, to a lesser extent, in the unskilled. Government figures distinguish between casual labor and regular employees of government departments and services. The proportion of Jewish labor was lowest among the casual workers, accounting for 6.7 percent of all man-days, while Arab labor accounted for 93.3 percent.<sup>40</sup> The proportion of Jewish labor increased to approximately 18.6 percent of all non-casual employees of government departments and services.<sup>41</sup> While the casual day laborers were employed in manual labor, the departmental employees reported in government figures refer to “staff other than that engaged in manual labor.”<sup>42</sup> The latter are further divided into employees of classified and of unclassified grades. Among the unclassified regular government employees, Jewish labor accounted for 13.5 percent and Arab labor for 86.5 percent,<sup>43</sup> while among the classified regular employees, Jews accounted for 30 percent and Arabs for 70 percent.<sup>44</sup> Taking into account both casual labor and regular employees,<sup>45</sup> Jewish labor accounted for approximately 14.5 and Arab labor for 85.5 percent.<sup>46</sup> To conclude, the three sectors of Palestine’s labor market present very different patterns of employment. The higher-priced Jewish labor accounted for 90 percent of the Jewish sector’s labor force, only 14.5 percent of the government sector’s, and was all but absent in the Arab sector. These differences between sectors were further differentiated, as also noted above, within each sector.

How are we to explain such striking differences? The different structure of each of these sectors can explain some of the differences. The Jewish sector was more industrialized and capital intensive. The employers could therefore benefit from more skilled workers and would profit from paying the higher wages demanded by Jewish labor. The much cheaper Arab labor, unskilled migrant rural labor, would not be suitable for at least some of the work in the Jewish sector. But structural difference cannot in itself explain the full difference in employment patterns. I would argue that only the wider national-political context can help account for the different patterns. Only the interaction between the class interest of the different parties, on the one hand, and the political interests and goals of the two national movements and of the colonial government, on the other hand, can together account for the patterns that emerged so clearly.

Within the Jewish sector, employers and higher-priced Jewish labor had the common goal of establishing the Jewish settlement in Palestine and, more specifically, the Jewish national home. They also had at their disposal the political and economic institutions developed to advance that goal—the World Zionist Organization, the Jewish Agency, and their various national funds. Within this context, and within it alone, can we understand how and why the Jewish employers were willing to forgo to a major extent the use of readily available cheap Arab labor. Within this context alone can we understand how higher-priced Jewish labor was able to obtain most of the employment in the Jewish sector, with at least minimally adequate levels of wage, without creating too inhibiting a cost to their employers.

Jewish employers were willing to forgo the option of maximizing profits by employing cheap labor. They were basically sympathetic to the demand of Jewish labor for employment and for a decent wage as necessary conditions for the demographic growth of the Jewish settlement. At the same time, these employers were not willing to forgo profits as such nor could they, as a class. Hence, it was essential to find ways to mitigate the added cost of employing higher-priced Jewish labor. A wide variety of ways evolved, but all of them made use, directly and indirectly, of the institutional and political apparatus of the Jewish settlement. In some cases, when marketing produce was aimed mainly at the local Jewish market, the cost was passed on to the

consumer, raising the relative price of commodities produced within the Jewish sector. This was complemented by a major drive carried out jointly by organized Jewish labor and employers, not always successful, to bring the Jewish population to consume those commodities that Jewish labor produced. Political pressure was applied by Zionist leadership to obtain the state's aid to promote economic development of the Jewish settlement, such as the expansion of necessary infrastructure on the one hand, and protective taxation, primarily for the nascent Jewish industry, on the other hand. While this state support was not related directly to the employment of Jewish labor, it did enable profitable economic growth and thus improved the prospects of Jewish employers, reducing the need to employ cheap labor. Zionist institutions further intervened by providing some extent of financial support. Indeed, 8.6 percent of the expenditure of Jewish funds was directed to urban trade and industry<sup>47</sup>

Jewish labor, in turn, organized in ways that would increase its chances of employment. It created a highly comprehensive labor organization (the General Federation of Jewish Labor-the Histadrut), which served a dual function for Jewish labor. It provided a wide range of services, which improved the living standard of the Jewish workers while also providing employment by serving as a contractor for projects funded by the government and by Jewish public institutions. In its latter capacity, the Histadrut was aided, once again, by financial support from the Jewish national funds. To conclude, Jewish higher-priced labor was employed by both private and public Jewish employers, including by its own labor organization among the latter. The common interest in demographic growth of the Jewish settlers' society, as well as the political, financial, and organizational support extended by the institutions of that evolving society, enabled Jewish labor to achieve a high level of monopoly over the labor market of the Jewish sector, and a high extent of closure of that market to cheap Arab labor.

The interplay of class interest and political goals was very different in the case of the government sector. The state, the colonial mandatory government in Palestine, had no prior commitment to employ higher-priced Jewish labor. It did not set aside a given share of public sector jobs for Jewish labor, regardless of its higher price, as did the South African government, for example, in the case of higher-priced white labor.<sup>48</sup> On the contrary, the stated policy in Palestine, as in the rest of the British empire, was to minimize the costs of government expenditure. At the same time, it could be argued that the government did have a commitment to provide employment for Jewish labor, as part of its obligation, under the mandate granted by the League of Nations, to aid in the establishment of the Jewish national home. "The Mandatory shall be responsible for placing the country under such political, administrative and economic conditions as will secure the establishment of the Jewish national home."<sup>49</sup> It was in relation to that latter commitment, and not to economic considerations, that Zionist leadership applied pressure on the British political system, both in London and in Jerusalem, to ensure the employment of Jewish labor. The Zionist leadership attempted to establish various criteria to secure a given share of government work, unskilled and skilled, for Jewish laborers, at levels of pay suited for their higher standard of living, arguing that Jewish labor should be employed in proportion to the share that the Jewish population provided in government revenue.<sup>50</sup> Alternatively, it was also argued that Jewish labor should receive half of all government work because it comprised half of Palestine's wage labor.<sup>51</sup> More generally, the Executive Committee of the General Federation of Jewish Labor (the Histadrut) appealed to the responsibility of the government to its citizens, that is, to its Jewish citizens:

We have the feeling that the government is but little concerned with the assurance of the existence of the Jewish worker, the citizen of the country, with the standard and requirements of a cultured man. The government would appear to be indifferent to his fate and is ever ready to surrender him in the interests of a disgraceful exploitation of cheap labor, both from Palestine

and from outside.<sup>52</sup>

The government, from its perspective, weighed various considerations, searching for a delicate balance between economic and political criteria. “Indeed if economic forces were allowed free play,” wrote the High Commissioner, “it is probable that no Jewish unskilled labor would obtain employment in such work [author’s note: this refers to Public Works Department, the Haifa Harbor, and so forth].”<sup>53</sup> He did acknowledge that the government administration, primarily due to the Zionist political pressure, accepted the position that some employment must be secured for Jewish labor:

The problem is how to secure the employment on public works of a fixed proportion of Jews with as little interference as possible with the general principle that in the interests of the taxpayer, public works should be constructed at the lowest possible cost and that when works are put out to public tender the lowest tender should be accepted.<sup>54</sup>

The response to Jewish political pressure was balanced against the complementary and conflicting commitment stated in the mandate for Palestine, which stated, “the Mandatory shall be responsible...for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion.”<sup>55</sup> In more concrete and practical terms, the Palestine government and administration aimed to minimize the opposition of the Arab majority leveled at any form of aid extended by the government to the Jewish Zionist settlement. Allocation of government employment to Jewish immigrant labor was bound to become a focus of such opposition and ensuing unrest.

The pattern of employment of Jewish labor in the government sector described above was the outcome of these complex and conflicting dilemmas. It consisted of a set of shifting compromises entailing the employment of Jewish labor to a lesser extent than demanded by Zionist leadership but to a greater extent than could be justified economically or accepted by Arab leadership. It required that Jewish labor be employed primarily in the skilled and nonmanual categories, while the unskilled manual work was distributed, by tender, to Jewish contractors, who then used both Jewish and Arab labor, at different wage levels, to make ends meet.

Finally, higher-priced Jewish labor was all but absent in the Arab sector. There were none of the economic or political grounds that would lead Arab employers to hire Jewish labor, except for the benefit to be gained by paying for skilled Jewish labor when such skills were absent among Arab workers. Indeed, such cases did occur, such as hiring Jewish workers in cement construction and in the early stages of the cardboard and cigarette industries,<sup>56</sup> as well as in skilled construction.<sup>57</sup> But these cases were both few and of short duration and lasted only until Arab workers had acquired the necessary skills. In all other cases, Arab employers could maximize their profits by using cheap Arab labor, taking full advantage of the large rural reserve of potential wage laborers. While the Arab economic elite reaped some benefits from Jewish colonization, primarily due to the transfer of capital mentioned above, this was not sufficient to outweigh the strong political opposition to the expansion of Jewish settlement, with its declared goals of demographic and political dominance.

To conclude, within Palestine, during the period of British colonial rule, one could distinguish three distinct, though interrelated, economic sectors and two national groups of workers. The differential employment patterns of the higher-priced Jewish and cheaper Arab labor, can be explained only by conducting a detailed examination of the interplay of economic-class considerations on the one hand and national-political considerations on the other. But these intersectorial differences do not account for the full range of differences observable at the time. As already noted, further marked differences were evident within each sector, or more



specifically within the Jewish and the government sector, the two sectors in which both Arab and Jewish labor was employed to differing extents. I shall thus focus on two work places within the same sector and, once again, attempt to explain the differences between them through the interplay of economic and national-political factors.

## **Within the Government Sector: The Haifa Harbor and the Palestine Railways**

The Haifa harbor and the Palestine Railways (PR) bear many similarities. Both were government enterprises of prime strategic importance, locally as well as for the empire at large. Both expanded greatly under the British mandate. Both employed a very large number of people, running into the thousands; and both involved a very high proportion of unskilled labor, mainly portage in the case of the port and track laying and maintenance in the case of the Palestine railways. The town of Haifa played a central role in both cases, as the location of the port in the first case and as the center of the PR, an important strategic junction where management and, more important in our case, the large railway workshops were located.<sup>58</sup> Thus, we are dealing with two very large, strategically vital, transport services, owned, developed, and managed by the Palestine Government, whose labor was recruited from the split labor market of Palestine and its surrounding area. And yet, despite the many similarities, the employment of Jewish and Arab labor evolved very differently in these two neighboring cases.

In the case of the PR, Jewish labor was a relatively small proportion of the overall labor force, approximately 15 percent, from the start in the early 1920s and remained so all through the Mandatory period. Over the years, the proportion declined somewhat despite the marked increase in the relative size of the Jewish population in Palestine (see [Table 9.1](#)). In the case of the Haifa harbor, Jewish labor, once again began as a relatively small proportion of the overall labor force with the opening of the deep-water port in 1933. And then, over the following few years the relative proportion of Jewish labor increased greatly, reaching slightly more than 50 percent of all labor employed (see [Table 9.2](#)).

How can such a difference in the proportion of employed Jews be accounted for? I shall argue that differences in the organization of labor and in the labor process in both cases play an important role in determining the different pattern of employment. The organization of the labor process in the Haifa port was such that Jewish labor was able to make use of the organizational, political, and financial institutions of the Jewish settlement and, thus, to minimize the added cost of their employment. Hence, strategies devised to enhance the employment of Jewish labor in the Jewish sector could be transferred to the government-owned Haifa port. On the other hand, the organization of the labor process in the PR did not open such options.

In the Haifa port, the employment of labor was divided among various employers. Some of the labor was employed by the main users of the port, exporters and importers; some of the labor was contracted out by the port authority to private contractors; and another part of the labor force was employed directly by the port authority. This organization of labor, unique to the Haifa port, enabled Jewish contractors to enter the port, forming something like a “Jewish sector” within the government-owned port. Thus, the wide range of social, political, economic, and organizational means devised to ensure the employment of higher-priced Jewish labor in the Jewish sector, could be applied in that port. No such possibility existed in the Palestine Railways. All labor was employed directly by the PR, thus creating direct competition between Jewish and Arab labor

and minimizing the potential intervention of Zionist institutions.

**TABLE 9.1**  
**The Employment of Jews and Arabs in the Palestine Railways**

Year	Total	Arab	Jewish	Percentage of Jewish labor
1925 <sup>1</sup>	2,700	–	400	14.8
1926 <sup>2</sup>	3,944	–	–	2.7
1929 <sup>3</sup>	3,000	2,539	384	12.7
1930 <sup>4</sup>	3,361	2,884	418	12.4
1931 <sup>4</sup>	3,424	2,922	443	12.9
1932 <sup>5</sup>	3,354	2,876	419	12.5
1933 <sup>6</sup>	3,124	2,731	393	12.6
1934 <sup>6</sup>	4,093	3,757	336	8.2
1935 <sup>6</sup>	4,170	3,829	239	5.7
1936 <sup>7</sup>	4,344	3,979	365	8.4
1937 <sup>8</sup>	4,581	4,125	456	9.9
1938 <sup>8</sup>	4,323	3,914	409	9.5
1939 <sup>8</sup>	4,196	3,853	343	8.2
1943 <sup>9</sup>	7,780	7,265	515	6.6
1944 <sup>9</sup>	7,746	7,093	653	8.4
1945 <sup>9</sup>	7,285	6,680	605	8.3
1946 <sup>9</sup>	7,701	7,181	520	6.7
1947 <sup>9</sup>	7,589	7,061	528	6.9

Sources:

<sup>1</sup> Minutes of Haifa Labor Council [hereafter, HLC], June, (12 Tamuz) 1925, Labor Archive [hereafter, LA], IV250–27–1–658b.

<sup>2</sup> Minutes of meeting of Zionist Executive, October 17, 1926, LA, IV237–1.

<sup>3</sup> List of jobs and wages in the railways, June 23, 1929. LA, IV104–49–238.

<sup>4</sup> Government of Palestine. Palestine Railways, Report of the General Manager on the Administration of the Railways for the Year 1931 (London, 1932), 51.

<sup>5</sup> Letter of Grobman, Secretary of RFPNO, to Frumkin, Center of Labor, Histadrut, April 28, 1932. LA, IV237–2.

<sup>6</sup> Government of Palestine. Palestine Railways, Report of the General Manager (London, 1936), 51.

<sup>7</sup> Information for meeting with PR Manager, April 1937. LA, IV208–1–13-mm.

<sup>8</sup> Government of Palestine. Palestine Railways, Report of the General Manager (London, 1940), 122.

<sup>9</sup> Government of Palestine. Palestine Railways, Report of the General Manager (London, 1947), 131.



One major reason for this structural difference in the organization of labor (or better still, the organization of labor recruitment) in these two government transport services may well be the difference in the type of labor process. In the port, work consisted mainly of variations of loading and unloading, which at different stages involved porters, stevedores, and sailors going to and from the ships. This labor process could be organized according to the specific goods being transported (citrus, coal, luggage, and so forth) and allocated to different groups of workers directly or through contractors. Railway work involved very different functions which all had to fit together (rather than to be carried out alongside each other) to create the whole, the functioning of the railways-laying and keeping up the tracks, running trains, and repairing and maintaining trains. The railroad's central management kept its full and direct control over all of these functions through sub-division into different departments. No part of the labor process was contracted out or removed from the direct responsibility and control of the government railway management. A more detailed discussion of both services will demonstrate the above argument.

**TABLE 9.2**  
**The Employment of Jews and Arabs in the Haifa Port<sup>a</sup>**

Year	Total	Arab	Jewish	Percentage of Jewish labor
1931–32 <sup>1</sup>	578	520	58	10
1932–33 <sup>2</sup>	721	625	96	13
1933–34 <sup>3</sup>	1,671	1,503	168	10
1934–35 <sup>4</sup>	2,300	1,980	320	14
1935–36 <sup>5</sup>	2,833	2,355	478	17
1936–37 <sup>6</sup>	1,875	1,147	729	39
1938–39 <sup>7</sup>	2,300	1,000	1,300	56.5
1940–41 <sup>8</sup>	nd	nd	858	nd
1941–42 <sup>8</sup>	nd	nd	1,130	nd

<sup>a</sup> The figures present the condition of employment during the busy season, beginning in November of one year through April of the following year.

Sources:

<sup>1</sup> Letter of HLC to Political Department of Jewish Agency, December 30, 1931, CZA, S8/2734.

<sup>2</sup> Letter of HK to David Ben Gurion, January 17, 1933. LA, IV208-1-608.

<sup>3</sup> Letter of HLC to Political Department of Jewish Agency [hereafter, JA], April 19, 1934.

<sup>4</sup> Letter of HIL to Immigration Department of JA, January 9, 1935. LA, IV208-1-788B.

<sup>5</sup> List of Workers in All Branches of Work in the Haifa Port, January 25, 1936. LA, 208-1-788B.

<sup>6</sup> Letter of Vidra of the JA to Meirovitz of the Histadrut Executive, February 3, 1937. CZA, S9/1135.

<sup>7</sup> Vidra to Meirovitz, December 18, 1938. CZA, S9/1132.

<sup>8</sup> Letter of HLC to Department of Statistics of the Histadrut Executive, January 18, 1942. LA, 1V208-1-2774.

### ***Haifa Harbor***

Most of the increase in the employment of Jewish labor can be accounted for by the following types of portage work: private, citrus, and customs. We shall attempt to explain the employment of Jewish labor in each case.

*Private portage.* This referred mainly to the import of goods required by Jewish factories and by Jewish merchants. Initially, pressure was exerted on the importers by Zionist institutions to employ Jewish workers as porters rather than Arab workers, but this was not sufficient. The Histadrut, and primarily the Haifa Labor Council (HLC), took on direct and indirect responsibility for carrying out this work. It made use of its large and disciplined membership, of its ties with the Zionist institutions, and of its capacity to serve as a contractor. In 1934, the Histadrut established its own portage and stevedorage company, Manoff, which was partially financed and owned by the Jewish Agency and by individual investors.<sup>59</sup> It took upon itself all private portage. By the end of 1935, Manoff could not survive economically but was replaced

by a Histadrut organizational (rather than economic) “device,” a special branch of the Employment Bureau of the Haifa Labor Council.<sup>60</sup> This further enhanced the introduction of Jewish laborers because it was able to recruit suitable labor. Most important was the recruitment of highly experienced porters (and largely stevedores-see below) from Saloniki, Greece,<sup>61</sup> through joint action of the Histadrut and the Jewish Agency. The role of the Jewish Agency, in this case, was to see that immigration certificates would be issued to the Saloniki port workers whose names were passed on by the HLC.<sup>62</sup> An additional important source of workers were kibbutz members from the Haifa vicinity, who were dependent on the HLC for employment in the Haifa labor market and whose loyalty to the Histadrut institutions could be counted on.<sup>63</sup> The employment of Jewish porters was further enhanced by the HLC through the organization of the workers into teams, which increased efficiency and reduced expense for supervision.

Until 1935, the Customs Department was responsible for the transport of all private cargo entering the port. By the end of 1935 this responsibility was handed over to the importers and exporters themselves. By this time there was sufficient Jewish organizational infrastructure to take over almost all of the work carried out previously by the Customs Department with Arab contractors and Arab labor. The transition to Jewish labor was facilitated by the outbreak of the Arab Rebellion in April 1936. Even though most Arab workers continued to work in the Haifa port, relations were highly strained, and Jewish importers and exporters were far more inclined to have their work carried out by Jewish labor under the effective supervision of the HLC.

*Citrus portage.* The export of citrus, the major export item from Palestine, was responsible for the largest increase in Jewish portage. Citrus portage was seasonal work available from approximately November through March. During the 1930s there was a large expansion in Jewish citrus orchards and a large increase in export of citrus.<sup>64</sup> Much of this export was carried out by two large exporters (Pardes and Syndicat). After persistent pressure, in the beginning of the 1936–37 season, the two large exporters agreed to have 500,000 crates (less than 10 percent) transported to the ships under the auspices of the HLC on the condition that the Port Department of the HLC Employment Bureau would take full responsibility for recruiting labor, for carrying out the work, and for employing a large proportion of Arab labor, together with Jewish organized labor. Under the auspices of the HLC, the citrus portage was organized in ways similar to those discussed above in relation to private portage. The experiment was a success, and during that entire season, 75 percent of the 6.5 million crates were transported by the HLC, primarily with Jewish labor. This increased to 90 percent of the 6.8 million crates of the following season (1937–38) and to 96 percent of the 9.9 million crates in 1938–39.<sup>65</sup>

*Customs portage.* The one largest source of employment in the port in general was the portage of the Customs Department of the Port Authority. The number of porters varied between approximately 400 to 1,000, most of them from the Arab casual workers from the Houran.<sup>66</sup> Until 1935, all the work was contracted out to one Arab contractor; and, from 1935, work was carried out directly by the Customs Department, which recruited only Arab labor until January 1937. As a result of strong political pressure by Jewish institutions, the Customs Department finally agreed to have Jewish labor introduced into the Customs by contracting out a section of the work to Solel Boneh, the Histadrut contracting company. This was agreed upon after long negotiations involving top senior Zionist officials.<sup>67</sup>

Solel Boneh accepted the tender under conditions similar to that of an Arab contractor but paid the Jewish workers significantly higher wages than the latter would have paid his Arab workers<sup>68</sup> This was possible largely because the Jewish Agency financed large subsidies,

mainly for the mechanization essential to enable Jewish workers to compete with Arab labor.<sup>69</sup> The massive support of Zionist institutions politically and financially, and of the HLC, enabled Solel Boneh to carry out the work relatively successfully<sup>70</sup> Solel Boneh, nevertheless, faced severe difficulties in providing the minimal conditions expected and demanded by Jewish labor, especially of a Histadrut contractor, a fact that created much tension within Histadrut circles between organized labor and their direct employer, the Histadrut contracting company<sup>71</sup> The Haifa port demonstrates a situation that approximates the formation of a sector within a sector. The existence of Jewish employers within the government-owned port, due to the system of contracting out much of the work, enabled the use of means devised to enhance the employment of Jewish labor. These means could be applied effectively by combining the political strength of the Zionist institutions with the organizational means of the Histadrut and the financial aid of the Jewish Agency.

### ***The Palestine Railways (PR)***

Jewish workers entered the PR early on, immediately after the British military occupation of Palestine. Over a period of years, their proportion did not increase, but decreased. In contrast to parceling out the employment that took place in the Haifa port, all the work and employment in the PR was coordinated and controlled by management (through department heads). We began, therefore, by asking who were the Jewish workers entering the employment of the PR under these conditions and to what extent were they able to retain the relative advantage that Jewish labor enjoyed in the split labor market of Palestine. The answer is very clear. Jewish laborers hired by the PR were almost exclusively skilled, unlike those in the Haifa port, where most worked as porters, an unskilled occupation but one demanding much experience. In the PR, Jewish laborers were concentrated in those departments where skilled labor was required and all but absent in the departments where the labor was primarily unskilled (see [Table 9.3](#))

[Table 9.3](#) presents the four major departments:

1. The Locomotives' Mechanical Department included mainly the large workshops of the PR, built in Haifa in the 1920s. The work in this department called for skilled work, largely in metal. It was the main concentration of Jewish labor.
2. The Traffic Department included signalmen, guards, and conductors.
3. The Running Department included mechanics, stokers, and drivers.
4. The Engineering Department was responsible mainly for the laying and maintaining of the tracks, which involved regular and casual labor. Unskilled labor, these workers, especially the casual labor, received very low pay.

As can be seen clearly in [Table 9.3](#), most Jewish laborers were found in the Railway's workshops (of the Locomotives' Mechanical Department), to a lesser extent in the Running Department, still lesser in the Traffic Department, and were almost absent from the Engineering Department. This conforms with the more typical strategy of higher-priced labor in a split labor market, as discussed by Bonacich, which tended to concentrate in the skilled occupations paying higher wages. But even this was only a very partial explanation. According to Bonacich's model, higher-priced labor is able to retain its advantage by establishing a monopoly over skilled labor, thus creating a closed "caste."<sup>72</sup> Jewish labor in Mandatory Palestine could not do that.

Jewish workers could, and did, enter the PR as skilled workers, but had no way of closing the ranks of skilled labor to Arab workers when the latter obtained the necessary skills. Thus, over the years the share of skilled Arab workers in the Haifa workshops increased, both in absolute and relative terms. While skilled Arab workers received much higher wages than unskilled, they, nevertheless, served to lower the wages paid for skilled labor in the PR. The increased supply of skilled workers lowered the wages they could obtain. Furthermore, the possibility that Arab skilled labor could be substituted for Jewish labor weakened the latter's bargaining power<sup>73</sup>

The outcome of this precarious condition was a two-pronged response: Many Jewish workers left the PR when better options appeared elsewhere, while those who remained, organized and tried to improve their labor conditions. A closer look at the figures concerning the Locomotives' Mechanical Department presented in [Table 9.3](#) illustrates the first response. In 1923, when the size of the Jewish population, Jewish labor, and certainly Jewish skilled labor was small, the number of Jews in the workshops reached its peak. As additional options began to emerge within the expanding Jewish sector, both the number and proportion of Jews began to decline. The number of Jewish workers declined sharply by 1929, a period that included the prosperity in the years of 1924 and 1925 and between 1932 and 1935, which was once again a period of prosperity in the private Jewish sector. The growth in the number of Jews employed in the Locomotives' Mechanical Department by 1947 was a result mainly of the Second World War, the expansion of the PR, and the recession in private construction. But at the end of the war, the exodus of Jewish workers from the Locomotives' Mechanical Department continued.<sup>74</sup>

**TABLE 9.3**  
**Jews and Arabs in the Palestinian Railway According to Departments**

Year	Mechanical Locomotive		Traffic		Engineering		Running	
	Jewish	Total	Jewish	Total	Jewish	Total	Jewish	Total
1923 <sup>1</sup>	300	500	nd	nd	nd	nd	nd	nd
1929 <sup>2</sup>	192	546	64	426	9	1,041	93	331
1932 <sup>3</sup>	200	500	nd	nd	–	700	nd	Nd
						1,800 <sup>a</sup>		
1935 <sup>4</sup>	120	633	22	378	12	2,314 <sup>b</sup>	75	474
1836 <sup>5</sup>	120	800	52	506	43	1,317	94	659
1947 <sup>6</sup>	244	nd	106	nd	75	nd	– <sup>c</sup>	

<sup>a</sup> Workers on a regular basis and between 340–1.100 on a seasonal basis. Figures given in different documents do not always make a clear distinction between the number of regular workers and the varying seasonal workers.

<sup>b</sup> Both regular and seasonal.

<sup>c</sup> Included in Mechanical Locomotive Department.

Sources:

<sup>1</sup> Histadrut, *The Second Convention of the Histadrut*, (Tel Aviv, 1924), 94. LA, Library.

<sup>2</sup> Letter of Railway, Post, and Telegraph Workers, Organization [hereafter, RPTWO] to Zionist Executive, November 15, 1929. LA, IV208-1-172.

<sup>3</sup> Letter of RPTWO to Frumkin of Center of Labor, Histadrut, June 21, 1932. LA, 1V273-2.

<sup>4</sup> RPYWO, *Jewish and Arab Workers in the PR*, October 11, 1935. LA, IV208-1-515A.

<sup>5</sup> Information for meeting with PR Manager, April 1937. LA, IV208-1-13-mm.

<sup>6</sup> Minutes of meeting with PR manager, Mr. Kirby, March 30, 1947. LA, 1V250-273-32.

To conclude our discussion, we must now focus on the second response of the Jewish workers to the conditions in the PR: the establishment of a workers' organization. In 1919, they established the Organization of Railway Workers of Palestine (ORWP), which was to unite soon after with the telegraph and post workers to form the Railway, Post and Telegraph Workers Organization of Palestine (RPTWO).<sup>75</sup> In 1922, ORWP called upon Arab railway workers to join as well, which a few hundred did, primarily between 1922 and 1925, to form a mixed Jewish-Arab union, under Jewish leadership, affiliated with the Histadrut.

Once again, the difference in relation to the port workers is striking. In the Haifa port, no organization of Jewish workers emerged to organize the Jewish port workers in relation to the management, the Port Authority. This is not surprising, considering that most Jewish workers were actually employed by Jewish employers-exporters, importers, contractors, and the Histadrut itself. On the other hand, such an organization emerged very early on in the PR. Although it was not granted official recognition by the PR management, it nevertheless was able to negotiate on behalf of the workers. Their success was very limited, as can be gathered from the discussion so far.



The issue of the organization of labor raises a final point of comparison both of historical and theoretical interest. While both in the Haifa port and the PR (especially the workshops) Jewish and Arab workers worked in the same locations, those in the port engaged in no joint action, while those in the PR continued to undertake it. The form of that action changed but never ceased for long. It was the only place in Palestine where Jewish and Arab workers joined in concerted action on a long-term, though disrupted, basis. The forms of cooperation varied, ranging from a joint union of both Arab and Jewish workers under Jewish leadership, the above-mentioned Railway, Post and Telegraph Workers Organization of Palestine, to cooperation between two unions of railway workers, the primarily Jewish Railway, Post and Telegraph Workers Organization after many of its Arab members had left, and the Arab Railway Workers Organization, which the latter formed after their departure. Cooperation took place through a joint committee in which representatives of both unions participated. During the 1940s, joint strikes were held, once again conducted by cooperation between the representatives of both national groups of workers, with the skilled Arab and Jewish workers of the Haifa workshops playing the leading role.<sup>76</sup>

The reasons for these shifts in forms of organization, as well as the obstacles that kept recurring, are beyond the scope of this chapter. Nevertheless, the point to be made is that the PR was the only place where the generally advantaged group of workers attempted to improve its situation through joint action, rather than through exclusion. The reason I shall suggest should be clear by now. In the PR, the Jewish workers were not able to isolate themselves in a semi-autonomous, Jewish sub-sector. They could therefore make only minimal use of the organizational infrastructure of the Jewish settlement. The option that remained was for the workers to put aside national affiliation and rivalries as much as possible (which was not very much) and to cooperate in a joint labor struggle. The fact that Jewish and Arab skilled workers worked in the same immediate place, over many years, made such cooperation-so alien to all that went on around them-possible. It was not a success story in terms of the labor conditions obtained, but it has remained one of the very few legacies of cooperation and joint action in the split labor market of nationally divided Palestine.

## Conclusion

The purpose of this chapter was to suggest a far more complex analysis of the split labor market and the relations that evolve within it. The clash of interest between higher-priced and cheaper labor belonging to different ethnic and national groups, as well as the mutual threat they pose to each other, is, indeed, a vital element in shaping the relations between them. But it is not the only element, the one that determines all else, whether overtly or covertly. The point of the argument is not to extend the list of factors identified by Bonacich and by the many students who have applied her analysis. Rather, it is to identify the links and interrelations between multiple strands as a way of arriving at a forceful explanation of concrete historical situations, rather than reducing our explanation to one determining factor. In the case of Palestine, the key is to locate the split labor market in which Jewish and Arab labor meet in relation to a multidimensional national conflict that encompasses them. It is also to identify the multiple ways in which this conflict, with its institutional, financial, and political manifestations, intervenes in the split labor market, via its different sectors, industries, and work sites. In different historical cases, other dimensions will gain centrality, and other interrelations will be of primary importance. But in all



cases, the aim of the analysis, in both a sociological and historical sense, should be to locate the conflicting actors in the full complexity of the historical condition in which they relate to one another.

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41. Thus omitting the category of “others,” which was composed mainly of expatriates.
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53. A Chancellor to Lord Passfield (Article 5, July 23, 1931. ISA, CO., 733/203).
54. Ibid., Article 18.
55. Palestine Royal Commission, *Report*.
56. Abramovitz and Gelfat, *The Arab Economy*, p. 64.
57. Palestine Royal Commission, *Memoranda*, p. 144.
58. Gilbert Herbert, “Crossroads: Imperial priorities and regional perspectives in the planning of Haifa, 1918–1939,” *Planning Perspectives* 4 (1989): 313–31.
59. Letter of Aba Houshi, Secretary of the HLC, to Action Committee of the Histadrut concerning the functioning of Manoff, including a copy of the contract between the partners (August 8, 1934. LA, IV208–1-615).
60. Report on Work in the Haifa Port (1939, Haifa Labor Council [hereafter, HLAJI, LA,

1V250–27-2–244]).

61. Eliahu Biletzki, *In Work and in Struggle*, Haifa: Am Oved, 1981, pp. 156–59 (in Hebrew).
62. From the numerous documents concerning the immigration of Saloniki port workers to the Haifa port, see letter of Aba Houshi to Jewish Agency and appending letter to Action Committee of Histadrut (15.11.33, LA IV208–1-608).
63. Among other sources see Report on Haifa Port (1939, LA 250–27-2–244); Biletzki, *In Work and in Struggle*, p. 156; Letter of Labor Bureau to Kibbutzim (11.4.38, LA 1V250–27-2325); *Kfar Masarik, Kfar Masarik-Twenty Five Years* (1958), pp. 134–6 (in Hebrew).
64. A. Gertz, *Statistical Handbook*, pp. 179–80.
65. LA Report on Haifa Port (1939, 1V250–27-2–244); also Gertz, *Statistical Handbook*. 180.
66. See the list of workers in all branches of the Haifa Port (25.1.36. LA, IV208–1-788A); Letter from Vidra to Meirovitz (23.12.36, Central Zionist Archive [hereafter, CZA], S9/1135).
67. Report on Work of Jewish Porters in the Port of Haifa, June 18, 1937; Report on the Employment of Jewish Labor on Porterage Work at Haifa Port (December 23, 1937. IS A, CO, 733/328, Tape 421).
68. The wages that Solel Boneh paid were, nevertheless, frustratingly lower, as far as the Jewish workers were concerned, than those paid in the Jewish sector for less strenuous work.
69. Letter from General Employment Office of the Histadrut to Department of Labor of the Jewish Agency (January 21, 1937. CZA, S9/1135).
70. For assessment of success, see *Report of Employment of Jewish Lahor* (ISA, CO, 733/328, Tape 421).
71. See “Minutes of the HLC,” (February 25, 1937. LA, 1V250–27-1–695).
72. Bonacich, “A theory of ethnic antagonism,” pp. 555–56.
73. Among numerous documents concerning the conditions of work in the PR, see Memorandum of the Working Conditions of the Railwaymen in Palestine (1928. LA, IV208–1-143A); Report to the Seventh Convention of the National Union of the Railway Post and Telegraph Workers in Palestine (May 1931, LA, IV237–20B); Report of the Central Committee of the International Union of Railways and Post and Telegraph Employees in Palestine to Eighth Convention, August 1939 (LA, IV237–20C).
74. Letter of RPTWO to Central Committee of the Histadrut (January 8, 1947, LA, IV208–1-5781). See also earlier letter concerning the resignation of Jewish workers from the Workshops, Letter of Volinski to Labor Department of the Jewish Agency (October 24, 1945, LA 208–13195).
75. The organization changed its name a number of times. From 1932 onwards, it was called the International Union of Railway and Post and Telegraph Employees in Palestine.
76. Concerning the three-day strike in the Railway Workshops on February 2–4, 1944, see February 10, 1944. Givat Haviva Archive, (4)15.90; February 23, 1944, LA, IV208–1-3660. Concerning the fifteen-day strike in April 1946, see May 14, 1946, *Ba-Ma'avak*, internal publication of the Union of Railway, Post and Telegraph Workers, LA, IV237–1946, Library.

## The Power and Limits of Ethnonationalism: Palestinians and Eastern Jews in Israel, 1974–1991

*Vered Kraus and Yuval Yonay*

In this study we compared the socioeconomic achievements of three minority groups in Israel in two points of time, 1974 and 1991. Due to the existence of both Jewish and Palestinian minorities, the Israeli stratification system offers a unique opportunity to examine the confluence of cultural and structural forces. The Jewish majority in Israel is not made up of one group. Jews of Asian-African extraction suffer discrimination and are concentrated in the lower levels of the socioeconomic ladder. Asian-African Jews (“Easterners”) may therefore be treated as a minority relative to the dominant Euro-American Jews (“Westerners”). However, due to the pervasive ideology, according to which Jews of all origins are members of the same “people,” even Jewish minorities enjoy benefits of residence, employment, and education that are denied to Palestinians. The latter, who are also divided to several distinctive groups, are blatantly discriminated against as a result of official policies, and are commonly treated as outsiders by state authorities and by the Jewish public in general. The differential treatment of Jewish and Palestinian minorities provides us with an opportunity to study the impact of ethnocentrism in comparison with the power of economic and demographic factors.<sup>1</sup>

Our strategy was to examine the socioeconomic standing of three ethnic groups (Eastern Jews, Christian Palestinians, and Muslim Palestinians) relative to the dominant ethnic group of Western Jews at two points of time—1974 and 1991—in order to compare the relative changes in their achievements. We did not attempt to prove the disadvantaged status of the three minority groups relative to Western Jews, but to examine the relative handicaps of these groups and the changes in their relative disadvantages over time. Of course, over this long interval, Israeli society experienced changes of various kinds, and one would expect the results of such events to “contaminate”-or, at least, entangle-the effects of ethnicity and economic forces on the socioeconomic achievement of various groups. Our logic proceeds against the grain of ordinary sociological analysis concerning this matter. We claim that if cultural factors are indeed the

primordial basis of the social order in Israel, Jewish minorities should succeed far better than Palestinian minorities, and their advantage may be expected to widen over time. Failure to detect such a trend would indicate the limited potency of ethnicity as a stratifying force and would highlight structural factors as more powerful determinants of social groups' prospects.

## Theoretical Perspectives

What determines the chances of an ethnic minority to overcome discrimination and improve its socioeconomic standing? Broadly speaking, we can classify the answers to this question into two basic categories: culturalist explanations and structuralist ones. According to culturalist views, ethnic groups hold certain perceptions and stereotypes of each other, which are based on cultural similarities and differences and on various beliefs and values that the members of these groups espouse (Barth 1969; van den Berghe 1981; Smith 1981). Such attitudes do not easily change and constitute, therefore, an important factor in shaping the well-being of various groups: This is especially important in societies in which there is a clearly dominant group, numerically and politically, which by controlling valuable resources can influence the prospects of subordinate groups. Queuing theory, for example, assumes that a group that suffers from more unfavorable prejudices is exposed to more discrimination, and has, therefore, less chances to improve its situation (Lieberson 1980). Other culturalist theorists assign minority groups themselves the responsibility for their situation. Modernization theory, for instance, asserts that groups that adopt the fundamental values of modern societies are assimilated faster and improve their situation; groups that fail to adapt to the modern culture are less likely to advance (Warner and Srole 1945; Mair 1963).<sup>2</sup>

The endurance of ethnic sentiments and conflicts in advanced industrialized societies (Hechter and Levi 1979: 260; Smith 1981) and the well-demonstrated role of discrimination and prejudice by the "modern" majority toward "non-modern" ethnic minorities, raised doubts about the optimism of modernization theorists. This disappointment has convinced some writers to reassert the primordial nature of racist, ethnocentric, and stereotyping views of the other (Yinger 1986, p. 32). By contrast, structural theories have sought an explanation in the structure of modern society itself. The relegation of ethnic minorities to lower echelons and their chances to improve their socioeconomic situation are dependent neither on the way they are perceived by the majority nor on their own willingness to adopt modern culture. Rather they are related to factors such as their location within the production structure, their possession of human capital and other assets, their size and geographical dispersion, and political organization and alignment (e.g., Gellner 1983; Rex 1996; Solomos and Back 1994).

Class theories are the most familiar type of structuralist explanations for the fortunes of economic minorities. According to current class approaches, the prospects of various groups depend on their location in the production system and the developing needs of capital accumulation (Solomos 1986). In particular, modern class theorists mention the capitalist pressures to find cheap sources for labor as having created a racial and ethnic division of labor (Miles 1982, 1987; Rex 1986a, ch. 4). Bonacich (1972) added to this explanation the ability of strong workers—mostly males from the dominant ethnic group—to prevent the entrance of women and minorities into the more desirable jobs, thus establishing a split labor market. An ethnic group's prospects are thus more dependent on its access to desirable sectors of the labor markets than on its own culture or on the attitudes of the majority towards it.

Another structuralist explanation for the different fates of various ethnic minorities is the ability of some minority members to resort to small-business entrepreneurship, which allows them to circumvent direct discrimination by employers and supervisors (Light and Karageorgis 1994; Waldinger et al. 1990). The abilities of various ethnic groups to adopt this strategy, however, are not identical. They depend on the initial resources, social organization, size, location, and other structural characteristics of the group. Ethnic entrepreneurship might be encouraged by geographical segregation, as argued by the ethnic enclave hypothesis. Such a segregated enclave may also promote minorities in the public sector, as found by Lewin-Epstein and Semyonov (1994) in the case of Israeli Palestinians.

Structuralist approaches do not ignore the importance of culture and ideology, but they believe that ideas and beliefs are shaped by the structural forces rather than regarding them as independent forces. Ethnic solidarity, attitudes toward other ethnic groups, and traditional cultural orientation, which look primordial and unchangeable, do change according to new needs, pressures, and opportunities. Yet even neo-Marxists acknowledge today the autonomy of ideological forces, such as that of ethnic identity (Solomos 1986). The latter is not as immutable as assumed by culturalist approaches, but once it is created amidst specific relations of production, it has the potency to affect further developments. Neo-Weberian theorists, such as John Rex (1986b, 1996), are not satisfied with these concessions and seek to underline the independent power of ethnicity to create economic division of labor where it has never existed. But like Weber himself, they do pay special attention to class locations and interests and to economic necessities.

The changes in the economic situation of African Americans can serve as an example. It is obvious that racist attitudes have served economic interests of plantation owners, capitalists, and white workers from slavery to the present. But we cannot explain why African Americans fare worse than other minorities today without referring to cultural factors, such as the deep prejudice against dark-skinned people or the cultural legacy of many years of slavery, during which African Americans were regarded as inferior (Lieberson 1980). Based on historical study of the emergence of ethnicity in Canada and Northern Ireland, See (1986: 164) also argues that ethnicity is not simply a subjective characteristic that can be “manipulated to organize groups for political ends in the competitive scramble for resources” [as argued by Van den Berghe] but neither is it a primordial attachment that persists regardless of the broader environment in which groups live.

In many multiethnic societies, ethnic cleavages overlap economic divisions, which makes it hard to separate ethnic from class factors. In Israel there is a clear-cut distinction between Jewish and Palestinian minorities, a fact that may serve our effort to “isolate” these factors by comparing the treatment of Jewish and Palestinian minorities. Culturally, both Jews of Asian and African origins (Easterners) and Palestinians are abused and suffer negative attitudes and discrimination, but the levels of their marginalization are extremely different. We build on this difference to test whether the culturally more favored group (Easterners) has actually translated this cultural advantage into socioeconomic standing.

## **The Israeli Setting**

The structuration of ethnic groups in Israel was not independent of the process of class formation and the building of a capitalist economy in Israel. While the Zionist ideology and



Jewish ethnic nationalism arose in Europe around the end of the nineteenth century, the continuing evolution of this relatively autonomous group and its interests were determined by its location within the colonial economic structure, which facilitated the crystallization of a dominant Jewish capitalist class. As in other colonial settings, the Jewish settlers-almost all of them from Europe-had more resources than the local population, which served as cheap labor in the development of domestic economic enterprises. When Jewish immigration grew and many immigrants looked for work, a Zionist-nationalist ideology was used to pressure Jewish employers to hire Jewish workers, and thus a separation of the two economies developed (Shafir 1989; Shalev 1992, 1997).<sup>3</sup> Palestinian workers were hired by Jewish agricultural and industrial entrepreneurs only for the jobs that Jewish workers declined to accept, thus creating a split labor market (Bernstein 1998). The indigenous Palestinian elite took part in the process of industrialization, but unlike the Jewish bourgeoisie, this Palestinian bourgeoisie was basically a landed elite that lacked skilled labor force to develop sustainable industry, and political institutions to support it and unify its interests.

Most Eastern Jews arrived after this ethno-class structure was shattered by the 1948 war, during which most of the Palestinian population lost their homes inside Israel or remained outside its borders (Ben-Rafael and Sharot 1991). Jewish immigrants arriving from pre-industrialized Middle Eastern and North African societies and lacking industrial skills were perceived as part of the “Jewish nation.” Yet they were regarded as a primitive branch of the nation that had to be acculturated and educated to fit modern life. They were more likely to be assigned to manual jobs and to be sent to peripheral areas than were newcomers from European and American countries; their preexisting education and skills were undervalued and their culture was disparaged (Kraus and Weintraub 1981; Bernstein and Swirski 1982).

Yet the Palestinians remaining in Israel after the 1948 war were subject to even harsher conditions than were the Eastern Jews. Palestinian resources were appropriated by the state and used to develop the Jewish economy and to facilitate the absorption of Jewish newcomers, both Eastern Jews and Westerners. Palestinian refugees from destroyed villages were not allowed to return to their lands, and a large part of the farmlands owned by the remaining villages was confiscated. Development policies intentionally and explicitly targeted Jewish populations, leaving the Palestinian towns with a much less developed infrastructure and with almost no industry (Carmi and Rosenfeld 1992, Zureik 1979; Lustick 1980; Yiftachel 1992). The *Histadrut*, Israel’s most powerful labor union, was opened to Palestinians only in 1959, but its leaders continued to give priority to the interests of Jewish workers (Shalev 1992). Israeli Palestinians thus ceased to be peasants and became a floating reserve of laborers for the Israeli industry (Khalidi 1988; Carmi and Rosenfeld 1992; Haidar 1995).

The discourses of identity that have emerged in the Israeli public domain reaffirms that Jewish and Palestinian minorities occupy entirely different spheres in Israeli culture. The distinction between them is not just a matter of different levels of prejudice and discrimination, but an indication of different types of inter-ethnic relations (Smootha 1987). For example, Israelis use the biblical word *eda* (lit. congregation or parish; pi. *edot*) to designate various Jewish ethnic groups rather than admitting the existence of minority groups within the Jewish people. Israeli sociologists have undiscerningly accepted the ideological distinction between Jewish *edot* (Easterners and Westerners) and non-Jewish minorities, and focused either on an inner-Jewish comparison (of *edot*) or on the cleavage between Jews and Palestinians (see note 1). We thought that such an outlook might have disguised interesting features of the relations between Jewish *minorities* and Palestinian ones, and we hoped to highlight these features in this study.<sup>4</sup>

State policies have facilitated the polarized treatment of Jewish and Palestinian minorities (Smootha 1990). While all elected administrations vowed to facilitate the integration of Eastern Jews and launched social and economic plans to achieve it (Yishai 1984), the Israeli Palestinian groups received far fewer public resources (Haidar 1991; Rosenhek 1999; Shalev 1992). In addition, “divide and rule” tactics were applied to prevent the emergence of a united Palestinian identity. The smaller groups of Christian and Druze Palestinians were coopted by being provided with more resources than the largest Palestinian group of Muslims (about 80 percent of all Palestinians), so that the separation of the three groups was maintained and the efforts of Palestinian leaders to promote the unification of Palestinian identity, through pan-Arab and socialist ideologies were thwarted.

Paradoxically, however, the politico-ideological and social marginalization of Palestinians has also had positive sides. Their social and geographical segregation has an advantage in the development of small businesses that rely upon the purchasing power of their own communities. Furthermore, most public services that cater to Palestinian communities, such as public health clinics, welfare services, and municipal administration, are staffed almost exclusively by the Palestinians themselves. This advantage does not exist for Eastern Jews, who have to compete with the dominant Westerners both in the development of small businesses and in the public sector.

Social and geographical segregation gives Palestinians an edge over Easterners in education as well. Eastern and Western Jews attend the same school system and compete in the same arena over access to better schools, and to better tracks within schools. Shavit (1989, 1990) argues that vocational tracks, which do not lead to higher education, were introduced into Jewish education as a response to demands from Eastern citizens to expand secondary education. But the existence of such tracks in the Jewish sector made it even more difficult for less advantaged students, mostly Easterners, to keep pace within college-bound tracks. Palestinians, who study in Arabic until they reach academic institutions, attend completely separate schools. The Arabic high school education has not been part of the tracking reforms, unintentionally shielding its students from the adverse consequences of such a system. Shavit concludes therefore that Easterners “are not only disadvantaged relative to [Westerners], they are also disadvantaged relative to Christians and no more advantaged than Moslems” in post-secondary education (1989, p. 229).

## Hypotheses

The Palestinian-Jewish conflict is a fundamental feature of Israeli society that affects all aspects of life. In contrast, the inner-Jewish division (Easterners and Westerners) is often publicly denied, and its existence pervasively disguised. As a consequence, official policies are intended to integrate all Jews and alleviate intra-Jewish animosity. Palestinian minorities have received much fewer resources than Jewish minorities and are more subject to prejudice and discrimination than Eastern Jews. Based on these considerations, one would expect that:

*H1a:* The gaps between Easterners and the two Palestinian groups in education and occupational prestige widened from 1974 to 1991.

In addition, since Jews hold more positive views of Christians than Muslims, and deem the former closer than the latter to the Western culture they identify with, the culturalist approach expects that:

*H1b*: The gaps between Christian Palestinians and Muslim Palestinians widened from 1974 to 1991.

According to the class perspective, the ideology of Jewish ethnocentrism that presents all Jews as one nation, and the policies that are professed to achieve integration and equality among Jews, are merely a disguise to cover class cleavages. In fact, a split labor market exists, in which Easterners are relegated to the secondary labor market but are recruited to better jobs than Palestinians, and Christian workers are preferred over Muslim. We can therefore expect ethnic stratification to remain basically similar along the years:

*H2*: The ethnic hierarchy in education and occupation remained roughly the same from 1974 to 1991, with the Easterners below Westerners but above Palestinians, and among the latter, the Christians maintained their advantage.

Given the advantage over Easterners that Israeli Palestinians enjoy in their potential for developing an ethnic economy, the existence of a “protected” public sector, and the different structure of the high school system in the Palestinian communities, structuralist approaches may predict that the Palestinian minorities would have improved their status relative to Easterners. Thus:

*H3*: Palestinians narrowed the educational and prestige gaps with Easterners from 1974 to 1991.

## Data and Variables

Our analysis is based on two National Social Mobility studies conducted in Israel, in 1974 and in 1991–92. Both surveys were probability samples of the non-institutional population of Israel; those living in kibbutzim were excluded. Our merged analysis was restricted to men aged between 25 and 64, who were in the labor force at the time of the survey. We excluded those who immigrated to Israel after the age of 14, because we were interested mostly in comparing the differential “life chances” of people who grew up in Israel. We excluded women from the analysis because the work patterns of women differ greatly from those of men in all ethnic groups, and the nature of the differences between men and women varies from one group to another. Our sample consisted of 4,730 respondents, of whom 1,561 were Western Jews, 1,641 Eastern Jews, 323 Christians, and 1205 Muslims.<sup>5</sup>

Since we merged the two data sets into one working file, we designed the set of variables to be measured, for comparison purposes, in a similar manner in the two respective years, even though many of the variables in the 1991 mobility survey were measured in a more elaborated way. These variables in our study are presented in [Table 10.1](#).

## Results

### *Relative Occupational Attainment and Its Change*

The entire Israeli population experienced an occupational upgrading during the years of our study, a fact that manifests itself in the shifting of occupational enrollment into upper levels. The size of the change of each group is indicated by the index of dissimilarity between 1974 and 1991 ([Table 10.2a](#)), which hovers between 13 and 19 percent. This general upgrade was coupled, of course, with an increase in occupational prestige, as presented in [Table 10.2a](#). The

largest gain in average occupational prestige during the period was by the two Palestinian groups, and in consequence the gaps between the Jewish and the Palestinian minorities narrowed. This is especially true in regard to Christians, who caught up with Easterners in 1991. Westerners, however, remained far ahead of all minorities.

Further inspecting the occupational categories shows us that while all groups experienced a rise in their average prestige, the sources of this upgrading differed among the groups. Among Muslims, there was a shift from lower manual work to upper manual and lower non-manual jobs. The change in the standing of Christians stemmed from a big rise in the number of professional positions at the expense of a small decrease in almost all other occupational categories. The proportion of Eastern Jews in professional jobs also rose, and this change was achieved by a drop in the number of Easterners in manual positions, especially in the lower manual categories, but also in upper-manual ones. When we compare the three groups in 1991, we see that the standing of Easterners and Christians was quite similar, but the former had an advantage in skilled manual jobs. Although Muslims had entered the upper categories, they still lagged behind the other two minority groups in professional jobs and were over-represented in the lower manual category.

**TABLE 10.1**  
**The Variables**

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**Father's education** Respondents were asked to indicate the last type of school attended by their fathers. We coded these as dummy variables, scoring them 1 if the respondent's father completed a specified amount of schooling, and 0 otherwise. The categories were: No schooling or partial elementary school; elementary and intermediate school; secondary and post-secondary school. The omitted category was the lowest educational level.

**Father's occupational prestige** Measured by the Kraus (1976) occupational prestige scale, when the respondent was 14 years old. The Kraus scores were assigned to census codes.

**Father's employment status** A dummy variable for father's employment status when the respondent was 14 years old, coded 1 if the father was an employee, and 0 if he was self-employed or an employer.

**Number of siblings** The number of siblings the respondent had when he was 14.

**Age** Respondent's age, used also as a proxy for labor force experience.

**Age<sup>2</sup>** The squared term of age was introduced because the effect of age on occupational prestige is known to level off with age.

**Schooling** Years of schooling completed.

**Educational splines** Since it has been shown that years of schooling are not linearly related to occupational pursuits (e.g., Featherman and Hauser 1977; Kraus and Hodge 1990), the total years of completed education were equated to one of three splines: *elementary*, *secondary*, *post-secondary*. Defined in this way, the linear splines are related to schooling by the equation:  $Schooling = elementary + secondary + post-secondary$ .

**Elementary** 0 through 7 for persons with fewer than eight years of schooling, and 8 for all those with eight or more years.

**Secondary** 0 for those with fewer than nine years of schooling, 1 through 3 for those with nine to eleven years; and 4 for those with twelve or more years.

**Post-secondary** 0 for those with twelve or fewer years of schooling, and 1 through 5 for those with thirteen to seventeen year (or more).

**Ethnicity** A set of dummy variables for ethnicity, coded 1 if the respondent belonged to the category, and 0 otherwise. The categories were: Western Jews, Eastern Jews, Christian Palestinians, and Muslim Palestinians. Ethnicity of Jews was assigned according to the respondent's country of birth or, if the respondent was born in Israel, according to his father's place of birth. Israeli-born Jews whose fathers were born in Israel, a group that comprised 4 percent of the 1991 survey and less than 3 percent of the 1974 survey, were excluded from our analysis.

**Occupational prestige** Measured by the Kraus occupational prestige scale (Kraus 1976) based on 3-digit occupational classification.

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In order to compare the occupational structure of the four ethnic groups, we also calculated an index of dissimilarity between all pairs of groups, in both 1974 and 1991. The results are presented in [Table 10.2b](#).

Overall, dissimilarity between any two groups declined from 1974 to 1991, but the most conspicuous change is the growing similarity among the three minority groups. In 1991, the dissimilarity between easterners and the two Palestinian groups was smaller (16.9 with Christians and 22.8 with Muslims) than it was in 1974 (18.9 and 27.6, respectively). The same finding is reflected in the growing similarity between the two Palestinian groups (from 33.95 in 1974 to 23.0 in 1991), suggesting that the minority groups had become more homogeneous in their occupational structure.

### ***Relative Educational Attainment and Its Change***

We turn now to examine the educational attainments of the four ethnic groups ([Table 10.3](#) third column). The overall educational level rose substantially for all groups over the sixteen-year span of our analysis, but the hierarchical order of the four groups remained constant. Thus, Westerners continued to have the highest achievements, and the Muslims remained at the bottom, with the Easterners and Christians in the middle; but the gaps had decreased substantially.

The increase in the average level of education reflects the expansion of compulsory education, first to full primary education, and later to secondary education. Meanwhile, however, the educational requirements in the labor market had also increased (Kraus and Hodge 1990; Shavit and Kraus 1990). A more detailed analysis of these achievements is presented in [Table 10.3](#) which indicates the probabilities of entering and completing various educational levels: full primary (8 grades), some secondary (9 to 11 grades), full secondary (12 grades), some post-secondary (13–14 years), and full academic education (15 years). These probabilities expose the most severe obstacles encountered by each group in its attempt to improve its educational level (Mare 1981).

An analysis of the transition rates identifies where members of the three minority groups are impeded. In 1974, for Easterners, the main hurdle was in entering secondary education, and even more in completing it ( $L3 = 20.5$  percent). In 1991, a much higher proportion completed high school ( $L3 = 52.3$  percent), but only 43.6 percent of these high school graduates continued their studies. Of those who pursued higher education, only 55.7 percent achieved a first degree, so that less than 13 percent of all Easterners actually finished 15 years of schooling or more in 1991 ( $L5 = 12.7$ ).<sup>6</sup> In 1974, Muslims obtained very low attainment rate in all educational levels, including primary school ( $L1 = 34.4$  percent) and high school ( $L3 = 9.4$  percent), but by 1991, their pattern was similar to that of Easterners, and once they started post-secondary education, they had an even higher probability of receiving an academic degree ( $T4 = 65.3$  percent, compared with 55.7 percent among Easterners). In 1974, Christians were more successful than Muslims at elementary school ( $L1 = 53$  percent) and high school ( $L3 = 23.6$  percent), and among the three minorities, they had the highest probability of completing an academic degree ( $L5 = 7.7$  percent, compared with 5.8 percent among Easterners, and 2.9 among Muslims). By 1991, their transition rates after secondary education substantially increased and reached the transition rates experienced by Westerners ( $T4 = 63.5$ ,  $T5 = 76.2$  percent). In consequence, Christians were much more likely to have a first degree ( $L5 = 20.8$  percent) than Easterners (12.7) and Muslims (12.4 percent), but are still much less likely than Westerners (43 percent).

**TABLE 10.2a**  
**Occupational Groups (percentage), Index of Dissimilarity, and Texan Occupational Prestige, Males Born in Israel or Arrived before the Age of 14, Aged 25–64, by Ethnic Group, 1974 and 1991**

	Westerners		Easterners		Christians		Muslims	
	1974	1991	1974	1991	1974	1991	1974	1991
Scientific and science-based professionals	20.1	21.0	5.5	8.6	2.5	6.7	0.6	2.8
Professionals and semi-professionals	11.7	18.2	6.4	13.0	9.5	14.8	7.3	8.6
<b>Total Professionals</b>	<b>31.8</b>	<b>39.2</b>	<b>11.9</b>	<b>21.6</b>	<b>12.0</b>	<b>21.5</b>	<b>7.9</b>	<b>11.4</b>
<b>Managers</b>	<b>8.2</b>	<b>10.4</b>	<b>3.6</b>	<b>4.0</b>	<b>1.3</b>	<b>0.7</b>	<b>0.4</b>	<b>0.3</b>
Clerical	13.8	9.0	9.0	9.7	7.0	7.4	2.9	6.3
Sales	5.8	6.1	3.0	6.3	3.2	1.5	1.3	3.7
<b>Clerical and sales</b>	<b>19.6</b>	<b>15.1</b>	<b>12.0</b>	<b>16.0</b>	<b>10.2</b>	<b>8.9</b>	<b>4.2</b>	<b>10.0</b>
<b>Proprietors</b>	<b>2.9</b>	<b>3.0</b>	<b>2.6</b>	<b>4.6</b>	<b>7.0</b>	<b>3.7</b>	<b>9.1</b>	<b>6.3</b>
<b>Skilled workers</b>	<b>22.1</b>	<b>16.5</b>	<b>36.2</b>	<b>32.4</b>	<b>47.5</b>	<b>43.7</b>	<b>24.5</b>	<b>32.2</b>
<b>Agriculture</b>	<b>4.9</b>	<b>3.6</b>	<b>6.2</b>	<b>1.5</b>	<b>4.4</b>	<b>3.0</b>	<b>15.4</b>	<b>9.8</b>
Semi-skilled workers	7.3	6.2	14.3	9.4	6.3	8.9	14.6	16.4
Service	1.6	5.3	7.2	8.4	6.3	5.2	7.7	5.6
Unskilled workers	1.6	0.7	6.0	2.1	5.1	4.4	16.2	7.8
<b>Lower manual</b>	<b>10.5</b>	<b>12.2</b>	<b>27.5</b>	<b>19.9</b>	<b>17.7</b>	<b>18.5</b>	<b>38.5</b>	<b>29.8</b>
<b>Total nonmanual</b>	<b>62.5</b>	<b>67.7</b>	<b>30.1</b>	<b>46.2</b>	<b>30.5</b>	<b>34.8</b>	<b>21.6</b>	<b>28.0</b>
<b>Total manual</b>	<b>37.4</b>	<b>32.3</b>	<b>69.9</b>	<b>53.8</b>	<b>69.6</b>	<b>65.2</b>	<b>78.4</b>	<b>71.8</b>
<b>Index of dissimilarity 1974–1991</b>	<b>13.7</b>		<b>17.3</b>		<b>12.55</b>		<b>18.9</b>	
<b>Mean occupational prestige</b>	<b>49.2</b>	<b>53.3</b>	<b>28.9</b>	<b>34.2</b>	<b>26.6</b>	<b>35.7</b>	<b>21.8</b>	<b>27.1</b>
S.D.	27.5	29.1	23.3	24.0	22.9	29.9	19.5	25.3
<b>% Change 1974–1991</b>	<b>8.3%</b>		<b>18.3%</b>		<b>34.2%</b>		<b>24.3%</b>	
<b>N</b>	<b>549</b>	<b>886</b>	<b>469</b>	<b>1035</b>	<b>158</b>	<b>135</b>	<b>519</b>	<b>602</b>

**TABLE 10.2b**  
**Index of Dissimilarity between Ethnic Groups Based on 11 Occupational Groups, 1974 and 1991**

	1974	1991
Westerners—Easterners	32.4	26.1
Westerners—Christians	37.65	34.3
Westerners—Muslims	46.9	42.9
Easterners—Christians	18.95	16.9
Easterners—Muslims	27.6	22.8
Christians—Muslims	33.95	23.0



In general, it can be said that Easterners enjoyed an advantage over Palestinians up to secondary education, but in academic education Christians took the lead (among the minorities) and Muslims experienced similar attainments as Easterners. These findings corroborate Shavit's claim that Eastern Jews are more likely to finish high school because they are offered vocational tracks rarely available in the Palestinian educational system. Yet since these vocational tracks do not enable the students to continue to higher education, they lower the chances of Easterners to gain post-secondary education (Shavit 1989, 1990).

### ***The Process of Occupational Attainment***

So far we have presented the gross achievements of each of the ethnic groups and the relative changes of these achievements during the respective years. In this section and the next one, we turn to the underlying processes that generated these attainments, starting with the process of achieving occupational prestige in this section, and then moving on to the process of educational attainment in the next. The major question that guided our analyses was the extent to which the inferior occupational attainments of the three ethnic minorities relative to the dominant group of Western Jews were the result either of (1) differences in family background, education, and experience, or of (2) ethnic affiliation itself. We were especially interested in comparing the relative importance of these two sets of determinants in producing the occupational disadvantage of each of the three minorities. We also explored the changes that occurred in these processes between 1974 and 1991: To answer these questions, we computed four regression equations. The *first* included background characteristics and age (including age squared), whereas the *second* introduced three educational splines into the above equation.<sup>7</sup> In the *third* equation, we added ethnic affiliation (Westerners is the omitted category), and *finally*, we entered all the interaction terms of ethnicity with the background and education variables, to examine whether the attainment processes differ among the ethnic groups. We performed this analysis for both 1974 and 1991.

**TABLE 10.3**  
**Average Schooling and Conditional Probability of Passing from One Level of Education to the Next, Males, Born in Israel or Arrived before the Age of 14, Aged 25–65, by Ethnic Group, 1974 and 1991**

	Year	Average schooling	L1	T1	L2	T2	L3	T3	L4	T4	L5
Westerners	1974	12.50	<b>98.6</b>	90.6	<b>89.3</b>	73.3	<b>65.5</b>	61.1	<b>40.0</b>	72.5	<b>29.0</b>
	1991	13.80	<b>99.3</b>	97.2	<b>96.5</b>	86.9	<b>83.9</b>	68.6	<b>57.6</b>	74.7	<b>43.0</b>
Easterners	1974	9.30	<b>87.4</b>	59.8	<b>52.3</b>	39.2	<b>20.5</b>	41.5	<b>8.5</b>	68.2	<b>5.8</b>
	1991	11.35	<b>95.9</b>	84.6	<b>81.1</b>	64.5	<b>52.3</b>	43.6	<b>22.8</b>	55.7	<b>12.7</b>
Christians	1974	8.09	<b>53.0</b>	68.9	<b>36.5</b>	64.6	<b>23.6</b>	55.1	<b>13.0</b>	59.2	<b>7.7</b>
	1991	10.61	<b>78.3</b>	80.8	<b>63.3</b>	67.9	<b>43.0</b>	63.5	<b>27.3</b>	76.2	<b>20.8</b>
Muslims	1974	5.75	<b>34.4</b>	48.0	<b>16.5</b>	57.0	<b>9.4</b>	64.9	<b>6.1</b>	47.5	<b>2.9</b>
	1991	10.17	<b>81.2</b>	75.9	<b>61.6</b>	70.8	<b>43.6</b>	43.6	<b>19.0</b>	65.3	<b>12.4</b>

Notes:

L1: Percentage finished eight grades.

L2: Percentage with some secondary education (L1 × T1).

L3: Percentage completed twelve grades (full secondary education) (L2 × T2).

L4: Percentage with some postsecondary education (L3 × T3).

L5: Percentage with 15 years of education or more (L4 × T4).

T1: Percentage with some secondary education of those who finished eight grades.

T2: Percentage completed a secondary school of those entering such a school.

T3: Percentage with some post-secondary education of those completing a secondary school.

T4: Percentage with 15 years or more of those with some post-secondary education.

Table 10.4 presents the F-tests of the added explained variance obtained by moving from one equation to the next, and Table 10.4a presents the first three equations.<sup>8</sup> For both years, the initial background variables (including age and its square) explained a relatively high share of the variance in occupational prestige (about 25 percent in 1974 and 20 percent in 1991). Education, however, played a bigger role by contributing 33 percent to the explained variance above the first equation for both years. Adding ethnicity hardly changed the explained variance for both years, but for 1991 this addition was significant. Only Muslim affiliation significantly affected occupational prestige in 1991 by lowering the prestige score by four points relative to Westerners (on a scale of 100). These findings mean that once background and social factors were taken into consideration, neither Eastern Jews nor Christians were discriminated against because of their ethnic affiliation, and Muslims were discriminated against only in 1991.

Finally, the interaction terms between ethnicity and all the other independent variables added 1.2 percent for 1974 and 1.3 percent for 1991, but only for 1991 was this contribution statistically significant (the last row in Table 10.4). Inspecting the significant interaction terms

(not presented here) reveals that in 1974 a positive interaction existed between post-secondary education and Muslim ethnic affiliation. This result tells us that in 1974 Muslims had an advantage in converting post-secondary education to occupational prestige ( $b = 3.78$ ;  $SE = 1.79$ ). In 1991, both Muslims and Christians enjoyed this advantage ( $b = 4.07$ ;  $SE = 0.77$  for Muslims;  $b = 2.81$ ;  $SE = 1.24$  for Christians). Muslims, however, had significantly lower returns for an additional year in secondary education ( $b = (-2.65)$ ;  $SE = 1.13$ ). Muslims and Christians who had acquired post-secondary education could thus find more prestigious jobs than Jews with similar educational attainment in 1991, probably due to the existence of a segregated public sector, which offers prestigious jobs in the Palestinian segment that are inaccessible to Jews (Yonay and Kraus 1998).

**TABLE 10.4**  
**Percentage Added Explained Variance of Occupational Prestige, 1974 and 1991**

	Variables	Variance 1974	F Value	Variance 1991	F Value
Background variables	7	25.1	19.9		
With education	10	33.2	318.2**	33.3	553.8**
With ethnic affiliation	13	0.1	0.96	0.2	3.34**
With interactions	43	1.2	1.15	1.3	2.20*

Note:

$$F = \left[ \left( R_j^2 - R_i^2 \right) / M \right] / \left( 1 - R_i^2 \right) / (N - k - 1) \text{ where } M \text{ and } (N - k - 1) \text{ are degrees of freedom,}$$

$R_j^2$  is the variance explained by the higher-order equation,  $R_i^2$  is the variance explained by the lower-order equation.

\* significant at the 0.05 level

\*\* significant at the 0.001 level

To further elaborate these trends we decomposed the prestige gap between each of the three ethnic groups and the advantaged group, according to the decomposition approach offered by Kraus (1986):

$$\bar{Y}_w - \bar{Y}_n = \sum \{ (\bar{X}_{iw} - \bar{X}_{in}) * [(1 - P)b_{iw} + Pb_{in}] \} + \sum \{ (b_{iw} - b_{in}) * [P\bar{X}_{iw} + (1 -$$

Where  $w$  = Western Jews;  $n$  = any other ethnic group;  $X$  = the means of the  $i$ th independent variable;  $Y$  = the mean of the dependent variable (occupational prestige);  $b_0$  = the regression intercepts;  $b_i$  = the partial regression coefficients for the  $i$ th independent variable; and  $P$  and  $(1 - P)$  are the proportions of Westerners (group  $w$ ) and of the compared disadvantaged group, respectively. The *first* term is the compositional component, which reflects the portion of the

occupational prestige gap between Westerners and any other ethnic group that derived from differences in the distribution of background and educational resources, weighted by regression coefficients according to the relative size of the group in comparison. The *second* component, also interpreted as the “discrimination” component, is the complementary portion of the gap, which derived from different rates of conversion of various resources, weighted by the mean of the resource in question, whereas the mean itself is weighted according to the relative sizes of Westerners and the compared ethnic group. This approach to decomposition overcomes the problem of which group’s mean should be used as a reference point, as suggested by Iams and Thornton (1975), but unlike their solution, it also takes into consideration the relative sizes of the compared groups.

**TABLE 10.4a**

**Three Equations Predicting Occupational Prestige, Male Born in Israel or Arrived before the Age of 14, Aged 25–64, 1974 and 1991<sup>#</sup>**

	Equation 1	Equation 2	Equation 3
<b>1974</b>			
Father's education (primary and intermediate)	16.67* (1.50)	3.81* (1.29)	3.41* (1.38)
Father's education (secondary and higher)	21.87* (2.31)	1.66 (1.92)	1.02 (2.04)
Father's prestige	0.25* (0.04)	0.14* (0.03)	0.15* (0.03)
Father's employment status (employees = 1)	0.38 (1.46)	0.86 (1.09)	0.65 (1.09)
Number of siblings	-1.56* (0.25)	-0.11 (0.20)	-0.01 (0.22)
Age	0.59 (0.57)	0.49 (0.43)	0.54 (0.43)
Age <sup>1</sup>	0.01 (0.01)	0.00 (0.005)	0.00 (0.005)
Years in elementary schooling		0.56* (0.28)	0.51 (0.29)
Years in secondary schooling		5.19* (0.42)	5.20* (0.43)
Years in post secondary schooling		8.12* (0.43)	8.14* (0.43)
Easterners			1.30 (1.62)
Christians			-3.06 (2.22)
Muslims			-0.69 (1.93)
Constant	8.75	-4.43	-5.25
<b>Adjusted R<sup>2</sup></b>	<b>0.251</b>	<b>0.583</b>	<b>0.584</b>
<b>1991</b>			
Father's education (primary and intermediate)	8.67* (1.32)	-0.68 (1.06)	-0.94 (1.08)
Father's education (secondary and higher)	17.21* (1.77)	0.01 (1.43)	-0.59 (1.47)
Father's prestige	0.14* (0.02)	0.05* (0.02)	0.05* (0.02)
Father's employment status	1.79 (1.09)	1.37 (0.84)	1.25 (0.85)
Number of siblings	-2.07* (0.19)	-0.50* (0.16)	-0.27 (0.19)
Age	2.83* (0.53)	-1.72* (0.41)	1.61* (0.41)
Age <sup>1</sup>	-0.03* (0.01)	-0.02* (0.005)	-0.02* (0.005)
Years in elementary schooling		0.07 (0.61)	-0.07 (0.61)
Years in secondary schooling		3.52* (0.35)	3.45* (0.35)
Years in post secondary schooling		9.06* (0.27)	9.05* (0.27)
Easterners			-1.28 (1.22)
Christians			-0.97 (2.04)
Muslims			-3.76* (1.54)
Constant	-27.43	-23.34	-18.45
<b>Adjusted R<sup>2</sup></b>	<b>0.199</b>	<b>0.532</b>	<b>0.534</b>

Notes:

# Unstandardized coefficients; standard errors are in parentheses

\* Significant at the 0.05 level

The analysis is presented in [Table 10.5](#). We can see that the differences in returns for all background and education variables did not play any role in accounting for the occupational gaps between Westerners and each of the other three ethnic groups in either 1974 or 1991. In 1991, Christians and Muslims even had slightly higher conversion rates than Westerners, mainly due to higher returns for post-secondary education (see above). The main conclusion, however, is that most of the occupationally disadvantaged positions of the three minority groups in both years is accounted for by inferior levels of resources, rather than by lower returns on human capital.<sup>9</sup> The most crucial differences are those in education. Educational gaps between Westerners and each of the minority groups, especially in the secondary and post-secondary levels, account for three-quarters or more of the gross differences between them in both years. The portion of differences in *post-secondary* schooling in accounting for lower occupational achievements increased dramatically over the years for all the subordinate groups, while the fraction explained by differences in secondary schooling declined. About 60 percent of the prestige gap between each of the subordinate groups and Western Jews in 1991 is explained by the lower post-secondary attainment of the former. The differences that are not due to educational gaps are explained by background characteristics (father's education, father's occupational prestige, father's employment status, and number of siblings, age and its square). This portion is quite small relative to the portion explained by education in both years, but it had increased by 1991. While in 1974 these background characteristics accounted for between 3.8 to 11.2 percent of the occupational prestige gaps, by 1991 they had doubled their importance and accounted for 18.7–24.7 percent of the gap.

From the analysis of occupational prestige attainment and from the decomposition of ethnic gaps, we reached four conclusions. *First*, education was by far the most powerful variable in accounting for individual achievements, and, consequently, educational gaps were the main culprits for the existence of wide ethnic gaps. *Second*, the significance of education notwithstanding, lower socioeconomic origins did affect one's chances. While family background explained less of the prestige variance than education, its role in explaining prestige ethnic gaps increased. *Third*, ethnic affiliation had no impact in 1974, but in 1991 it had a negative impact, small but not negligible, on Muslims. *Fourth*, Palestinians-Christians and Muslims-with tertiary education had slightly higher returns on their education than both Eastern and Western Jews. We can thus say that while the impact of family characteristics demonstrates the existence of class reproduction, ethnicity was not very significant. Not only were the three minorities exposed to similar processes, but none of them suffered *directly* due to its ethnic affiliation (except Muslims, whose prestige was a bit lower in 1991).

**TABLE 10.5**  
**Regression of Occupational Prestige Differences between Western Jews and the Three Other Groups, Males Born in Israel or Arrived before the Age of 14, Aged 25–64, 1974 and 1991**

	Easterners	Christians	Muslims
<b>1974</b>			
<b>Total</b>	<b>19.279(100%)</b>	<b>22.791(100%)</b>	<b>28.461(100%)</b>
<b>Part due to differences in resources</b>	<b>18.912 (98.1)</b>	<b>23.325(102.3)</b>	<b>28.590(100.4)</b>
Elementary school	0.334 (1.7)	1.340 (5.6)	1.911 (6.8)
Secondary school	7.735 (40.1)	13.312 (58.4)	13.896 (48.8)
Post-secondary school	8.968 (46.5)	6.149 (27.1)	11.685 (41.0)
All other background	1.875 (9.8)	2.524 (11.2)	1.098 (3.8)
<b>Part due to differences in return to resources*</b>	<b>0.367 (1.9)</b>	<b>-0.534 (-2.3)</b>	<b>-0.129 (-0.4)</b>
<b>1991</b>			
<b>Total</b>	<b>19.946(100%)</b>	<b>17.940(100%)</b>	<b>26.454(100%)</b>
<b>Part due to differences in resources</b>	<b>20.238(101.4)</b>	<b>18.910(105.4)</b>	<b>28.178(106.5)</b>
Elementary school	0.086 (0.4)	0.416 (2.3)	0.351 (1.3)5
Secondary school	3.490 (17.5)	3.494 (19.5)	5.044 (19.1)
Post-secondary school	11.739 (58.8)	11.640 (64.9)	16.235 (61.4)
All other background	4.923 (24.7)	3.360 (18.7)	6.548 (24.7)
<b>Part due to (differences in return to resources</b>	<b>-0.292 (-1.4)</b>	<b>-0.970 (-5.4)</b>	<b>-1.724 (-6.5)</b>

Notes:

\* Differences in rates of return on most resources are negligible, and therefore we present only the portions explained by differences in the rates of return on education.

### ***The Process of Educational Attainment***

The wide educational differences among the four groups and the large role played by education in the achievement of occupational prestige led us to inspect the processes of educational achievements in both years. Could the lower educational achievements of the minority groups be explained by differences in socioeconomic resources associated with social origins, or were they the result of ethnicity itself. How did the relative effects vary among the three ethnic minorities? And how did they change between 1974 and 1991? To answer these questions, we regressed the three educational splines (years in elementary, secondary, and post-secondary education) in three stages. *The first* equation included background characteristics, the *second* added ethnic affiliation (Westerners were the reference group), and the *third* further included the interaction terms of ethnicity and background variables. [Table 10.6](#) presents the F-tests of the added explained variance obtained when moving from one equation to the next.



**TABLE 10.6**  
**Percentage Added Explained Variance of Educational Attainment, 1974 and 1991**

	Variables	Variance 1974	F Value	Variables	Variance 1991	F Value
<b>Elementary</b>						
Background variables	3	34.4		3	11.7	
With ethnic affiliation	6	7.7	62.10*	6	2.6	25.82*
With interactions	18	5.2	6.89*	18	5.8	10.22*
<b>Secondary</b>						
Background variables	3	41.1		3	30.3	
With ethnic affiliation	6	7.0	57.32*	6	1.9	23.85*
With interactions	18	0.9	1.23	18	2.1	4.50*
<b>Post-secondary</b>						
Background variables	3	16.2		3	20.3	
With ethnic affiliation	6	2.6	13.61*	6	2.1	20.84*
With interactions	18	1.1	0.96	18	1.9	3.54*

Notes:

The equation for these computations, see Table 10.4.

\* Significant at the 0.001 level.

The introduction of ethnic affiliation to the three educational spline regressions added 2.6–7.7 percent to the explained variance in 1974, and only 2–3 percent in 1991. However, these additions to the explained variance were significant. Table 10.7 presents the net effects of ethnic affiliation on educational attainment.

During the period investigated, all ethnic minorities were disadvantaged relative to Westerners (except for Easterners in elementary education, in 1991). On the *lower educational levels*- elementary and secondary-Muslims were most handicapped in both years, and Easterners were the least; Christians were much closer to Eastern Jews than to Muslims in 1974, but closer to the Muslims in 1991. At the *highest educational echelon*, all the minority groups did poorly relative to Westerners, but the poor attainment of Easterners stood out the most, both in 1974 and in 1991. In 1991, the net effects of ethnic affiliation on primary and secondary education were lower for all groups, while the net effects of ethnicity on higher education attainment were similar in 1974 and 1991.

Introduction of the interaction terms revealed that while in 1974 the processes of achieving secondary and post-secondary education were the same in all the ethnic groups, in 1991 the processes differed with respect to all the educational levels.<sup>10</sup> Regression equations for each of the ethnic groups for each educational level are presented in Table 10.8. Examination of the net impact of background factors on respondent's schooling suggests that father's education, occupation, and employment status, as well as the number of siblings did have substantial

impact on individual's education within each of the four ethnic groups. However, between 1974 and 1991, the handicaps associated with these background factors migrated from high school to post-secondary education. The effect of background variables on years in *elementary* school, which had been low in 1974, declined even further in 1991. The impact of the same variables on years in *secondary* school remained stable in the two Jewish groups and increased in the two Palestinian groups; and their impact on years in *post-secondary* school increased for each of the four groups.

**TABLE 10.7**  
**The Effects of Ethnic Affiliation on Educational Attainments, Controlling for Background Variables, 1974 and 1991<sup>#</sup>**

	Elementary schooling	Secondary schooling	Post-secondary
<b>1974</b>			
Easterners	-0.416* (0.158)	-1.173* (0.114)	-0.687* (0.113)
Christians	-0.838* (0.221)	-1.186* (0.159)	-0.584* (0.159)
Muslims	-2.090* (0.179)	-1.636* (0.129)	-0.625* (0.129)
<b>1991</b>			
Easterners	-0.003 (0.043)	-0.206* (0.078)	-0.789* (0.094)
Christians	-0.279* (0.069)	-0.827* (0.126)	-0.466* (0.153)
Muslims	-0.325* (0.053)	-0.643* (0.096)	-0.651* (0.116)

Notes:

<sup>#</sup> Unstandardized coefficients; standard errors are in parentheses.

\* Significant at the 0.05 level.

Our analysis of educational attainment provides another indication of the increasing tendency toward socioeconomic reproduction. In the previous section, we saw that one's family background affected one's occupational prestige, but education had a larger impact. However, we see that education itself was greatly dependent on the socioeconomic origins of the respondent, and the role of the latter even increased from 1974 to 1991.

As in our analysis of the raw educational data, Easterners had an advantage over Palestinians in attaining *secondary* education, but the latter fared better in *post-secondary* education. Again, the explanation of this pattern is simple: Jews had more access to vocational high schools, which are of low value in the labor market. In consequence, most Jews, regardless of social origin, attended a high school of some sort, while among Palestinians secondary education was more selective, hence highly sensitive to family background. In tertiary education, which became more valuable in the attainment of occupational prestige, the importance of family origins became more pronounced in all groups.

**TABLE 10.8**  
**Regression of Educational Attainment for Males, Born in Israel or Arrived before the Age**

14, Aged 25–64, by Ethnic Groups, 1974 and 1991<sup>#</sup>

	Western Jews		Eastern Jews		Christian Palestinians		Muslim Palestinians	
	1974	1991	1974	1991	1974	1991	1974	1991
<b>Elementary schooling</b>								
Father's education								
Primary	0.694*	0.366*	0.568*	0.025	1.573*	0.847*	1.395*	0.441*
	(0.151)	(0.049)	(0.173)	(0.042)	(0.378)	(0.192)	(0.295)	(0.093)
Secondary and Higher	0.697*	0.367*	0.580*	0.032	2.876*	0.864*	0.760	0.419
	(0.157)	(0.050)	(0.273)	(0.063)	(1.153)	(0.350)	(1.032)	(0.228)
Father's occupational Prestige	0.001	0.000	0.001	0.001	0.002	0.005	0.013	0.002
	(0.002)	(0.000)	(0.005)	(0.001)	(0.013)	(0.005)	(0.010)	(0.003)
Father's employment status (employees= 1)	-0.040	-0.051*	0.137	0.074	-0.728	-0.108	0.088	0.090
	(0.060)	(0.022)	(0.156)	(0.041)	(0.509)	(0.179)	(0.308)	(0.094)
Number of siblings	-0.017	-0.037*	-0.030	-0.014	-0.116	-0.052	0.089	-0.019
	(0.019)	(0.007)	(0.031)	(0.008)	(0.076)	(0.033)	(0.049)	(0.017)
Age	-0.001	-0.002	-0.032*	-0.014*	-0.082*	-0.017*	-0.120*	-0.043*
	(0.003)	(0.002)	(0.010)	(0.002)	(0.019)	(0.008)	(0.013)	(0.005)
Constant	7.326	7.791	8.332	8.403	9.832	7.818	8.780	8.954
Adjusted R <sup>2</sup>	<b>0.049</b>	<b>0.100</b>	<b>0.054</b>	<b>0.041</b>	<b>0.244</b>	<b>0.166</b>	<b>0.246</b>	<b>0.181</b>
<b>Secondary schooling</b>								
Father's education								
Primary	1.211*	1.026*	0.862*	0.596*	0.872*	1.501*	0.797*	1.257*
	(0.322)	(0.132)	(0.199)	(0.101)	(0.304)	(0.303)	(0.126)	(0.137)
Secondary and Higher	1.539*	1.166*	1.588*	0.841*	2.003*	2.642*	1.703*	1.866*
	(0.336)	(0.134)	(0.315)	(0.150)	(0.927)	(0.553)	(0.443)	(0.337)
Father's occupational Prestige	0.007*	0.003*	0.008	0.005*	0.006	0.004	0.011*	0.009*
	(0.003)	(0.001)	(0.006)	(0.002)	(0.010)	(0.007)	(0.004)	(0.004)

Father's employment status (employees= 1)	-0.123 (0.128)	-0.027 (0.058)	0.288 (0.180)	-0.022 (0.098)	-0.189 (0.409)	-0.405 (0.283)	0.098 (0.132)	0.082 (0.139)
Number of siblings	-0.127* (0.040)	-0.124* (0.029)	-0.035 (0.035)	-0.115* (0.019)	-0.159* (0.061)	-0.119* (0.051)	-0.012 (0.019)	-0.095* (0.026)
Age	-0.018* (0.007)	-0.014* (0.003)	-0.019* (0.012)	-0.047* (0.006)	-0.022 (0.016)	-0.028* (0.013)	-0.015* (0.005)	-0.046* (0.008)
Constant	2.617	3.353	1.272	4.685	2.298	2.785	0.601	3.522
Adjusted R <sup>2</sup>	0.129	0.164	0.124	0.184	0.117	0.259	0.125	0.256

### *Post-secondary schooling*

Father's education								
Primary	0.498 (0.497)	0.929* (0.310)	0.344* (0.139)	0.313* (0.099)	0.521* (0.177)	0.901* (0.329)	0.424* (0.077)	0.571* (0.116)
Secondary and Higher	0.642 (0.519)	1.737* (0.317)	0.838* (0.221)	0.721* (0.147)	0.200 (0.541)	1.565* (0.602)	0.566* (0.270)	1.243* (0.285)
Father's occupational Prestige	0.011* (0.004)	0.009* (0.002)	0.004 (0.004)	0.007* (0.002)	-0.004 (0.006)	0.015 (0.008)	0.006* (0.003)	0.007* (0.003)
Father's employment status (employees= 1)	-0.100 (0.198)	0.135 (0.136)	0.063 (0.126)	0.056 (0.096)	-0.295 (0.239)	0.165 (0.308)	0.062 (0.081)	0.034 (0.117)
Number of siblings	-0.145* (0.062)	-0.267* (0.046)	-0.027 (0.025)	0.033 (0.018)	-0.021 (0.035)	-0.034 (0.056)	-0.015 (0.012)	-0.029 (0.022)
Age	-0.008 (0.011)	0.016* (0.008)	-0.004 (0.008)	-0.003 (0.006)	-0.009 (0.009)	-0.007 (0.014)	-0.005 (0.003)	-0.011* (0.006)
Constant	1.096	0.301	0.254	0.521	0.733	0.311	0.174	0.343
Adjusted R <sup>2</sup>	<b>0.036</b>	<b>0.137</b>	<b>0.058</b>	<b>0.071</b>	<b>0.052</b>	<b>0.107</b>	<b>0.091</b>	<b>0.075</b>

Notes: # Unstandardized coefficients; standard errors are in parentheses. \* Significant at the 0.05 level.

## Conclusions and Discussion

This chapter has been concerned with the changes in socioeconomic standings of the three main minorities in Israel between 1974 and 1991. A growing gap between Easterners and the two Palestinian ones, we hypothesized, would indicate the power of nationalistic ideology in shaping the socioeconomic order (H1). The stabilization of a system in which Easterners and Christian Palestinians are positioned below Westerners but above Muslim Palestinians would most fit class reproduction theories and split labor market models (H2). Finally, narrowed gaps between Eastern Jews and the two Palestinian groups would indicate the capability of structural elements, such as residential segregation and ethnic economy, to counteract the effects of the pervasive nationalistic ideology in Israel (H3). As was expected from all perspectives, the supremacy of Westerners has remained conspicuous and is evident in all aspects of stratification.

In terms of average years of schooling, all gaps diminished; education became much more egalitarian. But this equality in average schooling reflects the expansion of primary and secondary education, which became less valuable in achieving occupational prestige. In post-

secondary education, which grew in significance, the gap between Westerners and all other groups was extremely large, but most significant for our argument here, *Muslims and Easterners had similar rates* in achieving higher education, and Christians had much higher rates than both. While the average schooling figures show that the Easterners still had an advantage over Palestinians—more than a year relative to Muslims—these figures seem to reflect the very low schooling of older Palestinians. When we look at younger cohorts, we see that Palestinians actually had an advantage over Easterners. For example, among the 25–34-year-old individuals, 11.2 percent of Muslim Palestinians completed sixteen years of education or more, compared with 6.6 percent of Easterners. The educational picture thus strongly supported *H3* (cf. Haberfeld and Cohen 1998; Mazawi 1995).

The picture of occupational distribution is more complex. The dissimilarity indices show that all groups became more similar,<sup>11</sup> especially the three minority groups. But while all four groups enjoyed an increase in the average occupational prestige, the change was much larger in the case of the two Palestinian groups. These results lean toward *H3*, but a refined look at the breakdown into occupational categories shows that big differences endured. Seventy-two percent of all Muslim workers were still manual laborers, more than half of them in non-skilled capacities. Among Easterners only 54 percent were manual workers, more than half of them in the upper manual category. More Christians than Easterners were manual workers (65 percent), but two-thirds of the former were skilled workers. The persistence of the gap between Muslims and Easterners gives more support to *7/2*, but since this gap is nevertheless smaller than in 1974, *H3* is not ruled out. Additional evidence supporting *H3* is the fact that Palestinians gained higher rewards for post-secondary education than Jews (Easterners and Westerners), probably due to the lack of competition with Jews in the Palestinian sector.

While the situation of both Palestinian groups improved between 1974 and 1991, Christians remained far ahead of Muslims. In average schooling the large gap of 1974 (2.3 years) had narrowed to 0.4 years (Table 10.3), but a large gap had opened in post-secondary education. As a result, one out of five Christians gained an academic degree, compared with one out of eight Muslims (Table 10.3). The two groups became much more similar also regarding their occupational enrollment (Table 10.2b), but this statistic reflects the steep drop in the number of agricultural and unskilled workers among Muslims and the rise of skilled workers. Meanwhile, Christians entered professional jobs in larger numbers, achieving similar proportions to Easterners. Given these findings, we conclude that the internal Palestinian gap did not narrow. However, we cannot determine whether it remained stable, as predicted by *7/2*, or grew wider, as hypothesized by *7/7*.

The evidence cited in this chapter shows that despite the domination of Jews in Israel, the gaps between Palestinian minorities and the Jewish minority (Easterners) narrowed, and in some respects closed altogether. Had we studied inner-Jewish relations alone, we might have concluded that the inferior status of Easterners reflected the potency of their discrimination by Westerners. Similarly, if we studied Palestinian-Jewish relations alone, we might have concluded that the inferior status of Palestinians reflected the potency of their discrimination by all Jews. By comparing the relative achievements of both Easterners and Palestinians, however, we found that their fates were not as different as we expected based on the gap in the level of prejudice and discrimination of both groups. Our findings illustrate the strength of structural forces, which enabled Palestinians to reduce the socioeconomic gap between them and Easterners.

A word of caution is needed. The relative improvement in the situation of Palestinians should not be mistaken for full equality or even the beginning of a trend toward such equality. As

described in our introductory section, ethnicity exerts a broad impact on the life chances of individuals in all spheres. Talented Easterners or those from more affluent backgrounds, for example, can enter the higher ranks of the occupational structure more easily than can Palestinians. Furthermore, given the limited, peripheral, and very competitive nature of the Palestinian economy (Haidar 1995; Khalidi 1988; Schnell et al. 1995), and given the dearth of resources available for Palestinian municipalities, it is questionable how far the Palestinian economy and the Palestinian public sector will be able to offer jobs to educated Palestinians in the future (see Al-Haj 1987; Lewin-Epstein et al. 1994, pp. 30–5).<sup>12</sup> In the absence of advanced industry the possibilities for upward mobility are limited, and the Jewish private sector shows little willingness to open more jobs to Palestinians (Lewin-Epstein et al. 1994, p. 28). While the improvement of education and employment of Palestinian citizens of Israel may explain their political quiescence so far, Palestinians will not always compare themselves with the older generations. As the Eastern Jews have done, Palestinians may also demand more equality with Westerners, and their demands will compete with those of Easterners, unless the two groups unite for political action, which is an unlikely development at present.

These reservations notwithstanding, our claim is that if we wish to understand the socioeconomic positions of individuals, it is not enough to consider ideological factors alone. We must also look at the specific circumstances that shape the educational, occupational, and economic options available to various groups. Only with considerable difficulty can Palestinians penetrate the primary labor market or the higher ranks of the public sector, but they can draw on ethnic resources unavailable for Easterners to reach middle-rank positions in the Palestinian segments of both the public and the private sectors (Shavit 1992). Of course, this protection from competition with the dominant group of Easterners, which is a consequence of Palestinians' social and geographical segregation, is not unrelated to cultural factors. Palestinians are segregated because of the deep ethnocentric ideology of the Jewish majority, a cultural phenomenon that emerged in Europe. For this reason, we believe that a Weberian synthesis is necessary. The Jewish nationalist ideology, the eurocentric views of Westerners, the post-colonial struggle between Jews and Palestinians, and inner cleavages among Palestinians are all political and cultural factors that have shaped the differential educational and economic opportunities of the ethnic groups in Israel.

The lesson from the Israeli case, however, is that one cannot predict the standing of minority groups merely by recognizing how the dominant ideology perceives them. Even when ideology has real effects on policymaking, budgeting, and the behavior of real people, unexpected outcomes may advantage less favored groups. In our case, the reluctance of Jews to associate with Palestinians and the professed acceptance of Easterners as equals actually worked in favor of Palestinians. The best illustration is vocational high schools: an expensive investment intended to advance Easterners that may have resulted in providing them with fewer occupational opportunities. Similar mechanisms may work in other multiethnic societies, in which the state is identified with one ethnic group, which is, in itself, internally divided into subgroups. In such cases, the subordinate groups *within the larger majority* group may benefit from greater social acceptance, but at the same time they must compete directly with the superior subgroups within their own group. Other subordinate groups, which are not part of the majority, may suffer more from discrimination, but due to the very fact of their exclusion, they may also rely to a larger extent on internal resources and organization.



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## Notes

1. Students of Israeli society distinguish between a “nationalist” cleavage (between Palestinians and Jews), an “ethnic” cleavage (between Jews of various origins), and a “religious” cleavage (between Muslim and Christian Palestinians). By contrast, we follow Bonacich, who does not differentiate all those sentiments that divide “people along lines of shared ancestry.” including ethnocentrism, racism, nationalism, and tribalism (1980, p. 9; see also Eriksen 1992, p. 3).
2. But even modernization theorists were careful enough to notice that racial minorities find it more difficult to assimilate due to their physiological characteristics even when they adopt the dominant culture (e.g., Warner and Srole 1945, p. 285).
3. Palestinian-Jewish alliances of workers occurred only in a few industries in which Jews could not drive the Palestinians out or down to lower levels of occupations (e.g., in British military facilities), and even there cooperation was under pressure of nationalism from both sides (Bernstein 1998; cf. Hanf 1988).
4. Recently, there have been more studies that compare the standing of Easterners and Palestinians, for example, Yiftachel 1997; Haberfeld and Cohen 1998. Very few studies, however, separate the Christians from the Muslims as we have done here.
5. The following multivariate analyses are based only on those respondents who reported on all the variables included in our regression analysis. This methodological decision excluded 657 respondents in 1974 and 519 in 1991. The occupational prestige and education distributions of the excluded respondents were not significantly different from the distributions of those included in our analysis.
6. Since we measured education by years of schooling, we assumed that those with 15 years or more had obtained an academic degree. However, we should not assume that those with 13 or 14 years of schooling have dropped out of university; they may have studied in post-secondary programs that do not lead to an academic degree.
7. We used the three educational splines, because schooling measured by years of education is not linearly correlated with occupational prestige. See Kraus and Hodge 1990.
8. Due to its complexity, the fourth equation is not presented here but is available on request from the authors.
9. A caveat here is that we have ignored the impact of immigration. If well-educated individuals, who cannot find jobs because of their origins, migrate to other countries, our analysis would fail to reveal it (see Lustick 1980, pp. 23 and 280n; Cohen and Haberfeld 1997).
10. The attainment of elementary education did differ among the four groups in 1974. For the sake of brevity, the coefficients obtained from this equation are not presented here but are available from the authors upon request.



11. Partly attributed to the entrance of non-citizen Palestinians from the occupied territories and foreign workers into the lower levels of the occupational structure.
12. See our qualification in note 9 regarding emigration. It is possible that some well-educated Palestinians have left Israel because they could not find suitable jobs.

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# 11

## **Incorporation without Integration: Palestinian Citizens in Israel's Labor Market**

*Ahmad H. Sa'di*

### **Introduction**

Since the establishment of Israel in 1948, the Palestinians who became citizens of the state have been concentrated in the blue-collar, least well paid, and least secure jobs.<sup>1</sup> The abundant research produced on their position in the Israeli labor market has thus far failed to account satisfactorily for two essential factors relating to the reproduction of this disadvantage: the political status of the Palestinian citizens in light of the Jewish nature of the state, and the changes that have taken place in the Israeli economy.

For example, Moshe Semyonov and Noah Lewin-Epstein, two leading Israeli sociologists, who intensively studied the position of the Palestinian citizens in the Israeli labor market, have not analyzed in a systematic way either of the two factors mentioned above. Instead, they described the differences between Jews and Palestinians in the processes of status attainment, the impact of residential segregation of the Palestinian citizens on their employment opportunities, and the changes in the occupational disparities between Jews and Palestinian citizens as a result of the entrance of Palestinians from the occupied territories into the Israeli labor market (Semyonov 1988; Lewin-Epstein and Semyonov 1986; Semyonov and Lewin-Epstein 1989; Semyonov and Yuchtman-Yaar 1992; Semyonov and Tyree 1981). By doing so, they identified the impact of some structural and personal variables (mainly education) on employment opportunities and levels of income, but did not explain the underlying causes for the reproduction of the minority's disadvantaged position. Their obliviousness to the role of the state in creating development in some regions ("residential areas"-in their words) and underdevelopment in others, and in employing various mechanisms (including laws and regulations) to allocate workers to functions and positions in the labor market, is quite astonishing in light of the dominant role that the state has assumed in managing the economy, and the ongoing debate on the status of the Palestinian citizens in the Israeli state and society

(Kretzmer 1987; Peled 1992; Sa'di 1992; Haidar 1993). In the same vein, Shavit (1992) analyzed the Palestinian enclave economy. Although the concept "enclave economy" has been used to describe certain economic activities of migrant minorities (especially in the United States and Britain), he did not offer an explanation for the appearance of the same phenomena among an indigenous population.

Researchers who have analyzed the impact of the political and ideological factors on the disadvantaged position of the Palestinian citizens in the labor market (Zureik 1979; Lustick 1980; Shaliv 1992) have not been able to show how operationally these factors dominate the process of constant allocation of workers to jobs and economic sectors in a situation of continual, and occasionally fast, economic change. Overall, the existing research has failed to link the processes of stratification, which lead to the reproduction of the Palestinian citizens' disadvantaged position in the labor market, with the political economy of Israel. This research represents an attempt to fill this gap.

## **The Origin of the Antagonism**

During the Mandate period (1920–1948), the Yishuv (the Jewish community in Palestine) succeeded in establishing a modern capitalist economy, which relied heavily on the import of capital. Meanwhile, the Palestinian society was experiencing the constitution of a capitalist mode of production following the incorporation of Palestine into the World Capitalist System—a process that began in the first half of the nineteenth century. The development of capitalism in Palestine was manifested in the commodification of the land (a process whose formalization began with the publication of the Ottoman Land Code in 1858), the appearance of a stratum of waged laborers, and the growing specialization in a small number of items for export. The development of capitalism, along with the dramatic growth of the population, led to a polarization in the countryside, and consequently, to a growing number of seasonal and permanent wage laborers (Owen 1981; Smilianskaya 1966). These workers looked for employment opportunities in the public sector (managed by the Mandatory government), the Palestinian sector, and the Jewish colonies (The vast majority of which were established on land cultivated by Palestinian peasants).

The attitude of the Yishuv towards the employment of the Palestinians was contradictory. On the one hand, to create a valid economic base similar to other settler societies, the Yishuv had to exploit the cheap labor of the indigenous population while, on the other hand, the fulfillment of the Zionist project necessitated successful absorption of immigrant Jews in the largest possible numbers. This contradiction reflected interests of capital owners and property-less immigrants, especially those who were either unable to become planters due to shortage of agricultural land at the disposal of the colonizing bodies, or who—for a variety of reasons—saw wage labor as their long-term prospect (e.g., Shafir 1989). The property-less Jewish immigrants wanted to exclude Palestinians from the labor market in the colonies in order to secure their employment and to keep their European standards of living. To achieve this end, they waged a struggle under the slogan of "Hebrew Work," advocating their right to receive priority in getting employment in the Jewish sector. The Histadrut (the General Organization of the Hebrew Workers in the Land of Israel), established in 1920 as a trade union of the Jewish workers, headed the "Hebrew Work" campaign, and advocated a strong nationalistic stand, while paying only lip-service to working class solidarity (Mansur 1937, p. 6; Shaliv 1992, pp. 40–44; Teveth 1985).

Moreover, in its companies (mainly Solel Boneh), which were awarded contracts for establishing public projects, the Histadrut created a division of labor (skilled versus unskilled) along national lines, and two wage scales: one for Jewish workers and another for the indigenous Palestinians (Mansur 1937, pp. 33–41; Graham-Brown 1980; Sussman 1974). The Jewish Agency and the Histadrut endeavored to expand this division of labor to the public sector by lobbying the Mandatory Government to increase the number of jobs in the civil service allotted to Jews, and to award contracts to Jewish-owned companies (Mansur 1937; Sussman 1974, pp. 40–41).

Along with these attempts to exclude Palestinian workers where it was possible, and to create a division of labor according to nationality where it was not, an ideology advocating “more civilized work conditions” for Jewish laborers (of European origin) was advanced. It justified the creation of two wage scales according to nationality by referring to the differences in the two communities’ standards of living (Ruppin 1971; Mansur 1937, p. 42).

## **The Incorporation of Palestinians in the Israeli Labor Market**

In 1948, Israel was established as a Jewish state, its *raison d’être* and objectives were articulated in Zionist terms. The pre-state Jewish and Zionist institutions that were established and acted in antagonism toward the Palestinians, such as the Jewish Agency and the Histadrut, were incorporated into the state apparatus. Moreover, Labor Zionism, which led the Yishuv and was responsible for the ideology and practice of “Hebrew Work” and the advocacy of two wage scales according to national lines, became the dominant political force in the country until 1977. Yet the Palestinians who remained within Israel’s borders (about 160,000 out of 900,000 persons) were given citizenship, and along with that, formal equality (Kretzmer 1988; Peled 1992).<sup>2</sup>

This new reality created contradictions between the nature of the state, the leading organizations and personalities in its apparatus, and the new political status of the Palestinians. The next two sections describe the ways in which the state has dealt with these contradictions.

## **The Period of Conditional Exclusion (1948–1966)**

Following the establishment of Israel, a Military Government was imposed on the Palestinian populated areas that lasted until 1966. Under this regime, the Palestinians were not allowed to leave their localities without a special permit. The massive Jewish immigration during the first three years of the statehood, which doubled the country’s population, coupled with severe economic difficulties, led to the creation of high rates of unemployment. To ensure that Jewish laborers got priority in receiving employment, and to prevent a situation in which they had to compete with Palestinian workers, the Military Government’s objectives were altered. Regulating the entrance of Palestinian workers into the Jewish labor market was substituted for preventing Palestinian refugees and citizens who were evicted from returning to their villages of origin. The policy of granting work permits to Palestinians was, thus, dictated by the need of the state/Jewish sector for working hands (Wiemer 1983). The Histadrut helped until 1960 in the implementation of this policy through its fight against unorganized (Palestinian) workers (Jiryis 1976). This conditional exclusion of the Palestinians from the labor market had two implications:

first, it made the continuity of the “Hebrew Work” ideology possible, and second, it converted the Palestinian labor force to a reserve army of labor for the Israeli economy.

Under these conditions the Palestinians were compelled to rely on local agriculture for their livelihood. Despite the massive confiscation, by the state, of Palestinian-owned land,<sup>3</sup> and the relocation of 10 percent of the Palestinians who became refugees in other localities (Rosenfeld 1978; Kamen 1987, p. 469), more than 53 percent of the Palestinian workforce was employed in 1956 in local agriculture<sup>4</sup>(CBS 1957, table 6).

The conditions in the labor market changed in the period 1955–1964. The spectacular economic growth in this period, epitomized by an average annual increase of the GNP of 10 percent, and an annual increase in export of 18 percent (Aharoni 1991, p. 234), led to a growing demand for new recruits to the expanding labor market. This rapid expansion of the economy, which was triggered by the import of capital by the state, mainly from West Germany, resulted in a dramatic increase in public expenditure, especially on developing the infrastructure, and on construction projects.<sup>5</sup> To mobilize the Palestinian workers to the state/Jewish labor market, gradual relaxations of the restrictions imposed on their movement were introduced.

This had two implications for the employment of the Palestinians. Firstly, it brought about a gradual decline in hidden unemployment in local agriculture; hence the number of those employed in this sector declined between 1956 and 1961 from 53 percent to only 38 percent of the labor force. Secondly, the Palestinians were employed in the insecure construction sector. For example, between 1956 and 1961, the Palestinian labor force grew by 10,000 workers, half of which was absorbed in construction (CBS 1957, table 6; 1963, table 30). The inflow of Palestinians into this sector, which was the stronghold of the “Hebrew Work” during the Mandate, led to an outflow of Jewish workers, and to a decline in the prestige and wages of construction workers as construction became an “Arab job.” This was especially so following the entrance of Palestinian workers from the West Bank and Gaza Strip to this sector after 1967 (Geva 1979, p. 39).

The slow economic growth in 1965, and in the first half of 1966, did not have a dramatic effect on the labor market, and in 1966 the Military Government was abolished, thus signaling the end of an era during which the state prevented the Palestinian workers through physical means from reaching the labor market. However, this change did not necessarily imply the abandonment of the “Hebrew Work” ideology.

## **The Incorporation of Palestinian Laborers after 1966**

Shortly after the abolition of the Military Government, a deep recession hit the country. The contraction of the labor market led to the demobilization of a significant proportion of the Palestinian workers. 1967 data reveals that 17 percent of the Palestinian workforce became unemployed, while the occupational definition of another 9.6 percent was not known. Additionally, local agriculture reabsorbed a considerable number of workers who were ejected from the state/Jewish labor market (CBS 1969, table X/10).

Israel’s victory in the 1967 war ended the recession and brought about a period of fast economic growth, which lasted until the 1973 war (Aharoni 1991, pp. 235–36). The labor market rapidly expanded to exceed its pre-recession levels and an increasing need emerged for new laborers. The Palestinians from the occupied West Bank and Gaza Strip substituted for the Palestinian citizens as a reserve army of workers. Thus, they became a pool of cheap laborers for



insecure, hazardous, and low-paid jobs. In light of this change, the function of the Palestinian citizens in the labor market was altered; instead of being a reserve army of labor, incorporated or excluded from the labor market according to the needs of the state/Jewish sector, they became a permanent-but by no means equal-segment of the Israeli workforce.

This gradual incorporation of the Palestinian citizens in the state/Jewish labor market has had various implications for their patterns of employment. First, they were employed in the sectors of the economy that the state/Jewish sector was interested in developing. Hence, the state's endeavor to secure decent housing for the Jewish population led to an inflow of Palestinian laborers to the construction sector, which substituted for agriculture in 1971 as the major source of employment for the Palestinians. The economic slowdown in the second half of the 1970s, and the decrease in the immigration of Jews, led to a decline in this sector. In 1980, industry became the leading sector employing Palestinian laborers (mainly in unskilled levels) (CBS 1973, 1981).

Secondly, within one generation the bulk of the Palestinian workforce was transformed from peasants to semi-skilled and unskilled workers in the state/Jewish economy. Thirdly, this mirrors the state policies of uneven development that led to a dramatic decline in the Palestinian sector's ability to generate development. For example, the share of self-employed and unpaid family members among the Palestinian workforce decreased between 1955 and 1990 from 45 percent to only 17 percent (CBS 1957, 1991, table 12.19).

## **A Split Labor Market**

The endeavors of the Jewish laborers to keep their favorable work conditions during the Yishuv and statehood epitomize strategies of higher paid labor in a multiethnic labor market, as described by Bonacich (1972, 1976). In her theory of the "Split Labor Market," Bonacich argues that ethnic antagonism in the labor market rises in situations where workers from various ethnic groups receive different prices for their labor. To keep their favorable status, the higher-paid labor attempts either to exclude lower-paid workers from the labor market altogether, or to create a division of labor along ethnic lines.<sup>6</sup>

In Israel, in addition to the Jewish-Palestinian cleavage, the labor force is stratified according to ethnicity: Ashkenazi versus Sepharadi Jews, and according to sex. While the two disadvantaged Jewish groups, Sepharadim and women, occupy a position that resembles in many of its aspects "transitional classes," unlike the Palestinians, they are considered part of the collective, and as such are included in the "common good" which the state promotes (Peled 1992). This creates a more complicated situation than the simple di-chotomous reality that Bonacich's model portrays. Therefore, there is a need to look at supplementary factors, namely the level of state intervention in the labor market, the state's readiness to sponsor or hinder the mobility of certain groups, and the nature of social citizenship (the state's care for the socioeconomic needs of various populations) awarded to the different groups. The following discussion will show that according to these parameters, the Jewish-Palestinian (despite intergroup divisions) cleavage is overriding.

The position of the Palestinian labor force is the outcome of contradictory forces acting for and against the creation of a division of labor along ethnic lines, and differential prices of labor. On the one hand, the historical and ideological forces that prevailed during the Mandate era, and the basic ideological commitment of the Israeli state, underscore the necessity to reproduce

significant features of a split labor market. While on the other, the inclusion of the Palestinian laborers since 1960 in the trade union, the Histadrut, along with the existence of various laws and regulations which regulate the conditions of work, tend to act, at least theoretically, in the opposite direction. To determine which of these conflicting trends has had the dominant influence in shaping the Israeli labor market, the variables that relate to the division of labor and the price of labor (wages, work hours and rates of unemployment) will be analyzed.

### ***Division of Labor***

Given the dynamic nature of labor markets under capitalism, it is essential to detect the changes in the Israeli occupational structure, and to account for the impact of these changes on the gaps between the Jewish and Palestinian occupational structures. To achieve this, the distribution of all laborers over the dichotomy of blue-collar-white-collar categories will be analyzed thus, describing the general trends. Then the distribution of Jewish and Palestinian laborers over these categories will be compared, using the Index of Dissimilarity measurement.

The data in [Table 11.1](#) shows that, as happened in other capitalist societies (e.g., Bohning 1981), there has been significant mobility in the Israeli labor force from blue-collar to white-collar jobs. The proportion of workers in blue-collar jobs declined between 1956 and 1990 from 65.8 percent to 43.6 percent. This change, which resulted from both structural changes in the economy and the entry of Palestinian laborers from the West Bank and Gaza Strip to the bottom of the Israeli occupational structure, led to the upward mobility of Jewish and Palestinian citizen laborers. Yet, it also sharpened the division of labor along national lines. The results of the Index of Dissimilarity show that the disparities between the occupational distribution of Jewish and Palestinian laborers has risen from 21 percent in 1956 to almost 35 percent in 1990. This reflects a growing segregation in the labor market; the proportion of Palestinians who work side by side with Jewish laborers has been constantly decreasing.

### ***Wage Disparities***

As with the division of labor, the disparities between the wages of Jewish and Palestinian laborers date back to the period of the Mandate. It is estimated that during the 1930s the Jewish workers' average monthly salary was double that of their Palestinian counterparts (Graham-Brown 1980, p. 128; Mansur 1937, pp. 33–4).

**TABLE 11.1**  
**The Percentage Distribution of Laborers by Nationality and the Dichotomy of Blue Collar-White Collar Occupations, 1956–1990**

Year/Occupation	Group of Laborers			Index of Dissimilarity
	All laborers	Jews	Palestinians	
1956				
Blue Collar	65.8	64.1	85.6	
White Collar	34.2	35.9	14.4	21.5
1962				
Blue Collar	60.7	58.9	84.9	
White Collar	39.3	41.1	15.1	26.0
1972				
Blue Collar	56.7	54.3	79.8	
White Collar	43.3	45.7	20.2	25.5
1982				
Blue Collar	46.8	37.5	71.3	
White Collar	53.2	62.5	28.7	33.8
1990				
Blue Collar	43.6	36.6	71.5	
White Collar	56.4	63.4	28.5	34.9

(Calculated from CBS 1957, table VI; 1963, table 30; 1973, table XII/i; 1983, tables XII/9, 3(11/17; 1991, tables 12.16, 12.18, 12.19).

During the first five years of statehood, the wages of Palestinian laborers who worked in the state/Jewish labor market were determined by the Military Government and they were significantly lower than the wages paid to Jewish workers (Jiryis 1976, p. 247). Furthermore, until 1960, Palestinian laborers were obliged to make payments toward health insurance, pensions, and Histadrut dues, even though they did not benefit from these schemes (Kamen 1987). Along with that, the ideology that advocated the creation of two wage scales according to nationality, continued to prevail during the first decade of the statehood (*ibid.*, p. 96).

The Histadrut's decision to open its ranks to Palestinian laborers in 1960 did not bring about a fundamental change. According to an estimate of laborers' wages in 1963, the average monthly income of employed Palestinians (employees and self-employed) did not exceed 65 percent of that of their Jewish counterparts (Zarhi and Achiezra 1966, p. 18).

The incorporation of the Palestinian laborers in the state/Jewish labor market after the abolishment of the Military Government did not help to narrow the wage gap either. Comprehensive data from the last census, which was carried out in 1983, reveals that the average gross monthly income of waged Palestinian workers did not exceed 59 percent of that of their Jewish counterparts.

**TABLE 11.2**  
**Employees' Gross Monthly Income in New Shekels, by Nationality and Sex, 1983\***

Economic Branch	Average Income					
	Total	Jews		Palestinians		
		Men	Women	Total	Men	Women
Agriculture, forestry and fishing	26.4	30.6	16.7	15.3	15.9	10.4
Industry, mining and manufacturing	33.5	38.2	20.0	17.1	18.4	11.9
Electricity and water	48.2	51.6	30.1	20.1	19.7	29.2
Construction	32.4	33.7	23.0	16.7	16.7	16.3
Commerce, restaurants and hotels	26.1	32.7	17.4	16.4	16.5	15.2
Transport, storage and communication	36.9	40.6	23.6	20.7	21.0	13.9
Financing and business services	34.5	46.2	24.6	21.8	23.8	15.7
Public and community services	30.3	40.1	23.4	23.1	25.0	19.1
Personal and other services	20.3	27.4	13.4	16.1	16.8	10.7
Unknown	21.2	24.7	15.7	15.2	16.1	10.6
Average	31.1	38.0	21.7	18.4	19.0	15.5

(CBS 1989, table 4).

\*The data in this table refer to wage laborers only.

Moreover, the wages of Palestinian workers were lower than the wages paid to their Jewish counterparts in each of the economic sectors. The average gross monthly income of male Palestinian workers was 50 percent of that of male Jewish workers. This shows that, despite the far-reaching political and economic changes that have taken place since the 1930s, there has not been progress in narrowing the wage gap.

In addition to the differences by nationality, the structure of earning of Israeli laborers is stratified according to sex. Female laborers earn less than males of the same nationality. However, as the fundamental cleavage in split labor markets is along national lines, the average wage of male Palestinian workers reached only 88 percent of that of female Jewish laborers. As to female Palestinian workers, they are “super-exploited” both because of their nationality and their sex. Their average income was 82 percent of that of male Palestinian laborers, and was 71 percent and 41 percent of the average income of female and male Jewish laborers, respectively.

**TABLE 11.3**  
**Employees' Income by Nationality and Years of Schooling\***

Years of Schooling	Nationality/Income		
	(1) Jews	(2) Palestinians	(2) as percent of (1)
0–4	17.9	15.7	87.7
5–8	22.9	16.8	73.4
9–12	28.0	18.0	64.3
13–15	34.3	23.0	67.1
16+	47.7	31.3	65.6
Average	31.1	18.4	59.2

CBS 1989, table 2).

\*The data in this table refer to wage laborers only.

National/ethnic affiliation in split labor markets is a stronger determinant than personal characteristics (Bonacich 1976), and it is important, therefore, to examine the impact of education—the most important personal variable in modern labor markets—on the level of wages of Jewish and Palestinian employees.

The data in [Table 11.3](#) confirms that for Jewish and Palestinian employees, income increases with the rise in the number of years of formal education. For example, Palestinian and Jewish employees with 16 or more years of education earned, on average, more than the employees from their respective groups with 0–4 years of schooling by 200 percent and 266 percent. However, the returns, in term of wages, for education are lower for Palestinian than for Jewish employees with the same educational level. Interestingly, the relative discrimination against Palestinians increases with the rise in their level of education. For example, while the average wage of Palestinians with 0–4 years of schooling was 88 percent of that of their Jewish counterparts, the average income of those with 16+ years of formal education did not exceed 65.6 percent of that of their Jewish counterparts.

### ***Hours of Work***

The wage gap between the Jewish and the Palestinian laborers is wider than the figures in [Tables 11.2](#) and [11.3](#) disclose, when variations in working time are taken into account. On average, all employed Palestinians (self-employed and employees) worked in 1986 more than their Jewish counterparts by 4.8 hours per week, while employees worked more by 5.3 hours. The differences were especially paramount in the personal services sector, reaching 20.8 hours per week (this sheds light on the relatively small gap in income between Jews and Palestinians in this sector).

**TABLE 11.4**  
**Average Weekly Work Hours per Employed Person and per Employee by Nationality and Economic Sector, 1986\***

Economic Sector	Average Work Hours					
	Employed			Employees		
	Jews	Palestinians	Difference	Jews	Palestinians	Difference
Agriculture, forestry and fishing	39.3	39.3	0.0	36.5	41.6	5.1
Industry, mining and manufacturing	38.2	42.5	4.3	38.2	42.6	4.4
Electricity and water	41.1	43.6	2.5	40.8	43.6	2.8
Construction	38.0	40.4	2.4	38.1	40.0	1.9
Commerce, restaurants and hotels	38.4	43.9	5.5	36.6	43.7	7.1
Transport, storage and communication	38.9	42.0	3.1	38.8	42.5	3.7
Financing and business services	36.6	42.7	6.1	35.6	41.4	5.3
Public and community businesses	30.7	33.6	2.9	30.7	33.5	2.8
Personal and other services	30.8	41.3	10.5	20.4	41.2	20.8
Total	35.3	40.1	4.8	34.5	39.8	5.3

(CBS 1988, table 42).

\* The category “employed” includes all the active workers in the workforce, while the category “employee” refers to waged laborers only.

Thus, although the Palestinians composed 11 percent of the labor force, their share of the country’s weekly work hours reached 12.4 percent. Unfortunately, there is no readily available data on the laborers’ income by hour of work. However, the figures in [Table 11.4](#) strongly indicate that the actual wage disparities between all Jewish and Palestinian laborers are higher than the ratio of 5:3, and between male laborers are higher than 2:1.

### ***Rates of Unemployment***

The high sensitivity towards unemployment of Jews, which prevailed during the Mandate period, continues to exist. As unemployment could lead to emigration of Jews, thus causing the failure of one of the major objectives of Israel—the gathering of the Jews—securing full employment has been a prime socioeconomic strategy that all the Israeli governments have pursued. When the rates of unemployment exceed what is conventionally considered the “acceptable level” of 4 percent, the rates of unemployment among the Palestinian workforce become higher than those prevailing among the Jewish labor force. This became especially salient during the period of the depression in 1966–67, and the period of slow-down, which has

been continuing since 1982.

**TABLE 11.5**  
**Levels of Unemployment among the Jewish and the Palestinian Workforce, 1966–1990**

Year	Jews	Palestinians	Year	Jews	Palestinians
1966	7.1%	11.2%	1978	3.5%	3.3%
1967	9.7%	17.7%	1982	4.8%	6.3%
1970	3.9%	3.4%	1986	6.6%	10.5%
1974	3.1%	2.8%	1990	9.4%	10.6%

(CBS 1969, table X/10; 1972, table XII/10; 1988b, table 72, table 12.26).

The ejection of Palestinian laborers from the labor market in relatively high numbers gives the state some flexibility in handling unemployment among the Jewish workforce. In this way it could minimize the effect of unemployment as a cause of Jewish emigration, despite the fluctuations in the size of the labor market. To understand the role of the Palestinians as “shock absorber,” there is a need to look more closely at the relations of the unemployed with the labor market.

Detailed data on the period 1981–1990, reveal that the majority of the unemployed Palestinians (69.3 percent) were previously active in the labor market. By contrast to that, only a minority of the unemployed Jews (47.9 percent) were previously active (Sa’di 1991a). This means that periods of slow-down and recession lead primarily to the ejection of Palestinians from the labor market and to a delay in the absorption of young Jews and new immigrants into it.

## **The Role of the State**

The state plays a dominant role in economic life; the development of some areas and the underdevelopment of others, and the emergence of certain affluent classes are determined, by and large, by state policies. The state has been the main source of capital for investment and expenditure. Its control of imported money (from West Germany, from the U.S. government and by receiving loans), in addition to the local resources it mobilizes through taxation, makes it the dominant economic force. For example, during the 1960s it was responsible for 85 percent of imported capital (Aharoni 1991, pp. 14–16). This capital was used for establishing governmental organizations, purchasing shares of private companies that faced difficulties, supporting Histadrut companies, financing public projects in certain areas, and channeling capital to private individuals. Rosenfeld and Carmi (1976) described a state-made middle class of Jewish-Ashkenazi origin whose affiliates made their fortune through governmental concession and subsidies, or getting managerial positions in the large public sector. Moreover, the private sector cannot act without governmental approval and support. Summarizing the dominant state’s role in this respect Sharkansky (1987) writes,

The well-being of each economic sector is likely to depend on one or another kind of governmental decision: favorable terms of credit; governmental purchase of company shares; the prices that can be charged for products or services; the exchange rates that is applied to the goods that a firm purchases from overseas .... (p. 15)



This role has continued through the 1970s and 1980s (e.g., *ibid.*, pp. 23–7). Two underlying principles guided the state’s economic policies: Zionist ideological commitments, and internal political alignments. Both Labor-led and Likud-led governments channeled state resources to their supporters (Aharoni 1991, p. 17).

## **Underdevelopment of the Palestinian Sector**

Not only did the state, for ideological and political reasons, refrain from channeling adequate resources to the Palestinian sector, but it used its authority to hamper the development of this sector, and to exercise direct discrimination against it (Zureik 1979; Lustick 1980; Sa’di 1992). This active policy of underdevelopment includes:

1. *Underdevelopment of Palestinian agriculture.* Until 1980, the state had taken over 70 percent of the Palestinian-owned land (Abu-Kishk 1981, p. 128). This deprived them of an income that they could have utilized to modernize this sector, and to support non-agricultural sectors. Moreover, the state, through its control of the vast majority of the arable land and the water, exercises discrimination in the allocation of these resources. In 1981, the “National Land” (owned by the state and the Jewish National Fund—a quasi-governmental organization) comprised 81.15 percent of the farm area; of that, only an insignificant part of 0.17 percent was leased to Palestinian farmers. And, while 56 percent of the arable land nationally was fitted with irrigation networks (i.e., receives water for irrigation), only 8.5 percent of the Palestinian lands were. Overall, what remains of Palestinian agriculture (which was, during the formative years of the state, the leading sector) is mainly small farm units which provide a limited subsidiary income for part of the rural population (for a discussion on this point see Sa’di 1992, pp. 194–97).
2. *The exclusion of Palestinian localities from lists of areas that are high priority areas.* One important device used by the state to invigorate economic development in areas facing economic difficulties is to give them a status of preferable developmental zone. Investors in such areas are given far-reaching incentives, such as: high subsidies, tax benefits, governmental grants and loans in favorable terms, etc. The developmental zones are classified into three categories according to a diminishing scale of the incentives given. The boundaries of these zones are usually drawn in such a way as to exclude the Palestinian localities (Kretzmer 1987, pp. 100, 168–9). The inclusion, from time to time, of a few Palestinian localities (one or two) in the category of the developmental zones, which entitles them to minimum state support, does not change the overall picture of exclusion of the Palestinian localities from this scheme.
3. *Lack of Histadrut investment in the Palestinian sector.* The Histadrut was until recently one of the dominant economic forces in the country. Its companies and the enterprises associated with it were responsible in 1985 for the production of 87 percent of the country’s agricultural produce, 28 percent of the industrial output, and 13 percent of the building constructed. It also owned more than 30 percent of bank branches. The Histadrut employs 25 percent of the country’s labor force, and the government employs a further 25 percent (Aharoni 1991, pp. 24–5; Sharkansky 1987, p. 27). Despite its monopolistic status as a trade union for all workers in Israel (including Palestinian citizens since 1960), and its proclaimed objective of supporting workers and working communities, the Histadrut joined

the government in its policy of underdeveloping the Palestinian sector. Thus far, it has refrained from making significant investments in the Palestinian sector, and its repeated announcements about ambitious plans of joint ventures with Palestinian citizen entrepreneurs to industrialize the Palestinian sector, remain unfulfilled (Khalidi 1988, pp. 161–9).

4. *The assignment of a major developmental role to Jewish organizations* (the Jewish Agency and the World Zionist Organization). These organizations were established in the pre-statehood era to support the Yishuv. Despite their nature as organizations that act for the benefit of only one nationality group, they continued to act after 1948, and in 1952 their status was formalized by a special law (which was amended in 1971). These organizations were assigned various functions that would normally be the state's responsibility. These include establishing access roads, preparation of the land for building, connection of the settlement with the national water supply and the electricity grid, etc. (Kretzmer 1987, pp. 68–9). By entrusting these organizations with the assignment of developing the infrastructure in the Jewish sector, and in light of the state's failure to create mechanisms for fulfilling similar assignment in the Palestinian sector, a duality in the quality of the infrastructure has appeared; a modern infrastructure has been established in the Jewish localities, while the infrastructure in the Palestinian localities remains underdeveloped. The underdevelopment of the infrastructure in the Palestinian localities constitutes a major factor in the overall underdevelopment of the Palestinian sector.

Through the various policies described above, the state and the quasi-governmental organizations underdeveloped the Palestinian sector, and laid the conditions for dependency of the Palestinian workforce on the employment opportunities that the state/Jewish sector offers. The gradual incorporation of the Palestinian citizen workers in the state/Jewish labor market, along with the reproduction of their disadvantaged position, necessitate the use of mechanisms for structural placement of laborers.

## **Mechanisms of Structural Placement of Workers**

Mechanisms for the structural placement of workers are employed to designate workers to functions and positions in the labor market. The following mechanisms have been employed by the Jewish majority, through the use of state apparatus, to define the terms under which the Palestinian citizens enter the labor market and to ensure that the highly rewarded professions remain dominated by Jewish employees.

1. *Regulating the entrance of Palestinian workers to the labor market.* As described before, the state handled the high rates of unemployment during the 1950s, and to a smaller degree during the 1960s, by regulating the entrance of the Palestinian workers to the state/Jewish labor market, through physical means, that is, the imposition of restrictions over their movement.

The re-emergence of a growing problem of unemployment after 1982, and the awareness on the part of the ruling elite that re-introduction of one kind or another of restrictions over the movement of Palestinian citizens had become politically unacceptable, called for a need for a new device of exclusion. In 1984, a law was passed, The Discharged Soldiers Law,

giving discharged soldiers preferential treatment when attempting to enter the labor market. They were given preference in the following work-related areas:

- a. being accepted for jobs in the public sector;
- b. being sent by the Labor Bureau to certain jobs;
- c. being accepted for occupational training;
- d. being accepted by universities; and
- e. in loans for higher education, in addition to subsidies for occupational training courses (Kretzmer 1987, p. 90).

As almost all the Jews are conscripted to the army and only a small minority of the Palestinians (mainly Druze), the military service criterion has been used to give preference to Jews without openly employing racial categorizations (see e.g., Waschitz 1975).

2. *Disadvantaging the Palestinians on the ground of credentials.* The disadvantaged position of the Palestinian citizens in the labor market is attributed by some researchers (e.g., Kraus 1988; Semyonov and Yuchtman-Yaar 1992) to their low educational attainments. Indeed, the state-established and state-run separate educational system for the Palestinians has not been able so far to equip the vast majority of students with the credentials needed to enter the labor market beyond low levels. For example, less than 40 percent of the age group, who were supposed to complete their secondary education in 1986 actually did so, and of these only 45 percent passed the Matriculation exams.<sup>7</sup> This means that not more than 18 percent of that age group were qualified for Matriculation certificates (for discussion of this point see Sa'di 1992, pp. 231–32). Further, only a minority of such graduates pursue college or university education.

The low quality of education available to the Palestinians ensures that their majority become employees in blue-collar jobs, but this does not stop a minority from receiving the credentials needed for highly valued, white-collar jobs. A growing stratum (in numbers) of Palestinians who finished their studies in Israeli universities or abroad has emerged. The employment opportunities open to them have been traditionally located in the local educational system and in the public sector's institutions operating in Palestinian localities. The decreasing ability of these venues, in the last two decades, to absorb the increasing number of graduates created a severe employment problem among them (Al-Haj 1988). For example, a survey of Palestinian citizen graduates of the Technion (a prestigious Israeli university for natural sciences) conducted in 1986 reveals that 42 percent of the graduates in mechanics, electricity, electronics and computer science, were either unemployed or worked in jobs that did not reflect their educational attainments (quoted in Rekhess 1988, p. 50).

These employment difficulties raise a serious question about the role of education in the reproduction of the division of labor: Is it a cause or a mediating mechanism? The data presented above and the example of graduates of medicine from foreign universities which will be described in the following section clearly point to the use of education by the state as a mechanism to reproduce the division of labor according to nationality. Thus, considering education as a cause of the disadvantaged position of the Palestinians seems to mislocate the real determinant.

3. *The use of direct mechanisms of exclusion.* In field research on the labor market at the firm level, Wolkinson (1989) reported on the widespread practice of exclusion of Palestinian

citizens. Twenty-two out of forty-eight firms surveyed, which are located in regions with significant concentrations of Palestinian residents, did not employ Palestinians. Plants owned by the state and the Histadrut took the lead; zero employment of Palestinian citizens was reported in 100 percent of the plants owned by the government, and in 75 percent of those owned by the Histadrut. The techniques of exclusion used include hiring Army veterans only (allegedly for security reasons) or giving them preference; recruiting workers from labor exchange offices for discharged veterans; using word-of-mouth recruitment methods; and using residency as a criterion for employment (the plants are situated in Jewish localities). Moreover, Palestinians are occasionally excluded on outright racist grounds.

The exclusion of Palestinian citizens from nonmanual jobs is more widespread. Wolkinson (1989) found that in only one plant was a Palestinian employed in a managerial position (where he was one out of fifteen), and in only six plants were Palestinians employed in professional and technical positions. Four out of these six plants employed only a single Palestinian in these classifications. In addition to the above-mentioned methods of exclusion, Palestinians are not accepted for such positions as a result of recruitment methods, which are biased by practice if not by design: for example, personal interviews, whose results are effected by prejudices and stereotypes, and aptitude tests, which are culturally biased and bear only a very limited relevance to the requirements of the job.

The state plays both passive and active roles in making the use of mechanisms of direct exclusion possible. On the passive side, it has refrained so far from passing laws that would make discrimination on the ground of nationality hard, if not impossible, to practice, and from passing laws of a strong affirmative action orientation, while, on the active side, the state itself has introduced various practices of direct exclusion. For example, during the 1980s a relatively large number of Palestinians accomplished their studies in medicine at foreign universities (mainly in Italy and the then-communist countries in Eastern Europe). Their employment as physicians—a highly esteemed profession—would have challenged the existing division of labor. The state stopped this development by the introduction of an official licensing examination for graduates in medicine from foreign universities (the majority of which are Palestinians).<sup>8</sup> The success rate among Palestinian examinees during the first two years of the existence of this exam was about 15 percent (Sa'di 1991b).

Through the policies of underdevelopment, the state and the quasi-governmental organizations made Palestinian citizens dependent on the employment opportunities in the state/Jewish sector, while through the mechanisms of exclusion, the state created the conditions for the reproduction of their concentration in blue-collar, least well paid, and insecure jobs. Furthermore, different mechanisms have been used to ensure that Jewish workers have priority in receiving employment during periods of high unemployment.

## **Implications**

The implications of the existence and reproduction of the Israeli split labor market for the Palestinians has been analyzed so far. In this section, the impact of this situation on the Jewish majority will be briefly discussed.

First, the situation in the labor market gives rise to, and legitimizes anti-Palestinian prejudices,

stereotypes, and discriminatory attitudes and behaviors. The dominant ideology is transferred and articulated by the majority group at various levels of sophistication; the lower and less educated classes tend more often to use an outright racist language and to employ racial categorizations (e.g., Peres 1977). Moreover, they are more susceptible to radical, right wing rhetoric (Seliktar 1984). Meanwhile the more educated classes tend to develop a system of arguments to justify this reality. This difference, also, reflects the objective conditions of each group in the labor market.

The Jewish working class (mainly of Oriental origin) has been able to improve its position in the labor market, and large sections of its ranks become an “aristocracy of labor,” due to discrimination against Palestinian citizens, and the subjection of Palestinian workers from the West Bank and Gaza Strip.<sup>9</sup> As mentioned before, during the 1950s and 1960s, the restrictions imposed on the movement of Palestinians aimed to facilitate the entry of Oriental Jewish immigrants into the labor market and to protect them from competition from Palestinians. At later stages their gains in the labor market were secured through a variety of laws and regulations. In addition to that, Swirski (1989) pointed to the existence of a wide variety of jobs in the state control and coercive apparatus that deal with the Palestinians, and are dominated by Oriental Jews, including the secret services, departments of “Arab Affairs” at the various government ministries, political parties and the Histadrut, the Office of the Prime Minister’s advisor on Arab Affairs, etc. (Swirski 1989, pp. 53–5). Therefore, the intensive use of the racial boundary by the Jewish working class became an immediate means of improving their life chances.

In contrast, Jewish persons from the middle and upper classes have a stronger feeling of security in their positions, and are less likely to face competition by Palestinians. Moreover, the benefits they gain as a result of the existence of a split labor market are indirect and less tangible.

Second, the location of Palestinian laborers, both citizens and non-citizens, at the bottom of the Israeli occupational structure has a cohesive function for the Jewish society. On the one hand, it gives the Jewish working class symbolic rewards due to their affiliation to the ruling national group. On the other, it increases the state’s ability to co-opt and to render material rewards to larger segments of the Jewish population.

Third, the state has been able to advance “national [Zionist] aims,” mainly absorbing immigrants, without using Jewish laborers to perform physically demanding jobs in developing the infrastructure and in construction. Thus, the Jewish working class was not obliged to make significant sacrifices-in terms of socioeconomic mobility and the performance of physically demanded jobs-for the advancement of Zionist objectives.

## Conclusion

The changes in the structure of the Israeli split labor market have not brought about a significant change in its outcome for Palestinian citizen employees; their gradual incorporation into the state/Jewish labor market did not result in their integration. Instead they were over-concentrated in the blue-collar, least well-paid and insecure jobs.

It was argued that the position and function of the Palestinian citizen employees cannot be adequately explained by variables relating to the process of stratification, such as human resources (education, age, sex, etc.), residential area, and the opportunities available to different cohort groups. The causes for this reservation are twofold: first, these variables can at best

describe a given reality without offering an explanation for its occurrence or reproduction. For example, education is indeed an important human capital for occupational attainment and determining the level of income in capitalist labor markets. However, in various cases such as Israel, education is used as a mediating variable through which the disadvantaged position of minorities in the labor market is reproduced by denying minorities equal educational opportunities-thus, identifying poor education levels as an explanation for low occupational attainments mislocates the real cause.

The second criticism has to do with the inadequate attention given to the state's role in shaping and reproducing certain patterns in the labor market. This lack of attention creates a misleading picture of the economy and the labor market as enjoying a high degree of autonomy from the state.

An alternative approach suggested in this article views the ability of the higher-paid Jewish employees to maintain their position, and the subordination of Palestinian citizens in the labor market as a result of identity of interests between the state, the main capitalist body, and the Jewish employees. The state acted directly through laws and regulations, and indirectly through quasi-governmental bodies, to protect the interest of the Jewish employees by keeping the division of labor along ethnic lines and the different price of labor of Jewish and Palestinian employees. The state has been able to act according to ideological motives at the expense of economic rationality, in part, because of its ability to mobilize capital from outside sources at favorable terms.

Consequently, it seems that as long as the existing political and ideological forces continue to dominate the labor market in Israel, its split nature will prevail and the subordination of the Palestinian employees will, also, be maintained.

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## Notes

1. This chapter is about the Palestinian citizens of Israel who live within the 1948 borders. The term Palestinians is used occasionally as short-hand for this population. Whenever Palestinian residents of the West Bank and Gaza Strip are mentioned, they are described as the Palestinians from the West Bank and the Gaza Strip.
2. The Palestinians who remained within the 1948 borders of Israel were given citizenship in accordance with the 1947 UN Partition Resolution-181 (11).
3. Already by the mid-1960s the state had accomplished the confiscation of about 60 percent of the Palestinian-owned lands.
4. Rosenfeld (1964) identified the hidden unemployment in Palestinian agriculture, during the 1950s and early 1960s, as a main hindrance for the introduction of mechanization to this

sector, and for under-utilization of the machinery that was available.

5. This was in accordance with the Reparation Agreement between the two countries, signed in 1952; the payment installments began in 1954.
6. The expression “division of labor along ethnic/national lines” is used in this chapter instead of Bonacich’s rigid term “caste.”
7. Various reasons for the low rate of students who obtain Matrcertificates have been mentioned in the literature, mainly the wide belief by students that they will not be able to get employment in highly valued positions, and underfunding of the Palestinian educational system by the state. For example, the State Comptroller’s report of 1992 revealed that the state expenditure per Palestinian student was about one-third of its expenditure per Jewish student.
8. Separate and far easier exams were introduced to Jewish immigrants with medical degrees. Consequently, the success rates among them are significantly higher than among Palestinian graduates.
9. Since 1992, the Israeli state adopted a policy of conditional exclusion of Palestinian workers from the occupied territories, as a result of security reasons and a growing desire to decrease the level of unemployment among the Jewish workers. The Israeli government hopes that this will lead to an increase in the wages paid to workers in blue-collar jobs, and consequently motivate Jewish workers to accept jobs that were previously defined by the Jewish public as “Arab Jobs.”

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## **Migration Regimes, Intra-State Conflicts, and the Politics of Exclusion and Inclusion: Migrant Workers in the Israeli Welfare State**

*Zeev Rosenhek*

Since T. H. Marshall's (1950) seminal work on the link between the dynamics of citizenship and the institutionalization of social rights, the welfare state has become a central research site for the study of inclusionary and exclusionary processes. In recent years, important theoretical and empirical efforts have been invested in the examination of ideological, political, and institutional factors underlying processes of exclusion and inclusion of subordinate groups—especially women and ethnic minorities—in the welfare state (e.g., O'Connor 1996; Quadagno 1994; Sainsbury 1996). Labor migrants present an especially interesting case of incorporation. Since the development of the concept of social rights corresponds historically with the consolidation of the nation-state and the extension of citizenship, their presence in Western countries represents a basic challenge to the exclusionary character of the welfare state. Hence, the migrants' status in the system of distribution of social rights emerged as an important topic in the analysis of welfare state dynamics and in the study of the constitution of differential categories of membership in democratic polities.

The aim of this chapter is to analyze the politics of exclusion and inclusion of migrant workers in the Israeli welfare state. Substantial numbers of contract workers have been imported to Israel since 1993 in replacement of the Palestinian workers from the occupied territories. At the same time, growing numbers of undocumented migrant workers have entered the country spontaneously. Some 80,000 documented and from 50,000–100,000 undocumented labor migrants currently reside in Israel, working in the least desirable occupations in the secondary labor market. The employment and living conditions of these migrant workers, as well as the social and political significance of their presence for Israeli society, are commanding considerable public and political attention. This chapter examines the links between the design and implementation of welfare policy toward labor migrants and the institutional setting represented by the migration regime dominant in Israel, which has as a fundamental

characteristic a highly restrictive disposition regarding the immigration of non-Jews.

My claim is that, while the policy implemented is marked by strong exclusionary practices, there are also inclusionary trends seemingly contrary to the basic assumptions of the Israeli migration regime. I analyze this tension considering the conflicts between different state agencies concerning the provision of social benefits and services to migrant workers. Instead of referring to the state as a homogeneous apparatus, I examine the divergent modes of operation of different state agencies and the diverse institutional interests within the state that shape policy formulation and implementation. This conceptualization of the state as a heterogeneous entity sheds light on the complexities of the politics of inclusion and exclusion. The analysis contributes to, from a neo-institutionalist perspective, the examination of policy innovations that challenge the principles of hegemonic institutional settings, claiming that new agendas and interests developed by state agencies and intra-state tensions play a crucial role in these processes.

Before proceeding with the examination of the Israeli case, I introduce some analytical and empirical links between the dynamics of the welfare state and the incorporation of labor migrants in Western welfare states. In the next section, I present and discuss the concept of migration regime as an institutional setting, focusing on its connection to the politics of exclusion and inclusion. I then refer to the replacement of Palestinian frontier workers by migrant labor in the early 1990s and the challenges this presented to the Israeli state. Thereafter, I assess the extent to which migrant workers—both documented and undocumented—are included in various fields of social security and services in Israel, describing the diverse institutional arrangements through which the services are provided and analyzing the intra-state politics of policy formulation and implementation.

## **The Welfare State and Labor Migration**

Labor migration flows to Western countries have raised important questions concerning the functioning of the welfare state and its links to processes of political, economic, and social incorporation. A central topic refers to the political and institutional processes that determine whether migrant workers are entitled to social rights and to what extent. The principle of closure, it has been noted, represents a key factor in the functioning and legitimization of the national welfare state (Freeman 1986). Due to the close connection between the emergence of the welfare state and the nation-state, access to social services and benefits was generally articulated in terms of membership in the national polity, reflecting the coupling between the two primary components of citizenship: identity and rights (Soysal 1994). Yet, the presence of migrant workers posed a basic challenge to this articulation, raising the political issue of distribution of social rights to non-citizens and making the exclusionary character of the welfare state increasingly difficult to maintain (Bommes 1995; Faist 1994; Freeman 1986; Soysal 1994). The challenge became more significant when, mainly as a consequence of family reunification processes, the maintenance and reproduction needs of the migrant population came to the fore of the public agenda (Layton-Henry 1990).

The general trend has been one of gradual assumption of responsibility by the states for the living conditions of their non-citizen residents and a concomitant extension of social rights to these populations. There is, of course, significant variance between different countries, between the diverse legal categories to which migrants are assigned, and between different types of welfare programs. Notwithstanding these differences, however, it is possible to assert that

Western welfare states grant substantial social rights to migrants (Dorr and Faist 1997; Faist 1995a; Heinelt 1993). In certain cases, notably in the United States, even undocumented migrants enjoy a certain degree of access to welfare programs and basic social services (Joppke 1999b; Marcelli and Heer 1998; Schuck 1987). The position of migrant workers in the welfare state is significantly improved when they attain the status of permanent residents in the host countries—a status that most of the former guest-workers residing in Europe today have acquired (Hammar 1990). Although they are not granted formal citizenship, and hence, do not enjoy full political rights, they are entitled to social rights that are almost identical to those of nationals (Faist 1995b). Hammar (1990) conceptualizes this situation as connoting the emergence of a new category of membership in Western democratic polities: “denizenship.” Moreover, some scholars portray this inclusionary trend as an indication of the decreasing importance of national citizenship in determining the distribution of rights and legitimate access to societal resources (Jacobson 1996; Sassen 1996, 1998; Soysal 1994).

This in no way means that the inclusion is total or that it is invulnerable to political opposition and backlash. Significant political forces oppose the extension of social rights to immigrants, especially since the 1980s, presenting them as taking over jobs and welfare resources from nationals and as imposing a burden on the host societies (Castles 1986; Faist 1994; Schonwalder 1996). This exclusionary approach is clearly illustrated by Proposition 187, passed in California in 1994, which denies the access of undocumented immigrants and their children to most basic social services (Joppke 1999b; Smith and Tarallo 1995). This backlash has been explained as a form of symbolic politics through which the local middle classes express the anxiety caused by the increasing socioeconomic insecurity characterizing the postFordist political economy (Calavita 1996). Proposition 187 was invalidated by a federal court, but the 1996 welfare reforms effectively reduced the eligibility of immigrants, including legal permanent residents, to welfare programs (Schuck 1998b), indicating the vulnerable status of non-citizens in the welfare state. Moreover, it would be naive to claim that the inclusion of labor migrants is absolute or that their access to resources distributed by the welfare state is comparable to the access enjoyed by citizens. Diverse informal exclusionary practices restrict their de facto access to social services and limit their chances to actualize their formal social rights (Dorr and Faist 1997; Schuck 1987).

In spite of these shortcomings in the inclusionary processes, the migrant workers’ entitlement to social rights has had a significant impact on their incorporation in the host societies. Since the welfare domain is one of the most important sites in which membership in the polity is constituted and actualized, their inclusion into the welfare state contributes, not only to an improvement in their living conditions and life chances, but also has broad political significance, decisively reshaping their status in the host polities. The extension of social rights to labor migrants and the accountability of the state’s welfare agencies for their living conditions implies the recognition and legitimization of their presence by the state. Once these populations are defined as having rights in the domain of societal resource distribution, the way is open to their recognition as legitimate participants in the polity. Their inclusion in the welfare state, therefore, enhances their ability to participate in the political sphere through the elaboration of demands upon the state formulated in the language of rights (Freeman 1992; Hollifield 1992; Miller 1981; Schmitter Heisler 1992). By making the state accountable to all its residents, the process of inclusion into the welfare state legitimizes and encourages claim-making by non-citizens, connoting a basic transformation in the articulation and actualization of the concept of membership in Western societies (Soysal 1994).

## **Migration Regimes and the Politics of Exclusion and Inclusion**

While there is a wide consensus among scholars regarding the fact that rights have been extended to immigrants in Western countries, a debate has emerged concerning the factors underlying this development. The “post-national membership” approach stresses the growing accountability of states to international human rights codes and institutions, and the growing ability of non-citizens to make claims on the state legitimized by this transnational regime, as major forces leading toward the inclusion of immigrants (Jacobson 1996; Sassen 1996, 1998; Soysal 1994). The same approach claims that these transnational normative principles are internalized into the state by the judicial apparatus, and considers the courts as a central actor advancing the inclusionary process (Jacobson 1996). An alternative approach emphasizes the importance of normative and institutional traits of domestic regimes in the shaping of the politics of exclusion and inclusion of immigrants (Hollifield 1992; Joppke 1999a, 1999b). Joppke (1999a), for instance, recognizes the crucial role played by the judicial branch of the state in the extension of rights to non-citizens, but he explains it as grounded in the domestic legal regimes and constitutional principles of the specific countries. Integrating both approaches, Weil (1998) acknowledges the constraints imposed by international codes of human rights on the range of policies that can be implemented by democratic states in their attempts to control immigration flows. He points out, for example, that these codes have made it politically impossible for Western countries to conduct massive deportations of “undesirable” immigrants, whether documented or undocumented. Yet, according to Weil, beyond the constraints imposed by transnational factors, the concrete policies designed and implemented by specific states, as well as their outcomes, are determined by domestic historical, cultural, political, and institutional factors. Drawing on this last perspective, I will analyze the politics of exclusion and inclusion of migrant workers in the Israeli welfare state, taking into account the constraints generated by transnational codes and considerations of international relations. I will show, however, that the exclusionary and inclusionary practices implemented by diverse state agencies are largely determined by domestic political and institutional factors.

Processes of inclusion and exclusion take place within broad institutional settings that affect the mode in which they are conducted, as well as their results. As claimed by the neoinstitutionalist approach, institutional configurations influence the preference formation and strategies of political actors, thereby specifying the contours within which specific policies are formulated and implemented (Hall 1992, 1993; March and Olsen 1984; Weir 1992; Weir and Skocpol 1985). In the case of migrants’ status in the welfare state, policies are formulated and implemented within the frame dictated by the “migration regime” (Freeman 1992; Joppke 1999b) of the host society. This concept refers to the institutional and ideological principles that determine the set of goals, agencies, and procedures—both formal legal provisions and informal institutionalized practices—employed by states to deal with migratory flows. Migration regimes generate structures of constraints and opportunities within which political actors, including state agencies, define their goals and strategies of action. Hence, it is on the basis of these institutional configurations that policies of regulation and control of migrants’ entry to the national territory, as well as policies related to the economic, social, and political status of immigrants, are designed and implemented.

As institutional structures, migration regimes tend to be relatively coherent and stable. Indeed, the analysis of the enduring character of institutional settings and the policy continuities they generate over time, has been a major contribution by the neoinstitutionalist approach (Hay and

Wincott 1998; Thelen and Steinmo 1992). Yet the tendency to emphasize institutional inertia has led, until recently, to a relative scarcity of theoretical and empirical analysis of institutional dynamism and processes of policy changes from an institutionalist perspective (DiMaggio and Powell 1991; Hall and Taylor 1996; Thelen and Steinmo 1992). Intending to fill this gap, the examination of institutional change and policy innovations developed in recent years as a central topic in this approach (Clemens and Cook 1999). As an attempt to contribute to this research and theoretical agenda, I propose to examine inner tensions within institutional settings and the conflicts they generate between state agencies, as key sources of institutional dynamism and novel policies.

Several studies of the politics of immigration reveal complex pictures of inner tensions and conflicts in the operation of migration regimes, which are reflected in the divergent agendas and practices of different state agencies (Calavita 1992; Guiraudon 1998; Joppke 1999a; Sassen 1996, 1998; Schuck 1998a, 1998b; Well 1998). One central manifestation of intra-state conflicts is the tension between the inclusionary approach of the courts and the frequently restrictive policies advanced by governments and legislatures (Joppke 1999a; Sassen 1998; Weil 1998). Conflicts also develop between different levels of the state apparatus; for example, between the U.S. federal government and several states around the issue of the funding of social services provided to immigrants (Sassen 1998; Schuck 1998a, 1998b). At a more general level, Sassen (1996, 1998) points out the tensions that emerge from the simultaneous operation of two contradictory logics by Western states: on the one hand, the logic of economic globalization that leads to the creation of border-free economic spaces, and on the other, the principle of sovereignty that implies border control with respect to the flow of persons. This contradiction produces conflicts between state agencies promoting economic globalization, and those charged with immigration control.

These studies demonstrate that the state does not function as a monolithic entity. The position of different state agencies within the institutional structure affects their preference formation. Thus, agencies with diverse fields of action and clienteles, develop divergent, and sometimes contradictory, institutional interests, ideologies, and practices. As the following analysis indicates, some of these preferences and the practices they generate may deviate from the basics of the dominant migration regime. This does not mean that the state is merely a collection of agencies with no common logic of action. The concept of a heterogeneous state implies, rather, an institutional complex potentially exposed to inner inconsistencies (Alford and Friedland 1985; Evans, Rueschemeyer, and Skocpol 1985). These internal tensions generate policy innovations that diverge from the regime's institutional and ideological principles, making it potentially vulnerable to fissures.

In the following examination of the Israeli case, I show how these intrastate tensions and conflicts function, along with the dominant migration regime, as crucial factors in the politics of exclusion and inclusion of migrant workers. The study is based on qualitative data collected during 1996–98, and includes interviews with officials in the state agencies involved in the fields of labor migration and welfare policy at the central and local levels, internal documents and public reports of these agencies, and public statements by relevant political actors.

## **Migrant Workers and the Israeli Migration Regime**

The inflow of non-Jewish immigrants contradicts the fundamentals of the Israeli migration



regime which, reflecting the primacy of ethnonational criteria for attributing full membership in the polity (Shafir and Peled 1998), has the explicit and formal demarcation between Jews and non-Jews as its most basic principle.<sup>1</sup> In terms of Joppke's (1999b) typology of migration regimes, Israel represents a hybrid case. With respect to Jews, it is a "settler regime" seeking to attract new members through immigration. This is reflected at the ideological, institutional, and policy levels. Historically, the Zionist project of state-and nation-building was founded on Jewish immigration flows. Albeit less intensively than in the past, the immigration of Jews to Israel is still conceived as a crucial component of Zionist ideology and as the *raison d'être* of the state. Thus, state and quasi-state agencies are directly involved in the encouragement of Jewish immigration and the execution of migration operations, and Jewish immigrants are automatically granted Israeli citizenship upon their arrival in the country. Moreover, the origins of the welfare state during the pre-state era and its subsequent dynamics are strongly related to the character of Israel as a colonial-settler society and to the process of Jewish nation-state building (Rosenhek 1998). Accordingly, one of the basic factors affecting the development of the welfare system has been the goal of promoting the social, economic, and political incorporation of Jewish immigrants.

In contrast, with respect to non-Jewish migrants, Israel represents a "guest-worker regime" that refuses to consider them as prospective members of society. Since the potential emergence of new non-Jewish minorities is perceived as a threat to the Jewish character of Israel by large segments of Israeli society, concern over the settlement of migrant workers has become an important issue on the public agenda. This is manifested in the highly restrictive policy concerning their entry and settlement, as well as in the largely exclusionist practices with respect to the economic, social, and political status of those already residing in the country. It is important to note that, besides some differences in rhetoric and emphasis, this principle is embraced by all Jewish political parties in Israel.

The employment of non-citizen workers, however, is not a new phenomenon in Israel. Important economic sectors have been dependent upon the employment of non-citizens since the late 1960s. Following the 1967 War, Palestinian frontier workers from the occupied territories were incorporated into the secondary labor market as cheap and unprotected labor (Semyonov and Lewin-Epstein 1987). This situation began to destabilize in late 1987 as a consequence of the Palestinian uprising (*intifada*). Due to periodic strikes organized by the Palestinian leadership and border closures imposed by Israel, the supply of Palestinian workers became uncertain, causing labor shortages and probably inducing wage increases in those economic sectors in which Palestinian workers were concentrated, especially construction and agriculture (Bank of Israel 1990). At this stage, the Israeli government successfully resisted pressure from employers to authorize the import of foreign workers. Instead, diverse programs were proposed to attract Israeli workers to these sectors by offering subsidies to both employers and employees (Ministry of Labor 1990).

Paradoxically, the situation became even more acute following the signing of the Oslo Accords between Israel and the Palestine Liberation Organization in 1993. The peace process fomented the perpetration of terrorist actions inside Israel by Palestinian organizations that opposed the process. As a deterrence measure against these actions and seeking to prevent the erosion of Israeli public support for the accords, the Israeli government implemented a policy of hermetic closure between Israel and the occupied territories, causing severe labor shortages in the construction and agriculture sectors (Bank of Israel 1994). In the former, there was a particularly urgent need for a stable labor force due to the accelerated construction activity that

had resulted from the wave of mass Jewish immigration from the Soviet Union that had begun in 1989. Under these conditions, the employers' organizations exerted more intense pressure on the government, demanding a solution through the import of foreign workers (State Comptroller 1996). This led the government to change its policy and authorize the recruitment of contract workers from abroad (Bartram 1998). The number of work licenses provided to employers for foreign workers took a leap from about 10,000 in 1993 to 70,000 in 1995, peaking at roughly 100,000 in 1996 and falling to 80,000 in 1998 (Manpower Planning Authority 1999). These workers were recruited mainly from Romania, Thailand, and the Philippines, with smaller numbers coming from Turkey and China.

In accord with the Israeli migration regime, the import of foreign workers was conceived as a temporary solution to the labor force shortages caused by the closures on the occupied territories and their persistent presence in the country, is generally viewed as a negative phenomenon. Accordingly, the state's declared goals are to reduce the number of migrant workers in the country and, more importantly, to prevent their permanent settlement. Reflecting these goals, the recruitment of documented migrant workers is based on quotas determined by the government, rotation, and strict impediment of family reunification.

The decision to permit the recruitment of migrant workers and their continuing presence in the country reflect inner tensions within the state, especially between the restrictive migration regime and interests related to the functioning of important economic sectors. Pressure from the employers in the construction and agriculture sectors to allow the recruitment of a cheap and unprotected workforce to replace the Palestinian workers, was not only exercised from outside the state apparatus. It was rapidly internalized into the state by the actions of the Ministries of Housing and Agriculture. These two agencies not only represent the interests of their clientele—the employers in the respective sectors—but also their own interest in avoiding a crisis in the economic sectors for which they are responsible. Accordingly, they functioned as important factors within the state pressing for the adoption and continuous implementation of the policy of migrant workers' recruitment.

In addition to the documented contract workers, significant numbers of labor migrants reside in the country without permits. While it is very difficult to establish the precise number of “illegal” migrant workers in Israel, the most reliable estimates range from 50,000 to 100,000.<sup>2</sup> These undocumented residents include foreigners, especially from sub-Saharan Africa and Latin America, who enter the country on tourist visas and stay for long periods of time—many have been residing in the country for close to a decade—and authorized workers who become “illegal” after transgressing the permit terms by overstaying their visas or by changing their employer. They are employed mainly in the informal labor market as domestic workers in private households and as unskilled workers in small business and workshops.

While the state's declared aims are to prevent the entry of undocumented migrants and to repatriate those already living and working in Israel,<sup>3</sup> significant political and institutional obstacles impede the effective implementation of the policy. First, due to the employers' interest in this unprotected workforce, there is a high demand for undocumented migrant workers in the occupations mentioned previously. Moreover, the state faces significant tensions between its exclusionary migration regime and constraints resulting from international codes. As most of them enter the country on tourist visas or as pilgrims, considerations related to international relations—the norm of reciprocity between states with respect to the entry of alien citizens to their territories, and the Israeli commitment to the principle of freedom of access to the holy places—impede the operation of effective measures of control. Barriers also operate with respect to the

implementation of the declared policy of forced repatriation. In recent years, the authorities have managed to repatriate around 400 undocumented migrants a month. Yet, budgetary, organizational, and especially political obstacles of domestic and international character, have prevented the Israeli state from embarking on a policy of massive deportation that might eliminate the presence of undocumented migrants.

Both the recruitment of documented migrant workers and the spontaneous flow of undocumented ones reveal how domestic factors—such as the employers' and certain state agencies' interests, and institutional constraints—and considerations related to international norms can limit the range of policy options available to the state, resulting in a situation that contradicts the migration regime. The state failure to prevent the presence of migrant workers has produced, in turn, additional intra-state tensions, introducing important political and policy issues regarding the provision of social services and the eventual granting of social rights to that population. While the maintenance and reproduction needs of Palestinian frontier workers and their families, such as housing, health, and education services, were met in their own communities in the occupied territories, the presence of a substantial population of non-citizens residing in the country requires the development of institutional arrangements to provide these services. Given the restrictive and exclusionary character of the Israeli migration regime for non-Jews, it could be expected that the migrant workers would be absolutely excluded from the welfare state. Indeed, the social policy toward them is marked by strong exclusionary practices. Interestingly, however, some state agencies endorse and implement partially inclusionary practices that diverge from the regime's basics. The existence of these contradictory trends makes it necessary to consider the state as a heterogeneous apparatus, calling for the study of the tensions and conflicts between different state agencies regarding the status of migrant workers in the Israeli welfare state.

## **Exclusion and Inclusion of Migrant Workers in the Israeli Welfare State**

The first question to be addressed is that of which agencies play a central role in the politics of migrant workers' inclusion and exclusion in the Israeli welfare state. As already noted, the judicial branch of the state has played a crucial role in the extension of rights to immigrants in Western countries (Joppke 1999a; Sassen 1998; Weil 1998). In Israel, in contrast, the courts have yet to assume any significant role in the determination of migrant workers' social rights. This is especially surprising given the activist approach adopted by the Supreme Court during the last decade with respect to other topics (Barzilai 1999). It seems that the general exclusionary regime that determines the incorporation of migrant workers in Israel and a weak constitutional basis—there is no written constitution in Israel—have, so far, precluded the intervention of the judicial system on behalf of the extension of social rights.

An additional actor frequently mentioned as playing a crucial role in the inclusion of migrant workers in the welfare state, especially in Western Europe, is the unions (Miller 1981). The Israeli case, again, proves to be different. Continuing its exclusionary approach towards the Palestinian workers from the occupied territories (Shalev 1992), the General Organization of Workers in Israel (Histadrut) has never considered the possibility of including migrant workers in its ranks or of exercising political pressure on the government to extend social rights to them. Beyond the exclusivist ideological principles dominant in the Histadrut, this policy is explained

mainly by the fact that the migrant workers, as replacement for the Palestinian workers, were incorporated in an already deeply split labor market along national lines. Hence, they do not represent a serious threat to the Israeli workers, and the Histadrut has no political incentive to promote equalization of their wages and social benefits. An additional factor contributing to the passivity of the Histadrut is its current political and financial situation. A pivotal and powerful actor in the Israeli political economy in the past, it is currently experiencing an extremely serious crisis that places its survival in doubt (Shalev 1998). Under these conditions, the Histadrut has neither the resources nor the political will to advocate for the migrant workers' rights.

Within the general framework of the Israeli migration regime that, in principle, rejects the treatment of migrant workers as legitimate clients of the welfare state, the bureaucratic and professional staffs of various state agencies are the major actors in the political processes that define their access to social benefits and services. It is also between these state actors that the main conflicts have developed. These intra-state tensions appear mainly at two axes: the vertical axis-between the central and the local levels of the state apparatus; and the horizontal axis-between the professional and bureaucratic staffs of agencies charged with the provision of social services (i.e., the Ministry of Health and the Social Services Division in the Ministry of Labor and Social Affairs) and the staffs of agencies functioning mainly as carriers of the exclusionary Israeli migration regime and gatekeepers (i.e., the Ministry of Interior and the Authority for Foreign Workers in the Ministry of Labor and Social Affairs).

While examining the mechanisms through which the maintenance needs of migrant workers are supposed to be satisfied, we must first distinguish between those workers with residence and work permits, and those living and working in Israel without authorization. There are important differences between these populations with respect to their demographic characteristics, needs for social services, and the institutional arrangements that shape their employment and living conditions. As part of the state's attempts to prevent the permanent settlement of migrant workers, it precludes the recruitment of married couples. Moreover, as these workers are not entitled to residence rights beyond the work contract period, family reunification is absolutely banned. As a consequence, the documented migrant workers' population is characterized by the virtual total absence of families with children. Thus, the major maintenance needs of this workforce are related to the provision of temporary housing and health services to an adult population. In the case of the spontaneous undocumented migrants, in contrast, the state lacks the institutional capabilities to prevent the immigration of married couples, marriage of new couples in the country, and the birth of children. Therefore, among this population, there are significant numbers of families and children. Due to this demographic structure, the maintenance and reproduction needs of undocumented migrants include health services for adults and children, as well as education. As we shall see below, there are significant differences in the institutional arrangements for providing these social services to documented and undocumented migrant workers.

### ***Documented Migrant Workers***

In accordance with the fundamentals of the Israeli migration regime and the non-recognition of labor migrants as prospective members of society, the basic principle guiding the state's policy on documented migrant workers is to maintain minimal direct involvement with their living conditions. A clear manifestation of this principle is the government's refusal to sign bilateral agreements with the sending countries to formalize and regulate the procedures for the recruitment and employment of foreign workers. As explained by several officials, the

government has declined requests by the sending countries on that issue because such international treaties might legally define the state's responsibility for the workers' employment and living conditions, making it accountable to the governments of the sending countries and, hence, imposing constraints of an international character on its policies. Moreover, such agreements might be interpreted as indicating the legitimization and formal endorsement by the state of the import of foreign workers.<sup>4</sup>

In line with its policy of avoiding direct involvement and accountability, the state defines the provision of basic social services-housing and health insurance-to the workers as the employers' exclusive responsibility, limiting its role to stipulating certain formal regulations. In the legal undertaking that employers sign with the Employment Service to obtain the permit to hire foreign workers, it is specified that they are responsible for providing them with adequate accommodations and with a private health insurance equivalent to the coverage granted to Israeli residents by the national health insurance program. Yet, it seems that these regulations have been enacted only to protect the state from potential claims against its lack of involvement regarding the migrant workers' living conditions. This is reflected in the reluctance exhibited by the state apparatus to implement effective control measures to guarantee that the employers fulfill their legal obligations.

In the case of workers' accommodations, for instance, the Ministry of Labor and Social Affairs is supposed to inspect the housing provided by employers and verify that it meets adequate standards. In addition to the fact that no clear criteria exist specifying what constitutes proper accommodations, the Ministry has not established a suitable control apparatus to enforce the regulations (State Comptroller 1996) and only six inspectors from the Division of Labor Law Enforcement supervise the housing conditions of foreign workers throughout the country (State of Israel 1997). Moreover, although the Ministry has the authority to revoke the employers' permits to hire foreign workers if they violate the regulations, such disciplinary action has never been implemented (State Comptroller 1996). This indicates the limited willingness of the state's enforcement apparatus to prevent employers' violations of the formal rules. It is not surprising, therefore, that in numerous cases, especially in the construction sector, workers are accommodated in extremely harsh conditions of overcrowding and lack even minimal sanitary facilities.<sup>5</sup>

A similar situation exists with respect to the employers' obligation to provide comprehensive health insurance. Many employers provide their workers with health insurance that covers only limited medical services, thus paying lower premiums to the private insurance companies.<sup>6</sup> Furthermore, it has been reported that, in many cases, insurance companies offer the employers discounts on the premiums if their workers do not require medical treatment frequently.<sup>7</sup> Even in those cases, the employers deduct the full price of approximately US\$1 per day for the health insurance from the workers' salaries. Thus, the discounts function as an economic incentive to employers not to send their workers to receive medical treatment, lowering the level of health services to which the migrant workers have access. Although these facts are well known to officials in the Ministry of Labor and Social Affairs and in the Ministry of Health, only in 1998 did the director-general of the Ministry of Health announce that a special team would be appointed to supervise the health insurance programs provided to foreign workers.<sup>8</sup> Until now, however, the special team has not been appointed.

An interesting illustration of the politics of documented migrant workers' exclusion from the Israeli welfare state is the debate over a proposal to include them in the national health insurance program. This proposal was advanced by several nongovernmental organizations advocating

migrant workers' rights and, although it gained the support of the professional staff of the Ministry of Health, it was eventually rejected.<sup>9</sup> First, it is worth referring to the sources of support for the proposal by part of the state apparatus. The main considerations were of a professional-bureaucratic character, especially the concern for the threat to public health implied in the existence of a sizeable population not covered by appropriate health services. According to this approach, comprehensive health insurance must be provided to migrant workers primarily in order to protect the ministry's clientele-the Israeli population- and to prevent a serious public health hazard that might lead to a highly problematic situation from the perspective of the ministry's institutional logic.<sup>10</sup>

As for the reasons for the proposal's rejection, one could expect that the main argument would be that the Israeli public health system, which is already in deep financial crisis, might be required to bear the financial burden if the national health insurance program were extended to the documented migrant workers. But this was not the case. In both the Ministries of Health and Finance it was realized that, from a budgetary perspective, the inclusion of a young and healthy population into the national health insurance program would not be a financial burden and could even assist in reducing the system's deficits.<sup>11</sup> The reasons for the proposal's rejection are of a broad political nature linked to the pattern of relationships with the labor migrants, or lack thereof, intended to be institutionalized by the state. The key argument made by state officials was that such an inclusionary step, implying a *de jure* recognition of migrants' social rights by the state might have undesirable implications for their legal and political status.<sup>12</sup> Such recognition would contradict the basic principles of the state's policy which aims at avoiding the institutionalization of binding ties of responsibility and accountability for the migrant workers' living conditions.<sup>13</sup>

In the realm of contributory social security programs, the state assumes a very limited responsibility. As in the case of Palestinian workers, migrant workers are covered by only three of the social insurance programs operated by the National Insurance Institute-work injuries, employer's bankruptcy, and maternity-and they are excluded from important social security programs such as unemployment benefits, old age and survivors pensions, and children's allowances. Since the occupational sector in which most contract migrant workers are employed-construction-is characterized in Israel by a low level of occupational safety and by a concomitant high incidence of accidents, the work injuries insurance is the most pertinent of the three programs by which they are covered. Yet, there are clear indications that bureaucratic obstacles seriously reduce the likelihood of migrant workers being able to effectuate their formal rights.<sup>14</sup> In many cases, therefore, workers who have suffered work accidents have not received appropriate medical treatment nor the benefits to which they are entitled.<sup>15</sup>

The institutional mechanisms in operation and the political processes underlying their formulation indicate that the basic principle of the state's policy concerning the provision of social benefits and services to the documented migrant workers is to avoid any direct involvement with their living conditions. On a general level, this policy fits with the trend towards liberalization and de-regularization experienced by the Israeli political economy in the last decade (Shalev 1998). Yet, it is more directly related to the challenge presented to the Israeli state by the presence of migrant workers, and to the contradiction between this presence and the Israeli migration regime. The exclusionary policy is based on the understanding that their inclusion into the welfare state might create a situation in which the state is perceived as legally and politically accountable to them. Moreover, the granting of social rights to this population might signal their recognition as legitimate members of the polity. This situation, in turn, might

encourage the articulation of claims-making by the migrant workers, legitimizing the eventual emergence of a rights-based politics around the issue of labor migration in Israel. The alternative adopted by the state has been to define the provision of social services as belonging to the private sphere of employer-employee relations. This assures that the topic remains outside the political sphere in which rights and other aspects of the relations between the state and the population resident in its territory are defined and actualized.

### ***Undocumented Migrant Workers***

In the case of undocumented migrant workers, the state's agencies have to confront a situation more complex than in the previous case. Since their migration is not based on formal recruitment by employers and they are incorporated mainly in the informal sector of the labor market, the state does not have the institutional means for making the employers responsible for the provision of basic social services. Moreover, the presence among this population of families and children makes it more difficult for the state agencies to completely ignore their needs regarding medical, educational, and welfare services. This situation represents a direct challenge to the Israeli migration regime and the exclusionary welfare policy it dictates. It is within this context that significant differences emerge between the modes of operation of different state agencies and the provision of social services to the undocumented migrant workers becomes a focus of intra-state tensions.

The basic declared principle guiding policy formulation and implementation is the non-recognition of the undocumented migrant workers as legitimate clients of the Israeli welfare state. Rather, they are considered only as a population that must be repatriated. In the policy proposal submitted to the government by the Ministry of Labor and Social Affairs, for instance, the only question considered regarding the undocumented migrant workers was how to repatriate them.<sup>16</sup> Similarly, the Head of the Authority for Foreign Workers in the Ministry of Labor and Social Affairs defines "their deportation in humanitarian ways" as the only role of the agency with respect to undocumented migrants.<sup>17</sup> The government's official stand is that the recognition of that population as legitimate clients of state welfare agencies would imply the legitimization of their illegal presence in the country, thus, encouraging their permanent settlement and attracting more undocumented migrants. Reflecting this logic, in 1996, the Minister of Internal Security urged the Tel Aviv Municipality to cease providing social services to undocumented migrants and "to make their life in Tel Aviv miserable."<sup>18</sup>

Officials in the Ministry of Interior and in the Ministry of Labor are well aware of the broad political implications of the provision of social services: granting social rights to migrant workers and their families connotes their recognition as legitimate members of society, eventually creating openings for claims-making upon the state. In their strong opposition to even the most minimal inclusion of migrant workers in the welfare state, they clearly reflect the basic premise of the Israeli migration regime that "Israel is not an immigration country,"<sup>19</sup> referring, of course, to the immigration of non-Jews. This approach is explicitly articulated in the following statement by a Ministry of Interior official:

The granting of any status to illegal foreign workers might create the delusion among them that they can stay here permanently. If we give services, we encourage them to stay.... When the foreign children study Israel's heritage in our schools, we make them feel that they are part of us. We are actually hurting them because they are not going to be part of us. It would be better if those children would not go to school and would watch TV all day instead.<sup>20</sup>

With this exclusionary approach as background, it is surprising that the undocumented migrants and their children have any access to social services provided by state agencies,



particularly in the domains of education and preventive medicine. In Israel, the local authorities play an important role in the provision of these services. Subsequently, the Tel Aviv Municipality, under whose jurisdiction the undocumented migrant workers are concentrated, has emerged as a central actor in the field, and the financing of the social services it provides to them has become a major point of contention with the central government.

With respect to education, a significant number of undocumented children, close to 300 in 1998, attend kindergartens and schools administered by the municipality.<sup>21</sup> Since the Ministry of Education does not recognize these pupils, the schools in which they study do not receive any special budgetary assistance.<sup>22</sup> The municipal Department of Education requested that the Ministry grant these children “new immigrant” status,<sup>23</sup> in order that they be entitled to special assistance study hours in Hebrew instruction. In accordance with the government’s policy of non-recognition, however, the Ministry of Education refused.<sup>24</sup>

The same pattern of provision of services by the municipality without official recognition and budgetary participation by the central government characterizes the field of preventive medicine.<sup>25</sup> The municipal centers for family and infant health provide preventive and basic medical services to undocumented pregnant women, babies, and infants.<sup>26</sup> Although the aim of these health centers is to provide only preventive medical services, it has been reported that, in the case of undocumented migrants, nurses and doctors also treat cases in the field of corrective medicine.<sup>27</sup> Public hospitals in the Tel Aviv area also provide medical services to this population.<sup>28</sup> According to Israeli law, hospitals are obliged to provide emergency medical services to patients in critical condition whether they are covered by health insurance or not. Frequently, the personnel in the hospitals apply “flexible” definitions of life-threatening situations in order to provide treatment to undocumented foreign workers with no health insurance, even if they are not in real danger.<sup>29</sup> A significant part of the costs of these services are considered by the hospital administration as irreclaimable debts.<sup>30</sup>

Similar to the conflicts in the United States between the federal government and governments of states with high concentrations of immigrants, the conflict between the Tel Aviv municipality and the central government arose mainly around the question of where the political and budgetary responsibility for the provision of basic social services to the undocumented migrant workers lies. An interesting point is that, in its conflict with the central government, the local authority appeals to international codes and institutions, making them a basis for demanding financial resources and political responsibility from the central government. One key argument advanced by municipal officials is that, as a signatory to the U.N. Convention on the Rights of the Child, Israel is compelled to provide basic social services to migrant workers’ children. Hence, the officials assert, these services should not be financed by the municipality, but by the central government.<sup>31</sup> This indicates the interplay between different levels of government within the nation-state on the one hand, and their complex interaction with the international regime on the other. Rather than directly imposing constraints on the state, international codes and institutions of human rights can be employed by certain agencies as a resource in intra-state conflicts and as a means to advance their institutional interests.

The local government officials emphasize that, while the central ministries do not recognize the undocumented migrant workers’ and their families’ needs and, therefore, do not allocate resources to the provision of basic services, the municipality confronts the concrete budgetary, social, and political implications of their presence within its jurisdiction.<sup>32</sup> This allegation is clearly expressed in the following statement by the Tel Aviv Deputy Mayor: “For the

government, the foreign workers resolve a problem, but the municipality has to deal with the troubles caused by their stay in the country.”<sup>33</sup> The main claim of the local authority is that it bears the brunt of the social and political costs generated by the presence of labor migrants. From its perspective, this presence represents not only a technical or bureaucratic problem of social services provision, but mainly a political burden impinging on its relationships with its clientele, the residents of Tel Aviv. According to the view of the municipality’s apparatus, the potential social deterioration resulting from depriving the undocumented migrant workers of basic social services could reflect negatively on the municipality’s image as perceived by the city’s residents. Officials affirm that, since the municipality is seen as responsible for preventing the social decline of the city, they must show that all possible measures are taken to prevent the presence of migrant workers from negatively affecting the quality of life in the city.<sup>34</sup> In the words of a senior municipal official: “We must help the foreign workers in order to resolve the problems of the veteran residents who are our clients.”<sup>35</sup>

An inclusionary approach that supports providing at least basic social services to the undocumented migrant workers is also expressed by the professional staff of the Ministry of Health and of the Social Services Division of the Ministry of Labor and Social Affairs. This support is formulated mainly in terms of concrete problem-solving and professional idioms. In their view, the presence of a population without access to basic social services represents a severe threat to the Israeli population.<sup>36</sup> For instance, officials in the Ministry of Health stress that it is necessary to provide the undocumented migrant workers with medical services, not only for their own good, but also to prevent the threat to public health implied in the existence of a significant population with no access to preventive and corrective medical services.<sup>37</sup> It is important to emphasize that the officials, both at central and local agencies, claiming that migrant workers should be provided with basic social services, do not challenge the premises of the Israeli migration regime regarding non-Jews at the ideological level. As expressed by one of these officials: “It would be preferable not to have foreign workers in Israel, but if they are already here, we must give them social services.”<sup>38</sup>

Their approach is basically instrumental, reflecting the institutional and professional logic of the state agencies in which they are located. In Margaret Weir’s (1992) terms, their inclusionary stand is not formulated as a “public philosophy” tied to normative concepts of rights originating in transnational or domestic regimes, but rather as “technical ideas” framed and legitimized in terms of professional expertise and bureaucratic convenience. This indicates that, especially in sociopolitical contexts in which normative liberal commitments to the extension of rights to non-citizens are weak, professional and bureaucratic considerations can function as important sources of inclusionary practices. It is precisely the “neutral” character of this articulation, which does not openly contradict the ideological premises of the regime, that allows these agencies to depart in their actions from the principles of the dominant institutional configuration offering an alternative to the exclusionary policy dictated by the Israeli migration regime.

## Conclusions

The overall character of the policy formulated and implemented by the Israeli welfare state toward both documented and undocumented migrant workers is one of non-involvement with their living conditions. In the case of documented migrant workers, the provision of basic social services is defined as belonging to the private sphere of employer-employee relations. The

official position concerning the undocumented migrant workers is not to recognize them as legitimate clients of the welfare agencies at all. The inner logic of this exclusionary policy becomes clear when considered against the link between the labor migrants' entitlement to social rights and the chances for the articulation of legitimate demands upon the state illustrated by their inclusion in Western welfare states. Reflecting the restrictive character of the Israeli migration regime toward non-Jews, this policy is mainly directed at preventing the migrant workers' permanent settlement in the country and their gradual recognition as members of the Israeli polity. Its rationale is to avoid a situation in which-through the granting of social rights to migrant workers-the state assumes direct responsibility for their living conditions. The state agencies acting as gatekeepers realize that such a situation might encourage the articulation of a legitimate politics of claims-making by this population, leading to the transformation of their status from foreign guest-workers to denizens with rights to societal resources.

The analysis indicates, however, that the state apparatus does not function in a homogeneous mode. Due to their specific location within the state apparatus and their considerations of professional expertise and bureaucratic convenience, some agencies endorse and implement, at least partially, inclusionary courses of action. From a neoinstitutionalist perspective, this policy innovation can be explained by referring to the relations between the inner institutional logic of specific state agencies and their social environment. The presence of significant numbers of migrant workers represents an important change in the social environment in which certain state agencies function. The agencies most affected by this change, especially at the local level, react by developing agendas and adopting practices that depart from the basics of the migration regime. It is not my intention to assert that these inclusionary practices would necessarily lead to a complete extension of social rights to migrant workers in Israel, yet, they indicate the existence of fissures in the exclusionary policy dictated by the Israeli migration regime. If the presence of the migrant workers in Israel were to assume a more permanent character, inclusionary practices based on professional idioms might create openings with significant effects upon the mode of incorporation of this population.

Some general conclusions with respect to the politics of inclusion and exclusion of subordinate populations and to the institutional sources of policy innovation can be inferred from the Israeli case. It indicates that, even in cases in which the migration regime is strongly associated with restrictive ethnonational conceptions of membership, it is potentially vulnerable to fissures. These cracks do not originate only from the political activity of actors in civil society presenting ideological alternatives or from transnational concepts of human rights, but also emanate from the institutional heterogeneity of the state apparatus. Inclusionary approaches can be presented by agencies that, because of their location in the state apparatus and their specific clienteles, develop interests that depart from the exclusionary migration regime. While articulated in professional and bureaucratic idioms, these approaches can create openings leading to the partial inclusion of migrant workers in the welfare state. Furthermore, it is probably this formulation, in terms of professional and bureaucratic problem-solving, that provides these agencies with the power to advance an agenda that contradicts the dominant regime within a context with a weak normative basis for the extension of rights to non-citizens. This reveals the theoretical importance of the heterogeneity of the state apparatus as a source of policy innovations that can challenge well-established institutional configurations.

The analysis presented here points also to the conditions under which state agencies are likely to advance policy innovations and to implement practices that contradict the hegemonic regime. Changes in the social environment, like the presence of a new population, affect the context

within which certain agencies act, producing situations that pose a threat, or at least an onus, to their bureaucratic and professional logic. In response to that, these agencies are likely to develop new agendas and to adopt new practices.

These conclusions raise some important questions regarding the political and institutional processes that have led to the inclusion of migrants in Western welfare states. While the politics of inclusion and exclusion are currently articulated mainly in terms of transnational rights, social membership, and liberal ideologies (Hollifield 1992; Jacobson 1996; Soysal 1994), it is possible to hypothesize that, at previous stages, certain state agencies, guided by professional and bureaucratic logic of problem-solving, played crucial roles as initiators of inclusionary practices. This does not imply that professional and bureaucratic idioms are absolutely detached from broader normative frameworks. The distinction is between different types of articulations that have varying degrees of legitimizing power in different sociopolitical conditions. This line of analysis is supported by Guiraudon's (1998) claim that the extension of rights to immigrants in Western Europe was achieved through policymaking conducted in the bureaucratic sphere, rather than in the open political arena. If this has been the case, the next topic that should be considered refers to the processes that contribute to the transformation of an intrastate politics based on professional and bureaucratic issues of problem-solving into a broader and more open political field in which civil society actors—including the immigrants themselves—engage in claims-making articulated in a language of rights. This raises the question of the conditions under which inclusionary practices previously framed in idioms of professional expertise and bureaucratic convenience are legitimized and probably strengthened by appealing to concepts of social rights and membership. I suggest that this line of research can contribute to the understanding of the politics of inclusion and exclusion not only of labor migrants, but also of other subordinate groups, like women and ethnic minorities.

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## Notes

1. The distinction finds expression in the terminology used in Israel to refer to immigration. The term *aliyah* (literally, “ascension”) refers to the immigration of Jews to Israel, while the immigration of non-Jews is designated with the neutral term *hagirah* (literally, “migration”).
2. *Internal Report of the Manpower Planning Authority*, Ministry of Labor and Social Affairs: “Foreign workers in Israel: Statistics for 1997,” June 1998; *Internal Report of the Central Bureau of Statistics*, “Statistics on foreign workers,” November 1996. The topic is politically charged, as it is linked to the moral panic that has been developing around the presence of migrant workers in Israel. In this context, exorbitant numbers (such as 200,000 or 300,000)

of “illegal” foreign workers have been touted by some politicians and echoed in the media (*Globes*, October 28, 1997; *Ha’aretz*, September 6, 1996, November 14, 1996).

3. “Policy proposal regarding foreign workers,” submitted to the government by the Minister of Labor and Social Affairs, August 1996.
4. Letter from the Head of the Coordination Department, Ministry of Foreign Affairs, to the Association for Civil Rights in Israel, and to the Workers’ Hotline, February 6, 1995; interview with a senior official in the Ministry of Finance, February 26, 1997; interview with an official in the Ministry of Foreign Affairs, December 7, 1997.
5. Letter from the Association for Civil Rights in Israel and the Workers’ Hotline to the Minister of Labor and Social Affairs, January 16, 1995; interview with a senior official in the Tel Aviv Municipality, December 8, 1996.
6. Dana Alexander of the Association for Civil Rights in Israel, and the director of a private insurance company at the seminar: “Foreign workers in Israel: Human rights and economic aspects,” Jerusalem, November 5, 1996; Ran Zafir, Ichilov Hospital administration, Tel Aviv, at the seminar: “Foreign workers and the health system,” Tel Aviv, May 28, 1998.
7. “On foreign workers and rights,” the Association for Civil Rights in Israel, September 1997; *Newsletter of Physicians for Human Rights*, No. 4, April 1997.
8. *Ha’aretz*, March 18, 1998.
9. Letter from the Association for Civil Rights in Israel and the Workers’ Hotline to the Minister of Labor and Social Affairs, January 16, 1995; the Association for Civil Rights in Israel. *Annual Report*, June 1996-May 1997.
10. Interview with a senior official in the Department of Public Health Services, Ministry of Health, August 28, 1997; Dr. Itzhak Berlowitz, Director of the Department of Medical Services Administration, Ministry of Health, at the seminar: “Foreign workers and the health system,” Tel Aviv, May 28, 1998.
11. Interview with a senior official in the Ministry of Finance, February 26, 1997; interview with an official in the Legal Department of the Ministry of Health, April 10, 1997.
12. Interview with a senior official in the Ministry of Finance. February 26, 1997; interview with an official in the Legal Department of the Ministry of Health, April 10, 1997; interview with the Head of the Authority for Foreign Workers, Ministry of Labor and Social Affairs, October 6, 1997.
13. As a way of taking advantage of the potential profits of the insurance of that population and improving the financial situation of the Israeli public health system, while simultaneously preventing the political implications of its inclusion into the statutory program, a plan to authorize public health funds to insure the foreign workers in private schemes is under consideration (interview with an official in the Legal Department of the Ministry of Health, April 10, 1997; interview with a senior official in the Department of Public Health Services, Ministry of Health, August 28, 1997).
14. Officials in the National Insurance Institute recognize that the number of reports of work accidents in which migrant workers are involved is much lower than could be expected. They explain this by the fact that many employers refrain from reporting accidents to avoid official investigations of occupational safety conditions (interview with a senior official in the Division of Work Injury Insurance Program, National Insurance Institute, July 17, 1997).
15. Letter from the Association for Civil Rights in Israel and the Workers’ Hotline to the Minister of Labor and Social Affairs, January 16, 1995; interview with the Director of

- Physicians for Human Rights, June 26, 1997.
16. "Policy proposal regarding foreign workers," submitted to the government by the Ministry of Labor and Social Affairs, August 1996; "Proposal for the establishment of an authority for foreign workers," Ministry of Labor and Social Affairs, May 6, 1998.
  17. Interview with the Head of the Authority for Foreign Workers, Ministry of Labor and Social Affairs, October 6, 1997.
  18. *Ha'aretz*, September 18, 1996.
  19. Interview with a senior official in the Ministry of Labor and Social Affairs, January 5, 1997.
  20. Commissioner of Visas, Ministry of Interior, in the meeting of the Knesset subcommittee on infants, June 30, 1997.
  21. Meir Doron, Director-General, Tel Aviv Municipality, at the seminar, "The national and social prices of the employment of foreign workers," February 19, 1998. Other undocumented children attend private Christian schools in Jaffa and in Jerusalem.
  22. Letter from the Director of the Department of Education and Culture, Tel Aviv Municipality to the Tel Aviv Deputy Mayor, July 11, 1996; interview with a senior official in the Tel Aviv Municipality, December 8, 1996.
  23. The term "new immigrant" refers to a legal category applicable to those immigrating within the framework of the "Law of Return."
  24. Director of the Division of Elementary Education, Tel Aviv Municipality, Summary of the Meeting of the Committee on Foreign Workers, Tel Aviv Municipality, September 18, 1996.
  25. Interview with a senior official in the Tel Aviv Municipality, December 8, 1996.
  26. Meir Doron, director-general, Tel Aviv Municipality, at the seminar: "The national and social prices of the employment of foreign workers," February 19, 1998.
  27. Letter from the director of the Department of Public Medicine, Tel Aviv Municipality to the Tel Aviv deputy mayor, January 20, 1997.
  28. Another important source of medical services are Palestinian hospitals and clinics in East Jerusalem, where undocumented migrant workers pay much lower prices than in Israel (Director of the Tel Aviv District Health Bureau, Ministry of Health, summary of the Meeting on Foreign workers in Tel Aviv, Tel Aviv Municipality, July 24, 1996). In addition, in May 1998, an Israeli NGO-Physicians for Human Rights-opened a clinic to provide migrant workers and their families with medical services.
  29. Interview with the Director of Physicians for Human Rights, June 26, 1997.
  30. Ran Tzafrir, Ichilov Hospital administration, at the seminar, "Foreign workers in Israel: Human rights and economic aspects," Jerusalem, November 5, 1996.
  31. Letter from the director of the Department of Education and Culture, Tel Aviv Municipality to the Tel Aviv deputy mayor, July 11, 1996; summary of the Meeting of the Committee on Foreign workers, Tel Aviv Municipality, August 19, 1996.
  32. Background report: "Foreign workers in Tel Aviv," Michael Ro'e, member of Tel Aviv City Council, June 9, 1996; Tel Aviv Deputy Mayor, Summary of the Meeting of the Committee on Foreign Workers, Tel Aviv Municipality, August 19, 1996; memorandum submitted to the chairperson of the Knesset Labor and Social Affairs Committee by the Tel Aviv Municipality in January 1997; interview with a senior official in the Tel Aviv Municipality, March 25, 1997.
  33. Tel Aviv Deputy Mayor, Summary of the Meeting of the Committee on Foreign Workers, Tel Aviv Municipality, August 19, 1996.



34. Tel Aviv Deputy Mayor, Summary of the Meeting of the Committee on Foreign Workers, Tel Aviv Municipality, August 19, 1996; interview with senior officials in the Tel Aviv Municipality, December 8, 1996, May 24, 1998.
35. Interview with a senior official in the Tel Aviv Municipality, May 24, 1998.
36. Report: "Foreign workers," Director of the Social Services Division, Ministry of Labor and Social Affairs, July 31, 1996.
37. Director of the Department of Public Medicine, Tel Aviv Municipality, Director of the Department of Public Health Services, Ministry of Health, and Director of the Tel Aviv District Health Bureau, Ministry of Health, in the meeting of the Knesset sub-committee on infants, June 30, 1997; interview with a senior official in the Department of Public Health Services, Ministry of Health, August 28, 1997.
38. Interview with a senior official in the Tel Aviv Municipality, March 25, 1997.

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## **Part 4**

# **Gender in the Stratification Process**

## Gendering Military Service in the Israel Defense Forces

*Dafna N. Izraeli*

The extensive literature on the Israeli military only occasionally acknowledges women's presence with a passing reference to the exceptional fact that women are conscripted.<sup>1</sup> Women, however, constitute approximately a third of the conscripts and close to 20 percent of the standing army.<sup>2</sup> In 1999, the military conscripted 80 percent of the cohort of 18-year-old men and 62 percent of the cohort of 18-year-old-women (Harel 1999a). Studies of the military in other countries have revealed that gender dynamics are a major force constructing the military, both in the historical creation of military structures and in contemporary policies and practices (see Elshtain 1995; Enloe 1983; Yuval-Davis 1997). This chapter analyzes the gender dynamics that shape contemporary policies and practices of the Israel Defense Forces (IDF).

The approach taken in this chapter owes much to that developed by Connell (1990) for appraising gender relations and state dynamics (see also Acker 1990; Lorber 1994). The military, like the state, needs to be appraised from the start as having a specific location within gender relations and as having a history shaped by a gender dynamic. Gender is thus both internal and external to the military. It is both a characteristic that individuals bring with them to the military and a collective phenomenon that is embedded in the institutional makeup of the military. Each empirical military has a definable "gender regime" that is the precipitate of social struggles and is linked to-though not a simple reflection of-the wider gender order of society. A regime, following Foucault (1980), refers to the capacity to structure the situation of others so as to limit their autonomy and life chances. The gender regime refers to the institutional arrangements that produce inequality in the positions that men and women occupy and in their interactions. (Connell 1990).

The main argument of this chapter is that gender is embedded in the structure and practices, even in the very logic of the military as an instrument of violence and as the institution for safeguarding the lives of "women and children" (Enloe 1990). The gender regime of the Israeli military is based on a gendered division of labor and a gendered structure of power, supported by a gendered ideology that combine to sustain and reinforce the taken-for-granted role of women

as “the other” and their proverbial role as “helpmates” to men. By making gender a primary basis for classification, the military intensifies gender distinctions and then uses the distinctions as justifications for women’s exclusion from positions of prestige and power. As a structure of power and as one of the important institutions that organizes the power relations of gender in society, the military contributes to gender inequality beyond the boundaries of the IDF. There is a paradoxical aspect to women’s military service in Israel. In a nation that prides itself as being the only country in the world where women, like men, are conscripted—seemingly the mark of gender equality—the military emerges as a major force for the production and reproduction of men’s domination in society. The institution that is designated as symbolizing and exemplifying women’s partnership in the national collective is, in effect, an agent of their marginalization. Another paradox is that although a significant proportion of women conscripts perform a variety of highly important, responsible, and sensitive roles, their military service is widely perceived as secondary and even as inessential and expendable by some. The gender segregation of jobs and the attribution of a great symbolic value to combat roles, to achieving high military rank, and to reserve service, all of which women are excluded from, make this discounting of their contribution possible.

These paradoxes and internal contradictions are the basis for internal and external pressures and occasional disruptions that also provide the potential for resistance and change. The 1995 Israeli Supreme Court decision in the case of *Alice Miller v. the Minister of Defense* (H.C. 4541/94), which, in effect required the air force to open its pilot training courses to women marks such a change whose effects are still reverberating throughout the gender regime of the military. The military provides men with advantages in accumulating what Bourdieu (1990) called forms of “capital” or valued resources that are at stake in the military field. These advantages in cultural capital (namely the acquisition of knowledge and skills), social capital (referring to valued relations), and symbolic capital (namely, the legitimate expectation for deference, prestige, and celebrity) are then used to accumulate additional and different advantages in civilian life. For example, they can be transformed into financial and political assets. The capital that women accumulate in the military provides significantly fewer advantages for them in civilian life both because of the nature of the capital they attain and the discounted rate at which it is converted in the civilian arena. This chapter analyzes the structures and social practices that construct and reinforce gender inequality in the Israeli military, as well as the implications these structures and practices have for gender inequality in civilian life.

## **The Significance of the Military for the Production of Gender**

The close identification of the military with the state gives the military everywhere a kind of influence and privilege rarely enjoyed by other social institutions (Enloe 1983). A characteristic feature of the relationship between the military and civil society in Israel is the broad scope of military involvement in every sector of society and the privileged position enjoyed by the military in the national ethos. The military-industrial complex in Israel is the largest single employer. Until the late 1980s, approximately one-quarter of Israel’s labor force received their salaries from the defense sector, a proportion that has declined because of cuts in defense spending. Similarly, approximately one-quarter of the national budget was spent on the military until the early 1990s, but that proportion declined to approximately 16 percent in 1996 (Kimmerling 1993). The military has been used as a major vehicle for nation building, and there

is hardly an area of civilian life on which the hand of the military has not left its imprint.

The close relationship between the military and civil society is reflected in such popular descriptions of Israel as “a nation in uniform” or of the military as “the people’s army” (Horowitz and Lissak 1989). Referring to the heavy reliance of the military on the reserves, these phrases incorporate the myth that every citizen is also a soldier and that the burden of service is shared by all—a myth (weakened somewhat recently) that has important legitimating functions for the military’s centrality in Israeli society (Ben-Eliezer 1995). The myth persists even though the fact that women and a significant proportion of men do not serve in the reserves and that Arabs (with some exceptions) do not serve at all.

Kimmerling (1993), who presented the more critical perspective on civilian-military relations in Israel, characterized these relations as “civilian militarism” in the sense that “militarism penetrates both structurally and culturally into the collective state of mind” (p. 129) and is part of the taken-for-granted reality of everyday life. “The essence of civilian militarism is that military considerations and considerations defined as ‘national security’ will almost always be privileged over other considerations” (Kimmerling, p. 129). Civilian militarism, it should be added, is a gendered concept. Because of the privileged position of military considerations in the collective psyche, the political elite is recruited from the military elite. Since women constitute only 10 percent of the Knesset and, with rare exception, do not participate in any of the civilian forums in which defense issues are debated, they do not participate in defining what is a consideration of national security. Their exclusion from this discussion further reinforces the belief that only men can run the military. Citizens’ rights have been coupled with participation in the military since the French Revolution and continue the tradition of the Greek polis (Yuval Davis 1997, p. 96). In Israel, military service as “a key citizenship-certification process” (Berkovitch 1997) is equated with service to the Jewish collective and, as such, is constructed to be the basis for entitlement to full citizenship in the Jewish state and in a sense, even for consideration as a normal human being. The importance of military service is reflected in a genre of newspaper stories about young men and women, who, after being exempted from service because of some personal disability, struggle with the military to accept them. The following are two examples:

Tubul, 18 is fighting to get into the army. The problem is a matter of size. ... At 127 cm. she is 13 cm. below the I.D.F.’s minimum height requirement. “It’s my dream to serve in the army,” said Tubul. “I just want to be like everyone else.” (Collins 1995, p. 12)

The I.D.F. said no, but M.-a highly intelligent, 20-year-old Jerusalemite with a severe disability—won’t take no for an answer. She plans to appeal the army’s rejection two weeks ago of her offer to volunteer for military service. ... “I wanted to serve like them [her classmates]; I don’t expect to save the world, but being in the army is the Israeli thing to do, and it affects one’s life afterwards,” she said. (Siegel 1994)

The following incident exemplifies the role of the military as a signifier of citizenship. In an interview on the eve of the formation of his political party, Natan Scharansky, the former Russian dissident, listed the marks of his entitlement to be considered a true Israeli:

I am 100 percent Israeli. I serve in the reserves, pay more than 40 percent income tax, I got into a mess with my contractor, I have two mortgages and my car was stolen. How can one be more Israeli than that? (Galilee 1995)

Scharansky immigrated to Israel as an older adult and, consequently, was exempt from compulsory military service. Nonetheless, his service in the reserves opens the list of the marks of his entitlement. His female counterparts, however, who do not serve in the reserves, have a lesser claim to being fully Israeli than he, even though they, too, likely pay 40 percent income tax, have two mortgages, and have had their cars stolen.

The rhetoric that links military service with civilian entitlement to recognition is highlighted in the following statement issued by the cabinet in commemoration of International Women’s Day, March 8, 1992:

The government takes special notice that the women of Israel, the women of the Jewish people, have always played an



important role in all the combat units, in the valor and the building of the nation of Israel and the State of Israel, and, therefore, it is fitting that women play a more important role in the public life of the state.

Given the centrality of the military in Israeli society and the fact that women, like men, are conscripted to compulsory service make the military an important site for the enactment, reproduction, and possibly transformation of gender relations.

## The Gendered Processes of Incorporation

Gender is among the most important and pervasive signifiers for distinguishing among categories of people in the military. To use Bourdieu's terms (1991, p. 119), by an act of "social magic," exploiting preexisting differences, the military sanctions and sanctifies the gendered social order. The differential impact of the military on men and women begins long before conscription. In a real sense, it begins at birth. Society sends different messages to boys and girls about who they will be in the military (and after it) and what significance their service will have for them as a rite of initiation into adult life. For men, it marks the central life event; for women that definition may be more accurately applied to marriage. As Mazali (1993) observed, young boys who fall and scrape their knees may well be comforted with, "It'll pass before the army"; young girls are more likely to be told, "It'll pass before the wedding." Mazali went on to say:

From a very young age [society] transmits to the son/male child a complex message. First of all the [military] service is ever present. From the very first moment. Everything about the way he is raised relates to this future stage. And the adult men in his environment—the father, the uncles, and the grandfathers—assure and threaten him at the same time: "the army will make you into a man." They remove the young boy from the circle of adults, arouse in him expectations and curiosity together with a sense of inferiority. The young lad will be able to belong only through his actual military service.

This rite of passage separates those who have undergone it from those who will not undergo it and, to quote Bourdieu (1991, p. 118), "thereby instituting a lasting difference between those to whom the rite pertains and those to whom it does not pertain." The most important effect of the rite is not the transition from boyhood to manhood, but the distinction it creates between men and women. Women also play an important role, as mothers, sisters, partners, and friends, in the symbolic rites associated with a man's induction to military service. In their behavior they recognize and validate the symbolic claims to manhood and difference. More specifically, "the women supply a legitimate agreed upon vehicle for the expression of fear, emotional relief. If they cry, they intensify the full and difficult truth of the rite and supply it with an important part of its significance. Their tears and cries of protest do not challenge this ritual but are rather integral to it" (Mazali 1993).

The long-term psychological impact on boys and girls of growing up in an environment where the male from birth is treated as a future soldier who may be called upon to sacrifice his life for his country is worthy of study. Speaking of her own children, Mazali (1993) suggested something of this impact:

I will begin with Noa [age five and a half]. I don't think about her conscription from the moment she was born. It is not there all the time, behind my every touch of her. She will not endanger her life in her military service. When I think of her possible/future conscription, I can allow myself a sigh of relief. And the sigh that I *cannot* allow myself from the moment that I gave birth to boys, *is what these boys grow up with*, (emphasis added).

This difference is an important part of the way I and my society understand the concepts "daughter" and "son," and "woman" and "man."

Once they come close to conscription age, the military treats women and men so differently that one could say that they experience different militaries. Through an elaborate system of gender divisions and distinctions, the military intensifies the salience of gender and constructs new and reinforces existing gender differences, which, in turn, legitimate gender inequalities.

Boys and girls who went to the same schools, studied in the same classrooms, and wrote the same high school examinations are recruited on the basis of different criteria and go through different pre-draft preparations, tests, and procedures. With few exceptions, recently introduced, they are classified, sorted, and assigned by different organizational units using different criteria; undergo separate and different military training; and serve in different positions and for different lengths of time. They are governed by different allowed behaviors and, until 2000, were subject to different systems of command. There are gender divisions of authority, with men monopolizing the highest positions of power. Men initiate and control the divisions, and women rarely participate in the forums where decisions affecting the lives of women are made. From the mid-1990s, there emerged a distinguishable policy to narrow the spheres in which gender was made salient, to recognize that sexual harassment was an issue, and to adopt a more politically correct posture regarding women in the military. The military opened a number of combat training courses to women and, in 1999, conducted basic training in the same boot camp, but in separate courses for women and men not in combat positions. It has become politically correct for senior officers to express their approval of opening new roles that were previously closed to women (Harel 1999b), a rhetoric that serves to underline the existing gender structure.

### ***Gender Distinctions***

Compulsory military service for women was introduced at the beginning of statehood. During the Knesset debates on the Security Service Law, which was passed in 1949, all the parties, except for the religious parties, supported the principle of compulsory military service for women. They were divided, however, regarding the extent to which women should be treated differently from men, with the more radical Left parties objecting to differential policies (Berkovitch 1997). They agreed, however, that at a time when the very existence of the newborn state was in the balance, women's service was needed. Women's involvement in the military was not new. They had participated in the various Jewish defense organizations since the early twentieth century and in the Palestinian units of the British army during World War II and had played a significant role in the war of independence (1948–49) (Bloom 1982).

David Ben-Gurion, architect of the new Jewish state and its first prime minister, was committed to women's participation in the public life of the state. He was a powerful spokesperson on behalf of compulsory service for women, but viewed women's service as different from that of men. National security, he argued, could not be defended only by the military narrowly defined. It also required people to settle the border areas, the integration of new immigrants first by learning the Hebrew language and the ways of the new society, and an increase in the Jewish population in Israel. Such a broad definition of national security included women in their roles as soldiers, farmers in the settlements along the borders, teachers in the military, wives (of soldiers), and mothers (of soldiers to be) (Berkovitch 1997). As citizens, men and women contributed to the security of the nation through compulsory military service. As biological beings, however, they were assigned different roles. Women also contributed to national security by bearing and raising children, and, according to Ben-Gurion, the military must not interfere with this important function, which men are unable fill. In the security discourse, childbearing and child rearing were linked, making the second appear as biologically natural as the first. As Yuval-Davis (1997, p. 22) observed: "Often the pressures on women to have or not to have children relate to them not as individuals, workers and /or wives, but as members of specific national collectivities." Enlarging the Jewish population—which Yuval-Davis called the "people as power discourse"—was defined as vital for the national interest. Ben-

Gurion's broad, almost all-encompassing vision of what was entailed in achieving national security made it possible to incorporate both women and men into the hallowed project of national security in the name of gender equality, while assigning them different roles in the name of national security. Until the mid-1990s the contradictions and tensions inherent in the "different but equal" thesis were not generally considered problematic. Herzog (1999, p. 26) claimed that this cultural perspective reinforced women's importance in the private sphere; it gave women a strong feeling of belonging and contributing to the collective while hiding the discrimination and subordination that is at the basis of the gender division of labor.

### ***Legal Distinctions***

The Security Service Law, passed in 1949 and amended over the years, defined eligibility for compulsory military service in universal terms as applying to "a citizen of Israel or permanent resident." Furthermore, although it made no gender distinctions with regard to the occupations open to men and women, it granted priority to women's family roles over their obligations to military service. Married women were exempt from compulsory military service, but not from reserve service, pregnant women and mothers were exempt from both compulsory and reserve service. (Article 39 of the law). Whereas the law made no gender distinctions, such as in type of service, the military institutionalized a rigidly differentiated division of labor (see the next section). In those matters that the law treated men and women the same, military regulations and practice treated them differently.<sup>3</sup> For example, whereas the law did not exclude even married women from reserve service, although they were required to serve for fewer years,<sup>4</sup> the number of women who are called to reserve service is negligible. In the early 1980s, in response to demonstrations by young women who had been called to the reserves<sup>5</sup> against the differential treatment of women, the military reduced the maximum age from 29 to 24. Rather than extend reserve duty to all women and constrained from using a policy of differential call-up of those women it needed, the military decided in favor of reducing the use of women in the reserves to the minimum. In practice women are with rare exception, not called to reserve duty.

When the law treated men and women differently, the military increased the gap. For example, whereas the law specified 30 months' service for men and 24 months for women, men serve 36 months (the additional 6 months with pay). The mandatory 24 months for women's service was cut to 22 months in 1992, to 21 in 1993, and to fewer than 21 months in 1994 (*Protocol* 1994a, p. 4). About a third of the women, in fact, served fewer than 20 months. These changes in military human resource policy were prompted by the oversupply of recruits because of the significant increase in the size of the 18-year-old cohorts beginning at the end of the 1980s,<sup>6</sup> pressure on the military to demonstrate that it was making budget cuts and becoming more "lean and mean," and strong public pressure to continue universal conscription for *men* and not to introduce differential service. In this constellation of pressures, given the military's preference for men, women were the weakest and most vulnerable category.<sup>7</sup> The current policy is to require women who are interested in positions that require more extensive training to sign for an additional period of service either before or after they have been recruited.

Women's shorter service and their exemption from reserve duty were raised repeatedly as the touchstone for their differential treatment. For example, in the Air Force's defense brief to the Supreme Court in the case of *Alice Miller v. The Minister of Defense* (HC 4541/94.),<sup>8</sup> the Air Force justified its refusal to allow Miller to take qualification exams for flight training not because "women as women" lacked the abilities to become pilots, but women's short service

made the investment in their training highly uneconomical. The recent decrease in the duration of women's service and the consequent declining returns on the investment made it even less economical.

The argument is circular, as I have already noted. The socially constructed gendered practices of assignment restricted the military's flexibility in its assignment of women. This constraint, in turn, limited women's usefulness to the military, which, in the face of budget cuts, became the justification for shortening women's military service. Women's shorter military service then made it cost-inefficient to invest in women's training, which reduced women's usefulness even further. The end result was that women, at least the majority of them, began to appear increasingly dispensable.

### ***Administrative Distinctions***

Until 2001, all women belonged to the women's corps, although few actually served in it.<sup>9</sup> All but a few were assigned to functional units. All the other corps were identified by their respective functions. The Hebrew acronym for the Women's Corps, *CHEN*, which is spelled the same way as the word for "charm," underscores this difference. *CHEN* was established in 1949 to assist the IDF in recruiting women and then in managing the personnel and training issues emanating from perceived differences between women and men. It was intended to be a vehicle for implementing military policy, for providing protection to young women recruits operating in a macho culture, and not for providing representation for women in the policymaking centers. *CHEN* was modeled primarily after the ATS, the women's corps of the British army during World War II, in which women served in a separate unit under their own female command. This model is in contrast to that supplied by the Palmach—the Jewish underground and commando unit created to fight both the Arabs and the British in Palestine—in which men and women served in the same units. The first commanding officers of *CHEN* were former ATS officers.

Until 1997, *CHEN* had formal responsibility for all women soldiers with regard to military training (including officer training), job assignments, discipline, and judicial matters, as well as welfare and well-being, including protection from sexual harassment. In recent years, the protective policies operated through this separate women's unit have been criticized as counter to women's strategic interests. For example, the fact that the *CHEN* officer had sole jurisdiction over the woman soldier in all judicial matters, even if her functional unit commander was a woman, differentiated the woman soldier from her male counterpart. If she missed a drill and he missed a drill, he would be disciplined by the unit commander, but she would be disciplined by the *CHEN* officer. This situation, which curbed the functional commander's authority over the woman soldier, also had the consequence of making him feel less responsible for her (Bloom 1991). Furthermore, the reluctance of the military generally to apply the same disciplinary measures against women, for example, in cases in which women objected to an assignment, then became a justification for differential assignments that, in turn, supported the view that women did not really bear their fair share of the workload. By the early 1990s, disciplinary functions in the professional army had been transferred from *CHEN* to the woman's functional commander. The emerging policy, strongly endorsed by the then commander officer (CO) Brigadier General Yisraela Oron, was to limit the intervention of *CHEN* to matters that were "relevant to the differences between men and women" or for which the women's corps had "a relative advantage, such as in matters of sexual harassment" (Binyamin 1996, p. 64).

No woman was (or is) of high enough rank to participate in the meetings of the General Staff

on a regular basis.<sup>10</sup> Until 1987, the rank of the CO of CHEN was that of colonel. Only after intensive public pressure from women's organizations and women members of the Knesset was the rank raised to that of brigadier general, one rank below the CO of personnel. In response to the question of whether CHEN could influence the prerequisites for assignments to senior positions, Brigadier General (reserves) Yehudit Ben-Natan, the CO of CHEN during the mid 1990s, replied: (*Protocol 1994b*, p. 19):

Yes, it can sit in the meeting in which decisions are taken, and express its opinion, but how will that influence? There is only one Head of The Women's Corps. She sits in part of the discussions of the General Staff, when it discusses the girls' service in the I.D.F. But it is the established priorities that set the tone.

Women do not participate in determining the priorities. The closure of senior positions to women thus also excludes women's participation in making the policies that institutionalize their secondary status in the military. The CO of CHEN reports to the chief of personnel and may advise the chief of staff on matters of specific relevance to women. In fact, until recently, the CO of CHEN was rarely consulted on matters of general relevance to women. For example, she was not party to the decisions to cut women's military service from 24 to 22 and then to 21 months.

CHEN never emerged as a collective voice for promoting women's equality, partly because of the strict limitations on protest of any sort, let alone organized protest within the military, and partly because of CHEN's historical lack of clout and its symbolic representation of women's marginality. Women officers serving in the "men's army" tended to view CHEN as an impediment to women's integration into the military and preferred to disassociate themselves from it. The efforts of the head of CHEN to introduce incremental changes in the direction of greater gender equality were considerably enhanced by the establishment of the Knesset committee on the status of women in 1992. The committee's hearings marked the first time that an agency with authority over the military required it to be accountable for treating women more equally. On August 1, 2001, CHEN was officially disbanded as a separate corps and its CO became "the adviser to the chief of staff on women's issues." Despite the title, the adviser remained subordinate to the CO of personnel.

### ***Functional Distinctions***

Military jobs are generally assigned first by gender and then within gender by aptitudes, competencies, and other considerations. [Table 13.1](#) presents the proportion of women by type of service for professionals and conscripts (column 1) and for professionals only (column 2) in 1998. In 1994, women constituted 32 percent of the recruits and 14 percent of the professional military (Lieberman 1995). As can be seen in [Table 13.1](#), women were highly underrepresented in services with the greatest proportion of combat soldiers (1–8) and overrepresented in services with the greatest proportion of soldiers in white-collar, semiprofessional, and administrative positions (12–17). As is the case with all occupational data, aggregated categories veil the true extent of segregation. A more detailed analysis would reveal, as was noted earlier, that relatively few jobs are performed interchangeably by men and women.

In every service, the proportion of women among the officers in compulsory service in 1998 was greater than that in the professional army. This difference between compulsory service and the professional army, reflects both the greater proportion of women relative to men in compulsory service and the concentration of women officers at the lowest ranks of the command hierarchy, those usually attained during compulsory service [Table 13.2](#) presents the distribution within each gender among the ranks in 1998. At the bottom of the hierarchy, women constituted

approximately 32 percent of the lieutenants, a rank achieved during compulsory military service. Women are greatly underrepresented in the four ranks below chief of staff. The appearance of a woman brigadier general reflects the upgrading of the rank of the CO of CHEN in 1988, referred to previously. There were only eight women at the rank of colonel in 1985 and eleven in 1999.<sup>11</sup> In 1999, women constituted 7.1 percent of the lieutenant colonels and 2.2 percent of the colonels. The slight increase in the number of women officers up to and including the rank of lieutenant colonel in recent years was largely the result of the expansion of the rear command following the Gulf War and the military’s growing confidence in women’s professional competence. The data in [Tables 13.1](#) and [13.2](#) reveal what Grant and Tancred (1992, p. 117) called “the dual structure of unequal representation.” Women are unequally distributed through the hierarchy of the military as a whole. At the same time, those organizational units in which women are well represented and they exert a greater measure of authority are peripheral in the internal organization of the military.

**TABLE 13.1**  
**The Percentage of Women Officers among all Officers, by Service (1998)**

Service	Conscripts and Professionals	Professionals Only
Total IDF	23.7	14.5
1. Armor/tank	1.3	0.9
2. Artillery	1.9	0.3
3. Engineering	2.5	2.1
4. Ammunition/ordnance	6.8	5.2
5. Field command	12.7	3.6
6. Navy	12.1	8.9
7. Air force	14.1	9.9
8. Military police	18.1	6.9
9. Intelligence	16.9	12.7
10. Maintenance	23.5	15.9
11. Signal	23.2	14.5
12. Medical	32.9	32.1
13. General Staff	38.8	27.4
14. Rear command	39.7	25.7
15. Field	43.0	18.7
16. Adjutance (human resources)	68.0	50.9
17. Education	83.3	59.5

Source: IDF spokesperson

***Symbolic Distinctions***

Women’s exclusion from combat roles has been a pivotal mechanism upon which male

dominance in the military and beyond it rests. Whereas the military assigns women to serve in combat units, roles defined as combat and jobs performed in combat areas have been, and, with few (but increasing) exceptions still are, closed to women. Exclusion sustains dominance in two ways, hierarchically and symbolically. Both ways exclude women from positions of power. By defining combat service as a necessary prerequisite for virtually all the most senior positions and the majority of those below the senior levels and then denying women access to this experience, the military can justify blocking women's movement up the ranks. By excluding women from senior positions, men monopolize the power to define the rules of the game that shape social interaction and opportunity in the military.

**TABLE 13.2**  
**Distribution of Officers, by Gender and Rank, 1998**

Rank	1 Women	2 Men
Brigadier	0	0.1
Brigadier general	0.1	1.0
Colonel	1.0	3.0
Lieutenant—colonel	4.0	14.0
Major	25.0	31.0
Captain	22.0	25.0
Lieutenant	48.0	26.0
Total	100.	100

Source: IDF spokesperson

The military's resistance to opening more senior positions to women limits competition for those positions. As the hierarchy narrows, opportunities for upward mobility become more limited. Men who are derailed from the combat career route either because they lost out in the competition or as a result of a drop in fitness, may be "cooled out" by assignment to an alternate career line normally accessed from a different route. This practice permits entry to an alternative career path in which male incumbents frequently receive priority over more qualified women who are in line for promotion. This practice enables the military to repay those (men) who spent years "in the trenches," in contrast to the less worthy (women) who spent them in the offices, and to retain valued persons (men) who might otherwise leave the military prematurely for employment in the civilian labor market.

Symbolically, the combat soldier, brave, self-sacrificing, and tough, incarnates hegemonic masculinity in the military. In the security discourse, the combat experience is the unique tempering fire that turns a person (man) into a real soldier. Only activities that are coded as combat bequeath heroism and glory, and only combat roles, especially those at higher ranks, create entitlements to deference greater than those that can be claimed by equivalent ranks in noncombat roles. In other words, in addition to power of position, moving up the combat career path provides soldiers with what Bourdieu (1990, p. 112) termed "symbolic capital," a form of power that is not perceived as power but as legitimate demands for recognition, deference, obedience, or the service of others. It is "denied capital" in that it disguises the underlying



interested relations as disinterested pursuits. Symbolic capital is preserved through exclusivity. When it is spread too wide or is extended to devalued categories like women, it becomes devalued. Excluding women is therefore important for preserving the hallowed character, the sanctity, of the combat role. According to Bourdieu (1990, p. 112), symbolic labor produces power by transforming relations of interest into disinterested meanings and by legitimating arbitrary relations of power as the natural order of things.

The arbitrary nature of the combat prerequisite for virtually all senior positions is not lost on women officers in the professional military, who perceive a contradiction between the declared ideology and their understanding of military practices in this regard. A 1996 survey conducted by the military on women's advancement in the IDF found that among professional officers 82 percent of the men and 75 percent of the women indicated a strong desire for advancement. The two main factors cited as explanations by the military for the gender difference in rate of advancement were that women did not serve in combat roles (cited by 80 percent of the women and 72 percent of the men) and that the military was concerned that motherhood hinders women's ability to devote all their energies to work (cited by 81 percent of the women and 52 percent of the men.). When asked how justified they thought these explanations were, only 30 percent of the women and 54 percent of the men considered that the first explanation was justified, and only 13 percent of the women and 36 percent of the men considered that the second was justified.

Women officers argue that combat experience should cease to be a requisite for many senior positions that they claim do not require such experience. A policy based on the belief that whoever does not crawl under a barbed wire fence or does not storm some fortified target cannot be a successful commander is anachronistic and blocks the promotion of capable women. Positions at the rank of colonel and above, which women claim do not require combat experience and are, therefore, unwarrantedly closed to women, include chief educational officer, CO of intelligence, CO of personnel, military spokesperson, chief medical officer, chief mental health officer, chief military prosecutor, and president of the appeals court. The recent appointment of a noncombat officer as CO of personnel supports the argument. The women also believe that were the military command to perceive it in their interest to do so, it could provide promising women with the equivalent of combat experience in the field. *What Women Do in and for the Military*

Women perform three major functions for the military. The first is that they execute all those jobs that the military regularly assigns to women soldiers, among which clerical work and various forms of personnel and educational work are the most obvious and prominent. The second is that they provide a reservoir of labor for regulating the use of human resources and replace men in what are classified as "men-replaceable" jobs. The third is that they serve "trophy jobs" that contribute to supporting the glorification of the masculine in general and of hegemonic masculinity in particular. These functions are briefly considered next.

### ***Women's Jobs***

Policies concerning women's assignment have been dictated primarily by the changing needs of the military. Two factors were especially important for conducting the military to experiment with new uses of womanpower. The expansion of the military to cope with the new territories under Israeli control following the 1967 war created a need for more combat units. The development and introduction of increasingly sophisticated military technology, which reduced the necessity for engaging in face-to-face combat, made differences in physical strength between

men and women less consequential (Yuval-Davis 1997, p. 99) and increased the need for cognitive and other skills for which men had no special advantage. The changing needs of the military resonated with the demands emanating from the liberal feminist women's organizations to open more job categories to women. The demand was voiced initially by the Commission on the Status of Women (1978) appointed in conjunction with the UN Year of the Women. The commission's report, published in 1978, found that in 1976, 210 jobs out of a total of 709 jobs, were open to women, but women actually served in only about half of them. Approximately 70 percent of women were in clerical positions. In 1988, women actually served in 234 of the approximately 500 jobs that were then open to them (Bloom 1991, p. 35). In 1998, they served in 330 occupations of the 551 open to them; 187 were closed to women for reasons of their association with either combat or religious service. Thus, over two decades, the number of jobs open to women more than doubled, and the number of jobs in which women actually served more than tripled.

### ***“Men-Replaceable” Jobs***

Since the establishment of the IDF, women's participation in the military has been talked about and justified in terms of their “freeing men for combat.”<sup>12</sup> This phrase is a metaphor for the asymmetry of status ascribed to each gender and for the differential nature of men's and women's incorporation in the military. As Enloe (1983) noted, men *are* the military; women are *in* the military. Women free men not only for combat jobs, but for technical jobs, jobs that require physical strength, and those that are performed under dangerous conditions.

In the 1980s, in response to budget cuts, women were used to replace men in the standing army as well as in the reserves. Sometimes women replaced male conscripts who, in turn, replaced reservists (Lieberman 1995). Women also replaced men as instructors for training men in various field-soldiering and combat skills, including driving tanks, artillery, and target shooting. Women's representation among instructors, while still small, grew by over 400 percent between 1983 and 1993 and was about 2,000 in 1994 (Lieberman 1995). Serving as instructors for men-only units is the closest women get to a combat role and is among the most prestigious jobs open to them.

Instructor jobs previously done by men, however, were usually redefined -made narrower and more specialized, so that they could be learned in a shorter time, and did not require combat experience. This redefinition preserved the distinction between what women did and what men did-even when it seemed that the divisions were being dropped. For example, men usually became instructors after a period of combat training, while women were sent directly to instructor training. Women instructors, furthermore, were confined to the classroom and generally did not accompany the men during military drills in the field and certainly never in real-life situations. As the deputy CO of personnel pointed out to the Knesset committee on the status of women: “There is a big difference between being an instructor in the classroom and having to maneuver a tank on the battlefield. I think we are still far away from taking a tank instructor from the Armored Corps training school and putting her now on a tank to make a fighting reconnaissance in South Lebanon” (*Protocol* 1994a, p. 6). Women's lack of experience under real-life conditions made them less credible as instructors. What works in the books, the soldiers might say, may not work in practice.

Women who enter men's occupations potentially face the pressures associated with being “the wrong person” in the job. Jobs differ in the extent to which they are gendered, that is, the extent to which being a man or a woman is perceived to be a necessary qualification for their

successful accomplishment. Jobs may be gendered in three respects: (1) being of a certain gender is considered an essential prerequisite for the performance of a job, (2) being of a certain gender is considered an essential prerequisite for promotion from the job to a job at the next rank in the same career track, or (3) the context within which the job is performed privileges one gender. All three parameters of genderedness may exist simultaneously. The more intensely gendered the occupation, the greater the pressure to perform the job on those of the wrong gender who are attempting to accomplish it. The extent of perceived genderedness of a particular job, however, is not a constant but, rather, responds to changes in practice.

In the early 1980s, the military introduced the use of women NCOs and junior officers to serve as instructors for combat units and, toward the end of the 1980s, experimented with using women as platoon (10–15 soldiers) commanders for new male recruits in noncombat units. The platoon commander role is gendered in all three respects: A commander (as different from an instructor) of men is perceived as a man's job. The commander of men works in a primarily male-dominated setting, and few women get promoted from the rank of platoon commander to company commander.

The following is the author's summary and interpretation of a military report that evaluated the performance of women platoon commanders, highlighted the pressures for women of being in a man's job, and women's responses to these pressures.

The platoon commander is in continuous close proximity with her recruits. For approximately one month, she is responsible for training the new recruits in basic soldiering skills, socializing them into the military framework, and guiding the new recruits through this, their first period of adjustment to the military. The women who serve as commanders of all-men units are scrupulously selected for their high level of expertise in the various skills of soldiering, high level of competence in training ability, personal values and skill in working with young men from different socioeconomic backgrounds, and strong identification with the military. The base in question is situated outside the official borders of Israel, in what is considered "unfriendly" territory. The women commanders sleep in quarters separate from both the men commanders and from the other women on the base who are in service jobs. This physical separation symbolically sets them apart from both.

The woman commander is set apart from "the norm" in a number of additional ways. Most important, she is responsible for a group of men and has positional authority over them. What is special is not her being a commander, since there are women commanders over women, but that her subordinates are men—they are also new and not socialized into military discipline. She is in a different situation from women instructors of combat units. The instructor's authority rests on her expertise in a particular skill or set of skills. She tells men what to do because she knows best. The commander, in the military ethos, is a leader, an object of identification, the incarnation of the military at the grassroots. Despite the similarity of title and rank, the woman platoon commander is restricted by formal rules and informal norms not applied to men. First, rules of modesty limit her entry into the men's quarters. She is excluded from this private space, which is accessible to men commanders. Second, because of the camp's location in dangerous surroundings and the military's differential policies regarding the movement of men and women in such places, she is not allowed to perform certain duties most associated with soldiering and military prowess. For example, she does not do night guard duty or take charge of the camp at night when the officer is off duty as her male counterparts do. These gendered practices of everyday life undermine the authenticity of her performance as a commander.

The women responded to these performance pressures in ways similar to those described by

Kanter (1977) for token women managers and managers who lack in power: First, they worked extra hard to maintain a reputation for excellence. The evaluation report noted: "To my surprise I had difficulty finding mediocre women commanders to serve as a control group for my study." The more senior officers whom the author of the report interviewed told her they had no mediocre women instructors and if they had any, they would have promptly assigned these women to jobs elsewhere. Second, the women "did masculinity" and in the view of the report, they overdid it imitating the verbal culture tone of voice and slang-as well as the posture and demeanor of men commanders "because then they forget you're a woman." In the powerful macho culture of the military, men provided the only legitimate models of leadership behavior and style for women commanders over men. There is a certain irony in that the women felt pressured to avoid "doing femininity" in order to prove that women were as capable as men, which, according to the report, was one of the motivating factors for women to volunteer for such jobs. In adopting a masculine genre they also inadvertently reinforced the association of leadership with masculinity. Third, they tended to stick rigidly to the rules that supported their authority. The latter pattern opened them to criticism for being sticklers about the rules and too technocratic, treating rules as ends rather than as means for achieving wider purposes. Senior officers pointed to this "technocratic" behavior as indicative of women commanders' difficulty connecting their subordinates to the wider purposes of the military and as proof of their lack of leadership. According to the report, they viewed women more as instructors than as commanders.

For most women platoon commanders, promotion within the career track was blocked because men were preferred for positions at the next level. The women were consequently forced to leave the combat track. They usually joined the other women in more traditional jobs. It is not surprising that the report found a significantly higher level of burnout among the women than the men platoon commanders.

Kanter (1977) underlined the catch-22 nature of being a woman in a man's job. As tokens, they were under pressure to prove that they were worthy of joining the men-that they were as good at what men did as the men themselves. At the same time, they were expected to remain "true women" and not threaten the men. The tension between the two demands made it difficult for women to adopt a consistently winning strategy. The following case of women target-practice instructors provides an example of an instance in which achieving excellence was a necessary condition for women's access to a prestigious male-dominated position but excellence also became the justification for a demand for their removal from that position.

In the 1980s, the IDF opened the position of target-practice instructors for men to women, and in 1992, the then head of the Infantry and Parachute Corps attempted to close the job to women and return the responsibility to the direct commander. He explained:

Since the women began as target practice instructors there has been a decline in the level of teaching and of target shooting of the men commanders. Instead of turning to their commander, soldiers are turning to the women target practice instructors with every question or problem related to target practice because the commanders don't know the answers. Therefore, we decided to revert the job of teaching shooting back to the men commanders. The women target practice instructors will become instructors in good-training skills and will assist the commanders. (Sadeh 1992, p. 26)

The women instructors expressed their concern that their hard-achieved entry into this and other such high-prestige jobs would be curtailed in the future on the grounds that they were women (Sadeh 1992, p. 26). From the perspective of the military there is a logic to the argument of the CO of the Infantry Corps (personal communication from Brigadier General Yisraela Oron, CO of CHEN, August 1996). Given that accuracy in shooting is at the heart of the infantry soldier's job and that the military discourse requires that the commander lead by personal example, it follows that the immediate officer should be an expert marksman. The women's

success was defined as the cause of the male commander's loss of authority in relation to his subordinates—a symbolic castration threat perhaps. Instead of removing the male commanders who failed in their jobs, the women were held responsible for the men's failure and were subsequently to be penalized. Their role would be redefined from that of the expert in charge to that of assistant-to-the-men in charge. The proposed change was not implemented; however, the demand to remove the women from the job reveals the precariousness of the arrangements that tamper with the gendered order of things.

Once women entered a job and performed it to the satisfaction of the military, it tended to be redesignated as a woman's job. Speaking of the "progress" made by women in recent years, the CO of the Personnel Corps pointed out proudly: "Instructor occupations are closed to boys in many places including the most attractive places, the most combat like places there, only girls are instructors. Only women train our pilots, the combat pilots, on the simulation machines" (*Protocol* 1994b, p. 10). What he failed to appreciate is that the redesignation of these jobs into women's occupations, while improving job opportunities for women, also preserved the gendered division of labor upon which the gender structure of power rests.

### ***Trophy Jobs***

There were several ways in which women served in the military as women. Women who served with all-male units were perceived as bringing a touch of home to the otherwise cold military world of boot camp. They had a civilizing effect on men, who, in their presence, were less likely to engage in vulgar language and behavior. They became the personification of the collective wife/mother/sister. They functioned as morale boosters, symbolically personifying for the men some of the rewards of home bestowed by women on men. One feminist journalist, commenting on the role of the company clerk, considered that it symbolized the gender dynamics of the Israeli military:

The Company Clerk, the miserable dream of too many serious girls, the closest a young woman can get to the field, to the fighters, to the real thing. They march 80 km with the company, bake a cake at home, and never forget anyone's birthday. The Company Clerk is a symbol of what men and women learn about themselves and about each other in the military. They [the men] are the warriors, they [the women] are always, always the "helpmate unto him." To be helpmates they are recruited to the military and that is what most of them learn there. (Hareven 1995, p. 3)

Women are also trophies for heroes. Their beauty is commodified and allocated to the most worthy. A popular adage loosely translated says, "the best men become pilots, the best women are [trophies] for the pilots." The best women are, in this case, those with movie-star femininity—tall, slim, and beautiful. For some jobs, those close to senior officers, physical appearance is an important qualification. The commander's access to this scarce resource says something about his status. The most beautiful women are his prize as well as the mark of his military achievement. Their feminine qualities reflect upon his manliness, validating and enhancing it. A journalist who investigated the way female clerical staff are assigned to senior officers on the basis of their good looks, concluded:

All the models and the beauty queens, the prettiest girls in the IDF, serve as clerical staff in the office of the major generals. The most beautiful serve in the office of the Chief of Staff, or the CO of the Absorption and Classification Base. There is no paragraph in the orders of the Chief of Staff regarding the assignment of pretty women soldiers as clerical staff for senior officers. There is also no such verbal instruction. But like the *zabor* [slang term for hazing routines performed on new recruits] and like the coffee served to the commander, this custom is deeply rooted in the system and is transmitted from generation to generation. (Rosenblum 1995)

The top brass siphons off the most desirable women. Officers further down the pecking order exert what influence they can to get the prettiest from the remainder assigned to them, as indicated in the following story:

When I was a young officer, we were stationed in Sharm-el-Sheih [south Sinai Peninsula] where all the girls assigned to

Sharm-el-Sheih as well as to the secondary bases in the outlying areas, were sent. We used to sit, all the young officers, and mark each for the person who sorted the girls. Thumbs up meant pretty soldier, leave her in Sharm. Thumbs down send her to the outlying bases. Later when I was commander of one of the secondary bases, I called that same sorter and told him: "Don't you dare send me anymore of those who get the thumbs down." (Rosenblum, 1995)

In some cases, the presence of women poses a challenge to masculinity that the military sees as beneficial to the training process. Referring to the outstanding success of women in their new role as platoon sergeants for male soldiers in basic training programs, a 1986 Army public relations pamphlet explained: "New recruits do not dare complain of muscle aches and pains or drop out of a long distance run when it is being led by a female sergeant." Why they dared not complain is not explained; presumably it is obvious to the reader: No man, who considers himself a man, would wish to be outdone by a woman. The implication is, furthermore, that men are motivated to prove that they can do better than women or that to demonstrate their superior toughness is an important performance incentive. This military publication, which presumably intended to praise women's accomplishments, subtly reconstituted their taken-for-granted inferiority.

There has been almost no research to date on the impact that women's service has on women. A study by Sasson-Levy (1997) of women who served in nontraditional roles noted, "away from home, women have the opportunity to experiment with alternative possible selves from among the multiple femininities within the military. For some women, especially those in traditionally male roles, the military provides an opportunity to free themselves from the constraints of 'Israeli femininity.'" The findings revealed, however, that these women soldiers often pay a price for their newfound freedom and empowerment. In identifying with men, they tend to adopt the same disparaging attitude toward women that men have. Women pay for their newfound empowerment and self-confidence by, as Sasson-Levy noted, becoming misogynous. If for men, military service resonates with their masculinity and enhances it, for women, especially those in the most prestigious positions, it frequently involves a rejection of femininity and of themselves as women. By associating achievement with activities that men do, the military intensifies the contradiction between femininity and achievement. More research is required to identify the extent to which the male monopoly of senior positions and the lack of female role models in those positions impact beliefs about women's abilities for leadership roles and their entitlement to them.

## **The Reproduction of Gender Inequality in Civilian Life**

The military provides important opportunities to develop social capital—the social networks so important for access to information and support, as well as to people, places, and jobs in civilian society. Both women and men use such ties to get jobs and other advantages, but the military provides men with more opportunities for accumulating social capital than it does women.<sup>13</sup> Men serve for a longer period and often in more varied jobs and locations. The reserves bring together people from many different walks of life who might otherwise not meet one another. Serving together creates social bonds of mutual obligation that bypass status differences in civilian life and often extend beyond the service. For example, in her study of civilian-military relations in Israel, Etzioni-Halevy (1996) found that senior officers meet civilian elites and prepare for their second careers while still in the military.

The civilian employer views the military as a valuable training ground for general attributes as well as specific skills.<sup>14</sup> In some occupations the link between the military and the civilian is

institutionalized (most noticeably in the high-tech industry). In an investigative article, Aloni (1994, p. 16) cited a manager who compared the burgeoning growth in start-up companies in Israel in the mid-1990s with what occurred in the Silicon Valley in the early 1980s: "In contrast to the entrepreneurs of Palo Alto, Israeli entrepreneurs have technological experience and prefer teams that already worked together in the army or the defense industry." Or quoting another manager: "All our workers served in the same unit and that is how it will be in the near future. In general, the high-tech market in Israel is very tightly networked. People know one another and that is very helpful." Aloni concluded: "The uniqueness of the Israeli high-tech success lies in these army grounded networks and not in 'the Israeli brain' as is commonly thought" (p. 18).

In some occupational fields, such as security-related jobs, a specific type of military experience is a condition for entry. In others, the civilian employer recruits those trained by the military. For example, El Al, Israel's national airline, recruited its pilots exclusively from the military. According to the El Al chief executive, the reason for the preference was strictly professional. "One doesn't have to be a man to fly a passenger aircraft but if I can select for El Al the best pilots, those who are better equipped to cope with stressful situations because of their military training, there is no reason that I should forego this advantage. If the air force will train women, I will accept women" (quoted in Schochat 1995, p. 1). In the mid-1990s, this policy was challenged in the Labor Court on the basis of the Equal Opportunity in Employment Law (1988). After El Al's policy was declared discriminatory, the airline hired its first woman pilot.

When senior officers enter civilian organizations, they frequently bring with them other officers who were their colleagues or subordinates in the military. Once in the civilian sector, they recruit fellow retirees with whom they weathered emotionally charged experiences, who have proved their worth and loyalty, and who speak the same language as they do. For example, the equivalent of the following headline that appeared in a Tel Aviv newspaper in September 1988 could have appeared following the 1999 election as well: "One more than in the general staff: 22 senior reserve officers fill senior positions in the municipality. Lahat [then mayor of Tel Aviv and senior reserve officer] chooses most of them" (Avnieli 1988, p. 15). One senior officer who was hired as CEO of an important museum complex replaced the existing staff from top to bottom with military retirees from his unit, even bringing in his personal *ralashit* (the military term for the female office manager of a senior officer).

Men reap greater value from the symbolic capital they accrue from serving in the military than do women. Despite the fact that only a small proportion of men become combat soldiers, the symbolic value endowed by the military reflects on all men in a way that it does not reflect on women. All men benefit from the "patriarchal dividend." This differential symbolic effect of the military is exemplified in Herzog's (1999) study of women in Israeli local politics, which found that women had a harder time exchanging their military rank for political advantage in political life. The political parties placed them lower on the party list than men, thus reducing their chances for election. The differential symbolic effect of the military is further exemplified in a study of gender bias in the Israeli courtroom, which found that military service is among the reasons judges gave for leniency in sentencing a defendant (Bogosh and Don Yichiya 1999). The reference to military service as a consideration, however, applied only to male defendants, both those who had actually served and those who would, presumably, serve in the future. Military service was never mentioned in relation to a woman defendant. This fact raises the question of whether Israelis think of women's military service as actual soldiering.

The relationship between the military and women's status in Israeli society is circular. A feedback-loop dynamic leads from women's marginalization in the military to women's



disadvantage in civilian life and back again. First, the gendered processes by which women and men are incorporated into the military intensify the perceived differences between them and marginalize women. Second, the differential treatment of men and women in the military and women's marginalization produce differential opportunities for mobility both within the military and in civilian life—those that privilege men. Third, the advantages men derive from military service are converted into advantages in civilian life. Military elites slip into roles in civilian elites where they contribute to the reproduction of gender inequality and to the perpetuation of gendered processes within the military.

## Patterns of Resistance

Despite its importance as a site for gender reproduction, until the end of the 1970s, the military was not a focus for interest-group formation and mobilization in sexual politics. The brilliant military victory of 1967 was an affirmation of the hegemony of the military that raised it to almost sacred proportions. After the 1973 war, when the Israeli military was caught not adequately prepared, the symbolic wall that had protected it from public criticism weakened (Horowitz and Lissak 1989), creating a social climate that was more receptive to a critical reconsideration of women's status within it. The emergence of a feminist movement in the 1970s created the consciousness that there was a gender problem, and the work of the prime minister's Commission on the Status of Women (1978) and other similar public forums provided both a mechanism for gathering systematic data and an arena for discussing the issues and constituting the problem of women's inequality (Azmon and Izraeli 1993). During the 1980s, public discourse on women in the military was framed primarily in terms of increasing the range of job categories open to women, especially jobs that were interesting and prestigious, not in terms of promoting equality. There was widespread agreement with the military's interpretation that its mandate of promoting national security exempted it from the constraints of the laws requiring gender equality.<sup>15</sup> This interpretation was, until recently, the taken-for-granted ideology. The idea that the categorical treatment and exclusion of women are a necessary consequence of the IDF's commitment to defend the country and, therefore, should not be subject to the same norms of equality governing other sectors of society was, as expressed by MK Yael Dayan in a Knesset committee hearing on the status of women in the military (*Protocol* 1994b, p. 3), common wisdom:

Zahal [the Israel Defense Forces] is not obligated to the State of Israel, and to the women of Israel to accept equality. I think the issue of achieving equality should not concentrate on Zahal. ... I don't see this [equality in the military] as equivalent to [equality in] the labor force, [and] personal [religious] law and all the other areas [where there is currently inequality]. Zahal is responsible for the security of Israel and for combat.

The Supreme Court thought otherwise. The 1995 Supreme Court decision in the case of *Alice Miller v. the Minister of Defense*. (HC 4541/94) challenged the gender regime of the military. The Israel Women's Network, a feminist lobby, in cooperation with the Association for Civil Rights in Israel, petitioned the Supreme Court in the name of Alice Miller following the military's refusal to allow her—a new immigrant to Israel who possessed a degree in aeronautical engineering and a pilot's license—to take the entry examinations that determine qualification for the most prestigious pilot training course.

This case was the first time the Supreme Court intervened in a matter of gender discrimination in the military. By instructing the military to invite Miller to be tested for admission to pilot training and, if successful, to admit her to the course, the Court redefined the grounds for

acceptable gender distinctions. The Court rejected the military's claim that its differential treatment of men and women was merely a ramification of gender distinctions embedded in the law and that given these a priori legal distinctions, the principle of gender-equal treatment did not apply to the military. It also rejected the military's claim that its differential treatment of men and women rested on relevant differences between them and, therefore, constituted a permissible and not invidious distinction. Finally, the Court rejected the military's argument that the high financial cost of adjusting the conditions of pilot training to women's needs, as well as the difficulties involved in personnel planning caused by women's reproductive and mothering roles, were legitimate reasons for unequal treatment. In the words of Supreme Court Justice Eliyahu Matza:

Declarations of equality are not enough; because the real test of equality is its realization in practice as a social norm that determines outcomes. This normative obligation applies to the IDF as well. The tremendous influence of the ways of the military on the way we live our lives is well known. The IDF cannot stand outside the process of entrenching the consciousness of the importance of basic laws. It too must contribute its share.

Supreme Court Justice Dalia Dorner acknowledged differences in the law as making gender a relevant basis for differentiation, but then placed the obligation for correcting or neutralizing the effects of relevant differences on the military. The differences in the service of men and women as defined in the law, she argued, is a factor that the IDF must take into consideration in its planning but cannot be a cause for permitting discriminatory practice in relation to women soldiers. In its decision, the Court stated that the military must take into account the different life experiences of women, which include pregnancy and childbirth, and accommodate its policies regarding requirements for the participation of pilots accordingly (Ziv 1999).

The Alice Miller case was also an opportunity to challenge the myth of the higher cost of women pilots. When the Air Force refused to grant the lawyers for the defense detailed data on the dropout rate for pilots, on the grounds of confidentiality, the Court registrar, a woman, insisted. Upon examination of the data, the lawyers discovered that the dropout rate was far greater than the Court was led to believe from air force testimony, thus reducing the anticipated differential cost of training men and women, a fact that influenced the judges' decision in favor of opening the course to women (personal communication from Neta Ziv, lawyer for the defense from ACRI, May 1999.)

On January 10, 2000, the Knesset amended the Security Service Law to grant every woman soldier the same rights as a man soldier to fill all positions in the military. However, it also provided the military with an escape clause, a compromise necessary for getting its approval. The law stipulates that if the nature of a position requires that it be filled by a man, doing so will not be considered an infringement of women's rights.

Given the qualified wording of the law, military practice will determine the future course of women's participation. Despite the symbolic inroads made by a small number of women assigned to combat roles and units, given the strong resistance within the military to women's participation alongside men in combat roles, it is likely that change will be gradual, restricted, and subject to backlash. For example, in response to the new law, the CO of the tank corps (Brigadier General Avigdor Klein) declared: (quoted in Zakham 2001, p. 1). "As long as it depends on me girls will not be incorporated as fighters in the tank corps." Furthermore, the impact of the growing number of religiously orthodox military officers who generally oppose gender integration will, the author expects, become more visible in the near future and constitute a serious constraint on women's opportunities.

## Conclusion

Women are in a catch-22 situation. They are struggling to mitigate the significance attributed to gender by the institution that by its very essence—as responsible for the production and management of violence across borders—is premised on the gendered distinction of man, the protector, and women, the protected. It is thus incapable of moving beyond the sameness-difference dilemma or of undergoing a transformation in the gender structure of power. Ironically, then, women’s tactical gains, such as opening a crack in the wall that blocks their access to pilot training, may only serve to legitimate and stabilize the gender practices of an organization that is premised on women’s subordination and thus may be of questionable strategic advantage.

Some Israelis favor eliminating compulsory military service for women. Radical feminists argue that as an instrument of violence, the military is inherently a masculine organization that is oppressive of women and violates women’s value of life. Some liberal feminists (Jerby 1996; London 1996) contend that releasing women from compulsory service would give them a head start relative to men in higher education and thus compensate them somewhat for the cost that motherhood exacts from their careers. The majority of Israelis, however, oppose such differential treatment, both on principle and in recognition of the symbolic importance of military service for civilian life.

It is unlikely that there will be a significant number of women in the centers of military policymaking in the near future, notwithstanding the recent declaration of the chief of staff that “perhaps one day we will also see a brigadier in the general staff (quoted in Harel 1999b). A greater measure of equality could be achieved, however, if universal compulsory military service were to be replaced by voluntary service and greater professionalization. The culture of professionalism is less intensely gendered than the macho culture of military heroism. Furthermore, the need for employers to compete in an open labor market for educated personnel has historically worked in women’s favor (Reskin and Roos 1990). The military would then most likely become a less powerful force in shaping the ideologies and practices of everyday life, and gender inequality within the military will have a less significant impact on gender relations in society. This situation is more likely to occur if and when Israel achieves a more stable peace agreement with its neighbors, something to be desired on all accounts.

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## Notes

1. For a history of women in the military, see Bloom (1982, 1991); for studies of compulsory

service for women, see Bar-Yosef and Paden-Eisenstark (1977); Bloom and Bar-Yosef (1983); Eva Eshkol et al. (1987); and Gal (1986). For a critical appraisal of women's military service, see Berkovitch (1997); Hazleton (1977); Rein (1979); Yuval-Davis (1981, 1985), Sharoni (1992); and Robbins (1994). For a recent critical look at the impact of military experience on female identity, see Sasson-Levy (1997).

2. The figures do not include Arabs who are legally eligible but, except for Druse men, are exempted from military service. Approximately 26 percent of Jewish women receive automatic exemption on the basis of a declaration of religious belief and conscience; and 8 percent of Jewish men are exempted because of devotion to religious study. The exemptions on the basis of religion date back to the establishment of the IDF.
3. In principle, men and women get equal pay for equal work performed in equal circumstances. Policies concerning the allocation of a variety of fringe benefits, however, have gender effects. For example, professional soldiers serving in combat units receive a bonus, which they retain even when they move to a noncombat unit. Fewer women than men serve in such units. Similarly, certain jobs filled primarily by men receive a "danger" increment. From time to time the military sponsors housing projects and although access to these low-cost housing units is by raffle, categories, such as combat soldiers, engineers, and wounded in service, are given priority.
4. Men were eligible for reserve duty service until age 54 and women until age 38 (Article 29 of the law). For physicians and dentists, there was no gender difference in the maximum eligibility age for both recruitment and reserve service.
5. The women, in their early twenties, publicly tore up their reserve identity cards and one father took the issue to the Supreme Court. The incident was resolved, however, by the change in military policy.
6. The increase was the result of two demographic factors. First, there was an increase in the number of women of reproduction age during the period 1967–76 who were offspring of immigrants with large families who immigrated during the 1950s. The number of women of reproduction age peaked again in 1985 so that an especially large cohort of conscription age will be available to the military again in the year 2003 (Sabatello 1992). Second, the large immigration from the former Soviet Union, which reached its height in 1990–91, had within a decade, increased the population by more than 10 percent.
7. The legal distinctions did not present insurmountable barriers to women's service. Notwithstanding these categorical distinctions, the law (Article 17) permitted anyone (with the approval of the minister of defense) who was not obligated to serve, to volunteer either for compulsory service, even for an extended time beyond that specified in the law, or for reserve service. The commitment to serve for an additional period is binding even if a woman marries. An enabling clause in the law, on the basis of which the minister of defense introduced regulations in 1951, defining combat and other jobs as closed to women, was omitted in 1987 for reasons unrelated to women in the military. This omission, however, did not affect military policy, which continued to define combat positions as closed to women.
8. Alice Miller, twenty-three, born in South Africa where she obtained a civilian pilot's license, earned a degree in aeronautical engineering before she began military service.
9. Of the several thousand women officers in the military, only some twenty-five served in CHEN.
10. Chair MK Nomi Chazan: "To what extent are you currently involved in formulating the [personnel] policy?" CO Yisraela Oron: "I am not involved." Chair M.K. Chazan: "Do they

consult with you?” CO Oron: “From time to time on specific subjects. They are not obligated to do so; there is no mechanism that requires that I be consulted” (*Protocol* 1996).

11. An individual may be assigned a rank higher than warranted by the job assignment in this case known as a “personal rank” in contrast to a “job rank” More women colonels achieved their ranks by virtue of the jobs they filled in 1995 than in 1985.
12. The recent COs of CHEN have attempted to alter the terms of the discourse from that of “freeing men for combat” to that of “realizing women’s potential,” but with limited success.
13. To say that men are advantaged is not to ignore the problem that senior officers face in finding jobs of equivalent status to those they had in the military, especially with the “inflation” in recent years of retiring generals, the limited number of positions at the top of the political and public sector elites, and increasing competition from young university MBAs and their equivalents (see Rosen 1994). A special unit was established to assist retiring officers find employment and increasingly they are enabled to complete academic degrees prior to retirement.
14. In 1995, a Knesset amendment made it illegal to use a person’s military profile score as a criterion for hiring in the public service. The aim was in order to prevent discrimination against individuals who are assigned low scores on grounds of poor health or other reasons of no relevance to their potential job performance. The need for such a regulation, however, reflects the importance that employers assign to a person’s military experience and career.
15. The Equal Opportunity in Work Law (1988) does not cover the relationship between a soldier and the military since the law does not recognize it as employee/employer relations (Ben-Israel 1989, p. 390).

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# Earnings Gaps between Israel's Native-Born Men and Women: 1982–1993

*Yitchak Haberfeld and Yinon Cohen*

## Introduction

Similar to trends in other developed countries, the labor force participation rate among Jewish women<sup>1</sup> in Israel has been rising during the past three decades from approximately 30 percent in the mid-1960s to almost 50 percent in the early 1990s. In contrast, the labor force participation rate of Jewish men has declined during that period from 76 to 62 percent. Not only did women increase their share in Israel's labor market, but the skills of women workers have been improving, as indicated by their high levels of education (Israel 1994). In addition, equal employment opportunity laws protecting women from market discrimination have been enacted in Israel in recent years. One would expect that these trends led to a major improvement of women's position in the labor market.

Until the early 1980s, however, women's position in Israel's labor market has been persistently inferior to that of their male counterparts. The level of gender-based occupational segregation has hardly narrowed between 1972 and 1983 (Cohen et al. 1988), and the women-to-men ratio of average hourly wage has been stable at about 75–80 percent during that period (see Haberfeld 1990 for a review of empirical studies on gender-based wage differences in Israel until the early 1980s). In short, there was a persistent earnings gap between Israeli men and women despite social and economic trends that should have narrowed it.

At least a portion of the earnings gap in Israel during that period cannot be explained by productivity differences between the two gender groups because women were closing the education gap with men during the last three decades. Indeed, most empirical studies found that almost the entire 20–25 percent gap has remained “unexplained” by productivity differentials between men and women. Consequently, the entire gap has been attributed to market discrimination against women (Haberfeld 1996).

The present study is designed to expand the existing body of research on gender-based

earnings differentials in Israel. We do so by describing and analyzing trends in the structure of the earnings gap between native-born, Jewish Israeli men and women in recent years, and more specifically between 1982 and 1993.<sup>2</sup>

There is a major ethnic cleavage within the Jewish population between Jews of European or American origin (henceforth, Westerners) and those of Asian-African origin (henceforth, Easterners). There are persisting socioeconomic gaps between Westerners, who achieved high levels of education and income, and their Eastern counterparts, who never caught up with them (Cohen and Haberfeld 1998). Due to these ethnic-based differences, the group of women was broken down into two subgroups-Western women and Eastern women. These two groups were compared to the group of Israeli-born Western men. This male group has been located at the top of the socioeconomic hierarchy in Israel (Amir 1987; Cohen and Haberfeld 1995; Haberfeld 1992; Haberfeld and Cohen 1996; Mark 1994, 1996; Nahon 1987; Smooha and Kraus 1985; Schmelz, Dellapergola, and Avner 1991; Yitzhaki 1987), and it serves us as the benchmark group, much like the U.S. benchmark group of native-born, white, non-Hispanic men.

In sum, our main purpose is to examine whether the growing human capital level of working women and their increased share of the Israeli labor force, combined with better legal protection (e.g., Equal Employment Opportunity Law 1988, as amended in 1995), have led to narrowing of the “unexplained” portion of the earnings gap which is often attributed to labor market discrimination against women.

## Explanations

Attempts to explain gender-based earnings gaps are based on three general types of explanations. Most common explanations follow human capital theory. Becker (1975) suggests that higher levels of human capital lead to higher productivity, which, in turn, results in higher earnings. Thus, differences, if they exist, in average levels of human capital between the two gender groups might explain a portion of the earnings gap between men and women. Under this tradition, schooling and labor market experience are used as the main proxies of human capital levels.

A second explanation is based on the notion that in addition to individual productivity levels, earnings are determined by industry and occupation-level characteristics as well (Dunlop 1957). Occupational labor markets have been most often recognized as major factors determining earnings (e.g., Treiman and Hartmann 1981). Occupational markets differ in skill requirements, work processes, and in supply of and demand for labor. Consequently, earnings of people with similar productivity levels might differ across occupations. Men and women are differently distributed across occupational markets (e.g., Albelda 1986; Fields and Wolff 1991). More importantly, earnings in “female type” occupations average less than earnings in “male type” occupations (Goldin 1990; England, Herbert, Kilbourne, Reid and Megdal 1994). Thus, gender-based occupational segregation has been held responsible for another portion of the earnings gap between men and women.

The question, however, is whether and to what extent there is still a gap left between men’s and women’s earnings after differences between the two groups in human capital and in occupational characteristics have been accounted for. Such a residual earnings gap, if it exists, is most often attributed to the third explanation, namely market discrimination against women because it can be explained neither by individual differences nor by differences in market

characteristics between men and women (Becker 1971; Cain 1986).

## Empirical Model

This chapter is designed to study changes in earnings gaps between native-born Israeli men and women. For this purpose, we examine the sources of the earnings gaps in 1982 ( $t_1$ ), 1987 ( $t_2$ ), and in 1993 ( $t_3$ ), and compare the structure of the gender-based gaps each year. This approach enables us to better understand which labor market processes are responsible for these gaps during the decade of the 1980s.

If  $y_{tj}$  is the natural logarithm of earnings in year  $t$  ( $t = 1982, 1987, 1993$ ) of members of the  $j$ th group ( $j =$  native-born Western men, native-born Western women, native-born Eastern women), then an earnings equation can be written as follows:

$$y_{tj} = X'_{tj}\beta_{tj} + e_{tj} \quad (1)$$

where  $X$  denotes a vector of explanatory variables, of both individual and occupational characteristics,  $\beta$  is a vector of coefficients, including a constant term, and  $e$  is an error term. This earnings equation was estimated nine times—at three points of time, separately for each one of the three groups.

Oaxaca's (1973) traditional method for decomposing the gap in average earnings between two groups into “explained” (endowments effect) and “unexplained” (differential treatment effect, which is often equated with “market discrimination”) portions is based on an arbitrary decision about one of the two groups which serves as a base-group. Obviously, the estimated effects vary when the base group, to which the other groups are compared, is switched. Several methods have been offered in order to solve this problem. In general, they can be classified into “weighted coefficients” and “weighted endowments” approaches. Both derive the necessary weights from the proportion of the two groups involved in the comparison.

The first approach—weighting the two groups' coefficients—focuses on the “unexplained” portion of the earnings gap and tries to better understand its structure. It is based on the assumption that neither the first, nor the second group's earnings structure (i.e., coefficients) would prevail in the absence of market discrimination (Cotton 1988; Ashraf 1996). Instead, this method searches for the nondiscriminatory wage structure in between the two base-lines derived by the traditional Oaxaca's method. A weighted equation provides, according to this approach, such nondiscriminatory coefficients.

The second approach—weighting the two groups' endowments—focuses on the “explained” portion of the earnings gap. Since our interest is mainly in this portion of the gap, we chose to use this approach. Specifically, we follow a method developed by Fishelson (1994), in which both groups (in our case Western men and Western or Eastern women) are compared to the mean of the entire population composed of these two groups

$$\mu = [(N_m * \bar{X}_m) + (N_f * \bar{X}_f)] / (N_m + N_f) \quad (2)$$

where  $N$  represents the group size, and  $m$  and  $f$  denote males and females, respectively. When using this approach, the gap between the average earnings of the two groups is decomposed as follows:

$$\bar{y}_{tm} - \bar{y}_{tf} = \beta_m (\bar{X}_m - \mu) + \beta_f (\mu - \bar{X}_f) + (\beta_m - \beta_f) \mu \quad (2)$$

The first term on the right-hand side of the equation represents the contribution of the advantage of the superior group to the earnings gap. The second term represents the contribution of the disadvantage of the second group to the earnings gap. Finally, the third term represents the effect of market differential treatment of the two groups, evaluated at the mean endowments of the two groups. It should be emphasized that the first and second terms are *not* two sides of the exact same coin. The first term is the superior group's advantage in endowments as compared with the population average endowments—expressed in terms of the superior group market returns. The second term is the other group's disadvantage in endowments as compared with the population average endowments—expressed in terms of *that* group returns. Put differently, the advantage or disadvantage of a group is the difference between this group's and the population's mean earnings that would have resulted had the entire population been paid on the basis of that group's returns. Such decomposition is different from the traditional method (Oaxaca 1973) because it partitions the “explained” component into two parts—one that is due to the advantage of the superior group, and another that is due to the disadvantage of the other group. Figure 14.1 shows this difference between the two methods. The advantage of the superior group (men) is described by interval “1,” while the disadvantage of the other group (women) is described by interval “5.” When the traditional decomposition method is utilized, then the “explained” portion is composed of either intervals “1” and “2” (in case the superior group serves as the base-line) or intervals “4” and “5” (in case the other group serves that purpose).

The difference in market returns received by the two groups, if it exists, is taken into account by the third term of equation 3, and is presented by interval [“2”+“3”+“4”] in Figure 1. It is the difference between two estimates of the entire population's average earnings—one as predicted by the returns received by the superior group, and the other as predicted by the returns received by the other group.

Using the mean of the entire population as the base-line in this method makes it sensitive to the relative size of each group. Thus, we should not use it for decomposing earnings gaps between groups that vary much in size.

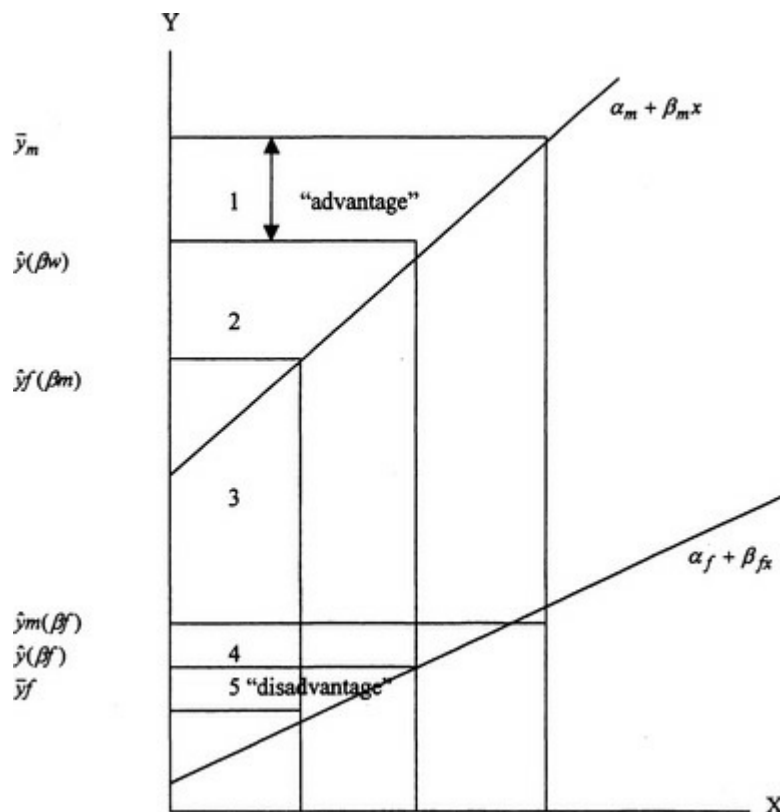
## Data and Measures

The data used in this study are taken from the 1982, 1987, and 1993 Income Surveys conducted by the Israeli Central Bureau of Statistics. Income Surveys are conducted annually as a supplement to Work Force Surveys, and contain basic demographic and income information about respondents. These surveys are based on a representative sample of households in urban communities with a population of at least 2,000 people. Since income data are not available for the self-employed, we limit our analysis to salaried workers in the labor force. Each survey provides information on approximately 6,000 salaried individuals belonging to approximately 4,000 households. We also restricted the sample to men and women, 25–54 years of age. The upper age limit is due to the small number of second generation Jewish workers older than 50. The lower age limit reflects the fact that most Jewish Israelis serve in the military for three years (for men), or two years (for women), and rarely graduate from college and get a permanent job before they reach the age of 25.

We define native-born Israeli Jews as all those who were born in Israel to foreign-born or to

Israeli-born fathers, and all foreign-born Israelis who immigrated to Israel before they were 14 years old, and hence experienced the socialization process operated in the Israeli education system. Thus, native-born Eastern Jews, for example, are defined as all those born in Israel to fathers<sup>3</sup> who were born in Asia or Africa, and those born in Asia or Africa and immigrated to Israel before they were 14 years old. We included the small group of native-born Israelis to Israeli-born fathers within the group of Western Jews. There is evidence that this group, which is mostly of Western origin, is very similar in its education and income levels to Western Jews.<sup>4</sup> All these procedures yield a sample of 639, 514, and 625 Western men in 1982, 1987, and 1993, respectively. The comparable figures for Western women are 526, 468, and 628; and for Eastern women 399, 503, and 803. All members of the sampled households were asked about their income during the three-month period preceding the interview. Data on income from salaried work were converted into hourly earnings. We chose to use hourly earnings rather than annual earnings in order to control for differential labor supply of male and female workers. Since we compare earnings' logarithms of the three groups during the same year, the high inflation rates experienced by the Israeli economy during that period does not pose any difficulty.

**FIGURE 14.1**  
**Decomposing Earning Gaps Between Groups: Alternative Methods**



Labor supply is measured by a distinction between part-time (working less than 30 hours per week, see Bielby and Bielby 1989) and full-time workers. Two measures of schooling were used. The first is years of schooling, and the second is whether the respondent has at least a college degree. Age is the best proxy available in the data for labor market experience, thus we include in all equations age and its squared term. It is clear that age is a better proxy for men's than for

women's labor market experience because women spend, on average, more time than do men outside the labor force. As a result, we might *inflate* women's actual market experience, and consequently *underestimate* the market differential treatment of the two groups.<sup>5</sup> In order to provide a more robust estimate of the experience effect on earnings, we utilized in addition, the commonly used proxy for labor market experience developed by Mincer (1974) namely (age - schooling -6). All earnings equations were estimated twice: once with age and once with Mincer's proxy. Since married men in Israel, as in the United States, earn more than unmarried men, and unmarried women might earn more than married women (Polacheck 1975) we included a dummy variable for marital status coded as "1" if married and "0" otherwise. Finally, we included a dummy variable for those who arrived in Israel as children.

The market structures faced by the three groups were captured by two sets of dummy variables that are used by the Israeli Central Bureau of Statistics (Israel 1994). The first contains ten 1-digit occupational groups, and the second contains ten 1-digit industrial sectors.

## Descriptive Results

Table 14.1 presents women-to-men ratios of hourly earnings. The higher these ratios the smaller the gap. Western men, on average, earn much more than the two female groups. Furthermore, the earnings gap had been widening between the early and mid-1980s. We present hourly earnings ratios for full-time, year-around workers as well as for the entire population of salaried workers.

**TABLE 14.1**  
**Earnings Ratios<sup>a</sup> of Salaried Israeli Women and Western Men, 25–54 Years old: 1982, 1987, and 1993**



Groups of comparison	1982		1987		1993	
	Hourly Earnings	Ln(Hourly Earnings)	Hourly Earnings	Ln(Hourly Earnings)	Hourly Earnings	Ln(Hourly Earnings)
<b>Full-Time, Year Around Workers</b>						
<b>All Women:</b>						
Western Women/ Western Men	0.74	0.73	0.72	0.69	0.73	0.74
Eastern Women/ Western Men	0.59	0.50	0.51	0.38	0.56	0.49
Eastern Women/ Western Women	0.79	0.77	0.71	0.70	0.76	0.76
<b>With B.A:</b>						
Western Women/ Western Men	0.71	0.69	0.67	0.59	0.68	0.60
Eastern Women/ Western men	0.65	0.64	0.50	0.48	0.58	0.53
Eastern Women/ Western Women	0.92	0.95	0.74	0.78	0.85	0.93
<b>All Workers</b>						
<b>All Women:</b>						
Western Women/ Western Men	0.78	0.80	0.75	0.72	0.79	0.80
Eastern Women/ Western men	0.60	0.52	0.55	0.44	0.59	0.51
Eastern Women/ Western Women	0.76	0.72	0.73	0.72	0.75	0.72
<b>With B.A:</b>						
Western Women/ Western Men	0.68	0.72	0.72	0.65	0.76	0.75
Eastern Women/ Western men	0.72	0.71	0.56	0.46	0.64	0.60
Eastern Women/ Western Women	1.06	0.99	0.77	0.81	0.83	0.85

<sup>a</sup> The ratios of the geometric means are calculated by subtracting one mean from the other.

The female-to-male earnings ratios for Western women ranged mainly between 0.70 and 0.80. These ratios were higher than those for Eastern women, which ranged mainly between 0.50 and 0.60. During the twelve-year period, the gaps between women and Western men have remained

stable.

**TABLE 14.2**  
**Education and Education Ratios of Israeli Women and Western Men, 25–54 Years Old:**  
**1982, 1987, and 1993**

	1982	1987	1993
<b>Years of schooling:</b>			
Western men	13.8	13.6	14.2
Western women	13.7	13.9	14.2
Eastern women	11.2	11.1	12.1
<b>Ratios:</b>			
Western women/Western men	0.99	1.02	1.0
Eastern women/Western men	0.81	0.82	0.85
Eastern women/Western women	0.82	0.80	0.85
<b>Percent with at least B.A.:</b>			
Western men	0.35	0.38	0.36
Western women	0.30	0.38	0.36
Eastern women	0.08	0.11	0.12
<b>Ratios:</b>			
Western women/Western men	0.86	1.0	1.0
Eastern women/Western men	0.23	0.29	0.33
Eastern women/Western women	0.27	0.29	0.33

Two more observations are worth noting. First, the female-to-male earnings ratios are higher among all workers than among full-time, year-around workers. This means that part-time employment tends to *raise* women's hourly earnings. Second, while earnings ratios for highly educated Eastern women are higher than the ratios for the entire Eastern group, the ratios for the highly educated Western women are *lower* than those for the entire group of Western women.

Can we conclude that the gender-based earnings gap is due to schooling differences between Israeli men and women? [Table 14.2](#) presents years of schooling for each group, and the proportion of group members with higher education degrees. The average levels of education of all groups has gone up between 1982 and 1993. As in other countries, it reflects the expansion of the Israeli educational system. Western women and men are the most educated among labor force participants in Israel. Both their years of schooling and the rate of people with university degrees among them are almost identical. Eastern women, however, have not been doing as well. In 1993, they had, on average, two years of schooling less than Westerners. Similarly, only 12 out of 100 Eastern women complete their studies at institutes of higher education, as compared with 36 among Westerners.

An important question is whether the trend of increase in the education levels in Israel was faster among some groups than among others. In order to answer this question we examine the education ratios of Eastern women to Westerners over time. Again, the higher these ratios, the smaller the gap. Indeed, Eastern women have been making progress between 1982 and 1993. The years of schooling ratio went up by approximately four percentage points during that period,

from 0.81 to 0.85, and the proportion with academic degrees ratio rose by approximately ten percentage points. Yet, Eastern women still have a long way to go before closing the education gap with Western men and women.

The trends in the education gaps do not fit the earnings gaps described above. First, Western men and Western women average similar education levels, yet there is an earnings gap of 20–25 percent left between them. Second, the earnings gaps between highly educated men and women (see [Table 14.1](#)) are in most cases no smaller, and sometimes even larger than between the entire population of men and women. Thus, a college graduate female can expect to improve her position on the earnings distribution only relative to less educated workers but not relative to Western men with similar education.

## Estimates of Earnings Equations

Earnings equations were estimated separately for each group, at each time point, as specified in equation (1). Each equation was estimated twice—with and without two series of controls for 1-digit occupations and 1-digit industrial sectors. Then, the Western men–Western women, and Western men–Eastern women earnings gap at each time point was decomposed using the method described in equation (3).

[Table 14.3](#) presents decomposition results of the earnings gap derived from equations that do not contain occupation and industry-level indicators. The upper panel of [Table 14.3](#) presents the gap in (In of) average hourly earnings between Western men and the two women groups. The second panel shows the contribution of the first component of equation (3)—the portion of the gap attributed to the advantage of men—to the gap in average earnings. The third panel shows the contribution of the second component of equation (3)—the disadvantage of women—to the earnings gap. Finally, the lower panel presents the contribution of the estimated “market discrimination” (third component of equation [3]) to the male-female gap.

Several findings stand out upon examination of this table. First, the portion of the gender-based earnings gap attributed to market differential treatment (“market discrimination”) was substantial. The entire gap between hourly earnings of Western men and women during subsequent years could be attributed to market differential treatment. When Mincer’s proxy for labor market experience (age-schooling-6) was used instead of age, then the estimated differential treatment rose by, approximately, 2 percent. The situation of Eastern women is somewhat different. Here we see that only about two-thirds rather than the entire gap in hourly earnings between them and Western men remain “unexplained.” When (age-schooling-6) rather than age was used as a measure of labor market experience, the estimated “unexplained” earnings gap grew by, approximately, 1 percent.<sup>6</sup> This difference in market “discrimination” against the two women groups makes the “explained” portion of the gap less relevant for Western women because market differential treatment, in their case, “explains” everything. Second, the women’s disadvantage and men’s advantage components were similar in magnitude, and hence equally important (or unimportant) in “explaining” the male-female earnings gap in 1987 and 1993. Finally, the most important variable in explaining the earnings gap between the gender groups was part-time employment. This is the *only* variable that works consistently in favor of women. It lowers both men’s advantage and women’s disadvantage in earnings.

**TABLE 14.3**

**Percentages of Hourly Earnings Gaps between Salaried Western Men and Women, 25–54 years old: 1982, 1987, and 1993**

	Comparing Western Men with:					
	Western Women			Eastern Women		
	1982	1987	1993	1982	1987	1993
Total gap <sup>a</sup>	0.202	0.285	0.216	0.484	0.565	0.515
Total gap (percent)	100	100	100	100	100	100
<i>Advantage of Men:</i>						
part-time	-30	-1	-1	4	17	15
age, age <sup>2</sup>	-49	0	-6	-13	0	-2
years of schooling	3	0	3	2	3	4
B.A.+	1	-2	0	5	11	4
other <sup>b</sup>	3	0	0	5	3	9
<i>Disadvantage of women</i>	12	1	2	5	0	0
part-time	-12	-2	-5	27	13	18
age, age <sup>2</sup>	-20	0	-7	-8	-4	-1
years of schooling	1	0	2	0	3	2
B.A.+	4	-3	0	37	15	16
other <sup>b</sup>	0	0	0	-4	-1	1
Market differential treatment (“discrimination”)	3	1	0	2	0	0
	142	103	106	69	70	67

<sup>a</sup> These gaps are based on geometric means, not on means of actual earnings.

<sup>b</sup> Other variables include being married and immigrating as a child.

Recall that women’s disadvantage is expressed in terms of women’s returns, and men’s advantage is expressed in terms of men’s returns. Hence, the negative effects of part-time employment on the disadvantage of women and on the advantage of men could result either from the large difference between women’s and men’s proportion of part-time workers, or from relatively high positive returns for both groups on part-time employment which magnify those differences in endowments. The data (not shown) indicate that the combination of both-high *positive* returns on part-time employment (e.g., the 1993 part-time coefficients range between 0.06 and 0.10), and the much larger proportion of part-time workers among women than among men (e.g., the 1993 proportions were 4.2 percent among men, and 27.8–34.1 percent among women) is responsible for decreasing the “explained” portion of the gap between the average hourly earnings of Israeli men and women. It is interesting to note that the returns on part-time employment received by men were often found to be *higher* than those received by women. Findings from other countries indicate that in some cases men receive higher returns on part-time employment, and women receive higher returns in others (Gornick and Jacobs 1996).

In addition, the two variables measuring education levels, and years of schooling in particular

are also important in determining the “explained” portion of the earnings gap mainly between Western men and Eastern women. Education favors men vis a vis Eastern women. As can be seen in [Table 14.2](#), Eastern women have not caught up yet with both Western men and women on education. The differences in average endowments between Westerners and Eastern women are only one side of the story. In addition, Eastern women receive relatively high returns on “years of schooling,” and low returns on “a university degree” compared with returns received by men. As a result, years of schooling contribute, mainly, to the women’s disadvantage, while academic degree plays a role in explaining the men’s advantage in 1993.

The analyses presented in [Table 14.3](#) were based on the assumption that men and women are not faced, necessarily, with the same opportunities to enter high paying occupations and industrial sectors. Thus, indicators of these variables were not included as controls in the model. However, in case an equal access across groups to occupations and sectors is assumed, then another model can be used. [Table 14.4](#) presents decomposition results of a model that included occupation and sector indicators in the equations.

It can be easily seen that the main results have not been changed much by the inclusion of occupations and sectors in the model. Still, most of the earnings gaps between Western men and the women groups remained “unexplained,” and the effects of part-time employment and education are very similar to those derived from the first model. However, adding controls for occupations and industrial sectors lowered, in most cases, the “unexplained” portion of the earnings gap between Western men and women. Put differently, changing assumptions about the opportunities faced by women to enter lucrative occupations and sectors affects the magnitude of the estimated “market discrimination.” In most cases, as expected, smaller estimates are derived by models based on the assumption that men and women face similar opportunities in the labor market. Using the (age - schooling -6) proxy for market experience has changed the results very little. The “unexplained” portion of the male-female earnings gap rose by, approximately 2 percent for Western women, and declined by, approximately, 2 percent for Eastern women.

**TABLE 14.4**  
**Percentages of Hourly Earnings Gaps Between Salaried Western Men and Women, 25–54**  
**years old: 1982, 1987, and 1993 (Including Controls for Economic Sectors and**  
**Occupations)**

	Comparing Western Men with:					
	Western Women			Eastern Women		
	1982	1987	1993	1982	1987	1993
Total gap <sup>a</sup>	0.210	0.285	0.216	0.492	0.565	0.515
Total gap (percent)	100	100	100	100	100	100
<i>Advantage of Men:</i>						
part-time	-26	10	4	13	25	21
age, age <sup>2</sup>	-52	-6	-14	-13	-3	-5
years of schooling	2	0	3	4	3	3
B.A.+	0	0	0	1	7	1
other <sup>b</sup>	4	0	0	5	2	5
economic sectors	10	1	2	4	0	2
occupations	19	12	22	7	0	2
<i>Disadvantage of women</i>						
part-time	-9	3	-9	5	11	6
age, age <sup>2</sup>	38	5	-15	34	18	19
years of schooling	-20	-3	-10	-11	-4	-2
B.A.+	1	0	2	0	2	1
other <sup>b</sup>	2	0	0	25	8	9
economic sectors	0	0	0	1	1	0
occupations	3	1	1	1	0	0
Market differential	9	22	6	14	8	5
treatment	43	-15	-14	4	3	6
("discrimination")	88	85	111	53	57	60

<sup>a</sup> These gaps are based on geometric means, not on means of actual earnings.

<sup>b</sup> Other variables include being married and immigrating as a child.

## Summary and Conclusions

Gender-based gaps in earnings grew in Israel between 1982 and 1987, especially among university graduates. During the next seven years, 1987–93, the gaps in earnings remained appreciably the same among Westerners, while Eastern women somewhat narrowed the gap between themselves and Western men. Taken together, the results suggest that over the entire period, 1982–93, the earnings of Western and Eastern women relative to the earnings of Western men, have not been improving.

The fact that gender earning gaps have not narrowed despite narrowing educational gaps suggests that it is unlikely that productivity differentials between men and women are responsible for a substantial portion of the earnings gaps. In fact, the earnings regressions

suggest that almost the entire earnings gap between women and Western men is not due to productivity-related variables. That this figure is about the same for the entire period, suggests that not much has changed in recent years in the treatment of women in the Israeli labor market. Put differently, the increasing weight of women in the Israeli labor market, their higher human capital levels, and the presence of new anti-discrimination laws and policies have helped them very little in improving their earnings as compared with Western men.

A result that should be noted is the high positive effect of part-time employment on hourly earnings for both men and women. Several explanations suggest that full-time, not part-time employment should be associated with higher earnings. For example, human capital theory links together labor market experience and productivity (Mincer 1974). It is clear that those working full time accumulate more market experience than those working part time. Another stream of explanations treats part-time employment as a “signal” or as an outcome of low labor market (and organizational) commitment (e.g., Bielby and Bielby 1984, 1989) and hence, as an attribute that should be associated with lower earnings. In fact, low levels of market experience and market commitment as manifested, among other things by the high proportion of women working part time, were offered as possible explanations for women’s low earnings (e.g., Hakim 1993).

Our results do not confirm those explanations. We found, similar to other recent studies (e.g., Blank 1990; Montgomery and Cosgrove 1995) that part-time employment is an asset rather than a deficiency in the Israeli labor market. Indeed, there are some labor market conditions that tend to *equalize* earnings of part-time and full-time workers in Israel (Stier 1998). First, about half of all employed women work in the public sector. Labor laws, especially those concerning equal employment opportunity, are strictly observed in this sector. Second, coverage of collective agreements in Israel is relatively high. These agreements provide part-time workers with similar rights and working conditions as full-time workers.

In addition, there are some labor market processes that might operate towards *raising* earnings of part-time workers in Israel. One such process might be employers’ need for flexibility in the work-place. Israeli employers are faced with many restrictions, manifested in labor laws and collective agreements, in managing their work force. They might be willing to pay part-time workers higher wage rates because part-time employees provide employers with some flexibility. Another possible process that might operate in the same direction is the trade-off faced by workers between wages and some benefits. Part-time employees are not entitled to all benefits received by full-time workers. For example, the likelihood of part-time workers to be promoted or to get a company vehicle is lower than that of full-time workers. It is possible that the mechanism compensating them for this disadvantage is higher wages.

In addition to part-time employment, and as expected, both education and occupation were found to affect earnings. However, a clear distinction should be made between an effect on earnings and a contribution to the “explained” portion of an earnings gap between groups. While all the above variables had large and stable effects over the years on earnings, some *lowered* the “explained” portion of the gap. Examples for that can be found in the case of the “legitimate” gap between Western men and Western women. Here we see that some of the above variables helped to decrease both the men’s advantage and women’s disadvantage components.

The Eastern women case is different. While part-time employment lowered the “explained” portion of the gap between them and Western men, the other variables raised this component, and a smaller portion of the earnings gap in their case was left “unexplained.” These differences in the structure of the Western and Eastern women’s gaps are easy to understand. Western

women have higher averages than Eastern women on the determinants that were found to affect earnings positively. In fact, they often averaged higher even than Western men. As long as their average endowments are high, and their earnings are low, there will be an “unexplained” gap between them and their male counterparts.

Thus, the differences in the market situation of Western and Eastern women can be summarized as follows: The *absolute* position of Western women is better than that of Eastern women. The first group earns, on average, more than the second group, has higher levels of education, and is located in higher-paying occupations. However, the *relative* position of Western women vis a vis equally qualified Western men is worse than that of Eastern women.

## Acknowledgments

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## Notes

1. We focus on the Jewish labor force only because Israeli Jews and Arabs operate in two separate labor markets (e.g., Lewin-Epstein and Semyonov 1993).
2. We chose to study native Israelis only because market behavior of immigrants is quite different than that of natives (e.g., Borjas 1990; Chiswick 1977).
3. Data on mothers’ country of birth are not available.
4. The results of both education and income are appreciably the same if the group of third generation Israelis is omitted from the sample.
5. We tried to examine the differential validity of age as a proxy for labor market experience of men and women. For that purpose, we derived the correlations of age and actual labor market experience of salaried Jewish, native-born Israeli men and women from a unique data set collected in 1982 which contains information about actual market experience. The correlations between these two variables were 0.75 and 0.54 for men and women, respectively. The difference between the two correlations has probably narrowed over the years as patterns of labor market participation seem to be converging for men and women. We also used these data to estimate the bias in the “unexplained” earnings gap caused by using the age variable as a proxy for women’s labor market experience. Assuming that the averages of age and experience of men and women have not been changed since 1982, then using age inflates women’s experience by 1.2 years as compared to men’s experience. Consequently, the “unexplained” portion of the earnings gap between men and women is underestimated by 5–10 percent, depends on the year and the groups compared.
6. We repeated the analyses and decomposed the male-female earnings gap using the traditional Oaxaca’s (1973) method. When men served as the decomposition baseline, “earnings discrimination” figures were found to be higher than those presented in [Table 14.3](#), ranging from 80–170 percent. However, when women were used as the base-line, all estimated figures declined to 40–80 percent. Hence, the midpoint of these estimates is very similar to the estimates reported in [Table 14.3](#).



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## Job Search, Gender, and the Quality of Employment in Israel

*Sigal Alon and Haya Stier*

### Introduction

The study of job search gained much attention in recent years, with a special concern about the effectiveness of different search methods in gaining employment (Granovetter 1973; Lin, Ensel, and Vaughn 1981; Holzer 1987; Montgomery 1992). Following Granovetter's 1973 "strength of weak ties," most of the theoretical and empirical work in the area focused on the distinction between formal (e.g., government agencies) and informal (e.g., friends) modes of job-search. The main focus in these studies was the transition from unemployment into gainful employment, while only few examined the relationship between the search strategy and outcomes in the labor market, such as wage and occupational status (Holzer 1987; 1988). While finding employment is no doubt the primary purpose of those looking for a job (i.e., the unemployed), it is still important to consider the quality of the gained employment. It had been argued that many of the unemployed enter jobs that are marginal in nature: jobs that are less stable; offer low levels of rewards; or require low level of skills (Heckman and Borjas, 1980; Sullivan 1978). Consequently, the unemployed may find themselves working in jobs that are inadequate in terms of work conditions and rewards, and for which the unemployed are often over-qualified. Thus, it may not be sufficient to define success in terms of gaining employment. Rather, it is important to examine the quality of the new job and its adequacy, and the factors that affect the prospects of the unemployed to find jobs that match their skills and offer satisfactory employment conditions. In the current study, we use Clogg and Sullivan's (1983) Labor Quality Framework in order to extend the conventional definition of "success" in finding a job to include also some characteristics of the employment gained by the unemployed. In particular, we examine the relationship between job-search methods used by unemployed men and women and the quality of employment they acquire. That is, we ask not only to what extent a specific search method helps in gaining employment, but also whether the job acquired can be considered an adequate

one.

The unemployed do not necessarily constitute a homogeneous group, and their success in gaining adequate employment is often dependent on structural forces. In order to capture part of the variety in the social composition of the unemployed and the conditions that constrain the availability of jobs, our study differentiates between gender groups and economic conditions. The literature on job search usually points out the differences between men and women in the choice of job-search methods and their effectiveness. These differences have been attributed to gender differences in the occupational distribution and in their social networks (Campbell and Rosenfeld, 1985). The second factor, economic conditions, provides the context in which the search takes place, and therefore is important in determining the availability of jobs in general, and adequate ones in particular. We argue that the economic conditions also affect the effectiveness of specific search methods.

## **Job Search Methods**

Unemployed individuals exercise a variety of job-search strategies mainly because they lack adequate information on job vacancies. By using different sources simultaneously they increase the likelihood of finding employment. Among the most common methods discussed in the literature are government and private employment agencies, newspaper advertisements; self-applications; help from friends or relatives, and the establishment of one's own business. These methods are commonly categorized into formal and informal modes of search. The former includes all types of search methods that involve contacts through special agencies that are established especially for that goal, while the latter involve methods that include contacts with people who are not directly connected to the search process such as friends, relatives, coworkers or others (Lin et al. 1981; De Graaf and Flap 1988), or to a person's direct application to an employer.

Most of the research on job search issues concentrated on the crude comparison between formal and informal strategies. Granovetter's (1974) work emphasized the importance of personal ties in finding employment. Social networks as resources gained much attention in the literature that followed Granovetter's work (for example, Lin et al. 1981; Mursden and Hurlbert 1988; De Graaf and Flap 1988; Montgomery 1992; Marx and Leicht 1992).

This line of work emphasizes the role personal relationships play in labor market processes. It links the use of informal strategies of job search to labor market outcomes such as wages; job satisfaction; or the social status of the position. The empirical results concerning the effectiveness of this informal method are mixed. Some have demonstrated that informal search strategies are more effective than formal ones (e.g., Granovetter 1974; Rees 1966; Holzer 1988; Montgomery 1992), while others have questioned the importance of social ties in explaining the labor market prospects of individuals (Murray, Rankin, and Magill 1981; Bridges and Villemez 1986; Mursden and Hurlbert 1988). Hence, there is no conclusive evidence as to the usefulness of formal vs. informal methods of job search.

Holzer (1987, 1988) extended the definition of job-search methods to include a variety of search modes. He found inconsistent effects of different search methods on the likelihood to find employment. Friends and relatives, state agencies and newspaper ads had negative effect on the probability of gaining new employment, while direct application had a positive effect (Holzer 1987, pp. 607–609). Following Holzer, we use in our study a broad classification of job-search

strategies in order to examine their usefulness in gaining access to employment in general, and to good jobs in particular.

## **Gender Differences in Job-Search Methods**

While unemployed individuals search for jobs in various ways, there are gender differences in both the choice of methods and their efficiency in terms of employment prospects. Men and women differ considerably in almost every aspect of their experience in the labor market: they have different occupations; they differ in their access to high status and powerful positions; and they are evaluated differently by employers and co-workers. These well-documented differences have implications as for the search strategies each gender group employs, and their success in finding employment.

Women are less likely than men to use informal methods of search, especially personal contacts. Campbell and Rosenfeld (1985) argue that the main cause for the gender differences is women's concentration in white-collar jobs. Workers in these occupations were found in general to rely less often than blue-collar workers, on personal contacts. Moreover, the high sex segregation in occupations and the fact that women usually occupy the lower positions in organizations and in their occupations suggest that they have less influential and less diverse social networks (Ensel 1979; Campbell and Rosenfeld 1985; McPherson and Smith-Lovin 1982). In addition, women are often absent from positions that influence the hiring decisions in organizations. Consequently, women's personal contacts are less effective in terms of gaining access to employment in general and to good jobs in particular (Rosenfeld, Michelotti and Deutermann, 1975).

Findings regarding gender differences in the job-search process are not entirely consistent. For example, Marx and Leicht (1992) found no significant gender differences in the use of informal job-search techniques. Campbell and Rosenfeld (1985) reported that unemployed white women were more likely than men to search for a job. They also have mixed findings concerning the outcomes of the job-search process- personal contacts did not turn out to be more effective for men than for women, while formal search methods increased women's gains in skills and SEI, but not those of men. In the current study, we focus on gender differences in an attempt to explore whether men and women use different strategies for finding a job, and to what extent these methods affect differently the likelihood of finding adequate employment.

## **The Quality of Employment**

Conventional labor statistics distinguish between those who participate in the labor force and those who do not. The participants are further divided into employed and unemployed (i.e., searching for jobs) individuals. Under this scheme, all employed individuals are treated as a homogenous group, and major attention is given to the question of whether individuals are employed or not. Yet, the common measures of labor force participation and unemployment rates hide the heterogeneity of jobs and positions in the labor market. The main problem is that some individuals cannot secure adequate employment, and find themselves in unstable jobs that offer low levels of reward and economic security, or in jobs for which they are overqualified. Using the conventional statistics does not allow to differentiate between those who find

satisfactory jobs and those who are underemployed although they participate in paid employment. Thus, the actual economic hardships, usually measured by unemployment rates, are underestimated. One way to overcome the deficiencies of this crude approach has been proposed by Clogg and Sullivan (1983) in their “Labor Utilization Framework” (LUF). They offer a scheme that attempts to capture the quality of employment and to differentiate between adequate employment and underemployment. The LUF is composed of several labor force states that indicate different (hierarchical) levels of employment hardships. The categories used in this framework differentiate between adequate employment and five states of underemployment: educational mismatch, which includes workers who are over-qualified for the jobs they hold; involuntary part-time employment; low paid jobs; unemployment; and discouragement, which includes individuals who have given up hope of finding employment. The last category, those who are not in the labor force, includes individuals who are not employed and not interested in participating in the labor market.

This conceptual framework has been used to examine the employment prospects of the unemployed. The difficulties of the unemployed in finding employment result from various reasons: their interrupted work history and the marginal jobs some of them held prior to the unemployment episode deteriorates their human capital. In addition, unemployment might serve as a signal of lower productivity, which makes them unattractive to potential employers. As a result, many of them remain unemployed or enter into marginal jobs (Gordon 1972; Clogg 1979; Sullivan 1978; Briggs 1981; Serrin 1989; Lichter, Landry, and Clogg 1991). Clogg, Eliason, and Wahl (1990) found high probability for unemployed individuals to shift among the underemployment states rather than enter into adequate employment. Using this same framework in the current study, we ask whether different job-search strategies used by unemployed men and women lead to labor force positions of different qualities. Specifically, we focus on the transition between unemployment and three other states of employment, which capture the differentiation between adequate and inadequate employment (i.e., adequacy vs. mismatch and involuntary part-time employment). We will discuss in detail the definitions of the employment states later in the text.

## **The Economic Conditions**

Unemployment rates, and the propensity to be employed in inadequate jobs are not independent of the general economic conditions. In times of recession underemployment rates tend to be higher than in times of economic growth (Alon, Lewin-Epstein, and Semyonov 1995). However, the impact of the macro-level economic conditions on the job search process has not been investigated. We examine whether individuals use different methods for finding jobs under different economic environments, and to what extent the effectiveness of the various strategies is also conditioned by the business cycle. Accordingly, we compare the search strategies and their effectiveness in finding adequate employment in two time periods: one of economic growth, and the other of economic recession.

## **Data and Methods**

The analysis is based on data obtained from the Israeli Labor Force Surveys (LFS) conducted

by the Israeli Bureau of Statistics. The LFS is based on a probability sample of households that represent the Israeli adult population (age 15 and above). Households participate in the survey on a rotated basis. Each household is interviewed four times within a period of 15 months. The nature of this data allows us to measure transitions in employment that took place between each of two consecutive panels,  $T_i$  and  $T_{i+1}$ .

In order to compare the effect of the economic conditions on the job-search process, we draw data from two periods: the first period pertains to the years 1982–1983, which was a period of economic growth in Israel. The second period refer to the years 1989–1990, which were years of economic recession.<sup>1</sup>

The analysis is restricted to the Jewish population. Israel constitutes two major ethnic groups: Jews (about 80 percent of the population) and Arabs. The two groups differ in their labor market experience, their skills and occupations, and their market prospects (Lewin-Epstein and Semyonov 1993; Kraus and Hodge 1990). Arabs have a more restricted opportunity structure because of their high spatial segregation, their dependence on the Jewish sector, and the labor market discrimination they face, therefore, their search process may be more constrained than that of Jews. The Jewish labor market, on the other hand, is similar in many respects to most industrialized markets in terms of its industrial and occupational structures, and the general organization of employment (Kraus and Hodge 1990). Because of the marked differences between Jews and Arabs, we decided to limit the analysis to Jews only.

We selected individuals who were unemployed at the beginning of the survey ( $T_i$ ) This was done because the search methods were coded only for the unemployed. The sample amounts to 446 respondents in 1982 and 971 in 1989. The dependent variable is the employment status at  $T_{i+1}$  of those who were unemployed at  $T_i$  Following Clogg and Sullivan (1983), we define the employment status according to the Labor Utilization Framework (LUF), of which we use four categories that belong to the formal definition of the “labor force”<sup>2</sup>:

1. *Unemployment*: includes those who did not have a job but were actively searching for employment.
2. *Involuntary Part-time Employment*: includes employed individuals who worked less than 35 hours a week because they were unable to find full-time employment.
3. *Educational Mismatch*: refers to employed persons whose level of education is higher than the education required in their occupation.<sup>3</sup>
4. *Adequate Employment*: refers to employed persons who do not belong to any of the underemployment (1–3) categories.

These categories are ordered by employment hardship: while adequate employment is considered to have the highest quality, unemployment represents the most severe employment hardship.

Our main independent variable is the job-search strategy. The unemployed respondents in the survey were asked about the methods they used in order to find employment. Six search methods were specified: governmental employment agencies, private employment agencies, newspaper ads, personal applications, help of friends and relatives, and entrepreneurship. Each individual could use any number of these strategies simultaneously. In addition to the job search methods, we also included in our models controls for education (measured by years of schooling), age (in three age groups: 15–24; 25–39; 40–65), ethnic origin (coded 1 if respondent is of Asian-African origin, 0 otherwise); length of time in unemployment, and the length of time elapsed between

panels.<sup>4</sup> We employed a Multinomial Logit Model to estimate the (log) likelihood of transitions from unemployment in  $T_i$  to any of the other employment states in  $T_{i+1}$ .

**TABLE 15.1**  
**Labor Force States in  $T_{i+1}$ , for the Unemployed in  $T_i$ , by Period and Gender (Percents)**

	1982			1989		
	Total	Female	Male	Total	Female	Male
Adequate Employment	52.0	49.5	54.3	35.5	30.9	40.5
Educational Mismatch	9.2	8.5	9.8	5.6	4.6	6.6
Involuntary Part-time	2.9	6.1	—	5.3	7.4	3.0
Unemployment	35.9	35.9	35.9	53.6	57.1	50.0
[N]	[446]	[212]	[234]	[971]	[499]	[472]

## Empirical Results

Table 15.1 presents the labor force state (in  $T_{i+1}$ ) of those who were unemployed in  $T_i$ . The effect of the economic situation on the probability to enter the different employment statuses is apparent. In 1982, which was a year of economic growth, about 52 percent of all unemployed managed to find adequate employment compared to only 35.5 percent of the unemployed in the time of economic recession (1989). Similarly, while about 36 percent of the unemployed during 1982 stayed in the same state after 3 to 15 months, more than 54 percent did not manage to get a job in 1989. Involuntary part-time employment is obviously more common when employment is scarce, however, in times of high economic hardship the unemployed are less likely to enter jobs for which they are over-educated-while 9 percent of them entered such jobs in 1982, only 6 percent were classified in the “educational mismatch” category in 1989.

Gender differences are evident in both years, but women are more influenced by the economic conditions than men. In 1982, women were as likely as men to stay unemployed, while in 1989 women had a higher probability than men to suffer from unemployment (with a 7 percent gap). The number of unemployed females who could not find a job increased by more than 20 percent between 1982 and 1989, compared to a 14 percent rise among men. Female disadvantage is also apparent with respect to gaining adequate employment. In both years men were more likely to find adequate employment, but the gap between the gender groups grew from less than 5 percent in 1982 to 10 percent in 1989. The results further show that in the two time periods men were more likely than women to move from unemployment into an educationally mismatched position, while women were more likely than men to move into involuntary part-time jobs. Most of the involuntary part-time employment in the Israeli market, as in other countries, concentrates in female-type service occupations (Stier 1995). Women are more dependent than men on demand factors: their occupational diversity is lower and they are less likely to commute to work. Being constrained by their limited opportunities, they are more likely to settle on a part-time job.

Table 15.2 provides information regarding the search methods pursued by the unemployed.



Apparently, unemployed people use, simultaneously, various methods to find employment. This search becomes more intensive in time of economic recession, when jobs are scarce. The use of all job-search methods increased in 1989 and, on the average, the unemployed, men and women alike, used more methods to find employment.

Unemployed men and women differ in the methods they use to search for employment. In 1982, males were more likely than females to use the governmental employment service while women tended to use more than men the private offices or newspaper ads. It may be the case that government services were more likely to provide jobs in manufacturing and in big organizations, where men are over-represented, while private agencies specialized more in service and trade occupations. We have no data to support this speculation. In the time of recession, however, both men and women apply for jobs through government and private employment agencies at equal rates, and in higher numbers than in 1982. While women were still more likely to use advertisements as a mode of job-search in 1989, compared to men, men utilized more personal applications.

Surprisingly, the probability to search for a job through friends and relatives is similar between men and women, and in both cases the use of this method increases when economic opportunities decrease. A substantial difference is found in the rate of entrepreneurship: unemployed men, in the two time periods, were more likely to establish their own business than women, and this tendency is not affected by the economic conditions. The gender difference in entrepreneurship rate could result from differences in men's and women's level of skills, their type of occupations, or their general resources, including social and economic networks, financial support, and economic investments.

To what extent, then, do gender differences in the selection of search strategies account for the sex differences in the transition into adequate employment? What role do the economic conditions play in mediating the efficiency of the different job-search strategies? In an attempt to answer these questions, we employ a multinomial logit model for each of the survey years. The models estimate the likelihood of transition to each of the various labor force states, in comparison to staying in unemployment. [Tables 15.3a](#) and [15.3b](#) present the log odds-ratio estimates obtained for the different search methods for 1982 and 1989, respectively. As specified above, the models control also for the effects of age, education, ethnic origin, length of time on unemployment, and the time elapsed between the transitions.

**TABLE 15.2**

**Job Search Methods and Other Characteristics of the Unemployed, by Period and Gender**

	1982		1989	
	Female	Male	Female	Male
<i>Search Method</i>				
% used Employment Service	47.2	64.9	61.3	64.4
% used Labor Exchange Office	9.4	8.9	17.8	17.6
% used Advertisement	79.7	69.6	85.5	78.2
% Applied Directly	59.9	61.1	64.1	72.7
% used Friends/Relatives	71.2	69.6	81.3	79.4
% Entrepreneurship	0.9	9.0	1.4	10.2
No. of Methods used (mean)	2.7	2.8	3.1	3.2
<i>Time Unemployed</i>				
1–3 months	56.1	55.1	43.9	46.1
3–6 months	26.4	24.8	30.1	27.7
6–9 months	3.7	5.1	6.4	7.0
9+ months <sup>1</sup>	13.6	14.7	19.0	19.1
<i>Demographic Characteristics</i>				
Mean years of schooling	11.9	10.7	12.0	11.1
% Age 15–24	41.9	34.6	32.7	23.7
% Age 25–39	43.5	46.6	44.7	44.7
% Age 40–65	14.6	18.8	22.6	31.6
% Asian-African Origin	49.0	64.8	56.5	63.3
[N]	[212]	[234]	[499]	[472]

<sup>1</sup> For 1982, we have data only on those unemployed up to 12 months. Thus, This category represents those who were unemployed 9–12 months.

In 1982, none of the job-search methods affected significantly the likelihood of women to find adequate employment as compared to remaining unemployed. For men, two methods increased the likelihood of finding adequate employment: the use of personal applications and the establishment of own business. Unemployed men who initiated job applications were more likely than those who did not use this method, to enter adequate employment than to stay unemployed. However, direct applications were not effective for men in time of economic recession, as can be seen in the second column of [Table 15.3b](#). The most effective method that helped men to get adequate employment in 1982 was the establishment of their own businesses, but the effect of this method was not significant in 1989, probably due to the greater difficulties in establishing businesses at times of economic recession. One should also keep in mind that self-employed are categorized as having adequate employment although in many cases their businesses do not always yield high wages or stable employment. Unfortunately, we cannot differentiate between those who have a stable and successful business and those who end up with low income and low economic security.

**TABLE 15.3a**

**Multinomial Logit Model of Job Search Methods Predicting Transitions between Unemployment (in  $t_t$ ) and Other Labor Force States (in  $t_{i+t}$ )<sup>1</sup>, 1982, by Gender**

	<u>Adequate</u>		<u>Mismatch</u>		<u>Part time<sup>3</sup></u>	
	female	male	female	male	female	male
Employment services	-0.359 (0.341)	0.484 (0.351)	-1.004 (0.740)	0.436 (0.598)	-0.732 (0.706)	—
Labor exchange	0.779 (0.663)	-0.491 (0.571)	-0.366 (1.169)	-0.033 (0.779)	2.451** (0.884)	—
Advertisement	0.099 (0.422)	-0.132 (0.359)	-0.847 (0.761)	2.654** (1.138)	-0.259 (0.814)	—
Direct application	0.013 (0.350)	0.947** (0.349)	-1.719** (0.696)	-0.457 (0.581)	0.444 (0.757)	—
Friends	0.551 (0.376)	0.005 (0.370)	1.506* (0.753)	0.252 (0.686)	0.964 (0.884)	—
Business <sup>2</sup>	—	1.940** (0.751)	—	0.384 (1.077)	—	—
[N]	[212]	[234]				

<sup>1</sup> unemployment in  $t_{i+1}$  is the omitted category.

<sup>2</sup> business is not included in the female equation because of small N.

<sup>3</sup> part time is not included in the male equation because of small N.

Control variables: education, age, ethnic group, length of time in unemployment, time between transition.

Searching for a job through the governmental employment agencies had no significant effect on the likelihood of both men and women to move into adequate employment during 1982, but it reduced significantly men's likelihood to do so in 1989 (the effect for women is negative, though not statistically significant, in the two points of time). Moreover, the use of state agencies reduced also the likelihood to enter into a mismatched position in this time period. It is important to consider these findings in light of the growing use of state agencies during 1989, as indicated in [Table 15.2](#). These results are consistent with the general finding about the limited effectiveness of state employment agencies (Holzer 1987; Rees 1966). One possible explanation for this finding is that the unemployed have to register in these agencies in order to collect unemployment payment, and may not use them for the actual job search (for an elaborate discussion on the changing role of state employment agencies, see King 1985).

**TABLE 15.3b**  
**Multinomial Logit Model of Job Search Methods Predicting Transitions between Unemployment (in  $t_t$ ) and Other Labor Force States (in  $t_{i+1}$ )<sup>1</sup>, 1989, by Gender**

	<b>Adequate</b>		<b>Mismatch</b>		<b>Part time<sup>3</sup></b>	
	female	male	female	male	female	male
Employment services	-0.240 (0.225)	-0.435* (0.215)	-0.179 (0.521)	-0.995* (0.436)	-0.299 (0.376)	-1.039 (0.597)
Labor exchange	-0.431 (0.302)	0.521 (0.281)	-0.652 (0.656)	0.656 (0.521)	0.735 (0.404)	0.934 (0.758)
Advertisement	0.141 (0.308)	0.023 (0.260)	0.381 (1.131)	0.911 (0.697)	-0.896* (0.452)	0.263 (0.741)
Direct application	0.080 (0.228)	0.032 (0.241)	1.142 (0.726)	-0.449 (0.486)	0.732 (0.434)	0.544 (0.729)
Friends	-0.784** (0.268)	-0.174 (0.263)	1.301 (1.001)	0.002 (0.563)	-0.633 (0.463)	-0.701 (0.672)
Business <sup>2</sup>	—	0.542 (0.329)	—	0.798 (0.838)	—	—
[N]	[499]	[472]				

<sup>1</sup> unemployment in  $t_{i+1}$  is the omitted category.

<sup>2</sup> business is not included in the female equation because of small N.

Control variables: education, age, ethnic group, length of time in unemployment, time between transition.

Men and women are equally likely to use friends in order to find a job (see Table 15.2). Using social networks had no significant effect on men's ability to move out of unemployment during the two time periods, while it affected positively women's likelihood to enter a mismatched job compared to staying in unemployment (the effect is positive but not significant also for the other states of employment). However, using friends and relatives in order to find a job during 1989 reduced women's likelihood to make a transition into adequate employment. A possible explanation for the mixed effects of the use of friends/relatives on females' ability to gain adequate employment could be the social composition of females' networks. It had been argued that female networks are not as effective as male networks in gaining access to "good jobs" (Ensel, 1979). Consequently, their effectiveness is evident in time of economic growth, but less so in time of economic recession, since there is a high probability that their friends have no access to the better jobs or are unemployed as well.

During 1982, using newspaper advertisements as a method to find employment increased men's likelihood to enter a mismatched job. It is important to bear in mind that a mismatched job is a better position than either involuntary part-time employment or unemployment. For women this method was not significantly effective in 1982, but it reduced the likelihood to enter part-time employment in 1989. Lastly, turning to a labor exchange office increased women's likelihood of getting part-time employment in 1982, probably because these agencies offered jobs in typical part-time female-type occupations.

In order to summarize the main differences in the usefulness of the various job-search methods between the two gender groups and the two time periods, we have calculated the expected

probabilities of entering each of the employment states. The probability to make a transition, which is based on the multinomial logistic models, is calculated as:

$$P_j = \frac{\exp(b_j \phi^x)}{1 + \sum_{i=1}^{m+1} \exp(b_i \phi^x)}$$

where  $b$  denotes a set of estimates and  $x$  represents a set of characteristics (Maddala 1983, pp. 34–37). Table 15.4 presents the estimated probabilities of entry into adequate employment and for staying unemployed, separately for females and males, and for the two time periods, 1982 and 1989. The calculation is based on the estimates obtained from the models presented in Tables 15.3a and 15.3b. The probabilities are estimated for each method used, while holding all other variables included in the model at their average level.<sup>5</sup>

The upper panel of the table refers to the year 1982 while the lower panel refers to 1989. The comparison between the two time periods emphasizes the importance of the economic conditions to the job-search process. Overall, it is easier to find a job in time of economic growth: for both men and women, and independent of the search-method used, the probability to find adequate employment exceeded that of staying unemployed. The opposite is true for 1989, which represents a year of economic recession. The general effect of the economic conditions notwithstanding, there were considerable differences in the effectiveness of the various methods used in each period of time, and for each gender group. For example, personal application, government agencies, and the help of friends all were effective methods in 1982, with probabilities of finding adequate employment that range between 0.73 and 0.63, respectively. In 1989, the probabilities declined considerably (0.46, 0.41, and 0.44 for the same methods) and these methods are not more effective than the others. The probability to gain an adequate job by using the labor exchange agencies, for example, did not change much (and may have improved) between the two time periods, indicating a change in employment recruiting methods for men.

The differences between the two time periods are even more salient for women: their probability to gain adequate employment declined substantially, and fell far below that of men. In fact, in times of economic growth all search methods are equally useful for unemployed women in getting an adequate job (although they are more effective for men). However, women's probability to find employment in general, and an adequate one in particular, shrinks substantially in times of economic hardships. The major change took place in the role of the labor exchange services. In 1982, the probability of entering adequate employment was 0.54, while staying unemployed was 0.22. In addition, the probability that unemployed women using this method would enter involuntary part-time employment was 0.23. The comparable figures for 1989 were 0.23 for adequate employment, 0.65 for staying unemployed, and 0.12 for part-time employment. These figures indicate that in times of economic growth, involuntary part-time jobs can be seen as a substitution for unemployment (Hacohen-Jacobs 1994), while in times of recession it does not.

**TABLE 15.4**  
**Probabilities of Being in Adequate Employment and in Unemployment Using Different Job Search Methods, 1982 and 1989**



	<u>Adequate Employment</u>		<u>Unemployment</u>	
	Female	Male	Female	Male
1982				
Employment Service	0.50	0.66	0.50	0.33
Labor Exchange Office	0.55	0.51	0.22	0.49
Advertisement	0.54	0.57	0.45	0.42
Direct Application	0.52	0.73	0.47	0.27
Friends/Relatives	0.53	0.63	0.46	0.37
1989				
Employment Service	0.32	0.41	0.67	0.59
Labor Exchange Office	0.23	0.54	0.65	0.45
Advertisement	0.35	0.43	0.65	0.57
Direct Application	0.33	0.46	0.66	0.54
Friends/Relatives	0.31	0.44	0.69	0.56

To summarize the major gender differences, it is clear that men and women use a divergent mix of search methods, and this mix is altered by the change of economic conditions. Two notable differences between the genders in method used are apparent: men are more likely than women to establish a private business as an alternative channel to gain access to employment, in both periods. Men in time of economic growth tend to turn to governmental employment services much more than women do. It turned out that these state agencies have a positive impact on employment prospects of men (though none of these impacts is significant). When women start to make use of this service similarly to men (in recession time), the gender difference vanishes.

Women did not use the informal channel less than men, and this result supports similar findings from the United States (Marx and Leicht 1992). Nonetheless, the returns to the use of personal contacts are different for the gender groups. In general, friends are more capable of helping unemployed women when market conditions are good. Yet, friends' help is more restricted in times of economic depression. For men, on the contrary, friends do not seem to help in their exiting unemployment.

## **Conclusions**

Unemployment rate is increasing in Israel, as in most other Western countries, and is becoming a permanent phenomenon in economic life. Therefore, more people are searching for a job. Although our study was conducted in Israel, it has implications for other countries as well, since the Israeli labor market resembles that of most industrialized economies. The rate of unemployment and other employment hardships is similar to what had been found in the United States (Alon et al. 1995), and our findings indicate that the use of job-search strategies is similar as well.

In this chapter we addressed the issue of the effectiveness of different job-search strategies in

finding employment, both in times of economic growth and decline. Our main purpose was to redefine the term “effectiveness” by looking not only at the likelihood to find a job but also at the quality of the gained employment. Using Clogg and Sullivan’s (1983) Labor Utilization Framework we have suggested a broader and refined scheme of employment statuses, which allowed us to differentiate between adequate and inadequate jobs. Our results reinforce the distinction between the different types of employment. We have shown that although many of the unemployed found adequate employment, a significant number of them entered jobs of lesser quality-either jobs for which they were over-educated or part-time employment.

Being a vulnerable group in the labor market, the unemployed are highly dependent on the changing economic conditions. Our results indicate that at a time of economic growth and under the conditions of “full-employment” it is easier to find an adequate job. But as the economy deteriorates it becomes difficult to find jobs, and especially adequate ones, despite the intensive job search. Apparently when jobs are scarce even the most extensive and intensive search has difficulties in producing employment.

One more important conclusion is that the usage of the formal-informal dichotomy disguises the variance in search methods and their consequences, and it may account for some of the mixed findings reported in the literature concerning their effectiveness. In particular, we have shown the differences between government and private employment agencies, the two formal search methods. Our results clearly indicate the malfunction of the former in terms of employment prospects. The unemployed who have turned to this method were less likely to get employment even of a limited quality. This finding is not unique to Israel, but characterizes other countries as well (see Holzer 1987, 1988). It emphasizes the role of government agencies in providing unemployment benefits rather than placing workers in jobs (King 1985).

Inadequate employment is found to be more frequent among women than among men. Our findings concerning gender differences in job acquisition suggest that marginal groups in the labor market, such as women, have more difficulty in gaining access to adequate employment. The gender gap is evident especially when the economic conditions are poor. In the year of recession women were more likely than men to remain unemployed, and less likely to achieve adequate employment. The overall gender differences support the “queuing” thesis that argues that workers are arrayed according to their employability (i.e., the extent of desirability to employers) (Hodge 1973; Thurow 1972). Those at the head of the queue (in our case, males) are hired first and are last to be fired, and vice versa for those at the tail (i.e., females). Hodge further argues that the criteria of employability become more stringent in time of economic decline. Thus, as economic hardship increases, so does the unemployment differential between the (relatively) advantaged and the disadvantaged. Our results give support to these claims: the “queuing” process pertains not only to the gender gap in unemployment, but also to the overall quality of employment.

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## **Notes**

1. The criterion employed to select these years was the Gross National Product of one year prior to the surveys taken. This was done because the GNP has a delayed impact on the labor market. In 1981, the GNP increased in 2.7 percent compared to only 1 percent in 1988. Unemployment rates were 5 percent and 8.9 percent, respectively.
2. We delete from our analysis three categories that appear in the LUF: persons who were categorized as “out-of-the-labor-force” or “discouraged workers” in  $T_{+1}$ . Although these categories are part of the LUF scheme, they are less relevant to the employment adequacy issue because they are not looking for a job at all. We could not identify those working in low paid jobs (the third category of economic hardships) since the Labor Force Survey does not provide information on wages.
3. The mean years of schooling was calculated for all 3-digits occupation categories. A figure of the mean plus one standard deviation was used as a cut-off point: those who had more years of schooling than the cut-off point were classified as educationally mismatched. In order for this criterion to be more accurate we calculated it on larger data sets. The cut-off point for 1982–1983 was calculated using the 1983 census. The criterion for 1989–1990 was calculated using an accumulation of the 1987, 1988, and 1989 Labor Force Surveys.
4. The time between  $T$  and  $T_{+1}$  ranges between 3 to 15 months, and is therefore crucial to the job-finding issue. We also considered the number of methods used as an indicator for the intensiveness of the search. This variable was highly correlated with the search-methods used, therefore we could not include it in our model.
5. We do not present the probabilities to enter mismatched and involuntary part-time employment because they are close to zero (except in the case of “labor-exchange agencies” for women which we will discuss later in the text). Although the small probabilities may indicate that most unemployed individuals either enter an adequate job or stay unemployed, it is important to bear in mind that the probabilities are calculated for the average men and women in each period. This may not be the case for marginal groups in the labor market.

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# Elite Educational Institutions and the Recruitment of Women into National Elite Positions in Israel

*Beverly Mizrahi*

## Introduction

The little sociological research that exists on women in national elite positions in Western industrial societies has noted the small number of women in these positions and has suggested that structural-institutional impediments can explain their absence from them (Acker 1992; Epstein and Coser 1981; Kanter 1993; Moore 1988). The scant research on women in national elite positions in Israel has reached similar conclusions (Bernstein 1987; Etzioni-Halevy and Illy 1981; Izraeli 1979, 1991, 1994; Toren 1993). Thus, in both groups of studies there is a consensus regarding the dearth of women among national elites and the reasons for this fact. In light of this agreement, I thought it worthwhile to approach this topic from a different perspective, that is, to identify those factors that characterize the women who already are in these elite positions. Therefore, this study concentrates on examining the sociological factors that might explain the recruitment of these women into national elite positions in Israel.

The group of women interviewed for this research consisted of Jewish women in top positions in academia, the civil service, and the economy in Israel during 1986–1988. I chose women in these fields because individuals occupying the highest positions in these institutional spheres belong to the “strategic elites”: they are “...leadership groups that have a general sustained social impact...” (Keller 1963, p. 20). In addition, in theory, the top positions in these spheres are available in an open elite market place—they are open to members of all social groups and not only to members of social groups who possess a specific characteristic, such as a particular gender.

These two criteria of selection meant that certain national elites in Israeli society were not included in our study. The military and religious national elites are strategic elites, but because of

regulations or tradition their top positions are not available in an open elite marketplace, that is, they were not available to women (IDF 1993, 2.0701; Goodman-Thau 1981). Therefore, these elites were not relevant to this research. During the period of this study the national labor union (Histadrut) was a strategic elite in Israel because of the institutional linkages that existed between it and the political and economic elites (Etzioni-Halevy 1993; Lissak 1985; Schecter 1972). However, during these years no woman occupied a national elite position (membership in the Executive Committee) in the labor union through selection from an open elite marketplace and, thus, this elite was excluded from this research. Because of methodological considerations I also omitted the political (Members of Parliament), cultural, and mass media elites, all strategic elites whose highest positions are available to both men and women.

## **Methodology**

Like other studies on national elites in modern industrial societies (Giddens 1974; Higley et al. 1979; Hoffmann-Lange 1987; Porter 1973), I used the positional approach for defining national strategic elites. I regarded those people who filled the top positions in organizational hierarchies in academia, the national civil service, and in public corporations as belonging to these elites. Thus, the women interviewed for this research were full professors in Israel's five universities and two major research institutes, occupied one of the three highest ranking positions in the national civil service, or were non-family members of boards of directors of public corporations.

Thirty-two women were chosen by random sampling for inclusion in this study. Thirteen were from academia, thirteen from the national civil service and six from the boards of directors of public corporations. The number of women chosen from each elite was dictated by their absolute number in each elite: the larger the absolute number of women in each elite, the smaller the percentage of women I included in the study. Thus, the thirteen women in the academic elite constituted 15 percent of the total of eighty-six women in the academic elite, the thirteen women in the national civil service constituted approximately 30 percent of the forty-five women in this elite and the six women in the economic elite were about 50 percent of the fourteen women who were non-family members of boards of directors of public corporations who agreed to be interviewed for this research.

I used the qualitative methodology of life history interviewing to carry out this study. I conducted three, two-hour-long taped interviews with each woman for a total of six hours of interviewing per woman. The interviews were transcribed. A content analysis of the in-depth, introspective life stories these women constructed suggested that three sociological factors appeared to be related to their recruitment to their particular elite. These were sociodemographic, sociopsychological, and career structure factors. In my full report on this study, I presented these women's narratives in their entirety and in context in order to preserve their "chunks of meaning" (Jones 1985, p. 68). Here I have related only those portions of the narratives that are relevant to the specific topic of this chapter.

## **Findings**

The narratives of the women in the academic elite revealed that almost all of them came from small, middle-class families of European ethnic origin. They were socialized by their parents

towards high academic and professional achievement through excellence for the intrinsic satisfaction such achievement provides, and by their academic high schools toward high scholastic achievement. Their parents all paid tuition to the academic high schools their daughters attended, and many also paid their daughters' tuition for their university education. These women chose to develop careers in an institutional sector that rewards their type of achievement motivation: excellence.

In the civil service elite, all but one of the women was also of European ethnic origin, and all but one came from small families. However, the majority was from the lower-middle-class sector of the society. They were motivated by their parents towards high scholastic achievement and to a high level of professional achievement that stressed financial security and social status. They were also socialized by their academic high schools towards high scholastic achievement. These parents, too, paid their daughters' tuition to the academic high schools these women attended, but most of the daughters in this group paid their own tuition to universities. These women chose to develop careers in the civil service that offered opportunities to satisfy their particular type of achievement needs.

The narratives of all the women in the economic elite revealed that these women were also from families of European ethnic origin and almost all were from small families in the lower-middle-and lower-class strata. These women were also socialized by their parents toward high scholastic achievement and to high professional achievement for financial security and social status, to be accomplished through independence and risk-taking. These women also attended academic high schools that stressed high scholastic accomplishments. All the parents paid their daughters' tuition to the academic high schools they attended, but almost all the daughters paid their own university tuition. These women chose careers in public sector companies because they enabled them to satisfy their specific achievement goals.

According to their narratives, all the women shared one common characteristic: they all matriculated from elite academic high schools and they all graduated from universities. In recalling her academic high school, one woman in the academic elite told me,

In contrast to elementary school, high school was serious. There was a real demand for excellence. The teachers appreciated good students and respected them.

A woman in the civil service elite described her academic high school thus:

My high school was wonderful-out of this world. It was an elite school. It not only taught subjects, but it educated. It was on a very high level. It emphasized everything-English, mathematics, sports. When one had homework assignments, one did them. One never came to class unprepared. We had a lot of independent study assignments that we were expected to do to the best of our abilities. The school had a very rigid framework. We marched into class-left, right, left, right. When a teacher spoke to a pupil, the pupil stood up and when a pupil addressed a teacher, the pupil stood up. We always addressed teachers in the third person.

All the women mentioned that their schools expected equally high achievement from both their female and male pupils.

All the women continued their education in one of Israel's universities or at one of the two major research institutes. The women in the academic elite acquired three academic degrees. All the women in the civil service elite acquired a BA degree. Six also received an MA degree. One of the women who achieved an MA degree began Ph.D. studies, but did not complete them. Four of the women in the economic elite had a law degree, while one had a BA degree in the business field and one had a BA and an MA in a business field.

Two women in the economic elite stated the following about the importance of their university education:

A professional university education helps people advance in the business world. My conclusion is that people who advanced to top positions began and advanced through professional skills-law or economics.

When I began working for the company, I had a BA in economics and statistics that gave me an advantage. But that wasn't

enough so I worked in the afternoons and studied in the mornings for my MA in public administration.

### One woman in the civil service elite noted,

When I was offered my present position as the head of a national division in my Ministry I worried about whether I could take on the job, about being able to combine the professional aspects of the job with the administrative ones. I considered both equally important to my success in my new position. Some people in my field underestimate the importance of administration. I didn't. I understood that, in addition to being good in my field, I had to be a good administrator. I had to supervise almost two hundred people, I had to do constant battle for quality programs and resources and to distribute these resources in the field. I had to fight for better working conditions for my Ministry. That is how I perceived my job. My MA studies gave me that kind of professional outlook.

## Analysis

My analysis of these women's narratives revealed that, despite the fact that they came from different sociodemographic backgrounds, had different sociopsychological characteristics that were expressed in different types of motivation to achieve, and progressed through different career structures in different institutional spheres in their recruitment to elite positions, they all shared one common characteristic—they all used elite educational institutions on the secondary and higher education levels as channels of recruitment to their elite positions. Giddens, in discussing mobility rates and elite recruitment, maintained that certain institutions function as a sort of “switchboard” in providing access to elite positions, regardless of the social background of the individual (Giddens 1974). He suggested that educational institutions on both the secondary and university levels may play this role. It seems that, for these women in the Israeli academic, civil service, and economic elites, the elite educational institutions on both the secondary and higher educational levels they attended served as a “switchboard” in their recruitment to their elite positions.

The women perceived that their academic high schools were elitist because they provided their students with socialization toward high academic achievement and toward a sense of elitism. Since the women's narratives revealed that their parents had also socialized them toward high achievement, these schools perpetuated and reinforced the parents' goal.

Adler (1970) noted that, during the 1950s and 1960s, the years these women attended high school, the academic high schools, in contrast to vocational or agricultural schools, were, indeed, characterized by an institutionalized emphasis on “quality” and “high standards” that lent these schools an “elitist flavor and orientation” (p. 293). Adler pointed out that the high level of academic excellence required to graduate from these schools was attested to by the fact that during the 1950s and 1960s only 15 percent of the eighteen year olds were graduates of these schools (idem). Furthermore, the specific academic high schools some of these women attended had a reputation for being particularly selective and academically elite (the elite of the elite). The fact that these women belonged to the exclusive 15 percent who graduated from these types of schools is testimony to the high level of academic excellence they achieved and to these schools' success in socializing toward their goal.

According to these women's narratives and the above-mentioned research, these schools may be regarded as institutions that were chartered by society to produce an institutionalized definition of a social product (Meyer 1970). Specifically, these elite schools were granted legitimization by society to produce a certain type of student, an elite, through a diffuse socialization process that affected pupils' values, personality needs or drives, and the social roles they would assume in adulthood (ibid.). Granfield and Koenig (1992) maintained that attending elite schools bestows a “collective eminence” upon their students that creates a “predisposition to

eliteness.” While they were referring to elite universities, their theory appears applicable to secondary schools. Both their and Meyer’s research seem to offer one explanation of the impact of elite academic high schools on the recruitment of the women in this study to their elite positions.

This contention regarding the importance of elite academic high schools in the recruitment of women to elite positions coincides with previously documented research (Maxwell and Maxwell 1984; Delamont 1989) that showed an association between the socialization practices in elite schools and the entrance of women into elite positions. In summarizing their study on the significance of elite private high schools for girls in elite selection in Canada, Maxwell and Maxwell (1984) wrote, “All the studies of governing classes and elites...look upon the system of private schools as significant in molding the elite” and “...the care and concern devoted to socializing those who attend such schools” (p. 374). In these schools, “...school and family work in such a way as to reinforce each other” (idem.). In her study on elite private schools for girls in Scotland, Delamont (1989) showed how the professional intelligentsia and “clever” upwardly mobile, “new middle class” females have utilized elite educational institutions to acquire the cultural capital required for entering elite positions.

However, for all the similarities in their function in elite selection, some special characteristics of the Israeli elite academic high schools should be mentioned. One, while the elite schools in which these women studied were private, they were private in the sense that tuition payments were required, as they were in all Israeli high schools at the time (Government of Israel 1969, 1978), but not in the sense that these high schools belonged to a system of private education that existed alongside a system of public education in which the former enjoyed a higher academic and social status than the latter. Two, the Israeli elite academic high schools were not uni-sex schools, as are many such schools in other countries, with all the significance that fact may imply in the debate about the importance of single-sex schools and the achievement of women (Conway 1989). Finally, the stratification system in Israeli society during the 1950s and 1960s was not highly crystallized and demarcated (Eisenstadt 1967; Lissak 1979), so that class consciousness, or a “sense of class,” was probably not as perceptible in the Israeli elite academic high schools as it is in these types of schools in more clearly stratified societies, such as Canada and Scotland (Maxwell and Maxwell 1984; Delamont 1989). With these qualifications in mind, I still maintain that the prestigious elite academic high schools these women attended fulfilled for them the same function in socialization toward elite recruitment as did the private elite academic high schools in other societies.

While the narratives suggested that the “socialization effect” was a significant factor in these women’s recruitment to elite positions, the schools’ “certification effect” was also important in this process (Jencks 1968). A matriculation certificate from one of these elite schools acknowledged that their graduates possessed the necessary academic knowledge required to enter universities. Shapira (1984) claimed that the emphasis on academic achievement during the 1950s and 1960s was, in fact, a response to parents’ demands that these schools maintain high academic standards that would enable their children to be accepted into institutions of higher learning. Through their joint socialization and certification effects, the elite academic high schools served as a sieve in the social selection process to elite positions: they sifted out those women who would continue the process of elite recruitment by continuing their education on institutions of higher learning.

The universities in which these women studied were also elite institutions. This was evident by their academic criteria for acceptance, the small number of students who attended them during

the period the women in this study attended them, and the socioeconomic base from which the students were selected. During the 1950s and 1960s, only those who had a matriculation certificate were eligible for university enrollment, and only 15 percent of the eighteen year olds fulfilled this critical eligibility requirement (Adler 1970). Additional statistics show that, in 1959, only 9.6 percent of the relevant age group (twenty to twenty-four year olds) began studying in universities, while in 1967–1970, the years these women attended universities, this figure had only risen to 16.9 percent (private communication with Shlomo Herskovic, January 1996). During 1964–1969, women constituted only 39 percent of the students who received BA degrees from a university (Silverberg 1987, p. 29). The fact that the women in this study were part of the select group of students who had the necessary qualifications to attend universities and were part of the select minority of women who, in fact, attended these institutions, attests to their elitist higher education.

The interviewees indicated that they had studied at their universities for the “certification effect” these institutions produced in the process of elite recruitment. Research has substantiated their understanding of the importance of higher education for career advancement. Eisenstadt (1967) and Lissak (1969) stressed the increasing trend toward status attainment based on higher education and professional accomplishments in Israeli society during the 1950s and 1960s, and noted that this tendency was especially pronounced among the middle-class, European-born or Israeli-born of European origin, such as the women I interviewed.

The narratives suggested a connection between these women’s elite education and their economic origins at both the secondary and higher education levels. In this they exemplified Porter’s (1973) comment that education is a scarce resource that costs money and is differentially distributed throughout the class structure. As noted previously, the three groups of women in this study came from different economic strata in Israeli society: the majority in the academic elite from middle-and upper-middle-class families, almost all of the civil service elite from lower-middle-class families, and the majority of the economic elite from lower-middle-and lower-class families. However, in spite of their different financial resources, all the parents paid their daughters’ tuition, which was expensive (Adler 1970), to these schools and thereby provided their daughters with initial access to their elite recruitment. It is important to remember that this tuition was undoubtedly a lesser burden on the parents of the women in the academic elite than on the parents of the women in the civil service and economic elites. However, the latter were apparently willing to allocate their modest financial resources to these tuition payments because of the importance they attributed to their daughters’ achievement. Furthermore, all these women came from small families whose economic resources did not need to be divided among many children and could be invested in these elite women. One may wonder whether the parents, especially those of the women in the civil service and economy elites, could have provided their daughters with this initial access if they had had to divide their financial resources among a larger number of children.

It seems plausible that the link between these women’s elite education and their parents’ financial resources on the level of their higher education may also have been expressed in their choice of an institutional sphere in which to develop their careers and, eventually, to achieve elite positions. I do not think it a coincidence that the women in the academic elite chose careers in an institutional sphere that required a long educational preparatory period of acquiring three academic degrees which their parents could, and did, help finance, while the women in the civil service and economic elites chose careers in institutional spheres that required the relatively short educational preparatory period of acquiring only one academic degree, the tuition for which most



financed themselves.

This connection between elite education and economic origins suggested that the group of women in elite positions that I interviewed were recruited from a social base that gave their daughters preferential access to elite recruitment. Previous research (Eisenstadt 1967; Lissak 1969; Matras 1965; Yogeve and Shapira 1987; Yuchtman-Yaar 1985) has already documented the higher socioeconomic status of the European ethnic segment of the Israeli society, which, according to various components of social status (education, occupation, income, and length of residence in the country), has enjoyed a higher social status than the Asian-African ethnic origin segment of the society. This is true in spite of the internal stratification or differences in education, occupation, income, and length of residence within the European ethnic origin group (Tyree, Semyonov and Kraus 1987; Lissak 1969). These narratives revealed how this segment of Israeli society created an advantageous opportunity structure through elite education for their daughters, which was critical to their recruitment to their elite positions.

The suggestion of an association between elite educational institutions, economic resources, and elite recruitment received additional support from the fact that only one woman of Asian-African background was among the elite in the three institutional sectors I studied. Clearly, sociocultural factors may also contribute to and interact with economic resources to limit the recruitment of women of Asian-African ethnic origin to these national elite positions. These sociocultural factors may include what Semyonov and Lerenthal referred to as “sociocultural resources,” which consist of “...an amorphous collection of values, orientations, skills, and knowledge,” may also include motivation to achievement and gender roles (Semyonov and Lerenthal 1991). Thus, the sociocultural traits associated with the more modern European ethnic group may be more conducive to the recruitment of women into national elite positions than those of the more traditional Asian-African ethnic group. Nevertheless, the economic characteristics that appeared to be associated with elite education and subsequent elite recruitment among the women in this study, and that apply more to the European segment of the Israeli society than to the Asian-African segment (Smootha 1978; Tyree et al. 1987; Swirski and Bernstein 1993; Yuchtman-Yaar 1985) seem to be major explanatory factors.

Israeli Arab women were notably missing from national elite positions. Lacking additional research, it was impossible to know whether their absence was due to exclusionary practices related to their ascriptive, national-political affiliation, to their lack of those sociological attributes that characterized the Jewish women of European origin who were in these positions, or to both.

These findings suggesting a link between these women’s elite education and their recruitment to elite positions, and a link between these factors and their economic resources, was based on a specific period in Israel’s social development: the first two decades after the establishment of the state in 1948. Since then several changes have occurred in the educational system that, in theory, could have had implications on the relationship between the elite education of women and their elite recruitment. One major innovation was the establishment of free compulsory secondary education by 1978 (see the Amendments] to the Law of Compulsory Education [Government of Israel 1969, 1978]). Another has been the expansion of higher education (Herskovic 1995, Fog. 1.5). Together, these two changes were intended to create greater democratization of the educational system in order to provide opportunities for social mobility for wide segments of the society.

It seems that, in the transition from an elitist secondary educational system to a universal one, a stratification of secondary educational institutions has been maintained in which academic high

schools still have a higher social status than other types of high schools, such as vocational schools. Academic high schools still offer girls initial access to elite positions in that they, more than other types of high schools, confer the matriculation certificate that is a necessary criterion for acceptance into institutions of higher education and the possibility of continuing the process of elite recruitment. In 1986–1987, 85.6 percent of Jewish girls who received matriculation certificates graduated academic high schools, compared with 6.9 percent who received such certificates from vocational schools (CBS 1995b, Suppl. 5, T.1).

In spite of the fact that high school education in Israel is now free and that, therefore, the student population is more heterogeneous, from the socioeconomic perspective than it was in the past, these academic high schools still have a higher percentage of students from the relatively privileged status group in Israeli society (CBS 1995a, T.1). Though statistics on the ethnic origin of high school matriculants are not available, research suggests that matriculants from academic high schools tend to come from the European-American ethnic origin group, rather than from the Asian-African ethnic origin group (Adler 1995).

On the higher education level, a transition from an elitist higher education to a more mass education is taking place. From the point of view of numbers, the system is less elitist than in the past, but it is not quite a system of mass higher education (Trow 1974). This is evident from statistics that show a rapid increase in the number of students in institutions of higher education since 1990 (Herskovic 1995, fig. 1.4). Yogev and Shapira (1987) explained this trend toward credentialism in Israeli society and, perhaps, elite recruitment, when they wrote, "... credentialism obtained through higher education is the most crucial for prestigious occupational attainment" (p. 197). Universities which, according to Trow (1984), hold the highest status within the stratification of institutions of higher learning (Trow 1984), have also shown an increase in numbers of students: statistics show that in 1991–92, 26.4 percent of the average age cohort was studying in universities (Herskovic 1995, fig. 1.3).

Apparently, the largest group of women students in universities continues to come from the higher socioeconomic ethnic group in Israeli society. Data show that in 1990–93, 41.7 percent of women university students were Jewish women who were either born in Europe or America or had fathers born in these countries, while 25.2 percent were Jewish women who were either born in Asia-Africa or had fathers born in these countries, and 29.1 percent were second generation Israelis (CBS 1995b, suppl. 4, tbls. 1 and 6). Under the assumption that perhaps half of the second generation Israeli-born women may also be of European-American ethnic origin, one can conclude that the women from their ethnic group are dominant or the majority of women who have achieved access to the second stage of elite recruitment through their acceptance into elite institutions of higher learning. This data exemplify Trow's (1976) comment that "despite all efforts at widening the availability of higher education, elite higher education continues to translate the higher social origins of children into their higher social status as adults" (p. 368).

If one combines the data from the narratives that suggested a link between elite education and elite recruitment among the women in this study with the more current statistical data, it appears that elite institutions, on the secondary and higher educational levels, still constitute the recruitment pool from which women are selected to elite positions. Furthermore, there still seems to be a connection between elite education and the socioeconomic origins of the women who attend these elite institutions and elite recruitment. If this is so, elite educational institutions continue to provide certain groups of women with the social and cultural capital that gives them preferential access over other women to elite recruitment. Thereby, these institutions participate in the social reproduction of women in elite positions and contribute to a crystallization of status

and social stratification in Israeli society.

This analysis focused on the importance of elite educational institutions in the recruitment of women into national elite positions and on the stratification implications of this recruitment. The qualitative data I derived from the narratives of the interviewees stressed both the socialization and certification functions of these institutions in these women's selection to their elite positions. Unfortunately, the latter-day statistical data only provided information about the certification functions of these institutions, that is, the number of women who acquired the formal credentials that enabled them to participate in the process of elite recruitment, but did not provide information about their socialization function. Therefore, it seems appropriate to raise several questions regarding the socialization effects of these institutions in regard to elite recruitment.

One question relates to the continuing existence of this function in these latter-day elite educational institutions. Does Israeli society today, in the transition to a more mass educational system, still charter academic high schools and universities to conduct a diffuse socialization process among their students to produce the values, personality traits, and motivation for students to assume broad elite positions, or do they only teach more narrow technical and professional expertise? In other words, do these institutions still create "a predisposition to eliteness" (Granfield and Koenig 1992) among their "potential elites" (Clignet and Foster 1964)? These questions seem important in light of the emphasis the interviewees placed on the socialization to high achievement to which they were exposed in the elite educational institutions they attended and in light of Meyer's (1970) comment that in some societies "...schools are chartered more to confer occupational and technical future roles on their students than to confer membership in broadly-defined elites" (p. 578). Secondly, if this diffuse socialization does exist, there seems to be a need for a greater examination of the social characteristics of the student body to whom this socialization is directed. For example, to what extent is gender an intervening variable in the effectiveness of these schools' socialization process to elite positions?

Schools and other agents of socialization provide this kind of motivation for high achievement for male students as part of the normative male role, but it cannot be taken for granted for female students. Furthermore, the motivation for this high achievement should be examined in relation to the economic and ethnic origin of the female students in these elite schools. While the narratives and the statistical data showed that the female pupils in these schools came from the same ethnic origin group (European-American), the narratives revealed that they came from different economic strata within this ethnic group. This issue seems important in light of this research and that of others (Bernstein 1975; Delamont 1989; Gaskell 1985; Maxwell and Maxwell 1984; Mickelson 1989) that show an interrelationship between gender, class, ethnicity, and achievement (in this context, elite recruitment). Alternately, if educational institutions no longer provide this type of diffuse socialization to elite positions, who or what does, and what kind of socialization is it?

Clearly, more detailed and extensive empirical research is required to substantiate the generalizations and conclusions presented in this chapter and to answer the questions raised here. This research may be especially pertinent if it is conducted through qualitative, in-depth life history methodology on women in national elite positions who have gone through the secondary and higher educational institutions during the last two or three decades, which is approximately the number of years that passed between the time the women interviewed in this study graduated from these institutions and the time they were selected to their national elite positions.

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# Citizenship and Stratification in an Ethnic Democracy

*Gershon Shafir and Yoav Peled*

## Introduction

The 1990s have witnessed a dramatic transformation in the structure of ethnic relations in Israel. By recognizing the PLO as the legitimate representative of the Palestinian people and beginning to withdraw from Palestinian territories it occupied in 1967, Israel began to emancipate the most subjugated of its ethnic groups. This about-face was all the more unexpected since the Israeli-Palestinian conflict was long considered one of the world's most intransigent. A more careful look at Israeli society would reveal, however, that Israel's policy change on the Palestinian issue was part and parcel of a profound and wide-ranging process of economic, social, political, and cultural transformation.

In the first half of the 1990s, the Israeli economy was growing at the pace similar to that of the East Asian tigers. Especially impressive was the number of gainfully employed people in Israel which rose by 40 percent in the decade 1986–1996, compared to 16 percent in the United States 11 percent in Japan, and about 5 percent each in Britain, France, and Germany (Caspi 1997). Between 1975 and 1995 Israel's GDP itself grew seven-fold and its "dollar product" increased by about 600 percent. By the end of 1996 these high growth rates brought the per capita income of Israelis to \$16,690, which ranked them number twenty-one on the international income scale. In April 1997, in recognition of its rapid growth, the International Monetary Fund (IMF) added Israel, together with Singapore, South Korea, Hong Kong, and Taiwan, to its list of developed countries.

But economic change, impressive as it may be, is only one indicator of the emergence of a "new Israel." Among the multiple and interlocking changes in the society one can list the decline in the prestige of the military and in the motivation to perform military service; the rush of students to business and law schools; the adoption of an embryonic bill of rights in the form of two constitutional laws dealing with civil rights; the disappearance of the Histadrut-the all-

encompassing political-economic umbrella labor organization that had functioned as a “state within a state”-and its replacement with a much weakened trade union-type structure; and the rise of an autonomous and self-confident business community.

The peace process is deeply embedded, then, in a broader liberalization process, and the opposition to peace reflects, to a large degree, people’s apprehensions about liberalization. Any serious attempt to comprehend the character of ethnic relations in the “new Israel” requires, therefore, a broad-based theoretical framework that would encompass both past and currently contending socioeconomic models and their corresponding cultural visions. Such a framework can be provided, we argue, by examining Israel’s competing and evolving discourses of citizenship. By “citizenship discourses” we mean political and linguistic strategies fashioned out of alternative combinations of identities and claims. Citizenship, conventionally conceived of as a civic mechanism of incorporation, is locked in battle, in multiethnic societies, with identity politics that seek to use particular criteria of membership as a basis for claim-making. Thus citizenship discourses are employed in competition over access to rights allocated by state and para-state institutions. As a result, citizenship, instead of solely leveling status differences, can actually function as a tool of stratification (Peled and Shafir 1996; Shafir 1998).

Theories of citizenship form a rich intellectual and political tradition in the history of Western political thought. Through the two and a half millennia of its evolution, the concept of citizenship has adapted to multiple social transformations, so that it now comprises alternative conceptualizations of membership and the rights that accompany it (Shafir 1998). This heterogeneity, we will show, is the key to the usefulness of the concept of citizenship for the analysis of ethnic relations in Israel. Our argument will proceed as follows: A theoretical discussion of different citizenship discourses will be followed by an examination of the discourses prevailing in Israel and their resultant “incorporation regime.” We will then outline the ways in which Israel’s citizenship structure and ethnic relations have been changing over time and will conclude with an assessment of the dilemmas that are facing Israeli society in the context of these changes.

## **Citizenship Discourses**

Three important discourses of citizenship can be identified in the tradition of Western political thought: liberal, republican, and ethnonationalist. The liberal conception of citizenship accents personal liberty, that is, it views individuals, and only individuals, as the bearers of universal, equal, and publicly affirmed rights. Individuals, in either the utilitarian or contractual liberal view, are the sovereign authors of their lives who pursue their private rational advantage or conception of the good, and are not beholden to the community. The role of politics in this approach remains negative: only to aid and protect individuals from interference by governments in the exercise of the rights they inalienably possess. In return for this protection, individuals undertake certain minimal political duties-pay taxes, vote periodically, obey the law, serve in the military. Consequently, citizenship, in the liberal view, is an accessory, not a value in itself. What citizenship actually consists in, on this account, is a bundle of rights designed to protect each individual’s private sphere from encroachment by his/her fellow citizens and, especially, by the state.

Liberalism’s strength lies in its ability to tolerate religious, cultural, and political diversity by creating a self-limiting political realm respectful of individual rights and an institutional



framework within which polarizing disputes are avoided by permitting the political expression of only those conceptions of the good that are not monopolistic. Even the more socially conscious liberal theorists, such as Rawls, emphasize that no notion of liberal justice may be viewed as a comprehensive moral doctrine but only as a practical *modus vivendi*, which allows the emergence of an overlapping consensus of moral principles between opposing doctrines (Rawls 1971, 1993).

The liberal notion of citizenship is currently being challenged on two fronts. In the United States, a civic virtue-based, republican or communitarian critique contends that citizenship should be seen as constituting a moral community. Communitarians retain the ancient Greeks' view of politics as the hub of human existence and as life's supreme fulfillment. Politics is a communal affair, and citizenship is an enduring political attachment. Citizens are who they are by virtue of participating in the life of their political community, and by identifying with its characteristics. Members of this community experience, or should experience, their citizenship not intermittently, as merely protective individual rights, but rather as active participation in the pursuit of a common good. If we amplify political life by demanding more from the citizen, as Oldfield's emphasis on duties indicates, that citizen's existence will be richer and will lead to a more fulfilling and morally inspired life. Active participation is the core of the citizen's civic virtue and the criterion entitling each to a differential share of the community's material and moral resources (Sandel 1982; Taylor 1989; Oldfield 1990).

A third version of citizenship, one that originated in German romanticism and spread to Eastern Europe, roots membership in a special kind of community: the nation or ethnic group. In the ethnonationalist, or *völkisch*, approach, citizenship is not an expression of individual rights but of membership in a homogeneous descent group (Greenfeld 1992). This notion of citizenship expands the concept's purview outside the realm of politics. Nations, in romantic nationalism, are all radically different from each other because their members possess distinct cultural markers, such as language, religion, and history. Since, in this view, nations are inscribed into the identity of their members, ethnic nationalism denies the possibility of cultural assimilation (Brubaker 1992).

Of these three conceptions of citizenship, the individualist liberal one is the most inclusive. However, critics such as Giddens (1985), Held (1989), Tilly (1992) and Gorham (1992) have pointed out that even the meaning of liberal citizenship is not immediately revealed by its formal characteristics alone. For civil, political, and social rights with their corresponding institutions establish not only entitlements but mechanisms of surveillance and control and arenas of political contestation as well. Thus, the precise meaning of citizenship and non-citizenship in each social context, that is, the extent to which either of them empowers or disempowers individual and collective members of society, is subject to political negotiation and struggle. Moreover, while the liberal discourse of citizenship, being the most universal, is commonly the one put forth for legitimational purposes, the actual practice of citizenship in each particular society may consist of two or more discourses of citizenship, superimposed on one another (cf. Smith 1988).

The coexistence, not only of multiple citizenship rights but also of alternative citizenship discourses within the same society, poses a number of sociological questions. For example, how does the multiplicity of citizenship discourses affect social stratification? And, given the conflicting views of these discourses on the issues of inclusion and exclusion, what is left of the universalist claims made on behalf of citizenship as full membership in society? These questions can best be answered, we submit, if by "citizenship" we understand not only a bundle of formal rights but the entire mode of incorporation of individuals and groups into the society. For such an

understanding directs our attention to a whole gamut of specific social institutions and raises meaningful empirical questions as to the method, variety, scope, and dynamics of memberships and incorporation.

The mode of incorporation, combining both formal, written principles as well as informal social practices, has been termed by Yasmin Soysal “incorporation regime:” a pattern of institutional practices and more or less explicit cultural norms that define the membership of individuals and/or groups in the society and differentially allocate entitlements, obligations, and domination (Soysal 1994). Incorporation regimes, in general, can be thought of as forming concentric circles in which the boundaries become more rigid as one moves toward the periphery: inclusion in internal circles is based on the force of habit or custom, while in the outer ones it is based on force and the sanction of law. Movement towards the center indicates social mobility, since it implies more rights and greater access to resources.

## **Israel’s Incorporation Regime**

Historically, Israel’s incorporation regime was constituted through a combination of all three citizenship discourses discussed above: a collectivist republican discourse, based on “pioneering” civic virtue, an ethnonationalist discourse, based on Jewish descent, and an individualist liberal discourse (Peled 1992). The combination of the three discourses in Israeli political culture was the effect of a number of social processes that intersected at critical historical turning points: the politicization of Jewish ethnicity in the Pale of Settlement, the legitimization of Zionism’s territorial vision by the secularization of part of Judaism’s legacy, the separatist Jewish colonial settlement in Palestine, the voluntarily elected institutions of the Zionist movement and the *yishuv* (Jewish community in pre-statehood Palestine), the 1948 war and the flight and expulsion of the majority of the Palestinian inhabitants, and the massive Jewish immigration from North Africa and the Middle East in the state’s early years. The political culture that emerged from the intersection of these social processes may be analyzed as a pattern of interaction between the exclusionary dimensions of Israel’s colonizing and nation-building practices, and the inclusionary aspects of its democratic state institutions.

In many ways Zionist discourses of national redemption resembled Eastern European romantic nationalism (Anderson 1983, p. 136). Seeking to nationalize an ancient religious community, and to legitimize its settlement project in Palestine, secular Zionism forged the solidarity of the *yishuv* around ethnic Jewish identity. Since the establishment of the state, the “Law of Return” (1950) has guaranteed automatic citizenship to any Jew upon immigration to Israel, without any length-of-residence or language requirement. This law became the most important legal expression of Israel’s self-definition as a Jewish state. It established ethnonationalist citizenship that, in principle, encompassed all Jews, and only Jews, by virtue of their ethnic descent. This citizenship discourse also guaranteed the privileged position of the true keepers of the faith—religiously orthodox Jews—in Israeli society (Shapiro 1996, pp. 46–69). By the same token, it ensured the secondary citizenship status of Israel’s non-Jewish citizens.

Israel’s constitutional definition as a Jewish state precluded the possibility of adopting one of the key identifying features of a liberal state—the separation of state and religion. Instead, Jewish religion, or more accurately, Orthodox Jewish religion, is guaranteed an important role in the country’s public life. This is manifested primarily in four important areas: legal sanctioning of the observance of the Sabbath and of Jewish holidays in the public sphere, the almost exclusive

jurisdiction granted religious courts over matters of family law, state support of religious educational institutions that are largely autonomous of the general educational system, and various privileges granted Orthodox individuals, most importantly the exemption from military service granted Orthodox women and Orthodox *yeshiva* students.

The privileged status of Jews and of Orthodox Jewish religion makes the question “Who is a Jew?” an important political issue. Over the years, the official definition of “Jew” has become progressively restricted and more closely aligned with orthodox thinking. However, this restriction came into conflict with the demographic aim of Zionism to produce, maintain, and increase the Jewish majority in Israel. As a result, the Law of Return was amended, in 1970, so that one Jewish grandparent is now sufficient to entitle a person and her/his spouse to the privileges provided by the law. Thus, it is estimated that up to 20 percent of the immigrants from the former Soviet Union in the early 1990s, and fully 60 percent by the mid-1990s, have not been Jews by the Orthodox definition (Bar-Mooha 1997a, 1997b; *Ha’aretz* 1997). Similarly, the Jewishness of the Ethiopian immigrants is also questioned by the Orthodox rabbinic establishment, although in their case the questions do not refer to individuals but rather to the community as a whole. Since marriages, divorces, and burials are all under the exclusive jurisdiction of religious authorities (whether Jewish or non-Jewish), these non- and doubtful Jews run into problems when they come to need these services, unless they convert to Judaism. One paradoxical result of the amended Law of Return, then, is the development of a new non-Jewish, non-Palestinian ethnic group. The influx of foreign workers into Israel, that began with the intifada and was accelerated after the Oslo accords, is augmenting this ethnic group even further.

Palestinians who had not fled or been expelled from the territory of the State of Israel during the 1948 war were either granted, or allowed to apply for, Israeli citizenship. They were placed, however, in a systematically dependent economic, political, and legal position (Lustick 1980; Smooha 1990; Kretzmer 1990; Lewin-Epstein and Semyonov 1993). Their secondary citizenship status was formalized in 1985 in an amendment to the law governing elections to Knesset. That amendment stated:

A list of candidates shall not participate in elections to the Knesset if its goals, explicitly or implicitly, or its actions include one of the following:

1. Negation of the existence of the State of Israel as the state of the Jewish people;
2. Negation of the democratic character of the state;
3. Incitement of racism.

Ironically, the declared purpose of this amendment was to prevent racist and anti-democratic political parties from participating in Knesset elections. And, indeed, Meir Kahane’s ultra-nationalist Jewish party was disqualified in 1988 for violating clauses (2) and (3). However, judicial interpretations of the amended law made the demand to turn Israel from a Jewish state to that of a state of its citizen, that is, to equalize the citizenship status of Jews and Palestinians, a violation of clause (1). Thus, the amended law reaffirmed the liberal citizenship rights of Israel’s Palestinian citizens as individuals, but excluded them as a group from the core, ethno-republican citizenship reserved for Jews only (Peled 1992).

While Zionist ethnonationalism resembled other Eastern European nationalist discourses, unlike them, Zionism needed to seek out a territory for immigration and colonization. Thus, as a settlement movement Zionism bears important similarities to other European overseas colonial societies established through territorial struggle with native peoples (Shafir 1989). Like other

“pure settlement colonies” with their own immigrant laboring classes (Fredrickson 1988), Zionist bodies aimed at creating a relatively homogeneous settler-immigrant population. To overcome the competition of lower-paid Arab workers, who successfully displaced Jewish workers accustomed to a “European standard of living,” a subsidized economic sector, settling and employing only Jews, was formed. The main institutions of this vertically and horizontally integrated co-operative community were the Jewish National Fund and the Histadrut. These became the two pillars supporting the political predominance of Labor Zionism in the yishuv and in Israeli society. The “redemptive” pioneering activities necessitated by this new economic sector-physical labor, agricultural settlement, and military service-became the core of a new, republican conception of virtue. Thus, out of the Jewish-Palestinian conflict over land and labor there emerged a second citizenship discourse that established those committed to the moral purpose of state-formation through colonization as a virtuous republican community. Labor Zionism, located at the overlap between the Jewish ethnonational and the republican citizenship discourses, enjoyed the benefits of both and constituted an ethno-republican community.

Whereas the ethnonationalist citizenship discourse encompassed all Jews, the republican discourse divided and stratified them. Around the core of the virtuous immigrant-settlers, who actively participated in the Labor movement’s colonizing and military activities, there formed a periphery of passive citizens entitled to a smaller share of societal resources. The latter’s contribution to Zionist redemption was viewed as quantitative, rather than qualitative: by immigrating to Palestine they helped bring closer the day when Jews would form a majority there (Shafir 1991). Most Ashkenazi (European) immigrants, but especially those from Russia, Lithuania, and Poland, had institutional or family ties to the core, and were able to share in its aura of “pioneering,” whether or not they actually participated in pioneering activities (Shapiro 1976); most Mizrahi (Middle Eastern and North African) immigrants were relegated to the periphery (Swirski 1989). The resultant “ethnic gap” in educational attainment, occupational status, income distribution, and political power between Ashkenazim and Mizrachim has persisted and, in some respects, even widened to this day (Kraus and Hodge 1990, pp. 66, 68; Schmeltz et al. 1991, pp. 109–112; Smootha 1993; Nahon 1993a; 1993b; Haberfeld and Cohen 1995; Lewin-Epstein et al. 1997).

The republican citizenship discourse has discriminated between Israeli Jews not only on the basis of ethnicity, but on the basis of gender as well. In addition to the well-known general factors that make for women’s subjugation in Western democratic societies, Israeli Jewish women have suffered from specific burdens imposed by two characteristics of Israeli society as a colonial society: the close linkage between civic and military virtue, typical of the republican discourse, which is enhanced by the Arab-Israeli conflict, and the numerical inferiority of Jews in the Middle East that has infused Israeli Jews with demographic anxiety. While military service is mandatory for both men and women, only men are considered to possess military virtue. Women are relegated to the private sphere as mothers and care givers and are expected to excel in the “battle of the cribs” against Palestinian women. As a result, individually, Jewish Israeli women enjoy fewer rights than male members of their social group in the civil and social spheres and, collectively, they are denied full membership in the republican political community. The emphasis on maternity as women’s primary contribution to the common good has had a devastating effect on women’s struggle for equality, even in the most egalitarian sector of Jewish society-the kibbutz.

Jewish Israeli women have been marginalized not only by the republican discourse but also by the discourse that claims the unity of all Jews as its highest value-the ethnonationalist discourse.

The most significant aspect of the non-separation of state and religion in Israel is the fact that religious courts enjoy almost exclusive jurisdiction over all matters of family law. As Jewish (and Moslem) religious law treats women as a subordinate class of persons, Israeli family law has a pronounced pro-male bias. This is manifested in marriage and divorce laws that discriminate against women, in a restrictive (though not prohibitive) abortion law, and in an unquestioned acceptance of the traditional patriarchal model of the family as normative (Hecht and Yuval-Davis 1978; Azmon and Izraeli 1993; Jerby 1996; Berkovitch 1997).

Thus, although the ethnonational discourse has provided the strongest glue for the nation-building project of Zionism, it has also harbored a powerful principle of division and stratification. Mizrachim and Jewish women, regarded as merely fulfilling the demographic task of procuring a numerical Jewish majority, were accorded a diminished citizenship status. On the other hand, Jewish religious Orthodoxy, viewed as a crucial legitimator of Zionist aspirations, was privileged in many respects. Orthodox Jews have not only been accepted as full citizens of the state, but their corporate cultural rights, typical of the premodern notion of citizenship, have also been guaranteed. These guarantees should not be confused, however, with the recognition of minority or multicultural rights. The cultural autonomy granted to orthodox Jews allows them not only to lead their own autonomous life but to control key aspects of the life of all Jews in the country.

Israel's liberal citizenship discourse also has its roots in the yishuv period. The yishuv was a democratic republican community where individual liberal rights and the formal, procedural rules of democracy were respected. This was mandated by its semi-voluntary nature and the need to keep all Jewish social sectors within its bounds, for demographic and legitimational purposes.

When the State of Israel was founded in 1948, a new civic virtue, *mamlachtiyut*, was invoked to legitimate the transition to statehood. This ethos emphasized the shift from sectoral interests to the general interest, from semi-voluntarism to binding obligation, from foreign rule to political sovereignty. Equal application of the law was of paramount importance if the state was to assert its authority over the various Jewish social sectors, which had enjoyed a large degree of autonomy in the yishuv. It was under this principle that Israeli citizenship was granted to the Palestinians who had remained in Israeli territory at the conclusion of the 1948 war.

As understood in the context of *mamlachtiyut*, the uniform rule of law did not entail, however, a neutral, liberal state or a universal, liberal citizenship structure. The state was to continue to be committed to the values of *chalutziyut* (pioneering) and to demand such commitment from its citizens. *Mamlachtiyut*, then, was not meant to displace the pioneering mobilizing ethos or abandon the settlement project; quite the contrary, it was meant to endow them with the organizational and political resources of a sovereign state. Thus, under the legitimational guise of universal liberal citizenship, individuals and social groups continued to be treated by the state in accordance with their presumed contributions to the common good as defined by the Zionist project (Peled 1992).

In sum, this process of differential incorporation proceeded in a number of stages. First, the liberal idea of citizenship functioned to separate citizen Jews and Palestinians from the non-citizen Palestinians in the occupied territories and abroad, whether these were conceptualized as refugees or as stateless, rightless subjects of Israel's military occupation. Then the ethnonationalist discourse of inclusion and exclusion was invoked to discriminate between Jewish and Palestinian citizens within the sovereign State of Israel. Lastly, the republican discourse was used to legitimize the different positions occupied by the major Jewish groups, Ashkenazim and Mizrachim, men and women. Thus the tension between the exclusionary and

inclusionary categories of membership in the yishuv and in Israeli society has been expressed in a hierarchical and fragmented citizenship structure. The state and related institutions (most importantly the Histadrut) have been mobilizing societal resources and dispensing rights, duties, and privileges, in accordance with a multilayered and complex index of memberships. Only the innermost group, consisting of Jews, enjoyed not only liberal rights but the privileges of republican citizenship as well: participation, to a greater or lesser degree (Ashkenazim more than Mizrachim, men more than women), in the definition of the common good of society.

## **The Transformation of Israeli Citizenship**

The historical trajectory of Israel's development since 1948 has consisted in the gradual decline of the republican discourse and the gradual transformation of the society from a colonial to a civil society. This transformation has accelerated significantly since the mid-1980s, to the point where it might be thought of as a "bourgeois revolution." Its parallels in Britain and the United States, the Thatcherite and Reaganite "revolutions," were presented as revival movements—returning to a period that had preceded massive state intervention. In Israel, however, there never was a period approximating free enterprise. The change there is more radical, therefore, even though it is not likely to go as far as it did in Great Britain or the United States because it has shallower roots and the opposition to it is more potent. In this section, we will briefly review the interlocking changes making up this revolution, in the areas of economic organization, ethnic relations, social welfare, and constitutional law.

Historically, Israel's Jewish, Ashkenazi, state-building elite had utilized the republican conception of citizenship in order to legitimize the privileges it derived from its association with colonial settlement and its consequent control of the state and of other public institutions, most notably the Histadrut. In the mid-1960s, however, members of this elite began to call for liberalization of the economy and the society, in order to remove the political and social impediments that they felt were placed on economic activity by its subjugation to the Zionist nation-building agenda. In 1976, the Democratic Movement for Change, a political party representing this elite had ceded from the Labor party and gained 15 Knesset seats (out of 120) in the general elections held in the following year. This party drew most of its votes from the ranks of Labor, thus allowing Likud to take power for the first time (Labor lost 19 Knesset seats in 1977, Likud gained four seats and the DMC won 15).

Initially, Likud's efforts to liberalize the economy failed, and resulted in hyperinflation, because it could not secure the cooperation of the Histadrut, still controlled by Labor. Only when Labor joined Likud in a government of national unity in 1984, was an effective policy of disinflation and economic liberalization, known as the Emergency Economic Stabilization Plan (EESP) of 1985, put into place. This plan aimed not only at stabilizing the economy by bringing down the triple-digit inflation but went much further in transforming the Israeli economy from a protectionist and state-centered system to a much more open, neoliberal one (Kochan 1992). Additional actions taken in subsequent years were the paring back of the government's role in the capital market, easing of foreign currency regulation, elimination of many import quotas, a slow process of privatization, and so on (Shalev 1992). These measures tilted the balance from public to private interests and concerns and from workers' organizations, first and foremost the Histadrut, to organizations representing employers and financial institutions.

The background to this radical change was provided by the desire to terminate the drawn-out

stagnation of the Israeli economy following the 1973 Arab-Israeli war. The momentum that allowed the process of economic liberalization to go further than originally intended had its roots in the peace accord with Egypt, signed in 1979, and in the ensuing “peace dividend.” The impetus for radical change was provided by the drawn-out stagnation of the Israeli economy following the 1973 Arab-Israeli war. But the reduction of inflation, of the budget deficit, and ultimately of some aspects of the state apparatus and state control, became feasible in large measure with the reduction in the share of military expenditures in the GNP, from 20 percent in 1979 to 10 percent in the 1986–1988 period and close to 8 percent in 1991 and 1992. The Iran-Iraq war and the recasting of U.S. aid from loans to grants bolstered this process even further (Brodet 1994, p. 225; Ben-Zvi 1994, pp. 227–228).

Whereas reduced military expenditure permitted budgetary cuts and lowered inflation, it also had a significant impact on the military-industrial complex. This complex had been built up after the 1973 war and had acted, since the late 1970s, as the engine of Israel’s economic growth and as a disseminator of knowledge for advanced high technology industries. The complex of military industries became the main source of growth for exports, moving Israeli industry from import substitution industrialization to genuine export-orientation. Defense corporations included three of Israel’s top five corporations and had become major earners of foreign currency. Not only did military production produce relatively high added value but it also helped pry open doors for Israeli civilian products.

The turn towards peace and reduced purchase schedules by the Israeli military has adversely affected the military industries, the profitability of many private and Histadrut-owned companies producing for the military and, finally, the status of the military itself and of the republican citizenship discourse with which it was associated. While the military-industrial complex declined, it left a legacy of a new economic direction. The accelerated differentiation of military and civilian high-tech production began in Israel about half a decade before the end of the Cold War, when some of the military-trained and recruited technological and managerial manpower moved to private and/or civilian industry as employees and entrepreneurs. The cumulative result of all of these changes was that a new model of socioeconomic development became both possible and necessary.

One of the most important aspects of this new model of development has been the emergence of a self-confident business community and of a cohort of politicians, academics, journalists, and civil servants with similar views. This new elite has adopted values that are more consonant with a liberal discourse of citizenship than with the ethno-republican discourse of pioneering virtue. They have been promoting liberal reforms in various areas of social life, in addition to the economy: civil rights, the electoral system, health care, education, mass communications, and so forth. Thus, the emergence of a “new Israel” is a multifaceted phenomenon, manifested not only in the economy but in the cultural, legal, political, and social spheres as well. No area of social life seems to be immune now from sweeping changes that question the legacy of the formative colonial era and its tradition of republican values and citizenship practices.

The most telling outcome of this transformation has been the reduction of the Histadrut from an all-encompassing political-economic umbrella organization that embodied the values of pioneering republican citizenship into a fledgling trade union federation. The practice of collective bargaining, performed mostly through the Histadrut, that ensured a measure of equality in the distribution of income, is declining and being replaced with personal contracts. As a result, poverty is on the increase and various indicators point to a growing disparity between the social classes. A growing segment of the working class has come to depend on governmental

transfer payments in order to reach the minimum wage. The method adopted for privatizing Histadrut-and state-owned firms is their sale on the stock market. Notwithstanding Israel's socialist traditions, according to which the Histadrut's companies were owned by its members, few creative ways were sought to transfer part of these properties to the membership or to public institutions.

In the sphere of social welfare there is a powerful thrust to make the provision of social services means-tested, rather than universal (Doron, unpublished). Reduction of the national budget share that goes to education has led to the emergence of "gray education"-privately funded courses on school premises in neighborhoods where parents can afford to pay for them. Privatization of public land (currently comprising 90 percent of the country's land area) is contemplated and the use of land leased to kibbutzim and moshavim to pay off debts seems a first step in that direction. Politically, the power of political parties and their authority over their Knesset members is declining, due to increasing reliance on intra-party primary elections and the direct election of the prime minister. These new electoral methods have added to the political clout of business people and concerns, which can contribute to politicians' election campaigns, at the expense of political parties and the trade unions. Since in Israel social class correlates very strongly with ethnicity, the growing class inequality that has resulted from these developments translates into growing disparity between the main ethnic groups: Ashkenazi Jews, Mizrahi Jews and citizen Palestinians (Ben-Ami 1997).

The capstone of liberal reform was the adoption in 1992 of two constitutional laws ("basic laws"): Freedom of Occupation and Human Dignity and Freedom, designed to anchor civil rights in a privileged legal edifice. Legal observers appropriately viewed this legislation as a "constitutional revolution" because it expressly established the two basic laws as standards by which future legislation (and in the case of Basic Law: Freedom of Occupation past legislation as well) should be evaluated. In this way the principle of judicial review of primary legislation was introduced into Israel's constitutional system (Kretzmer 1992; Barak 1992, 1994).

It is indicative of the direction in which Israeli society is moving that the freedom of economic activity was grounded in a constitutional law while basic civil rights and liberties such as the right to equality before the law and the freedoms of expression, religion, association and assembly are yet to be constitutionally guaranteed. Efforts to introduce basic laws that would guarantee these rights have faltered on the opposition of the Jewish religious parties to any constitutional legislation. Their concern is that such basic laws could be used to nullify much of the religious legislation that has been passed over the past fifty years (Kretzmer 1992). The same fate was met by a proposal to enact a basic law guaranteeing social rights, introduced by the Histadrut. As a result, it is quite possible that Basic Law: Freedom of Occupation would be used to undermine many of the rights currently enjoyed by Israeli workers and much of the country's progressive social legislation (Ben-Yisrael 1994).

This process of economic, legal, and cultural transformation is still partial, and is riddled with contradictions and occasional reversals. Three developments that seem to contradict the tendency of the state to contract have been the nationalization of health insurance in 1994, the renewed underwriting by the state of fixed-interest non-tradable bonds for pension funds, and the increase of state subsidies to Jewish religious institutions. This appearance may be misleading, however. Nationalizing the health insurance was a crucial measure in the effort to undermine the Histadrut, which had owned the largest health care system and provided medical services to 70 percent of the population, at its lowest point. This has led to the decline of publicly supplied health care and to its partial privatization, and is likely to lead to much more widespread privatization in the



future. The rescue of the pension funds by the state was an emergency measure, done under the threat of serious economic dislocations. Increased subsidies to Jewish religious institutions is a political payoff to Netanyahu's coalition partners, a standard Israeli practice.

In sum, the final decline of the republican discourse has stemmed from changes in the global and Israeli political and economic realities, such as the peace accord with Egypt, the worldwide economic liberalization and the opportunities it offered to Israeli industries, the growth of legal and cultural elites that wish to express their new influence through a vibrant civil society, and so on. These changes have rendered the collectivist incorporation regime based on the republican discourse economically counterproductive. The Ashkenazi core group, old beneficiaries of the republican discourse, have shifted their allegiance, therefore, to the liberal discourse and to civil society. The resources they had accumulated under the collectivist regime enable them now to act independently of the state and of the corporatist structures, which they have come to regard as obstacles, rather than supports, for their interests.

This shift, starting as a response to the inflationary crisis and general malaise of the 1980s, but more profoundly to the economic stagnation that set in after the 1973 war, resulted in the adoption of a policy of wide-ranging economic liberalization. Coupled with the intifada, liberalization reduced the willingness of the core, Ashkenazi group to pay the material and moral price for the repression necessitated by the continued existence of the Israeli control system as constituted in 1967 (encompassing Israel and the occupied territories). Furthermore, although for many years the beneficiaries of state-driven industrialization, the Histadrut's job creation schemes, and the hightech military-industrial complex, many industrialists have become enthusiastic supporters of the peace process which promised to end the Arab boycott and open up the world market for Israeli products. Thus, the synergy of military and moral difficulties in putting down the intifada and the desire for economic expansion has resulted in the Oslo accords and the onset of decolonization in the occupied Palestinian territories (Peled and Shafir 1996; Ezrahi 1997).

## **Dilemmas of Citizenship**

Since the signing of the Declaration of Principles with the PLO in Oslo in September 1993, the tactical conflict between doves and hawks over the means of attaining security has given rise to a strategic conflict between neo-Zionists, who have replenished old Zionism with a fundamentalist religious and anti-Western twist, and post-Zionists, who view the stage of conquest, colonization, and state-building as over. These competing perspectives are articulated most clearly in competing citizenship discourses that structure, stratify, and provide ideological expression to the hopes and fears of all social groups: Ashkenazim, Mizrachim, Orthodox-Jews, citizen and non-citizen Palestinians.

The Ashkenazi elite has outgrown the confines of its colonial phase of development and now seeks to venture out into the world. It thus lost much of its interest in maintaining the primacy of republican citizenship with its emphasis on a strong state and on communal public-spiritedness. The declining influence of the republican citizenship discourse has caused fierce competition for hegemony between the adherents of the other two discourses. These discourses—the liberal and the ethnonationalist—appear now not as subordinate or secondary to the republican discourse, as they had been throughout most of Israel's history, but as comprehensive alternatives in their own right.

A central dilemma of the mostly secular *Ashkenazi* Jews who pursue the promise of liberal citizenship is how to address the conflict between their individual rights and the role played by Judaism in the public sphere. The option of separating state and religion is rarely raised because it would mean doing away with Israel's character as a Jewish state. Instead, a piecemeal approach of gradually eroding the religious "status quo" through liberal legislation and judicial action is favored. Thus, by August 1997 a major struggle was looming over Supreme Court rulings that established the right of women and non-Orthodox Jews to serve on religious councils, the municipal bodies that provide Jewish religious services at the local level.

The Palestinians, both citizens and non-citizens, are also keenly interested in the liberal discourse. Between 1967 and the institution of the Palestinian autonomy in the mid-1990s, the Palestinian Arab population in the West Bank and Gaza enjoyed only heavily circumscribed rights. Officially, two systems of law were in effect in the occupied territories: military law for the Arab residents, Israeli civil law for the Jewish settlers. In fact, arbitrary and discriminatory application of the military regulations was combined with a generally permissive attitude toward violations by settlers (Kimmerling and Migdal 1993, p. 253). The Palestinian residents, who were in fact, but not in law, part of Israeli society, were deprived of most legal means of struggle by being defined as lying outside even the liberal conception of citizenship. Their emancipation from Israeli rule has been the result of their armed upris-ing-or intifada-together with the liberalization of Israeli society (Peled and Shafir 1996).

Palestinians who are Israeli citizens possess individual civil and political rights, including the right to vote. In many other areas, however, such as employment, social and educational rights, and, most importantly, membership in the core republican community, they have remained second-class citizens. If the liberal discourse replaces the republican one as the primary narrative of Israeli citizenship this would go a long way toward equalizing the citizenship status of Jews and Palestinians. One key issue, however, still divides citizen Palestinians from Jewish liberals, namely, the latter's continued commitment to the preservation of Israel's character as a Jewish state (Gavison 1995). This has led many citizen Palestinians to demand national-cultural autonomy, that is, to recast the Israeli state as a consociational or multiculturalist democracy.

Consociationalism, of course, is a communal rather than a liberal arrangement. Moreover, since Palestinian culture is still very heavily Moslem, their demand for cultural autonomy could lead to an unbridgeable rift between Palestinians and Jewish liberals, who have become very impatient with religion. The key issue now between the Jewish majority and Arab minority, then, is whether the latter will be given the option of liberal citizenship, that is, integrating as individuals into the state that will be redefined as belonging to all of its citizens, or else be recognized as a national minority with corresponding effective multicultural citizenship rights.

As long as the republican discourse predominated, the political efficacy of groups that were excluded or marginalized by it was necessarily limited: They could tilt the political balance by providing the support needed by a particular section of the core group to prevail politically (religious Zionists and Mapai in 1948–1977; Mizrachim and Likud in 1977; citizen Palestinians and Labor in 1992), but they could never become dominant themselves. Consequently, these outer groups could not take the political initiative, and the rewards they gained from supporting sections of the core group were inevitably frustratingly small.

The coalition that elected Benjamin Netanyahu prime minister in May 1996 was made up of such excluded and marginalized Jewish groups: Mizrachim, religious Zionists, and *haredim* (ultra-orthodox Jews). This coalition, that had crystallized around the ever more religiously articulated ethnonational discourse, narrowly defeated the rival coalition, made up primarily of

Ashkenazi and citizen Palestinian adherents of liberalism.

Some adherents of the ethnonational discourse, primarily the religious Zionist settlers of Gush Emunim, have been trying to claim the republican mantle of “pioneering” and drape it as a religious garb. However, since the intifada they have come to be regarded by most of the original bearers of republican virtue, who had been quite ambivalent about them in the past, as usurpers. The battle over decolonization of the occupied territories that rages primarily between these two groups has already claimed the life of Yitzhak Rabin, an archetypal representative of the original beneficiaries of the republican discourse.

For Mizrachim, the (Jewish) state that has traditionally treated them as secondary to Ashkenazim is assuming ever-growing importance now, as the republican discourse continues to decline. They seek in the state protection against the adverse effects of economic liberalism and an affirmation of their privileged status as Jews in the society. They cling ever more strongly to the ethnonational discourse of citizenship, increasingly infusing it with religious content and, to a lesser extent, with the demand for the protection and extension of social citizenship rights. It is not clear whether a Mizrachi secular cultural alternative to religious identification is available, but it is obvious that the fulfillment of social rights through membership in religious institutions, in a manner similar to fundamentalism in other Middle Eastern countries, does not allow class interests to be properly expressed or defended. This was strikingly attested to when, in July 1997, Shas, the religious Mizrachi party, cast the crucial votes against the proposed Basic Law: Social Rights.

While the settlers and the Mizrachim share an essentially traditionalist outlook and oppose liberalization, the former are interested primarily in keeping the occupied territories, whereas the latter are more interested in preserving the state as both a provider of welfare services and the primary avenue of social mobility open to them. Their *haredi* allies are interested neither in territory nor in the state, but rather in maintaining the Jewish character of public life in Israel, which is the basis of their privileges and which they see being threatened by liberalization and by the use of civic criteria of membership. Thus, this ethnonational coalition, no less than the liberal one, is subject to internal tensions and contradiction.

Given the acrimony of the normative struggle and the conflict over the centrality of the institutions that dispense citizenship rights and duties—the marketplace and judicial system for the liberals, the welfare state and religious institutions for the proponents of ethnonationalism—the battle between them appears sometimes to be a total war. The question it poses is whether a single universal and “assimilationist” liberal citizenship, extended to groups that previously did not enjoy its full benefits, would become the dominant model, or ethnonationalist citizenship, by absorbing themes previously associated with the competing discourses, such as republican pioneering and social citizenship, would prevail. The most likely outcome is that another incorporation regime of multiple citizenships will emerge. But how fragmented this regime will be depends mostly on the future of the peace process.

The peace process, especially the future of the occupied Palestinian territories, is the axis around which liberals and ethnonationalists contend. The outcome of their struggle will affect, therefore, not only Israeli society itself and the respective identity, membership, and rights of Ashkenazim, Mizrachim, orthodox Jews, women, citizen and non-citizen Palestinians, but the future of the entire Middle East. As the forces that shape Israeli society are becoming more global, the prospects of the liberals to win out are improving, for the more minimal demands of liberal citizenship cohere better with international trends than either the republican or the ethnonational discourses. Even the ethnonationalist camp is led by leaders, including Netanyahu,

who are committed to a liberal economic vision. It would be very difficult to square this vision with the interventionist state and repressive military practices required for maintaining the occupation and defending Jewish settlers on the West Bank.

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# Power Disparities in the Planning of a Mixed Region: Arabs and Jews in the Galilee, Israel

*Oren Yiftachel*

Power relations have been identified as a central determinant of intergroup conflict in general, and political stability in multiethnic societies in particular (Lane and Ersson 1987). While the impact of economic and electoral issues on interethnic power relations have been extensively researched (see, for example, Esman 1987; Lijphart 1977; Williams 1985), very few studies have analyzed how these relations are influenced by land use planning policies and policymakers (see Simmie 1987).

This chapter attempts to redress this deficiency by examining how Israel's planning policy in the Galilee region has affected the distribution of planning power between Arabs and Jews. A theoretical framework is developed first, followed by brief background sections on the Arab minority in Israel and on the planning of the Galilee region. The main analysis of the chapter then traces the evolution of Arab-Jewish power disparities in the planning of the study region. Planning power is defined as the ability to influence the use of land. In Israel, the decision-making processes associated with land use planning are critical to Arab-Jewish relations, due to the extreme importance of land to both ethnic groups (Kimmerling 1983).

## A Theoretical Framework

### *Bi-Ethnic States, Power Disparities, and Political Instability*

Israel (within its pre-1967 borders) is a bi-ethnic democracy composed of two main non-assimilating, "homeland" ethnic groups: Jews and Arabs. Governments in bi-ethnic states have used two main approaches in attempting to preserve political stability: accommodation and control (Smootha 1982). The accommodation (or consociational) approach advocates *power-sharing*, broad political participation and a degree of ethnic autonomy as prerequisites for maintaining stability, while the control approach is usually associated with *power disparities* and

a highly centralized regime, which are aimed at maintaining the existing political order (Lustick 1979; Rumley 1991).

Interethnic power disparities are generally expressed by malrepresentation of minorities in decision-making bodies, positions of influence, and societal institutions. Such disparities form one of the most critical determinants of the level of political stability in plural societies (Smootha 1980). Hewett (1977, p. 156) demonstrates empirically how wide power disparities in various countries are positively associated with the eruption of interethnic violence. Disparities in access to political power, apart from being a source of intrinsic frustration, also tend to cement ethnic gaps in other realms of society, through the control of legislative and policymaking authorities by a dominant ethnic group. Here, too, a disproportionate share of power held by either a majority or a minority is identified as a cause of political instability (see also Coakley 1990; Lane and Ersson 1987; Smootha 1980).

The case of bi-ethnic democracies is particularly susceptible to the use of democratic principles as a means to achieve a “tyranny of the majority” (Nordlinger 1972). This can lead to a complete and enduring domination of most state resources and distribution mechanisms, thereby creating a “Herrenvolk Democracy” (Van den Berghe 1981). Lijphart (1977) therefore argues that a consociational system of government, due to its fundamental power-sharing principle, is most suitable for maintaining democratic stability in such societies (see also Nordlinger 1972, p. 33). This is illustrated by the recent history of several bi-ethnic states: in the relatively stable cases of Switzerland, Canada, and Belgium minorities have enjoyed (during recent decades) a more or less proportional access to power, while in the less stable cases of Northern Ireland, pre-1974 Cyprus, and Sri Lanka, pronounced majority-minority power disparities prevented the meaningful participation of minorities (Esman 1987; Yiftachel 1988).

### ***Power Distribution and Land Use Planning***

As a form of public policy, land use (spatial) planning is intrinsically influenced by, and has an influence on, power relations in society. Such relations feature most prominently in the decision-making processes of plan formulation (Faludi 1987) that can act as a microcosm of society. These processes can therefore provide insights into broader social relations (Harvey 1973), particularly in countries where land is a key resource (such as Israel) and where the political organization of space is perceived as a major concern of the central state administration (see Rumley 1991, p. 334).

Theories of land use and spatial planning are therefore directly concerned with the distribution of influence (or power) over the procedures and processes of plan formulation. While not explicitly concerned with political stability, theories of planning procedures address several aspects of the concept, due to their analysis of the political causes and consequences of land use decisions (Harvey 1973; Plotkin 1987).

The debate over the most appropriate process of planning decision-making has spanned the last two decades, with several prominent competing approaches, including rational-comprehensiveness; bounded-rationality; dis-jointed-incrementalism; transactive planning and advocacy (Faludi 1987). A common denominator to most of these approaches is their endorsement of a degree of power-sharing, mainly in the form of public participation in the decision-making process (Yiftachel 1989). In more detail, planning theories perceive input into plan content by affected groups (that is, some form of power-sharing) as a contribution towards:

1. *Conflict-resolution*: accomplished through negotiation and consultation which tend to



create mutual convergence, reduce areas of conflict, and assist in the maintenance of general social order (Simmie 1987);

2. *Legitimacy*: obtained through allowing societal groups the opportunity to have a
3. meaningful influence on the working and decisions of formal authorities and institutions (Churchman 1987);
4. *A more democratic society*: accomplished mainly by promoting participation either through on-going consultation from the center, or by decentralizing planning power to the periphery (Friedmann 1987), thus adhering to a basic democratic principle that supreme power is vested in the people;
5. *Social justice*: advanced through canvassing the views of all affected groups and
6. individuals and not only those of powerful and well-organized interests (Krumbholtz 1982); and
7. *Plan implementation*: assisted by having affected groups identify with the plan throughout its formulation, thus reducing potential opposition to its implementation (Alterman 1988).

In general, then, both political stability and land use planning theories are concerned with intergroup power relations in decision-making processes. Both bodies of theories directly link power-sharing arrangements with social order, legitimacy, democracy, justice, and policy effectiveness. These observations will form the framework within which the case study of planning in Israel's Galilee region will be analyzed later in the chapter.

## **The Arab Minority and Power Disparities in Israel**

At the end of 1988, some 662,000 Arab-Palestinians were citizens of Israel (in its pre-1967 borders, excluding the occupied territories and East Jerusalem), representing 15 percent of the country's population (or 790,000 and 18 percent, respectively, when East Jerusalem is counted). Seventy-five percent were Muslim, 14 percent Christian, and 9 percent Druze. The Arabs concentrated in several regions, most notably the northern mountainous region of the Galilee and the "Triangle" strip (Figure 18.1). Contrary to global trends, they have largely remained residents of rural regions, opting to "urbanize" their villages rather than migrate to Israel's major cities (Falah 1989; Soffer 1989).

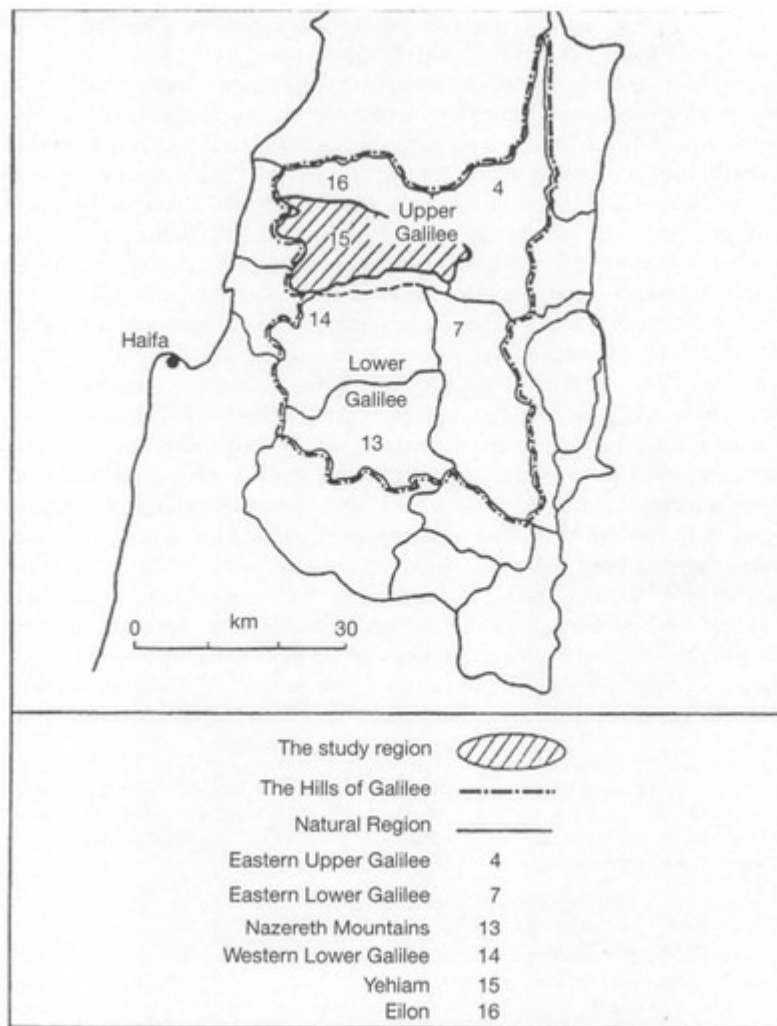
Formally, Israeli Arabs enjoyed the full range of legal and political rights given to Jews, resulting in a range of positive social and economic consequences (Rouhana 1990; Smooha 1989). However, Israeli Arabs have also been subject to control policies and discriminatory practices. These stem mainly from the on-going Israeli-Palestinian conflict and the prevailing attitude of "Jews first and foremost." Consequently, public policies towards the Arab minority have fostered economic dependence, political restriction, and territorial containment of the minority (Lustick 1980; Mar'i 1988; Smooha 1982).

A central element of these control policies has been the maintenance of power disparities between Arabs and Jews, which have been widely evident both in formal political representation and other influential positions in Israeli society. Arabs have been consistently underrepresented in Israel's parliament, the Knesset, while parties representing the interests of the Arab minority have remained outside the Israeli consensus and have never been included as partners in parliamentary coalitions (Smooha 1989). There has never been an Arab minister in the Israeli cabinet and no Arab has ever sat on the Israeli Supreme Court. Arabs have not been

proportionally represented in the decision-making bodies of the major Zionist political parties, or in the national labor union-the Histadrut. The proportion of Arabs among the owners or managers of large economic institutions has been negligible (Smooha 1989, ch. 2). The only area in which Arabs have enjoyed a considerable share of formal power is the local government tier, where in 1989, fifty-four of the 202 heads of local authorities were Arabs.

In response to their general neglect by Israeli authorities, the Arabs have formed several extra-parliamentary bodies, which have been leading a campaign for civil equality. Most notable of these bodies has been the Arab National Committee of Heads of Local Authorities (the National Committee), which represents the minority's grassroots leadership, and has been previously described as the "parliament of Israeli Arabs" (al Haj and Rosenfeld 1990; Rekhes 1986). Other notable bodies include the National Committee of Druze Local Authorities (the Druze Committee), the National Committee for the Defense of Arab Lands (the Lands Committee), the Following Committee (which includes leaders of the above committees together with Arab members of Parliament) and several student organizations.

**FIGURE 18.1**  
**Regions in Northern Israel**



However, despite the marked Arab-Jewish power disparities described above (which have been accompanied by wide socioeconomic gaps), and despite the strong ties of Israeli Arabs to neighboring societies hostile to Israel (Rekhes 1989), Israel has managed to preserve a relatively stable democracy. Although Arabs have recently become more self-assertive in their demands for civil equality, overt intercommunal violence in Israel has been minimal, particularly when compared with similar cases of disadvantaged minorities in Northern Ireland, Cyprus, and Sri Lanka, where ethnic protests escalated into civil wars. Israel's relative internal stability has been demonstrated further during the uprising of Palestinians in the occupied territories taking place since late 1987: while voicing strong support for their rioting brethren, Israeli Arabs have generally refrained from overt demonstration of violence.

The relative stability of the Israeli polity during the 1960s and 1970s has been explained as resulting from the effective application of control over the Arab minority, which prevented the minority from mounting an effective challenge to the Israeli regime with its associated Jewish dominance (Lustick 1980; Smootha 1982). However, these commentators observe that during the late 1970s and 1980s, political stability has been maintained partially as a result of Arab political self-assertion because control over the Arabs has been waning. The decline in control has allowed the Arabs to *increase their political power* by participating in, and enjoying the benefits of, Israeli democracy. Lustick (1988, p. 14), for example, notes:

In the 1980s, Israeli Arabs are demanding their share of political power . . . their entry into Israeli politics as an independent force presages dramatic . . . changes. For political relations between Jews and Arabs are being determined less and less by control, and more and more by bargaining. . . . What this means, in a phrase, is creeping bi-nationalism.

Similarly, Smootha (1989, pp. 22–23) observes that:

The Jews and Jewish institutions have increasingly . . . become more accessible and even more responsive to Israeli Arabs . . . since the mid-1970s, Jewish reaction has been piecemeal concessions and partial openness rather than tightening control and outright oppression.

Given these observations by two notable commentators on Arab-Jewish relations in Israel, it can be assumed that power disparities between Arabs and Jews have narrowed in recent years. The remainder of this chapter will therefore examine the accuracy of the following hypothesis: “Power disparities between Arabs and Jews in the planning of the study region have narrowed since the mid-1970s.”

## **The Case Study: Planning in the Galilee and the Evolution of Arab-Jewish Power Disparities**

### ***The Study Region***

The analysis concentrates on a representative part of the Galilee—the Yehiam (“natural”) region (with its southern border slightly modified, see Figures 18.1, 18.2). This region, which traditionally has had a decisive Arab majority, has been subject to Israeli policies attempting to maximize Jewish in-migration. As such, it provides an opportunity to examine the nature of ethnic power relations in an increasingly mixed Arab-Jewish region.

The study region is located at the heart of the mountainous Galilee (Figure 18.1). At the end of 1988 it had a population of 81,500, of whom 86 percent were Arabs and 14 percent Jews. At that time, forty-two settlements existed in the region, twenty-four were Jewish and eighteen Arab (Figure 18.2). The Arab settlements (“villages”) had spontaneously developed into small or medium-size towns, while the Jewish settlements consisted of two urban centers and twenty-

two small villages. The region's Arab population was composed of all three religious subgroups: Druze (46 percent), Muslims (40 percent), and Christians.

### ***Methodology***

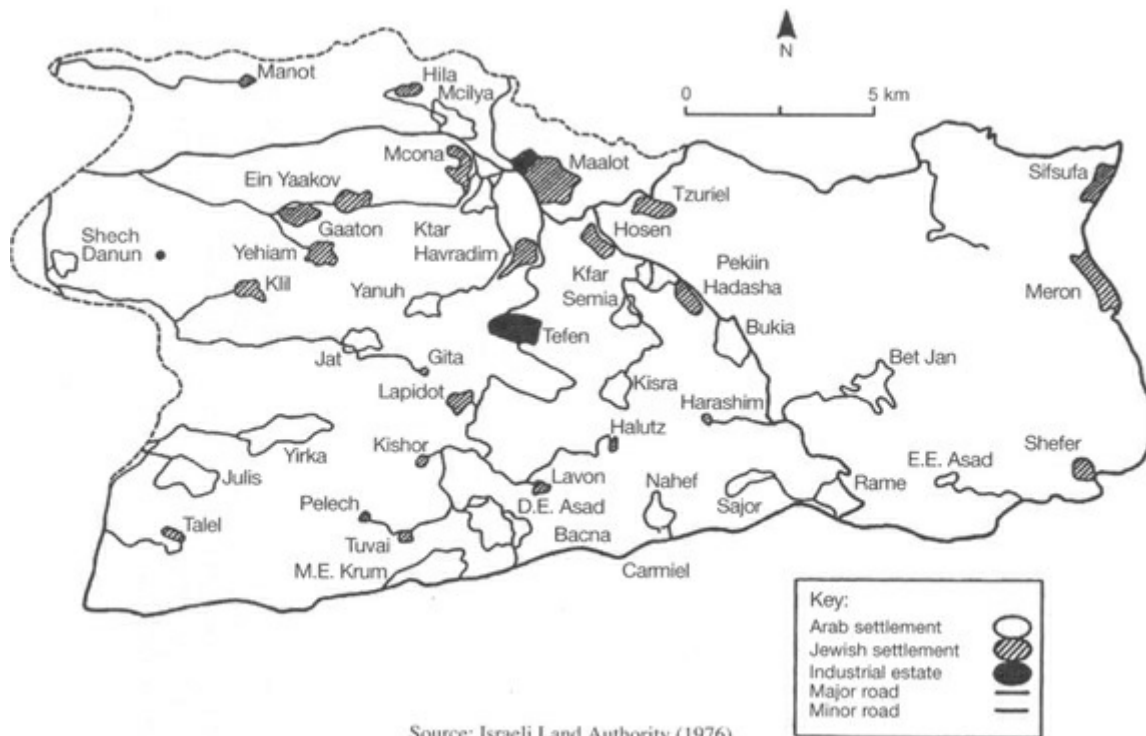
The principal method used is the analysis of changes over time in the distribution of planning power (the ability to influence land use) in the planning of the Galilee between 1975 and 1988. This period was selected because since 1975 Israeli authorities have made a concerted effort to increase Jewish presence in the predominantly Arab Galilee, and because data collection for the study was completed at the end of 1988.

The main research question pursued here is not whether power disparities have existed in the planning of Galilee (which is inevitable given the nature of Israeli society), but whether planning has contributed to the narrowing of such disparities. Two main research methods are used: (a) a comparison of "before" and "after" situations with regard to the research period, and (b) a qualitative analysis of decision-making processes during the research period. In both methods the situation in 1975 is used as an analytical baseline (minor variations from the 1975–1988 dates are due to problems of data availability).

Data for the study derived from a variety of sources, including: state plans and policies for the region (detailed in the next section), protocols and records of governmental committees, other governmental records, leaflets and records of Arab political organizations, archives of six newspapers and in-depth interviews with Arab leaders and Jewish decision-makers.<sup>1</sup>

The analysis concentrates on Israel's statutory land use planning system, which is charged with the responsibility of approving all land use changes in the state and is placed under the auspices of the Minister of the Interior. In Israel, other governmental and "quasi-governmental" agencies (such as the Ministry of Housing or the Jewish Agency, respectively) also possess land use planning and developmental powers, which have been used at times to usurp the authority of the statutory planning system (Carmon et al. 1989). However, the statutory system remains the central pillar of the Israeli land use planning and its activities form the focus of this chapter's analysis.

### **FIGURE 18.2 Settlements in the Yehiam Region**



The following sections firstly provide a short historical review of Israel’s planning policy in the study region and then examine changes in three principal aspects of Arab-Jewish power relations: (a) the ethnic power structure of the region’s planning system; (b) the participation of Arabs and Jews in formulating plans and policies for the region; and (c) the efficacy of Arabs and Jews in the statutory planning system (covering the areas of planning appeals, plan-approval processes, plan-initiation and informal attempts to influence planning decisions).

### ***Israel’s Land Use Policy in the Galilee***

In general, Israel’s land use policies have formed an integral part of the “machinery of control” over the Arab minority (Smootha 1982). This approach has been most evident in policies for the Galilee region, which forms a major part of Israel’s Northern District (Figure 18.1), and which accommodates nearly half of Israel’s Arab population. Since gaining independence in 1948, Israel has attempted to foster the development of its peripheral regions in order to attract internal Jewish migrants and create an ethnic “population balance.” The “Hills of Galilee” region (Figure 18.1), where Arabs have traditionally constituted a decisive majority, has been a major focus of this decentralization policy (Kipnis 1987). Efforts by the government to settle the Galilee with Jews were stepped up in the mid-1970s, with several important governmental plans for the Galilee being adopted, all devising strategies to significantly increase the Jewish population in the region (most notably, Jewish Agency 1979; Jewish National Fund 1979; Ministry of Housing 1976; Ministry of Industry 1976; Ministry of the Interior 1972; Northern District 1975; Prime Minister’s Office 1975).

Since 1975, Israel’s main planning policies in the Galilee have included: (a) the expansion of Jewish towns in the region; (b) the establishment of over sixty new Jewish semi-rural settlements (*mitzvim*), mainly as wedges between concentrations of Arab settlements; (c) the

expansion of several regional industrial areas; and (d) the restriction and demolition of some unauthorized Arab dwellings constructed at the outskirts of rapidly expanding Arab villages (Carmon et al. 1989; Falah 1989; Kipnis 1987). These policies created major land use changes in the Yehiam region, including the establishment of thirteen new Jewish settlements, three industrial estates, and a new road network (Figure 18.2).

## **The Power Structure of the Region's Planning System**

Assessing the distribution of planning power in the study region can usefully start with an examination of changes in the structure of the region's statutory planning system. Israel has a statutory planning system determined by the Planning and Building Law (State of Israel 1965), which replaced the previous Town Planning Ordinance (1936). The statutory system is constructed of a three-tier hierarchy of national, district, and local planning authorities. The Yehiam region falls within the planning jurisdiction of the Northern District Planning and Building Committee, which, in turn, is placed under the authority of the National Planning and Building Board. Five Local Planning and Building Committees-the lowest tier in Israel's planning system-operate the study region, with their jurisdiction areas generally forming an agglomeration of small local government areas (Figure 18.3).<sup>2</sup>

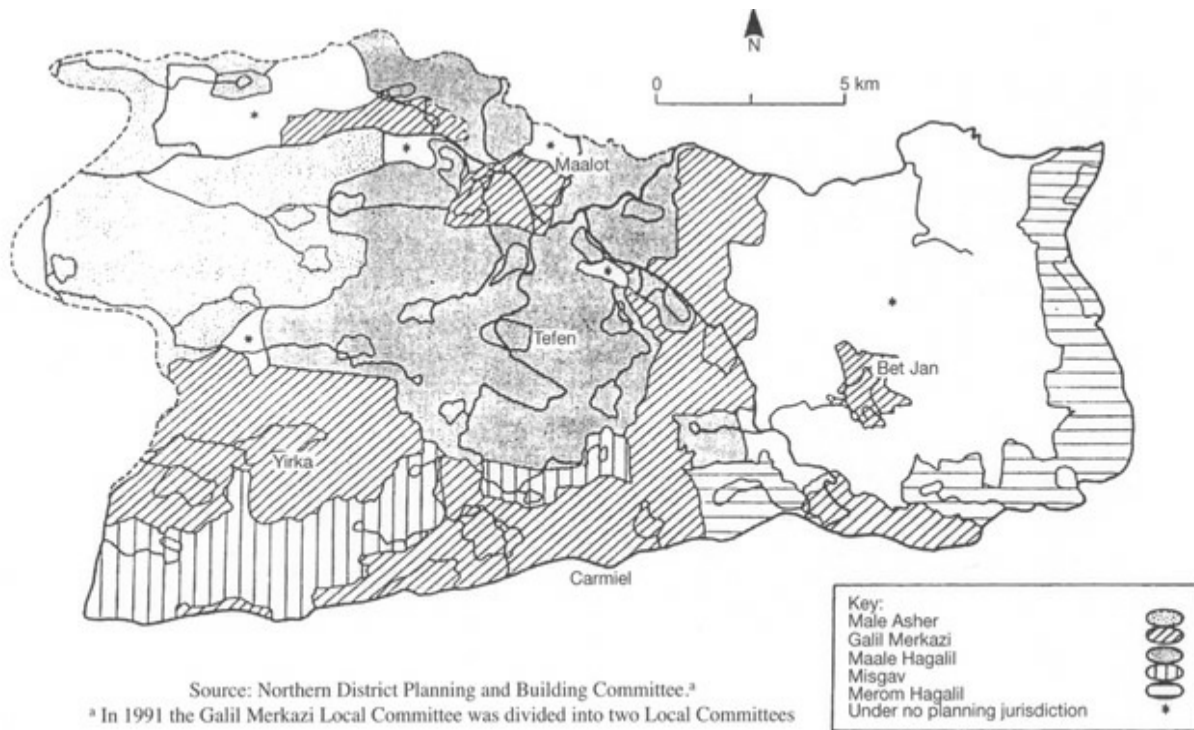
The composition of national, district, and local statutory planning bodies is determined by the Planning and Building Law (PBL 1965, clauses 2–22). The law created a highly centralized planning system, concentrating most powers of appointments in the hands of the Ministry for the Interior and other government ministers. Examination of the composition of statutory planning committees relevant to the study region shows that there was a minor increase in Arab representation during the research period, although all committees remained dominated by Jews (Figure 18.4). Notably, Arabs constitute a majority in several of the areas controlled by the subject committees, particularly that of the Galil Merkazi committee (Figure 18.3) which is a case in point. This committee controls twenty-three Arab villages (including eleven in the study region), as opposed to only four Jewish settlements, although-as with all the committees in question-it is headed by a Jewish chairman.

Figure 18.4 also shows that, in general, the higher the hierarchic authority of planning committees the lower the representation of Arabs. Accordingly, Arabs have considerable (and at times proportional) representation in several Local Committees, but have only a token representation in the District Committee and no representation in the National Board. However, the minor trend of growing Arab representation is noteworthy in view of the wide power disparities across other facets of Israeli society.

Interviews with key Israeli (Jewish) decision-makers confirmed that there exists a broad objective to increase Arab representation in statutory planning bodies. Nevertheless, it was also pointed out that this increase in representation will never mean the loss of Jewish dominance, which is "essential for the implementation of national goals in the Galilee." Jewish supervision was also perceived by the interviewees as necessary to ensure orderly development in the region, due to the lack of Arab tradition and success in enforcing planning policies.

**FIGURE 18.3**  
**Planning Boundaries in the Yehiam Region**





Another aspect of the power structure of the regional planning system is the membership of District Sub-Committees, where most day-to-day planning decisions are determined. Arab representation in these sub-committees has somewhat increased during the period in question (Figure 18.5). Here, too, the modest increase is noteworthy, although Arab underrepresentation is still pronounced, given their majority status in the Galilee region and the Northern District.

It can also be observed that the internal structure of the committee has changed, resulting in a more devolved pattern of decision-making with the addition of two sub-committees (Figure 18.5). However, this devolution did not significantly assist Arabs in the Galilee, as their representation on these sub-committees has remained low. In addition, Arab leaders have also repeatedly claimed in interviews that the authorities often fill these “Arab” positions with “cooperative” persons, rather than genuine minority leaders.

In summary, the formal membership structure of the region’s land use planning system shows a marked underrepresentation of Arabs who form a majority both in the Galilee and the Yehiam region. A minor trend of increasing minority representation in the system can be observed, although ethnic power disparities have remained high.

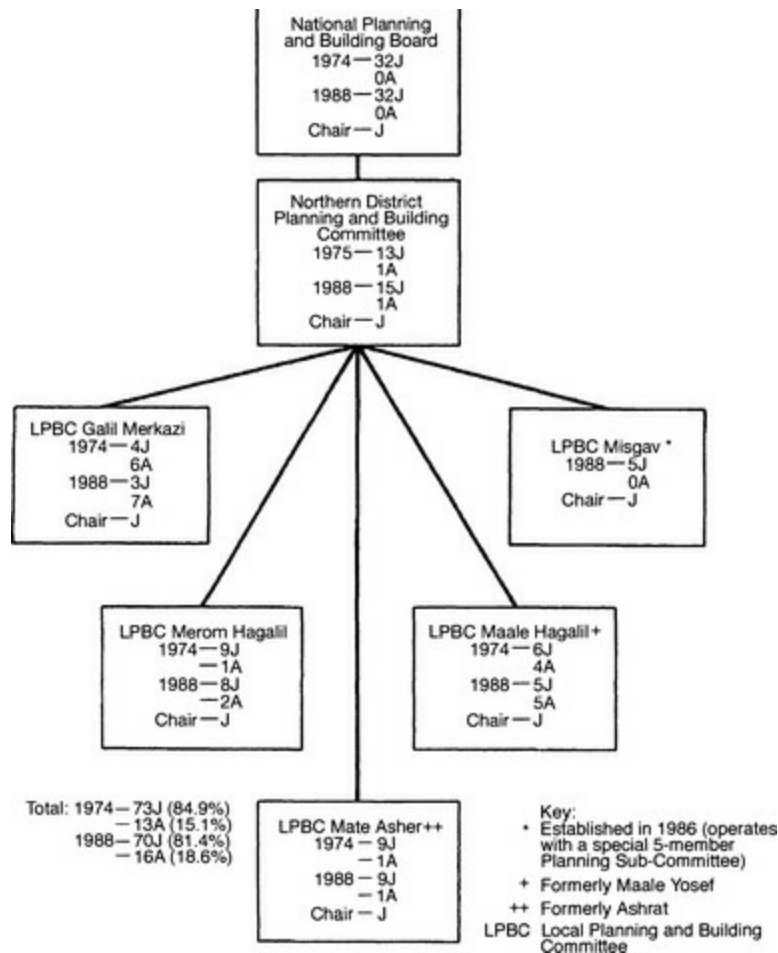
## Participation in the Formulation of Land Use Plans and Policies for the Galilee

Another useful indicator of Arab-Jewish power disparities is their respective participation in the formulation land use plans and policies for the Galilee. Three significant planning documents for that region were produced by the Israeli Ministry of the Interior: the Five Million Plan for Population Distribution (Ministry of the Interior 1972), the Northern District Outline Scheme (Northern District Committee 1973), and the Markovitz Report (Markovitz 1987). The only

reference to Arab “participation” in the 1972 and 1973 plans was a mention that consultation took place with the prime minister’s advisor on minorities affairs. A decade and a half later, still no Arabs were appointed as members of the Markovitz Committee, which was solely set up to find solutions to the problem of illegal construction in the Arab sector. Interviews with Arab leaders revealed that a large number of Arabs appeared as witnesses in front of the committee, but this did not compensate for the lack of involvement in the actual decision-making discussions.

A similar situation of little or no Arab involvement was evident in the preparation of plans for the Galilee by other planning authorities, including the Prime Minister’s Office (1975), the Israeli Land Authority (1976), and Ministry of Industry (1976). Interviews with Jewish decision-makers revealed that the violent events of Land Day 1976 (in which six Arabs were killed in mass protest against government plans to expropriate Arab land for the expansion of Carmiel) made planning agencies wary of the growing ability of Arabs to stage well-publicized protest campaigns. In response, subsequent plans for new Jewish settlements (mitzpim) in the region (Jewish Agency 1978, 1979) were kept secret for as long as possible, naturally excluding any Arab participation in their formulation.

**Figure 18.4**  
**Ethnic Membership in the Statutory Planning System, 1974–88**





Source: Northern District Planning and Building Committee.

A somewhat different approach was used by the 1976 Plan of the Ministry of Housing. Although no Arabs served as members of the planning team, the formulation process involved a comprehensive survey of the Arab sector, devoting to it a full chapter in its report. It is not surprising then that the plan recommended a response to Arab needs by expanding the building zones of Arab villages and creating two additional Arab urban centers.

In sum, with the possible exception of the Ministry of Housing plan, Arab participation in the formulation of land use plans and policies for the Galilee has been at best marginal. Having no members in any of the relevant planning teams, Arabs were at times consulted during the formulation period, but generally ignored. Significantly, no change in this situation was evident during the research period.

## **Efficacy in the Statutory Planning Process**

Another indicator of ethnic power disparities is the efficacy of Arabs and Jews in their day-to-day dealings with the region's statutory planning system (the set of statutory committees depicted in Figures 18.4 and 18.5). Three areas of decision-making are central to the operation of these committees: the determination of planning appeals, the approval of local planning (outline) plans, and the appointment of planners to initiate plans for local authorities (PBL 1965, clauses 57, 64, 130, 152). The efficacy of Arabs and Jews in these decision-making areas is examined in the following sections.

### ***Planning Appeals***

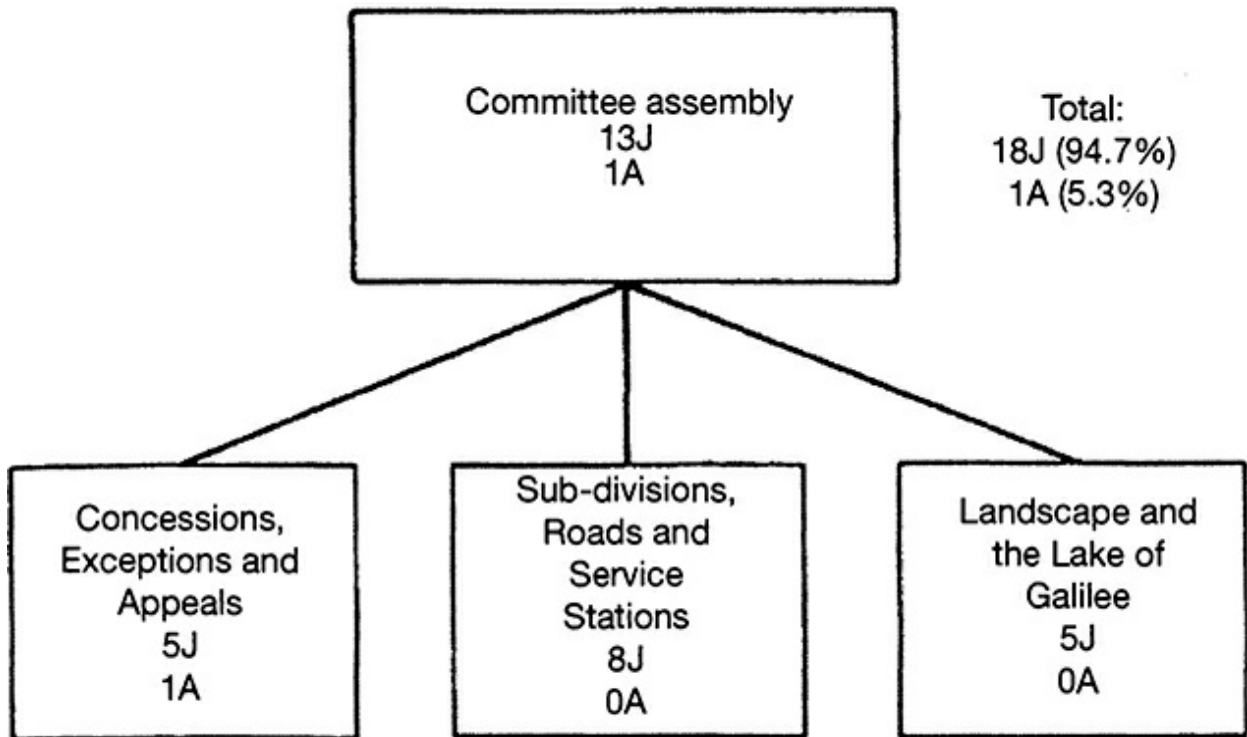
Planning appeals are lodged with the District Committee against decisions taken at a Local Committee level. They are determined by a special subcommittee, on which Arabs had one representative throughout the study period (Figure 18.5). In order to test whether changes have occurred over time in the operation of the planning system, three time periods were examined in detail—at the beginning, middle, and end of the study period (Table 18.1).

The table shows that the number of Arab appeals is far higher than those lodged by Jews and that this number has been steadily growing. This phenomenon is mainly caused by a different land tenure system in Jewish and Arab settlements and the growing familiarity of Arabs with the Israeli planning system (see Yom Tov, 1984; Yiftachel, 1991b, 1992).

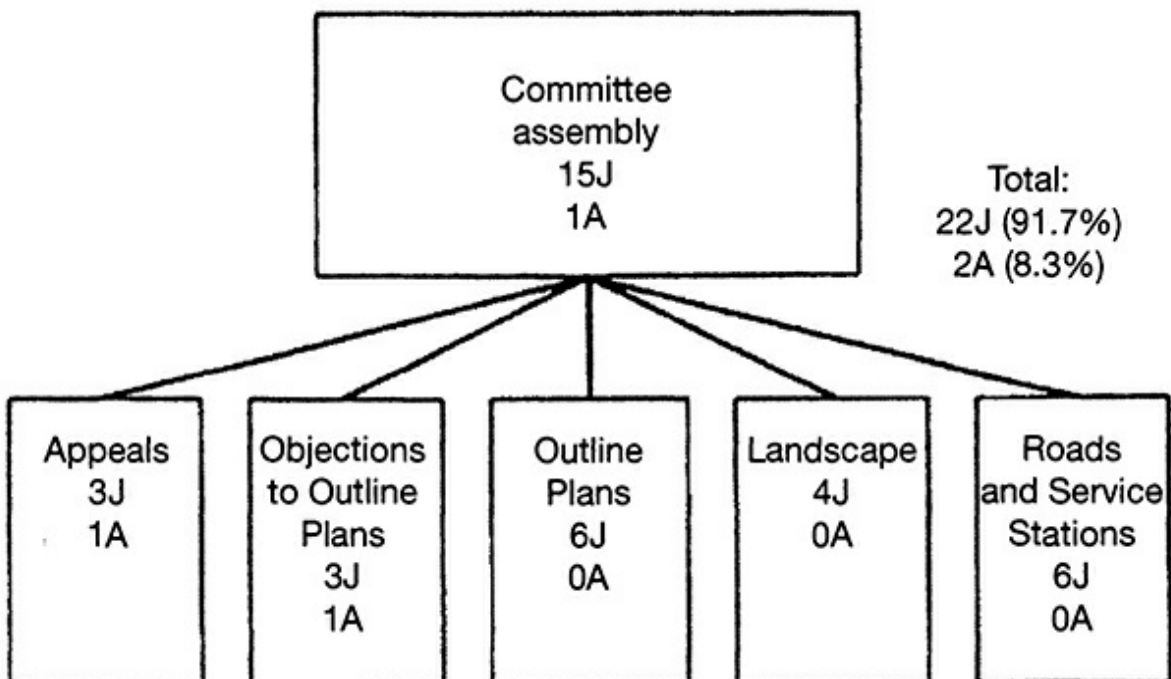
Most significantly, the table shows that the efficacy of both Arab and Jewish residents of the Yehiam region improved during the period, with the success rate of Jewish appellants remaining more or less twice the Arab rate. This indicates that power disparities between the two ethnic groups have been maintained in this area.

**FIGURE 18.5**  
**The Northern District Planning and Building Committee: Internal Structure and Ethnic Membership**

1975



1988



**TABLE 18.1**  
**Decisions of Planning Appeals Lodged by Residents of the Yehiam Region, 1975–77, 1980–81 and 1986–87**

Period	Group	Decisions						Percentage Success Rate
		Favorable			Negative			
		Conditional Accept	Accept Total	Postpone/Reject	Refer Total			
11/75-5/77 (17 meetings)	Jews	4	—	4	—	1	1	80.0
	Arabs	24	4	28	28	17	45	38.3
1/80-11/81 (11 meetings)	Jews	14	3	17	5	5	10	63.0
	Arabs	21	15	36	12	25	37	49.3
1/86-12/87 (14 meetings)	Jews	21	4	25	—	—	0	100.0
	Arabs	54	18	72	44	33	77	48.3

Source: Northern District Planning and Building Committee (1975-88).

### ***Length of Plan Approval Process***

Local outline plans are required by the PBL to be prepared for each area within three years of the gazettal of the PBL or the declaration of a local planning area-whichever is later. However, the complex plan approval process (Figure 18.6) in both Arab and Jewish settlements in Israel has taken far longer than expected by the legislator (Horvitz 1986). This problem has been pronounced in the Yehiam region, particularly in the Arab sector.

Table 18.2 displays the length of the approval process for settlements in the region, based on content analysis of the archives and protocols of the Northern District Planning and Building Committee. The table denotes three “milestone” dates of plan approval: the beginning of the plan-making process, preliminary approval (also termed “plan deposit”), and final gazettal (see also Figure 18.6 and the PBL 1965, clauses 100–117).<sup>3</sup> Table 18.2 demonstrates a vast difference in the length required to approve an outline plan in Arab and Jewish settlements: The total mean time span in the Arab sector was by the end of 1988, 20.9 years per settlement, as compared to 7.5 years in the Jewish sector. This difference is likely to rise in the future as plans not yet approved in the Arab sector are generally in a less advanced stage than their Jewish counterparts. Moreover, in two Arab settlements-Bet Jan and En el Asad-outline plans have not yet been granted preliminary approval.

However, while Arab powerlessness in the planning system has no doubt contributed to some of the delays, several factors from outside the system have exacerbated the problem. These include the large number of private land owners in each Arab village (as opposed to Jewish settlements which usually occupy state land); historical interclan rivalries in many villages which tend to paralyze local decision-making and stall plan preparation (Hameissi 1987); a cultural rejection of state intervention in village affairs (Yom Tov 1984); and the large and rapidly growing size of many Arab villages with their associated complexities and time delays (Meyer Brodnitz 1986; Yiftachel 1992, ch. 11).

**TABLE 18.2**  
**Duration of Plan Approval Processes for Arab and Jewish Settlements**

Name <sup>a</sup>	Population <sup>b</sup>	Plan initiator	Planner	Planning dates			Length in Years <sup>c</sup>	
				1 Begin	2 Preliminary approval	3 Gazettal	Stages 1-2	Stages 2-3
<b>ARAB SETTLEMENTS</b>								
<i>Non-Druze</i>								
M.E. Krum	6242	LC	Barkai	1964 <sup>d</sup>	1986		22	2
Rame	5034	MI	Dernel	1964	1986		22	2
Nahef	4627	MI	Team 9	1964	1976	1984	12	8
D.E. Asad	4152	MI	Team 9	1964	1976	1983	12	7
Baena	3727	MI, ILA	Ornat	1967	1987		20	1
Tarshiha	2417	LC	Madjar	1964	1986		22	1
Meilya	1856	LA	Yom Tov	1964	1974	1981	10	7
Danun	1085	ILA	ILA	1964	1979	1982	15	3
Sub-total	29140						135.0	31.0
Mean	3643						16.8	3.9
<i>Druze</i>								
Yirka	6481	LC	Barkai	1967 <sup>d</sup>	1977	1987	10	10
Bet Jan	5573	LC	Brodnitz	1964			24	—
Julis	3041	MI	Team 9	1967	1977	1987	10	10
Bukia	2951	LC	Barkai	1967	1983		16	5
Kisra	1903	LA	S&B	1964 <sup>d</sup>	1978		14	10
Yanuh	1872	LA	S&B	1969	1978	1987	9	9
Sajor	1777	IMC	Dudiker	1965	1987		22	1
Semia	1300	LAW	S&B	1964	1978	1983	14	5
Jat	944	LAW	S&B	1967	1979	1983	12	4
E.E. Asad	463	IMC	Milslevski	1964			24	—
Sub-total	26305						155.0	54.0
Mean	2631	—					15.5	5.4
Total	55445						290.0	85.0
Mean	3080						16.2	4.7

## JEWISH SETTLEMENTS

### *Pre-1975 Settlements*

Maalot (1957)	5020	LC, LA	Madjar	11/66	11/87		21	—
Meron (1949)	508	JA	JA		11/70	12/74	—	4.1
Yehiam (1946)	484	HH	HH			5/71	—	—
Sifsufa (1949)	454	JA	JA		3/82		—	6.7
Gaaton (1948)	382	HH	HH			6/72	—	—
Meona (1949)	299	JA	JA	6/78	5/80	2/83	1.9	2.8
Hosen (1949)	297	JA	JA	11/76	4/77	8/79	0.5	2.3
Ein Yaakov (1950)	286	JA	Kaplan		9/76	3/78	—	1.5
Shefer (1950)	256	JA	JA		9/87		—	1.3
Pekiin (1955)	246	JA	JA		12/78	4/81	—	2.3
Tzuriel (1950)	221	JA	JA		8/77	7/80	—	2.9
Sub-total	8453						23.4	23.9
Mean	768						7.8	2.9

### *Post-1975 Settlements*

Kfar Havradim (1981)	1040	KVC	Rechter		3/80	2/81	—	0.9
Tuval (1980)	140	Takam	Takam		2/88		—	0.8
Kishor (1976)	135	HH	HH		1/82	8/83	—	1.6
Talel 91980)	135	JA	Svitzki	5/82	7/85		3.2	3.4
Lapidot (1978)	130	JA	JA		12/84		—	4.0
Hila (1980)	110	JA	JA	7/79	9/82	8/83	3.2	0.9

Manot (1980)	105	JA	JA	11/79	3/81	11/83	1.3	2.7
Lavon (1980)	70	Takam	Takam		5/85		—	3.6
Gita (1980)	70	JA	JA	10/79	5/80	10/82	0.6	2.5
PHarashim (1980)	60	JA	JA	10/79	7/87		7.8	1.4
Klil (1979)	60	JA	Ham'm	2/80	3/83		3.1	5.7
Pelech (1980)	60	HH	HH		4/84		—	4.6
Halutz (1987)	50	JA	JA		11/84		—	4.1
Sub-total	2170						19.2	25.2
Mean	167						3.2	2.7
Total	10623						42/6	60.1
Mean	443						4.7	2.8

<sup>a</sup> Jewish settlements: date established shown in parenthesis.

<sup>b</sup> Arab settlements: 1983 figures; Jewish settlements: 1987 estimates.

<sup>c</sup> Incomplete stages were calculated to the end of 1988; totals exclude cases of missing data; rounding of results may have caused minor distortions.

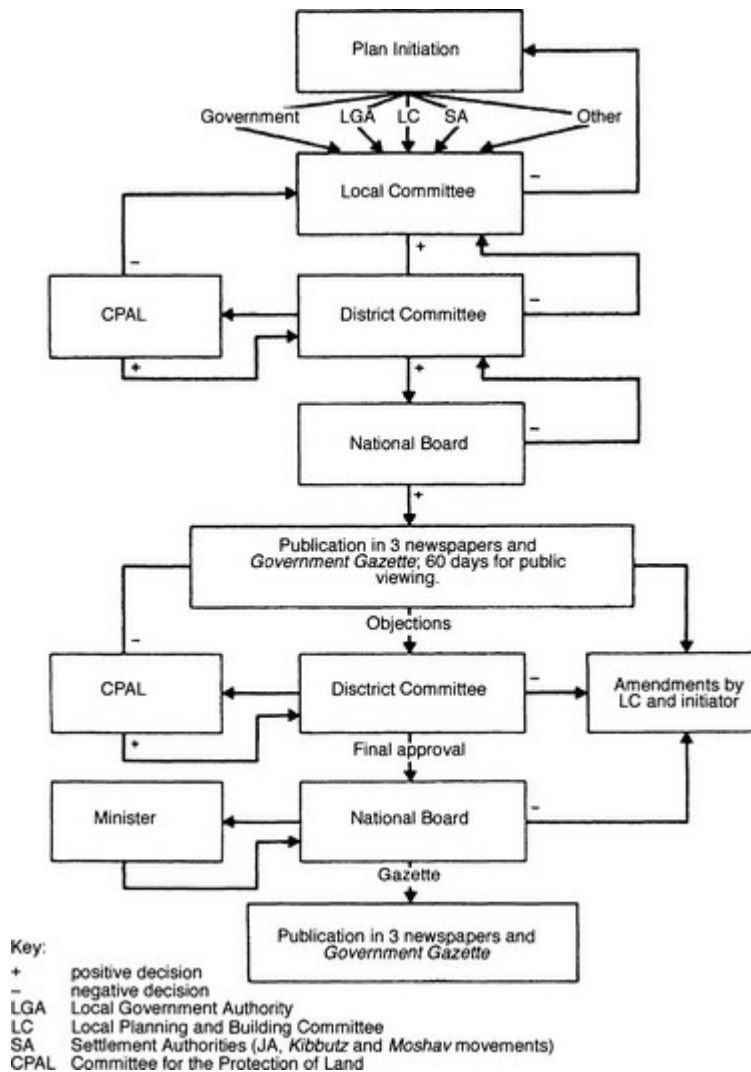
<sup>d</sup> Not formally gazetted.

*Abbreviations:* DC, District Planning and Building Committee; HH, Hakkibutz Haartzzi; ILA, Israeli Land Authority; IMC, Inter-Ministerial Committee;

JA, Jewish Agency; KVC, Kfar Havradim Company; LA, Local Authority; LC, Local Planning and Building Committee; MI, Ministry of the Interior;

S&B, Segal and Brodnitz; Takam, United Kibbutz Movement.

**FIGURE 18.6**  
**The Approval Process for Outline Plans in Israel**



Source: State of Israel (1965) and Prof. Law-Yone (personal communication).

Nevertheless, planning delays in the Arab sector are also enhanced by the operation of the Israeli planning system, principally due to the process of plan preparation used in most Arab villages. This process is largely controlled by government authorities, which appoint a planner for each village and handle the on-going relations between planner, village, and planning authorities.

Analysis of [Table 18.2](#) (the planner column) shows that the responsible authorities have in all cases appointed Jewish planners to prepare outline plans for Arab villages, mostly those recognized as expert on building and development in the Arab sector. To a degree, this phenomenon represents the lack of trained Arab planners during the 1960s and 1970s, although in recent years a growing body of Arab professionals has become available. Planners appointed for Jewish settlements, on the other hand, were not only all Jewish, but in nineteen of twenty-four cases were the actual settling body responsible for the settlement (the Jewish Agency and two kibbutz movements). In other words, the authorities that had built the settlements were often also charged with preparing outline plans. In two additional cases, local residents were appointed as settlement planners.

Content analysis of correspondence pertaining to the question of planners' appointment revealed marked differences between Jews and Arabs in their feelings towards these appointments. Only one letter of protest against the planner of a Jewish settlement (*Ma'alot*) was found on record. In contrast, over one hundred complaint letters against the approach of appointed planners were sent to the Northern District Planning Bureau by Arab local authorities and citizens between 1975 and 1988. The consequences of the difference in community-planner relations are clear: the close links between the two entities in the Jewish sector results in a smoother and faster planning process, a much lower rate of planning objections, and a better representation of the community in planning authorities. Alienation between planner and the community, as has often been the case in Arab villages, has resulted in planning processes riddled with problems and delays, with poor representation of communal needs in planning authorities.

The example of Bet Jan-a large Arab (Druze) village (Figure 18.2) illustrates the point. The plan for the village suffered a sequence of delays, caused by negligence on behalf of the authorities and by the position of the village within a natural reserve which added the Israeli Natural Reserves Authority to the web of statutory agencies dealing with the plan. A February 1985 letter from the council's chairman to the Northern District Commissioner, for example, strongly objects to the submittal of the village's outline plan, which was proposed following a meeting with the council:

Despite the Bet Jan council being represented in the meeting, and despite our request for several amendments to the plan before its approval, it was decided to submit the (unchanged) plan, against the explicit request of the council. ... as the council is the only elected and representative body of the Bet Jan community ... we demand the cancellation of that decision ...

Following further correspondence on the matter, the Bet Jan's council chairman wrote in September 1986 to the chief planner of the Northern District and to the planner appointed for the village: "the outline plan for the village was never guided by the elected body-the local council ... it was mostly governed by the requirements of the Natural Reserves Authority ... the council had no influence on the content of the plan ..." Despite the fact that an interview with the village planner revealed a reasonable degree of consultation with the council, and a genuine attempt by the planner to accommodate local needs, it is significant to observe that alienation grew between the local community and the appointed planner, who was perceived by the villagers to represent Israel's planning authorities.

Similar problems were experienced by other Arab villages, most notably Majd el Krum, Baena, Rame, Kisra, and Julis (Figure 18.2). Other Arab villages, such as Meliya, Sech Danun, and Semia, experienced a reasonable degree of planner-community cooperation, which resulted in smoother approval processes. However, these exceptions cannot obscure the alienation and conflicts between many Arab communities and the planners appointed by Israel's planning authorities to help them. This has caused a considerable reduction in the efficacy of Arabs in the Israeli statutory planning system.

### ***Approval of the Mitzpim Plan***

Related to the plan approval process examined above, but significant enough to warrant a separate discussion, is the approval process of the mitzpim plan, which took place between 1979 and 1986. As mentioned earlier, the mitzpim plan established some sixty new Jewish settlements (mitzpim) across the Galilee, thirteen of them in the Yehiam region. The term "mitzpim" is used here liberally to mean all new Jewish settlements established in the area during this period.

Significantly, the mitzpim plan was prepared by the Jewish Agency without initial



consultation with Israel's statutory planning authorities. This was done, as mentioned, to maximize the plan's secrecy so as to prevent Arab protest. The sites of the new settlements were not marked on the original Northern District Outline Plan, which received preliminary approval ("deposited") by the National Planning Board in 1973. Approval of the new sites through the normal statutory avenues would amount to an amendment to a District Plan and take a considerable length of time (including a period of public submissions). In February 1979, a plan showing the location of the first thirty mitzpim-in contravention of the new Northern District Plan-was submitted for approval to the relevant local planning committees.

The response of the authorities exposed again the wide power disparities between Arabs and Jews in the planning system. In a special procedure used for the first and only time, the proposed mitzpim settlements were approved under the provisions of a British 1946 Regional Planning Outline Scheme that was still legally in force, as the Northern District Outline Plan (1973) had not been gazetted as yet. Approval rested on discretionary power in the Planning and Building Law (1965, clause 97a), which allowed the District Committee to adhere to a plan drawn under the British Town Planning Ordinance (1936). The 1946 scheme allowed the establishment of "properly controlled developments" in an agricultural zone (part IV, clause 9). The District Planning Committee appointed a special sub-committee to issue temporary "building plans" proposed by the Jewish Agency for each settlement, later to be replaced by permanent outline plans. However, this approval process was not without legal complications, because:

1. Interviews with planning legal experts on the matter of contradiction between an
2. approved plan and a preliminary approved plan (in "deposit") confirmed that when such contradiction exists, the proposed development should comply with the requirements of both until the later plan is gazetted (PBL 1965, clause 97); the mitzpim plan only complied with one of the two plans.<sup>4</sup>
3. Precedents of decisions taken by the Northern District Planning Committee have already superseded the provisions of the 1946 plan used to approve the mitzpim plan: in January 1955 and in January 1957, the committee voted to amend the clauses permitting residential development in an agricultural zone in response to extensive building activity by Arabs in Lower Galilee (cited in the Knesset Archives 23, p. 146).
4. The special approval process of "building plans" used for the mitzpim settlements did not require a period of public submissions; this contradicts Clause 100 of the (later) 1965 Planning and Building Law.

It is also revealing to note that in legal terms, both the building of the mitzpim settlements and the construction of unauthorized Arab dwellings constitute residential developments in an agricultural zone. The former were quickly approved while the latter have been often served with demolition orders.

The legal complications exposed above are not in themselves important for the present discussion, except for demonstrating the power enjoyed by Jewish agencies vis-à-vis the Israel statutory planning system. The case of the mitzpim therefore shows how planning decisions widened Arab-Jewish power disparities by introducing new statutory inequalities into the planning system.

### ***Plan Initiation***

Another potential access to planning power is available in Israel by initiating a local outline

plan. This allows local populations to have considerable influence over the planning of their settlements and the selection of local planners. The Planning and Building Law (PBL 1965) charges local planning committees (which are in effect an extension of Israel's central bureaucracy) with the responsibility of preparing a plan for each settlement, but does not prohibit the initiation of the plan by other bodies. The 'initiation' column of [Table 18.2](#) shows that only five of the eighteen Arab villages (or 28 percent) in the Yehiam region have initiated the preparation of their outline plans. Four of these are grouped in the Merkaz Hagalil Regional Council (an all-Druze local authority), which enabled the pooling of resources for this purpose.

Theoretically, more Arab local governments in the region could have taken the initiative to prepare plans, but interviews have shown that such a move was often impractical due to financial difficulties, and/or a preference to continue with plans already prepared by bodies outside the village for the sake of a (promised) faster approval process. This is reflected by the fact that no Arab local government in the region has initiated an outline plan since 1969! (See [Table 18.2](#).) Consequently, the only formal way open to Arab local governments to influence the content of plans prepared for their own villages is to raise objections during the period of public comment (Figure 118.6).

In contrast to the situation in Arab localities, plans for twenty-two of the twenty-four Jewish settlements in the region were initiated by the settlement movements (the Jewish Agency and the kibbutz movements), which represent the settlers and not the planning bureaucracy. Moreover, in most cases in the Jewish sector, plan initiators also functioned as planners ([Table 18.2](#))-a healthy situation that guaranteed close communication with the affected community.

The figures presented above on plan initiation demonstrate two important phenomena: (1) statutory land use planning in Arab villages has been mostly imposed "from above," with bodies other than local communities initiating plan preparation, whereas in Jewish settlements planning mostly originated "from below," giving a better expression to local needs; (2) the initiation of most plans in the Arab sector by bodies outside the local communities has further removed Arabs from the hubs of planning powers, by creating another tier of authority (the initiating body) between the needs of the community and their translation to land use plans. Significantly, no major change was evident in this area during the research period.

### ***Informal Attempts to Influence Planning Decisions***

An additional dimension of power relations in the planning of the study region is evident in the authorities' response to informal Arab attempts to influence regional planning decisions. Due to the limited scope of this chapter, only notable examples are presented here in a chronological order (for more details see Yiftachel 1990, 1991a, 1992). These are based on analysis of the records and archives of the Arab National Committee, Lands Committee, newspapers search, and interviews with Arab leaders.

The first key event occurred prior to the violent events of Land Day 1976, described above. Arab reactions to the government plans of 1975–76 were not confined merely to protest activity, but attempted to effect a growing participation of Arabs in the process of plan formulation. During late 1975, following the release of the concept plan for the Judaisation of Galilee (Prime Minister's Office 1975), the Arab National Committee organized a series of meetings with Israeli officials in order to express their opposition to the Judaisation concept and, as stated in a letter sent by the Committee to the Minister of Agriculture on October 1976, "... to offer ways of developing the Galilee so as to genuinely benefit both Arabs and Jews living in the region." A meeting was held accordingly between the National Committee, the Minister of Agriculture, and

the Chairman of Israel's Land Authority in January 1976, discussing the future designation of land in the Galilee. Interviews revealed that the meeting deteriorated into an open argument between the Arabs and the ILA chairman, and ended with only vague promises by the minister to "study the land and planning problems of the Arabs in the region."

Following the violent events of Land Day 1976, a delegation of eleven Arab leaders met with Prime Minister Y. Rabin in May 1976, and raised the range of planning problems, including the government's neglect to consult Arab leaders. Rabin's response was the setting up of three committees to investigate various aspects of Arab-Jewish relations in Israel, without making any specific commitments. A post-meeting letter to the prime minister from the National Committee (dated June 17, 1976) demonstrates the Arabs' concern about their exclusion from the planning process: "We see dangers in the continuing lack of coordination and consultation with Arab local authorities on the subjects of planning and development in our villages ..."

A lack of concrete achievements resulting from the informal contacts with the government in 1976 did not deter the National Committee and other Arab leaders from continuing to present their demands for larger participation in planning decision-making. A central issue in this ongoing campaign has been the composition of local planning authorities. As mentioned, twenty-three Arab villages in the Galilee are grouped under the Galil Merkazi Local Planning and Building Committee. This local committee services an estimated 1988 population of over 100,000 people, compared with other (mainly Jewish) local planning committees in the area, such as Misgav or Mate Asher, which service populations of 5,000 and 12,000 people, respectively. The large number of villages grouped under one Local Committee markedly reduces accessibility to planning power, while also causes considerable delays stemming from the pressure applied on the committee's limited staff.

Arabs in the Galilee have continuously pressed for the creation of smaller Local Committees in the Arab sector. Five large villages along the study region's southern boundary-Rame, Nahef, Dier el Asad, Baena, and Majd el Krum (Figure 18.2)-have been most active in this campaign. In a letter to the Minister of the Interior, dated January 4, 1979, the chairmen of the five councils state:

... As the population of our five villages totals 23,000 people, a Local Committee is appropriate and will ease the process of applying for building permits by our residents. Despite being turned down in previous meetings we have great hope that your honor will agree to the establishment of a local planning and building committee in our region ...

This request was rejected in April 1980 by the Northern District Committee. The issue, nonetheless, has continued to appear in Arab publications and press releases. For example, an Arab Land and Housing Conference held in February 1982 and a National Arab Conference convened in February 1983 both called upon the government to establish local planning committees for every Arab settlement with a population larger than 10,000 people. This demand was also prominently included in the official manifesto of the Arab National Committee adopted in February 1987.

Further efforts to influence these issues were repeatedly undertaken by Arab parliamentarians. During 1985, for example, they questioned the minister three times on the reasons for not declaring heavily populated Arab regions in Galilee as separate local planning committees. The minister responded that the issue required in-depth investigation, and, subsequently, appointed in 1987 a special committee to report on the matter (Knesset *Protocols* 1985-87). The committee did not conclude its investigation by the end of the research period.

Attempts by Arabs to influence the planning system have also been directed at the issue of membership on planning decision-making bodies on a national level. On that matter, the Arab parliamentarian A. Darausheh wrote to the Minister of the Interior in November 1986:

The National Planning Board discusses a range of issues concerning the Arab sector and Arab local authorities ... but no Arab has ever been represented on this important Board... . We believe that natural justice urgently requires an Arab representative ... to participate in discussions on the Arab sector.

Similar frustration was felt in the correspondence surrounding the Markovitz Report (Markovitz 1987), which was designated to propose solutions to the problem of unauthorized dwelling construction in Israel's Arab villages. To illustrate, in March 1987, the National Committee sent a telegram to Prime Minister Y. Shamir:

The Markovitz Report has been approved by the government and a special ministers committee was established to examine its implementation. Two months have passed since we requested your honor to allow our participation, as representatives of the Arab public, before the committee reaches its conclusions. In the meantime District Commissioners are ordering further house demolitions ... creating frustration and anger among Arabs.

In addition to the mostly verbal and written attempts to influence planning decisions detailed above, Arabs have been also increasingly active in staging protest activity with the aim of reversing planning decisions that adversely affect their interests. This has included demonstrations, protest rallies, marches, village and nationwide strikes, and at times violent anti-state and anti-Jewish activities (see Falah 1989; Soffer 1988). The scope of the present chapter does not allow for a full description of these attempts to influence the planning process not through the formal planning process, except for noting that several achievements were attained by Arabs through such activities. Most notable among these has been the compromise reached with the authorities on the boundaries of the Misgav regional council and surrounding Arab municipalities (see details in Yiftachel 1991b).

In summary, the lack of Arab efficacy in the formal planning system has prompted attempts to influence land use decisions through means other than the formal statutory processes. The influence of these attempts has so far been only marginal. Significantly, Arabs made no pronounced progress during the 1975–1988 period, as illustrated by the lack of Arab influence on the formulation of planning documents such as the 1987 Markovitz Report.

## Conclusions and Implications

The summary presented in [Table 18.3](#) shows that Israel's land use planning system in the Yehiam region between 1975 and 1988 narrowed some aspects of Arab-Jewish power disparities and at the same time widened others, by introducing new inequalities into the system. Overall, it can be concluded that Israel's planning policy in the study region had maintained a status quo in Arab-Jewish power disparities during the 1975–1988 period.

These findings do not support the hypothesis proposed earlier: contrary to expectations, Arab-Jewish power disparities have not narrowed in the region's planning system. How can this deviation from the observations made by Smooha (1989) and Lustick (1988) be explained? First, the evidence presented here pertains only to one region, and may not be generalized to the entire country. The limited evidence from other regions in Israel shows a mixed trend: while in the Iron Valley Arabs have assumed greater shares of planning powers, including new all-Arab Local Planning Committees, they are still largely excluded from any meaningful participation in the planning process in two other predominantly Arab regions—the Lower Galilee and the Northern Negev (Hameissi 1990).

**TABLE 18.3**

**A Summary of Arab-Jewish Disparities in Access to Planning Power in the Yehiam Region, 1974–88**

Aspect	1974-88 Changes	Explanation
Membership structure on statutory system	<b>Slightly narrowed</b>	Minor increase in Arab representation planning committees
Formulation of plans for Galilee	<b>Widened</b>	Introduction of new areas of Jewish dominance
Planning appeals	<b>Constant</b>	Jews remain twice as successful
Length of plan approval process	<b>Widened</b>	Mitzpim approval introduced new inequalities: Arabs have lengthier approval processes
Plan initiation	<b>Constant</b>	Slow approval process prevents the initiation of new plans
Informal influence planning system	<b>Narrowed</b>	Some achievement of Arab of protest

Secondly, the analysis conducted here pertains to the more formal procedures of land use planning and does not measure the less tangible influence of Arab political mobilization and growing self-assertion on policies at a national-strategic level. It is at this level, however, that a certain increase in Arab influence can be traced. For example, following the mass protest against land expropriation in the Galilee at Land Day 1976, no further expropriation of Arab land on that scale has occurred.

Third, land use planning is a particularly sensitive policy area in Israel, mainly due to the extreme importance of land to Zionist and, consequently, to Israeli decision-makers (Kimmerling 1983). This has probably prevented nationwide reforms in the planning system. Interviews with Jewish decisionmakers in the Galilee confirmed that sensitivity: any substantial gain in Arab land use control was associated with assisting the Arabs to fulfill their alleged aspiration of creating an autonomous Arab region in the Galilee, or destabilizing the State of Israel (see also Soffer 1988). Issues of land use control cannot therefore be separated from the broader Palestinian-Israeli conflict. Needless to say, the power-sharing and mutual trust advocated by planning theories is extremely difficult under the current atmosphere of interethnic stress.

Against this background, it may be assumed that Smooha's and Lustick's observations rely on other policy areas, where reforms have been initiated. Some evidence exists on such reforms, which have narrowed Arab-Jewish inequalities in policy areas such as education and municipal budgets (al Haj and Rosenfeld 1990), although even in these areas, improvement in the Arabs' position has been slow and difficult. It is nevertheless clear that the findings of the present analysis do not show "piece-meal concessions and partial openness" of the Israeli system to the Arab minority as observed by Smooha (1989, p. 23), nor do they show any signs of "creeping binationalism" as claimed by Lustick (1988, p. 15).

When the findings are related to the political stability and planning theories reviewed earlier, two main points emerge:

1. The operation of the planning system in the study region has largely ignored commonly held theories on the benefits of public consultation in the decisionmaking process of plan formulation; the plans produced for the region are therefore unlikely to receive a high level of legitimacy from the majority of affected residents-the Arabs; and
2. Instead of acting as a conflict-regulator, the planning system has aggravated the prospects of long-term conflict between Arabs and Jews, by preserving wide disparities in access to planning power.

Theories attach significant importance to power disparities, minority deprivation, and regime illegitimacy as causes of political instability (see Gurr and Lichbach 1986; Lane and Ersson 1987; Lijphart 1977). The operation of Israel's planning system in the Galilee has intensified each one of these elements and has thus contradicted existing knowledge on successful management of multiethnic societies and the effective formulation of land use policies.

Furthermore, while planning power disparities in the region have remained more or less constant, the expectations of local Arabs have risen, due to their growing levels of modernization and political mobilization. This means that Arab perceptions of deprivation and regime illegitimacy are likely to rise. In other words, the maintenance of the status quo in power disparities increasingly undermines the prospects of peaceful Arab-Jewish coexistence.

These conclusions raise serious questions regarding the long-term wisdom of the practices and policies used by the Israeli planning system in the Galilee. While it is acknowledged that in the current climate of strained Israeli-Palestinian relations, policy reform may be difficult, it is still argued that planning authorities in the Galilee can reverse the current trends, which are leading towards worsening interethnic relations.

## **Acknowledgments**

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## **Notes**

1. Semi-structured interviews were conducted during 1988 and 1989 with: (a) all eighteen heads of local councils and village committees in the study region; (b) twenty-six other Arab leaders (deputy council heads and members of Parliament); (c) forty-one Jewish decision-makers, including government officials, council heads, officers in the Jewish Agency and the Jewish National Fund, planners and architects and kibbutz officials; and (d) thirteen academics who specialize in Arab-Jewish relations.



2. In March 1989, several amendments were introduced to the Planning and Building Law, streamlining the decision-making process on minor planning matters. The amendments will have some impact on the structure of local decision-making by creating a “Twosome Committee” for the speedy approval of proposals for localities with an approved outline scheme. Further amendments to the law (to the effect of bypassing the district planning tier) were introduced during 1990 as emergency measures to speed-up housing construction for the large numbers of incoming Soviet immigrants.
3. Due to historical and legal reasons, the three stages of the plan approval process are somewhat different in Arab villages, pre-1975 Jewish settlements, and post-1975 Jewish settlements (for a more detailed discussion on these approval stages, see Yiftachel 1992, ch. 10).
4. Clause 97 refers only to local outline plans, while there is no specific provision in the law for district plans. The requirement to comply with both deposited and approved plans therefore represents, according to legal experts, the spirit rather than the letter of the law.

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# Migration, Ethnicity, and Inequality: Homeownership in Israel

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## Introduction

In the past two decades sociological research has produced a copious literature on ethnic inequality, in general, and the economic attainment of immigrants, in particular. With few exceptions, these studies focused on labor market activities and the extent to which immigrants are incorporated into the labor market of the receiving society (for a general discussion see Borjas and Tienda 1993; Poston 1994; for the Israeli case see Raijman and Semyonov 1995; Semyonov 1997). While this literature invariably underscores the hardship experienced by immigrants upon arrival at the host society, studies have also found that the hardship in the labor market is often alleviated with the passage of time. Immigrants become assimilated as they gain proficiency in language and acquire job-related information and relevant skills (Chiswick 1979; Neidert and Farley 1985; Poston 1988). Critics of this linear view of assimilation have pointed to the diversity of modes of incorporation into the labor market. In particular, they have called attention to the importance of the specific period of migration (Bloom and Gunderson 1990; Borjas 1995). In addition, researchers have underscored the importance of country of origin, as well as the social organization and cultural orientation of immigrant groups, in determining success in the labor market of the host society (Portes and Stepick 1985; Portes and Rumbaut 1990).

Regardless of the perspective adopted concerning the social processes governing immigrant assimilation, for most students of immigration the labor market remains the exclusive domain for evaluating ethnic stratification and disparities in economic well-being. The focus on the system of production, useful as it is, provides only a partial picture of inequality among immigrant groups. Recently, several studies have called attention to the phenomenon of ethnic inequality among immigrant groups in the housing market. These studies have emphasized the importance of homeownership as indication of immigrants' differential success in the host society (Alba and

Logan 1992; Krivo 1995; Myers and Lee 1998).

In the present study, we contribute to the literature on immigration and social stratification by examining ethnic inequality in homeownership among immigrants to Israel. Israel provides an interesting case for the study of immigrant integration in general, and with respect to homeownership, in particular. First, Israeli society was constituted by successive waves of migration that arrived throughout the twentieth century. Even today, over one-third of the Jewish population of Israel is foreign born and the majority of the remaining two-thirds are first generation Israeli born. Second, migration to Israel can be thought of in terms of a returning Diaspora. The immigrants feel affinity with the destination society even prior to migration, and the receiving society grants them immediate and unconditional acceptance. As a consequence of these understandings immigrants receive full citizenship benefits upon arrival, as well as generous financial aid to assist in their resettlement. Third, until recently, the political economy of Israel was highly centralized and was characterized by a weak market economy, which was dominated by national and political interests. Hence, the Israeli case provides an opportunity to examine ethnic inequality in housing in a context that contrasts with the market economies of other immigrant societies such as the United States, Canada, and Australia.

The empirical analysis that will be carried out addresses the following three questions: Does homeownership rise with length of residence in the receiving society? Is the rate of homeownership affected by the specific period of migration, net of length of residence? Can period of migration and length of residence account for ethnic disparities in homeownership?

## **Theoretical Considerations**

### ***The Significance of Housing***

From the perspective of stratification and social inequality, homeownership has clear substantive importance since it is a manifestation of wealth accumulation and improved material wellbeing. Homeownership is often viewed as an important determinant of perceived “stake in the system” (Blum and Kingston 1984; Kemeny 1980) and, therefore, a stabilizing force in the polity. For immigrants, homeownership represents an important step in the settlement process and a degree of permanency in the host society. Indeed, students of immigration typically regard homeownership as an indicator of assimilation into the receiving society (Alba and Logan 1992; Balakrishnan and Wu 1992).

For most families, and especially for immigrant families, equity accumulated in housing is the single most important form of wealth (Munro 1988; Oliver and Shapiro 1995; Thorns 1981; Lewin-Epstein et al. 1997). In fact, housing can be enjoyed without being consumed. Hence, homeownership often provides economic security as a hedge against inflation and has been particularly beneficial in situations of strong inflationary trends (Baldassare 1986; Forrest et al. 1990; Saunders 1978; Thorns 1981). Furthermore, wealth accumulated in family housing has substantial implications for inheritance and the intergenerational persistence of inequality (Hamnett et al. 1991; Saunders 1990).<sup>1</sup> To the extent, then, that rates of homeownership differ from one immigrant group to another this reflects not only current ethnic disparities, but the potential for substantial inequality of life chances over the generations as well. In this respect, homeownership, like the ownership of other assets, maps the hierarchical order of groups in the stratification system (Alba and Logan 1992; Saunders 1978).

## ***Immigration and Housing***

Past research on homeownership has revealed substantial ethnic disparities (Oliver and Shapiro 1995; Krivo 1986; Lewin-Epstein et al. 1997). These differences stem from the complex interplay of several factors that can be grouped into three broad categories: financial and socioeconomic resources, cultural orientation, and systemic effects. Financial resources for housing may be raised by immigrants through labor market activity in the host society, or brought with them from country of origin. Most immigrants typically arrive with very little economic assets and their ability to accumulate the necessary funds for housing depends, to a great extent, on labor market outcomes. Hence, human capital in the form of education and skills, employment stability, and position in the occupational system affect the likelihood of homeownership. Since funds needed for housing are substantial, the accumulation of the necessary capital requires some time in the host country. As a result, rates of homeownership are likely to rise with passage of time.<sup>2</sup> Research on immigrant groups in Australia (Bourassa 1994) and the United States (Alba and Logan 1992; Krivo 1995) found, for example, that the rates of homeownership increased monotonously with the length of residence. Time, then, is an important factor that may account for the large portion of the variation in homeownership among immigrant groups.

Unequal homeownership rates among immigrant groups are also associated with differential acculturation. The purchase of housing requires familiarity with the host culture and with social policies relevant to housing as well as knowledge of the housing market. Familiarity with these spheres is dependent on knowledge of the host society's culture and social institutions, which usually increases with the passage of time. Indeed, Alba and Logan (1992) found that variation in homeownership among immigrant groups to the United States is positively associated with English proficiency—a principal indicator of acculturation.

In addition to its obvious material significance, homeownership also has symbolic meaning. Hence, the extent of homeownership among immigrants may reflect particular cultural preferences and orientations toward the host society. Balakrishnan and Wu (1992), for example, interpreted the unequal rates of homeownership among immigrants to Canada as representing differences in motivational dispositions. They proposed that high rates of homeownership characterized immigrant groups (such as Asians) with a stronger need for acceptance by the dominant group. Likewise, Alba and Logan (1992) proposed that the rates of homeownership among immigrants to the United States signified the intention to remain in the host society.

Although the proportion of homeowners among immigrants tends to increase with the passage of time, the rate of homeownership is also determined by systemic factors that influence the opportunities for housing. These often vary from one period to another. Hence, the particular timing of migration may coincide with distinct market situations and with social policies initiated by the state, which constrain or enhance opportunities in the housing market. It is necessary, therefore, to distinguish immigrant groups according to the circumstances of migration (as well as country of origin). Immigrant groups may be “launched” into different trajectories due to the social and economic conditions in the host society at the time of their arrival and as a result of differences in ethnic group attributes. Recently, Myers and Lee (1998) reported an impressive degree of advancement of immigrant groups into homeownership over the decade of the 1980s, among immigrants to Southern California. At the same time, they observed lower starting points (in terms of homeownership) for the more recent immigrants, as increasing housing prices rendered the purchase of a home more difficult.

The impact of state policies on housing inequality was demonstrated by past research carried

out in various social contexts (e.g., Forrest et al. 1990; Lu-Yon and Kalush 1994; Oliver and Shapiro 1995; Saunders 1990). Furthermore, previous studies have revealed that policies are often implemented unequally across immigrant and ethnic groups. For example, research carried out in Britain found that immigrants from the colonies of the past were not given the same access to public housing as were native-born whites (Holmans 1987; Malpass and Murie 1987).<sup>3</sup> Similar findings emerged from one of the earlier studies of the mass immigration to Israel (Inbar and Adler 1977). In interviews with immigrants who had been in transition camps, the researchers found that immigrants from European origin were often given preferential treatment by the state settlement authorities when compared to North African immigrants. They were given a wider range of choices for permanent housing, and were assisted more readily. As a result European immigrants spent a shorter period in the transition camps and ended-up with more adequate housing.

The importance of time-as it related to period of migration as well as duration in the host society-notwithstanding, ethnic differences in homeownership may arise as a result of other causes as well. A comprehensive examination of ethnic differences in home-ownership must consider, therefore, the opportunity structure faced by immigrants at the time of their arrival as well as their socioeconomic characteristics. This, we argue, is particularly important in the case of the Israeli society where period of immigration coincided with diverse social and housing policies (Elmelech and Lewin-Epstein 1998), and where the timing of migration differed for groups that came from various points of origins.

### ***Patterns of Immigration to Israel***

Jewish migration to Palestine began at the turn of the twentieth century and consisted mostly of East Europeans. Mass migration, however, unfolded only after the Second World War and the establishment of the State of Israel. The large wave of immigration that entered Israel following independence was comprised mostly of refugees from the Moslem countries in the Middle East and survivors of the Holocaust in Europe. To appreciate the extraordinary circumstances of this migration, it should be noted that during the years 1947–1952 the Jewish population of Israel more than doubled, from approximately 600,000 to over 1.5 million. In the following years, immigration to Israel declined somewhat and was characterized by an uneven flow. The flow reached a low point in the 1980s but then peaked once again in the early 1990s, after the collapse of the Soviet Union, when over 850,000 immigrants sought refuge in Israel.

As revealed in [Table 19.1](#), migration not only fluctuated over time, but it took on different patterns for immigrant groups from various origins. The immigration from the Middle East (consisting mostly of the Jewish community in Iraq) took place over a very short period of time. Almost 60 percent of the group arrived within several years following the announcement of Israel's independence. Less than 10 percent of the Jews from Middle East origin arrived prior to 1947. Following the large wave of migration in the late 1940s and early 1950s the streak of migration persisted at a declining rate with only 11 percent arriving between 1953 and 1960 and a slightly larger proportion arriving in the 1960s. Even smaller numbers arrived in Israel after 1970 due to the fact that by then the entire Jewish communities who once resided in the Arab countries of the Middle East had already left.

**TABLE 19.1**  
**Distribution of Period of Immigration by Ethnicity (percent)**

Migration Period	Immigrants from Africa	Immigrants from the Middle East	Immigrants from Europe
Before 1947	0.3	9.4	18.6
1947–1952	24.8	57.8	26.7
1953–1960	29.0	11.0	7.9
1961–1970	40.1	12.7	14.1
1971–1975	2.7	3.5	13.5
1976–1980	1.3	2.2	7.4
1981–1985	1.5	1.9	2.7
After 1985	0.3	1.5	9.1
N	859	1,005	3,389

The pattern of immigration of European Jews was somewhat different. Almost one-fifth of the Jewish immigration originating in Europe arrived prior to Israel's independence. European Jews not only constituted a majority of the pre-state Jewish community in Palestine, but they also dominated its institutions. Slightly over one-quarter of the European Jews immigrated between 1947 and 1952. Most of these immigrants were Holocaust survivors. After the early 1950s immigration from Europe was largely dependent on the migration policies in the East European socialist countries, where most Jews resided (e.g., Poland, Romania, the Soviet Union). In any event, one-third of European Jews arrived during the latter part of the 1950s through the early 1970s. Following these waves, there was a sharp decline of immigration from Europe, until the second half of the 1980s.<sup>4</sup>

Immigrants from North African countries followed yet another pattern. North African Jews were generally latecomers to Israel. Practically no members of this origin group (less than 1 percent) resided in Palestine prior to Israel's independence, and only one-quarter of the group arrived between 1947 and 1952. In fact, very few were in Israel before 1950. The height of migration of North African Jews was in the 1960s when 40 percent of the group entered Israel. At this time, both Middle Eastern and European Jews were already fairly established. It is also noteworthy that the migration of the North African Jewish communities ended all at once in the late 1960s. As in the case of Jews from the Middle East, entire North African Jewish communities were uprooted within a very short period of time, often aided by overt and covert Israeli assistance, and hence the pattern of peaks followed by an abrupt ending of the migration wave (a comprehensive discussion of migration patterns to Israel may be found in Semyonov and Lewin-Epstein 2000).

While Jewish ancestry is the defining characteristic of practically all immigrants to Israel, immigrant groups who came from distinct regions of the world differed from one another in many respects. Immigrants from Europe were mostly Ashkenazi Jews, whereas those who came from North Africa and the Middle East were Sephardi. In general, the immigrants from Europe (especially those from Russian, Polish or West European origin) were more likely than other immigrant groups to have some secular education, to have attained post-secondary schooling, and to have originated from more developed countries. The family structure of European immigrants was more likely to be based on the nuclear family, and their fertility was lower than that of Jews who came from the Moslem countries. The latter were not a homogeneous

population either (Semyonov and Lerenthal 1991). Immigrants from Iraq, for example, were heavily concentrated in cities and high proportions were employed in professional, and especially clerical, occupations, while Jews who came from Yemen (also classified as Middle East origin) were typically artisans and laborers who had very low levels of formal schooling. In general, Jewish immigrants from North Africa were less likely than other immigrants to have had universal schooling prior to migration, and less than 10 percent held professional, semi-professional, or clerical occupations in their country of origin (Khazzoom 1998).

Compatriots who arrived in earlier migration waves often welcomed immigrants from Europe, who arrived after the establishment of the state. Immigrants from Moslem countries, by way of contrast, rarely had compatriots who were already established in the new country and they had little in common with many of the concepts and beliefs of the more veteran population (Spiegel 1966). New arrivals from European origin, for example, could get along quite well without knowledge of the Hebrew language, using European languages or Yiddish to communicate with the more veteran (mostly European) population, many of whom held official positions in the state. By way of contrast immigrants from North Africa or the Middle East often encountered great language difficulties upon arrival. Indeed, the late arrival of North African immigrants, coupled with their sociodemographic characteristics and the fact that they had no predecessors to assist them put them at the greatest disadvantage (Khazzoom 1998).

### ***State Policies and Housing Opportunities***

One of the central objectives of government policy in Israel has been to provide housing to the Jewish population. In this regard, Israel's housing policy was viewed as the means for rapid absorption of immigrants and for increasing their commitment to the country (Kirshenbaum 1982; Lu-Yon and Kalush 1994). At the same time, however, housing policy also served to further national and political goals at the expense of economic expediency and efficiency. In particular, housing policy was closely linked to the national goal of consolidating control over Palestinian land seized during Israel's war of independence (Carmon and Czamanski 1992; Rosenhak 1996), and to the goal of securing Israel's borders by means of population dispersion (Lu-Yon and Kalush 1994; Kirschenbaum 1982). Hence, state involvement in the housing market, and the changing opportunities over time for the purchase of housing are significant for understanding ethnic difference in homeownership, particularly in view of the immigration patterns described earlier.

In 1948, Israel had just emerged from a war for its independence. New immigrants, who arrived during or directly following the war, were temporarily accommodated in transition camps, but many flocked to the larger cities in the center of the country where job opportunities were more abundant. During the period of the war, hundreds of thousands of Palestinians fled or were evacuated, leaving behind thousands of vacant housing units. The state served as public guardian for the "abandoned" property left behind by the Palestinians, but as Jewish immigration increased pressure mounted to use this state-controlled property. Under a makeshift settlement program haphazardly put together by the government (and at times in violation of the rules of the program), these housing units, most of which were in the large more centrally located cities, were used to resettle newly arrived immigrants (Golan 1993). Tenants rented the apartments, often paying rent that was below market rates. With the passage of time, the state sought to divest itself from the management of large quantities of public housing and offered the tenants the opportunity to purchase their dwellings at attractive prices. Most tenants in the large central cities did so and became owners of valuable housing property which they originally had



access to as a result of the timing of their migration.

Once the dwellings in the larger, more central, cities were occupied, immigrants were directed to more distant (formerly Arab) towns, all of which were in or near the coastal plains (Golan 1993; Morris 1990). As the flow of migration continued in the early 1950s, and most vacated Arab dwellings were occupied, "...new immigrants were placed in temporary tent cities-and these in turn were located near existing [Jewish] cities and towns, so that it would be possible to provide employment and basic health and educational services" (Matras 1973, p. 6).

By the mid-1950s, the government of Israel had implemented a comprehensive and far-reaching settlement program designed to alter the geographic distribution of the population. The policy of "population dispersion" set out to establish new communities in the hinterland and to encourage the population to move away from the center and the coastal plain. The most pliable objects of this policy were immigrants who arrived during this period. Most of the immigrants that arrived during this period were directed to peripheral towns that were generally less attractive and where employment opportunities were scarce (Golan 1993; Gonen 1975; Matras 1973).

All housing in the peripheral communities was public; that is, apartment buildings were constructed on public land at the initiation of the government with public funds. Immigrants were settled in these newly constructed apartments as renters (public housing occupants) with the expectation that they would eventually purchase their dwellings (Carmon 1999). To this end attractive (subsidized) mortgages were offered the immigrants who arrived with little or no assets. Since these dwellings were of rather poor quality and located in the periphery there was not a strong incentive to purchase. When we add to this the low rent that took into account the poor economic standing of the renters, the fact that a substantial share of the population did not purchase their housing should not be surprising (Spiegel 1966).

During the first twenty years of Israel's independence, up to the late 1960s, decision-making regarding housing (as with other areas) was highly centralized, with intense state involvement in all spheres of construction. Housing policies were subordinated to national goals and were achieved primarily by means of supply-side actions. From the mid-1960s state involvement in housing construction declined and became "normalized" (Carmon 1999) as the government slowly withdrew from public housing construction. By the 1980s government involvement in housing had shifted from supply-side intervention (initiating construction) to the demand side of the housing market. During this period state intervention was realized primarily through the provision of subsidized mortgages to specific population groups (e.g., immigrants and young couples).<sup>5</sup> Unlike earlier years, when the government attempted to settle immigrants according to a "grand plan" of national development, recent policy emphasized direct absorption. According to this policy, each immigrant household received a lump sum of cash and services (absorption basket) to cover living expenses during the first six months in Israel. These funds could be used at the immigrants' discretion (Doron and Kargar 1993). They were expected to make their own decisions regarding location of residence and the purchase of housing. At the same time, they were not shielded by state agencies from the market forces, as were their predecessors.

The discussion, thus far, leads to the proposition that time of migration does not merely reflect tenure in the country. Rather, its significance derives, in large part, from its correspondence with the process of crystallization and institutionalization of the housing market in the newly formed State of Israel. This proposition, then, leads to the following hypotheses: (1) the rate of homeownership will rise with the passage of time in the host society. This pattern will hold true

regardless of ethnic background and period of immigration. (2) The positive relationship between time since migration and homeownership will have a decreasing slope. This derives from the fact that throughout most of Israel's history housing prices have risen more rapidly than wages and most investments. Hence, the later an immigrant enters the housing market the more difficult it is to purchase housing and to accumulate wealth. (3) Although a positive relationship between years since migration and homeownership is expected for all immigrant groups, the magnitude of the relationship will differ by ethnic origin and period of immigration. The logic embodied in this hypothesis is that immigrant groups vary in their ability to accumulate resources and in their ability to take advantage of opportunities in the housing market. (4) Period of migration is expected to affect the odds of homeownership, even after taking into account years since migration. This expectation is based on the fact that housing policies and opportunities in Israel varied considerably in the decades since the establishment of the state.

### ***Data and Variables***

Data for the present analysis were obtained from three waves of the Family Expenditure Survey (FES) carried out in 1975–76, 1986–87, and 1992–93 by the Israel Central Bureau of Statistics. These surveys provide information on adult household members as well as household characteristics such as family income and homeownership. The sampling frame for these surveys includes all households residing in urban localities and is representative of approximately 90 percent of all families in Israel. For the purpose of the following analysis we restricted the data to include only Jewish households whose heads resided in Israel for at least one year.<sup>6</sup> The unit of analysis in this study is the household since we are interested in the patterns of homeownership, an asset shared by all household members. The total sample includes 5,253 immigrant households<sup>7</sup> and 5,710 households whose heads were Israeli-born.

### ***Variables***

The dependent variable of interest in this study is *homeownership* -whether or not the household has ownership over the housing unit (home or apartment) in which it resides.<sup>8</sup> Five independent variables are central to the study. They include *immigration status*, *period of migration*, *years since migration*, *ethnic origin*, and *community of residence*. *Immigration status* distinguishes immigrants (coded 1) from Israeli-born (coded 0). *Period of migration* is defined by a set of dummy variables that distinguish among six historical periods: prior to 1947; 1947–1952; 1953–1960; 1961–1970; 1971–1980; and after 1980. The first period-prior to 1947-captures migration prior to Israel's independence. The second period-1947–1952-includes the years of mass-migration following the establishment of the state. The third period-1953–1960-is characterized by immigration absorption policies that directed the population to the periphery. The years 1961–1970 were a period of both gradual decline of immigration and the beginning of state withdrawal from direct intervention in the housing market. The 1970s witnessed a major shift in state policy. Intervention in the housing market shifted from the supply side to the demand side (subsidized mortgage loans). At the same time, immigrant absorption policies had changed, giving the immigrants greater freedom to choose their place of residence and to use the re-settlement funds they received. Since our latest data are from 1992, we combine all the years following 1981 into one period. This was a period of greater market orientation in both the immigrant absorption and the housing arenas. Yet, the sheer size of immigration (especially after 1989) posed substantial challenges to both the immigrants and the receiving society.

*Years since migration* is the number of years the head of household had resided in Israel at the time of the survey. Using a quasi-panel design, we are also able to combine the three surveys in order to separate the effects of duration in the country from the effects of the specific period of immigration. *Ethnic origin* identifies three groups according to fathers' continent of birth: Jews of European (mostly Ashkenazi) origin, Jews of Middle East origin, and Jews of North African descent (the latter groups are mostly Sephardi Jews). *Community of residence* distinguishes between peripheral localities such as development towns and other urban centers.

A number of additional variables are also included in the study as controls. These are household income, size of the household, age, education, employment status, and marital status of the head of the household. Household income is measured in constant Israeli Shekels and includes income from all sources. The number of adults and children residing in the household measures the household size. Age (in years) and education (the number of school years completed) are provided for the head of household. Employment status distinguishes between heads of households that are gainfully employed (coded 1) and those with no labor market income at the time of the survey (coded 0).<sup>9</sup> Lastly, marital status is defined by two dummy variables, which contrast households with unmarried male heads and female heads, separately, with married couples.

## Findings

### *Descriptive Overview*

Table 19.2 provides descriptive statistics for immigrant groups by continent of migration and for native-born Israelis. Two aspects of homeownership are noteworthy. First, the rates are rather high, reaching 80 percent among native-born Israelis and just somewhat lower for most immigrants. Second, North African immigrants have substantially lower rates of homeownership than immigrants from Europe and the Middle East (55 percent as compared to 76 percent). Immigrants from Middle Eastern countries arrived earlier, on average, than other immigrant groups. This is evident from the mean values of years since migration (thirty-one years for the former and twenty-six years for the latter).<sup>10</sup> Immigrants from North Africa and the Middle East have fewer years of formal schooling than do European immigrants, and they have a lower family income. Additionally, North African immigrants are much more likely to reside in peripheral communities, when compared to each of the other groups (over half of the immigrants from North African countries reside in peripheral communities, compared to less than one-quarter of Middle East and European immigrants). As noted earlier, this residential segregation is due primarily to the confluence of the timing of immigration of North African Jews and the population dispersion policy enacted at the time. The fact that these immigrants had less opportunity to leave these peripheral communities, due to their meager resources and lack of social or political ties, further reinforced segregation patterns. In order to disentangle the complex relationships of migration period, residential location, and market position, we will use multivariate models to evaluate the separate effects of socioeconomic characteristics, time of immigration, and place of residence on differential rates of homeownership.

**TABLE 19.2**  
**Descriptive Statistics of Major Attributes by Ethnicity**

Variables	Immigrants from Africa	Immigrants from the Middle East	Immigrants from Europe	Israeli Born
Owner (%)	55	76	76	80
YSM <sup>a</sup>	26.6	31.0	26.0	-
Periphery (%)	53.0	24.5	19.6	19.5
Family Size	4.1	3.4	2.6	4.1
Family Income	818.1	740.5	832.7	1,502.7
Education	7.5	7.4	11.9	12.0
Age	55.9	59.8	59.5	40.0
Married (%)	72.1	68.8	68.2	81.2
N	859	1,005	3,389	5,710

<sup>a</sup> Years since migration.

### ***Determinants of Homeownership***

We estimated a number of models using logistic regression techniques. This examination was repeated for each of the survey years separately and for the three surveys combined. Each model was estimated twice: Once (model 1) for the immigrant population and a second time (model 2) for the entire population. In the models for the immigrant population (model 1), homeownership is taken as a function of the number of years since migration (YSM), ethnic origin, family size, family income, employment status and place of residence, as well as age, education, and marital status of the head of household. In the models for the entire population (model 2), we added to the equation a dummy variable that distinguishes between immigrants (coded 1) and Israeli-born (coded 0). The general form of the estimation model is:

$$\ln \left( \frac{p}{1-p} \right) = a + \sum b_i X_i + \sum c_i D_i$$

where  $p$  is the probability of homeownership,  $X$  are covariates such as years since migration, years of schooling and age,  $D$  represents dichotomous variables such ethnic origin, marital status, and migration status,  $V$  is the intercept and “ $b$ ” and “ $c$ ” are the coefficient estimates representing the effects of the covariates and the dichotomous variables, respectively, on the outcome variable.

The results of these analyses are presented in [Table 19.3](#). Turning first to the models estimated for the immigrant population (model 1), the findings presented in [Table 19.3](#) reveal a positive and significant effect of YSM on the likelihood of homeownership in all equations. Every year of residence in the host society increases the likelihood of homeownership by a factor of 1.06 (exponent of  $b = 0.06$ ) in the first two survey periods and by a slightly larger factor in the last survey period ( $b = 0.08$ ). On the average, then, the homeownership rate for immigrants residing in Israel ten years is likely to be 34 percent higher than for those who arrived five years later.

The findings also indicate that ethnicity is consequential for homeownership, irrespective of the time of migration. Other things being equal, the likelihood of homeownership is lower for

immigrants who arrived from North African countries when compared to immigrants from the Middle East or from European countries. No differences are evident, however, between the latter groups, when evaluated at conventional level of statistical significance.<sup>11</sup> Although the differences between North Africans and other immigrant groups are still significant, they are reduced when the socioeconomic variables and years since migration are taken into account. For example, the odds-ratio of homeownership for immigrants from the Middle East vs. North African immigrants is 2.7:1 when calculated from [Table 19.2](#) and less than 2:1 after controlling for socioeconomic and demographic characteristics. These results suggest that part of the observed disadvantage of immigrants from North Africa (relative to other immigrant groups) is due to the time of their arrival and their socioeconomic characteristics. These, however, do not account for the entire gap and ethnic disparities still remain.

The equations for the entire population (model 2) estimate the extent to which immigrants and native-born Israelis differ in the rates of homeownership. The negative coefficient of the immigrant variable indicates that immigrants are less likely than native-born to own their home. The findings also suggest that the disparity in the rates of homeownership between immigrants and native born is more pronounced in the recent surveys as compared to the earlier ones. More specifically, in 1975–76, the odds of immigrants’ owning a housing unit, relative to the odds of the average native-born Israeli, were 0.63 (exponent  $b = -0.46$ ). In 1992–93, the odds ratio was only 0.30 (exponent of  $b = -1.21$ ). The difference between the coefficients for “immigrant” in the first two periods ( $b = -.46$  and  $b = -.78$ , respectively) is not statistically significant, whereas the coefficient estimate in 1992–93 is significantly lower than in the previous periods. This indicates that the odds of immigrants’ owning their homes, compared to native born, were worse in the later period. This is not surprising in view of the massive immigration wave from the former Soviet Union beginning in the late 1980s.

The analyses presented in [Table 19.3](#) further reveals a relationship between homeownership and a number of social and demographic characteristics. Most notably, the likelihood of homeownership tends to increase with family income. Residence in peripheral communities is negatively associated with homeownership in 1975 and 1986 (but not in 1992).<sup>12</sup> Marital status has a positive effect on homeownership, in that married couples are more likely to own a housing unit than non-married men or women. Finally, the effects of family size, age, and education on homeownership do not appear to be consistent.

### ***Testing for Period Effects***

The results presented thus far show that both ethnicity and years since migration exert a significant effect on the likelihood of homeownership. Estimates based on cross-sectional data from single surveys, however, do not permit one to separate the effect of duration in the host society from the period effect; that is the “vintage” effect associated with the specific arrival time. By combining the data from the three surveys, we are able to construct a synthetic cohort analysis in which period of migration is distinct from the years of residence in Israeli society and their separate effects on the likelihood of homeownership may be estimated. In order to disentangle these effects a number of equations were estimated using the combined data set. These analyses were performed for immigrants only since the issue of concern is the unique effect of period of migration and tenure in the host society on homeownership. The form of this estimation model is similar to the previous one except that a set of dummy variables is added to represent the various periods of migration.<sup>13</sup>

The coefficient estimates from these analyses are presented in [Table 19.4](#). In equation 1, we consider the effects of migration during various periods on the likelihood of homeownership, controlling for the number of years that passed from time of migration to the survey year. Also included in the model are ethnic origin, place of residence, and sociodemographic characteristics. The period of migration has a distinctive effect on homeownership, irrespective of the number of years since migration.<sup>14</sup> Some periods were clearly more advantageous than others. Specifically, immigrants who arrived immediately after the establishment of the state (1947–1952) and those who immigrated in the 1970s are more likely than other immigrants to own their homes. The period prior to Israel’s independence was less advantageous and the most recent period (after 1980) even more so.

**TABLE 19.3**  
**Unstandardized Regression Coefficients from Logit Models Predicting Homeownership (1**  
**- Immigrants; 2 - Total Population)<sup>a</sup>**



Variables	Survey Year							
	1975-76		1986-87		1992-93		All	
	1	2	1	2	1	2	1	2
<b>Origin Group</b>								
North Africa <sup>b</sup>	-.93**	-.90**	-.73**	-.91**	-.52*	-.52**	-.72**	-.81**
	(.23)	(.18)	(.17)	(.11)	(.21)	(.12)	(.11)	(.07)
Europe <sup>b</sup>	-.22	-.12	.39*	.13	.33	.14	.21	.10
	(.20)	(.15)	(.16)	(.10)	(.19)	(.11)	(.10)	(.07)
<b>Immigration Status</b>								
YSM <sup>c</sup>	.06**	.05**	.06**	.02**	.08**	.03**	.07**	.03**
	(.01)	(.005)	(.01)	(.003)	(.01)	(.003)	(.003)	(.002)
Immigrant		-.46**		-.78**		-1.21**		-0.94**
		(.16)		(.11)		(.11)		(.07)
<b>Socioeconomic Status</b>								
FamInc × 10 <sup>3</sup> <sup>e</sup>	1.00**	1.4**	.50**	.30**	.50**	.30**	.40**	.30**
	(.30)	(.20)	(.10)	(.06)	(.08)	(.04)	(.06)	(.03)
Working	-.15	.36*	-.08	.19	-.20	.11	.01	.17*
	(.21)	(.17)	(.17)	(.12)	(.19)	(.13)	(.10)	(.08)
Education	.07**	.06**	.04**	.018	.026	.007	.04**	.02**
	(.017)	(.01)	(.01)	(.01)	(.014)	(.01)	(.008)	(.006)
<b>Demographic Attributes</b>								
Periphery <sup>d</sup>	-.58**	-.55**	-.69**	-.56**	-.12	-.16	-.49**	-.44**
	(.17)	(.14)	(.12)	(.09)	(.13)	(.09)	(.08)	(.06)
Family Size	-.13*	-.03	-.06	.10**	.05	.09**	-.03	.09**
	(.05)	(.04)	(.04)	(.02)	(.05)	(.03)	(.02)	(.016)
Age	-.01	.009	-.01**	.02*	.013*	.04**	-.005	.02**
	(.007)	(.005)	(.006)	(.004)	(.006)	(.004)	(.003)	(.002)
Unmarried	-.44	-0.76**	-1.04**	-1.31**	-.81**	-.78**	-0.52**	-0.80**
Male <sup>f</sup>	(.34)	(.27)	(.22)	(.15)	(.25)	(.16)	(.11)	(.08)
Unmarried	-.17	.03	-.38**	-.47**	-.65**	-.70**	-.41**	-.48**
Female <sup>f</sup>	(.36)	(.28)	(.15)	(.11)	(.17)	(.12)	(.09)	(.07)
Constant	.31	-.15	-.004	-.19	-2.23	-1.29	-0.73	-.53
	(.56)	(.38)	(.47)	(.27)	(.50)	(.30)	(.28)	(.17)
-2 log likelihood	1,579	2,396	1,966	5,045	2,190	4,486	6,160	11,928
N	1,281	1,996	2,072	4,765	1,900	4,154	5,253	10,915

\* p < 0.05 \*\* p < 0.01

<sup>a</sup> Standard errors are in parentheses.

<sup>b</sup> Contrasted with immigrants from the Middle East.

<sup>c</sup> Years since migration.

<sup>d</sup> Development towns in the North and South.

<sup>e</sup> Total earnings from work (December 1992 Israeli Shekels).

<sup>f</sup> Contrasted with married persons.

Other things being equal, the odds of owning a home, for recent immigrants compared to immigrants who arrived between 1961 and 1970, are almost 1 to 3 (exponent of -0.96 is 0.37). It is somewhat premature, however, to reach firm conclusions from this finding since our data are “right-hand” censored. The majority of the immigrant population that arrived in the late 1980s and early 1990s were in Israel less than three years at the time of the most recent survey. It is not surprising, then, that only a fraction of this population would own their housing unit so soon after arrival.

Some caution is also required in interpreting the situation of early arrivals (prior to 1947). When homeownership is modeled as a linear function of years since migration, the net effect of earliest period is negative. This does not mean that the rate of ownership in this group is lower than that of other groups, but rather that it is lower than expected given the duration of their residence in Israel. The early period effect is not significant, however, when homeownership is predicted as a curve-linear function of years since migration (model 2). In any event, it can be concluded that immigrants who arrived prior to statehood (before implementation of state-sponsored housing policies) were not unduly advantaged when compared with later arrivals.

Turning to social and demographic characteristics, ethnicity exerts a significant effect on homeownership, independent of period of arrival. Other things being equal, immigrants from North African countries are less likely to own a housing unit than immigrants from other geocultural areas while immigrants from Europe have the highest likelihood of homeownership. Immigrants from the Middle East are in between the two groups. As in the cross-sectional models presented in [Table 19.3](#), residence in peripheral communities reduces the likelihood of homeownership. After controlling for ethnicity and period of migration, residents of peripheral communities exhibit lower rates of homeownership than residents of more centrally located communities. This is probably a reflection of the fact that peripheral communities have proportionately more public housing to serve weaker segments of the population. The weak labor market of these communities limited the ability of large segments of the population to accumulate funds sufficient for the purchase their own housing.

**TABLE 19.4**  
**Unstandardized Regression Coefficients from Logit Models Predicting Homeownership**  
**among Immigrants<sup>a</sup>**



Variables	1	2	3
<b>Origin Group</b>			
North Africa <sup>b</sup>	-.71** (.12)	-.73** (.12)	-.92** (.32)
Europe <sup>b</sup>	.29** (.11)	.30** (.11)	-.23 (.23)
<b>Immigration Status</b>			
YSM <sup>c</sup>	.06** (.012)	.12** (.014)	.05** (.01)
YSMSQ		-.0011** (.0002)	
North Africa * YSM			.007 (.01)
Europe * YSM			.02** (.007)
<b>Migration Period</b>			
Before 1947	-.47* (.20)	-.19 (.22)	-.53* (.21)
1947-1952	.36** (.13)	.33* (.14)	.38** (.13)
1953-1960	.21 (.13)	.15 (.13)	.23 (.13)
1961-1970			
1971-1980	.32* (.13)	.49** (.13)	.38** (.13)
After 1980	-.96** (.16)	-.45* (.20)	-.83** (.17)

**Socioeconomic Status**

Family Income X 10 <sup>3</sup> <sup>e</sup>	.20** (.02)	.20** (.02)	.20** (.02)
Working	-.13 (.11)	-.13 (.11)	-.13 (.11)
Education	.05** (.009)	.05** (.009)	.05** (.009)
<b>Demographic Attributes</b>			
Periphery <sup>d</sup>	-.48** (.08)	-.50** (.08)	-.48** (.08)
Family Size	-.03 (.025)	-.04 (.025)	-.04 (.025)
Age	-.005 (.003)	-.005 (.003)	-.005 (.003)
Unmarried Male <sup>f</sup>	-.52** (.12)	-.52** (.12)	-.53** (.12)
Unmarried Female <sup>f</sup>	-.38** (.09)	-.40** (.10)	-.37** (.09)
Constant	-.78** (.30)	-1.44** (.33)	-.41 (.35)
-2 log likelihood	4,898.58	4,875.11	4,881.55
N	5,253	5,253	5,253

p < 0.05 \*\* p < 0.01

<sup>a</sup> Standard errors are in parentheses.

<sup>b</sup> Contrasted with immigrants from Asia.

<sup>c</sup> Years since migration.

<sup>d</sup> Development towns in the North and South peripheries.

<sup>e</sup> Total earnings from work in (December) 1992 Israeli Shekels.

<sup>f</sup> Contrasted with married persons.

Years of schooling and family earnings are positively related to homeownership. Better educated immigrants and those with high earnings are more likely than others to own their home, as do married couples. The findings further reveal that the likelihood of homeownership increases with the passage of time. This is evident from the positive and significant effect of YSM (b = 0.06). Net of other variables, every year of residence in the host society increases the odds of homeownership among immigrants by a factor of 1.06 (exponent of 0.06).

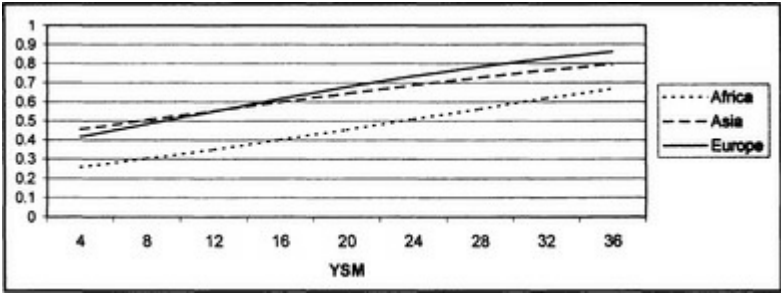
In order to address the hypothesis that the positive effect of years since migration on homeownership is curve-linear (i.e., a positive, monotonous effect with a decreasing slope) we estimated in model 2 a polynomial term. The significant negative coefficient for the squared term of years since migration (b = -0.0011), along with the positive coefficient for years since migration (b = 0.12), indicates that the effect of time in the host society diminishes over the

years. The slope declines, however, at a very moderate rate so the (theoretical) parabola reaches its peak only after 100 years. Effectively, then, for all immigrants the likelihood of homeownership is enhanced with the passage of time since arrival.

The evidence of disparities in homeownership among immigrant groups from diverse origins, irrespective of period of migration, raises the question regarding the rate of increase in homeownership and whether the gaps disappear with the passage of time. In order to examine the proposition that immigrants from different ethnic origins were launched into different trajectories vis-à-vis the probability of homeownership, we added, in model 3, interaction terms of ethnicity and years since migration.<sup>15</sup>

The coefficient estimates in model 3 reveal no significant interaction effect for North African origin (contrasted with the Middle East), but a positive and significant interaction effect of European origin with years since arrival. Hence, the impact of every year of residence in Israel on the (log) odds of homeownership for European immigrants is 0.07 (0.05 + 0.02) compared to 0.05 for immigrants from the Middle East. This suggests that European and Middle East immigrants have different trajectories, resulting in an increasing gap in homeownership in favor of the former group, with the passage of time. In order to illustrate the relationship between ethnicity, years since migration, and homeownership, we calculated the expected probability of owning a home as a function of years since migration for immigrants with mean socioeconomic characteristics (based on the estimates for equation 3 in Table 19.4). The results of this estimation procedure are presented in Figure 19.1. The curves provide a visual illustration of the expected growth of homeownership, taking into account of the different starting points and different trajectories that characterize the three ethnic groups.

**FIGURE 19.1**  
**Probability of Homeownership by Years since Migration**



The figure reveals that while European and Middle-Eastern immigrants have similar expected rates of homeownership upon arrival, European ownership increases more rapidly resulting in a growing gap. Homeownership upon arrival is considerably lower among North African immigrants and even after thirty-five years of residence they are unable to close the gap with other immigrant groups (although the disparity vis-à-vis immigrants from the Middle East narrowed somewhat). It should be emphasized that these estimates are for immigrants with similar age, education, earnings and family size. Hence, the disparities cannot be explained by dissimilar positions of the ethnic groups in the labor market and they pose a quandary concerning the social mechanisms at work. We will address this issue and elaborate on several possible explanations in the discussion that follows.

## Discussion

The objective of this study was to examine the social factors associated with differential success of immigrant groups in the Israeli housing market. Four important conclusions concerning the process of migration and homeownership emerged from the findings. The first conclusion states that one's position in the housing market is strongly linked to the duration of residence in the host society. In line with studies of the labor market assimilation of immigrants, it appears that time plays an important role in the housing market as well. That is, the likelihood of homeownership increases with the passage of time. This represents improved knowledge of the housing market as well as a growing commitment to the host society. The purchase of housing, however, also requires some amount of capital, the accumulation of which requires a certain period of activity in the labor market. Hence, the longer the immigrant has been in the host society the more likely it is that some capital for housing has been accumulated.

A second issue, which is raised by the findings, is that the likelihood of homeownership is affected by the specific period of migration (independent of length of time since migration). In Israel, the most advantageous period of migration, from this standpoint, was immediately following the establishment of the state. By way of contrast, the period since the mid-1980s has been the least advantageous to immigrants. These period effects are closely associated with different housing and immigration policies. Although economic conditions in Israel during and immediately following the war for its independence were dismal and labor market opportunities were scarce, housing opportunities were available as a result of the large number of vacated housing units following the flight of Palestinians from urban and village communities. Furthermore, during this period the state took it upon itself to construct housing units for the immigrants. Since housing construction during this phase was concentrated in and near the urban centers, it attracted many the immigrants who sought proximity to the central labor market. By the mid-1950s, however, a new policy emerged. The state, still intensively involved in land allocation and the actual construction of housing, focused its efforts on developing the peripheral regions and to dispersion of the population away from the center. Immigrants who arrived in the late 1950s and the 1960s were overwhelmingly directed to the peripheral communities where they were offered low quality, unattractive, housing, which many rented from the state. In the 1970s government policy changed once again. The housing market was liberalized somewhat and immigrants were able to purchase housing in the private market and to choose their place of residence. At the same time, the government-sponsored home mortgage program expanded markedly, providing generous loans to immigrants and native-born young couples. The combination of these two factors rendered this period considerably more advantageous than most other periods of migration to Israel.

The third noteworthy point is that residence in small peripheral communities was associated with lower rates of homeownership, even after controlling for period of migration and individual characteristics. This may stand for some unobserved traits of the residents, but also may be a genuine effect of the community type. The labor market in peripheral communities provided limited opportunities, most of which generated meager earnings. As a result, it was extremely difficult to accumulate resources for a downpayment for housing, or to repay a mortgage. Thus, many residents in these communities opted for low rental public housing. While this arrangement generally provided adequate housing, it precluded the accumulation of wealth associated with homeownership.

The fourth conclusion emerging from the study underscores the significant relationship

between ethnic origin and the likelihood of homeownership. Our findings revealed a strong relationship with ethnicity, net of time, and period effects. No claim is made here concerning intrinsic differences among immigrant groups regarding their motivation for housing or other cultural preferences. Hence, we are left with residual interpretations as to what factors that may have been omitted from the models might account for the observed patterns. A number of explanations are possible, and most likely several factors operated in conjunction. An important factor is ethnic differences in wealth at the time of arrival in the host society (Krivo 1995). Immigration to Israel was largely a refugee migration so that most arrivals brought very little or no assets. Nonetheless, differences among groups did exist. Immigrants from Europe, especially those that arrived right after Israel's independence, were survivors of the Holocaust. During the late 1950s and early 1960s many of them received considerable sums as reparations from Germany. Past studies have shown that part of the reparations were used by European immigrants for the purchase of housing (Landsberger 1967). Indeed, these resources set the European immigrants (as a group) apart from immigrants from the Middle East and North Africa.

As to the disparity between immigrant groups from the Middle East and North Africa; here, too, family assets (of which we had no measure) may provide part of the explanation. Although the information is mostly anecdotal and to our knowledge there is no systematic data on the issue, it seems that immigrants from the Middle East, who came mostly from Iraq, were able to transfer part of their wealth to Israel before their arrival. Gat (1989) noted the fact that large sums were smuggled out of Iraq during the second half of 1950, just before Jewish assets were frozen. Similarly, Hillel (1985) reported various plans that were examined to facilitate the transfer of Jewish assets out of Iraq. Although a direct connection cannot be drawn, it is quite possible that this capital provided many immigrants from the Middle East with an advantage in the housing market.

It is also possible that the disadvantage of immigrants from North Africa resulted from institutional discrimination. Since housing construction and allocation was highly centralized, certain biases or outright prejudice on the part of bureaucrats could lead to such results. Indeed we noted earlier in the chapter some research results that pointed in that direction. Yet it is difficult to assess how widespread this phenomenon was. We would argue that this accounts for part of the disadvantageous position of North African Jews in the housing market. Nonetheless, it is unlikely that it accounts for most of the observed gap.

Addressing the results of our study from a broader perspective, several points are noteworthy. The general pattern of the findings reported is consistent with findings from studies in other immigrant societies. Ethnic disparities in homeownership exist in Israel as in other immigrant societies (Alba and Logan 1992; Balakrishnan and Wu 1992). Only part of these differences can be explained by unequal socioeconomic attributes. While the rate of homeownership tends to rise with duration in the host society, ethnic disparities do not totally disappear. Nevertheless, when comparing the rates of homeownership and the patterns of ethnic inequality, it is apparent that the findings must be understood within the unique context of Israel's political economy.

Two features of Israeli society are particularly relevant: first, immigration to Israel is limited to Jews, who are viewed as a returning Diaspora. The receiving society is highly committed to their successful integration. Not only do they gain Israeli citizenship rights upon arrival, but they also receive generous financial support to aid in their resettlement. In this regard Jewish immigrants to Israel are privileged compared to immigrants in most other societies. Most likely the Israeli case provides indication of the upper bound on immigrants' success in the housing

market. Indeed, homeownership rates among immigrants in Israel are considerably higher, and disparities among Jews from different geo-cultural origins are narrower, than ethnic gaps in other immigrant societies (Bourassa 1994; Balakrishnan and Wu 1992; Krivo 1995).

Lastly, it should be noted that unlike other immigrant societies (e.g., Australia, Canada, the United States) that are dominated by market economies, decision-making in Israel is more centralized and the state is a major actor with regard to immigrant absorption in general, and housing policy in particular. Our findings revealed the differential constraints and opportunities structured by state policies and their effect on immigrants life chances. This was manifest in meaningful period effects on immigrants' rate of homeownership. Importantly, these effects held true even after controlling for length of residence in the host society. We may further conclude from our study that in economies such as Israel's, where political considerations supercede economic efficiency, position in the labor market is less useful in explaining disparities in homeownership. That is, differences in homeownership among immigrant groups, as well as between immigrants and native born, can be better understood as a result of social and political factors than by market processes.

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## Notes

1. In the United States, for example, housing assets accounted for 43 percent of the total net worth of all households in 1988, and the figures were higher for all but the poorest and the wealthiest families (U.S. Bureau of the Census 1992). Studies of household wealth and inheritance in Britain revealed that residential housing constituted between 40 and 50 percent of the value of all estates.
2. Some immigrant groups may possess financial resources upon arrival, and, thus, are in a better position to purchase housing early on. For example, Meyers and Lee (1998) observed that Asian immigrants to Southern California achieved a high level of homeownership soon after arrival. By contrast, Latino immigrants started out with low rates of homeownership.
3. Some researchers (Oliver and Shapiro 1995; Parcel 1982) have used the racial discrimination framework to address black/white disparities in homeownership in the United States. Such a conceptualization of the problem, however, is not applicable in the case of immigrants to Israel, all of which are Jewish or related by marriage to Jews.
4. In the 1990s, a change in the exit policies of the former Soviet Union led to a dramatic influx of immigrants. In the nine years between 1990 and 1998, about 850,000 new immigrants entered Israel, 85 percent of them were from the former Soviet Union. Since our most recent data are from 1993, only a small portion of this wave of migration is included in the present analysis.
5. This changed, once again, for a short period (1990-1994) when the government tried to meet

the extraordinary demand for housing created by the large influx of immigrants from the former Soviet Union by public construction. Much of the new construction took place in peripheral communities. By then, absorption policies had changed and most immigrants preferred to reside closer to the center of the country, leaving many of the newly constructed units vacant.

6. This study is concerned with the relationship between immigration and homeownership. Since the Arab residents of Israel (with few exceptions) are native-born, they are not included in the analysis. It should also be noted that in recent years a growing number of non-Jews have entered Israel. Some are guest workers and others are family members of Jewish immigrants from the former Soviet Union. The formers were excluded because of their temporary status. The latter were included if the head of household was Jewish.
7. This refers to households whose head was not native-born and who immigrated to Israel at age 15 or older.
8. Available data provide information on homeownership at the time of the survey. Unfortunately, there is no information on the year of purchase. Hence, we cannot estimate a time-sensitive model such as the hazard function for homeownership. Our model will, however, measure the effects of various factors on the likelihood of owning a home at a given point in time. This model is likely to underestimate group differences in the speed of attaining homeownership.
9. We introduce this variable along with household income and age since in some cases current income may be a poor proxy for lifelong earnings (as in the case of retired persons).
10. The lower mean value for European immigrants reflects the extraordinarily large wave of migration that arrived in the 1990s from the former Soviet Union.
11. This is true for all but equation 1 for 1986–87.
12. This difference in the effect of peripheral residence is probably due to the recent wave of migration from the former Soviet Union. The immigrants were recent arrivals in the survey of 1992–93 and, thus, were unlikely to own a housing unit at the time. They also tended to shy away from peripheral communities.
13. For a similar application of this estimation procedure, see Bloom and Gunderson (1990), who used it to study labor market assimilation of immigrants to Canada.
14. Time of migration was divided into six distinct periods. The period of 1961–1970 was used as the comparison category. Hence, each period coefficient indicates the difference in homeownership between immigrants who arrived at a particular time and those who arrived between 1960 and 1970.
15. The Chi-square test for the difference between model 3 and model 1 yielded a result of  $\chi^2 = 11.65$ , with 2 degrees of freedom. This is statistically significant at  $\alpha = 0.01$ .

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