

The Taub Center: The State of the Nation Report 2023

IATF SUMMARY

The Taub Center published the State of the Nation Report 2023, in-depth analyses and reviews of last year in the areas of welfare, education, early childhood development, health, the economy, labor markets, demography, and the environment, alongside a new study that deals with the October 7 war and its impact on the various areas. IATF summary highlights major data points related to Arab society and Jewish-Arab relations.

At the end of 2023, Israel's population was 9.84 million, a growth rate of 1.86% since the end of 2022.

Charts and graphs are courtesy of the Taub Center.

The October 7, 2023 War and Its Impact on Israel's Society and Economy

- **Security and protective shelters in educational institutions:** The events of Saturday, October 7 and the ongoing war emphasized the need to improve security and protection in schools. The report highlights the critical situation regarding the absence of shelters in educational institutions within the Arab society, revealing a significant 38% gap in protective shelter availability. In 44 non-Jewish local authorities, around 500 educational institutions either lack protective shelters entirely or cannot accommodate all students in existing protected spaces.
- **The Health System:** The current war has significantly impacted various dimensions of the Israeli health system, revealing critical deficiencies, with pronounced disparities in the periphery. However, the system demonstrated exceptional crisis management capabilities, recovering swiftly. The report states that the Ministry of Health recognized the importance of strengthening shared life in the Israeli health system, where approximately 40% of workers are Arabs. The increased tension between Jewish and Arab communities post-October 7 has affected professional relationships in the health system, prompting the need for proactive measures to support workers, address the crisis, and establish long-term solutions to encourage dialogue and attention in healthcare.
- **The Labor Market:** The war significantly impacted Israel's labor market, particularly affecting the construction sector, where operations were almost

entirely suspended due to the high dependence on Arab citizens of Israel and Palestinians.

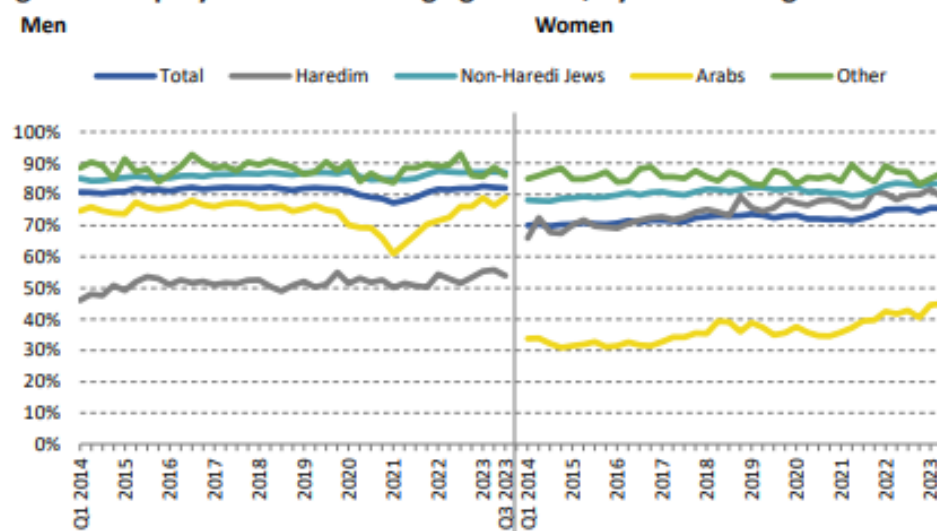
- The proportion of war-related absences from work was 28% among Arab men and 22% among Arab women, compared to 17% and 16% among Jewish men and women, respectively.
- The Jewish-Arab relations have shown signs of strain during the war, disrupting the mutual dependence of the two societies in the context of employment, especially in the health system. The work-frame for restoring pre-war shared life remains uncertain, but the return of Arab and Palestinian workers is crucial for Israel's economic, security, and social well-being.

Israel's Tight Labor Market: January to September 2023

- **Unemployment, employment, and wages**

- **Employment by age, sector, and gender:** In recent years, employment rates for men aged 25-64 show a consistent increase among Arabs, reaching 76% in the second quarter of 2023. Among women, non-Haredi Jewish women maintain a high employment rate of about 83%, while Arab women achieve a historic peak of 45%.

Figure 6. Employment rate among ages 25-64, by sector and gender

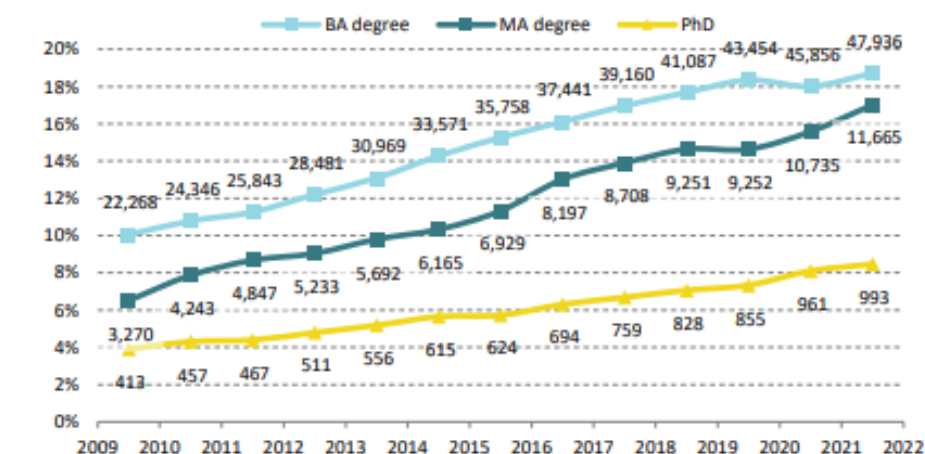


Source: Michael Debowy, Gil Epstein, and Avi Weiss, Taub Center | Data: CBS

→ In the first half of 2023, **the high-tech industry** in Israel experienced a notable increase in open positions. Nonetheless, the industry experienced a decline in the latter half of 2023, leading to a slowdown in hiring, which may impact workers, especially those with weaker educational backgrounds, college graduates, and Arab workers.

- **Higher Education** in Israel remains robust, with growing enrollment, especially from poor backgrounds. The trend of more women and Arabs entering technological fields persists, yet challenges may arise if the high-tech industry faces prolonged crisis.

Figure 10. Share of Arab students in higher education, by degree level

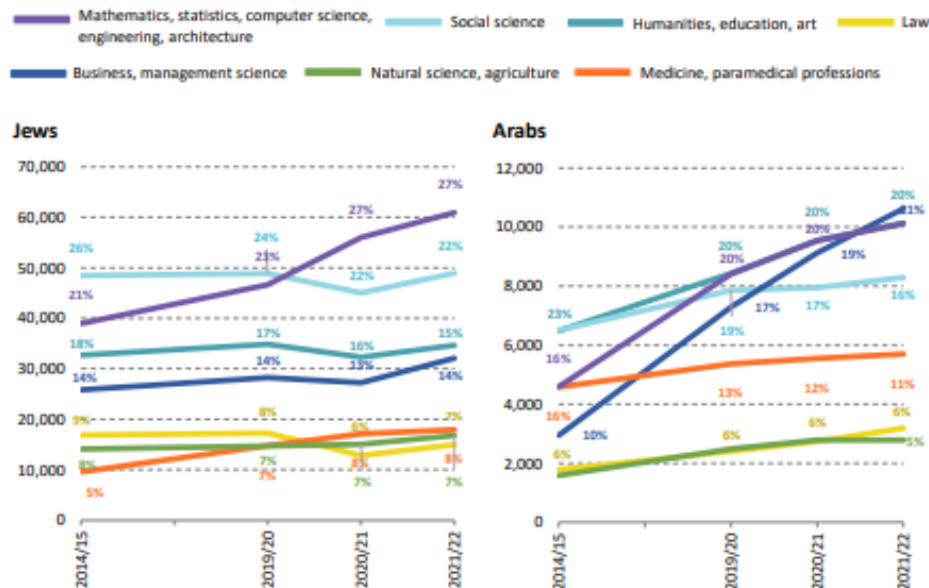


Source: Michael Debowy, Gil Epstein, and Avi Weiss, Taub Center | Data: CBS

- In the 2021/2022 academic year, the growth rate of students pursuing studies exhibited distinct patterns among population groups. Notably, the number of Arab students pursuing Bachelor's, Master's, and Ph.D. degrees increased by 5%, 9%, and 3%, respectively, compared to the previous academic year. This growth aligns with a decade-long trend, where the number of Arab students pursuing a Bachelor's degree rose by 85%, Master's by 141%, and Ph.D. by 113%.
- Despite the Arab population's growth of 32% during this period, the proportion of Arab students increased significantly, constituting 19% for a Bachelor's degree, 16% for a Master's, and 8% for a Ph.D.

→ Shares of Arabs (23%) and Jews (29%) increased in mathematics, statistics, computer science, engineering, and architecture, while fewer opted for social sciences, humanities, education, and art.

Figure 11. Number of students in higher education, by study major and sector

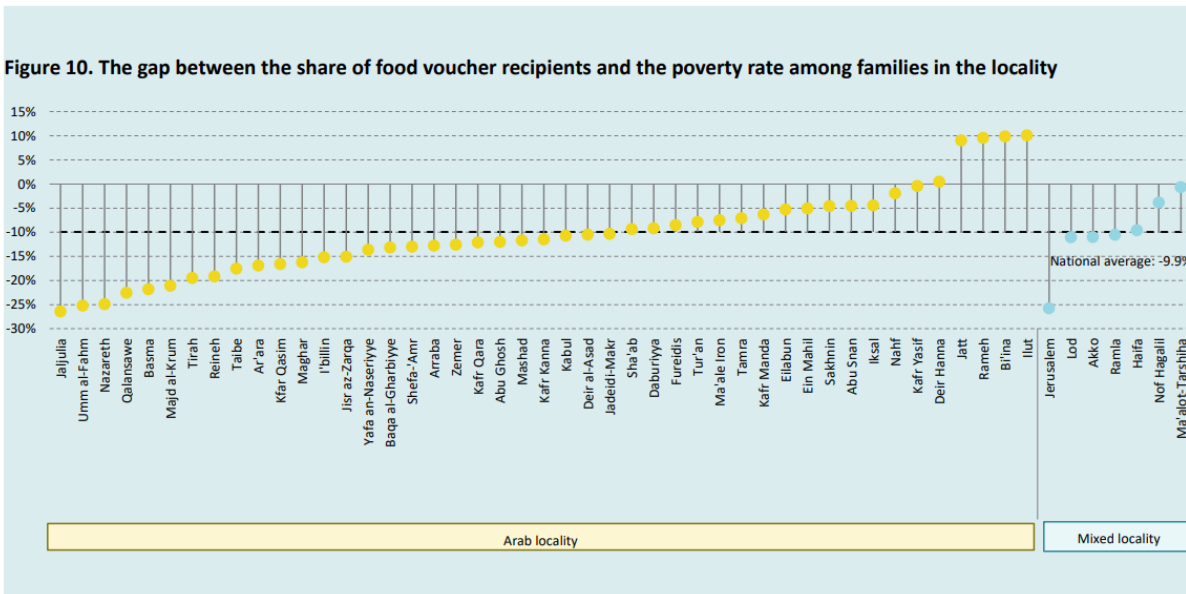


Source: Michael Debowy, Gil Epstein, and Avi Weiss, Taub Center | Data: CBS

→ Notably, the proportion of medical and paramedical students decreased by 30% among Arabs but increased by 54% among Jews and others. The decline in healthcare professions for Arabs may be attributed to more students studying abroad, while the weight of business and managerial science students doubled among Arab students.

The Welfare System During a Period of Dramatic Political Change

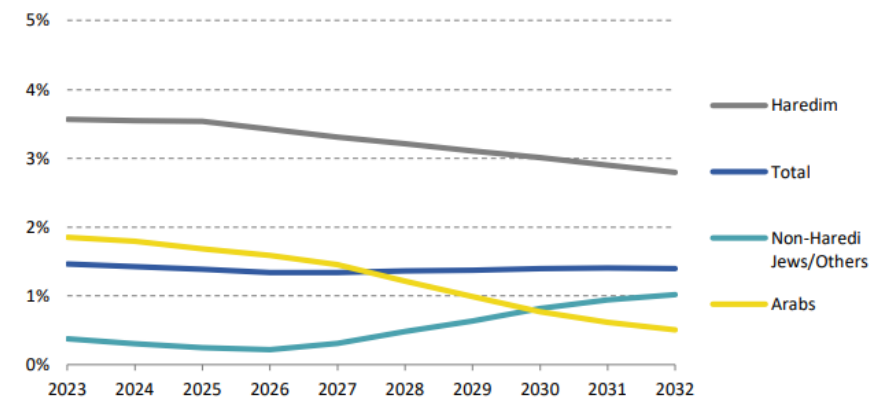
→ The Taub Center's research on the 2021 food voucher program indicates an average negative gap of around 10%, revealing that fewer families receive assistance compared to those living below the poverty line. This gap is more pronounced in Arab localities (13.8%) than in Jewish localities (8.9%), suggesting disparities in food voucher distribution.



Early Childhood Education and Care in Israel: An Overview

→ **Early Childhood Growth Rate:** Projected early childhood (birth to age six) growth patterns from 2023 to 2032 indicate an overall annual growth rate of about 1.4% in 2032, with considerable variability across subpopulations. Haredim and Arabs are expected to experience higher annual growth rates, while the annual growth rate for Jews and Others is stable. Most of the early childhood population may dip just below 50% by 2030. As soon as next year, most infants are expected to be Haredi or Arab, potentially necessitating greater support due to higher poverty rates in these communities.

Figure 2. Projected early childhood (birth to age six) annual growth rates, by sector

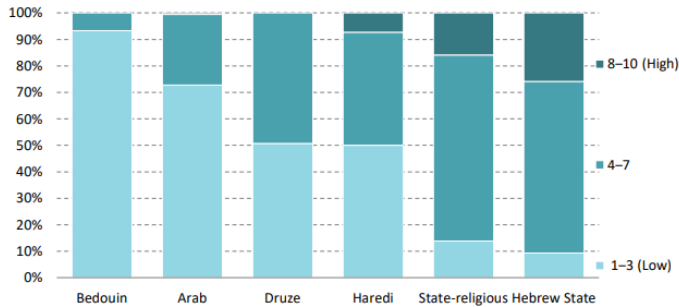


Source: Sarit Silverman and Carmel Blank, Taub Center | Data: CBS

→ Preschool Trends

Figure 4. Distribution of supervised daycare centers, 2023, by sector and SES cluster

N = 4452



Source: Sarit Silverman and Carmel Blank, Taub Center | Data: Ministry of Education, A Wide Perspective

Access to subsidized daycare is notably lacking in Arab communities, with only 50% utilization of allocated budgets for daycare construction in Arab local authorities compared to 61% in Jewish, non-Haredi local authorities and 79% in Haredi authorities. A manpower crisis is evident across the whole population, as over 80% of subsidized and two-thirds of private daycare centers report being understaffed, affecting the child-to-staff ratio and overall quality of care. The Taub Center policy recommendations emphasize the need for infrastructure investments to accommodate the growing Arab population, considering higher poverty rates among families with young children in these communities.

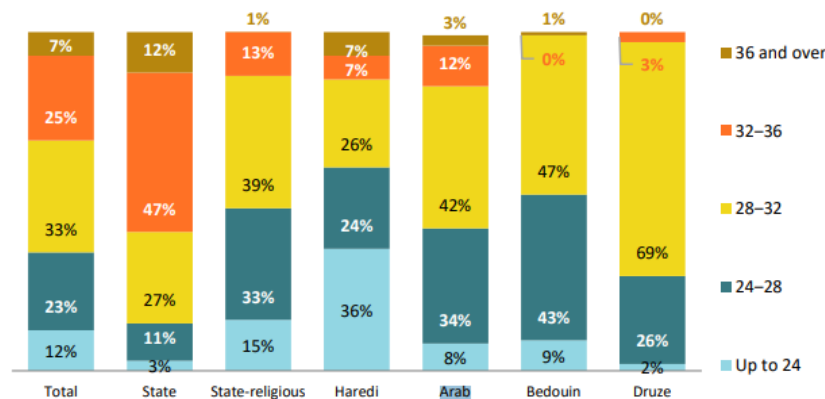
Light and Shadow in the Israeli Education System

• Primary Schools:

- In 2023, most primary education classes in Israel have sizes ranging from 24 to 32 students, with only 3% having between 32 and 36 students. Notably, the Arab education system has 76% of classes within this range, reflecting a lower class size compared to other systems.
- In the Arab sector, 26% of the students in primary schools attend recognized unofficial schools, a large proportion of which are managed by religious institutions. The decrease in class size is attributed to a significant decline in the fertility rate within the Arab sector.

- **Middle School:** In middle schools, the Hebrew State system has the highest class sizes (59% with over 32 students), while the State-religious, Haredi, Arab, Bedouin, and Druze education systems generally have smaller classes. Over the last decade, the Arab, Druze, and Bedouin systems have had almost no classes exceeding 36 students.

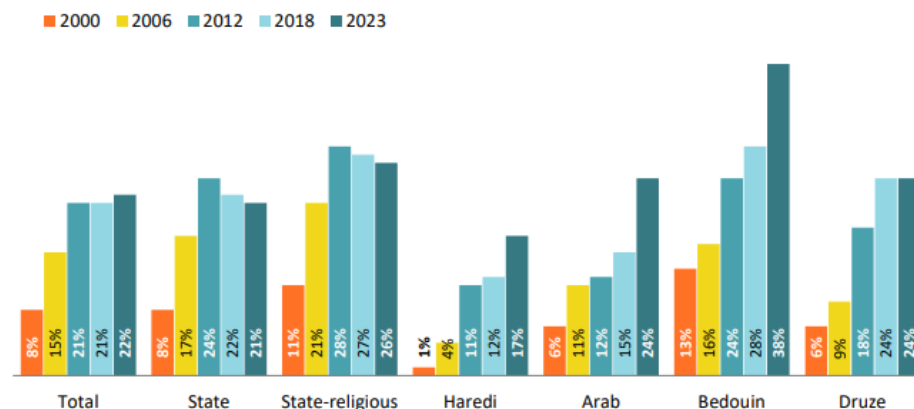
Figure 6. Distribution of classes in middle schools (Grades 7–9) by sector and supervisory authority, 2023



Source: Nachum Blass, Taub Center | Data: Ministry of Education

- **High School:** In high schools, the Ministry of Education implemented affirmative action by reducing class sizes for low-achieving students from weaker socioeconomic backgrounds. Notably, the Arab sector experienced a considerable rise in the share of small classes, increasing from 8% to 22% in the past two decades, while the Hebrew sector saw a decline during the last decade.

Figure 8. Portion of students (Grades 10–12) in small classes by sector and supervisory authority



Note: Small classes are programs such as Mabar, Lev, and Tov.

Source: Nachum Blass, Taub Center | Data: Ministry of Education

- **Academic achievements:**

- **International Exams:** The recent release of results from two international exams, namely the PIRLS exam assessing reading literacy in Grade 4 students and the PISA exam evaluating 15-year-olds in mathematics, science, and reading, raises caution due to the impact of the COVID-19 crisis on global education systems, including Israel's. While there was a decrease in scores for the Hebrew-speaking sector, the Arabic-speaking sector demonstrated relative stability, resulting in a narrowed gap between the two.
- The rate of qualifying for a Bagrut certificate among Grade 12 students has increased, particularly in the Druze and Arab sectors.

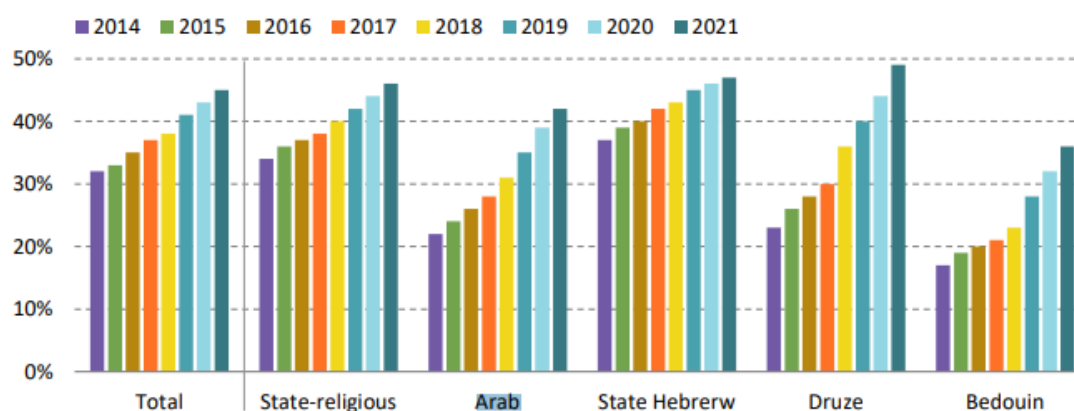
Table 5. Average bagrut qualification rate, 2020/21 vs 2015/16, difference and rate of change

Sector/Supervisory authority	2015/16	2020/21	Difference (percentage points)	Percentage change
Druze	75.6	92.3	16.7	22.0%
Bedouin	48.6	61.6	13.0	26.7%
Haredi	57.4	70.1	12.7	22.1%
Arab	61.8	72.4	10.6	17.1%
Hebrew State	71.6	81.3	9.7	13.5%
State-religious	78.4	87.1	8.6	11.0%
Total	69.5	79.2	9.7	14.0%

Source: Nachum Blass, Taub Center | Data: Ministry of Education

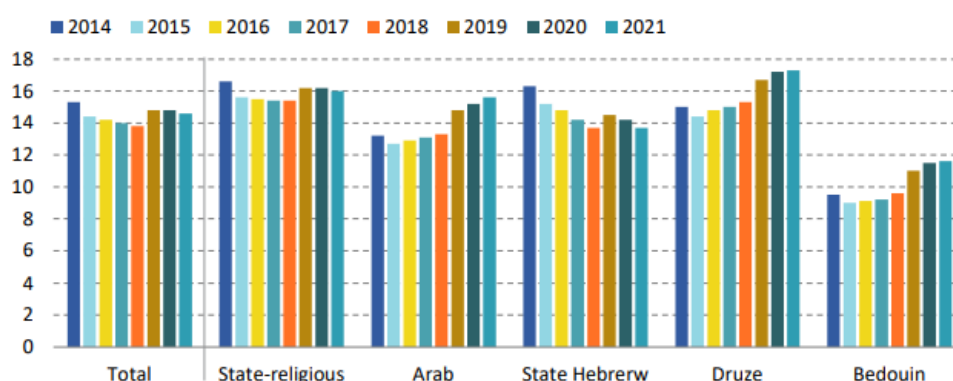
- The dropout rate in the Druze sector is far lower than in the Arab Muslim sector and is only slightly higher than in the Christian sector.
 - The proportion of Druze girls studying in the most prestigious technological track has more than tripled within two decades.
- **Teacher Qualifications:** Two accepted indicators of teacher quality are level of education (Figure 10) and seniority (Figure 11). In 2020–2021, the average seniority of Druze teachers was the highest among all sectors and supervisory authorities, and the proportion with a master's degree was 49%, which is also the highest. The seniority and Master's qualification among Arab and Bedouin teachers have been steadily increasing.

Figure 10. Share of teachers with a second degree, by sector



Source: Nachum Blass, Taub Center | Data: Ministry of Education

Figure 11. Teaching seniority in the education system, by sector



Source: Nachum Blass, Taub Center | Data: Ministry of Education

The Healthcare System in Israel: Between the New Normal and the Old Normal

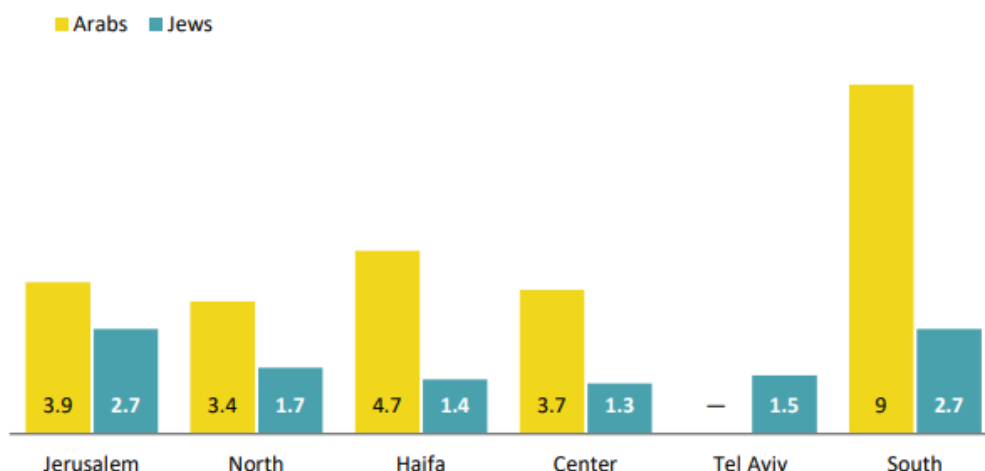
Health Status:

In Israel, **life expectancy** at birth is high, ranking seventh among OECD countries in 2022 at 82.9 years. However, there are notable disparities, with Arab men having the lowest life expectancy and Jewish women the highest.

Mortality rates vary across regions and population groups, with higher rates in localities with low socioeconomic status, primarily observed in Arab localities. **Infant mortality rates** have decreased but maintain a significant gap, with the Arab

population communities experiencing higher rates (4.7 per 1,000) than the Jewish sector (1.6 deaths per 1,000 live births), particularly in the South's Bedouin population (9 per 1,000).

Figure 20. Infant mortality per 1,000 live births by district and sector, average for 2019–2021



Note: For the Arab sector in the Tel Aviv district, data were not published.

Source: Nadav Davidovitch, Natan Lev, and Baruch Levi, Taub Center | Data: CBS, 2023; Ministry of Health

Lifestyle and Risk Behaviors:

- **Smoking**, a major contributor to morbidity and mortality, affects approximately 20% of Israel's adult population, causing around 8,000 deaths annually. Disparities in smoking rates are evident, with higher prevalence among Arab men and those with lower education levels, according to the 2022 report by the Minister of Health. The Arab sector saw a significant increase in reported smoking, with the highest percentage observed among Arab students in 2022.
- The healthcare system is witnessing a concerning rise in **obesity** and excess weight, linked to poor lifestyle choices and a notable correlation with lower socioeconomic status. Although **diabetes** rates remained relatively stable between 2015 and 2021, socioeconomic disparities widened. Regional disparities in diabetes incidence were observed, with higher rates in areas with low socioeconomic status, including districts like Hadera, the Golan, Acco, and Yezre'el, and among Arabs compared to Jews across all age groups.

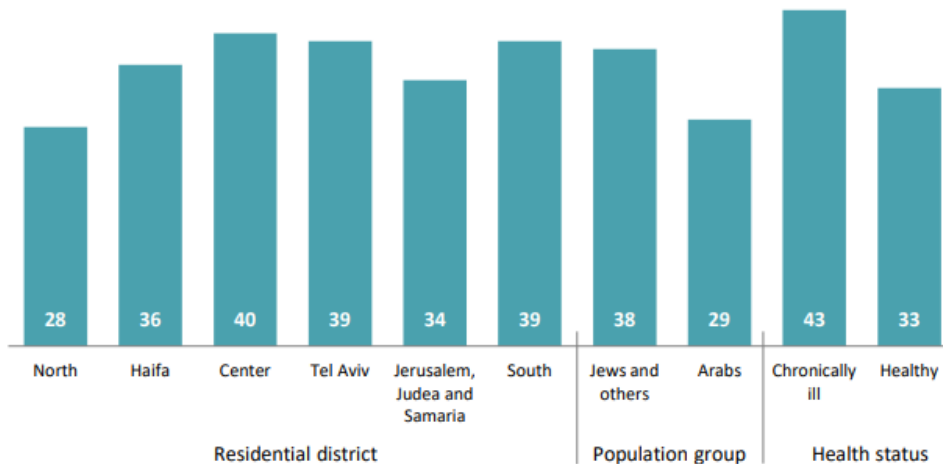
→ Israel's Health Self-Assessment indicator shows an upward trend, with more Arabs than Jews now rating their health as very good. Low-income earners report **higher health assessments** than the middle class, but caution is needed due to factors like the rise in assessments among Arabs and Haredim.

Healthcare Professionals: In nursing care, there was a significant surge in new licenses in 2021, totaling 3,572—a nearly threefold increase since 2010. Notably, 44% of these licenses were issued to individuals from the Arab and Druze sectors.

Access to Healthcare Services: Examining waiting times for consultation services reveals regional disparities, with the longest wait times in the Center, Tel Aviv, and the South, while residents of the North experience shorter waits. Arabs generally report shorter waiting times (29 days on average) compared to Jews and others (38 days on average). Chronically ill patients face the longest waits (43 days on average), highlighting disparities in healthcare access. Among those less likely to seek consultations are individuals with very good health status, Arabs, and men.

Figure 11. Average waiting time for a consultant, by health status, residential district, and sector, 2019-2020

Days



Source: Brammli-Greenberg et al., 2021

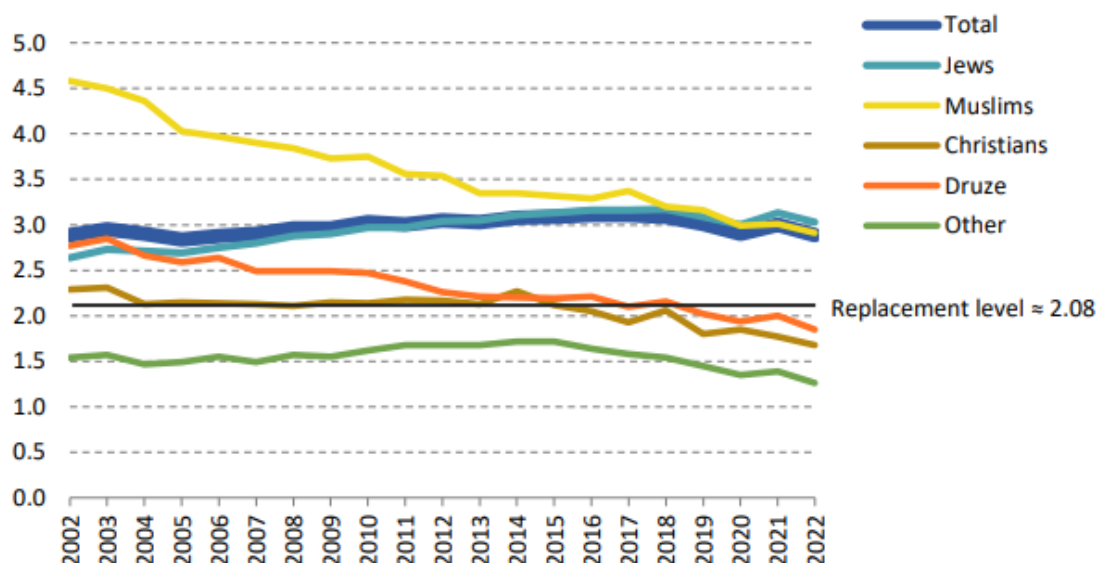
Complimentary Health Insurance: The Ministry of Health data reveal significant disparities in health fund expenditure on complementary health insurance between

the Jewish and non-Jewish populations. In 2020, 76% of Jews had complementary insurance, while only 46% of non-Jews had it, with higher spending on Jewish populations in Jewish localities. Age differences partially explain the gap, as the younger Arab population uses complementary insurance less. However, factors like accessibility, alignment with the population, and health literacy should also be considered in understanding these disparities.

Israel's Demography in 2023: Declining Fertility, Migration, and Mortality

Fertility Rate: Fertility rates in Israel have been declining since 2018, with a temporary COVID-related boost in 2021. The fertility rate among Jewish women dropped from 3.17 to 3.03 children. Among Muslim and Christian women, the drop was even more pronounced: from 3.20 to 2.91 among Muslims and from 2.06 to 1.68 among Christians. The fertility rate among Druze women also decreased, from 2.16 to

Figure 1. Total Fertility Rate (TFR) in Israel, by religion



Source: Alex Weinreb, Taub Center | Data: CBS

1.85.

Rising age at first birth, non-marital births, and IVF: Among Arab women in Israel, the relationship between age at first birth and fertility followed the standard path: as the first rose, the second fell.

→ The rising sex ratio at birth (SRB) in Israeli Arab society has the potential to worsen existing gender imbalances. With lower child mortality rates, more boys than girls are surviving to the age of 25, leading to an expected increase in the number of young men relative to young women. Arab males are also increasingly falling behind Arab women in terms of education. The report raises a concern that this excess of young unmarried men might feed criminal activity or political violence.

Table 3. Expected number of Arab boys and girls surviving from birth to age 25, by year of birth

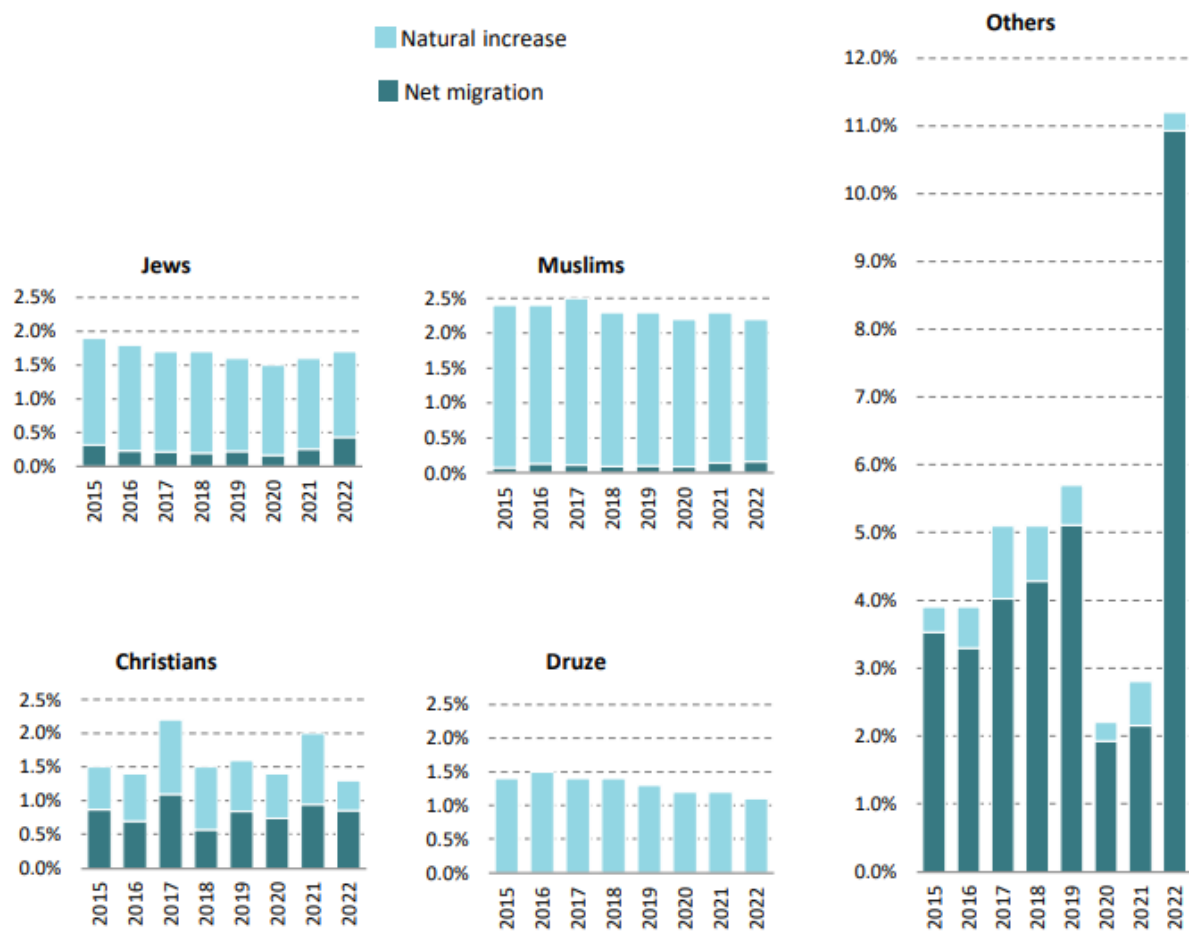
	2018	2019	2020	2021	2022	Totals
Total births	43,268	43,617	42,433	43,803	43,582	216,703
Expected survival						
Males	22,027	22,138	21,511	22,391	22,170	110,237
Females	20,670	20,903	20,362	20,833	20,836	103,604
Male excess	1,357	1,235	1,149	1,558	1,334	6,633

Source: Alex Weinreb, Taub Center | Data: CBS

Mortality: Until the end of September 2023, Israel's mortality rate was on target to hit a historical low. 2023 is the first year since 2019 in which there is no notable effect of COVID-19 on mortality, marking a return to a more standard seasonal mortality pattern. The significant rise in the murder rate in 2023, particularly within the Arab population, has a limited impact on the Crude Death Rate (CDR). The increase of 100 deaths is a small fraction of the total annual deaths, which stands at 48,000. The impact of this rise in the murder rate will be most noticeable in age-specific mortality among younger Arab men.

Population Growth: The observed rate of growth in Israel over 2023 was 1.86%, just below the average over the last 10 years (1.93% per year). The Muslims population growth rate is around 2%, 1.3% among Christians, and around 1% among Druze.

Figure 8. Annual population growth rates (%), 2015–2022, by religious group and source of growth



Source: Alex Weinreb, Taub Center | Data: CBS Statistical Abstract of Israel 2023, Table 2.12