



Mossawa Center

Position Paper

Industrial Zones in Arab Localities

**Mossawa Center
The Socio-Economic Department**



Executive Summary:

There is an immediate need to establish and upgrade industrial zones in the Arab towns and villages including participation in the administration of the regional industrial zones in order, among other things, to add new work places and to reduce the extent of poverty. This is one of the most important needs for Arab society, and will constitute leverage for growth and economic development (in addition to helping to eradicating negative social phenomena such as violence which is increasing at an unprecedented rate within the Arab public).

The socio-economic situation presently prevailing in Arab society is especially difficult, as evidenced by Israel's poverty figures: about 60% of Arab families are poor and about 65% of Arab children are below the poverty line! That is why it is so important to act immediately to find appropriate solutions.

The government should build and execute a holistic plan for the war on poverty, which will focus on two principal aspects:

- Employment in Arab society in general and for Arab women in particular.
- Constructing new industrial zones and upgrading existing industrial areas, and assuring appropriate levels of participation in the administration of existing industrial regions.

Improving industrial zone figures will not only provide a solution for the employment problem (especially for women), but will also constitute major leverage to improve the economic situation of the local authorities because, as is well known, the majority of income of the local authorities in the Arab towns and villages comes at present from residential municipal rates and not from business enterprises, in contrast to the situation in Jewish towns!!

The government plan should set clear targets for the reduction of poverty, provide financing for outline plans and detailed planning to promote the establishment of industrial zones within the Arab towns/villages, with the assurance of financing and legislation that will guarantee the removal of obstacles and promote the planning and erection of such industrial areas. Existing plans have not produced results, since most of them encounter barriers and special issues typical of Arab society. It is necessary to secure budgetary financing to cover the expenses required to remove these obstacles.

Development of Industry

In the Jewish sector there are 168 local authorities compared with 82 in the Arab sector. 96.5% of all areas designated for heavy and light industry are in the Jewish towns compared with 3.5% in the Arab towns. Income from industrial municipal rates is higher than from residential rates, and this difference limits access to employment and weakens the Arab local authorities. Average income per resident from municipal rates in the Jewish towns is NIS 359 compared with only NIS 45 in the Arab towns. These figures are contained in Government Resolution 922, but they do not motivate the Ministry of the economy to act to utilize the budgets designated for the development of industrial zones. Examination of budgetary exploitation of the government resolutions in this field which can leverage independent income for the Arab local authorities indicates foot-dragging in utilizing the funds designated for this purpose.

The Ministry's budget for investment in infrastructure development amounts to NIS 183,292. An examination of the budgeting figures (Section 76 sub-regulations 1001) shows that an amount of NIS 55,201 million was designated for the execution of various government resolutions in the Arab towns/villages (Nos. 1539 - 4139 - 1052 - 2861 - 3708 and 1298). These resolutions were supposed to have been completed in 2015 but were not executed. In the ratified budget there is no mention of Resolution 922.

In any event, the budgets designated pursuant to the government resolutions, including the last one, do not take into account the special costs that might be created as a result of the removal of specific obstacles, which have been shown to exist in Arab society by past experience, particularly when it comes to planning industrial zones on private land.

In order to ensure efficient and effective utilization of the designated budgets, it is necessary to provide extra funds for the establishment of a special team to remove the obstacles and to promote planning and development of infrastructure on private land.

Towns/village that require their industrial zones to be updated and developed:

Taibeh	Deir Hanna	Lakia	Qalansuwa
Tira	Abu Snan	Eilabun	Daliyat El Karmel - Ossefieh
Kafr Kanna	Yarka	Tamra	Jisr az-Zarqa
Kafr Kassem	Iksal	Arabeh	Fureidis
Shefar'am	Jdeida Maker	Deir al-Asad	Kafr Kara
Ar'ara	Dabburieh	Magd Al Kurum	Tur'an
Um El-Fahm	Maghar	Rameh	Baka Gat