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Local Government Reform and the Socioeconomic Gap in Israel

Building Toward a New Future
Preface

The local governance level in Israel has historically been weak compared with the power of the national government. Many of the issues regarding socioeconomic development and access to opportunity in the wider economy are best addressed at this level. This report presents three key aspects of Israeli municipalities with a view toward strengthening the effectiveness and efficiency of local government in Israel, particularly in reframing municipalities to become more-active agents for change. First, the authors make the case for adopting a regional approach to address the fragmented nature of municipal governance and overcome some of the key obstacles confronted when dealing with the problems faced by individual small and low-income municipalities. Second, they lay out a model for the hiring and placement of personnel in managerial municipal positions as a partial solution for cronyism and the dearth of skilled leadership and professional staffing that typify many peripheral localities in Israel. Finally, the authors examine the education services that municipalities would be able to offer their residents, with an emphasis on minority communities.

This report should be of interest to those involved in urban and regional transformations, the institutions of democratic governance, and Israeli social and economic development, including those working toward greater inclusion of disadvantaged populations within Israel and more generally.

This study emerged as the product of a nonresidency fellowship at the RAND Corporation to Amir Levi, former director of the Office of the Budget in Israel’s Ministry of Finance. Levi’s fellowship was generously funded by the Diane and Guilford Glazer Philanthropies.
Funding

Funding for this research and analysis was provided by a generous contribution from the Diane and Guilford Glazer Philanthropies, Y & S Nazarian Family Foundation, Rosalinde and Arthur Gilbert Foundation, and other supporters of the Israel Program within the RAND Center for Middle East Public Policy (CMEPP).

RAND Center for Middle East Public Policy

CMEPP is a part of International Programs at the RAND Corporation. CMEPP brings together analytic excellence and regional expertise from across the RAND Corporation to address the most-critical political, social, and economic challenges facing the Middle East. The Israel Program within CMEPP addresses fundamental policy issues in Israel that span multiple domains, such as minimizing socioeconomic gaps, integrating the Haredi and Arab populations into the labor force, education reform, and other areas critical to Israel’s future survival and prosperity for all its people. RAND’s recommendations have been implemented in key policy areas, including managing energy policy, improving the effectiveness of the police, and helping establish processes and institutions to support long-term socioeconomic strategy for the Prime Minister’s office.
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The problems facing municipalities in Israel are like those being experienced by other municipalities around the world—but are made more acute in several ways. The local governance level in Israel has historically been weak compared with the power of the national government. A guiding principle of Israel’s founding generation was to create a centralization of decision and governance at the national level at the expense of local decisionmaking, the better to hasten development and provide for security and defense with the most-efficient use of resources. It may be that Israel’s remarkably rapid pace of development, especially over the past 30 years, now calls this structure of governance into question.

This is particularly the case given the large disparities that exist in modern Israel. These inequalities—combined with the demographic trends within the ultra-Orthodox Jewish and Arab communities compared with those in the rest of the population—require action. Government Resolution 922, adopted in December 2015, laid out a five-year program designed to support economic development and narrow the systemic gaps between Jewish and Arab populations in Israel. This plan, along with incentives to support another typically low-income group in Israeli society (i.e., the Haredi, or ultra-Orthodox, community), confronts the reality that the intended beneficiaries are not evenly distributed across the country. Addressing the concerns of ultra-Orthodox Jewish and Arab communities also means delving into a wider set of more-general issues related to local governance and regional socioeconomic development in Israel as a whole.
The problems faced by Israel are complex and not easily accommodated by the governmental stovepipes that still exist across not only sectors of activity (e.g., health, transportation, energy, education, commerce) but also between levels of government. Therefore, we focus more on the problems—but also the potential for revitalization—that exist on the level of the Israeli municipality than on those that exist in the centers of national government in Jerusalem. In this report, the authors consider three key issues confronting Israeli municipalities and make recommendations for strengthening the effectiveness and efficiency of local government in Israel, particularly in reframing municipalities to become more-active agents for change.

Beyond the political structure of local governance, four factors explain most of the weaknesses exhibited by the socioeconomically weakest localities in Israel. The first is the low level of locally generated income. The second factor helps explain the first: There are dramatically fewer industrial and commercial areas in towns with straitened finances. Third, many of the weakest localities in Israel are in the geographic periphery, relatively distant from government agencies and business activity. Finally, the fourth factor is the relatively small population size for the socioeconomically weakest localities. In 2016, the average size of towns within the lowest four deciles was 27,900 people, while the average size of the rest was 38,400. Arab localities are even smaller—the average of all 85 Arab localities is 14,400, compared with 43,200 for non-Arab localities (Central Bureau of Statistics, 2018). The large number of local authorities makes it difficult to gain whatever advantage might accrue to economies of scale. Evidence from other countries indicates that a smaller number of municipalities that are larger in size could enable the same level of service delivery but at a lower cost (Fox and Gurley, 2006). Moreover, bigger municipalities are better positioned for attracting better leadership and hiring additional highly skilled personnel (Reingewertz, 2011).

Given the facts surrounding municipal finance and governance in Israel, we draw on the theory and practice of regionalism in other countries to recommend a regional governance approach for Israel. Rather than amalgamations and changes of city boundaries that we deem infeasible given Israel’s socioeconomic and ethnic fabric, we
suggest the creation of ten or fewer districts that would principally serve as coordinating bodies for their regions. Districts would operate with the cooperation and on behalf of the local authorities within their regions. They would expand on the existing “clusters” (eshkolot) initiative already underway by introducing a new administrative layer that could be a delegated authority in any or all of a variety of areas at both the local level and in the central government, including budgetary; education; planning; transportation; water, sewage, and trash; and environment.

Moving planning and implementation authority to a district level would make it possible to address the deficiencies in some of the weakest municipal units. This structural change could make it possible to promote educational, development, and employment programs in a way that would lead to more-comprehensive growth. Another advantage would be to achieve a more effective way of handling welfare populations with a view toward shifting more people from the welfare circle toward employment. The necessity of operating with 257 separate authorities frustrates government wishes to promote initiatives or manage in an efficient way. If, instead, the bulk of such an effort were to be borne within the structure of seven to ten larger-scale regional districts, government would be better able to plan and execute its policy more effectively and perhaps with more cognizance. In this way, the mayors of the larger cities, who would constitute the metropolitan anchors of the districts, could become more effective change leaders.

The prospects for the District model approach to resolve many of the ills at the municipal level are far from being assured. It introduces a new level of bureaucracy and a potentially wider field for cronyism or prejudice to play out. We therefore advocate a phased approach to implementing the District model with each district, in turn, going through its own structured set of discussions, workshops, and stakeholder engagements to determine the shape and scope of that district’s initial and prospective powers, responsibilities, and assessment verification framework. Among the first steps for each proposed district should be creating a common vision of what a successful, well-functioning region would look like. The process would not be the same for each proposed district or necessarily yield the same outcome. Although
these considerations are a *sine qua non* for successful reform, the national government is charged with formulating a package of incentives and developing the general legal and regulatory framework that would accord priority to activity at the district level as these structures come into being.

Although establishing a new level of government might appear redundant and bound for conflict, this need not be the case. Ministries might have fewer directive approaches at their disposal, but these are already becoming either increasingly difficult to employ or less fruitful in their results. Rather, this approach would place in the hands of the ministry potentially the more-effective means to achieve policy agendas through signaling and fiscal and regulatory “nudges” that may then be interpreted and acted upon in ways tailored to the conditions of Israel’s many regions. The District model could begin with a single district as a test bed. A single issue, such as transportation, in which extensive work has already been done at the management level with a wide professional infrastructure in place for initiating the process could be effective as a first implementation.

However, a purely organizational and process-based solution will not address several of the most deep-seated issues that localities face. The effectiveness and professionalism of a local authority depend to a large extent on the quality of its personnel, especially at the management level. There is a need to strengthen human capital throughout the local authorities. We address the issue of skill-building both at the top of the professional ladder of municipal governance and through measures that minority localities could enact at the foundational, elementary, and secondary educational levels.

Currently, municipalities publish a tender when hiring for senior employees. The mayor has influence over the staffing process through influence on the Tenders Committee. This process has led to cronyism, the rubber-stamping of appointments, and the inability to hire qualified personnel in less advantaged communities. One alternative would be the expansion of the Makom program, which provides a total of six weeks of intensive learning spread across the span of one year and includes study of important issues relevant to the localities in Israel. Taken together with the outline for a District model of organization,
both proposals could be mutually reinforcing and bring about real change. Using the model of the Avney Rosha, the Israeli Institute for Scholastic Leadership, we propose a similar institution for local administration. It would set uniform professional standards, create a unified training program, and establish a managerial reserve whose members undergo rigorous screening and training processes. Inasmuch as Arab sector localities are likely to be the most affected, ensuring a representative mix of backgrounds in compiling the database reserve should receive due emphasis. In the initial phase, serious thought should be given to how evaluations could include skilled, experienced candidates who have not yet received formal training. In the initial phase, six key managerial positions should be included: engineer, treasurer, education department director, internal auditor, director of the citywide improvement department, and director of environmental protection. The duty on the part of local authorities to appoint qualified candidates to the various positions could be carried out gradually so that two categories could be added into the database each year after inception.

While the district and professionalization reforms are applicable to all local authorities, further measures are required to truly realize the goals of enhancing the ability of Arab sector localities and their residents to participate more fully in Israel’s economic life. Maintaining the focus on localities brings to the fore concerns regarding Israel’s great educational disparities. Unequal government investments and structural barriers, such as unequal access to resources (both in and out of school), exacerbate educational gaps. Therefore, we provide a review of relevant literature on best practices in several education fields—informal education, parent engagement, second language education, and social emotional learning. We then present recommendations, such as ways to increase the quality of instruction or opportunities, boost educational outcomes, and use data for continuous quality improvement, on each of these four topic areas for consideration by local governing bodies.

In presenting three main elements of reform—(1) seeking advantages from regional governmental alignments, (2) enhancing professionalism within municipal government, and (3) applying existing means to achieving better educational attainment in Israel’s more dis-
advantaged communities—we offer a framework that could be implemented piecemeal in ways that seek to capitalize and then build on existing opportunities. Each element presents the potential for early, quick “win-wins” that do not necessarily require implementation of the full infrastructure of change across the board. Each could stand successfully on its own for as far as the local governments and their partners at the national level wish to take it. At the same time, these elements could provide each other with mutual reinforcement that not only enhances the chance for successful outcomes in each locale in which they are implemented but also creates momentum for greater expansion of the models into new spheres.

It is a truism to speak of the world today as being one confronting great changes. Nowhere have the dynamics of change played out more rapidly and to such an extent as in Israel. It behooves the state and its citizens to look to some of the institutions that have been subjected to the greatest strain, those of local governance and municipal management, and seek transformations that would better adapt them to the Israel of today.
The authors thank their formal peer reviewers, RAND Corporation colleagues Jennifer McCombs and Howard Shatz and professor Avner Ben-Zaken of Ono College, Israel, who provided instrumental feedback on this report. They also thank the many individuals who helped enhance their understanding of the complexities of Israeli municipal government. This includes dozens of officials in the Ministries of Interior and Finance and subject-matter experts at RAND and externally, many of whom chose to remain anonymous.

In addition, they thank Dalia Dassa Kaye, director of RAND’s Center for Middle East Public Policy, and Robin Meili, director of International Programs, for supporting this project. More than anyone, they thank the Diane and Guilford Glazer Philanthropies for funding Amir Levi’s RAND fellowship, which led to this report. In addition, we are grateful to the Y & S Nazarian Family Foundation, Rosalinde and Arthur Gilbert Foundation, and other supporters of the Israel Program. All errors remain the responsibility of the authors.
### Abbreviations

<table>
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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>CASEL</td>
<td>Collaborative for Academic, Social, and Emotional Learning</td>
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<td>DoT</td>
<td>Department of Transportation (United States)</td>
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<tr>
<td>ELA</td>
<td>English language arts</td>
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<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>GDP</td>
<td>gross domestic product</td>
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<td>GR</td>
<td>government resolution</td>
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<tr>
<td>MoEd</td>
<td>Ministry of Education (Israel)</td>
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<tr>
<td>NIS</td>
<td>Israeli new shekels</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PATHS</td>
<td>Promoting Alternative Thinking Strategies</td>
</tr>
<tr>
<td>PISA</td>
<td>Programme for International Student Assessment</td>
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<tr>
<td>SEL</td>
<td>social and emotional learning</td>
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<td>UK</td>
<td>United Kingdom</td>
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Israel’s economy is stable and growing. Aggregate measures show consistently high growth rates, a comparatively low (albeit growing) debt-to–gross domestic product (GDP) ratio of about 60 percent, and a labor market displaying low unemployment—even during the height of the global financial crisis beginning in 2008. Israel has also become a leader in various branches of high technology. Yet there is also growing inequality that, combined with the demographic trends within the ultra-Orthodox Jewish and Arab communities compared with those in the rest of the population, requires policymakers to recognize this challenge and take action. Policy decisions will be required of government not only at the national level but also at the municipal level, where local governments must play a significant role in reducing inequality and enhancing the integration of minorities.

One of the important decisions in this direction has been Israeli Government Resolution (GR) 922. Adopted in December 2015, GR 922 laid out a five-year program designed to support economic development and narrow the systemic gaps between the Jewish and Arab populations in Israel (Prime Minister’s Office, 2015). This plan coexists with incentives to support another typically low-income group in Israeli society: the Haredi, or ultra-Orthodox, community. In both cases, the intended beneficiaries are not evenly distributed across the country. Addressing the concerns of the ultra-Orthodox Jewish and Arab communities also means delving into a wider set of more-general issues related to local governance and regional socioeconomic development in Israel as a whole.
While GR 922 was unprecedented and seen as having been implemented successfully in its first three years, its content and scope were not intended to be sufficient to close the systemic gap between the different populations in Israel. One limitation is that the plan was designed at the level of the central government with some components that dealt with local governments. However, in many parts of the world, we see powers, responsibilities, and budgets devolving from the central government down to the local level. From social welfare to education, local governments are playing a greater role designing policies and delivering key public services. Furthermore, it is at the local level where citizens and the public sector interact most regularly and directly (e.g., registering for a school or applying for social benefits). Thus, when inefficiencies occur locally, the effect on citizens’ lives can be the most damaging. As a result, improving local governments is considered crucial to improving local services and, in turn, the quality of life for residents.

In the balance of this chapter, we put forward the case that any possible extension or expansion of activities initiated by GR 922 would be most beneficial within the wider framing of enhancing the capacity for local governance in Israel and how this, in turn, might improve the delivery of such vital services as education in disadvantaged communities. We base the argument for greater attention at the local level in Israel particularly on several tenets laid out in this chapter. The contention is that this greater focus at the local level would not only benefit the originally targeted communities for direct government initiatives; it would also strengthen the forces for socioeconomic development at the local level more generally. Specifically, we ask: How can municipalities be made more-effective agents for the change that many in Israel feel must be brought into being?

The National-Municipal Balance in Israel

The problems facing municipalities in Israel are like those facing municipalities everywhere—but are made more acute in several ways. As elsewhere, the municipalities are beset by the need to secure fund-
ing for municipal services, various social and economic tensions, and the need to confront newly emerging challenges that arise more swiftly than the apparatus of city government can address with comfort. There are several factors that enhance the piquancy of the challenges to effective governance at the municipal level in Israel.

The first of these factors is that the guiding principle of Israel’s founding generation was to create a centralization of decision-making and governance at the national level at the expense of local decision-making. This goes beyond the fact that Israel was conceived as a unitary state as opposed to the federal-type system in place in the United States or Germany. Many of the drivers for Israel’s governmental architecture were economic. At the time of Israel’s founding, Meiji Japan, the Stalinist Soviet Union, and possibly postrevolutionary Mexico were the only modern models for the purposeful, directive development of a country’s economy. All three were characterized by massive centralization of decision-making authority and the allocation of resources. The fundamental economic vision was to seek autarky (as would India, which was founded within a year of modern Israel). Since then, Israel has undergone reforms and transformation. These were largely driven by the shift in political dominance to the right-leaning Likud bloc in 1977 after 30 years of almost unbroken Labor rule and by the reforms introduced in the 1980s to combat Israel’s hyperinflation, economic malaise, and fiscal woes. Yet it might be said that the underlying logic of the architecture of government in Israel remains a centripetal focus on the center rather than a more centrifugal diffusion toward the local level of governance.

A further complication, also rooted in Israel’s foundation, is that Israeli society is strikingly heterogeneous. Approximately one in ten citizens is an ultra-Orthodox Jew, and approximately one in five is either Christian or Muslim Arab. Of Israel’s major municipalities, only a few feature substantial Jewish and Arab populations: Jerusalem,

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1 It would not be until the rise of the export-led growth model most convincingly demonstrated by the Asian “Tigers” of Taiwan, Korea, Singapore, Hong Kong, and, to some degree, Japan that an alternative to the centralized autarkic import-substitution approach presented itself.
Tel Aviv-Yafo, Haifa, Lod, and Ramle. Other cities tend to be more homogeneous toward one group or the other. Less obvious yet consequential differences also exist within the majority 80-percent Jewish sector. Country or culture of origin, date and manner of entry into residence in Israel, religious inclination, and other characteristics can (with the presence of exacerbating factors or the perceived need to protect the interests of one segment of the community against claims by another) lead almost to as much division as that between Arab and Jew.

One last distinguishing factor also plays a role in the current status of municipalities in Israel. In some respects, and especially in the past two decades, Israel has become a victim of its own success. Its rate of growth in both population and economic development has been astonishing. This has introduced a potentially explosive dynamic to local governance. Israel possesses the demographics of a developing country along with the increasing growth, wealth, and economic intensity that are characteristic of more-developed economies. GDP per capita is high, and life expectancy is among the highest of the Organisation for Economic Co-operation and Development (OECD) members. Yet the access to opportunity has become increasingly uneven. It is increasingly more accurate to speak of two Israels. One is globally connected and reaping the benefits of being part of what has become a major node in the global knowledge economy. The other Israel has stagnating productivity and is confronted with inefficiencies that raise the cost of living and thus wipe out any spillover gains from the rising national income level.

This distinctiveness also contains a geographic component that places the focus on strengthening the municipal level, even if socioeconomic inequality is not a driving concern in many locales. The small scale of the country and the agglomeration effects fostered by Israel’s increasingly outsized role in the global knowledge economy have led to the formation of what is sometimes referred to as “the city-state of Tel Aviv.” The city’s vicinity is a large magnet for talent and those seeking to prosper in Israel’s new economy. This has had deleterious indirect

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2 Within most of these cities with substantially mixed populations, citizens tend to live in ethnically or religiously separated neighborhoods (with the possible exception of Haifa).
consequences for the greater Tel Aviv-Yafo municipality and the other municipalities that suffer brain drain and a diversion of entrepreneurial energies. Any attempt to arrest these centripetal tendencies must necessarily address the strengthening of alternatives to residing or being present in Tel Aviv to have access to opportunity.

The problems faced by this Israel and its cities are different from those conceived by the theorists of Zionism, making them all the more jarring. Zionist theorists presumed a greater degree of communitarianism and less differential in wealth and income than are present today or that trends portend for the future. The problems of this Israel are complex and not easily accommodated by the governmental stovepipes that still exist across not only sectors of activity (e.g., health, transportation, energy, education, commerce) but also levels of government. An apparatus crafted for a nation of farmers, tradesmen, and small manufacturers has proven less than satisfactory in providing confidence that it can address the complexities confronting modern Israeli society.

Therefore, we focus more on the problems—but also the potential for revitalization—that exist on the level of the Israeli municipality than on those that exist in the centers of national government in Jerusalem.

The Plan for This Report

In the balance of this report, we select three key aspects of Israeli municipalities for focus. First, we make the case for adopting a regional approach to address the fragmented nature of municipalities and overcome some of the key obstacles confronted when dealing with the problems faced by individual small and low-income municipalities. Regionalism offers specialization, more-efficient planning processes, and reduced political cronyism. These advantages are partially the result of economies of scale and the positive influence of larger localities and their higher skilled management over smaller localities. Cooperation at the regional level between different stakeholders also makes planning simpler and more streamlined, especially in regional planning of housing, infrastructure, and environmental protection.
The argument for introducing a more locally based approach to governance also rests on several other factors. Principally, they revolve around the flow and use of information. Much local knowledge is either lost or ignored when the bulk of the decisionmaking rests at the central level. As a matter of course, such measures then mandate an emphasis on standardization at the expense of tailoring to the needs of specific locales. Israel’s heterogeneity means that this might prove especially costly in the crafting of fully cognizant governance and development of appropriate local solutions. As with democracies elsewhere in the world, this could mean more than just loss of opportunity or reduced effectiveness. It could lead to fundamental alienation from the very apparatus of participatory democracy itself. Our recommendations are framed in cognizance of this potential indirect effect that might stem not solely from the output of the system of democratic governance but from the nature of the process.

Second, we propose an innovative model for the hiring and placement of personnel in managerial municipal positions as a partial solution for cronyism and the dearth of skilled leadership and professional staffing that typify many peripheral localities in Israel. This model, based on a joint venture between government and philanthropy that has been successfully implemented in schools, proposes to elevate the standards for hiring staff in key municipal positions.

Finally, we examine the education services that municipalities would be able to offer their residents, with emphasis on minority communities. Although the prior sections of this chapter apply to localities in general and those in the lower socioeconomic deciles in particular, the intention in this last section focuses on a problem that afflicts the Arab sector communities in particular. The educational interventions laid out in detail in the fourth chapter would fill the void resulting from the absence of strong local control on the one hand combined with relative neglect by the central government in such areas on the other. At the same time, and consistent with renewed government attention to some of Israel’s long-standing social problems, greater and more-comprehensive initiatives in education at the local level—including encouraging parental engagement, improving informal education offered outside school hours, and providing instruction and honing of Hebrew language skills
in early grades—while appearing disjointed from the two prior more-
general discussions in this report, are nevertheless consistent with the
larger, overarching theme.

Although we treat each of these subjects as independent topics,
they are related from a policy perspective. In particular, we believe
that the structural reforms discussed in Chapter Two could be, if not a
necessary ingredient, at least a substantial asset for enhancing the suc-
cess for the personnel and educational initiatives we discuss in Chap-
ters Three and Four.

We conclude the discussion in Chapter Five with a roadmap for
implementation.
CHAPTER TWO
The Case for a Regional Approach to Local Governance

The Problem Facing Municipalities

Local government in Israel consists of 257 local authorities: 77 municipalities, 124 local councils, 54 regional councils, and two industrial local councils. The legal status of local government has been laid out in the Municipalities Ordinance (1921) and the Local Authorities Ordinance (1934) and by executive orders issued over the years by successive Interior Ministers.¹ Local leadership is elected every five years in elections that are similar to the party list system (as opposed to constituency representation) that governs national elections.²

The local authorities in Israel provide most of the social and municipal services to the residents and businesses within their territories. These services include education and sports, welfare, sewage, sanitation, building permits, economic development, and planning. Elected local leadership is authorized to impose local taxes and nominate staff. The Ministry of Interior acts as the regulator of the local authorities and, in extreme cases, can even nominate an appointed committee instead of the elected mayor.

¹ Much of Israel’s legal code was taken over wholesale from the British Mandate government, which, in turn, largely absorbed and built on the preceding Ottoman code.
² Because Israel has a parliamentary system, national elections could, in theory, occur at any time and depend on the dissolving of the Knesset, the national legislative body. Municipal elections, barring extraordinary circumstances, maintain a regular five-year schedule for elections.
Many localities in Israel experience difficulties in two main areas: financial stability and human capital management.

Over the years, local authorities have suffered from large deficits. In the 1990–2006 period, the average deficit of Jewish local authorities was 5.5 percent annually, similar to the 5.6 percent average deficit of Arab municipalities. Some localities even slid into bankruptcy in the early 2000s and could not pay their employees’ wages (Ben-Bassat and Dahan, 2008). In 2016, most localities within the six lowest socioeconomic deciles were in deficit (Figure 2.1) (Central Bureau of Statistics, 2018).

This situation led to greater involvement by the central government. First, the central government funded recovery programs in which the municipality carried out substantial reforms in exchange for a promise of government budgetary assistance. In 2006, there were 122 recovery programs (covering 52 percent of the municipalities at that time). Second, the Minister of the Interior was authorized to appoint an external accountant (who approved any budgetary expenditure) and external collector (if the municipality did not meet the collection targets for fees

**Figure 2.1**
**Average Municipal Budgetary Balance 2016, by Socioeconomic Decile**

![Graph showing budget surplus or deficit by socioeconomic decile](source: Central Bureau of Statistics, 2018.)
and taxes). The number of external accountants increased from 29 in 2004 to 75 in 2007 (Ben-Bassat and Dahan, 2008). Third, as mentioned earlier, the Interior Minister could select members of an appointed committee that could execute functions in lieu of the mayor and the city council. From 1950 to 2000, there were 34 such committees appointed; from 2001 to 2008, there were 30 appointed committees. In December 2014, 12 appointed committees were acting in Israel—seven in Arab localities, three in Druze localities, and two in Jewish localities (Benita, 2015). Data suggest that the appointment of an external accountant had the most influence over changes to total expenditure levels, salary expense, and collection rates (Ben-Bassat, Dahan, and Klor, 2013).

In addition to the fiscal difficulties, evidence points to deficiencies in human resources management in localities and deviations from professional conduct. A report from the State Comptroller in 2004 claimed that a large share of the local authorities in Israel were in an acute and ongoing crisis of personnel management, expressed mainly in wasteful and inefficient use of manpower (State Comptroller of Israel, 2004). Research focused on Arab localities arrived at a summary with the same conclusions and added that unattractive working conditions in small localities make it harder to draw talent to public service in such settings (Ghanem and Mustafa, 2009). We address the issue of human capital in local governments in Chapter Three.

Scrutinizing the weakest localities in Israel reveals that most of them are Arab or ultra-Orthodox Jewish towns. As shown in Figure 2.2, among all localities in Israel, Decile 1 (the lowest socioeconomically) consists of 82 percent Arab localities, and the rest are ultra-Orthodox towns. Similar ratios are maintained in Decile 2, the next lowest socioeconomically, while Decile 3 consists of 77 percent Arab localities and 23 percent general Jewish (non-ultra-Orthodox) municipalities. In Decile 4, the proportion is 60 percent Arab localities and 40 percent general Jewish, again with Arab localities predominating.3

3 Calculations are based on data from Central Bureau of Statistics, 2018. The ultra-Orthodox cities were defined as Bnei Brak, Beit Shemesh, Modi‘in Illit, Betar Illit, Elad, Emanuel, Kiryat Ye’arim, and Rekhasim.
Four factors explain most of the weakness exhibited by the socio-economically weakest localities in Israel. The first is the low level of locally generated income. Such income is intended to finance mainly municipal services and is mostly derived from local tax, principally on real property (or *arnona*) (Ben-Bassat and Dahan, 2009). Figure 2.3 shows that the average locally derived income per resident for localities increases as one moves toward the higher end of the socioeconomic deciles. Decile 10 has the highest share within total income of income derived from local sources, while Decile 1 has the lowest. The balance in each case is made up by resources received from the central government. Analyzing revenues from local business taxes by decile shows that they, too, rise with socioeconomic status, at least through Decile 7; among the group of localities in Deciles 1, 2, and 3, revenues from business activity are minimal compared with higher deciles (Table 2.1).

The second factor leading to weakness helps explain the first: There are dramatically fewer industrial and commercial areas in towns
with straitened finances. This would affect not only the tax base of the locality but also the employment opportunities for residents. As Figures 2.4 and 2.5 show, the area dedicated to industrial areas and commerce and office space grows by decile through Decile 7. Among towns in Decile 1, there is less than 0.1 km² on average available for commerce and office space areas—while in Decile 7, there is 0.45 km² on average dedicated to this use. The higher value for Decile 3 stems from the city of Jerusalem, which is much bigger than the other localities in its decile even though it is the most impoverished big city in Israel.

4 Calculations based on data from Central Bureau of Statistics, 2018. These calculations show only the absolute size of such areas and not the size relative to the total area of the municipality. A smaller city may be expected to also have a smaller absolute area for commerce than a large one. Yet a smaller town with a prospering business center will then be unlikely to appear in the lower-socioeconomic deciles. This suggests that absolute size is at least one factor worthy of consideration when examining the sources of socioeconomic malaise in Israel’s localities.
The decline in this factor in the upper three deciles could be explained by a shift in the economic bases for these towns. Here, the tax base of housing stock might be characteristic of relatively small, wealthy towns that prefer to avoid harboring business activity within their municipal limits and therefore minimize such negative externalities as noise, congestion, and pollution (Ben-Bassat and Dahan, 2009).

Third, many of the weakest localities in Israel are in the geographic periphery, relatively distant from government agencies and business activity. This makes services and other opportunities less accessible to many of these localities. Table 2.2 shows the number of localities per decile by geographic location. We can see that most of the localities in the lowest four deciles are concentrated in regions considered to be periphery areas.

### Table 2.1
Average Business Tax Revenue per Resident, by Socioeconomic Decile of Locality

<table>
<thead>
<tr>
<th>Decile</th>
<th>Average Business Tax Revenues per Resident (NIS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>150.58</td>
</tr>
<tr>
<td>2</td>
<td>228.48</td>
</tr>
<tr>
<td>3</td>
<td>365.83</td>
</tr>
<tr>
<td>4</td>
<td>1,056.90</td>
</tr>
<tr>
<td>5</td>
<td>1,508.01</td>
</tr>
<tr>
<td>6</td>
<td>1,697.80</td>
</tr>
<tr>
<td>7</td>
<td>1,966.29</td>
</tr>
<tr>
<td>8</td>
<td>1,371.78</td>
</tr>
<tr>
<td>9</td>
<td>722.87</td>
</tr>
<tr>
<td>10</td>
<td>1,381.71</td>
</tr>
</tbody>
</table>

SOURCE: Calculations are based on Central Bureau of Statistics, 2018 [translated from Hebrew], not including the Tamar Regional Council.
Figure 2.4. Average Area of Commercial and Office Space, by Socioeconomic Decile, 2016

![Graph showing average area of commercial and office space by socioeconomic decile.]


Figure 2.5
Average Area of Industrial Areas by Socioeconomic Decile, 2016

![Graph showing average area of industrial areas by socioeconomic decile.]

## Table 2.2
Numbers of Local Authorities, by Geographic Region and Socioeconomic Deciles

<table>
<thead>
<tr>
<th>Region</th>
<th>Decile</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Periphery</td>
<td>South</td>
<td>9</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>North</td>
<td>26</td>
<td>22</td>
<td>12</td>
<td>12</td>
<td>9</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Judea and Samaria</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>11</td>
<td>28</td>
<td>27</td>
<td>20</td>
<td>23</td>
<td>19</td>
<td>15</td>
<td>7</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Nonperiphery</td>
<td>Center</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>10</td>
<td>20</td>
<td>3</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Haifa</td>
<td>6</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jerusalem</td>
<td>2</td>
<td>2</td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tel Aviv</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>0</td>
<td>12</td>
<td>9</td>
<td>10</td>
<td>7</td>
<td>8</td>
<td>17</td>
<td>31</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Grand total</td>
<td></td>
<td>11</td>
<td>40</td>
<td>36</td>
<td>30</td>
<td>30</td>
<td>27</td>
<td>32</td>
<td>38</td>
<td>9</td>
<td>2</td>
</tr>
</tbody>
</table>

NOTE: The table shows only 255 local governments because two of the 257 official localities are industrial local councils with no citizens.
The fourth explanatory factor is the relatively small population size for the socioeconomically weakest localities. In 2016, the average size of towns within the lowest four deciles was 27,900, while the average size of the rest was 38,400. Arab localities are even smaller—the average of all 85 Arab localities is 14,400, compared with 43,200 for non-Arab localities (Central Bureau of Statistics, 2018).

The large number of local authorities in Israel in relation to the size of the country itself also raises challenges. The advantages gained through economies of scale might be difficult to accrue. Evidence from other countries indicates that a smaller number of municipalities that are larger in size could enable the same level of service delivery but at a lower cost (Fox and Gurley, 2006). Moreover, bigger municipalities are better positioned for attracting better leadership and hiring more skilled personnel. A 2003 study indicates that this is also true in the Israeli context. Amalgamations of 11 localities were shown to reduce general costs by 7 percent (Reingewertz, 2011).

Highly fractionalized authorities might hinder planning and implementation processes and pose challenges to development of regions as a whole. Localities might well develop business areas within their own territories without considering the need of, or developments elsewhere in, the region, possibly resulting in excess within some business sectors and deficits in others. In addition, because of the high number of stakeholders, many planning projects are promoted slowly, such as those involving construction and transportation planning.

The large number of local authorities also complicates the role of the central government to regulate and supervise them, thus raising the risk of improper administration because attention is diffused. It also adds to the bureaucratic burden and makes cooperation between the central government and the local government less efficient.

Finally, small localities appear to have substantial difficulties in developing business activity in their territories. Table 2.3 shows that the average business tax income per resident by population size (the most profitable to localities) is higher for bigger localities. For locali-

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5 Businesses are major income sources for localities because, on average, they pay more in taxes than the services they consume. Households, on the other hand, consume more services
ties with fewer than 10,000 residents, the business tax income per resident is about NIS850; for cities with more than 200,000 residents, it is about NIS2,300. For that reason, many of the localities in the lowest deciles suffer from constant deficits.

These weaknesses pose a conundrum for Israel. If there are possible advantages to increasing the authority to address a series of practical and socioeconomic issues at the local level, that level of government appears to be highly fragmented in Israel and, in the case of those localities requiring greatest remediation, inherently too weak to bear the additional burden. The next section addresses how this conundrum might be resolved.

### Possibilities of a Regional Approach

Given the facts surrounding municipal finance and governance in Israel, we turn to a normative question: What can be done to ameliorate shortcomings in a manner that would not require a major overhaul of the fundamental system of local government? In particular, how can from the locality (such as education and welfare) than they pay in taxes on average.

### Table 2.3

**Business and Residential Tax Income per Resident (NIS), 2016**

<table>
<thead>
<tr>
<th>Population (in thousands)</th>
<th>Total</th>
<th>Residential</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–10</td>
<td>1,937</td>
<td>1,094</td>
<td>848</td>
</tr>
<tr>
<td>10–25</td>
<td>1,922</td>
<td>944</td>
<td>977</td>
</tr>
<tr>
<td>25–50</td>
<td>2,435</td>
<td>1,225</td>
<td>1,211</td>
</tr>
<tr>
<td>50–100</td>
<td>2,602</td>
<td>1,180</td>
<td>1,422</td>
</tr>
<tr>
<td>100–200</td>
<td>2,605</td>
<td>1,166</td>
<td>1,439</td>
</tr>
<tr>
<td>200+</td>
<td>3,677</td>
<td>1,395</td>
<td>2,282</td>
</tr>
</tbody>
</table>

NOTE: The Tamar Regional Council was subtracted from the analysis because it is an unrepresentative extreme point.
a new approach to regionalism be seen as a means to address the ability of local governments to meet the needs of their residents? We first present an overview of regionalism as an approach to local governance and then provide global examples in practice.

For the purpose of this discussion, *regionalism* is a system by which localities collaborate on regional efforts of mutual benefit and concern. This could be effected through such actions as city-county consolidation, tax-sharing, regional councils, voluntary associations, and interlocal service agreements. These efforts could be designed to focus only on specific issues or, alternatively, be made comprehensive—or even work out a specific combination of these elements. In the more comprehensive form of regionalism, there is a metropolitan governance structure that implements a regional policy, such as land-use planning (e.g., for transport or housing), taxation, infrastructure construction and maintenance, or emergency management (Basolo, 2003).

According to Henderson (2002), many urban social and economic problems are difficult to address because their roots lie in regional causes, while current policy most often targets local symptoms. Henderson (2002) suggests a regional approach in which fiscal equity among localities increases, land-use planning would be coordinated regionally, and regional and governance leadership would improve. Promoters of regionalism foresee such benefits as reduction of economic inefficiencies, improved equity, alleviation of local economic development competition, limitation of racial segregation, provision of public goods (e.g., cleaner air), and more (Basolo, 2003).

Wallis (1994) suggests that there were two waves of effort to enhance regional governance in the United States during the twentieth century. The first was concentrated on such structural solutions as municipal boundary changes and amalgamations. The second wave focused more on procedural reforms that tried to improve coordination planning between existing units (Wallis, 1994).

The inclination toward consolidation and amalgamation is generally more voluntary but still raises two types of opposition. The first comes from cultural and historical aspirations to preserve the character of the local area. The second stems more from rational choice theories that predict implementation problems with regionalism because it
impedes competition that encourages localities to find the most efficient way to deliver services (Basolo, 2003).

The literature details attempts to deal with the second opposition to regionalism, mainly through lowering transaction costs of voluntary bargaining between local governments, such as in negotiating, monitoring, and enforcing agreements. This reflects one of the foundational findings in neoclassical economics (the Coase theorem), which assumes that negotiators can discover an optimal solution if transaction costs are sufficiently low (Wallis, 1994).

However, there are empirical studies that question the benefits of the first impulse of regionalism and link large metropolitan scale to reduced local control, inefficient allocations, and increased coordination costs (Brierly, 2004). Although many reforms have tried to fix inefficiencies in service delivery, lack of coordination, and duplication, an analysis of previous amalgamations found dramatic savings only in some cases (Wallis, 1994).

The second wave of regionalism in the United States, characterized by incorporating regionalism into joint procedures rather than structural boundary changes, has been impelled, in part, by mandatory requirements from the federal government to adopt cooperation between different localities (e.g., in transportation planning, as detailed later in this chapter). Through different federal grants and loans, the U.S. government requires comprehensive planning that takes into account regional concerns. Moreover, during the second wave, a practice was developed for establishing special, single-purpose regional districts to address specific problems, such as solid waste disposal, sewage treatment, water supply, port development, and other special circumstances. As in the first wave, the efforts in the second wave try to promote efficient and effective infrastructure development, social equity and fiscal disparity, and environmental quality improvements (Wallis, 1994).

**Examples of Regionalism in Practice**

We consider two distinctive forms for regionalization. One is the formal amalgamation of geographically proximate localities into a single government structure. The other is to create a venue for collaborative plan-
ning, policy, and action that might be delegated to either a wider or more restricted authority to act on behalf of its constituent localities.

**Amalgamations**

Amalgamation brings two or more localities together in a formal arrangement to act under one authority. The idea is to simplify the way localities work in the belief that this will lead to a stronger and more accountable municipal government. According to these assumptions, bigger localities are more efficient in the delivery of services and help to achieve higher levels of fairness in allocating costs to residents (Kushiner and Siegel, 2005). The unification could be imposed by the central government or induced through less directive approaches, mainly through economic incentives and transferring authorities from the central government to the localities. The following are some examples of amalgamation processes.

**Denmark.** In 2007, the Danish government reduced the number of municipalities from 271 to 98 through amalgamation and abolished 13 counties (which were replaced by five regions). After the reform, the average number of residents in each municipality was 56,000. The main goal was to improve the quality of services to the residents while preserving the decentralized nature of the country as a whole. This goal was achieved mainly through the transfer of powers from the central government to the local authorities and by increasing the size of the local authority for economies of scale (Blöchliger and Vammalle, 2012).

The government gave the local authorities freedom to determine the unification process. The requirement was only for each local authority to unite with another authority or authorities up to a total of 20,000 residents. Municipalities that did not meet the task were forcibly united by the central government, thereby giving the municipalities a “stick” to encourage reaching the threshold by themselves. The “carrot” was a devolution of powers and budgets from the central government subsequent to amalgamation.

The reform followed three main stages. First, the amalgamation of authorities. Second, a redistribution of powers between the central and local governments. Municipalities are primarily responsible for providing welfare services, including, among other things, kinder-
gartens, compulsory education, preventative health care services, environmental planning, services for local businesses, promotion of tourism, maintenance of local roads, and libraries. The central government mainly supervises the quality of the services. In addition, tax collection was transferred from local government to central government (i.e., the tax types were reduced from three to two). Third, the budgeting system was changed to achieve balance. To ensure that the reform did not increase the budgetary burden on some of the new authorities, the mechanism for central government grants was changed to address potential deficits created by amalgamation.

One of the reasons for the perceived success of this policy was the short amount of time provided to plan and implement the move. Municipalities had to end their negotiations with each other within six months. The design of the reform included an extensive process for public participation to handle and soften objections and also featured a public hearing of nearly 500 institutional representatives and individuals. Today, the reform is considered a remarkable success. The level of services to the citizens was improved, although there was a one-time cost associated with transition. It is too early to determine whether the cost exceeded the benefit.

**Finland.** In 2007, Finland promoted a similar reform to abolish small municipalities. The reform was carried out through a voluntary union (similar to the approach employed in Denmark) and through regional cooperation to provide services. Each municipality could choose whether to unite with its partners or not. In general, it is very difficult for the central government in Finland to influence local governments, so it most often acts through dialogue and incentives.

The municipalities were given a period of one year to conduct the amalgamation, after which the government could impose it. In addition, economic incentives were given to municipalities that agreed to unite. The incentives grew if municipalities managed to reach earlier agreement. The number of municipalities decreased from 452 in 2001 to 348 in 2009 (Finland had 5.3 million residents in that period, compared with the current situation in Israel of 8.5 million residents with 257 authorities). The plan increased the efficiency of local gov-
ernment, although amalgamation also led in some cases to significant costs being shifted to the central government.

**United Kingdom.** Local government in the United Kingdom (UK) has experienced many changes (Wollmann, 2004). In 1972, there was a major territorial reform that dramatically lowered the number of counties (increasing to an average of 730,000 residents) and districts (to an average number of 130,000 residents). Since the 1980s, and especially under the political influence of the Thatcher government, the power of local governments was limited. Localities were limited in the number and size of taxes they could impose, and more authorities were transferred to the federal level. The Conservative government encouraged localities to use market tools for their management, including outsourcing, privatization, and other methods. As a result, the Blair administration in 1997 tried to improve the effectiveness of localities by monitoring procedures. The Best Value plan was implemented throughout all UK local authorities in 2000. It required monitoring by an independent evaluator of all functions of each locality at least once every five years, while the central government had the authority to intervene in those instances for which local services did not meet the minimum standard.

In the next phase, the Blair administration implemented a subtler method to improve localities, called Comprehensive Performance Assessments. All localities were assigned to this program so that their performance could be evaluated in several aspects, and these aspects were ranked in five categories—excellent, good, fair, weak, and poor. Higher ranking could bring more funding and devolution of authorities, while lower ranking could lead to penalties, such as the central government taking away responsibilities and sometimes nominating and installing professional leadership.

**France.** France has many local governments, in the form of some 100 regional districts (known as “departments”) with a median number of 500,000 residents and 37,000 municipalities (known as “communes”) with an average number of 1,700 residents. Despite the size of this apparatus, until the late 1970s the central government in France, not the municipalities themselves, provided most of the public services at the local level. Several attempts by the government of France
to promote a territorial reform were largely unsuccessful. As a result, to improve the functioning of the local level, the government initiated the “intercommunal” system of multipurpose bodies that cooperate on a regional basis to provide better public services and undertake large projects. The intercommunal system in the beginning was a voluntary framework that acted between the district and the municipality levels. However, this step unexpectedly increased the costs of services and increased the economic gaps between localities (because richer localities tend to cooperate with each other). For that reason, the French government established a legal framework for the cooperation by intercommunal systems. After a failed first attempt in 1992, a new law in 1999 appeared to yield success (Kerrouche, 2010). Among the tenets of this legislation were for the central government to impose a framework for cooperation on the regions, make provisions for the pooling of fiscal resources through a single local business tax, and provide governmental financial incentives.

**Regional Initiatives**

We examine two examples for regional cooperation among localities in the absence of amalgamation. Both cases represent a response to actions by central authorities. Although there is a more coercive element in the first of the two examples in that necessary funds will be withheld in the absence of such formal coordination, in the latter an otherwise unavailable opportunity to be the recipient of additional funding through collective action is presented as both the inducement and the occasion for regional cooperation.

**Metropolitan planning organizations.** Since the 1970s, state and local governments in the United States have been required to establish metropolitan planning organizations (MPOs) in urbanized areas with populations of more than 50,000. The main purpose of the MPOs is to help the localities plan (and sometimes execute) surface transportation infrastructure and services and allow the region as a whole to set a unified, comprehensive policy to prioritize and meet the needs of each area (Mallett, 2010). The MPOs represent local governments in working with state Departments of Transportation (DoTs)
and with other transportation providers (U.S. Government Accountability Office, 2009).

There are 381 MPOs in the United States; 52 percent of them represent areas with populations of fewer than 200,000, 36 percent represent areas with populations of 200,000 to 999,999, and 11 percent represent areas of 1 million or more. Most MPOs receive the bulk of their resources from federal budgets (mainly because the condition to receive federal transportation funding is to apply through MPOs and state DoTs (U.S. Government Accountability Office, 2009).

MPO governance varies in board size, board composition, voting system, and other factors. Boards might range from three to 105 voting seats (with an average of 16 to 17). Local elected officials hold most of the seats, followed by county commissioners and state DoT representatives. Thirteen percent of the boards have a weighted voting system according to which each board member carries a different, defined level of mandate (Center for Urban Transportation Research, 2018).

Seven out of ten of the MPOs are hosted by another agency, such as a county government or municipal government, which decreases operational costs and enhances fiscal stability. The other MPOs are independent and usually enjoy greater autonomy and flexibility (Center for Urban Transportation Research, 2018).

The median MPO has six staff members, while 25 percent of the smaller MPOs have fewer than three employees. The national average is roughly one MPO staff member per 50,000 residents. The staff assist the MPO board to prepare documents, coordinate public feedback, and manage the planning process. MPOs vary in their tasks and scales, but all are required to produce long-range (20-year) transportation plans, short-range (four-year) transportation improvement plans, annual statements of planning priorities and activities, and public participation plans (U.S. Government Accountability Office, 2009).

Many MPOs have sought and been granted authority to go beyond just transportation planning functions. So-called joint powers authorities or associations of governments may, when chartered to do so by their states, operate as planning and decision bodies in service sectors beyond transportation as designated by the local authorities that compose them.
**European Regional Development Fund.** The European Regional Development Fund (ERDF) is the largest fund of support for economic development across European Union (EU) countries (approximately $32 billion in 2016) and is focused on a regional orientation. Its main goal is to reduce inequality by supporting regions in which development is lagging. The investments focus on the development and structural adjustment of regions and in new areas, such as innovation, the digital agenda, research and development, information and communications technology, the low-carbon economy, and the competitiveness of small- and medium-sized enterprises (Sapala, 2016).

ERDF investments aim to achieve economic growth and job creation. Ninety-five percent of the budget is allocated to these goals, while the balance promotes territorial cooperation. The EU regions are divided into three categories, with the lesser-developed areas receiving more support. There are 72 classed as less developed regions (with GDP per capita of less than 75 percent of the EU average); 51 transition regions (with GDP per capita of between 75 percent to 90 percent of the average); and 151 more-developed regions (with GDP per capita of more than 90 percent of the average). ERDF does not fully cover the programs’ costs and requires contribution from the host country for 50 percent to 80 percent of the costs. Within the EU, Poland is the biggest recipient in the budget for the 2014–2020 period (€21.5 billion, or about $25 billion at 2018 exchange rates). However, Estonia and Slovakia receive the highest ERDF support per capita in the same period (Sapala, 2016).

The EU has evaluated ERDF’s programs. Between 2007 and 2012, ERDF contributed to the creation of 600,000 jobs, and 5.5 million people were connected to new or improved wastewater treatment and to completion of the trans-European transport network (with the Cohesion Fund). Between 2007 and 2013, ERDF supported directly and indirectly 400,000 individual businesses and created 121,400 new businesses and 322,100 new full-time equivalent jobs in small or medium-sized enterprises (Sapala, 2016). However, there is evidence that structural fund spending by the EU (which includes ERDF) has a significant growth effect only on less developed regions (Mohl and Hagen, 2010).
The Case for a Regional Approach to Local Governance    27

Design for a Regional Approach in Israel

We now turn toward the case of Israel to present a District model for the regional organization of local government functions. This model consists of dividing Israel into ten or fewer major districts and allowing new district bodies to operate with the cooperation and on behalf of the local authorities within their regions. In presenting this form for regional action, we eschew the opportunities for amalgamation because such an approach could prove problematic in the Israeli setting (where the nature of population and communities is considerably more heterogeneous than in any of the examples cited earlier even when such localities might be adjacent to one another). Instead, we focus on the more administrative approach to regionalism.

We begin by laying out what currently exists in Israel and then suggest an approach that will take more-definitive strides in the direction of region-based action to address the problems evinced by the current approach toward local government.

Clusters: An Initial Step

Clustering is a new form of local authority created to encourage regional development and foster cooperation among local authorities in the same geographic area to improve planning and implementation of policies at the local level. The legal basis for clusters (eshkolot) as a new form of local authority in Israel was approved in December 2016, when clusters were given the benefit of access to governmental budgetary inducements and subjected to government regulation.

Clusters can operate in many forms and can enable joint service delivery by localities, including garbage disposal or operation of regional centers for people with disabilities. That way, the cluster serves as a management or executive arm of the local authorities in the cluster. The localities can delegate some of their authorities to the cluster (e.g., to enforce environmental violations, veterinary rules, business activity, and more). Clusters offer localities greater flexibility. Localities can determine their own levels of desired cooperation, the type of services
for coordination, the extent of their authority delegated to the cluster, and more.\textsuperscript{6}

Joining clusters is voluntary, but the central government incentivizes the localities to do so. The government covers clusters’ administration costs and defines them as National Priority Areas, which allows ministries and government agencies to allocate more funding and publish tenders that are directed only to clusters (such as a cleaning fund for garbage collection).\textsuperscript{7} Moreover, joining a cluster reduces the costs of acquired services by improving clusters’ bargaining power (e.g., the cluster of Beit Hakerem reduced the cost of street cleaning services by 75 percent) (Ministry of the Interior, 2018). In May 2017, 93 localities (36 percent of all localities in Israel) asked the central government to join a cluster. There are five active clusters today (Eastern Negev, Western Negev, Western Galilee, Eastern Galilee, and Beit Hakerem). The Ministry of the Interior approved an additional five clusters in June 2018 (Galilee and the Valleys, Kinneret and Amakim, Gulf authorities, Sharon, and the Southern Sorek clusters), and three more are in the process of approval (Merhav Iron, Judea and Samaria, and the Carmel region clusters).

**Moving to a District Approach**

We build on this initial step to offer a more comprehensive view for a shift toward what we term the *District model*. This amounts to introducing a new administrative layer between local authorities and the government. This layer could be a delegated authority in any or all of a variety of areas both at the local level and in the central government, including the following:

- budgetary: setting the rates for municipal taxes, establishing a regional budget, and approving the local authorities’ budgets
- education: establishing a regional educational center

\textsuperscript{6} Authors’ private communication with senior official in the Ministry of Interior, phone, December 18, 2017.

\textsuperscript{7} Authors’ private communication with senior official in the Ministry of Interior, phone, December 18, 2017.
• planning: setting the region as the locus for regional planning authority
• transportation: instituting region-centric planning for mobility and integration
• water, sewage, and trash: seeking gains from regional planning of utilities services
• environment: harmonizing plans and implementation with regional sustainability goals.

We envision these delegations of authority as potentially enabling benefits both from an administrative point of view and in specific substantive areas.

Prospective Administrative and Organizational Benefits

Economies of scale. The literature on municipalities points to advantages for larger localities. These advantages arise from savings on regular costs, a higher ability to bargain, and a better ability to plan. Studies of local government point to significant economies of scale, both on the income side and on the expenditure side. On the expenditure side, this arises from cost savings. As one author noted,

The expenditure per capita in the regular budget does indicate that tiny local authorities, of up to 2,000 inhabitants, suffer from a significant absence of economies of scale, which is reflected in expenditure per capita that is two times higher than the average per capita expenditure in all local authorities in Israel. The per capita expenditure decreases as local authority size increases, up to 30,000 residents. Beyond this size, it is impossible to identify economies of scale by analyzing expenditure per capita in the regular budget. A multivariate regression analysis also indicates that the effect of the size of the population on the level of expenditure per capita is strong and significant. (Razin, 1999)

On the income side, economies of scale may arise from the greater scope for locally generated income. Figure 2.6 shows the correlation between size of municipalities in Israel and the capacity to generate local income. While a regression line has been fit, the best interpreta-
tion of these data is that beyond a certain minimal size, the ability to be sufficiently self-financing (within the 40–60-percent belt) becomes more assured.

**Comprehensive growth.** Comprehensive growth improves the quality of life for the entire population via a high level of employment and the minimization of wage gaps between the different population groups. The more comprehensive the growth, the more the labor market produces employment for wages to improve the quality of life for all parts of the population, thus reducing the burden on the welfare budget. In Israel, a correlation exists between the status of the local authority and the socioeconomic status of the population living within the area of the authority. Weaker populations reside in the weaker authorities; there is certainly a bidirectional causality between these two facts.

Moving the authority for planning and implementation decisions to a district level would make it possible to address the deficiencies of

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**Figure 2.6**

Locally Generated Income as a Share of Total Income for Israeli Localities

![Graph showing Locally Generated Income as a Share of Total Income for Israeli Localities](image)

**Source:** Central Bureau of Statistics, 2018.

**Note:** Not including regional councils, Jerusalem, and Tel Aviv.
some of the weakest municipal units. The change in structure could make it possible to promote educational, development, and employment programs in a way that will lead to more-comprehensive growth. Another advantage would be to achieve a more effective way of handling welfare populations with a view toward shifting more people from the welfare circle toward employment. Today, the local authorities are required to provide 25 percent in matches to receive assistance for welfare services. In the current structure, weak authorities find it difficult to provide the matching contributions and therefore consider it more difficult to treat this population. A change in structure would allow the district to change the matching within its jurisdiction.

**Economic development.** Under present circumstances, the main locus for economic development efforts is on the individual locality. Because the municipal taxation structure frames businesses as a source of net income while residential construction creates net costs, the authorities have an incentive to establish employment areas within their boundaries while ignoring the larger view and regional needs. This structure gives rise to several common side effects, including a focus on small-scale industry; damage to the urban space and open areas mixed with industry; poorly coordinated supply of employment, and more. A district structure would make it possible to rationalize economic development to achieve several purposes (both regional and local) and would enhance the potential for attracting large companies and even companies operating on a national scale to localities within the district through efficiencies and the capacity to offer more-attractive packages.

**Promotion of spatial interests.** The territory of the state of Israel is small and densely populated. In addition, Israeli society is highly segmented and incorporates several subsocieties that live in separate towns (e.g., ultra-Orthodox, Druze, Bedouin, and Arab communities). With the exception of the Druze, participation by these communities in the labor market is lower than the national average. Other spatially significant characteristics are a high level of traffic density on roads and a low

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8 In Israel, a distinction is made between the Bedouin and the other Christian and Muslim Arabs.
supply of public transportation infrastructure. Under present conditions, authorities promote local interests but show little concern about regional development even though it directly affects them and their inhabitants. For example, a large city does not promote employment among Bedouins who live in an adjacent town even though the consequences directly affect its inhabitants (e.g., increased crime levels, reduced purchasing power). These consequences and such issues as water and other factors would have a formal venue for discussion if they were part of the agenda for a district rather than relegated solely to a more local basis.

**Government processes.** Addressing the needs for each small authority to handle matters in its own right creates a large bureaucratic load and administrative inefficiency. When the government aims to promote a certain initiative or manage a certain domain in an efficient way, the necessity of handling 257 authorities does not allow for such action. If, instead, the bulk of such an effort were to be borne within the structure of seven to ten larger-scale regional districts, government would be better able to plan and execute its policy more effectively and perhaps with more cognizance. The government and the local authority share the same goal—in the sense of providing quality services to the same citizens. The extended structure of 257 localities could be compared with that of a large business that fails because its control span is overextended. A smaller control span could allow the government with its various branches to better handle the implementation of policy but could also improve the ability of the local authority to work with the government in promoting initiatives and activities that arise from the needs of those local authorities.

**Local leadership as the generator of change.** Mayors of the largest cities do have a meaningful role in managing large and complex municipal systems. This tends to attract experienced and highly qualified people who are motivated by their desire to work in the public sector to generate change. The proposed district structure would create districts of similar scale composing the multivariate mosaic that characterizes Israeli society. District leadership would have the opportunities to generate change that are today mostly the province of the central government. Thus, for example, the creation of a Center District
could lead to that region’s long-sought change in public transportation, a change that could contribute to reducing inequality, improving productivity, and connecting ultra-Orthodox society and integrating it within the economy. A Northern District could lead the integration of the Arab population into the economy, and a South District could determine means for the engagement of Bedouin society. In this way, the mayors of the large cities, who constitute the metropolitan anchors of the districts, would become change-generating leaders in Israeli society.

Apart from these more-general benefits from employing a District model to local governance in Israel, there are further benefits that might be envisioned in several specific domains of government service and action. We detail these benefits in the following subsections.

**Budget.** A district’s authority to set the rate of taxation and its distribution among the towns and inhabitants of the district would lead to a reduction in the gaps between the district’s various locales. The district would be better situated to attempt a balance of the economic gaps that exist between strong, connected cities enhanced by municipal taxes paid by businesses and places that do not have sufficient income of this type. In this way, the ability of weaker local authorities to provide good-quality services would be greatly improved, and it would even become possible to introduce services that are now provided only on a limited basis or even not at all. This aspect of budgetary control might also affect construction for residential use. Under current conditions, each local authority has an interest in developing uses that yield municipal business taxes and rejecting zoning for residential buildings that yield less income and involve higher current expenditures. Balancing this tendency by pooling the business municipal taxation at the district level and directing its distribution according to district management principles would make it possible to reduce the current pursuit of business municipal taxes so prevalent among localities and, therefore, lessen the built-in resistance to further residential buildings that plays a role in the critical housing shortage throughout Israel.

**Education.** Along with housing, quality of education and the unevenness of school performance are matters of major concern in
Israel. One of the notable features of Israel’s accession to the OECD has been to illustrate how deficient educational attainment is in Israel compared with the nations with which it prefers to be identified.9

Under the proposed system, districts would be responsible for the general management of all local primary and secondary educational institutions through an established Education Administration. This responsibility would encompass all pedagogical, physical, and administrative aspects of educational institutions within the context of Ministry of Education (MoEd) policy. In this way, the MoEd would focus on setting policy, budgeting, and supervising and would no longer deal with the operational aspects of teacher employment, the implementation of educational programs, and more. This should achieve a double value—improvement in the local level of performance and refocus by the MoEd on areas that are the specialized domain of the central government, i.e., planning and regulation rather than implementation. The district managers would establish the work plans and nominate the school principals. The goal is to achieve better results thanks to greater flexibility and a better response to the needs of students who live within the district. This would permit elucidation of a clear professional and management hierarchy with simplified decisionmaking processes more in proximity to the people on the ground that is today often lacking.

A key element would be an enhanced ability to direct greater resources—budgets, professional principals, and quality teachers—to weaker schools within the district. This is not feasible without the creation of districts comprising a varied mix of schools. At least one more mechanism would be available to reduce the present gaps between weaker and stronger schools. Figures 2.7 and 2.8 show the gaps in attainment of students coming from stronger and weaker socioeconomic backgrounds in the Meitzav tests of proficiency in Hebrew, mathematics, and English.

Planning. The current planning system includes a National Planning Council, regional committees (under central government control),

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9 For example, Israel is ranked 30 of 35 countries in mathematics performance on the Programme for International Student Assessment (PISA) exam (OECD, 2018a).
local committees, and neighborhood committees. In the context of the proposed district structure, each district would have its own District Planning Committee instead of the various committees that currently exist in each region. The District Planning Committee would be involved with master planning and responsible for plans that address employment and residential zoning, infrastructures that lie within or pass through the district (e.g., roads and railways, water, electricity and gas), public buildings, urban renovation, and more. This structure would make possible a more integrated, comprehensive, and coherent approach to district development with an emphasis on zoning that references the various needs of the local authorities. Another advantage stems from the decentralization of planning authority that is currently

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10 Neighborhood committees function as common planning bodies for those small localities that do not have their own local committees.
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Centralization leads to difficulties, both in the rate at which things get done and in the achievements of the final product, particularly because of the distance between the government and planned areas. The proposed structure would make it possible to decentralize and transfer authority in a way that might improve the latency and quality of the planning.

**Transportation.** Districts would serve as metropolitan transportation authorities, similar to U.S. MPOs, and manage the planning system, the contractual arrangements and the management of bus and train networks, and signage and demand management. The definition of the district as a metropolitan transportation authority would make it responsible for all management of transportation issues in general and public transportation in particular. Using this definition, transportation management is a common practice in many (if not most)
developed countries and allows a unified perspective on the intraspatial coordination of infrastructures that cut across cities, such as railways and roads. The definition of a district as both a transportation authority and a planning institution would make it possible to focus the required interests within a comprehensive vision for promoting the development of public transportation projects. One of the significant causes of low transportation investment in Israel—and the consequent damage to productivity—is the extended time for planning processes that are required to coordinate between many localities. This is exacerbated by the present distance between the government as central planner and the regions in which the projects are being implemented. The proposed structure would aid considerably in promoting the availability of railways and other public transport projects, the absence of which is one of the greatest obstacles to the development of the Israeli economy. Table 2.4 shows low outcome measures for several public transportation indicators in four metropolitan areas in Israel, compared with the average in developed metropolitan areas around the world.

**Water, sewage, and waste.** The district would be the owner of water, sewage, and waste corporations within its region. The local

<table>
<thead>
<tr>
<th>Measure</th>
<th>Jerusalem</th>
<th>Tel Aviv</th>
<th>Haifa</th>
<th>Be’ersheva</th>
<th>Developed Metropolitan Areas, Global Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average speed on public transport network (km/h)</td>
<td>16</td>
<td>17</td>
<td>19</td>
<td>52</td>
<td>25</td>
</tr>
<tr>
<td>Share of public transit travel</td>
<td>23%</td>
<td>24%</td>
<td>24%</td>
<td>39%</td>
<td>40%</td>
</tr>
<tr>
<td>Length of dedicated transit or taxi infrastructure (meters per 1,000 residents)</td>
<td>25</td>
<td>69</td>
<td>102</td>
<td>118</td>
<td>150</td>
</tr>
</tbody>
</table>

water and sewage assets that would transfer to district control would gain the advantages of economies of scale in establishing large regional infrastructures and in operating jointly. This would partly come from rationalizing the scale, coverage, and investment in infrastructure that would be tuned to meet the needs of the district localities. This operational advantage would help improve services while saving costs. Meeting the requirements of the regulatory authorities and the improvements necessary for enhancing the quality of life would require increasing investments in this domain, especially in wastewater treatment at the irrigation level, waste recycling, and the use of energy for the production of electricity. These changes would necessitate the building of considerable infrastructure; a regional vision would help improve the complex planning and execution processes entailed by these types of projects.

**Environment.** Under Israeli law, a *district* would be defined as an Association of Cities for the Environment. All environmental quality requirements, enforcement parameters, and the issuance of environmental permits for business licenses would then be conducted within this framework. One of the phenomena prevailing today is that of “not in my backyard”: Authorities refrain from promoting the planning and building of waste removal systems, wastewater treatment, and the production of electricity within their limits because they are not considered desirable. As a result, authorities then take action to transfer this type of infrastructure from one to the other. In the context of the district structure, this phenomenon is expected to decline, in view of the necessity for these service infrastructures within the area of each district.

**Chances for Successful Outcomes**
The prospects for the District model to resolve many of the ills that currently bedevil the municipal level of governance in Israel are reasonable—but far from being assured. Several objections highlighting the potential for gaming the system should be taken seriously. Engineering a shift in authority to the regional level at the expense of both the national and municipal levels might be the occasion for just a different type of municipal cronyism on a bigger playing field than currently
exists. Introducing a new layer of bureaucracy might itself be seen as a form of inefficiency and potential waste. Furthermore, there is the question of monitoring and measurement. The mere act of placing several municipalities, some wealthy and others impoverished, in the same district might change the statistics on the “average” standard of living and other metrics but would not have any effect on the actual circumstances that those municipalities face. Finally, there is the potential for moving neglect and preference that now exist to a different, more “democratic” level: The district votes to put the new waste management facility next to an Arab village and builds a new school in a prosperous Jewish town.

Nothing is guaranteed. For this reason, in the next section, we advocate a phased approach to implementing the District model—with each district, in turn, going through its own structured set of discussions, workshops, and stakeholder engagements to determine the shape and scope of that District’s initial and prospective powers, responsibilities, and assessment verification framework.

However, there are some reasons for cautious hope of the “trust but verify” variety. One is the adage that the sunshine of public opinion is the best disinfectant for the “noxious germs which hatch where politicians congregate” (Bryce, 1891, p. 355). There are some pragmatic grounds for offering this naïve-seeming outlook. With so many small municipalities, corruption and cronyism are difficult to ferret out and upon which to focus attention. When national-level ministries hold sway, they are difficult to penetrate and hold accountable because of asymmetries of information and power. With a relatively small number of districts that can be monitored and compared against one another in the press and by civil society groups (while the possibilities for pec- cadillos and malfeasances are not eliminated), their prospects for being detected by stakeholders operating at a similar scale are potentially greater. Beyond this, the national government should not be seen as bowing out of responsibilities at this level. One of the crucial elements, as seen in most of the foreign cases cited previously, must be oversight by the central authorities during the establishment stage of the district, the norms of its performance made clear, and its periodic evaluation carried out. The District model on the one hand means that this over-
sight needs to take place over vastly fewer units while, on the other hand, those units are more standardized and might be evaluated based on the experience and performance of others.

It is not only likely that skepticism greets the District model proposal as we have laid it out; it is essential that it does. Furthermore, there is the larger issue of how predominantly Arab localities might fear for the preservation of their priorities and interests within a district structure wherein they might find themselves in a minority but now at a semi-local level. While this is a natural reaction, it could be turned on its head: Under the present system with national-level decisionmaking, the rights and equities of minority localities have proven difficult to assert. Such assertions might be more likely to do on a district-by-district basis if the establishment of the districts is part of a collaborative process among co-located municipalities. In the next section, we discuss in more detail how it might be possible to create the base of trust necessary for the experiment’s implementation.

**Design Choice, Structure, and Implementation of the District Model**

After making the case for transferring a great deal of local government planning and decisionmaking to a new, large district structure, we conclude this chapter by discussing some of the practicalities of design and implementation.

Creating any regional scheme for organizing local governance is more than just a technocratic exercise. There are, of course, political implications—but, more than that, the concerns, sensitivities, and perceived interests of residents will immediately be triggered by such a proposal. Therefore, in designing the structure, determining the extent and direction for the transfer of decisionmaking powers, and deciding on implementation, the process by which such determinations will be made is at least as important as any plans for design and courses of action that might emerge. This is especially the case in Israel, where moving a few kilometers from one community to another could bring a person into an entirely different socioeconomic, cultural, and even lin-
guistic milieu. Measures to ensure confidence and eventually build sufficient mutual trust must be in place from the first stages of planning.

This consideration suggests that among the first steps at the level of each proposed district should be creating a common vision of what a successful, well-functioning region would look like. Stakeholders, community representatives, and local officials should be afforded the opportunity to engage in a structured process of discussion and workshops to develop such a vision. The process will not be the same for each proposed district, nor will it necessarily yield the same outcome. In some cases, there may be sufficient agreement to proceed along several areas of public service delivery, human capital and skill-building, developing endogenous entrepreneurship, and business creation. In others, a staged approach may be required according to which the district may first coalesce around a single area of performance and build on whatever initial success may be achieved. The point is not so much to impose a single, unitary model on all districts but rather to create a mechanism for collective decision and collective action within regions that currently are neither practically nor legally capable of either.

Although these considerations of community and stakeholder engagement take primacy as a *sine qua non* for successful reform of this type, the national-level government is charged with formulating a package of incentives and developing the general legal and regulatory framework that would accord priority to district-level activities as these structures come into being. Thus, for example, in the budgetary realm, there would be a need to provide flexibility in setting rates and authorities for municipal business taxes. There would also need to be considerable authority delegated to the newly established District Planning Committees with adjustments to the present roles of the Ministry of Interior and its current planning bodies. Similarly, for transportation, while a national perspective and guidance should be retained by the central authorities, a mechanism for local planning, decision-making, and budgetary priorities must be given to the public transportation projects planned and executed by the districts, and planning processes should be speeded up. The plans for districts will naturally entail coordination, most likely at the level of the Office of the Budget in the Ministry of Finance for fiscal harmonization and the Ministry
of Transportation to ensure adherence to achieving overall national policy objectives.

Education would see a major shift in focus. From a system in which the central authorities’ control extends into the microdecisions of individual schools, the District model would reduce the length of communication and decisionmaking channels within regions. Skill- and capacity-building are crucial elements affecting the well-being and performance of many of Israel’s distinctive locales and different communities. The ability to develop locally tailored solutions specific to local community needs could be an important component for addressing many of the ills that presently assail too many local authorities in Israel. (The importance of this point will be dealt with extensively in Chapter Four.) The central government will no longer be as minutely prescriptive and instead will provide budgetary support along with quality oversight for district-level educational administration centers that seek to enhance the weaker schools within their jurisdiction. The centers will administer systems for collating proven results (rates of matriculation, drop-out rates, shares of students electing to test in mathematics and English at the highest levels, language studies within the Arab population, and core study subjects within the Haredi communities), awarding managerial flexibility to school principals within the area of the district and sharing results with the MoEd.

In such areas as water, sewage, and waste, the government should allocate financial aid to the districts for infrastructure construction. Districts should be granted the authority to issue Build-Operate-Transfer\(^1\) tenders while also including government involvement with lenders. Employment is also a leading issue. Public central institutions own approximately 93 percent of all land in the state of Israel (Israel Land Authority, undated). Provisions will need to be made for the allocation of lands and budgeting for the development of business and industrial employment zones that could be planned and implemented

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\(^1\) Under such arrangements, a private contractor might finance and build a system for delivering a service and thereafter be granted a concession to operate the infrastructure for several years while using the revenue stream for compensation and profit. At the end of the contractual concession, the built system would then be transferred to the local public authority.
by districts for the specific purposes of serving populations with currently low labor market participation rates. Such provisions could also accommodate such goals as the creation of high value-added employment opportunities for the Haredi and Arab populations and the creation of incentive packages for investments in high technology. Similarly, in the realm of welfare services, aid should be provided to districts that wish to promote individual programs for helping families escape the cycle of poverty.

These examples illustrate directions of thought that should guide the government in pursuit of a successful district structure to ease the burden on local governments in Israel. Announcing these and similar changes would make clear from the outset how this initiative would have the potential for delivering direct value to Israel’s residents. Such changes would not come without resistance on justifiable grounds to what would appear to be (and what would be) a move away from the logic of local governance and national balance of the prior 70 years. There are three potential major arguments against such an arrangement.

The first would be where to search for the managerial capability to staff district authorities. One of the problems noted in the prior discussion is precisely that this tends to be lacking locally and even more so in localities falling into the lowest socioeconomic deciles. One might hope that as functions, authorities, and budgets shift from both the national and local levels toward the districts, there will be a concomitant shift in personnel. In a region with 20 to 30 local governments, positions on the district staffs might be seen as desirable, and competitive pressure might cause a natural diffusion of capability toward these districts. This diffusion of talent might also occur from the direction of the current planning and decision authorities at the national level. However, this cannot be viewed as a reliable mechanism. In any country, there could be suspicion of favoritism and connections playing a major role in allocating positions of such potential power and prominence. In Israel, where concern about corruption (notwithstanding what may be the actual level or practice of corruption) is of public concern, such a process might fail the test of confidence-building and enhancing trust (to say nothing of guaranteeing adequately capable staffing of district offices). Therefore, more affirmative measures should be employed to
Local Government Reform and the Socioeconomic Gap in Israel

enhance the level of managerial and administrative capacity available. These issues are sufficiently important to be worthy of discussion in Chapter Three.

A second point for one acculturated in Israel’s long experience of center-local relations might be how to coordinate on a national level the plans and decisions of the individual districts and guarantee their aggregate feasibility, particularly with respect to budgets. This point is not a trivial one, especially given Israel’s well-known bout with grave economic imbalances in the 1970s and 1980s. The answers are more detailed but beyond the scope of this report. Although Israel is a unitary state, as opposed to a federal one (and will remain so under this plan), the experience of federal states in maintaining fiscal balance and due diligence with respect to financial obligations should be studied and lessons and practices most appropriate for Israel be drawn upon. The institutions established after the economic crisis and near hyperinflation, such as the powerful Office of the Budget, would still exist. Their precise function would need to be rationalized to the new system.

Finally, these steps might appear as drastic changes. Although establishing a new level of government might appear redundant and bound for conflict with the central organs already in existence—certainly, poor design and implementation could result in just that—this need not be the case. To be sure, there will be profound changes to absorb and accommodate. However, much of what is being proposed might be viewed as changes in the mechanisms of implementation and not so much as fundamental changes in power and authority. Ministries might have fewer directive approaches at their disposal in meeting goals in accord with their policies, but these are already becoming either increasingly difficult to employ or less fruitful in their results as Israel’s society and economy develop. This approach would place in the hands of the ministry potentially more-effective means to achieve policy agendas—not through cajoling and coercion but rather through signaling and fiscal and regulatory “nudges” that may then be inter-

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12 In 1984, the worst year, inflation reached 445 percent in Israel (Inflation.eu, undated).
interpreted and acted upon in ways tailored to the conditions of Israel’s many regions.

Such issues and others to be examined boil down to choices of design. One of these choices would be the matter of how to roll out such a reform. A Big Bang approach may take a great deal of political will, as well as time, to enact. This need not necessarily be the approach required. Another might be to take the approach some countries have taken to creating special economic zones. An opportunity is offered, special rules and relations are drafted, and then one or more experiments are undertaken. Such a process in Israel could start off with a single district as test bed and exemplar. Israel’s south, where for several reasons one might expect fewer teething issues for a new approach, might be a good testing ground. Even at this level, the process need not begin with a mini Big Bang and the sudden shift of all due authority to the district. A single issue, such as transportation, where extensive work has already been done at the management level and there is a wide professional infrastructure in place for initiating the process might be a good test bed.
In the preceding chapter, we provided a general overview of the situation confronting municipalities in Israel. We also presented a scheme for a district-level organization that would address some of the administrative problems that are present in the current structure. However, a purely organizational and process-based solution will not address several of the most deep-seated issues. The effectiveness and professionalism of a local authority depend to a large extent on the quality of its personnel, especially at the management level. This might be especially, although not exclusively, the case for the managerial level in Arab local authorities where appointments are highly politicized: It is not necessarily the best candidates who are appointed to senior positions. Ghanem and Mustafa (2009) write that the hiring of senior officials in Arab municipalities “is carried out in accordance with considerations of clan or party closeness,” and not only for purely professional reasons. Although the process of selection is carried out according to the law (including the publication of the tender, the convening of a Tenders Committee for the selection of senior employees, and other factors), political considerations are ultimately involved in the appointment of professionals. Ben-Bassat and Dahan (2008) point to similar problems. It appears that most of the requests for employment of relatives come from Arab local authorities.¹

Another indication comes from a questionnaire sent by the Center for Local Government to Arab authorities with the aim of identifying and characterizing obstacles facing Arab local government (Sened et al., 2015).² Seventy-four percent of respondents stated that they feel and suffer from politicization within the local authority’s administration and that this harms the authority’s function. About 40 percent believed that the appointment of senior authority employees was not based solely on professional considerations. In addition, only about half of the respondents thought that senior employees did not constitute a barrier to implementing work plans and providing services to residents.

In addition, structural and procedural changes to employment conditions in recent years have made senior positions in local government less attractive than senior positions elsewhere. These changes include such burdens as enhanced personal disclosures and reporting in local government not required of senior public sector employees in the central government. At the same time, the salaries of senior officials in local authorities are significantly lower than those of officials in similar positions in government-owned companies (and even more so in the private sector). Thus, the supply of good candidates for each job is also decreasing.

This underscores the importance of finding a new way to strengthen human capital in senior positions in the local authorities. Such a change could improve authorities’ performance and behavior dramatically, reduce functional inequalities between Jewish and non-Jewish localities, and strengthen public confidence. In this chapter, we address the issue of skill-building at the top of the professional ladder of municipal governance. In Chapter Four, we propose measures that minority localities could enact at the foundational, elementary, and secondary educational levels.

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² The questionnaire was answered by heads of authorities and senior officials in 42 Arab local authorities. This constitutes about half of the total number of Arab authorities.
Establishing a Database of Senior Managers

According to the definitions of the Ministry of Interior, the statutory senior positions in each authority are determined according to the population size. Municipalities, for example, must appoint a chief operating officer, an engineer, a veterinarian, a legal adviser, a director of the education department, a comptroller, and a treasurer. Regional or local councils, on the other hand, must appoint a chief operating officer, an engineer, and a comptroller (Ministry of Justice, 2016).

Senior employee hiring in municipalities is conducted by publishing a tender according to uniform rules. At the same time, the mayor has influence over the staffing process through influence on the Tenders Committee for the selection of senior employees. The Ministry of the Interior publishes threshold requirements for each position within the “Local Authority Role Descriptions File” that vary according to the size of the authority. Some of the threshold conditions have been modified to allow a wider pool of candidates to be appointed to various positions. For example, to be appointed treasurer, there is no longer a requirement to have an economic academic degree (such as economics, accounting, or business administration); more-general degrees (such as public administration) can suffice. In addition, prior review of candidates by evaluation centers before approval is not mandatory as it is in the civil service and other places in the economy.

The employment structure of senior executives also affects the quality and distribution of the personnel in two ways. First, many local authorities offer attractive wages to senior officeholders through a personal contract and not as part of the collective agreement of local authority employees. Because the majority of Arab authorities are in financial difficulties, it is difficult for them to offer high wages to the very best. Second, the employment of senior officials through personal contract is subject to the approval of the Ministry of the Interior—therefore, in practice, the procedure has become an unintended enforcement mechanism. Because the Arab authorities use this...
procedure less, their appointments receive less control and supervision by the central government (Sened et al., 2015).

Those who are appointed to senior positions are not obligated to undergo training for the position. Currently, the Ministry of the Interior provides professional training programs to aid in preparation for these roles, but the programs are also not obligatory and do not require successful completion.4

In addition, there are several initiatives to strengthen personnel at the local level. The Makom program is the equivalent of a cadet program for senior employees in local government. It provides a total of six weeks of intensive learning spread across the span of one year and includes study of important issues relevant to the localities in Israel. The program develops leadership capabilities and emphasizes personal development. Makom is a joint initiative by the Ministry of the Interior and Maoz, a nonprofit organization whose goal is to promote leaders in local governance systems (Maoz, undated). There is also Cadets for Local Government, which is a government program designed for talented and ambitious young people who wish to combine academic studies with public service. The program takes two or three years to complete, during which the cadets receive an academic degree in parallel to practical training within local government. The program grants a full scholarship to its participants; after graduation, they are required to work in local authorities in Israel’s periphery for four years. The program is one tool for implementing a GR to develop manpower for the public services sector in Israel (Cadets for Local Government, undated; Prime Minister’s Office, 2016). However, the scale of these programs is relatively narrow and, in any case, accommodates only a few dozen new participants per year.

**Establishing Training for Local Leadership**

Much of the current situation stems from the character of local government as an institution that receives both independence and legitimacy on the basis of its democratic representation of local residents.

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4 Authors’ private communication with senior official in the Ministry of Interior, phone, May 29, 2018.
Although this independence has value to those residents, it also entails quite a few challenges. We propose to address the shortcomings of local administration through a dedicated program of education. As indicated in the outline for a District model of organization presented in Chapter Two, neither of the proposals by themselves would address all of the concerns besetting local governance in Israel. However, taken together, both proposals could be mutually reinforcing and bring about real change. This solution is based on preserving the principle of independence of public representatives in the local authorities to select suitable candidates. We focus on improving the size and quality of the stock of candidates.

The Avney Rosha Institute: A Model

Avney Rosha, the Israeli Institute for Scholastic Leadership, was established in 2007 under the joint initiative of the MoEd and Yad Hanadiv, the local arm of the Rothschild charities in Israel. Its main goal is to train and professionally develop school principals with the understanding that they are key to improving the education system.

Prior to the establishment of the Institute, the appointment of school principals was done by having candidates meet basic threshold conditions and by having the decisions be made by inspectors in the MoEd (for elementary schools) and by heads of education departments in local authorities (with the occasional involvement of the political echelon).5

The establishment of the Institute was meant to improve the process of appointing school principals in two ways: first, by setting a uniform professional standard for all and creating a unified training program that can aid in meeting it, and second, by creating a managerial reserve whose members undergo rigorous screening and training processes. Thus, the appointment of school principals is still in the hands of inspectors from the MoEd and the local authorities, but it is possible only from the reserves of Avney Rosha. The MoEd determined that Avney Rosha training should be made a precondition for manag-

5 Authors’ private communication with Avney Rosha, phone, May 8, 2018.
Implementing the Avney Rosha Model for Local Authorities

As is currently the case with school principals, we propose the creation of a similar database for independent professional managers to serve as the authoritative source for all appointments to senior positions in the local authorities. In this way, we believe that the managerial echelon will be strengthened while maintaining the independence of the public’s representatives to choose the employees suitable for them.

The potential candidates for local management who will be entered into the database would be required to meet the specific definitions of experience and education for the position they wish to assume; undergo a structured, transparent, and professional selection and evaluation process; and receive appropriate training for each profession. In creating the database, emphasis will be placed on equal representation of various sectors of Israeli society (i.e., Jews, Arabs, ultra-Orthodox, religious).

The initiative could operate under the Ministry of the Interior or in the form of a nonprofit organization in partnership with philanthropy; however, in any case, the body would act in a way that reflects the interests of the various actors in the system. The body would be chaired by a steering committee, with the participation of representatives of heads of local authorities and the central government, who will define its strategic goals jointly.

Appointments solely from the ranks of the database should be made mandatory for authorities in the lowest three socioeconomic deciles (excluding Jerusalem). Inasmuch as Arab sector localities are likely to be overrepresented in these lower deciles, the prior point about ensuring a representative mix of backgrounds in recruiting the database should receive due emphasis. In the initial phase, serious thought should be given to how evaluation could include skilled, experienced candidates who have not yet received formal training. The six key managerial positions should be included: engineer, treasurer, education department director, internal auditor, director of the citywide improvement department, and director of environmental protection. The duty
on the part of local authorities to appoint qualified candidates to the various positions will be carried out gradually so that two categories will be added into the database each year after inception.

To enable weak authorities to attract quality and professional manpower, the Ministry of Finance, in cooperation with the Ministry of the Interior, will participate in the financing of the personal contract for senior executives for a fixed period to be determined in advance. This will provide an incentive for senior professionals to enter the database and will also facilitate the budget of the authority.

The Ministry of the Interior will define the appropriate content and qualifications for each registered profession, in cooperation with the appropriate professional associations, academics, the Federation of Local Authorities, and others. This will then provide guidelines to colleges and training programs regarding content that will need to be taught to prepare their graduates for inclusion in the database. The totality of this system will then provide a professional basis, a common language for all functionaries, and a value platform.
This report began as a consideration of how the initiatives as part of GR 922—focused on enhancing the ability of Arab sector localities and their residents to participate more fully in Israel’s economic life—could be supported and extended. The discussions in Chapters Two and Three not only detail this theme but include it in a broader discussion of the effectiveness of municipal governance in Israel more generally. In this chapter, we return focus to the predominantly minority, principally Arab, communities in Israel. How can communities enhance the means for developing the human potential that would allow their children to succeed within the current structure—and even more so within the district and managerial structures as proposed in the preceding two chapters?

In Israel, great educational disparities exist across the four school systems supported by the state. Educational gaps in test scores and engagement in the education system between Arab and Jewish Israelis emerge early and persist through to the highest levels of education (Blass, 2017). Specifically, Arab youth in Israel are less likely to complete K–12 schooling, attempt and earn a high school matriculation certificate, and attend and graduate from college compared with Jewish youth (Blass, 2017; Inter-Agency Task Force on Israeli Arab Issues, 2018; Levi and Suchi, 2018). Gaps also persist in informal edu-

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1 These include the secular and religious Hebrew public schools, the Arabic-language schools, and the ultra-Orthodox schools funded publicly and at least nominally under government supervision.
cation between Israeli-Arab and Jewish youth, with Arab youth having access to fewer community centers and being less likely to participate in informal education opportunities, such as after-school programs (Schneider and Shoham, 2017). Data from the OECD’s PISA, which assesses mathematics, reading, and science knowledge at age 15, also highlight the educational gap between the Israeli-Arab and the Jewish populations—with Arabic speakers scoring approximately 100 points lower on the PISA than Hebrew speakers (OECD, 2016). Additionally, findings from these data show that almost half of Arabic-speaking youth performed poorly on the PISA mathematics assessment whereas 12 percent of Hebrew speakers were in the same category (OECD, 2018b). Hebrew speakers’ average score was on par with the OECD average; however, the Arabic-speaking youths’ scores were far below the OECD average. These educational disparities, among others, could lead to increased inequality in workforce participation, poverty rates, and other adverse life outcomes.

These differences contribute to and perpetuate many of the socioeconomic divisions within Israeli society. In addition, they not only directly affect the capabilities of personnel working in the local public sector but stand as an indictment of the system in its current form. The potentially large returns from investment in education are one of the connections motivating the discussion in this chapter. Clearly, better educational outcomes, accompanied by (and, in some cases, creating) new openings to wider participation in the national economy, can affect the socioeconomic standings in localities where such attainment might be generated and put to productive use. There are other connections. Enhanced local administrative capabilities can play an important role in creating such improved educational opportunities, both in school and after school. Therefore, there is the potential for establishing a virtuous and mutually reinforcing cycle. Furthermore, better local school outcomes with more supplemental enrichment both in and after school can touch localities in many ways that can lead to more engagement within and throughout the community. Finally, GR 922 (which focused attention on strengthening localities in the Arab sector) emphasized education as a principal component to assisting local communities.
It is in the Arab and the ultra-Orthodox school systems that the greatest gaps are found. Such gaps between the Israeli Arab population and the Jewish majority are well documented. Unequal government investments and structural barriers, such as unequal access to resources—both in and out of school—exacerbate these educational gaps along with higher class sizes and lower teacher educational attainments (Blass, 2017; Okun and Friedlander, 2005; Schneider and Shoham, 2017). As part of 2015’s GR 922, the MoEd indicated five priority areas for receiving resolution funding (and, in some cases, additional funding): (1) increase in teaching hours and enhancements of academic achievements; (2) quality of teaching; (3) informal education; (4) access to higher education; and (5) new classrooms in Arab localities (Inter-Agency Task Force on Israeli Arab Issues, 2018). The MoEd workplan also allocates differential funding to lower-performing or “weaker” schools to help boost academic achievement and raise school quality (Levi and Suchi, 2018). Additionally, as part of the Ministry of Interior’s workplan, 16 Arab localities were awarded supplemental funds for additional economic enhancements, including educational investments. These localities also receive dedicated support from a project director (Inter-Agency Task Force on Israeli Arab Issues, 2018).

In 2016 and 2017, the MoEd spent out almost all of the allocated funds for each program year on achieving the intended goals of the workplan (Inter-Agency Task Force on Israeli Arab Issues, 2017; 2018). Funds for formal education thus far have been used to add extra hours of instruction in math and additional support programs for Hebrew- and Arabic-language proficiency. Additionally, to support teacher preparation, a new Arabic-language proficiency test was developed and support and development opportunities were increased for teachers in all subjects, including Arabic-language training. Implementation results for informal education indicate that funds have gone to opening new community centers in Arab localities, strengthened the Department of Arab Society within the MoEd’s Youth and Society Administration, and added summer day camps in Arab localities, among other initiatives.

Initial findings from the workplan implementation show some promising results in terms of closing the educational gaps between
Israeli-Arabs and the Jewish majority. As of January 2018, there was an approximate 3–percentage-point change in Arabic youth being eligible to receive the full matriculation certificate (bagrut) and taking the most advanced math course in 12th grade (Inter-Agency Task Force on Israeli Arab Issues, 2018).

**Review of What Works**

In this section, we seek insights into potential changes that might be of value in Israel through the review of relevant literature from the United States on best practices in several education fields—parent engagement, informal education, second language education, and social and emotional learning (SEL). The review focused on the U.S. experience in line with the expressed interest of the MoEd. Because we are drawing on U.S. literature and best practices only, it is possible that some of the recommendations might not be feasible or effective in the Israeli context.

We focus on these four educational areas, which Israel’s MoEd has deemed as important elements of youth development; informal education and language acquisition are directly referenced in the MoEd workplan. We then present recommendations (such as ways to increase the quality of instruction or opportunities, boost educational outcomes, and use data for continuous quality improvement) on each of these four topic areas for consideration by the MoEd, relevant divisions, and local governing bodies.

These topics do not represent an exhaustive list of educational practices or recommendations needed to close the achievement gap. However, they are areas of expressed interest by the MoEd and areas in which local governing bodies might take action.

**Parent Engagement**

Although parent engagement is not referenced explicitly in the MoEd’s GR 922 workplan, incorporating opportunities for parent engagement throughout the educational pipeline and prior to formal educa-
tion might help promote youth education and academic achievement. Parent engagement or involvement can begin in a child’s earliest years and last throughout adulthood. In the early childhood years (birth to five years old), parent engagement might take the form of participating in home visit or early learning programs (Korfmacher et al., 2008). There is a continuum of engagement—from parents becoming involved in various school activities (e.g., volunteering at fundraisers or events) to actively engaging with children’s learning in parent-led activities and becoming partners with the school (Goodall and Montgomery, 2014). Another leading framework on family and school partnerships posits that there are different types of involvement on a similar continuum—ranging from the basic obligations of parents and schools to school involvement to participating in school decisionmaking to community-school-family collaborations that connect families with additional programs and services (Epstein and Connors, 1992; Epstein and Sanders, 2002).

These various levels of partnership or parental involvement lead to different types of outcomes. In addition, parent engagement in children’s learning evolves as youth develop and school involvement opportunities vary. In early childhood, before the child enters formal schooling, parents might have more opportunities to participate through volunteering in a classroom as a teacher’s aide or attending all sessions of a particular program. In middle or high school, however, opportunities might be limited to more-structured activities, such as serving on a parent advisory board or volunteering at a special event. Although opportunities might change, research clearly shows that engagement in learning and school involvement are beneficial to youths throughout their education.

**Research on Parent Engagement**

Parent engagement in children’s schooling is related to several positive outcomes, from promoting early learning, social emotional development, and academic achievement to improved educational attainment (such as increased high school graduation rates) to reductions in problem behavior and school discipline (e.g., Barnard, 2004; Sheldon and Epstein, 2002; Lee and Bowen, 2006; Miedel and Reyn-
olds, 1999; Sheridan et al., 2010). However, parents of young children might not see themselves as teachers, which affects parents’ inclination to become academically involved in their child’s life at an early age (Zellman, Perlman, and Karam, 2014). Inculcating this expectation in parents early and providing sufficient information on how parents can engage their child in learning activities might lead to improved child outcomes. One intervention examined the effects of providing informational baby books to new, low-income mothers during well-child doctor visits when the child was 2 months, 4 months, 6 months, 9 months, and 12 months of age; the books discussed child development, nutrition, safety, and reading practices. Results from the study show that the intervention had positive effects on increased book reading (Auger, Reich, and Penner, 2014), home-safety practices (Reich, Penner, and Duncan, 2011), increased maternal self-efficacy (Albarran and Reich, 2014), and reduction in support for corporal punishment (Reich et al., 2012).

Early childhood parent involvement research shows that including parents in educational activities designed to foster positive parent-child relationships, having parents provide developmentally appropriate instructional and emotional support, and facilitating teacher-parent conversations about child development either through home visits or in class can lead to pro-social behavior, academic achievement, and longer-term academic and educational outcomes (Brooks-Gunn, Berlin, and Fuligni, 2000; Meidel and Reynolds, 1999; Raikes et al., 2006; Sheridan et al., 2010). Sheridan and colleagues evaluated a parent engagement supplement in Head Start programs designed to serve low-income or at-risk children and their families. The parent engagement program consisted of five home visits by a Head Start teacher and collaborative strategies during parent-teacher conferences. Results indicate that the supplemental parent engagement program had a positive effect on children’s school readiness, particularly their social development (Sheridan et al., 2010).

In formal education (i.e., elementary, middle, and high school), parent involvement is also associated with positive youth outcomes. The literature defines parent engagement broadly to include not only actively participating in school events but also having conversations
with children about school and homework and holding high educational aspirations for children (Castro et al., 2015; Fan and Chen, 2001). A meta-analysis examining parent involvement and youth academic achievement shows small to moderate effects from parent involvement in several categories (parent-child communication, home supervision, educational aspirations, school contact, and participation), particularly grade point averages (Fan and Chen, 2001). The strongest association was found between parental educational aspirations and children’s achievement. A more recent meta-analysis also supports these findings (Castro et al., 2015). The authors found that the academic achievements of students were most strongly associated with parent involvement, defined as parents setting high educational expectations of their children, discussing school activities and homework, and encouraging strong reading habits. These results suggest that encouraging parents to become involved early in their children’s education and to develop high expectations might result in increased academic achievement and other important educational outcomes.

Research also indicates that parent involvement in school might differ by parents’ demographics. One study using a large, diverse sample of elementary school-aged children (grades 3 through 5) investigated whether parental involvement differed by race/ethnicity, poverty levels (e.g., using receipt of free or reduced-price lunch as the indicator), and parents’ education levels. Study results indicate that white parents and those who were more affluent (e.g., not in poverty and had higher levels of education) were more likely to be involved at the school (Lee and Bowen, 2006). Similarly, a review of parent engagement practices over a decade found that parents with higher levels of education were more likely to participate in home-based activities with their children, such as reading to them, teaching letters or numbers, and telling stories (Schaub, 2015). However, parent engagement increased across the decade no matter the parental education level. These results indicate that disadvantaged parents might face several structural barriers to parent engagement that prevent them from becoming involved at school or at home with their children’s learning at the same levels as more affluent families.
Barriers to Parent Engagement

Parents might face significant personal, cultural, and structural barriers to educational engagement. Turney and Kao (2009) investigated whether immigrant parents in the United States faced more than the usual barriers to school involvement and of what types. Results indicate that minority immigrant families experienced more barriers than others and were more likely to indicate specific factors (e.g., language, not feeling welcome at the school, transportation) as barriers compared with native-born parents. Additionally, the authors found that parents who had been in the United States longer and had higher English-language ability were more likely to be involved at school. Elementary school principals also perceived several barriers to parent involvement. In a survey of 810 U.S. school principals, close to 90 percent of respondents noted that a lack of time for parents was a barrier, and 56 percent indicated that a lack of time for school staff was a barrier to parent involvement (Carey, Lewis, and Farris, 1998).

Cultural and personal barriers also exist for minority and disadvantaged parents. Kim (2009, p. 91) conducted a literature review of 69 studies examining barriers to school involvement for minority parents and listed the following six barriers:

- teacher perceptions about the efficacy and capacity of minority parents
- teacher beliefs in the effectiveness of parental involvement and developmental philosophy
- teacher self-efficacy in teaching effectiveness
- school friendliness and positive communication
- diversity of parental involvement program (e.g., several opportunities for participation in various settings)
- existence of school policies and school leadership.

Kim recommends that schools implement family resource centers, provide teachers with support on how best to work with parents and encourage involvement, and ensure that school policies support parent engagement.
Recommendations

By incorporating and encouraging parent engagement in different educational goals and plans, the MoEd and local governing bodies might see achievement and educational gaps decrease between Israeli-Arab youth and the Jewish majority. Here, we provide recommendations and considerations for ways to engage parents and promote meaningful parent involvement.

- **For parents of younger children (particularly, those not yet in formal education), coaching and direct modeling of developmentally appropriate instructional and emotional support might be the most beneficial.** Early learning programs can provide support to parents through modeling effective behaviors, such as how to engage a child while reading, ways to teach letters and numbers, and how best to address challenging behavioral problems. These modeling or coaching sessions could be home visits by trained professionals or opportunities offered at a local early learning center. Apart from formal local early learning centers, parents of young children should be provided information on the importance of engagement and being their child’s first teacher from a trusted source. For example, doctors or religious leaders could provide parents with informational pamphlets on developmentally appropriate activities to engage in with their child. To produce these materials, religious institutions or clinics could partner with early learning centers, local universities, or researchers.

- **Early learning programs and schools should move beyond providing basic communication to parents and encourage collaborative participation.** School leaders can provide program and school staff with professional development opportunities on ways to engage with parents collaboratively, including providing opportunities for parents to be involved throughout the school day and establishing open lines of communication for parents to ask questions and voice concerns. Additionally, schools and centers should create family-inclusive policies (such as encouraging school visits, volunteering, hosting parent-teacher conferences at convenient hours and days, and creating a family resource room).
that acknowledge the importance of parent engagement throughout a student’s educational journey.

- **Schools serving older youth should work with parents to set educational expectations and provide information and discussion topics on school or class activities.** Research indicates that parent involvement activities change as children age. Schools can support and encourage parent involvement of older students by providing materials to parents on various educational paths that students can take and how to set high educational expectations (e.g., college attendance). Additionally, so parents can better facilitate conversations with their student, school staff can provide parents with weekly or monthly updates on classroom activities and anticipated homework. Materials can be provided in Hebrew and Arabic to best meet the needs of parents in the community.

- **Local education boards and school staff should seek to understand and remove barriers to parental school involvement in their local communities.** Minority and immigrant parents face real and perceived barriers to school involvement, and these might differ across communities. Schools and local governing bodies should seek to understand what barriers parents might face by conducting interviews or focus groups with parents and launching a biannual survey on parental involvement and potential barriers. Through analyzing local results, either in collaboration with an external research organization or independently, school staff can better prepare to meet the needs of their local community, provide staff development to teachers, or offer opportunities to parents that directly address perceived and actual barriers.

**Informal Education**

After-school programs or “informal education” might provide youth with a safe, enriching environment with supportive adults and structured or unstructured activities outside school hours, both during the school year and in summer. *Informal education* is a broad term encom-
passing activities, including academic instruction or tutoring, sports, leadership development, theater, music, and arts programs. Programs might be run by various entities, including schools, community-based organizations, religious institutions, or government agencies.

**Informal Education in Israel**

Informal education opportunities in Israel with various options are available in different localities. At the national level, the MoEd’s Youth and Society Administration serves as the governing body and provides some coordination services. However, regulation and funding for informal education programs are also handled by local youth boards (Schneider and Shoham, 2017). Several nationwide informal education providers operate across localities, but local providers must receive clearance from individual municipality governing boards, specifically through education and youth departments. This model and other structural challenges (e.g., capacity limitations in Arab localities, transportation and staffing limitations, and program fees) result in fewer, and unequal access to, informal education opportunities for Israeli-Arab youth (Schneider and Shoham, 2017).

As part of GR 922, Israel’s informal education for Israeli-Arab youth is a noted priority for the MoEd. Specifically, goals include (Inter-Agency Task Force on Israeli Arab Issues, 2018; Schneider and Shoham, 2017)

- developing structural and human capital capabilities (e.g., hire additional regional coordinators, provide additional professional development to informal educators and teachers, enhance data collection and evaluation efforts)
- increasing the number of community centers in Arab localities to 47 from 25
- subsidizing programs approved by the Department of Arab Society within the Youth and Society Administration.

To achieve these goals, the MoEd workplan includes specific funds at the national and local levels to increase Israeli-Arab youth participation in informal education opportunities and ensure that national
and local governing bodies have the necessary capabilities to deliver high-quality programs to areas in need.

**Research on Informal Education**

Much global research exists on informal education and how youth participation is related to academic achievement, social emotional development, and health and wellness and whether and what aspects of programs, such as quality and dosage, are most important for youth development (Feldman and Matjasko, 2005; McCombs, Whitaker, and Yoo, 2017; Lauer et al., 2006; Vandell et al., 2015; Vandell and Shumow, 1999). Because the field of informal education is vast, research tends to examine outcomes related to specialty programs (e.g., scouts, theater camp), multipurpose programs (e.g., recreational after-school clubs, community center programs), and academic programs (e.g., after-school tutoring or math programs). Programs with a specific focus, such as academics (e.g., reading or math skills), tend to show small to moderate effects in the associated youth outcome domain (McCombs, Whitaker, and Yoo, 2017).

For example, researchers used a rigorous random assignment design to evaluate academically focused summer programs for low-income, elementary school–aged youth in the United States that included three hours of certified teacher-led instruction in math or English language arts (ELA). Results indicate that youth who attended one year of the program had higher math achievement at the end of the summer compared with youth who did not attend the program (Augustine et al., 2016). Additionally, an after-school literacy program for upper elementary school students, most of whom scored below proficiency on a state ELA exam before entering the program, boosted participating children's vocabulary skills and reading comprehension compared with students who did not attend the program (Kim et al., 2011).

Informal education programs with a focus outside academics also show benefits to youth in the targeted domain. One such area is SEL. A meta-analysis of after-school programs with a focus on “personal or social growth” for youth in elementary to high school found that those who participated in such programs showed significant gains in several
areas, including social behavior, reduction in problem behaviors, and positive self-perception (Durlak, Weissberg, and Pachan, 2010).

Programs that are more general in nature or are allowed to have multiple goals or objectives based on the funding source do not tend to have significant effects on youth development but do result in more adult-supervised time after school for elementary and middle school students (Dynarski et al., 2003; Dynarski et al., 2004; Gottfredson et al., 2010). Overall, this body of research indicates the importance of intentionally focusing on a specific domain to achieve intended outcomes.

**Informal Education Program Quality**

Apart from program intentionality, out-of-school time research points to the importance of program quality, offering sufficient exposure to program participants, and working to ensure consistent program attendance. Defining *program quality* is difficult given the wide array of informal education programs, research frameworks, and measurement tools available. However, scholars do generally agree that programs should have the following characteristics (Palmer, Anderson, and Sabatelli, 2009, p. 10):

- supportive relationships between adults and youth, and youth and youth
- intentional programming
- strong community partnerships
- promotion of youth engagement
- physical safety.

Additionally, informal education programs should engage in continuous quality improvement on all of the above domains. Leading program quality observation tools, such as the Youth Program Quality Assessment, attempt to capture these elements and provide programs with areas to improve on through staff training and other quality improvement mechanisms (Smith and Hohmann, 2005; Yohalem and Wilson-Ahlstrom, 2010). High-quality programs, those with the features described above, are associated with positive youth outcomes, including increased academic achievement and social skills, and reduc-
tions in problem behavior (Vandell, 2013; Vandell, Reisner, and Pierce, 2007; Yohalem and Wilson-Ahlstrom, 2010). This research demonstrates the need for programs and policymakers to focus not only on what activities are provided but also on how programming is delivered, including the instructional and emotional support provided to youth.

Program Attendance
Maintaining high youth attendance throughout the life of a program also enhances positive youth outcomes. While a single attendance cut point is not used consistently throughout the literature, a review of after-school program attendance and youth outcomes shows that higher attendance in a program is positively related to youth outcomes, including academic achievement, reduced problem and risky behavior, and increased pro-social behavior (Simpkins et al., 2004). Key findings from the experimental evaluation of the academic summer learning program described earlier in this chapter support the conclusion that youth attendance matters for academic achievement (Augustine et al., 2016). The authors found that youth who participated at high rates (20 days or more) during the second summer of the evaluation had increased math and ELA scores that lasted through the school year compared with students who did not participate in the program (Augustine et al., 2016). This led the study authors to recommend other summer learning programs to develop clear and firm attendance policies, and provide incentives if possible, that would encourage high levels of youth program attendance (Schwartz et al., 2018).

Informal Education Systems
At a local level, organizations outside the formal education system, including nongovernmental organizations and civil society groups, can serve as advocates for informal education program funding and policies, track programs within a community, and provide critical support to individual programs. Recently, researchers have examined best practices for how city or local systems might support individual programs through promoting access and participation, improving program quality, and providing infrastructure support, such as a data management system for tracking attendance (Bodilly et al., 2010). Here, we focus on two key areas: (1) program quality and (2) data collection and use.
Local informal education systems can be particularly helpful for programs working to increase program quality and engage in continuous quality improvement. System or network staff can provide professional development and quality observations to programs that may not be able to coordinate these activities on their own. Best practices for cities or localities wishing to strengthen their quality work for out-of-school time programs include the following: (1) establishing a shared definition of *quality*; (2) selecting a lead organization to manage the process; (3) engaging key stakeholders; (4) developing a continuous quality improvement model; 5) selecting an information system to track progress; (6) developing guidelines and incentives for participation; and (7) ensuring that there are adequate resources for the quality improvement initiatives (Yohalem et al., 2012; pp. 7–8). While not necessarily an assured recipe for success, these best practices can be used as guidelines for local systems while still allowing for leaders to consider the local context and how best to implement quality improvement activities.

Citywide systems can also support data collection and use. A local data management system has advantages at the city and individual program levels. For programs, a local data system can help providers track youth attendance, staff development participation, program quality, and youth outcomes. Additionally, data management systems provide citywide system leaders with an in-depth understanding of whether and what programs youth are accessing, the overall quality of programs, and take-up of professional development opportunities, all of which can lead to systemwide improvement (Russell and Little, 2011). However, before a city network or system attempts to implement a data management system, leaders should consider readiness. A system should have the resources, in terms of staff time, capabilities, and finances. Data management systems require upfront (e.g., purchasing the system, attending training) and maintenance costs (e.g., updating data fields, adding tables in reports). Additionally, data systems require staff time and expertise to ensure data are usable and the reports generated are relevant to the city network or system. Without sufficient resources, implementing a data management system might not result in improved data collection or use.
Implementing a data management system takes time to ensure that the correct elements are included and output can be effectively and efficiently used for program and system improvement. Data management systems also require users to be knowledgeable of data entry processes and how best to analyze and report data. Cities interested in investing in a data management process need to be cognizant of the financial costs and staff capacity to ensure the correct system is selected and ensure readiness to undertake implementing a complex data management system.

**Recommendations**

Using best practices and research on informal education, we suggest four key recommendations for the MoEd and local municipalities wishing to strengthen or implement new practices and programs.

- **Informal education program content should be aligned with expected outcomes.** Research clearly shows that focused, sequenced, intentional programs can positively influence youth development (McCombs et al., 2017). Policymakers and practitioners wishing to improve Israeli-Arab educational outcomes should consider implementing programs that focus explicitly on academic domains and that are taught by qualified instructors. Academic instruction should be aligned with grade and skill levels and also could be coordinated with school-day instruction. Following an established curriculum or lesson plans can help program leaders determine whether the informal learning program is sufficiently incorporating academic instruction. Academic content can also be incorporated into enrichment activities during the informal learning program, such as teaching science through using play-based or hands-on activities.

- **Programs should focus on high-quality practices.** Local governing bodies, such as youth boards, or regional informal education systems, can promote high-quality practices by providing information on what constitutes a high-quality program, provide staff development aligned with these practices, and support program quality observations (such as the Youth Program Qual-
ity Assessment). Observations of quality should be aligned with staff development, and the results from such observations should be used to inform additional trainings and workshops for staff. Engaging in this practice is part of continuous quality improvement cycles. One recommendation is for informal program staff to meet with managers or directors on a quarterly basis to review program practices and quality observation results and establish strategies moving forward to improve program quality.

- **Municipalities and individual programs should promote youth attendance.** Local stakeholders and policymakers can work with individual programs to develop policies that encourage youth attendance, such as providing an incentive to parents or youth that participate at high rates. Incentives could be as simple as providing a T-shirt or water bottle. Programs can track attendance weekly or daily to encourage youth who might not be consistent attenders to attend more regularly or understand why some youth do not have high attendance rates (e.g., potential transportation challenges, parent or youth concern about safety, competing activities, interest in the program).

- **Municipalities should provide critical support to programs by establishing local informal education systems.** Systems should be established to best meet the needs of the local community and consider the types and number of programs within the area. At a minimum, the local system should provide quality supports, such as professional development opportunities and quality observation tools and training. The system can also act as a local advocacy body for additional funding requests and in support of policies that benefit informal education in Israeli-Arab localities.

**Social and Emotional Learning**

SEL encompasses broad domains of youth development. Almost all definitions of SEL focus on some elements of youth’s pro-social and intrapersonal development, such as perseverance, character, and lead-
ership skills. Israel’s MoEd recognizes the importance of SEL and requested that a committee of experts identified by the Initiative for Applied Education Research examine the research on SEL and make recommendations for MoEd policy (Initiative for Applied Education Research, undated). The committee will tackle such questions as how schools can teach and promote SEL, how teaching and curricula may need to be adapted by youth characteristics (e.g., age, culture), and what teaching strategies and professional development are needed to promote SEL. A published report from the committee is expected in 2020 (Initiative for Applied Education Research, undated).

A leading organization in the United States defines SEL as “the process through which children and adults acquire and effectively apply the knowledge, attitudes, and skills necessary to understand and manage emotions, set and achieve positive goals, feel and show empathy for others, establish and maintain relationships, and make responsible decisions” (Collaborative for Academic, Social, and Emotional Learning [CASEL], undated-a). CASEL also notes that there are five core SEL competencies (CASEL, undated-b):

1. **Self-awareness**: The ability to accurately recognize one’s own emotions, thoughts, and values and how they influence behavior. The ability to accurately assess one’s strengths and limitations, with a well-grounded sense of confidence, optimism, and a “growth mindset.”

2. **Self-management**: The ability to successfully regulate one’s emotions, thoughts, and behaviors in different situations—effectively managing stress, controlling impulses, and motivating oneself. The ability to set and work toward personal and academic goals.

3. **Social awareness**: The ability to take the perspective of and empathize with others, including those from diverse backgrounds and cultures. The ability to understand social and ethical norms for behavior and to recognize family, school, and community resources and supports.

4. **Relationship skills**: The ability to establish and maintain healthy and rewarding relationships with diverse individuals and
groups. The ability to communicate clearly, listen well, cooperate with others, resist inappropriate social pressure, negotiate conflict constructively, and seek and offer help when needed.

5. **Responsible decisionmaking:** The ability to make constructive choices about personal behavior and social interactions based on ethical standards, safety concerns, and social norms. The realistic evaluation of consequences of various actions, and a consideration of the well-being of oneself and others.

Researchers and practitioners stress the positive features of SEL as opposed to using SEL to combat problem behaviors. Similarly, research has begun to focus on how SEL interventions in school cannot only promote positive social skills and behaviors but also improve other educational outcomes.

**Research on Social Emotional Learning**

Recently, schools and researchers have been focusing more on ways to promote SEL as research demonstrates its importance for a multitude of youth outcomes (e.g., Biermann et al., 2010; Durlak et al., 2011; Taylor et al., 2017; Zhai, Raver, and Jones, 2015; Zins et al., 2004). Interventions, such as preschool SEL programs beginning in early childhood, show promise at having long-lasting effects on children’s social emotional skills in grade school. Biermann and colleagues (2010) conducted an experimental evaluation of a supplemental SEL and literacy skills program in Head Start and followed the youth through third grade. Children who participated in the program had more “optimal developmental trajectories” for several SEL outcomes, such as learning engagement, student-teacher closeness, and reduction in aggressive-oppositional behavior, indicating that the intervention had lasting effects on children’s development three years after the program ended. Researchers point to several strategies related to successful early childhood SEL interventions: (1) providing professional development and sufficient training for teachers so they can not only learn how to successfully implement the intervention but also build their own SEL skills; (2) ensuring that direct instruction of targeted skills is embedded
in activities; and (3) engaging families in the process through workshops, family activities, or other mechanisms (McClelland et al., 2017).

SEL interventions in the formal education schooling years also demonstrate positive effects on youth development. Recently, two meta-analyses of school-based SEL interventions were conducted. Durlak and colleagues (2011) reviewed and analyzed results from 213 school-based SEL interventions and found that overall SEL programs had a positive effect on youth’s pro-social behavior and academic achievement and in reducing externalizing and internalizing behavior problems. In a follow-up analysis, researchers examined and analyzed follow-up outcomes from 82 SEL interventions (Taylor et al., 2017). Results indicate that postintervention, benefits to youth remain, particularly in the areas of social emotional development, academic achievement, reduced conduct problems, emotional distress, and drug use. Additionally, the authors found that SEL intervention participation was related to educational outcomes, including high school graduation and college attendance (Taylor et al., 2017). These meta-analyses demonstrate that SEL interventions implemented in K–12 education might produce positive effects for youth development in the short and long terms.

**Considerations for Selecting an SEL Intervention**

Local context is key for intervention selection and should be a priority when determining which intervention to implement. In a review of SEL interventions, Grant and colleagues (2017) recommended that practitioners and policymakers consider the local context when selecting an SEL intervention to ensure the content is relevant to the youth being served. The authors followed up the review with a practitioner-oriented report on how to assess local needs, such as using existing data (e.g., school performance, SEL assessments, discipline data) and collecting additional data from teacher and parent surveys or interviews to understand student, staff, and community needs, and engage stakeholders in selecting an SEL intervention (Wrabel et al., 2018).

Another consideration is life situation or behavior of a community’s youths and matching an intervention to the needs of the youths. Youths in a specific community may need a more targeted, specific
SEL curriculum or intervention based on community needs or other factors. For example, several interventions exist that focus on providing students with behavioral supports or promoting trauma-informed practices. The Promoting Alternative Thinking Strategies (PATHS) curriculum is an SEL intervention that focuses on emotional literacy, decisionmaking, problem-solving, and peer relations (EPISCenter, Pennsylvania State University, 2015). In a randomized trial, PATHS was tested in U.S. first-grade classrooms in areas with higher than average crime rates; results show the curriculum had a positive effect on classroom climate and peer ratings of negative behaviors, including aggression (Conduct Problems Prevention Research Group, 1999).

Although the research is clear about the benefits of SEL, not all interventions are successful, and researchers have begun to study what works. Durlak and his colleagues (2011) note that two intervention elements were related to whether an SEL program had a significant effect: (1) implementation problems (e.g., not implementing the program with fidelity), and (2) SAFE practices. SAFE practices are defined as a sequenced (S) set of activities related to skill development, active (A) learning, a focused (F) social skills or personal development component, and explicit (E) skills targets (Durlak et al., 2011). Issues with implementation were related to a decrease in effectiveness, and use of SAFE practices was related to increases in the probability of intervention effectiveness. Professional development and sufficient resources, such as curriculum materials, may help ensure that programs or curricula are implemented with fidelity. Jones and colleagues (2017) also note the importance of ensuring that an SEL intervention is targeted and not too broad and that outcomes are aligned with the targeted practices. Considering the local context, youth needs, SEL program components, and potential implementation challenges and facilitators can lead to schools and early learning programs selecting an appropriate, effective intervention for their students.

**Recommendations**

Research clearly shows the benefit of SEL interventions throughout a youth’s educational career. Although the MoEd workplan does not explicitly address SEL, implementing an SEL intervention might help
close or lessen some noted educational gaps in Israel. Here, we present the following recommendations for the MoEd and local governing bodies to consider when deciding whether or what SEL intervention to implement.

- **SEL interventions should be targeted at specific skills, and outcome measures should be aligned with those skills.** When considering an SEL intervention, practitioners should carefully examine what specific skills (e.g., emotion regulation, relationship skills, mindfulness) are targeted and ensure that the intervention is not too broad and attempts to address youth needs. Additionally, when determining whether an intervention was successful for a school or community, policymakers and practitioners must carefully consider whether the outcomes being measured align with the intervention’s targeted skills. Planning for the evaluation should happen during the SEL intervention selection phase to ensure that assessment metrics are aligned with the intervention.

- **SEL interventions should provide direct instruction in targeted SEL domains.** Prior to selecting an intervention, practitioners and policymakers should evaluate SEL programs to determine whether direct instruction is prescribed. Specifically, decisionmakers should examine whether lesson plans exist or specific activities are prescribed. If not, school administrators and others, including teachers, should consider designing explicit plans for program implementation.

- **Provide professional development to teachers and school staff on the SEL intervention.** For the intervention to be successful, high-quality professional development, including coaching, should be provided to teachers. These development opportunities can give teachers a chance to gain a firm understanding of the intervention, including how to implement various lessons and embed activities throughout the school day, and develop their own SEL skills.

- **Prior to selecting an SEL intervention, communities and schools should conduct a thorough needs assessment.** Because every community is different, schools and communities should conduct a needs assessment to determine what type of SEL inter-
vention is best for them (see Wrabel et al., 2018, for a guide on how to conduct such an assessment). A needs assessment can help communities understand what specific skills they should target, what are the strengths and challenges of certain schools, and how local stakeholders should be engaged in the process. For example, in localities where violence or crime is an issue, school administrators should consider implementing a trauma-focused curriculum or an SEL intervention that has been tested in similar areas, such as the PATHS curriculum.

Second Language Education

As of 2018, Hebrew is the official language of Israel while the Arabic language has special status.² In the religious and secular school systems in Israel, English as a second language is a required course. While this is also formally the case in the state-supported ultra-Orthodox school system, as a matter of practice enforcement is lax. In addition, either Arabic or French is mandatory in the middle school grades. In elementary school, Arabic is an elective. In 2016, 29,000 students in elementary schools learned Arabic, as well as 111,000 in the middle and high school grades (Balikoff, 2018). For purposes of comparison, in 2016, there were 731,395 total students in Hebrew language elementary schools and 507,573 in the corresponding middle and high schools (MoEd, undated-d).

In the Arab language schools, English is also taught as a required course. Education in Hebrew is an elective that only becomes mandatory as well beginning in high school. In the schools serving mostly Druze communities within the Arabic school system, Hebrew is mandatory from kindergarten throughout the entire course of education (MoEd, undated-a; MoEd, undated-b; MoEd, undated-c). Because of the dominance of Hebrew in Israeli business, education, and govern-

² Prior to the passage of a 2018 law in the Knesset, both Hebrew and Arabic had equal valence de jure as official languages.
ment, Hebrew language proficiency would in most cases be the most useful to students emerging from this fourth of Israel’s four main school systems.

*Second language education* refers to education programs that teach students a target language that differs from the student’s first or native language in a setting where the target language is dominant or commonly spoken. In that sense, it is additive: The students learn the second language in addition to the first. In the ideal case, second language education programs produce bilinguals—individuals who have proficiency in both their native and second languages. Second language programs differ from *foreign* language programs in that the latter programs teach a language that is not commonly used in the nation or society in which the person lives.

Second language education programs are implemented in a variety of forms throughout the world. The models for these programs differ according to the goals, the characteristics of students served, and often the constraints facing implementation. The programs are often created when the situation under a dominant language leaves minority language speakers at a disadvantage (Brisk, 2005). In those cases, the programs may be created to assist the speakers of a minority language to acquire the dominant language in the society.

**Research on Second Language Education**

The designing and implementing of second language education programs are complex, not only because of the educational demands but also because of the real and perceived sociopolitical implications of the various choices. It is well established that second language learners might need as many as ten years to reach the norms of their peers who are native speakers of the target language (Collier, 1989; Cummins, 2000; Hakuta, Butler, and Witt, 2000). Therefore, programs must be implemented with a long-term view of outcomes. It is also well known that youth is an advantage in language acquisition (Lenneberg, 1964; Hakuta, 2001); therefore, second language programs that begin at early ages are more likely to produce positive results. Aside from learning the language, a further benefit to the individual learner and others is increased cultural openness and understanding (Robinson, Rivers, and
Brecht, 2006): Individuals who learn a second language often report having greater appreciation for the culture associated with the language and better understanding of the individuals from that culture.

In the United States and other countries, there is a growing interest in using dual-language programs to meet the needs of minority language students and at the same time provide benefits to majority language students (Tedick, Christian, and Fortune, 2011). In dual-language programs, two languages are used as the language of instruction for academic content. Thus, the programs not only teach the target language, they also use the target language to teach content. Two-way dual-language programs bring together native English speakers and native speakers of another language for academic content instruction in English and the other language (Center for Applied Linguistics, undated). Researchers and educators have been studying dual-language programs for decades as a promising way to raise student achievement for language minority students (Lambert, Tucker, and d’Anglejan, 1973; Collier and Thomas, 2004). A recent study found that dual-language education programs had a positive causal effect on student achievement for both language minority and language majority students (Steele et al., 2017). This finding suggests that dual-language programs can provide academic benefits to students from both groups. For this reason, many policymakers and educators are embracing dual-language programs to meet the needs of many.

To be effective, second language education programs of any type must be implemented with quality. Some of the overarching characteristics of successful second language programs include clear goals, strong and knowledgeable leadership, and highly competent personnel dedicated to student success (Carter and Chatfield, 1986). In addition, programs should work toward certain goals for their students, including language proficiency and literacy, academic achievement, and sociocultural integration (Brisk, 1998). The Center for Applied Linguistics has published some guiding principles for dual-language education that are widely used as a tool for the planning and evaluation of dual-language programs (Center for Applied Linguistics, undated). Although the principles were written for dual-language programs, the topics that they cover are broadly applicable to second language pro-
grams in general. Using thorough reviews of the literature, the principles identify the following major dimensions of program design and implementation:

- program structure
- curriculum
- instruction
- assessment and accountability
- staff quality and professional development
- family and community
- support and resources.

Policymakers and educators designing second language programs would benefit from taking all dimensions into account when planning, implementing, evaluating, and working to continuously improve the programs over time.

**Recommendations**

In Israel, where Hebrew is the official language and Arabic was formerly an official language and is now a “special status” language, the statuses of the two languages are not equal, and they are not taught equally in schools. Here, we present recommendations for the MoEd to consider when deciding how to strengthen language education programs in Hebrew and Arabic to begin to address the disparities for Arab students.

- **Second language programs should start as early as possible.** Where programs are already in place that begin second language instruction in kindergarten, policymakers may wish to consider beginning in preschool if feasible.
- **Design new programs to be effective by keeping the major dimensions of program design and implementation at the forefront of planning.** This means establishing clear goals and a set of guiding principles at the outset. Programs that are implemented in haste in response to a mandate often suffer from inattention to the important details that would make the program
The guiding principles should be crafted to allow for some variation to meet the needs of the individual schools and communities while ensuring that all programs are designed with attention to the key dimensions of program implementation.

- **For existing programs, establish a means to evaluate and continuously improve them following the same set of guiding principles.** Once programs are in place, it is essential that educators and administrators examine and reflect upon what is working or not working in a systematic way on a regular basis and then make corresponding changes to areas needing improvement.

- **Allow sufficient time to see results.** The results of successful language education take years to be seen. Starting early increases the chances of success, but the benefits to any cohort of students might not be fully realized until years later, when those individuals enter the workforce and participate as adults in society.

- **Consider implementing or expanding programs to teach both the dominant and minority languages to students in the Arab-language school system, where feasible, and at an earlier age.** Research shows that learning another language increases cultural openness and understanding. Research has also indicated that dual-language programs can improve educational outcomes for native speakers of both the minority and majority languages. These findings suggest the potential for far-reaching societal benefits. Policymakers may wish to expand second language programs to teach both the majority and minority languages to students of both groups, starting at an early age, or to look for settings where a more comprehensive dual-language approach might be feasible. Nevertheless, dual-language education calls for careful and nuanced thinking to determine whether it is the right option for a given school or community.

The review of literature in this chapter has focused mostly on the U.S. experience in line with the expressed interest of the MoEd. It would be valuable to compare this experience with those of other countries, some of which might more closely resemble Israel in its bifurcation between two strong language communities. Nevertheless, the
measures discussed across the four areas treated in this overview may provide a useful stimulus to action at the local level that could prove valuable not only in educational achievement but also in linking with many of the other measures discussed in the other chapters of this report. The successful outcome of initiatives outlined in this chapter may well be enhanced by a shift to more-enhanced local authority over governmental and educational decisionmaking.
Israel has recognized and taken steps in recent years to address the large difference in access to opportunity that exists within its heterogeneous society. The problem has a community aspect with Haredi Jews, Christian and Muslim Arabs, and Bedouins representing groups that, for a variety of reasons, have relatively low participation rates in the labor force and overrepresentation in the lowest wealth and income cohorts, even when formally employed. The pattern of residency throughout the country also means that this is a problem of localities because not all groups are equally distributed geographically.

At the same time, there is a difficulty at the local and municipal level that not only acts as an obstacle to ameliorating the standing of disadvantaged groups but also affects access to opportunity for residents in general. Even after several rounds of economic and government reforms, there still exists a centripetal tendency in the process of governance within Israel that makes the central authorities more powerful than municipalities, even over issues of local concern. The desire to change the fortunes of disadvantaged groups and the parallel goal of raising the outcomes for those in the lower-socioeconomic deciles in general suggest the value of taking a fresh look at the balance of authority and responsibility between the central authorities and the municipalities.

The nexus between national and local goals, interests, and concerns is complicated with many layers that must be elucidated, examined, and discussed. It is not within the scope of the study that we report in these pages to resolve even a small portion of them. Neither
is it the role of analysts to prescribe to Israelis either a specific course of action or appropriate governance structures for which to strive. We sought to provide a different perspective and a few suggestions and key ideas that might prove useful in building some consensus for policy at the municipal level. The topics addressed in this report are themselves only part of the conundrum of local governance in Israel. However, they do represent tractable entry points and operationally tractable venues that would allow for the collaborative exploration for solutions to specific problems. Over time, if successful, such efforts could also provide a basis for broader consideration by national authorities, local officials, researchers, civil society groups, and community representatives of the potential for creating multiple trajectories for change in Israel’s localities.

Establish Districts to Help National and Local Authorities Achieve Their Goals

We addressed key aspects of Israeli municipalities in our study. The first was to explore the potential for taking a regional approach to governance in several spheres of Israel’s social and economic concerns. This plan would nominate ten or fewer major districts and allow new district bodies to operate with the cooperation and on behalf of the local authorities within their regions. This would entail a new administrative layer between local authorities and the government, but one to which authority might be delegated—at both the national and urban levels—in several areas, including the following:

- budgetary: setting the rates for municipal taxes, establishing a regional budget, and approving the local authorities’ budgets
- education: establishing a regional educational center
- planning: setting the region as the locus for regional planning authority
- transportation: instituting region-centric planning for mobility and integration
• water, sewage, and trash: seeking gains from regional planning of utilities services
• environment: harmonizing plans and implementation with regional sustainability goals.

The benefits we envision would be administrative and substantive. Studies of local government point to significant economies of scale, both on the income side and on the expenditure side, in the acquisition and provision of services. Beyond this, moving the authority for planning and implementation to a district level would make it possible to address the deficiencies of some of the weakest municipal units. It would be easier to generate matching funds for providing assistance to the poor, who may generally be found disproportionately in weaker authorities. Looking more toward dynamic transformation, planning for economic development could be placed on a firmer basis by taking a comprehensive, regional approach to the siting and encouragement of industrial or service sector activity. A district structure would enhance the potential for attracting large companies to localities through efficiencies and the capacity to offer more-attractive packages. It would provide a venue for discussion of spatially significant problems, such as traffic density, public transportation, and other infrastructure, that transcend any one locality.

Governance itself might be transformed. For each small authority to handle matters in its own right creates a large bureaucratic load and administrational inefficiency. If, instead, the bulk of such effort were to be borne within the structure of seven to ten larger-scale regional districts, government would be better able to plan and execute its policy more effectively and with greater cognizance of opportunities for achieving regionally valuable outcomes. The proposed district structure could provide leadership with the opportunities to generate change that are today mostly the province of the central government. A district’s authority to set the rate of taxation and its distribution among the towns and inhabitants of the district would lead to a reduction in the gaps between its various locales. Districts could be made responsible for the general management of all local pedagogical, physical, and administrative aspects of educational institutions within the context of
MoEd policy. This responsibility would offer the enhanced ability to direct greater resources—budgets, professional principals, and quality teachers—to weaker schools within the district. In addition, each district would have its own District Planning Committee involved with master planning for employment and residential zoning, infrastructures that lie within or pass through the district, public buildings, urban renovation, and more. The same could apply to regional transportation and other infrastructures involved in local waste and environmental management.

We note, however, that the process by which such determinations will be made is at least as important as whatever plan for design and course of action may emerge. Measures to ensure confidence and eventually build sufficient mutual trust must be in place from the first stages of planning. This means that creating a common vision of a desirable future for the region through a structured process suited to the needs of that region should be among the first steps. Rather than impose a single, unitary model on all districts, a mechanism should be created for collective decision and collective action. The plans for districts will naturally entail coordination, most likely at the level of the Office of the Budget in the Ministry of Finance for fiscal harmonization and relevant ministries, to ensure adherence in achieving overall national policy objectives.

We provide in this report several examples illustrating principles that should guide the government in pursuit of a successful district structure. Such changes might raise considerable resistance on the grounds of lack of sufficient capability to operate districts effectively, the difficulty of coordination between the national and district levels, and the ability of the system to withstand such drastic-seeming change.

These are serious points and should be addressed beyond the scope provided in this report. What we can say to the first objection (sufficient capability) is that as functions, authorities, and budgets shift from both the national and local levels toward the districts, there is likely to be a concomitant shift in personnel. However, this issue is sufficiently important to be worthy of a separate discussion in the following section. As to the potential for loss of coherence in governance and policy, Israel will still remain a unitary state under this plan. The
institutions established after the economic crisis and near hyperinflation of the 1970s and 1980s, such as the powerful Office of the Budget, would still exist. Their precise function would need to be rationalized to the new system.

As to the final point, a poorly thought-out design and implementation might certainly result in changes too profound to accommodate. Yet many of the changes that are being proposed might be viewed as changes in the mechanisms of implementation and not so much as fundamental changes in power and authority. Among the design choices to be made is that of how to roll out such a reform. A Big Bang approach might take a great deal of political will and time to enact. Yet there is a cogent argument for doing so. Enacting sweeping reform could countervail the tendency of systems to resist change. There are both internal and external forces that tend to force institutions back to earlier and more-familiar formats and processes of interaction despite the formality of systemic reform. Profound transformation and a sharp break with the past might moderate such tendencies. But this comes at the risk of pushing implementation into a distant future when conditions are “ideal.”

Another possibility might be to take the approach some countries have taken when creating special economic zones. Such a process in Israel could start with a single district as a test bed and exemplar. Even at this level, the process need not begin with a mini Big Bang. A single issue, such as transportation, in which extensive work has already been done at the management level and there is a wide professional infrastructure in place for initiating the process might be a good test bed. The bet would be that successful and well-publicized outcomes in parts of the country that implemented the District approach would have a demonstration effect that would weaken barriers to implementation elsewhere. A strategy of gradually weakening barriers and resistance might achieve over time that which a Big Bang approach would hope to achieve with greater rapidity (but at greater potential risk). The transition toward more local authority would be achieved through the demand-pull of municipal-level governance rather than through a central directive mandating reform. In the end, it will be the architects of
the precise implementation who will need to navigate a course through these extremes.

**Professionalize Local Government Leadership**

We next examine two specific areas for laying new foundations for effectiveness and improved outcomes in Israel’s cities. These are at opposite ends of the hierarchy, with the first looking at the problem of top-level leadership skill-building.

The effectiveness and professionalism of a local authority depend to a large extent on the quality of its personnel, especially at the management level. All too often in Israel, political considerations are perceived as being involved in the appointment of professionals. In addition, structural and procedural changes to employment conditions in recent years have made senior positions in local government less attractive than senior positions elsewhere. This underscores the importance of finding a new way to strengthen human capital in senior positions in the local authorities.

Currently, senior employee hiring in municipalities is conducted by publishing a tender according to uniform rules. At the same time, the mayor has influence over the staffing process through influence on the Tenders Committee for the selection of senior employees. There are several initiatives to enhance the strengths of personnel who are the potential candidates for municipal positions. However, the scope of these programs is relatively narrow and, in any case, they accommodate only a few dozen new participants per year.

We propose to address the shortcomings of local administration through a dedicated program of education. Neither the District model of organization nor a program of professional education alone will, each by itself, address all of the concerns besetting local governance in Israel. However, taken together, both proposals could be mutually reinforcing and bring about change.

As is currently the case with school principals, we propose the creation of a similar database for independent professional managers to serve as the authoritative source for all appointments to senior posi-
tions in the local authorities. Potential candidates would be required to meet the specific definitions of experience and education for the position they wish to assume; undergo a structured, transparent, and professional selection and evaluation process; and receive appropriate training for each profession. Operating under the Ministry of the Interior or in the form of a nonprofit organization in partnership with philanthropy, the body would reflect the interests of the various actors in the system. It would have a steering committee, with the participation of representatives of heads of local authorities and the central government, who would define its strategic goals jointly.

In the initial phase, six key managerial positions should be included: engineer, treasurer, education department director, internal auditor, director of the citywide improvement department, and director of environmental protection. Two categories would be added into the database each year after inception.

To enable weak authorities to attract quality and professional manpower, the Ministry of Finance, in cooperation with the Ministry of the Interior, would participate in the financing of the personal contract for senior executives for a fixed period to be determined in advance.

**Position Educational Assets to Better Address Local Needs**

Skill- and capacity-building are crucial elements affecting the well-being and performance of many of Israel’s distinctive locales and different communities. The ability to develop locally tailored solutions specific to local community needs could be an important component for addressing many of the ills that presently assail too many local authorities in Israel. This, too, is a local issue not only because of the need to enhance outcomes in many communities in Israel but also because so many of the instrumentalities for change must be assessed and tailored to the local level if they are to be as effective as possible.

In the realm of education, there are several initiatives that might be considered at the local level. The common characteristic is that they
all build on existing assets either to leverage them more effectively or to supplement them with additional efforts largely stemming from the community itself. All are targeted toward enhancing educational outcomes through means that have been shown to enhance chances for success in less advantaged areas. The initiatives fall into four areas.

Informal Education

After-school programs, or “informal education,” provide youth with a safe, enriching environment with supportive adults and structured or unstructured activities outside school hours, both during the school year and in summer. This might entail academic instruction or tutoring, sports, leadership development, theater, music, and arts programs run by schools, community-based organizations, religious institutions, or government agencies.

Using best practices and research on informal education, we suggest four key recommendations for the MoEd and, most importantly, for local municipalities wishing to strengthen or implement new practices and programs:

1. Align informal education program content with expected outcomes. Research emphasizes the value of programs that focus explicitly on academic domains and that are taught by qualified instructors and aligned with grade and skill levels.

2. Focus programs on high-quality practices. High-quality programs can be promoted by providing information on best practices, staff development, and support program quality observations. Informal program staff could meet with managers or directors on a quarterly basis to review program practices and quality observation results and to establish strategies moving forward to improve program quality.

3. Promote youth attendance. Work explicitly with individual programs to develop policies that encourage youth attendance, such as providing an incentive to parents or youth that participate at high rates.

4. Support local informal education systems. The local system should provide quality supports, such as professional develop-
ment opportunities and quality observation tools and training, and a data management system that can track youth attendance and outcomes and program quality. The system can also act as a local advocacy body for additional funding.

**Parent Engagement**

Parent engagement promotes early learning, SEL, and academic achievement; increased graduation rates; and reductions in problem behavior and school discipline. Inculcating these expectations in parents early and providing sufficient information on how parents can engage their children in learning activities might lead to improved child outcomes. We provide recommendations and considerations for ways to engage parents and promote meaningful parent involvement.

- **Move early learning programs and schools to more collaborative communications.** Provide opportunities and guidance on ways to engage with parents collaboratively and create explicit family-inclusive policies.

- **Provide parents with coaching.** Early learning programs can provide parents with models of effective behaviors. This coaching may be best conveyed through trusted sources, such as doctors or religious leaders.

- **Work with parents to set educational expectations.** Parent involvement activities change as children age. Schools can support and encourage parent involvement of older students by providing materials to parents on the various educational paths available to students and how to set high educational expectations.

- **Understand barriers to parental involvement in the community.** Perceived barriers to school involvement might differ across communities. Analyzing local conditions better prepares schools to meet the needs of their local communities.
Social and Emotional Learning

SEL is the process of gaining and applying the knowledge, attitudes, and skills necessary to manage emotions, set and achieve positive goals, feel and show empathy, establish and maintain relationships, and make responsible decisions. We present recommendations to consider when deciding whether or what SEL intervention to implement.

- **SEL interventions should be targeted to specific skills.** Planning for the evaluation should happen during the SEL intervention selection phase to ensure that assessment metrics are aligned with the intervention.
- **Provide direct instruction in targeted SEL domains.** Prior to selecting an intervention, practitioners and policymakers should evaluate SEL programs to determine whether direct instruction is prescribed.
- **Provide professional development to teachers and school staff.** These development opportunities can give teachers a chance to gain a firm understanding of the intervention, including how to implement various lessons and embed activities throughout the school day, and develop their own SEL skills.
- **Communities and schools should conduct a thorough needs assessment.** Every community is different. A needs assessment can help communities understand what specific skills they should target, what are the strengths and challenges of certain schools, and how local stakeholders should be engaged in the process.

Second Language Education

Second language education refers to education programs that teach students a target language that differs from the student's first or native language in a setting where the target language is dominant or commonly spoken. Programs must be implemented with a long-term view of outcomes. In Israel, where Hebrew is the official language and Arabic was formerly an official language and is now a “special status” language, the statuses of the two languages are not equal and are not taught equally in schools. We present recommendations for deciding
how to strengthen language education programs in Hebrew and Arabic to begin to address the disparities for Arab students.

- **Second language programs should start as early as possible.**
- **Keep the major dimensions of new program design and implementation at the forefront of planning.** Programs that are implemented in haste in response to a mandate often suffer from inattention to the important details that would make the program successful.
- **Establish means to evaluate and continuously improve existing programs.** Reflect upon what is working or not working in a systematic way on a regular basis and then make corresponding changes.
- **Allow sufficient time to see results.**
- **Consider teaching both Hebrew and Arabic to students in the Arabic-language school system at an early age.** Dual-language programs can improve educational outcomes for native speakers of both the minority and majority languages. These findings suggest the potential for far-reaching societal benefits. Policymakers may wish to consider how such findings may apply to Israel’s long-term socioeconomic goals. Nevertheless, dual language education calls for careful and nuanced thinking to determine whether it is the right option for a given school or community.

In presenting these three main elements of reform—seeking advantages from regional governmental alignments, enhancing professionalism within municipal government, and applying existing means to achieving better educational attainment in Israel’s more disadvantaged communities—we present a framework that could be implemented piecemeal in ways that seek to exploit and then build on existing opportunities. Each element presents the potential for early, quick “win-wins” that do not necessarily require implementation of the full infrastructure of change across the board. Each could stand successfully on its own for as far as the local governments and their partners at the national level wish to take them. At the same time, the elements provide each other with mutual reinforcement that not only enhances
the chance for successful outcomes in each locale in which the ele-
ments are implemented but also creates momentum for greater expan-
sion of the three reform proposals into new spheres.

It is a truism to speak of the world today as being one confront-
ing great changes. Nowhere have the dynamics of change played out
more rapidly and to such an extent as in Israel. It behooves the state
and its citizens to look to some of the institutions that have been sub-
jected to the greatest strain—those of local governance and municipal
management—and seek transformations that would better adapt them
to the Israel of today.


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MoEd—See Ministry of Education.


OECD—See Organisation for Economic Co-operation and Development.


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The local governance level in Israel has historically been weak compared with the power of the national government. Many of the issues regarding socioeconomic development and access to opportunity in the wider economy are best addressed at this level. This report discusses three key aspects of Israeli municipalities, with a view toward strengthening the effectiveness and efficiency of local government in Israel, particularly in recruiting personnel to become more-active agents for change. First, the authors make the case for adopting a regional approach to address the fragmented nature of municipal governance and overcome some of the key obstacles confronted when dealing with the problems faced by individual small and poor municipalities. Second, they lay out a model for the hiring and placement of personnel in managerial municipal positions as a partial solution for cronyism and the dearth of skilled leadership and professional staffing that typifies many peripheral localities in Israel. Finally, the authors examine the education services that municipalities would be able to offer their residents, with an emphasis on minority communities.

This report should be of interest to those involved in urban and regional transformations, the institutions of democratic governance, and Israeli social and economic development, including those working toward greater inclusion of disadvantaged populations within Israel and more generally.