



Report of the State Comptroller of Israel | May

Systemic Topics

The Government's Handling of Young NEET People Among the Arab Society



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Background

30% of the young residents of Israel are from the Arab society, of which about 280,000 are young people¹ aged 18–24. Young people who are "Not in Education, Employment, or Training", are also known by the acronym NEET. Amongst the Jewish society, there is a natural and even mandatory path that a graduate of the education system is expected to join upon graduation – either the military (or national-civil service) or religious studies at a yeshiva. This natural route results in the rate of NEET people among Jewish youth aged 18–24 in 2021, being about 14% among men and about 17% among women. On the other hand, in Arab society, there is no regulated or mandatory natural route for a graduate of the education system. Thus, the rate of NEET people among young people in Arab society aged 18–24 is higher than their rate in Jewish society – about 25% among men and about 34% among women. The difference in the NEET people rate between young Arab men and young Jewish men has recently increased from 6% at the beginning of 2015 to 11% at the end of 2021.

NEET also affects the crime rates among young people, especially among men. Moreover, NEET affects the sense of competence and interpersonal skills, causes the depletion of social ties and depression, imposes a financial burden on the family, and on welfare and community services, causing a decrease in the sense of social belonging and an increase in poverty and inequalities in society. NEET at a young age is linked to NEET in adulthood. Therefore, high-quality integration of the population of young people in Arab society into the labor market can reduce socio-economic disparities and improve the productivity of the Israeli economy.

1 All reference to "young people" in the abstract refers to both men and women. When reference is made to a specific gender, an appropriate term will be used.



Key Figures

**about
29%**

the NEET people rate among young Arabs in November 2021, about 57,000 young people (about twice the average rate in the OECD)

**NIS
436.5
million out
of about
NIS 34.2
billion
(1.3%)**

the dedicated budget to deal with young NEET Arabs out of the total budget of the five-year plans in 2018–2026 for the Arab society (Arabs, Bedouin, Druze, and East Jerusalem); And the program for contending with crime and violence in Arab society

**about NIS
5 billion
per five
years**

the State Comptroller's Office estimate regarding the potential five-year direct damage to the Israeli economy due to NEET people in Arab society

50%

the increase rate in crime among young Arabs (men) in 2015–2019, an increase of about 6,000 criminal cases

6,600

young Arabs born in 1991–2002 whose psychometric test score is at least 500 cannot be admitted to any university due to failure to pass the Hebrew test threshold

49 points

the gap between Jewish 8th grade students in the 'Meitzav' test in English (English school efficacy test in and growth metrics) and the score of Arab students

1


Bedouin graduate out of the 996 engineering studies graduates at Ben-Gurion University in 2019

3%

the potential participants rate in the Transition Year programs among the total NEET people in Arab society



Audit Actions

 From July 2021 to August 2022, the State Comptroller's Office examined the government's handling of young NEET people among Arab society, the government resolutions regarding these young people and the budgets allocated, and the education system measures to prevent NEET. The Transition Year programs include: The measures of the Israeli Employment Service (the Employment Service) and of the 'Rayan' centers, established by the labor branch of the Ministry of Economy and Industry² (the Labor Branch) for the integration of young Arabs into the employment market; And the barriers to the integration of young Arabs into institutions of higher education. The audit was carried out in the Ministry of Education, the Ministry of Social Equality, the Labor Branch, the Employment Service, and the Ministry of Welfare and Social Security (Ministry of Welfare). Completion examinations were carried out at the Council for Higher Education at the University of Haifa, at the Prime Minister's Office, and at the Ministry of Finance.

The audit was carried out, among other things, through the compilation, monitoring, analysis, and cross-checking of data from the databases of the National Insurance Institute, the Police, the Israeli National Institute for Testing and Evaluation (NITE), the National Authority for Measurement and Evaluation in Education (RAMA) and other audited entities. The data was analyzed with quantitative tools, including advanced statistical and methodological methods of machine learning for data analysis, such as linear regressions, decision trees, and cluster analysis. Furthermore, the State Comptroller's Office carried out a public participation procedure with focus groups of young Arabs to learn first-hand their point of view regarding the government measures to prevent NEET and the integration of young Arabs into the employment market and to understand from the participants in these groups what the barriers and difficulties are, as they experience them.


2 After the completion of the audit, the government resolved on January 29, 2023 (Resolution 93) to establish the Ministry of Labor and to transfer to it the Labor Branch's operating segment from the Ministry of Economy and Industry, with the exception of the operating segment of training adults and employers in the Vocational Training Division and with the exception of the Equal Opportunities Commission.






Key Findings

Young NEET People Among the Arab Society and Its Effects

- The NEET people rate among young people aged 18–24 in Arab society is higher than their rate in Jewish society: about 25% among men and about 34% among women. In November 2021, the number of NEET 18–24-year-old people in Arab society was about 22,000 men and 35,000 women. Between 2015 and 2020, the rate of NEET people among Jewish men dropped from 16% to 14%, among Jewish women from 22% to 18%, and among Arab women from 41% to 32%. Among Arab men, the rate of NEET people remained stable during this period.
- The Covid-19 pandemic at the beginning of 2020 increased the NEET people rate in the general population to a considerable extent. In November 2021, the NEET people rate among men and women in Jewish society returned to its pre-pandemic rate, but not so in Arab society. The State Comptroller's Office analysis raised a positive correlation between NEET and the crime level and that the rate of NEET people among young Arab men was on the rise even before the Covid-19 pandemic (2018–2020) and continued to rise (2020–2022).
- The level of crime among the young Arabs rose consistently, from about 0.1 criminal cases per capita in 2015 to about 0.15 cases in 2021 (an increase of about 50%). I.e., an increase of about 6,000 criminal cases.
- The State Comptroller's Office estimate of the potential damage from among young NEET Arabs is about one billion NIS per year, about five billion NIS for the five-year plan. The five-year plans for the Arab society for 2018–2026 and for contending with crime and violence in the Arab society were budgeted at about NIS 34.2 billion. The plan included the promotion of this society, including indirect treatment of NEET young people in education, employment, and crime prevention. Still, only NIS 436.5 million was allocated as a dedicated budget to deal with the NEET young Arabs (about 1%).

 **Gathering Data and Analyzing it as a Basis for Government Resolutions and Efficient Allocation of Resources** – the five-year economic plan to reduce disparities in Arab society and the five-year plan for the Bedouin society are two plans the government decided upon in 2021–2022 and based on which a budget of NIS 27 billion was allocated. It was found that the resolutions were made without the Ministry of Social Equality and the Ministry of Welfare, which formulated the programs, carrying out a data analysis with sufficient scientific validity. I.e., the programs intended to treat NEET young

people were not formulated based on a reliable and updated data analysis and without adapting the response to the unique characteristics of each sector. It was also found that the inter-ministerial team established as part of Government Resolution 550 of October 2021 to reduce disparities in Arab society focused on young Arabs, without individual reference to Bedouin youth. This is even though young Bedouins' employment and economic situation is more complex compared to the other sectors of Arab society. At the beginning of 2020, the rate of NEET people among young Bedouins was about 33% (about 6,000 young men), compared to about 20% among young Arabs (about 15,000 young men), and among young Bedouin women, about 55% (about 9,000 young women), compared to about 27% among Arab young women (about 19,000 young women). As for the five-year plan for the Bedouin society from March 2022, it refers to the Bedouin society but not necessarily the young who may become NEET people.





-  **What Causes Young People in the Various Populations to Become NEET** – according to State Comptroller's Office analysis of the regression results, the link between each of these characteristics – matriculation track, post-secondary education, national, military or civil service, and vocational training – and the reduction of the probability of NEET people is more significant among Bedouins than among the Arabs and Jews. I.e., improving these characteristics may result in more substantial benefits (effectiveness) for the Bedouin than the other sectors. Hence, investing in these variables may yield greater social output regarding the NEET people. For example, post-secondary education reduces NEET people rate by about 9% in the Jewish sector, by about 18% in the Arab sector, and by 34% in the Bedouin sectors. This is in contradiction with the target population of the formulated plans and the allocated budgets – young Arabs – and the need to focus on the prominent people that need these budgets – young Bedouins.
-  **Predicting NEET People at a Young Age** – according to the government's resolution from October 2021 on a plan to contend with crime and violence in Arab society in 2022–2026, the Ministry of Education should develop a tool to identify and monitor pupils who are at high risk of dropping out, based on predictive variables. It was found that the Ministry of Education does not have such a tool. Such a tool may also help identify children at risk of being NEET people, early. The State Comptroller's Office audit team developed a tool for predicting future NEET people and found that it is possible to predict with a probability of 71% whether a child in the 8th grade will be a NEET person at 19–20. For example, the highest likelihood of NEET person is for a Bedouin pupil whose school cultivation decile is more significant than 8.8 and whose father's annual income is less than NIS 13,088, and the prediction with the lowest probability of a NEET person is for Druze whose school cultivation decile is less than 7.7.
-  **Signs (indications) of NEET People in the Stages of the Acquisition of Education** – it was found that, regarding young Arab women, attendance in the twelfth grade and studies on the matriculation track reduces the probability of being a NEET person amongst those who did not choose higher education; Nevertheless, there is no clear link between advanced matriculation in mathematics to being a NEET person. Regarding men who did not choose a post-secondary education track, attendance in the



twelfth grade and studies in the matriculation track increase the probability of being a NEET person. Moreover, advanced matriculation in mathematics, English, and Hebrew and a psychometric test are distinctly associated with an increased likelihood of being a NEET person. It was found that the Ministry of Education's efforts to increase the rate of those eligible for matriculation and to expand the number of study units taught not only do not contribute but may even increase the chance of young Arabs who do not apply for post-secondary studies, to be NEET people.


High School Technician Study Track – it was found that a high school technician study track managed by the Ministry of Education reduces the probability of NEET people among young Arab men who do not acquire post-secondary education. Out of the young Arabs examined, about 130,000 young men and women, the number of students with technician certification was only 3,268, about 2.5%.

Vocational Guidance for High School Students in Israeli Arab Society – the audit raised that in Arab society, there is no incentive mechanism for teachers to encourage graduates to integrate into the labor market – either through early participation in vocational training or through direct integration immediately after graduation. The existing teacher incentive mechanism does not answer the needs of Arab society because it reflects the value of service to the country by enlisting in the IDF and volunteering for national civil service, a value of great importance, especially in Jewish society. It was further raised that the Ministry of Education programs do not respond appropriately to the need for vocational guidance and does not have an orderly program for quality vocational guidance. It was also raised that the Ministry does not oblige the Arab education schools to implement the career education program, and its implementation depends on the school administration's discretion and cooperation. In addition, knowledge of the employment market and vocational guidance are not part of the definition of the role of educational counselors. In the process of public participation held by the audit team with educational counselors in Arab high schools in the north and Bedouin high schools in the south, it was found that the daily routine of the counselors is characterized by dealing with emergencies, in addition to the regular and urgent workload, and as a result, they have no time at all to engage in vocational guidance for students. It was also found that the career guidance programs operated by the Council for Higher Education, mainly the 'Rowad' program, which operates in high schools attended by at least 62% of Arab high school students, direct outstanding Arab high school students to academic studies. However, the Ministry of Education has not formulated a suitable answer for all the other students in Arab education who do not wish to integrate into academic studies but are interested in further vocational training studies – studies in the 13th and 14th grade, government training (for example, the training of engineers and technicians by the Government Institute for Technological Training) or private training. Without a regular program, the risk increases that a young Arab will not find his way after high school and will be a NEET person.

-  **Learning Hebrew in the Arab Education System** – according to the audit findings, the "Hebrew on the Continuity" curriculum to promote Arab students' mastery of the Hebrew is not effective – in 2018, there was a decrease in achievements compared to 2016 before the program was implemented. It was also found that half of the Hebrew teachers in Arab education (about 50%) do not have a bachelor's degree in the field, and the absolute majority of candidates for teaching Hebrew (about 96%) did not pass a proficiency test in the Hebrew language; And that the Ministry of Education does not systematically compile and analyze the data on the Hebrew level of the Arabic-speaking students for the entire age range, and therefore does not have a situation report enabling it to understand and analyze the disparities in the knowledge of this language.
-  **Providing a Response to Students of the Bedouin Education System in the South** – it was found that the NEET people rate among Bedouin graduates is more significant than in any other Arab sub-sector regarding young men (32.6% on the eve of the Covid-19 crisis) and young women (54.7% on the eve of the Covid-19 crisis). Another severe phenomenon of the Bedouin society is students' drop out of the educational frameworks. In the 2019 academic year (September 2019 – August 2020), the dropout rate among the Bedouins was 1.4%, compared to 0.6% in the Arab population. It was also found that the educational achievements of the students of the Bedouin society are low compared to the Arab population as a whole, and this is expressed, for example, in the eligibility for matriculation (about 59% compared to about 67%, respectively). It was also raised that the Commissioner of Bedouin Education position has not been staffed since August 2020, after the retirement of the last officer. Since then, no professional has been at the headquarters, solely occupied with the subject. It should be noted that the South District of the Ministry of Education took over the responsibility for all tasks related to Bedouin education in the south and that in May 2022, a new director was appointed to the Arab Education Division in the Ministry of Education under the Pedagogical Administration, and she integrates all the five-year plans for the Arab society in education, except for the Druze sector.
-  **Government Programs for a Transition Year** – one of the responses formulated for young people in Arab society who do not have an organized framework at the end of their studies in the education system is the "Transition Year" program. As part of this program, before their academic studies or before entering the labor market, young Arab men and women gain experience in voluntary, educational, and occupational activities, learning ethical studies. The Transition Year program of the Authority for Young People in the Ministry of Social Equality and the Transition Year program of the Labor Branch is intended only for 3% of all the NEET people between the ages of 18 and 24 in Arab society, and the average cost from the State budget is about NIS 25,000 per participant. These programs do not address the entire NEET population, and their high cost hinders their expansion.
-  **'Rayan' Centers for Vocational Guidance in the Arab Society** – in 2012, following government resolutions concerning the Arab society, the Labor Branch established the Rayan centers – vocational guidance centers for the Arab society that provide guidance,




training, placement and free vocational accompaniment to young and adult academics as well as to those lacking professional training or experience. According to the data analysis of the State Comptroller's Office, it was found that the participation of young Arabs (women and men) in Rayan centers has no distinct effect on their being NEET people. On the other hand, it was found that other variables examined – the young person's employment history in 2019, age, parents' income, gender, sectoral affiliation, and characteristics of the place of residence (socio-economic cluster) – significantly influence the probability of being a NEET person.

 **Integration Barriers of Young Arabs into Higher Education Institutions** – in 2018, about 15,000 Arab Israeli students studied outside of Israel, of which about 8,000 were in the Palestinian Authority. 6,215 Israeli Arab students' study at the American University in Jenin, more than any university in Israel. For comparison, Haifa University, which has the most significant number of Arab students in Israel, has about 5,000 Arab students. It was found that young people in Arab society, and in particular men, who aimed for academic studies but did not realize it in Israel, are NEET people to a greater extent than young people who did not aim for such studies. It was also found that the 'Yael' test (Hebrew language knowledge tests for immigrants), a threshold condition for university admission, constitutes a barrier to entry. Thus, about 6,600 young Arabs who scored higher than 500 on the psychometric test and a score lower than 90 on the Yael test cannot enter any university in Israel.








The University of Haifa's Pilot for the Admission of Non-Hebrew Speaking Students – the State Comptroller's Office commends the pilot of the University of Haifa, which includes a course for Hebrew language studies while studying, as a substitute for the Yael test. This reduces the barrier of the Hebrew language and increases the percentage of Arab students who are accepted to the university and remain in it.


Key Recommendations


 It is recommended that the relevant government bodies – the Ministry of Education, the Labor Branch, the Ministry of Social Equality, the Council for Higher Education, the Ministry of Welfare, the Ministry of Finance, the Employment Service, and the Prime Minister's Office – continue to address NEET people among the Arab youth, analyze the needs of this population, formulate a detailed plan which considers all the characteristics of NEET people, set measurable targets for its reduction and monitor the implementation of the plans and compliance with the set targets. It is also recommended that the relevant government ministries make their decisions based on individual data analysis regarding each community and each sector and using a reliable database. This is to obtain a complete and up-to-date


situation report of NEET people, which will enable an efficient and appropriate allocation of resources to the communities and the sectors.

-  It is recommended that the Ministry of Welfare, in collaboration with the Ministry of Social Equality and the Labor Branch, examine, within the framework of the special programs for the Arab society and the Bedouin society, formulate a plan including a differential budget allocation and prioritize investing in the Bedouin youth, addressing the unique characteristics and needs of this population.
-  It is recommended that the Ministry of Education formulate a model for monitoring and diagnosing children at risk of becoming NEET people in their adulthood, including examining the predictive model used in the UK.
-  It is recommended that the Ministry of Education analyze the reasons why its efforts to raise matriculation eligibility rates and expand the number of study units among Arab male students who did not apply for post-secondary education increase, in practice, their chances of being NEET people. It is especially recommended to consider the need for further personal development and guidance of young people with an extended matriculation certificate, whose chance of being a NEET person is greater. Moreover, it is required, among other things, to develop an alternative route for them, such as vocational training. It is also recommended that the Ministry of Education continue to increase the rate of eligibility for matriculation and the quality of matriculation among Arab female students since a statistical link was found between increasing the rate of eligibility for matriculation and the quality of matriculation, thus, reducing the number of NEET people.
-  It is recommended that the Ministry of Education consider increasing the number of young Arabs in courses that grant a technician certificate in addition to the matriculation certificate and even examine whether additional vocational certificates reduce the probability of being a NEET person.
-  It is recommended that the Ministry of Education and the Council for Higher Education formulate a systematic and complementary plan for occupational and academic studies. The plan should include constant studying of the changing labor market and the expected opportunities therein, an individual and tailored response to each student, meetings with employers and visits to selected workplaces, as well as familiarization with a variety of the academic and post-secondary studies routes, the technological colleges and the vocational training. This is to give the Arab youth appropriate tools to help them enjoy equal opportunities and integrate into society and the economy. It is also recommended that the Ministry of Education consider adding to the value-social component of the compensation indices for the upper clusters of Arab society an index of the graduates' rate who have integrated into the workforce, vocational training, and higher education, in addition to the service to the state index. Adding this component to the remuneration indices for the upper clusters can encourage and incentivize the staff of schools in Arab education to engage in occupational orientation and adapt the study material to career orientation.

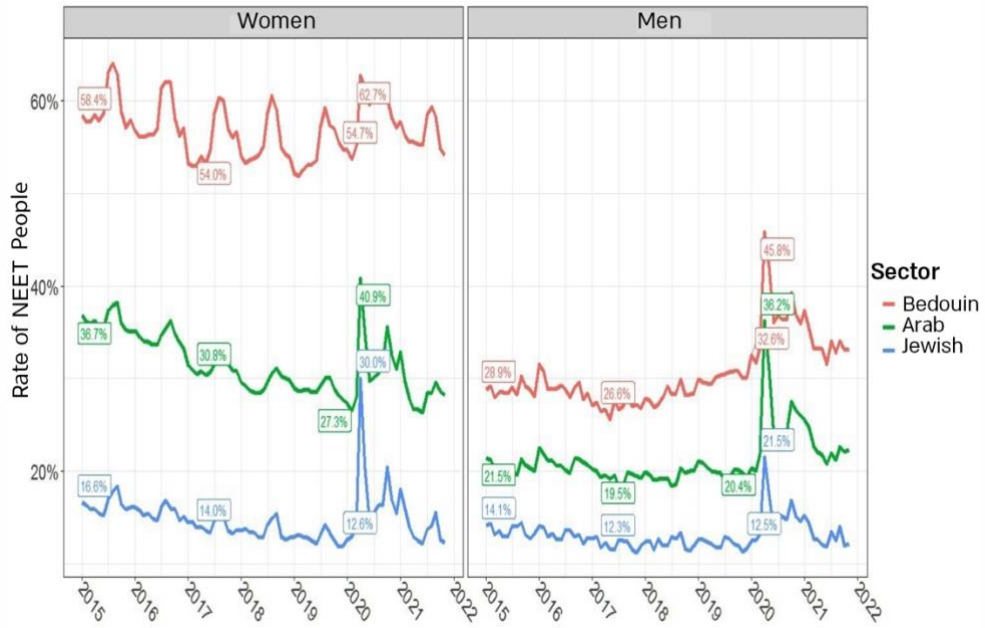


-  It is recommended that the Ministry of Education improve the quality of teachers teaching Hebrew in the Arab education system and establish criteria to ensure the suitability of those employed in teaching Hebrew in Arab schools to quality teaching that will promote students' mastery of Hebrew; Set a measurable goal to improve mastery of the Hebrew language; Carry out systematic and extensive monitoring of the knowledge of Hebrew among young Arab students; And examine, in coordination with the Ministry of Finance, the possibility of incentivizing teachers whose native tongue is Hebrew to teach Hebrew to Arabic-speaking students.

-  Given the significant government investment – NIS 310 million for 2019–2024 – in the operation and expansion of Rayan centers in Arab society, it is recommended that the Labor Branch complete the responses given to these young people, and examine the contribution of the responses to reduce the number of NEET people among them. It is recommended that the contribution be examined in accepted statistical ways after a long period of operation of the centers that will allow the expansion of the database.

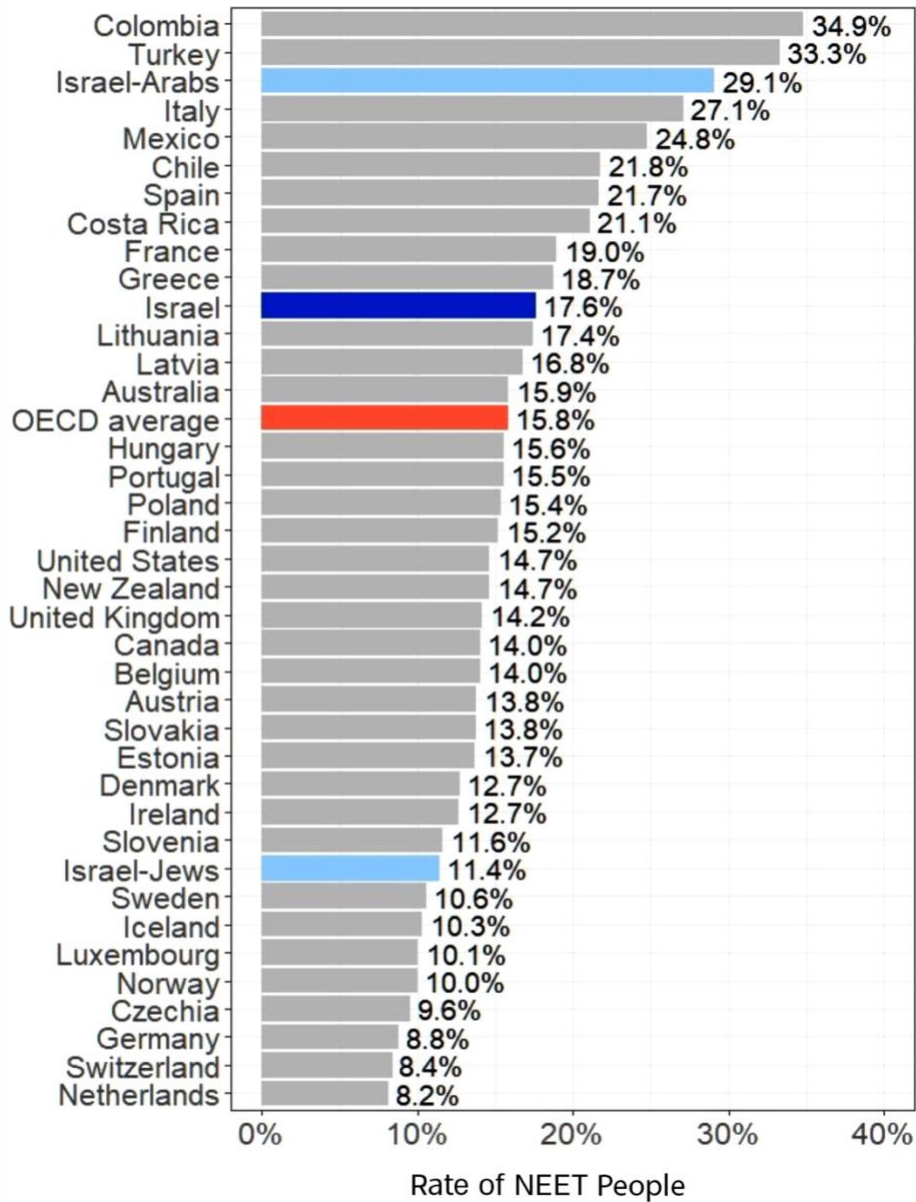
-  The results of the pilot run by the University of Haifa raise the need for the Council for Higher Education to consider incentivizing the universities to increase the number of Arab students, even if the students do not meet the threshold conditions of the Yael test. It is further recommended that other universities and colleges consider implementing this pilot, or something similar, regarding the admission of students whose native language is not Hebrew. At the same time, it is recommended that the Council for Higher Education consider encouraging all academic institutions to operate a dedicated preparatory school for studying Hebrew for students who do not speak the language and to reward them according to the student's achievements, including those in the Yael test.

The Rate of Young NEET People Among Ages 18–24 Years, by Gender and by Sector





The Rate of Young NEET People in an International Comparison for 2020



According to data from the OECD and the National Insurance Institute, processed by the State Comptroller's Office.



Quotes from the Public Participation Process Held by the Audit Team with Young Arabs



THERE IS NO LINKAGE BETWEEN A STUDENT COMPLETING 5 STUDY UNITS IN HEBREW AND COMMUNICATING IN THAT LANGUAGE



WE KNOW HOW TO FIND WORD ROOTS IN PRACTICE BUT WE ARE UNABLE TO SPEAK TWO SENTENCES IN HEBREW



Summary

NEET young people do not study and are left without employment and livelihood. Recent Government resolutions allocated considerable financial resources to promote Arab society and reduce the social gaps between it and Jewish society. However, the State Comptroller's Office data analysis using advanced statistical methods and tools, raised that the education system, which is supposed to equip young people with the tools to help them integrate into the job market upon adulthood and allow equal opportunities for children, most of whom are from a low socio-economic background, does not provide them with the tools and skills necessary in the job market and academia. Furthermore, the relevant government bodies – the Ministry of Education, the Labor Department, the Ministry of Social Equality, the Council for Higher Education, the Ministry of Welfare, the Ministry of Finance, the Employment Service, and the Prime Minister's Office – entrusted with reducing inequality among young Arabs over the age of 18, are not working optimally. The audit did not find that the participation of young Arabs in the Rayan centers, operated by the Labor Branch, significantly affects the number of NEET people. The Transition Year program, developed as a flagship program of the Ministry of Social Equality and the Labor Branch, targets a minimal population segment, involves high costs for each participant, and cannot be expanded. It was found that the threshold of proficiency in the Hebrew language set by the universities and some colleges for admission to studies prevents many young Arabs from integrating into academia in Israel due to the poor level of Hebrew of the young Arab men and women who complete their studies in the Arab education system. Many of these young people become involuntarily NEET people, and others find solutions at Palestinian Authority universities or study overseas.

The integration of the NEET young Arabs into Israeli society and the employment market is a significant and complex challenge facing the Israeli government, in particular concerning the Bedouin youth. Meeting this challenge can reduce socio-economic gaps, improve the self-image of young people, reduce the scope of crime among them, and improve their standard of living and work productivity, thus improving the productivity of the Israeli economy. It is recommended that the government integrate these young people, among other things, according to this report's recommendations.