

Cutting the Budgets for the Arab Sector's Five-Year Plans Threatens Israel's National Security and Resilience

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Given the high costs involved in fighting the war in Gaza, the government's need to implement an across-the-board budget cut to the various ministries is entirely understandable. However, cutting the budgets allocated to the five-year plans for Arab society and slashing the grants to Arab local authorities could have dire consequences, not only for Arab society but also for Israel's economy and its national security. Arab society has proven its loyalty, its connection, and its belonging to the State of Israel through the years of its existence—including during the current conflict with Hamas in the Gaza Strip. Over the past decade, Arab society has manifested its desire to be integrated into Israeli society and economy, and to be citizens with equal rights, in part thanks to the five-year plans for Arab society, which have contributed to the growth of Israel's economy as a whole. The government should seize the opportunity and engender a positive and fundamental change in the way that the state and Jewish majority relate to Arab society. It should continue to implement the five-year plans for the economic and social development of Arab society with minimal harm to the budget allocations. This view is currently supported by government officials, including those in the Ministry for Social Equality, the defense establishment, civil society organizations, and Jewish-Arab research institutions.

Over the past decade, there has been a clear and prevalent trend within the Arab society in Israel toward social, economic, and political integration—without contradicting the national identity of these citizens. Over the past year, Arab society has expressed concern about the policies enacted by the current government, which includes members of the extreme right. In practice, these policies have led to a decline in the budget allocated to the five-year plans for developing and advancing Arab society and for combating crime, as well as budgets for meeting the needs of the local authorities. Similarly, the battle to curb criminal activity and violence, which has led to an unprecedented rise in the

number of homicides, has also been scaled back. These developments have further entrenched Arab society's lack of trust in the State of Israel and its institutions, halted processes of integration, and harmed the chances of narrowing the gaps between the Arab and Jewish sectors.

Nonetheless, the war that followed Hamas's attack on Israel on October 7 created an opportunity to leverage the situation and generate a positive change in how the state relates to Arab society by formalizing its standing and expanding its integration. In response to the events, Arab society disproved the assessments of the senior members of the Israeli political and security establishments, who suggested that Arab citizens would engage in violent confrontations with the state, as had occurred in May 2021 during the Operation Guardian of the Walls campaign in Gaza. Concurrent with these assessments, many Israeli Jews were terrified and traumatized by Hamas's massacre and were afraid that the Arab citizens would commit similar acts. Fortunately, the warnings by officials and the fears of the public never materialized, as the Arab public ignored Hamas's calls to open a domestic front against Israel.

In practice, the vast majority of Israel's Arab citizens denounced unreservedly Hamas's terror attack and expressed their sense of a shared fate with the Jewish majority and their loyalty to the state in both word and action. The fact that some of them have relatives in the Gaza Strip highlights the sensitive position of Israel's Arab citizens and their ability to contain their pain and not harm innocent people. Jews and Arabs in Israel have maintained stable relations, including in the mixed towns and cities, and no incidents of violence between the two populations have been reported. In fact, there have been many manifestations of mutual volunteerism and solidarity.

It should come as no surprise that the vast majority of Arab society rejects extremist, nationalist or Islamic-religious ideologies and has chosen to integrate within Israeli society. The five-year plans for the economic and social advancement and development of minorities in Israel have helped to narrow gaps between Jews and Arabs and promote integration between the two communities. These trends have been amply illustrated, inter alia, by a sharp climb in the numbers of Arab students matriculating from high school and continuing into higher education, a significant rise in the employment rate among Arab women, and an improvement in the economic health of the Arab local authorities.

Arab society is eager to safeguard and expand its accomplishments and has traditionally used nonviolent means to protest social and political issues. It expects the state and the Jewish majority to recognize that it is a legitimate and integral

part of Israeli society, in the framework of shared citizenship and equality. The Druze and Bedouin communities have similar expectations, as both have made painful sacrifices during the current war in Gaza, manifesting their shared fate with the State of Israel. Surveys conducted during the war have indicated an increase in the percentage of Arab citizens who say that their Israeli identity is the most important part of their self-identity, alongside their identity as Arabs. At the same time, the trend of increased integration among Arab citizens, who make up 20 percent of the population of Israel, serves the country's economic and social interests—especially in the rise in GDP and the growth of the entire economy, as well as reducing poverty levels among the Arab population and their reliance on state-provided welfare services.

However, these positive and significant developments are overshadowed by the fact that Arab society is still—in many respects—excluded and discriminated against and is far from achieving full civil equality. This is despite the fact that Arab citizens are equal in the eyes of the law and enjoy exactly the same civil rights as the Jewish majority. As a result, Arab Israelis suffer from poverty, unemployment, and crime, as well as discrimination in the allocation of budgetary resources, including the distribution of lands and housing, as well as the relatively low percentage of Arabs working in the public sector.

This reality creates a dilemma for Arab society. Israeli Arabs have come a long way in terms of their experience with the society and culture of the Jewish majority, and they seriously endeavor to be integrated into Israel's society and economy; however, the demand to formalize—de jure and de facto—their position and future in the State of Israel is met with suspicion and resistance by the state and from the right-wing among the Jewish population, as expressed in various legislative initiatives, notably the Nation-State Law, which was designed to strengthen Israel's Jewish character.

In the eighth decade of its existence, the State of Israel, along with its Jewish majority, must now redefine its relationship with its Arab citizens, given that they have proven themselves loyal to the state. We must meet their demand that they be allowed to live here as citizens with equal rights in a democratic country that has a Jewish majority. The assessment is that, against the backdrop of Hamas's barbaric attack on Israel and the ensuing war, a golden opportunity has been created to engender a positive change in how the state and its Jewish majority view Arab society, with the support of the Israeli government, such as the Ministry for Social Equality, the Israel Security Agency (Shin Bet), civil society organizations, and various research institutions—Jewish and Arab alike.

This is a national goal that can be achieved. It can be realized by determining that the full integration of Arab citizens into Israel's society and the economy is a national goal; by formulating policies to narrow the gaps that exist today; by discouraging ethnic discrimination; and by putting an end to legislative initiatives designed to marginalize Arabs. The measures necessary for doing this will require a profound change in the perceptions of the Jewish population and the national leadership, continued massive investment of resources in programs designed to promote the cultural and economic development of Arab society, while cooperating fully with the Arab leadership in the planning and implementation of these plans. In the immediate term, this means continuing to implement the five-year plans that are already in place for the Arab, Druze, and Bedouin communities and providing a systemic, significant, and consistent response to the phenomena of crime and violence. At the same time, measures must be taken to mitigate the impact of the profound economic crisis that the war has caused in the Arab sector—a crisis that has damaged the Israeli economy in general and the underprivileged Arab minority in particular. Similarly, Israel must exercise extreme caution in imposing restrictions on the freedom of expression.

Adopting such a policy would strengthen the Arab citizens' sense of belonging to the State of Israel and would enhance the process of their integration. It is in Israel's best interest to ensure equality between its Jewish and Arab citizens, while recognizing the religious and cultural differences between them. Progress in this direction, through legislation and government investment, would narrow the gaps between the majority and the minority and would improve relations, reduce tensions, decrease extremist nationalist activity on both sides—and strengthen Israel's democracy. This is an interest of supreme national importance in terms of Israel's social, economic, governmental, and moral resilience, which could help forge a functional, multicultural society with a shared civic identity.

Given the cost of the current war, it is understandable that the Ministry of Finance would like to slash the budget by 5 percent across-the-board of every government ministry, but it is critical to avoid a much deeper cut (up to three times at 15 percent) of the budgets proposed for the Arab sector's five-year plan. Likewise, there must be no cut to the grants that the government gives to Arab local authorities to help them level up. If Israel goes ahead with these cuts, it could undermine investments that have already been made, widen the gaps, and slow down processes of integration. In this situation, the Israeli economy, which has enjoyed high levels of growth in recent years—in part thanks to the five-year plan for the Arab sector—would be severely harmed.

Missing this opportunity to improve relations between the state, its Jewish majority, and the Arab minority could prove to be a strategic mistake at the national level in terms of Israel's society, economy, and national security. It would lead to alienation and estrangement of the Arab minority, and it would strengthen the extremists—nationalist and religious alike—and the trend toward separatism within Israeli society. It would also encourage extremist, right-wing Jews to express and act upon their nationalism, which is fueled by hatred, bullying, and racism toward Arabs. The unsupervised distribution of gun permits to Jewish civilians has already undermined the sense of personal security among the country's Arab citizens, who are also suffering from rampant crime and violence in their communities. This negative development could cause the situation to deteriorate into widespread clashes and violence between Jews and Arabs—against the backdrop of possible violence in East Jerusalem, especially over the issue of the Temple Mount and other holy sites—and would harm national security.

In this context, it is important to note the explicit and detailed warning that the Israeli Security Agency sent to the prime minister, the finance minister, the Ministry for Social Equality, and the National Security Council, titled "The Israeli Sphere: An across-the-board cut to the five-year plans for the Arab sector is a long-term strategic threat." In the conclusion, the Israeli Security Agency explicitly warns decision-makers that,

We believe that a significant cut to the five-year plans for the Arab sector would lead to strategic damage to the national security and resilience of Israeli citizens and therefore recommend not cutting the budget for the five-year plans for the Arab sector.

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