

# **Toward a Resolution of the Israeli-Palestinian Conflict: Demography, Social Prosperity, and The Future of Sovereign Israel**

## **1. Introduction**

Of paramount importance to the national sovereign state are terms such as “territory”, “majority population”, and “prosperity”. Territory refers to the physical area that is decided upon and recognized by the international community. The national state seeks that the majority of the population identifies with its major cultural and ethno-religious character while providing equal rights and religious freedom to all minority populations. The modern state, likewise, anticipates that all inhabitants will acquire professional qualifications to make their own living, ensure their personal welfare, and take part in the responsibility for the strength and future of the state. These aspects are all the more crucial for countries, such as Israel, who experience ongoing national and political conflict with neighboring countries.

The political and social Israeli mainstream recognizes today the two-state principle for resolving the Israeli-Palestinian conflict. What has begun with the unilateral Israeli withdrawal from Gaza in 2005 has recently gained momentum with the “Bar-Ilan” speech of Prime Minister Benjamin Netanyahu which expressed willingness for an independent, albeit demilitarized, Palestinian state. Indeed, some issues such as borders, the Jewish settlers, and security arrangements, promise long and complicated negotiations. What is perhaps more clear is that the Palestinian population in the West Bank and Gaza would no longer be under Israeli administration.

This new geopolitical order, of two states for two people, should remove an immediate demographic threat to Israel according to which within several years the Arab inhabitants in the area between the Mediterranean sea and the Jordan river will

outnumber the Jews (DellaPergola, 2007). Yet, in the state of Israel there is a sizable non-Jewish population, comprised of Arabs of the pre-state era and their descendants, most of whom are likely to stay in their place of residence and maintain their Israeli citizenship. This suggests that the concern for maintaining the character of the state of Israel as the state where the Jewish people realizes its right to self-determination and ensuring a solid Jewish majority should now be directed inward. Moreover, Israel wishes not only to be Jewish and democratic but also to be a prosperous and developed country that upholds human rights and is committed to the welfare of all its residents and citizens.

The question of a Jewish majority in Israel inspires spirited scientific and political polemics. On one side of the divide, it is argued that the large discrepancy in birth rates between Arabs and Jews is leading inexorably to the de facto development of a bi-national state (Bystrov and Soffer, 2008). On the other side, it is alleged that the differences in birth patterns are narrowing so swiftly as to create similarities between the population groups that are also reflected in a future increase in Jewish birth rates. With immigration tossed in, most of which to the Jewish population (anchored in the Law of Return), one may assure a solid Jewish majority in Israel (Feitelson, 2008; Zimmerman et al., 2006). Still other contend that there is no need for an absolute Arab majority to delegitimize Israel's characterization as a Jewish nation-state; even today, they insist, Israel should function as a binational state in every sense and will certainly have to do so in, say, another decade (Ghanem, Rouhana and Yiftachel, 1998). This is a political and normative controversy based on projections of demographic trends. Such controversies have much influence on attitudes towards matters such as migration policy and demands for the exercise of the "right of return".

Israel also wishes to be democratic, prosperous, and developed. An additional question, then, focuses on the socioeconomic aspects of the country's demographic makeup. Various population subgroups in Israel, including the Muslims and the Ultra-Orthodox (hereafter, haredim), have been growing rapidly in recent years. In greater part, these groups are poorly integrated in terms of schooling and employment.

This paper examines and seeks to account for the proportions and characteristics of specific population subgroups and their effect on Israel's future as a Jewish and prosperous state. These two issues are interrelated in complex ways. Both goals represent crucial elements in Israel's vision: the first concerns particularistic, Jewish part of the vision while the second involves indicator that relates to the population at large. Parts of both the Jewish and the Arab populations, however, pose special challenges to the developed and prosperous nature that the country wants to have. Both are crucial for Israel's military and social strength which can further a stable peace and economic prosperity in the Middle-East as a whole. Hence, we give special emphasize to possible policy implications of the empirical demographic and socioeconomic data.

The remainder of this article is structured as follows. Section 2 presents a historical overview of Israel's demographic development from the time it was established to present. Section 3 focuses on recent demographic changes and trends that have a direct effect on projections relating to Jewish-Arab population ratios and the socioeconomic composition of the population at large. Section 4 assesses the future continuity of recently prevailing demographic patterns and proposes alternative scenarios for the development of Israel's population and that of various subgroups up to 2030. Section 5 demonstrates the demographic meaning of the Palestinian demand for the "right of return". Section 6 provides possible policy implications of the

previously presented data and trends; among others, the domains discussed are associated with Jewish and other immigration, future borders, welfare policy, enhancement of labor force participation, the educational system, and national civic service. Section 7 summarizes the paper.

## **2. Population of Israel, 1948-2008**

### *2.1. Population Size and Composition*

Israel's first census, conducted shortly after the country was established, reported a population of 872,000 (Table 1). Largely owing to large waves of immigration in subsequent years and, in particular, mass immigration, the population swelled to slightly more than two million by the end of the country's first decade. In the years that followed, the pace of growth eased somewhat nevertheless remained high, bringing the population to 2.8 million by the end of the second decade, 3.7 million by the end of the third, and nearly 4.5 million by the end of the fourth. Mass immigration from the former Soviet Union fueled a spurt of growth from then on, bringing the population to some six million by 1998. By the end of 2007, the country had a population of 7.24 million.

(Table 1, about here)

The increase was not equally divided among the constituent religion groups of the population (Table 1). In the first decade, the Jewish population grew more quickly than the non-Jewish population, advancing from 82 percent of the total upon independence to 89 percent in 1958. Since then, the share of Jews has been falling gradually—to 86 percent in 1968,<sup>1</sup> 82 percent in 1988, and 76 percent today.

The share of Jews in the population is, of course, a critical statistic for those who wish to preserve a Jewish majority in order to avoid risking the stability of Israel as the

country where the Jewish people fulfills its right to self-determination. Different working assumptions about the interpretation and processing of the data may elicit substantially different proportions of Jews in the “Israeli population”. According to *alternative A*, the share of Jews in the total present Israeli population i.e., including those not classified by religion (kin of Jewish immigrants, most of whom are from the former USSR, or others who were entitled to immigrate to Israel under the Law of Return) and foreign workers, is 73.9 percent. *Alternative B* excludes the foreign workers from the present population bringing the proportion of Jews up to 75.8 percent. *Alternative C* excludes the Arabs of eastern Jerusalem and the Druze and Muslim residents of the Golan Heights from the count hence the share of Jews rises to 79 percent. *Alternative D*, which is based on the present Israeli population in *Alternative C* but shifts the “not classified by religion” group to the Jewish count, boosts the share of Jews to 83.1 percent.

The Arab population includes three main subgroups: Muslims, Druze, and Christians. Among the three, the share of Muslims has grown from 70 percent of the non-Jewish population in 1948 to 83 percent today, whereas that Druze and Christians has declined from 9 percent and 21 percent, respectively, at the dawn of statehood to 8 percent for each group today. Consequently, the share of Muslims in Israel’s total population has climbed from 10 percent when the country was established to 17 percent today.

Notably, persons who hold Israel citizenship but have been out of the country for more than one year are not included in the Israeli population. Various estimates place their numbers at around half a million most of whom are Jews (Sicron, 2004). Our data also exclude foreign workers, whose members were estimated at slightly under

200,000 at the end of 2006 (CBS, 2006). Thus, our analysis in this paper is based on alternative B above.

## *2.2. Sources of Population Growth*

From the establishment of Israel to the end of 2006, the country's Jewish population grew by 4.8 million persons. The increase was divided almost equally between natural increase (55 percent) and migration balance (45 percent) (Figure 1). However, the relative contribution of these factors has changed over time. The share of migration balance in the total increase fell from nearly 70 percent of the total growth of the Jewish population in 1948–1960 to 45 percent in the 1960s and around 25 percent in 1972–1982. Jewish immigration fell into a trough in the 1980s, reflected in the fact that the migration balance contributed slightly less than 8 percent to Jewish population growth during this time. In 1990–1995, the share of migration balance in Jewish population growth reverted to the high historical level of the early-statehood period (65 percent). Afterwards, it declined again—to 39 percent in the second half of the 1990s and 12 percent in 2000–2006.

(Figure 1, about here)

Since Israel was founded, its Arab population has grown by more than 1.25 million persons. Most of the growth traces to natural increase, which reflects high fertility rates (which have slowed over time) and falling infant-mortality rates. Another major contributing factor was the addition of the inhabitants of eastern Jerusalem to the Arab population in 1967 and the non-Jewish inhabitants of the Golan Heights in 1981. In 1990–2007, the Arab population has gained more than 30,000 persons due to the implementation of the “family unification” principle.<sup>2</sup> Since the early 1990s, immigration by Christians who are allowed to immigrate under the Law

of Return has made a considerable and documented contribution to the growth of Israel's non-Arab Christian population. Migration balance accounted for nearly 80 percent of the increase in the country's total Christian population in 1990–1995, around 33 percent in 1996–2000,<sup>3</sup> and roughly 50 percent since then. In absolute terms, however, the increase has been minor.

The population of persons not classified by religion grew from around 65,000 in 1996 to 320,000 at the end of 2007. Even though migration balance accounts for most of the upturn, the contribution of natural increase has also risen over time. Thus, the share of migration balance in the total growth of this population group fell from 84 percent in 1996–2000 to 66 percent in 2007.

### *2.3 Population by Religiosity*

The share of the two polar groups on the religious-identity continuum in the Jewish sector increased between 1990 and 2008: that of self-defined haredim increased threefold (from 3 percent to 9 percent, respectively) and that of the secular also increased, to slightly over half of the adult Jewish population (Figure 2). The proportional growth of both groups came mainly at the expense of the traditional population. These changes—especially the increase in the share of the secular—are partly explained by the religiosity of immigrants from the former USSR. However, the religiosity of Israeli society has an intergenerational dynamic of its own. Those who define themselves as haredi and religious seem to have become more radicalized in their attitudes than their parents were, while the secular and the traditional have established even a greater distance from religious patterns in the past generation (Peres and Ben-Rafael, 2006). These tendencies are widening the cultural gaps among Jewish population groups that are divided on the basis of religiosity and, within this

general category, on the basis of their attitude toward the state, democracy, general schooling, and economic and social integration.

(Figure 2)

The relative growth of the haredi population is especially noticeable in the young age cohorts (CBS, 2006a; Ministry of Education). Data, not shown here due to space limitation, on the distribution of children in the Jewish education system, parsed by main school systems, show that enrolment in haredi schools climbed from less than 10 percent of total Jewish enrolment at the beginning of the 1990s to more than twice that rate in 2008. Thus, today slightly more than one-fifth of Jewish children in Israel attend haredi schools. Nearly all of this increase was offset by falling enrolment rates in the State (non-religious) system. In absolute terms, enrolment in haredi systems increased by a factor of 2.5 while enrolment in the state system was unchanged. These developments strongly affect teacher training and the allocation of economic resources for the education system. Their impact is also evident in the Jewish and general subjects taught, including Zionist and Israeli values, and in the integration skills for the modern labor market that children in the different school systems receive.

The data on religiosity among Arabs are scantier; they are based on the Central Bureau of Statistics' annual Social Survey, which first addressed itself to this issue in 2002 (CBS, 2006a). According to the survey, the Arab population also spans the continuum of religious affiliation. Roughly half of all Arabs are very religious (6 percent) or religious (44 percent); the other half are not-so-religious or not religious in equal measure.<sup>4</sup> Notably, the intensity of religious (or national) affinity among minority groups, especially those involved in a national conflict, may be strengthened by the effect of the conflict on the components of identity.



### **3. Contemporary Demographic Patterns**

#### *3.1 Jewish Fertility*

Israel's Jewish fertility rate fell at a moderate pace over the years. The most conspicuous decrease occurred during the 1970s and 1980s, when the fertility rates of all Jewish origin groups settled at three children or fewer (Table 2). For comparison, Jewish women born in Asia-Africa had a fertility rate of 5.5 in 1955. Another mild contraction took place in the 1990s due to the former USSR immigrants, who were noted for their low fertility rate (1.5). Notably, the fertility rate of Israel-born women (2.75) hardly changed between 1955 and 2000. The share of Israel-born mothers among all Jewish mothers climbed from 13 percent in 1955 to more than 75 percent in 2000.

(Table 2, about here)

In 2001, the Jewish fertility rate was 2.59 children per woman. In 2007 it was 2.80—the first increase in forty years. The increase was largely unexpected in view of the large share of low-fertility immigrants from the former USSR in the Jewish population. The surprise was all the greater given the steep cutback in child allowances, which was thought to have had a downward effect on the total fertility rate. Thus, the upturn seems to reflect a trend that is explained, at least in part, by the growing share of the haredi population among Israeli Jews at large.

The haredi population grew with particular celerity in 1990–2007. Despite mass immigration from the former USSR, the proportion of those not enlisting in the army on grounds of “Torah as occupation” climbed from 4.6 percent of the 1990 induction group to 11 percent of those slated for induction in 2007. Due to the very high haredi fertility rate (around eight children per woman, Gurovich and Cohen-Kastro, 2004)

the younger the age, the larger is the share of haredim in it. The more young haredim join the birth-giving cycle at a higher rate, the more influence they have on the Jewish birth rate at large. More than one-fourth (28.5 percent) of Jewish newborns in 2006 were of haredi families.

In the midst of their increasing share among Israeli population, the haredi fertility rate has been falling off in recent years (2002–2006). In two all-haredi towns (Upper Betar and Upper Modi'in), the fertility rate fell from 8.9 in 2001 to 7.7 in 2006 and from 9.0 to 8.0, respectively (*Ha'aretz*, Jan. 14, 2008). This considerable falloff (12.5 percent) apparently traces to social, cultural, and economic changes that haredi society is undergoing and was triggered, evidently, by (among other factors) the steep cutback in child allowances and its aftermath, growing labor-force participation by haredi women and men (Sheleg, 2000, Sivan and Kaplan, 2003; Lupu, 2003; Cohen et al., 2007). Even though these trends will slow the growth rate of the haredi population, they will not change the upward trend in the share of haredim in the Jewish and Israeli population in the years to come.

Israel's population of persons not classified by religion is unique in its patterns. In many contexts, we include almost all members of this group (except for a small group of Christians who immigrated with family members) among the Jews because the Jews are the group by force of which they reached Israel and into which they integrate. However, the fertility pattern of this group has not changed perceptibly over the years and remains at around 1.5 children per woman.<sup>5</sup>

### *3.2. Non-Jewish Fertility*

Israel's Muslim population had one of the world's highest birth rates for quite some time and it actually increased in Israel's first twenty years (Table 2). At its peak, the

Muslim fertility rate came to nine children on average per woman. During the 1970s, the rate began to fall steeply due to comprehensive modernization in the Arab sector. The fertility rate stopped falling in the mid-1980s and rested at 4.7, 1.75 times greater than the Jewish rate, until 2000. Several explanations were offered for this phenomenon: the change in Israel's child-allowance policy, the stabilization of the tipping point between tradition and modernity, or the national struggle between Jews and Palestinians, which kept Arab fertility high (Sheleg, 2004; Schellekens and Eisenbach, 2002; Nahmias and Stecklov, 2007).<sup>6</sup>

The plateau in fertility in 1985–2000 was anomalous because Israel's Muslim population was going through rapid modernization during this time. It was such an outlier that the birth rates in all Arab countries surrounding Israel fell below those of the Muslims in Israel, even though the Muslims in Israel had more schooling and larger gross product per capita. After the fifteen-year plateau, the Muslim birth rate began to decline gently in 2002 and more quickly in 2004, adding up by 2007 to an 18 percent decline relative to 2000 (to less than four as against 4.74). This decrease returned the Muslim birth rate to the natural trajectory of moderate decline associated with modernization and schooling.

The accelerated pace of decrease evidently reflects a unique combination of the continuation of modernization trends, the harsh economic conditions that prevailed in 2001–2004, and the steep reduction in child allowances that began in 2002 and has continued to this day. The cutbacks had the effect of withdrawing the aberrant subsidization of childbirth that had been practiced until then, making the economic burden of raising children heavier and heavier. Consequently, the correlation between the rising level of education and the contraction of the birth rate gathered strength.<sup>7</sup>

The Negev Bedouin are a subgroup of the Muslim population. Unlike the Muslim population at large, whose fertility rate fell by half in the relatively short span of fifteen years, the Bedouin have kept their birth rate exceedingly high. In 1999, their fertility rate stood at slightly over ten children per woman (Table 2). This population, too, went through rapid modernization in the 1990s, reflected mainly in an increase in schooling including higher education. The process was best expressed in a gradual decrease in fertility, from ten children per woman in 1999 to nine children in 2003. The process speeded up greatly after 2003: in only four years, the Bedouin fertility rate fell to 7.14 children per woman. The total change in 1999–2007 is a dramatic decrease of three children per woman—29 percent in the fertility rate.

The Christian fertility rate has always been lower than that of the Muslims (Table 2). Until the early 1970s, however, it surpassed that of the Jews and has been falling perceptibly since then. For more than thirty years, the Christian fertility rate has been oscillating between 2 and 2.5 children per woman. By 2000, it became slightly lower than that of the Jewish population and in 2007 it settled at the intergenerational replacement rate of 2.1.

The religion group that underwent the most meaningful change is the Druze—from 7.5 children per woman on average in 1970 to only three in 2000 and 2.5 in 2007, below the Jewish fertility rate.

### *3.3. Jewish Immigration and Migration Balance*

The beginning of the current decade witnessed a perceptible decrease in immigration of Jews and others eligible for immigration under the Law of Return, from more than 60,000 in 2000 to slightly over 30,000 in 2002. The end of the Palestinian uprising (intifada) did not change the trend; in 2005 immigration came to around 21,000. Moreover, only 13,000 of them were Jewish and the remaining non-Jewish

immigrants (most of whom not classified by religion.) The main reason for the decline in immigration is the small number of Jews who remained in the former USSR, the principal area of origin for immigration in the 1990s.

In the most difficult years of the intifada (2001–2003), the number of Israelis who left the country for lengthy periods of time surged conspicuously. Later on, however, their numbers declined and settled in 2005 to the lowest since 1983. In net terms, the balance of immigrants, emigrants, and returning Israelis has been positive at 13,500 Jews and others per year.

Another effect of the intifada pertained to the immigration of inhabitants of the West Bank and Gaza to Israel under “family unification.” After “unification immigrants” were found to have been involved in terror attacks in Israel, the government decided in 2002 to institute a sweeping moratorium on the approval of family-unification applications and, afterwards, on the provisional amendment (by an ad hoc provision) of the Citizenship Law. After several modifications, the statute passed the review of the High Court of Justice (although it is being reexamined at the present writing) and caused the rate of positive in-migration of Muslims (and of Arab Christians) to fall considerably. Thus, Israel’s Arab migration balance fell from +7,300 per year in 2000 (16 percent of the total increase of the Arab population) to 1,400 (4 percent of the total increase) in 2007.

#### **4. Population Projections, 2005-2030**

Demographic projections, like projections in other fields, cannot cover the full range of possibilities. In particular, they fail to take account of sudden events or deviations—political, economic, ecological, or technological occurrences that may change demographic behavior patterns gradually or all at once. Accordingly, a

projection is not a prophecy. Rather, it reflects changes that a population is expected to undergo if its development complies with certain assumptions about the demographic factors that are responsible for changes in population size. These factors include fertility, mortality, and migration balance.

The projection presented in this paper focuses on the 2005–2030 period. Projections on Israel usually assume that the recently observed trends among the population, by its main constituents, will continue with reference to possible changes. The references are expressed within visible constraints that limit the branching that can occur in view of larger or smaller increases in population size. The projection was conducted for five-year periods. We present the results for two points in time: 2015 and 2030. Of course, the farther into the future the projection pertains, the greater the concern that it will be unreliable and farther removed from the actual findings. Our point of departure is the CBS projection, which was generated in accordance with accepted professional standards, and we focus on its middle scenario. Farther on in the section, we will explain why it is also correct to offer an additional alternative scenario, a “new” one, which (in our opinion) better fits the trends that have come into sight in recent years and their analysis.

#### *4.1 Scenarios of Population Evolution*

As stated, we focus on the middle scenario of the CBS population projection, which, for the most part, is customarily considered the most reasonable one. This projection assumes stability, or moderate changes, in the population’s demographic behavior patterns. The intensity of the changes varies slightly from one subgroup to another, especially in regard to fertility rates. According to this alternative, the fertility rates among Jews (2.6), Arab Christians (2.1), and those not classified by religion (1.6) will remain constant, as will, by and large, those of the Druze (2.5–2.6). In contrast, this

alternative assumes a decline in the fertility of Muslim women in Israel from 3.9 at the beginning of the projection period to 2.6 at its end, and among Muslim women in the Southern District, which is heavily populated by Bedouins, from 7.5 to 5 on average. It also assumes that the Jewish migration balance will gradually decrease and that the Arab migration balance will be zero.<sup>8</sup> The life expectancy of all population groups and of men and women is expected to rise and the differences between Jews and non-Jews are projected to narrow somewhat.

Under these assumptions, the Israeli population is anticipated to grow from around 7 million today to slightly over 8 million in 2015 and to 10 million by 2030 (Table 3), reflecting an annual growth rate of 1.6 percent in the first decade of the projection period and 1.3 percent in the second part. Roughly divided, if Israel's population grew five times over during its first four decades (1948–1988), it will grow by only a factor of two in the next forty years (1988–2030).

(Table 3, about here)

Although this projection assumes that all population subgroups will grow, they will not grow at the same rates. The projected increase is greater among the Arab population (more than 2 percent on annual average) than among the Jewish population (less than 1.5 percent on annual average). Accordingly, the share of Jews is anticipated to decline from 76 percent today to 74.3 percent in 2015 and 72.1 percent in 2030. This relative decline is added to the share of the Arab population, which is expected to grow from 19.7 percent at the beginning of the projection period to 23.7 percent at its end. The share of the not classified by religion group will hardly change. Among the Arabs, chiefly due to the high fertility patterns of Muslims in the Southern District, the share of Muslims is likely to grow from 83 percent at the beginning of the projection period to 86 percent at its end.<sup>9</sup>

In contrast to the above projection, which reflects a uniform (medium) scenario for the full range of subgroups, we now attempt to combine different scenarios for different population subgroups. In particular, we propose a scenario that includes a higher Jewish fertility rate and only a moderate decline in the immigration balance, coupled with a steep decline in the Muslim fertility rate (except among the Bedouins) to a level resembling, if not slightly lower than, the Jewish fertility rate (the medium scenario).<sup>10</sup> What makes this scenario quite reasonable, in our opinion, is the proportionate growth of the haredi group within the Jewish population. As observed earlier, the rapid increase of the haredi population has contributed much in recent years to the increase in the total fertility rate of Jewish women. The upturn is expected to continue with greater intensity as long as the share of haredi women among Jewish women continues to rise. Our combination of scenarios, not shown here due to space limitation, suggest that the share of the Jewish population is expected to fall—from 76 percent at the beginning of the projection period to 73.2 percent in 2030—but even this is slightly higher than the projection in the medium scenario. If this supposition is correct, it may be very meaningful for projections on the relative size of the populations after 2030.

The most noticeable difference between the medium projection and the new alternative has to do with the trend. In 2005, 71.8 percent of children aged 0–4 were Jewish and other; the others were Arabs. According to the medium scenario, their share will fall to 69.7 percent by 2030, i.e., the number of Arab children will grow more quickly. In contrast, according to the new scenario that we propose, the share of Jewish and other children will actually increase, to 72.6 percent. One cannot overstate the importance of this possibility: if the number of Jewish children aged 0–4 grows



more quickly and if the increase persists, it will ultimately stop the erosion trend of Israel's Jewish majority.

#### *4.2 Future Changes in Age Composition*

In the midst of its growth, and despite high fertility rates, the Israeli population is expected to age. Under the medium scenario, the median age of the population will climb from 28.4 in 2005 to 32.2 in 2030. In all population groups—Jews, Arabs, and not classified by religion—the share of children is expected to fall and that of the elderly (65+) to climb (Figure 3). Concurrently, the relative size of the productive and breadwinning working-age stratum is not expected to change appreciably.

(Figure 3, about here)

These changes stand out among the non-Jewish groups. The share of children in the Arab population is expected to fall from half to less than 39 percent and that of the elderly population is projected to double. Accordingly, the proportion of the middle-aged population will increase strongly. From the socioeconomic standpoint, the dependency ratio—the ratio of the economically inactive population (children and seniors) to the economically active population (middle age) - is expected to decline from 1.15 at the beginning of the period to 0.85 at its end. Among those not classified by religion, too, demographic development is expected to lead to a falling share of children and an increase of more than 2.5 times in the share of seniors. Accordingly, the medium scenario anticipates that the share of Jewish and other children among children in Israel (aged 0–14) will maintain a steady 68 percent majority up to 2030. According to the new scenario as proposed above, the share of the young (0–19) in the Jewish population is expected to be slightly larger than the level predicted in the medium projection, 32.6 percent of the total Jewish population. Most of the growth of this group will be subtracted from the middle-aged cohorts.

### *4.3 Jewish Population Projection by Religiosity*

Differential trends among Jewish subgroups of the population may have important social and economic implications for aspects such as military service, labor-force participation, social subsidies, and standard of living. In this context, the size and share of the haredi population is especially important. A few independently conducted projections shed light on the expected distribution of secular, traditional, religious, and haredi Jews, including the absolute size of the last-mentioned group.<sup>11</sup>

According to a recent projection by the “Israel 2028” project staff (Hurvitz and Broder, 2008), assuming no radical change in the haredi fertility rate, haredim in 2028 will account for some 15 percent of the Israeli population and 20.5 percent of the Jewish population (Table 4).<sup>12</sup> Accordingly, by 2028 the haredi population is projected at more than 1 million persons. Children will figure importantly in this group, at around 25 percent of all children in Israel (aged 0–14) and some 33 percent of Jewish children.

(Table 4, about here)

## **6. The Demographic Dimension of the “Right of Return”**

A complementary demographic dimension of the Israeli-Palestinian conflict, which is directly related to the Jewish-Arab population ratio in the State of Israel is the right of return. The population included under this definition are Arabs who fled or were expelled during Israel’s War of Independence in 1948 and their descendants. Obviously, this is a most complicated and momentous issue that involves different aspects including, among others, international law, definition of who is a refugee, and the Jews who fled from Arab countries after 1948. Here we evaluate one important dimension of the demographic meaning of the right of return.

According to the Palestinian Central Bureau of Statistics (PCBS, 2009), which rely on UNRWA records, at the end of 2008 there were approximately 4.7 million registered Palestinian refugees. Slightly less than 40 percent of these reside in the Gaza Strip and the West Bank, and the rest are in nearby countries such as Jordan, Syria and Lebanon, with the largest single concentration being in Jordan. Compliance with the demand for the right of return under this enumeration suggests that the non-Jewish population in the state of Israel would immediately outnumber that of Jews, hence undermining the guiding principle of Israel as a Jewish state. Indeed, in a recent poll conducted in major refugee concentrations, only 10 percent stated that they would become residents of Israel if provided with the choice (Halperin, 2007). The very young age structure of the refugees, along with the high total fertility rate (PCBS, 2009), suggests a rapid demographic increase threatening the Jewish majority of Israel. This is all the more crucial since acceptance of the right of return would provide the remaining Palestinian refugees and their descendants with the right to move to Israel and under unexpected political or socio-economic circumstances they might decide to do so.

In fact, it stands to reason that the Arabs themselves believe that the 10 percent figure of refugees who claimed they would return to their original homes is an underestimate. Only in this way can one understand Egyptian President Hosni Mubarak's recent comment in which he claims that it is very bad that Israelis wish to turn Israel into an exclusively Jewish state (Peri, 2009). Mubarak argues that a Jewish state would become a target for terrorists. By contrast, an open country is a different matter. Jews, according to President Mubarak, live among Arabs, they understand them and are familiar with their culture. Rather than isolating themselves, Jews should integrate into the Arab world. That the right of return of the Palestinian refugees

would put an end to the Jewish sovereign state is reflected in the comparison that President Mubarak chooses to make between Israel and Kosovo. He argues that turning Kosovo into a Muslim country in the heart of Europe was mistaken and problematic, and he applies the same principle to Israel as a Jewish state in an Arab environment.

## **6. Implications for Policy**

### *5.1 Significance and Constrains of Public Policy*

The demographic characteristics and possible trends of the population play an important role in public-policymaking or may be influenced by the adoption of such a policy. Thus, public policy and the allocation of economic resources may influence birth rates in an upward or downward direction, the luring of population to preferred areas of settlement, and the encouragement of emigration or immigration. Obviously, such a policy should submit to the accepted human-rights constraints. When the taking of a differential approach toward different population groups is at issue, the state must honor the principle of non-discrimination. Furthermore, where groups that practice singular ways of life are at stake, it would be both wise and just for the state to tailor its policies to these groups' main cultural indicators. Our intention in this section is to indicate main goals from which policies should be derived and to suggest guidelines for main directions of thought.

We focus on two basic elements of Israel's strategic goals, which we assume to be legitimate and expressive of the crucial and consensual interests of the country as such, as a majority of its inhabitants perceive them: preserving conditions that will allow the Jews to continue fulfilling their right to self-determination in Israel, and assuring conditions under which Israel may continue to be a democratic, developed,

and modern state that provides its inhabitants with a quality of life and welfare that is good and improving. We acknowledge the difference between these two goals, realize that they clash in the sense that one is particularistic and the other is general, and admit that the first-mentioned goal is heatedly disputed. We also realize that Israel has population groups that, at least at the rhetorical level, are unwilling to pay the price of modernity and development. Just the same, we believe that both goals enjoy a broad consensus in Israeli society and that it is crucial for the state to adopt and implement programs and policies that will help to fulfill them.

Nevertheless, we reject the argument that the two goals exist amid *ab initio* principled tension that may preclude the creation of an effective policy and even evoke concern about the infringement of human rights. According to this argument, while a stable Jewish majority within the confines of the state is necessary for the fulfillment of the Jews' right to self-determination, this might force the state to act in ways that would infringe on the human rights of its citizens, foremost the Arab minority. Furthermore, an important element in the maintenance of Israel's Jewish majority is the absolute and proportional growth of the haredi population—an increase that in itself challenges Israel's complexion as a democratic, modern, and developed state.

Indeed, there are tensions between the goals. They indicate that the reality is complex and that its implications for the adoption of a policy may have considerations pro and con. To our minds, however, the two goals are also complementary and well matched. Israel was established for the purpose of being a Jewish nation-state and most of its citizens prefer that it be so. Defeating this wish is inconsistent with democracy. Our premise is that the advancement of the wellbeing of all citizens of Israel depends on political and social stability. This stability rests on the acceptance of

Israel as a state where the Jewish people fulfills its right to self-determination, even by those who would prefer some other arrangement. Accordingly, any policy in these respects should be mindful of the need to integrate the two components of the overarching goal described. Such integration is also warranted by the fact that some of the challenges that Israel faces due to the increase in its haredi population also surface—in a different form—in the relatively swift proportional increase in the Muslim population, whose patterns of schooling and occupational integration are low.

To assure the integration of the two goals—the fulfillment of Jewish self-determination and the assurance of Israel’s democratic, modern, and developed nature—Israel should act in a way that will concurrently maintain a stable Jewish majority and assure the existence of a developed state that serves all of its inhabitants’ welfare. To accomplish this, Israel should aim to have its inhabitants and citizens, irrespective of their religion and way of life, play an active role in social and economic life and make a decent living for themselves and their families. For this purpose, Israel should act in every legitimate way to influence two things: the size of its population—via fertility and migration—and the characteristics that would afford meaningful participation in social and economic life.

### *5.2 A Stable Jewish Majority in Israel*

We examine here three methods of action that may help to keep Israel’s Jewish majority stable<sup>13</sup>: We wish to emphasize that we do not recommend the adoption of any particular policy. Our sole purpose is to point to possible ways of acting and to present demographic data that may support their feasibility and help to test their efficacy. Noted that all the policies examined should comply with Israel’s constraints as a democracy that upholds its inhabitants’ and citizens’ human rights. These three options are: enhancement of positive Jewish migration balance; diminishes of

immigration that does not integrate into Israel as a Jewish and democratic state; and consideration of the possibility of redrawing the borders of Jerusalem so that all or part of the non-Jewish population within said borders would no longer be considered part of the population of the State of Israel.<sup>14</sup>

***Jewish Migration.*** Immigration from Eastern Europe and Ethiopia has nearly spent itself in recent years. Therefore, the pro-immigrant efforts have turned to the affluent countries, where the large majority of Diaspora Jews are concentrated today. Although the Diaspora population is large, actual potential immigration seems small at the present time, estimated at less than 20,000 per year. Today, Jewish communities around the world are conducting an important debate about where immigration to Israel ('aliya') fits into the contemporary Jewish and Zionist identity. Thus, the question of where aliya stands in Israel's planning and resource allocation for this purpose is a political question of the highest order for Jewish people's state and national institutions. The debate should include matters not only of ideological commitment but also of priorities in resource allocation. Israel may also act to strengthen its Jewish majority by trying to stem emigration and bring back quondam Jewish residents who left the country. In this respect, perhaps contrary to the public impression, the number of emigrants has contracted while the number of returning Israelis has grown. The formulation of a policy that focuses on this target population, which has deep roots in and a profoundly emotional relationship with Israel, would contribute to making this group an important element in Israel's migration balance in coming years, one that can enhance the size and social strength of Israeli society generally and of its Jewish population particularly.

***Reducing Palestinian Migration.*** The Citizenship Law, as interpreted by the court, established a rather liberal family unification policy that allowed any Israeli citizen,

by following a certain procedure, to naturalize a foreign spouse absent some personal factor that would preclude this. The law and its interpretation created a policy that Israel chose to adopt, not something that was required by human rights or international law. Human rights and international law give states much discretion in immigration affairs, including family unification. Many other countries have allowed their immigration policies to be dictated by their wish to assure internal cultural and civil cohesion.

Under Israel's historical and geographical conditions, the country is susceptible to large-scale family-unification immigration from nearby Arab countries and, in the main, from the Palestinian Authority areas, where the population has no status in Israel. Experience shows that much of this population rejects if not opposes Israel as a Jewish and democratic state. If so, Israel is justified in reviewing its family-unification policy. As the foregoing demographic survey showed, 16 percent of the total increase in the country's Arab population in 2000 originated in net non-Jewish migration by reason of family unification. After the Citizenship Law was amended, the share of this factor fell to 4 percent in 2007.<sup>15</sup> If this statute is repealed or if the policy established under its auspices were to be modified significantly, the growth rate of Israel's Arab population in the next few years might be affected considerably. The rate of increase induced by family unification might even change the slowdown trend in the growth rate of the Arab population and set the Jewish majority back on the path of ongoing erosion.

***Eastern Jerusalem.*** More than a quarter of a million Arabs, almost one-fifth of Israel's total Arab population, dwell in Jerusalem. Most are Israel residents but not Israel citizens. They became residents due to the government's unilateral decision to extend Israeli jurisdiction to Greater Jerusalem after the 1967 war. Their political



affiliation is vague: they participate in Palestinian Authority elections, and although the State of Israel granted them the right to participate in municipal elections, they have long left this right unexercised. Culturally and educationally, the Arab education system in eastern Jerusalem follows the Palestinian curriculum and not the Israeli one.<sup>16</sup>

Several proposals for the contours of permanent status between Israel and the Palestinian Authority have been brought up; they envisage most of the Arab population as citizens of the Palestinian Authority. The obvious relationship between the geopolitical conditions and their demographic significance cannot be ignored. If the inhabitants of eastern Jerusalem were not included in Israel's Arab population, it would take another fifteen years or so for this population to attain its current proportion and the rate of natural increase in the Arab sector would be much lower than it is today.

### *5.3 Israel as a Developed and Modern Democracy that Allows Its Citizens to Make a Respectable Living*

The goal of preserving a stable Jewish majority is basically particularistic; the goal of enabling Israel to advance as a developed and prosperous democracy is shared by most inhabitants irrespective of religious and national differences. However, the policy that proposes to pursue these goals cannot be solely countrywide, general, and undifferentiated. Israel faces challenges in this regard because specific population groups, with distinct traits, find it difficult to integrate socially and to contribute to the country's economic and social strength. Parts of two groups, the haredim and the Muslims, stand at the focus of this issue. These groups are the country's fastest-growing populations. The haredi and the Arab-Muslim populations account for almost one-fourth of Israel's total population today but their representation in certain social

and economic sectors, such as the poor and the jobless, is much greater. If the occupational integration patterns of masses of members of these communities remain limited, and if their patterns of training continue to be of the sort that will not enable them to fit into a competitive market, it stands to reason that their cycle of poverty will widen, their dependence on transfer payments will grow, their growth will contract, and relations between the productive segments of the population and those being supported will change for the worse. This projection becomes even worse by far when one recalls that Israel's long life expectancy portends an increase in the population of the aged. Most of them, too, are positioned outside the cycle of productive labor and require social services.

When dealing with large population groups, the state should take action in several integrated ways to cope with and prepare for the foreseen reality. These measures should be taken in an approach of upholding human rights and respecting these singular groups' cultures and traditions. It would be both efficient and wise to establish and implement such a policy in cooperation with leading personalities in the communities and with special attention to spatial aspects. It is proper, however, to distribute the burden associated with coexistence in one state among all segments of the public and to ask all sectors of the population to contribute to the country's strength. This interest justifies the adoption of policies that will make all parts of the population better able to integrate into the country's civil, social, and economic activity.<sup>17</sup> We address four closely interrelated aspects which can be defined as follow: fertility and child allowances; core curriculum; national civic service; and encouragement of labor-force participation.

***Child Allowances and the Poverty Line.*** The state has a legitimate interest in reducing the size of populations that typically exhibit a combination of large families,

poor economic-integration skills, and low labor-force participation, because they tend to be weak populations that find it difficult to break out of the cycle of poverty. Liberal states do not tend to intervene directly in family-planning and lifestyle issues. However, the state does not have to encourage, incentivize, and economically reward demographic trends that clash with its national interest.

We should make it clear that not increasing child allowances does not mean reducing state support for the education, upbringing, and training of the young generation. On the contrary: we mean by this that the state's support in these matters should be given in a way that will encourage tendencies that correspond to its interests—and the long-term interests of the groups and individuals themselves. When households receive direct transfer payments, the state cannot make sure that the money is indeed invested in the education and training of the young generation.

For many years, for complex political reasons, Israel's child benefits were more generous than the standard in most countries. As stated, the switch to a universal allowance system and the reduction of the allowance evidently had an effect on large families. Although the relationship among transfer payments, family size, and poverty is disputed, in the long term the cutback in direct allowances seems to have reduced the size of the subsidized population, encouraged its members to accept jobs, and, ultimately, mitigated Israel's poverty rates.

***Core Studies in Primary and Secondary Schooling.*** An important vehicle that a state can use to enhance civil cohesion, the level of schooling, and the ability of its population, with all its segments, to integrate socially and economically is the public education system. The education system may influence not only the size and growth rate of the population but also its socioeconomic strength. Israel acknowledges the multiple nature of its population groups and expresses this realization, among other

ways, by allowing special school systems to exist. It attempts to attain its common goals by means of “core studies” that aim to provide the entire pupil population with basic skills, civics education, and basic contents of study that are shared by all. In practice, however, both of our focal groups—the haredim and segments of the Arab-Muslim population—do not receive sufficient support and inspection from the education system in these respects.

Haredi education is sex-separated. Girls’ curricula usually include a reasonable level of secular studies, including secondary schools, even though few of these schools allow their students to take the matriculation examinations. Among boys, the situation is more complex. About half of the boys receive primary schooling in institutions that are “recognized but unofficial”; such schools usually satisfy the Ministry of Education’s core requirements. The other half attend “exempt” institutions that are partly state-funded and, by law, are supposed to teach 55 percent of the core curriculum. However, inspection for compliance with the law is severely limited and, practically speaking, these schools do not obey the rules. The situation at the secondary level is simpler: by and large, haredi institutions for boys do not teach secular subjects at all.

The Arab education system today shows no evident tendency to avoid core studies (with the exception of “adjusted” civics studies). However, the dropout rate is relatively high, especially among Muslim women who belong to communities that do not encourage women to be independent. Overall, achievements in the Arab State education system are relatively poor.<sup>18</sup> Hence, much of this system as well rarely equips pupils with solid integration skills for life and work in modern society.

Consequently, a growing share of Israel’s population of children is denied basic education for future participation in the employment market. The slowdown in the

haredi fertility rate may change the rate of increase somewhat but will not change the trend.

***Civilian National Service.*** The fabric of life in any country is based in part on a sense of belonging that all inhabitants and citizens of the country share. In Israel, where military service is a general obligation, serving in the army is a unifying mechanism of immense importance. Changes in the size of the haredi population are having a dramatic effect on the extent of exemption from military service. A large majority of Muslim Arabs are not even asked to report for induction.<sup>19</sup> In early 2008, a Civilian National Service Administration began to operate in Israel. Its two main target populations are haredim and Arabs, most of whom do not serve in the Israel Defense Forces. Civilian national service is supposed to promote three integrated goals. The first is to enhance civil cohesion and the principle that coexistence in civil society is based on a web of rights, expectations, and mutual responsibilities that also entail compulsory participation and contribution. The second goal is to strengthen the social fundamental that plays a role in the lives of all inhabitants of the country. The third goal is to enhance citizens' predisposition and ability to achieve social integration and contribute to national product.

***Encouragement of Labor-Force Participation.*** The two main groups in Israel that have especially low participation rates are Arab women, especially in sub-societies that due to cultural considerations limit the legitimacy of working outside the home, and haredi men (Bank of Israel, 2007). In both cases, the low labor-market participation is based on a combination of ideological resistance, cultural indicators, and lack of effective job-market integration skills. As stated, changing these attitudes is difficult and may be very time-consuming. For this very reason, it is crucial for

decision-makers to review the challenges that they face and formulate a long-term, persistent policy in this matter.

The attempt being made today is based on the near-term wish to encourage going out to work by cutting back on welfare payments. The most visible program in this matter is “lighting the path to employment”, an Israeli version of the Wisconsin program, meant mainly for persons with poor schooling. Although “lighting the path to employment” is an important attempt, the main investment in the long run should be made in encouraging higher education, access to peripheral areas, and local industry. These efforts should focus on communities and areas where population groups with low participation rates concentrate—and should be mindful of these groups’ special characteristics.

The haredi employment rate is also very low, especially among men. It is no simple matter to induce haredi men to join the labor market, because over many years a relation has taken shape between “haredim” and not serving in the army, attending a religious academy (yeshiva), and not being employed. Given the growth of this population group, this has been having a macro effect on Israeli society and its economy in recent years, and the effect is expected to escalate as the years pass. As we have seen, changes relating to subsidies (child allowances and others) have had a dramatic effect on the haredi population, reflected in the surprising decline in the haredi poverty rate. The reason for the decline is the significant entry of haredim—men and women—into the job cycle due to economic pressure. Most of the change took place among haredi women, who are better equipped than men with tools that allow them to join the labor market.<sup>20</sup>

A yeshiva student who joins the labor market encounters many problems (Cohen, 2005). Problems related to the level of prior training were discussed above. Notably,

the younger such a person is when he enters the labor market, the more learning capacity and the more time to devote to training he will have. Consequently, the policy of subsidizing yeshiva students over the age of twenty-three should be reconsidered.<sup>21</sup> Concurrently, it is possible to offer increased subsidies to haredim who enroll in pre-academic, higher-education, and vocational-training programs.

## **7. Summary**

Concern about demography, including attention to national, religious and socioeconomic issues and characteristics, is immensely important for the essence of any national sovereign country. Accordingly, the demographic issue has been central in the history of the Zionist enterprise and the State of Israel. Since the 1967 Six-Day War, the debate over the size and stability of the Jewish majority has focused on the numerical ratio of Jews to Arabs who dwell between the Mediterranean Sea and the Jordan River. For many, this demographic aspect determines the choice of a one-state or a two-state solution to the Israeli-Palestinian conflict. As this debate seems to have been subdued, it is important to examine the national and socioeconomic components of group characteristics to provide the knowledge necessary to allow Israel to survive as a developed and democratic state attending to the welfare of all its inhabitants and enabling the Jewish people to fulfill its right to self-determination.

The Jewish majority has been eroding in recent years and is expected to continue to do so in the foreseeable future. We do argue, however, that the pace of the erosion will slow if appropriate policy interventions are put into effect concomitantly with the upholding of citizens' and residents' human rights. Accordingly, two contrasting views, namely that Israel is moving toward binationalism and that the current trends are not threatening the preservation of the Jewish majority, are revisited and assessed

here with greater caution. Further, we underscored the rapid growth of two economically weak population groups of ultra-Orthodox Jews and Muslims. This growth is expected to continue in the first quarter of the present century. Avoidance of an appropriate response to these population groups in regard to schooling and employment, in a manner tailored to the groups' needs and culture, may deal a blow to Israel's future as a developed and prosperous state.

A complementary demographic dimension of the Israeli-Palestinian conflict is the right of return. We have shown here that any acceptance of this principle will inevitably undermine the character of Israel as a Jewish and democratic state. Hence, the two-state solution should unequivocally involve the settlement of the Palestinian refugees in the new Palestinian state.

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## Notes

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<sup>1</sup> Since 1967, the non-Jewish population of eastern Jerusalem has been included in the population of Israel even though few members of this group hold Israel citizenship. Since 1982, the non-Jewish population of the Golan Heights has also been included.

<sup>2</sup> This figure is seriously disputed and there have been many difficulties in gathering data for policymaking purposes.

<sup>3</sup> In 1990–1995, there was no classification for persons who professed no religion; they were lumped together with the Christians. The classifications were separated in 1996, making the data more accurate.

<sup>4</sup> Culled from CBS 2006 (Social Survey). It is hard to know what one may learn from these data, bearing in mind that they still lack an indicator of development and that the categories pertaining Arabs are different from those pertaining in this survey to Jews.

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While the categories of Jews are largely phrased in the affirmative—“secular” and “traditional”—some of those for Arabs are phrased in the negative, such as “non-religious” and “totally non-religious.” A different phrasing might elicit different results.

<sup>5</sup> The CBS (CBS, 2006b) found that fertility patterns of women from the former Soviet Union who immigrated to Israel in 1990 were slightly higher than those among women who immigrated in 2000. Therefore, it may be that the more time immigrant women stay in Israel, the more their fertility rates will resemble those of Israel-born secular women.

<sup>6</sup> The CIA’s annual world factbook (*The World Factbook 2008*) projects the following fertility rates in 2008: Syria 3.21, Egypt 2.77, Jordan 2.47, Lebanon 1.87, Iran 1.71. See also UN data for 2000–2005 in *United Nations 2007*. The data express the steep decrease in fertility in the Arab states, which in the 1970s led the class of countries with the world’s highest birthrates. Today, these countries’ average birth rates do not exceed those of Israeli Jews. The data also refute the common perception of there being a relationship between Islamic fundamentalism and high birthrates. Iran is a salient case in point; it has been encouraging family planning for years and the results have not taken long to show up.

<sup>7</sup> We use conventional generalizations in reference to the relationship between schooling and family size. Importantly, since this correlation pertains to general education, it may not be relevant for haredim who attend yeshivot (religious academies) for many years.

<sup>8</sup> Among the Jews: from 53,000 in the first half-decade (2006–2010) to 15,000 in the last half-decade (2026–2030) and from 16,000 to 4,000, respectively, among those not classified by religion. The balance of out-migrants and returning migrants in the Arab

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population is slightly negative (around 1,000 in 2005). In addition, there is a positive migration balance due to family unification. If a severely restrictive policy is applied, the balance of out-migrants may be almost totally offset by movement of migrants in view of family unification. If a different policy is applied, a larger scale of Arab immigration should be taken into account.

<sup>9</sup> The CBS offers two additional projections: high and low. The high alternative proposes a slow decline in the fertility rate; the low alternative suggests a rapid fall in fertility in the direction of the replacement rate. Since these alternatives relate to all population groups, the changes in each group's internal rate are rather small.

<sup>10</sup> Christians and those not classified by religion will maintain their current fertility rates (2.1 and 1.6, respectively) whereas the Druze rate will fall again, to 2.1 children per woman.

<sup>11</sup> As stated, there are no unequivocal and reliable answers to the question of "Who is a haredi?" Accordingly, these findings should be read cautiously. As demonstrated above, the estimate of 2.5 percent as the haredi share of the population in 1990 may be an underestimate. According to Bank of Israel (2007), haredim already accounted for 5 percent of the population by 1980. However, the characteristics of much of the haredi population are singular enough to justify a separate review of the outlooks as to their share in the population.

<sup>12</sup> This outlook is based on a fertility rate of six children per haredi woman (nearly 25 percent lower than today's rate). The research group also broaches an additional possibility: that about one-fourth of the haredi population will switch to fertility patterns resembling those of the majority population. If this happens, of course, haredi society will grow at a more moderate pace.

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<sup>13</sup> This is not an exhaustive list. Additional ideas have been brought up, e.g., a swap of Jewish- and Arab-populated territories between Israel and the State of Palestine as part of a peace treaty. This is a complex idea; it is not racist per se and it can be implemented in legal ways without infringing on human rights. For discussion, see Arieli and Schwartz (2006) and Orgad et al. (2006). We choose not to relate to this idea and others, such as the accelerated conversion of all non-Jews, in this paper.

<sup>14</sup> This document does not deal with the political, ideological, or legal aspects of such a decision. Obviously it is a political and ideological decision of the highest order and its political viability is shrouded in fog. Our goal is to stress that in many respects, the group of eastern Jerusalem Arabs remains unique within Israel's population and that, sooner or later, it will be necessary to choose one of two options: to consider it an integral part of the population of Israel and award it the right to citizenship, or to strengthen the elements that distinguish it from the population of Israel—Jewish and Arabs—and sever this population's residency relationship with the State of Israel.

<sup>15</sup> The rate includes those who are unified but not their Israel-born children. Therefore, the effect of unification on the total increase is greater than the data reflect.

<sup>16</sup> Due to these differences, some do not include the Arabs of eastern Jerusalem in the population of Israel. The most prominent excluders are those who belittle the importance and intensity of the "demographic threat." See, for example, Haider (2006). These differences even create in-between situations such as those that affect the education system, in which the Municipality of Jerusalem and the State of Israel are responsible for providing education services and education infrastructure in eastern Jerusalem, but in practice Israel's responsibility for the education system in that part of the city is limited.

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<sup>17</sup> Some believe that this goal should also affect Israel's immigration policy. Israel's immigration rules, for the time being, are not based on economic and social considerations at all. Such considerations appear in many countries' immigration policies. The wish to promote the integration of these goals will make it necessary to reexamine the integration of such elements into the immigration considerations, so that the added population created by immigration—irrespective of its national basis—may contribute to the strength and prosperity of Israeli society.

<sup>18</sup> In 2005, the matriculation certificate eligibility rate was 55 percent in the Jewish sector and 47 percent in the Arab sector. The data are no less significant when the rate at issue concerns eligibility for a matriculation certificate that satisfies the universities' admission threshold. The disparities were wider at the level of subgroups: the eligibility rate was 61–64 percent in the State, State-Religious, and Christian education systems, 45 percent in the Muslim sector, and 9 percent in the haredi sector.

<sup>19</sup> Contrarily, among the Bedouin population, which is typified by large representation in traditional Muslim groups that are known for high fertility and low labor-market participation, it has been customary to volunteer for military service. In recent years, this tendency has weakened and its legitimacy in the community has been declining seriously.

<sup>20</sup> The haredi employment rate rose from 23.2 percent to 27.7 percent among men and from 42.1 percent to 49.4 percent among women.

<sup>21</sup> The age of twenty-three also relates to the previous section and the question of civilian national service. At this age, yeshiva men may opt for a “year of decision” away from their academies and may begin to perform civilian national service. Alternately, they may enlist in civilian national service at age twenty-two and forgo

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the “year of decision.” If the state comes down in favor of downsizing the haredi “society of learners,” it should express this by means of positive and negative incentives.

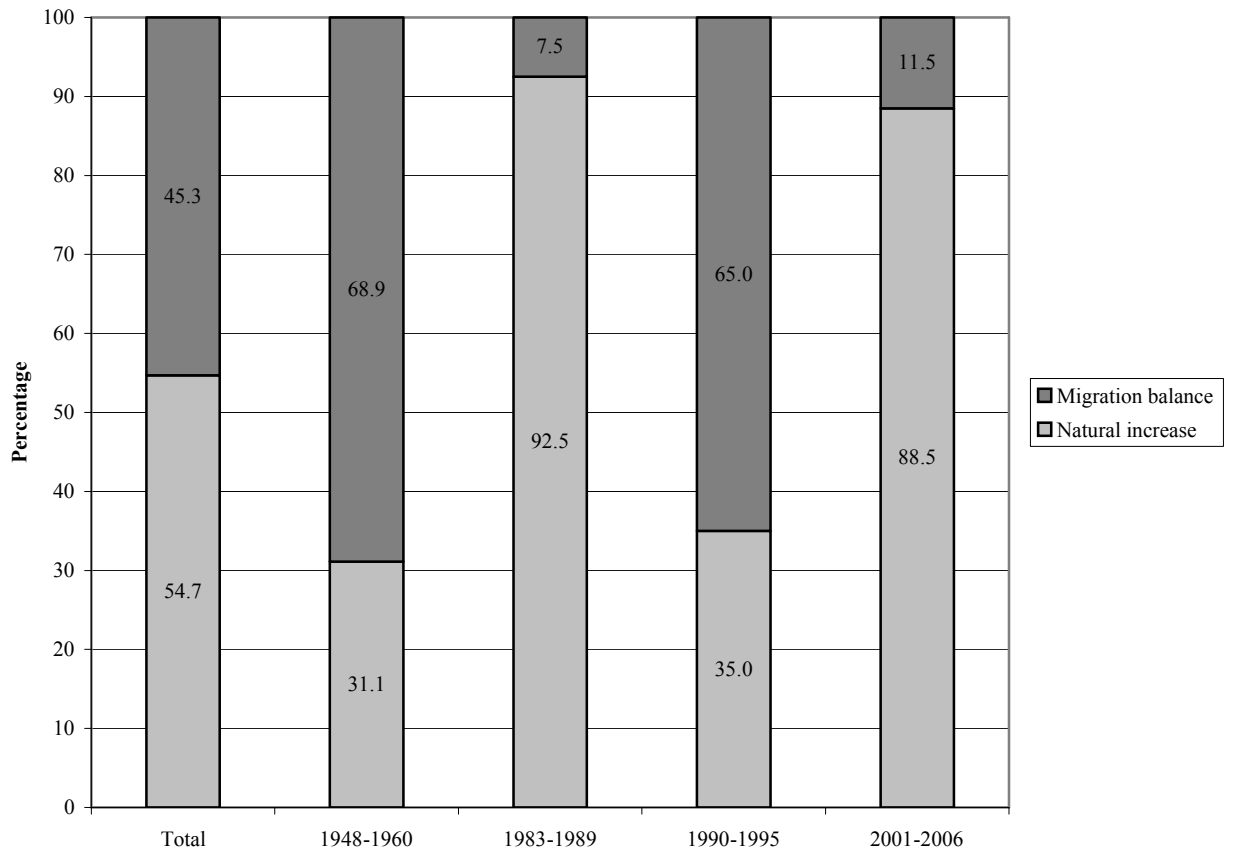


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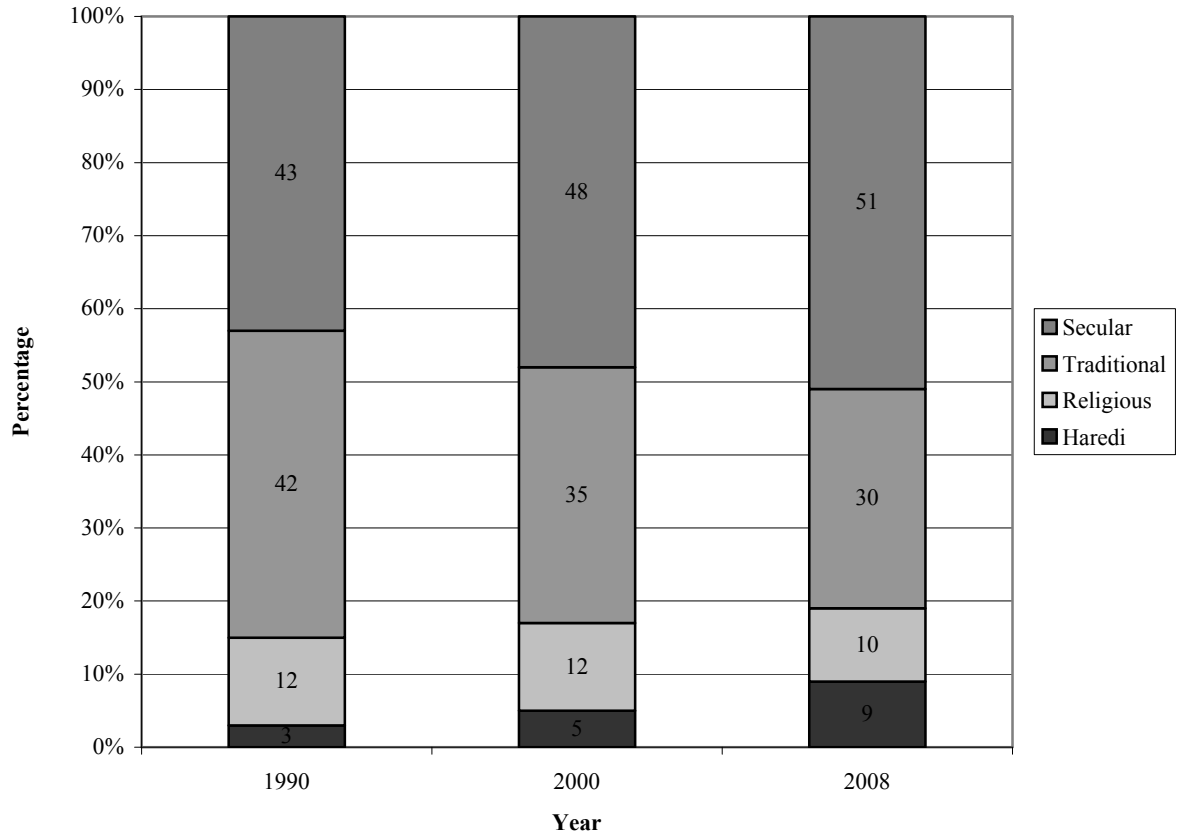
**Table 1. Population of Israel, by Religion, 1948-2007**

Population	1948	1968	1988	2007
		<b>Numbers</b>		
Total	872.2	2,841.1	4,476.8	7,244.1
Jews	716.7	2,434.8	3,659.0	5,474.3
Non-Jews	156.0	406.3	817.8	1,499.9
Not classified by Religion	-	-	-	319.9
		<b>Percentage</b>		
Total	100.0	100.0	100.0	100.0
Jews	82.2	85.7	81.7	75.6
Non-Jews	17.8	14.3	18.3	20.0
Not Classified by Religion	-	-	-	4.4

Figure 1. Sources of Jewish Population Growth, Selected Periods (Percentage)



**Figure 2. Adult Jewish Population of Israel, by Self-Definition of Jewish Identity, 1990-2008 (Percentage)**



Adopted from: Levy et al., 2002; Arian, Ventura and Filipov, 2008.

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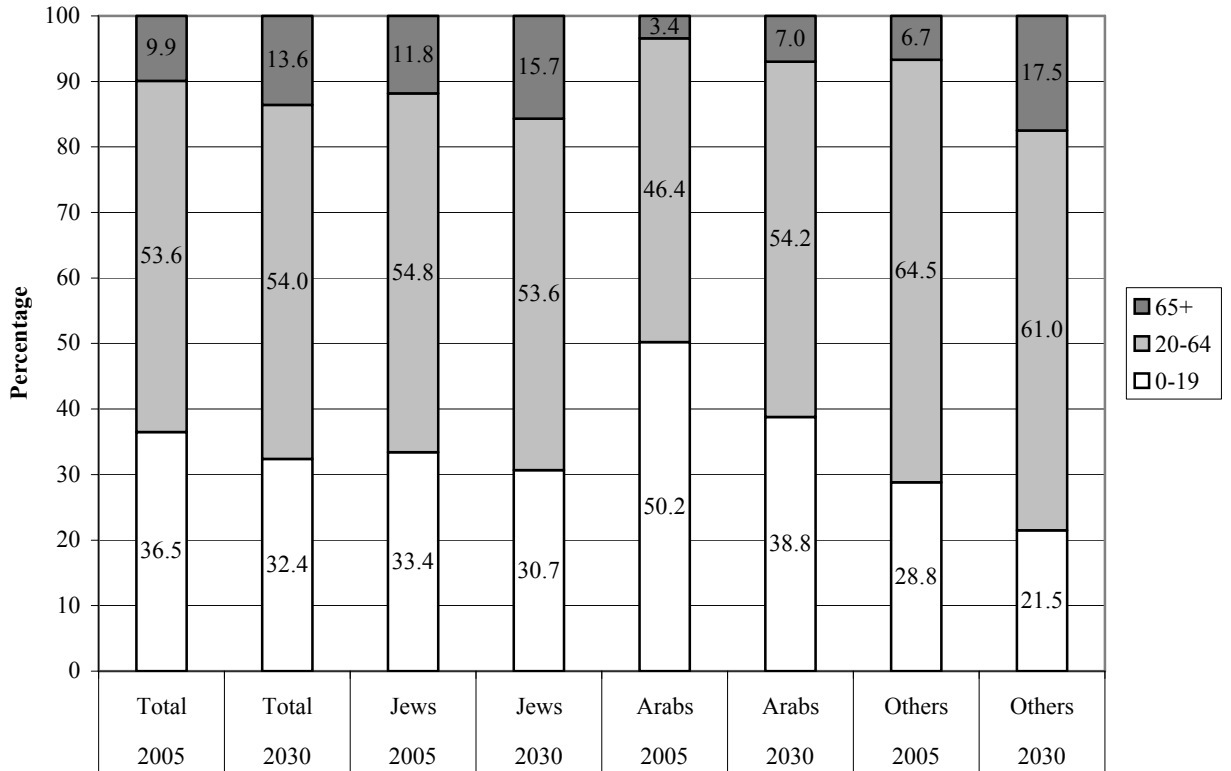
**Table 2. Total Fertility Rate of Religion Groups, 1955–2007**

	<b>1955</b>	<b>1970</b>	<b>1985</b>	<b>2000</b>	<b>2007</b>
Jews	3.64	3.41	2.85	2.66	2.80
Muslims	7.96	8.95	4.86	4.74	3.90
Negev Bedouin	-	-	-	9.77	7.14
Christians	4.85	3.62	2.12	2.55	2.13
Druze	6.58	7.46	4.47	3.07	2.49

**Table 3. Base Population and Population Projections,  
by Religion Groups, 2005-2030**

<b>Population</b>	<b>2005</b>	<b>2015</b>	<b>2030</b>
	<b>Numbers</b>		
Total	6,988.2	8,174.5	9,984.6
Jews	5,313.8	6,074.8	7,205.4
Arabs	1,374.6	1,738.0	2,361.6
Others	299.8	362.1	417.6
	<b>Percentages</b>		
Total	100.0	100.0	100.0
Jews	76.0	74.3	72.1
Arabs	19.7	21.3	23.7
Others	4.3	4.4	4.2

**Figure 3. Age composition, by Population Groups, 2005 and 2030 - Medium Scenario (Percentages)**



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**Table 4. Ultra-Orthodox (Haredim) as Share of the Jewish Population and Total Population of Israel, 1990-2028 (Percentage)**

Share of haredi population	1990	2008	2028
Among Jews	3	9	20.5
In total population	2.5	7	15