

Spatial Inequalities between the Core and the Periphery in Israel: a Geopolitical Challenge

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1.1 The center-periphery relations in the world and in Israel

The center-periphery phenomenon describes the principal spatial organization in many states, among them Israel. In terms of the nation, the center-periphery perception rests on the assumption that in every state two main domains can be identified, center and periphery, defined by a set of control-dependence relations. The center is the developed domain, which controls the entire national space, and in it are focused political power and control of resources. Most economic activity takes place there, and it concentrates a large and high-quality population; decisions are made in the center for the entire economy. The accumulated capital and the broad economic base of the center are a lodestone for population from all parts of the state, and this migration in turn enlarges the population and intensifies the economic activity. In many states the center area coincides with the main metropolitan area: such is the case in Israel. The metropolis is an extensive urban concentration, a focus for economic, social, and cultural activity, a hub of political and communication power, and a source of innovation and advancement (Gradus, 1996).

The nature of the global economy requires an urban structure of metropolitan style, in which human and physical resources and infrastructures are concentrated, juxtaposed, and joined as a plexus of modern urban functions. This urban structure allows an adequate accumulation of capital, by means of which goods and services are made and traded in local and foreign markets (Castells, 1996).

The yawning gap between the metropolitan core, or the center, and the periphery in economic activity, wellbeing, array of opportunities before the individual, and involvement in decision-making processes is a fundamental feature of center-periphery relations. Most states recognize this gap and adopt an active spatial policy to narrow it for fear of harm to their political stability and to their economic development (Gradus, 1996). The threat stems from the intensification of tensions, resulting from economic inequality and social and environmental injustice, between the center and the periphery. These tensions are several times worse when the peripheral population differs in ethnicity or religion from the population at the center. Governments fear that protest on the periphery over social and economic deprivation will spill over into acts of terror, guerrilla operations, and rebellion. Neglect of the periphery may also bring about loss of formal sovereignty on the periphery, and from there, in the case of a disaffected minority population, the road to separatism is short (through irredentism, i.e., attachment to a state across the border, or declaration of independence) (Soffer, 2005).

1.2 Convergence into Greater Tel-Aviv

Since the rise of the state Israel has followed a policy of population dispersal (Zilberberg, 1973). This is expressed in the establishment of new settlements and shoring up of long-standing areas on the sparsely populated periphery, attraction of economic activity, mainly in industry, towards the margins, and investment in the transport and communications infrastructure so as to allow mutual accessibility of the center and the periphery. Yet despite the declared policy, and many years also of a practical policy of

population dispersal, a process of concentration of population in the Tel Aviv metropolis continues at full steam (Gradus, 1990) (See Map 1).

The Tel Aviv metropolis extends from Hadera in the north to Ashqelon in the south. The Tel Aviv space itself is composed of the central city of Tel Aviv- Jaffa. Around it are the other settlements of the Dan bloc that enclose it on all sides, and this is the first ring of greater Tel Aviv. Around the Dan bloc is located the central region, which forms the second ring; it includes the settlements Rishon Le-Zion, Petah Tiqwa, Kefar Sava, Ra'anana, Herzliya, and others (Central Bureau of Statistics, 2005).

The Tel Aviv metropolis concentrates national activity in capital-based areas (human and financial) such as business and financial services, and knowledge-based industries (high tech), and also acts as a focus of economic control and supervision on the national level. Located in it are the stock exchange, the head offices of many international companies and conglomerates, numerous cultural and educational institutions, and also some state institutions of Israel and the embassies of foreign states. The economic functions that presently exist, among others, in greater Tel Aviv allow Israel to operate on the required level to withstand international competition and to be part of the global economy (Kipnis, 2005).

Israel has succeeded in developing an economy that functions on the level of states of the developed world, despite the social, cultural, security, political, and geopolitical circumstances, whose like is unknown in any other Western state; it is a unique case in the world – an "island of Westernism" in the heart of the developing and hostile Middle East. Its population is highly variegated in national, religious, ethnic, and cultural composition. Each sector of the population displays different demographic, social, and economic characteristics. Therefore, Israel's relative success in maintaining its Western character so far is not taken for granted, and is not eternally assured (Soffer & Lan, 2001).

1.3 The geopolitical nature of Israel

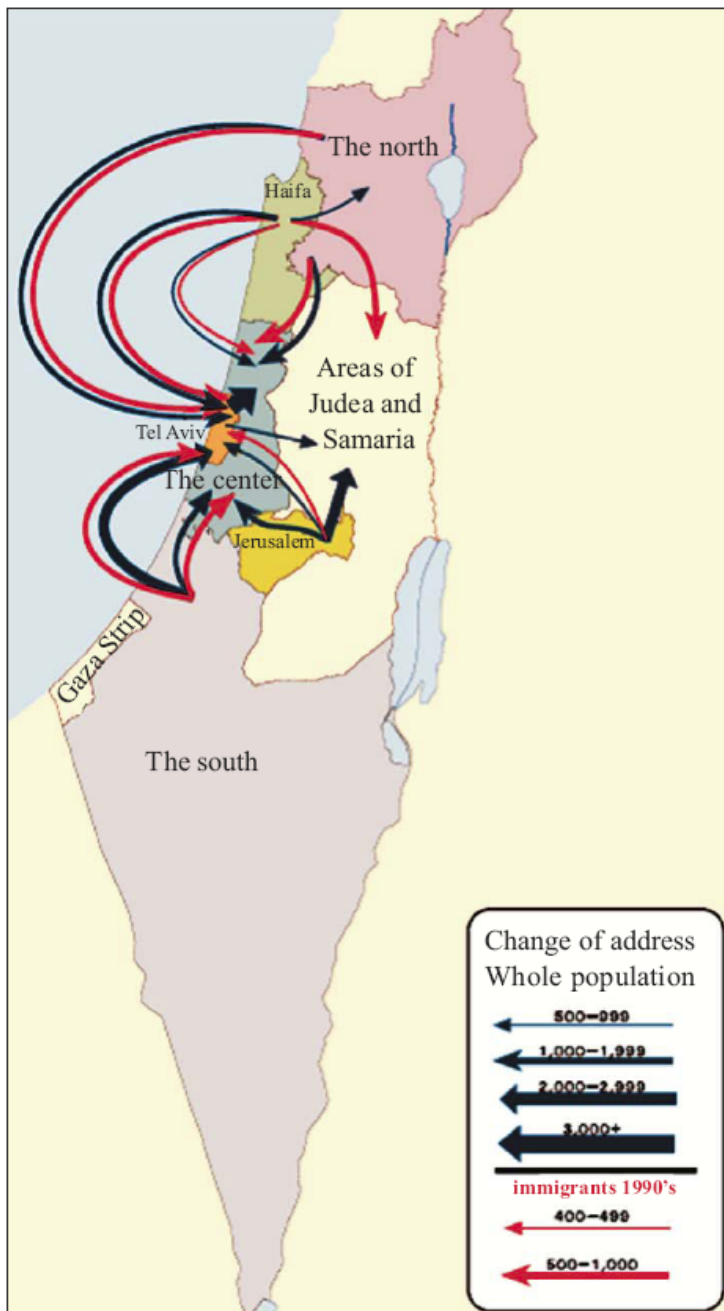
Two peoples dwell on Israel's terrain: the Jewish people, who are the majority in the state, and the Arab people, a national minority in Israel but a majority across the full extent of the historic Land of Israel, and certainly across the Middle East as a whole. Israel is unique case of a stable ethnic democracy, one that it is identified with one group in the population that it is meant to serve, so that the established Jewish ethnic dominance in Israel necessarily clashes with the principle of equal rights for all citizens. The state declares itself the homeland of the Jewish people; the predominant language is Hebrew; the institutions, the official festivals, the symbols and the national heroes are Jews; the Law of Return grants instant and unconditional citizenship to Jewish immigrants, but withholds the right of return from the Palestinian refugees; the preference for Jews is expressed in many and varied ways, and the concern of most of them is to maintain the situation in which the state defines itself as Jewish and Zionist. The Arabs of Israel, especially the Muslim population, recognize Israel as a state but reject its ethnic form, and even define themselves as non-Zionists and anti-Zionists. The Arabs of Israel who cast doubt on Israel's right to exist as a Jewish-Zionist entity are perceived as a hostile and subversive element (Smooha, 1993; 2005).

The distribution of the population in Israel is characterized, among other things, by the center of the country, particularly the area around Tel Aviv, being mostly inhabited by Jews, while the Arabs are concentrated on the state's borderlands: in the hill-country in the region of the connecting line with the neighbors to the east, the so-called "Little Triangle", in Galilee, and in the northern Negev (Soffer, 2002).

Because the location of the population in a space (at the center or on the periphery) is important regarding all economic and social opportunities for the individual, this carries

marked implications for the widening of cultural, social, and economic gaps between the two peoples.

Map 1: Internal migration movements in Israel in 2004



Source: processing of CBS data, Statistical Abstract of Israel 2005

2.1 The strength of Tel Aviv compared with the periphery

As we have seen, the phenomenon of kernel-margin in Israel has a **national** and **territorial-spatial nature**. When these are augmented by the **socio-economic** aspect the implications of this phenomenon for all areas of life are weighty. The center carries power in the financial domain in the branches of employment, education, communication, and culture, but also in many other fields that characterize the developed world. The periphery, by contrast, is weak economically and socially, is supported, and has the nature of the

developing world, especially in the demographic and employment parameters. The enormous gaps between the center and the periphery have existed for years, but only recently they have relentlessly expanded (Lipshitz, 1996).

Likewise the distribution of state resources is not evenhanded. The center is crowded, intensive activity takes place in it, and because the area is awash with problems, their treatment is continuous and ongoing. Acute problems are dealt with quickly to prevent delays which cause huge losses to the economy as a whole. On the periphery, by contrast, there are no "burning problems". Every matter is handled tardily and inadequately, because most resources, which are in any case limited, are directed to the center. We argue that the problems that mount up on the periphery are liable in the end to cause the economy losses no less than the burning problems in the center. Existential threats due to neglect of the periphery are beyond argument.

The problematic periphery lies in east Jerusalem, and the picture is unnerving. In the Galilee mountains, the valleys, as far as Kiryat Shemona, and also in Haifa, in Akko, and in Nahariya, the departure of the youth for Tel Aviv is conspicuous. Throughout the hilly Galilee region, and also in the northern Negev, there are no signs of growth similar to those in the center (Central Bureau of Statistics, 2005).

Hence, the geographical location of every settlement in Israel, that is, its very belonging to the center or to the periphery, influences many areas of life in it, and in any event the lives of its residents. Thus we find differences in socio-economic status, in the quality of schooling and higher education, and in the unemployment level, and therefore also in chances and opportunities for the future. Education and income components are major characteristics of the gaps between the center and the periphery (Portnov & Er'el, 2003).

2.1.1 The socio-economic strength of the center

From publications of the Central Bureau of Statistics arising from the 1995 population and housing census regarding the total number of Jewish settlements in Israel with more than 10,000 residents, striking differences emerge in all socio-economic variables between the settlements of the center and of the periphery. According to these data, the condition of the peripheral settlements was worse than that of the center settlements in variables that were measured. In Table 1 we show statistically significant differences between the Jewish settlements in the center of the country and on the periphery in the socio-economic domain.

The settlements of the center numbering more than 10,000 Jewish inhabitants account for a population of some three million, and in the peripheral settlements numbering more than 10,000 Jewish settlements live a total of some 1.7 million people. That is, the present research population includes most of the Jewish citizens of Israel, who, from the location of their residence alone, in terms of living standard belong variously to the developed world and to the developing world. We found that gaps exist to the benefit of the center in belonging to a given socio-economic cluster and in several other socio-economic variables.

Belonging to a given socio-economic cluster reflects the socio-economic level of the population in a settlement. This measure was calculated by the Central Bureau of Statistics on the basis of variables such as demography (dependency rate, median age, percentage of families with four or more children), schooling and higher education, occupation, unemployment and pension, living standard (passenger cars per 1,000 people, percentage of new cars, average income per capita) and socio-economic distress. Ten levels of socio-economic cluster are isolated, in ascending order. From the table it appears that mean membership of the center settlements is to cluster 7, while the settlements of the periphery belong on average to cluster 5. In mean gross monthly income there is a difference of

about NIS 1,000 to the benefit of the center. In terms of schooling and higher education, achievements in the center are higher.

Table 1: Differences in socio-cultural dimensions between settlements of the center and of the periphery (Jewish settlements with more than 10,000 inhabitants)

Socio-economic variables	Settlements of the center (average of 32 settlements: Even Yehuda, Bet Shemesh, Bene Beraq, Bat Yam, Givat Shemuel, Givatayim, Gedera, Gan Yavne, Ganne Tiqwa, Hod HaSharon, Herzliya, Holon, Yavne, Yehud, Jerusalem, Kefar Yona, Kefar Sava, Mevasseret Zion, Modiin, Maccabim-Reut, Nes Ziona, Netanya, Petah- Tiqwa, Qiryat Ono, Rosh HaAyin, Rishon LeZion, Rehovot, Ramat Gan, Ramat Hasharon, Raannana, Shoham, Tel-Aviv-Jaffa)	Settlements of the periphery (average of 34 settlements: Ofaqim, Or Aqiva, Eilat, Ashdod, Ashqelon, Beer-Sheva, Bet Shean, Dimona, Zikhron Yaakov, Hadera, Haifa, Tiberias, Tirat Karmel, Yokneam Illit, Karmiel, Migdal HaEmeq, Nahariya, Nazerat Illit, Nesher, Netivot, Akko, Afula, Arad, Pardes Hanna-Karkur, Safed, Qiryat Atta, Qiryat Bialik, Qiryat Gat, Qiryat Tivon, Qiryat Yam, Qiryat Motzkin, Qiryat Malakhi, Qiryat Shemona, Sderot)	Level of statistical significance
Socio-economic cluster	7	5	p<0.001
Mean income per capita (NIS monthly)	3, 877	2,936	p<0.001
Percent students among the 20-29 age group	18.7	12.9	p<0.01
Percent eligible for matriculation among the 17-18 age group	52.5	45.8	p<0.013

Source: Bystrov (2006), processing of 1995 population and housing census data

Sure enough, our simple comparative analysis shows the existence of wide gaps between center and periphery in Israel as a function of place of residence only, even without any attempt to locate and investigate the reasons and causes of these gaps. At issue, then, is the impending catastrophe in the link between the ability of citizens of the state to advance, to acquire a decent higher education, and to possess means, and the place of their residence. Clearly, if such a link exists, anyone with eyes in his head will try to improve his own and his children's chances of succeeding in life by moving to a place where the chances of success are greater.

In fact, this process has been going on for years: populations have been deserting their residences on the periphery, that is, run-down places, and establishing their homes in the more developed center of the country. These are mostly young people, in search of their way and finding it in the center, and young families looking for sources of employment suited to their talents, high living standards, and a high educational standard for their children (Central Bureau of Statistics, 2005).

Note that populations are to be found that from the outset did not choose to live on the periphery. This refers to the immigrants of the 1990s from the former Soviet Union. About one million immigrants arrived in Israel, and their place of residence was determined as the big cities, mainly according to available sources of employment for the family heads and according to the level of services there to meet the needs of the many elderly people who were among these immigrants (Central Bureau of Statistics, 2005).

We shall now attempt to pinpoint the reasons and possible causes for the existence of the gaps. A low employment rate has a negative effect on living standards and on the volume of production, and enlarges the dimensions of poverty and inequality. Flug and Kasir-Kaliner (2001) found that lack of employment is the major factor affecting the likelihood of being poor in Israel. In families without breadwinners the chances of their being below the poverty line are four times greater than in families in which the household head works. A long stay outside the labor market also is liable to bring about a loss of part of the work skills of the unemployed and to impede their return to employment in the future. A low rate of participation in work also causes mass government intervention, through transfer payments as treatment for poverty and inequality in the distribution of incomes, and this increases the burden on the public purse.

The periphery suffers most from low participation in the workforce. By contrast, the rate of workers in the center of the country approaches the average of the OECD states, but does not quite reach it. Clearly, in regions where there is less work, incomes are lower (Central Bureau of Statistics, 2005; OECD, 2004).

Furthermore, most of the Israeli powerful live in Tel Aviv metropolis and the settlements in the center; in any event, they are the trend-setters. In other words, the capitalism of Israel, together with its bureaucratic and political attachés, the consumer and media elites – all are concentrated in the Tel Aviv metropolis. These operate the multi-national firms, they have offices worldwide and in the Tel Aviv metropolis, with the aim of ensuring the companies' effective functioning in the global economy. Most of the companies active in the international economy are centered in this metropolis, and around them a busy commercial services sector is located, that is, companies in the banking, accounting, commercial law, advertising, and marketing branches. For example, in Tel Aviv are all the headquarters of the large banking institutions, about 86% of the headquarters of the smaller banking institutions, all the headquarters of the mutual funds, and most stockbrokers, non-bank financiers, business consultants, and insurance companies. About 95% of all high-tech firms are there too, including about 86% of communications companies, about 90% of firms in the information technologies and Internet branch, about 60% of electronics and hardware firms, and about 80% of the firms in the software branch (Kipnis, 2005).

2.1.2 Socio-economic gaps between Jewish and Arab settlements of the periphery

The demographic structure of the different sectors in Israel (Jewish and Arab) involves more poverty, lower rate of people in work (especially women), and lower level of investment in education in the Arab than in the Jewish population (Sadan, 2005; Flug and Kasir, 2001). A set of indices of living standard attests to socio-economic weakness among the Arabs in Israel generally. The population of disaffected poor is particularly the Muslim one (Gronau, 2002). Because the Arabs of Israel live on the periphery there is no chance that in the foreseeable future an improvement in their economic and social condition will occur.

Table 2 concerns the differences between the Jewish and the Arab settlements on the periphery. In the Jewish peripheral settlements of more than 10,000 residents dwell about 1.7 million people, and in the Arab settlements of more than 10,000 residents live about half a million people.

Our next comparison of the socio-economic variables among Jews and Arabs in Israel shows clear differences in all of them ($p < 0.001$). Jewish settlements belong on average to socio-economic cluster 5 out of 10, and Arab settlements to cluster 2. In average monthly gross income there is a difference of about NIS 1,500 in favor of the Jews, and also large gaps in schooling, higher education, and demographic variables.

Table 2: Differences in socio-cultural indices between Jewish and Arab settlements (of more than 10,000 inhabitants) on the periphery

Socio-economic variables	Jewish settlements on the periphery (average of 34 settlements: Ofaqim, Or Aqiva, Eilat, Ashdod, Ashqelon, Beer-Sheva, Bet Shean, Dimona, Zikhron Yaakov, Hadera, Haifa, Tiberias, Tirat Karmel, Yokneam Illit, Karmiel, Migdal HaEmeq, Nahariya, Nazerat Illit, Neshet, Netivot, Akko, Afula, Arad, Pardes Hanna-Karkur, Safed, Qiryat Atta, Qiryat Bialik, Qiryat Gat, Qiryat Tivon, Qiryat Yam, Qiryat Motzkin, Qiryat Malakhi, Qiryat Shemona, Sderot)	Arab settlements on the periphery (average of 25 settlements: Abu Sinan, Umm Al-Fahm, Iksal, Baqa Al-Garbiye, Judeide-Maker, Daliyat Al-Karmel, Turan, Tamra, Yafi, Yirka, Kafar Kanna, Kafar Manda, Kafar Kara, Mughar, Majd Al-Kurum, Maale Iron, Nazareth, Sakhnin, Arrabe, Arara, Arara BaNegev, Rahat, Reine, Shefaram, Tel Sheva)	Level of statistical significance
Socio-economic cluster	5	2	$p < 0.001$
Dependency ratio	83.0	121.8	$p < 0.001$
Percent families with 4 children or more	11.7	36.4	$p < 0.001$
Mean income per capita (NIS monthly)	2,936	1,446	$p < 0.001$
Percent students among the 20-29 age group	12.9	5.9	$p < 0.001$
Percent eligible for matriculation among the 17-18 age group	45.8	29.2	$p < 0.001$

Source: Bystrov (2006), processing of 1995 population and housing census data

Studies show lower workforce participation among the Arabs than the Jews, especially among the women. In the last decade the rate of male Arab workforce participation dropped faster than that of Jewish males, while the rise in rate of female Arab workforce participation was slower than that of Jewish females. These findings reflect the declining status of Arabs in the labor market, their low wages, their lower chances of finding work, and also the slower change in social norms regarding female employment. The importance that many Arab women attach to proximity of workplace to residence has become a greater limitation with the increase of the preponderance of services in employment in the economy, compared with industrial production (Brender, Pelled Levi, and Kasir, 2002).

Arguably, the wide differences stem from a tendentious and erroneous estimate of incomes in households, arising from faulty and partial reporting. In the Arab sector too a "black" economy exists, and there is no complete and valid reporting of households' income levels. In fact, the economic condition of households that avoid paying full taxes on their incomes and enjoy relatively low living costs – among other things by virtue of their economic ties with the Arabs of the West Bank until the erection of the separation fence – is far better than that reported to the authorities or to the Central Bureau of Statistics. Therefore, the disparity in per capita income may in practice be not so high.

However, we still observe differences in the variables of schooling, dependence ratio, and percentage of families with many children. If we assume that the economic gaps (in incomes) between the settlements are smaller, we must conclude that it is not the "poverty cycle" that imposes on families a lifestyle of multiplicity of children and poor education. It is perhaps another factor, not economic, that leaves children in the Arab sector less educated than in the Jewish sector on average, and that creates a dependence ratio so high. This is possibly a cultural-religious factor, which educates households in these orders of priority, and thus leaves them on the margins of Israeli society, which stands for Western values (the same thing happens in the Jewish ultra-orthodox sector in Israel). In any event, on the level of a description of the differences between the Jewish and the Arab sectors in the socio-economic domain we witness a phenomenon of severe inequality and the existence of disparities between the two people in socio-economic variables. The phenomenon exists, and no excuse can justify its existence.

Why do the Arabs of Israel live on the periphery and remain poorer there? Because they find it hard to move to the center for political, economic, cultural, and religious reasons. No wonder that the serious geopolitical tensions that exist between Jews and Arabs have been augmented by the socio-economic-educational aspect.

3.1 Implications of convergence into Greater Tel Aviv

So far we have pointed to the collapse of the periphery on the one hand and the growing strength of Tel Aviv on the other. But this reality has additional implications. First of all, even now it is adversely affecting the citizens of greater Tel Aviv, and in the not distant future it will harm them still more. Below we enumerate some of these effects.

3.1.1 Damage to Israel's carrying capacity

The result of the convergence into the Tel Aviv space is that Israel-Tel Aviv is approaching very close to the limit of its carrying capacity. This feature is salient mostly on the coastal plain whose focus is the city of Tel Aviv-Jaffa. We should note that human density in Israel is the highest in the Western world, and if the Negev density is not considered it is several times higher still (Central Bureau of Statistics, 2005).

In Israel we have reached the limit of carrying capacity in many domains: the transport system, the systems of garbage disposal, sewage, and flood prevention in the major cities. This leads to destruction of the beaches, the disappearance of the dunes, eradication of agriculture and to the disappearance of open spaces (Adam Teva Ve-din, 2004), and eventually to huge social gaps between populations in the same city and between the center of the country and its margins.

Efficient transport systems serve important social and economic purposes. Employment opportunities, housing, leisure areas, and shopping precincts become accessible through them. However, when the transport system passes the limit of its carrying capacity, negative implications are created to the point of harm to human health and environmental balance (Ministry of Environment, 2005).

Convergence of the population into the center whittles down the chances of breaking the cycle of collapse of transportation in Israel. As the population in the restricted space of Tel Aviv grows, so do its demands for transportation solutions, and the cost of the solutions soars constantly. And of course, the few resources invested time after time in the Tel Aviv space at the expense of the periphery dwindle all the time. All cost-benefit calculations look absurd when weighed against the advantages of population dispersal, not only for the state but above all to lighten the burden on Tel Aviv itself.

Among the chief environmental implications arising from the transport system over-reaching its carrying capacity one may note air pollution and noise nuisances. The release of pollution in city centers exposes the public to air pollutants that cause a rise in mortality and illness, mostly diseases of the respiratory tract and blood and coronary vessels (Ministry of Environment, 2005). Noise damage due by transport cause the population suffering, and is expressed in a fall in apartment prices around airports and main highways, especially in the center of the country. Many land areas occupied by roads and parking lots limit and cut down the open space, and block the soil to water infiltration. This feature is the most grave in the central area, where there is a shortage of open terrain and the density of road vehicles is constantly on the rise.

Here too the conclusion is plain: for the good of greater Tel Aviv itself the pressure on it must be reduced, by dispersing the population to the distant periphery and reducing economic dependence on it.

3.1.2 Environmental nuisances

Soil pollution

In Israel today more than 500 sites of soil pollution are recorded, and about half of this number (248) is in the Tel Aviv district, the smallest in the country in area. The Jerusalem district has 80 polluted sites, the Haifa district 59, the northern district 55, the southern district 39, and the central district 37 (Ministry of Environment, 2005). Soil pollution has far-reaching environmental and health implications, including pollution of water sources, because soluble components of the pollutant seep through the soil and infect the groundwater.

Noise pollution

59% of the residents of Tel Aviv-Jaffa city are disturbed by noise pollution in the city (Nature Protection Society, 2005). Many noises are experienced subjectively as irritants even if they do not involve injury to health. The problem of noise will only grow worse, and the difference between public expectations regarding noise prevention and its place in the order of priorities of the authorities will become even wider (Ministry of Environment, 2005).

Sewage

Urban sewage is the greatest water pollutant in Israel. Still today, raw or semi-treated sewage is flushed into rivers and wadis, even in some of the towns of the center of Israel. Responsibility for urban sewage treatment lies with the local authorities, but many of them are not prepared to shoulder the establishment and maintenance of systems of channeling, treating, and disposing of their waste. Sewage that is not treated, or is given low-quality treatment, pollutes the groundwater, rivers, soil, and the sea, and harms vegetation (Ministry of Environment, 2005).

About a quarter of the quantity of sewage in the state is channeled to the Dan sewage purification plant (DSPP). In 2003 only 63% of the total sewage was treated on the level required by law. By as early as 2010 the volume of sewage is expected to increase by 11%

over the 2005 figure (Ministry of Environment, 2005). How much of it will be treated then?

Waste material

The amount of waste material in Israel has increased at a rate of about 5% annually (Ministry of Environment, 2005). In the Tel Aviv district an average of 2.04 kilograms of waste per person are produced daily, while the national average is 1.59 kg per person per day. The Jerusalem district and the northern district produce less than the national average: Jerusalem 1.31 kg and the north 1.53 kg per person per day on average (Central Bureau of Statistics, 2005). In all, garbage accumulates at a volume of more than five million tons a year.

These mountains of trash, in addition to the increase in population density and shrinkage of available spaces sharpen the difficulties on the way to creating new sites for garbage disposal. The inevitable result is shortage of available space for garbage burial. In recent years the greater Tel Aviv trash has been transported to the Duda'im site near Beer Sheva. Even if this does not incur immediate damage, one gets the impression that the Negev is the garbage can of the Dan bloc.

The solution of garbage recycling, as is common in developed states, has not yet found its way to Israel (Ministry of Environment 2005).

Shortage of open spaces

In recent years the dwindling of the foremost environmental resource, open space, has become evident. Israel is becoming one of the most densely population states on earth, with all the dire environmental implications that this carries: elimination of green lungs and places for recreation and fitness of the population, prevention of penetration of water to the groundwater layers, and destruction of values of nature, flora, fauna, and landscape, and of the cultural and historical heritage (Ministry of Environment, 2005).

The dearth of open spaces is more evident at the center. Although the built area in Israel that serves for housing is 2.7% of the area of the state, in the Tel Aviv district, the smallest, 40% serve this purpose (Central Bureau of Statistics, 2005). If the pressure on the central district does not ease, a very difficult future may be anticipated in health, aesthetics, and functioning.

4. Summary and practical proposals

Every society that wishes to improve its living standard needs an open and competitive market. This is a necessary condition but not sufficient. The government must recognize the existence of market failures and the need to contend with them, and it behooves it to construct human and physical infrastructures that will allow all citizens of the state to exhaust the potential inherent in them (Ben-David 2005a). Though government strength has declined against global and local economic forces, it can still restrain, encourage, and change stichous moves.

Following are several suggestions to slow down the processes we have indicated, based on the data we have presented. Action must be long-term and not isolated measures in the short term, which are useless.

4.1 Transport to approximate the periphery to the center

The transport system is an extremely vital factor in moving the wheels of society and the economy. Despite Israel's integration into the global economy, production and conveyance of goods are still not done over the Internet, and the need for highways and railroads is tangible. As the ability for rapid access to work places and educational institutions is

harmed due to the collapse of the transport system, and because of a transport infrastructure that does not meet the needs, so are egalitarianism and growth in the economy damaged. Severe traffic congestion, that causes labor and commodities to spend an inordinate amount of time on the road, is not particularly conducive to productivity growth. Reduced traffic congestion would lead to greater efficiency in production and contribute to improved productivity and faster economic growth. Similarly, a developed transport infrastructure befitting the needs of the modern economy contributes to greater proximity between the periphery and the center, reduces the real-estate differentials, and contributes to social integration (Ben-David 2003a, 2003b).

Speedy action must be taken to advance the most modern transport system to the periphery, including freeways, railroads, and a second airport in the south. Improvement of means of transport linking development areas to the center of the country will bring workers closer to centers of study, professional training, and government institutions, and the best teaching forces to the development areas (Bergman and Marom, 2005).

4.2 Schooling and higher education

The universities in the peripheral settlements should be fostered: in the first place, Ben-Gurion University in Beer Sheva and the colleges in Karmiel, Safed, and Kiryat Shemona. It is especially important that the government act to increase the human capital and the infrastructure capital in these parts, including nurturing of education and its quality, a matter that will also reduce inequality in distribution of revenues in the economy (Bergman and Marom, 2005). The education system must work to raise the level of schooling among children in low-income populations, thereby reducing disparities in their achievements. An improvement of the education system will provide the means for the future successful integration of children from poor families into the workforce, and will thus contribute to narrowing the gaps and their breaking free of the cycle of poverty (Flug and Kassir, 2001). Naturally, most poor and uneducated families live on the national periphery.

4.3 Bringing the Arab population closer

A part of the effort to save the periphery is of course connected to improvement of the quality of life in the Arab sector. Ben-David (2003b) suggests beginning to invest in educational, physical, and health infrastructures of the Arab population in Israel, to stop the civil discrimination against them, and to allow men and women to achieve the highest education and workplaces suited to their talents. Similarly, they must be provided with all the same rights received by the Jews in the country – whose like no other Arab population in the Middle East enjoys, and to impose on them the same duties, including service for the benefit of their state, for they too have something to be proud of, and they too have much to lose, should something bad happen to the State of Israel (Ben-David, 2003b).

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