SPATIAL MISMATCH, STRATIFICATION
OF PLACES AND COMMUNITY UNEMPLOYMENT
THE ISRAELI CASE

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Spatial Mismatchment, Stratification of Places and Community Unemployment: The Israeli Case

Abstract

This paper examines the effect of the structure of opportunities on community level of unemployment. Data from the *Labor Force Surveys* for 118 communities in Israel are used to test hypotheses derived from the theoretical framework of the "Spatial Mismatch" which focuses on imbalances between labor force skills and jobs, and the "Stratification of Places" framework. The analysis reveals that mismatch and the socioeconomic composition of communities are related to their unemployment rates. However, these effect are conditioned on the national composition of the town. Arab communitites, which have both higher levels of unemployment and of mismatch, are more dependent on the imbalance between the supply and demand of skills. In Jewish communities, the level of spatial mismatch does not affect the unemployment rate, but rather the share of the population which holds professional, technical, and managerial occupations. We conclude that the least advantaged communities are also more vulnerable economically. The lack of adequate job opportunities in the Arab communities, the lower level of skills their residents have, and the restricated residential mobility they face, all affect their ability to find employment. Thus, they are subject to higher levels of unemployment.

Introduction

Unemployment rates in Israel, as in many industrialized societies, are rising, constituting a social problem and a source of public concern. Although the level of unemployment is usually presented at the national level, there are substantial differences in unemployment rates among different communities. In the current study we examine the extent that unemployment rates of different localities are affected by imbalances between the employment opportunities of the local labor markets on one hand, and the labor force compostion of their residents, on the other hand. We argue that the demographic composition of Israeli communities, which was determined partly by governmental residential policies and partly by selective migration, coupled with structural changes in the economy, resulted in unequal opportunities for employment, and as a consequence, inequality in unemployment rates.

Two types of communities in Israel are more succeptable for experiencing imbalances between the demand for labor and supply of skills: those which are located in peripheral areas, and those which are highly segregated ethnically. Studies of the Israeli labor market have established the inferior opportunity structures of such communities and their consequences for social and economic inequalities (Lewin-Epstein and Semyonov 1992; 1993). In order to shed more light on the sources of community differences in employment opportunity, we examine the level of the spatial mismatch between the demand for low-skilled workers and the supply of such skills in 108 communities in Israel during the early 1990s, and its effect on the level of unemployment (Kasarda 1980; 1985; 1995; Blackley 1990; Holzer 1994; Kain 1968).

The Theoretical Framework

Labor market outcomes such as poverty and unemployment are topics of central interest in the social sciences. Traditionally, research in this area has focused on individuals' economic and employment statuses in an attemp to explain inequalities in the labor market. While unemployment is an individual event, it is nonetheless a spatial phenomenon. Places vary considerably in the level of unemployment, reflecting a significant variation in place-specific structure of opportunities (Tiggers and Tootle, 1993).

The relationship between place of residence and economic opportunities is central to the Human Ecology tradition. Community is regarded as an independent unit of social organization. Processes of choice and constraints in the housing market yields a pattern of differentiation among communities based on socioeconomic status and ethnic composition. The resulting community system is stratified by reputation and prestige as well as by income and housing value. Community differentiation, according to this point of view, serves as the spatial reflection of broader inequalities within the society (Schwirian 1983).

Places differ in their demographic composition and in the opportunity structure they offer to residents. However, the local opportunity structure is not fixed. Technological and economic changes which take place in the national economy at large affect individual communities, and not necessarily in a similar way. Structural explanations of unemployment argue that in industrialized countries, the occupational structure has changed due to economic and technological

transformations. Places are experiencing a rapid transition from lower skill, blue-collar jobs toward whilte-collar, highly skilled occupations (Kasarda 1980).

The decline in low-skilled jobs can be attributed in large to changes in the industrial composition of the economy. Kasarda (1985, 1995) argued that manufacturing industries have been replaced, at least partially, by information processing, finance, and administrative centers. The shift away from traditional industrial sectors, such as manufacturing, resulted in a decrease in the demand for occupations that require low levels of education, while the more recent information-processing industries require higher levels of education (Kain 1968; Kasarda 1983; Holzer, 1994). While the industrial structure of the economy changes, the adjustment of the labor force in terms of skill distribution is much slower. The result is an imbalance between the demand for skills and the qualifications of the labor force. Consequently, unemployment level increases and earnings decrease, temporarily.

The mismatch hypothesis emphasizes temporal and spatial dimensions. The temporal element assumes that mismatchment is temporary. The very occurrence of the demand shifts should create incentives for the supply side of the market to adjust, through the acquisition of new skills (Holzer, 1994). In terms of the spatial component, mismatch occurs when there is a significant distance between the location of jobs and the workers' place of residence. Thus, proponents of the "mismatch hypothesis" argue that skills and spatial mismatches could be reduced by educational upgrading, which would adjust the level of skills to the demand factors, or by improving the commuting ability of the unemployed, which would make them

less dependent on the local opportunity structure. (Kasarda, 1995). However, the persistence of mismatch problems leads to the question of why these adjustments fail and what are the barriers that different groups, in particular minorities, face in the adjustment process (Holzer, 1994).

A different approach to community differentiation has been suggested by the "Place Stratification Model" (Logan and Molotoch, 1987). According to this perspective, the place of residence itself affects the social and economic status of individuals and social groups (Logan, 1978). Opportunities for employment and housing, level of income, cost of living, public services, and tax rates vary across places, and thus affect the life chances of residents. By stratifying places, more advantaged groups preserve social distance from less advantaged groups. Logan (1978) argues that spatial differentiation tends to be transformed over time into a rigid stratification of places. Studies of community change in social and economic standing have shown that most of the communities retain a high stability in their social status ranking (Stahura, 1987). One result is the creation of social and economic barriers for entering communities, which affect mostly minority groups (Logan and Alba, 1993; Lewin-Epstein et. al. 1995). Studies have shown that the mechanisms by which communities become stratified also affect the distribution of unemployment, poverty and crime (Stahura and Sloan, 1988; Alba, et. al 1994). Affluent communities are more able to control population changes and economic activities; the result is that their residents are exposed to a better quality of life.

This perspective departs explicitly from the human ecological approach in that it emphasizes places and their characteristics as the key source of spatial

differentiation and inequality rather than concentrating on population's residential choice and changes in technology and human capital over time (Logan and Schneider, 1983). Consequently, this approach sees social problems such as unemployment not as temporary phenomenon resulting from technological changes at the national economy, but rather as a persistent feature of low income and predominantly minority communities.

The current study draws on both perspectives, the "spatial mismatch" and the "stratification of places". Following the spatial mismatch approach, which suggests that unemployment rate is related to imbalances between supply and demand of labor, we expect that unemployment rates will rise as the imbalnace between skills and jobs in the community, rises. From the "stratification of place" point of view, we expect that the community's socioeconomic standing will affect (negatively) the unemployment level, net of labor market conditions.

Community and ethnicity in Israel

Israel provides an interesting setting to test the hypotheses regarding the consequences of skill mismatch and socioeconomic differences among places on unemployment rates. Israel is a multi-ethnic society in which the major ethnic cleavage is between Jews and Arabs. Arabs constitute a minority (about 18% of the population) which is subordinate to the Jewish majority in almost every aspect of stratification: education, occupation, employment participation, and unemployment. (Semyonov 1988; Lewin-Epstein and Semyonov 1992; 1993; Kraus and Hodge 1990; Shavit 1992). Another important feature in the case of Israel is an extreme

spatial segregation between Jews and Arabs. About 90 percent of Arabs are

concentrated in villages and small towns in which they are the sole inhabitants. Only

eight urban localities are ethnically mixed (Goldscheider, 1996; Lewin-Epstein and

Semyonov 1992;1993) and account for 8.6 % of the country's total Arab population.

This extreme segregation is supported by both Jews and Arabs for political,

ideological, and cultural reasons, and therefore, residential mobility between the two

sectors is low. In fact, even in the mixed communities, ethnic segregation is high and

persistent over time (Falah, 1996). Overall, Arab communities suffer discrimination

in resource allocation and economic development (Al-Haj and Rosenfeld 1990).

Most Arab communities are located far from large urban centers and offer only

limited employment opportunities. Lewin-Epstein and Semyonov (1992; 1993) have

demonstrated the role of Israeli communities in generating ethnic inequality. They

argue that Jews and Arabs face different opportunity structures. The Arab economic

sector is less diverse than the Jewish one. It is consistuted mainly of small

workshops in the textile and clothing industries, construction, and other labor-

intensive industries.

While the education and the general skill level of the Arabs increased over

time, the local economy did not change accordingly. Although during the 1970s and

the 1980s the agriculture sector declined and financial and services industries

increased in size, (including the public sector) the Arab labor market was

nonetheless able to incorporate only as much as half of the Arab labor force. The

remaining half commute to work in Jewish communities where they face

discrimination and higher competition over jobs (Semyonov 1988). Our study aims
to establish the differences between Jewish and Arabs communities in the level of
mismatch between jobs and skills and to test whether changes that took place in the
economy over time affected both sectors similarly, with regard to the level of
unemployment.

Unemployment in Israel

Israel's unemployment rate increased considerably since the early 1970s, and
is similar today to what is found in most industrialized societies. From a level of
2.6% of the labor force in 1973, the level of unemployment rose to 4.8% in 1980,
6.7% in 1985 and up to 10.6% in 1991 (Israel 1993). While the current high level
of unemployment resulted partly from the massive immigration of Jews from the
former USSR, the gradual increase in unemployment observed during the 1980s can
be attributed to several factors: an economic crisis which Israel experienced during
that time; a substantial increase in unemployment payments; and structural changes
in the economy. Among the latter are the decline of the public sector and the
changes in the spatial distribution of industries, which resulted in a growing
mismatch between demand for labor and the supply of skills (Yashiv, 1993; Eish-
Shalom 1982). It is important to note that unemployment in Israel is not distributed
equally among geographic units and communities. Those most affected by changes
in business cycles and monetary and economic policies are small towns, in general,
and peripheral communities in particular (Alperovich 1992).

The low level of unemployment which characterized Israel during the 1950s,

1960s, and the 1970s resulted from the substantial intervention of the state in the

economy. Seeing "full employment" as a political goal, the state controlled the

economic market by distributing industries to specific, mostly peripheral geographic

areas, and promoting growth in areas occupied by low-skilled Jewish workers who

were recent immigrants (Aharoni,1976). In addition, the considerable growth of the

public sector made it possible to absorb the growing segment of the female and

professional labor force (Brodet. 1980: Israel Labor Office, 1976). During the

economic crisis of the 1980s, which affected the level of government subsidiaries,

unemployment rates began to rise. Most affected were the peripheral areas, in which

industrial mixture and complexity were low and dependence upon one or two labor

intensive industries was high (Gardos and Krakover 1976; Spilerman and Habib

1976; Gardos and Eini, 1980). In some cases, the unemployment rate rose to 25

percent (Eppel and Barzilai 1984; Israel's Labor Office 1985). While the most

educated and skilled workers could move to other areas, where employment was

available, the weaker segment of the population faced severe economic hardships

(Borukhov and Verczberger, 1981). The Arabs faced more serious disadvantage

because of the lack of state intervention in their local labor markets and the social

barriers to residential mobility. Thus we expect that , independent of other

comuunitites' characteristics, the level of mismatch between the supply of skills and

the job offers will more severly afect the unemployment level in Arab rather than

Jewish communities.

Sources Of Data

The units of analysis in the current study are communities with 5,000

residents or more. Our universe consists of 118 communities for which we obtained

information at the community level from two sources of data:

1. The Israeli Labor Force Survey (LFS): a survey conducted anually by the Israeli

National Bureau of Statistics, based on a household probability sample which

represents the adult population of Israel. In order to obtain data at the community

level we pooled together the surveys of 1989, 1990 and 1991. Of the 118

communities, 40 were all Arab. This LFS surved was also used as our data source

for our measure of spatial mismatch. and for the indicators of the community's

socioeconomic status. We used the same procedure to create a similar pooled file

from the 1985,1987, and 1988 surveys[1] in order to construct community level

measurements of change in the level of mismatch. The variables are presented in

detail below.

2. Official publication of the Israel Social Insurance Institute (SII), "Insured, Benefit

Recipients, and Income in Communities 1990-91". From this publication we

obtained data on the size of the community and otrher characteristics which were

not available in the LFS (such as the median income).

The dependent variable in the study is the community's level of

unemployment. derived from LFS data. Our main independent variables are the

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[1] We could not use surveys of earlier dates because only in 1985 the survey differentiates
between place of residence and place of work. an information which is crucial for creating
the mismatch measure. We skipped the 1986 survey because of data availability problems.

spatial mismatch and the community's socioeconomic status (SES). Following

Blackley (1990) we define the spatial mismatch as:

$$M_j = \frac{a_j}{\Sigma b_{ij}}$$

where a pertains to the number of residents 25 years or older in the i'th community,

with less than complete high school education (i.e., the supply of the low-skilled

workers) and b is defined as the national share of jobs in the i'th occupation (at the

two digit level) held by non high school graduates, multiplied by the number of jobs

in the i'th occupation offered in community j. Thus, the denominator indicates the

expected demand for low-skilled workers. We extended the measure suggested by

Blackely by taking into account the detailed two-digit occupations in order to

increase the sensitivity of the mismatch measure. We calculated the level of

mismatch for two time periods: 1987 and 1990, and also the relative change over

time. We used two time periods because, as implied from the "spatial mismatch

hypothesis", the effect of the mismatch is temporary and is expected to disappear as

the labor force adjusts to the new skill demands.   In accordance with the

stratification of place argument, we caclulated the percent of residents with

professional, technical, and managerial (PTM) occupations, and the median salary in

the community.

    In addition, our models also control for community size, industrial mix of the

community, and distance from central cities. The industrial mixture is measured by

the proportion of jobs in the peripheral segment of the economy. This sector

constitutes mainly of labor-intensive low-profit industries (Stier and Lewin-Epstein

1988) and is expected to offer less secure jobs. The level of unemployment is

expected to decrease with size of the community and to increase as distance from

the major urban centers increases (Semyonov and Lewin Epstein, 1992), and with

increasing reliance on peripheral industries. The variables and their detailed

definition are presented in Table 1.

(Table 1 about here)

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Findings

Table 2 presents descriptive statistics for the variables in the analysis for the

total population and separately for Jewish and Arab communitites[2]. The table shows

that there are important differences between Arab and Jewish communities. The rate

of unemployment is higher in the Arab communities. As expected, the degree of

spatial mismatch between labor skills and job requirements is much higher in the

Arab communities than in the Jewish ones. This is true for both 1987 and 1990. The

table further suggests that between the two time periods the level of mismatch

incraesed considerably in the Arab communities -- by 77%, while it was relatively

stable in the Jewish communities (an increase by less than 18%).

(table 2 about here)

Other figures indicate the lower socioeconomic status of the Arab

communities: they have a lower share of PTM in their communitites, and they are

significantly poorer than the Jewish community. The Arab communities tend to be

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[2] The 8 mixed cities were categorized as predominantly Jewish.

located geographically far from the center of large cities, and tend to specialize in peripheral industries.

The zero-order correlations for the variables included in the analysis are presented in Table 3. The first panel of the table refers to the total population, and the two lower panels present the correlations in the Jewish and Arab communitites, respectively. A number of significant correlations are of interest. For the total population, there is a positive correlation between the rate of unemployment in the community and level of skill mismatch. However, the separate tabulation by ethnicity reveals that there is no correlation between the two variables among the Jewish communities (Panel 2 of the table) while there is a strong positive one (r=.563) among the Arabs localities. This important difference indicates that the mismatch has severe implications for groups with lower socio-economic status, as implied by the mismatch theory, while residents in the more developed, more affluent Jewish communities are less affected by market conditions. Although there is still variation among the Jewish communities in all socioeconomic measures, commuting to work may be easier for their residents than for the Arabs'. It is interesting to note that only among Jewish communitites is there a negative correlation between the distance from an urban center and the mismatch indicator, while among the Arabs, this correlation is almost zero. It indicates that, among the Jewish communities, only the ones located in the periphery suffer from economic hardships, but the location of the community is of lesser importance in understanding the consequneces of the supply-demand imbalances in the Arab localities.

(Table 3 about here).

For the total population, and also for the two ethnic groups, the % PTM and

the median salary are both negatively related to the unemployment rate. The

correlations, however, are significantly stronger for the Jewish communities. These

correlations support the "startification of place" argument. Note also that the two

indicators of socioeconomic level are highly correlated, and more so in the Jewish

sector. Another interesting difference, which supports the argument that the Arab

communitites are more dependent on the local economic structure. can be seen in

the correlation between the industrial mix of the community and its mismatch level:

the presence of peripherial industries is negatively related to the mismatch level, but

only in the Arab communitites.

Because of the different factors correlated with the unemployment rate, in

the total population and in both types of communities, it is important to test our

hypotheses in a multivariate framework. Using OLS regression we have calculated

for the total population and for each ethnic group separetely, two models: a cross-

sectional model which tests the effect of the current mismatch on the level of

unemployment, and a model which tests the longitudinal effect. We included an

indicator for the socioeconomic status (% PTM) of the community, as well as

controls for industrial structure, distance from urban center, and size of the

population. Due to multicollinearity problems we excluded the median salary of the

community from our analyses.

Table 4 presents the results. The first model for the total population indicates

that the level of mismatch and % PTM both affect the community's unemplyment

rate, each in the expected direction. None of the other variables included in the

models significantly affected the unemployment rate. This general finding provides

support to both the "mismatch" and the "stratification of places" theories. However,

when examining the same model for Jews and Arabs separately, we see that in the

Jewish sector only % PTM affects unemployment, while for Arabs it is the level of

mismatch and the industrial composition of the community which significantly affect

the level of unemployment. In fact, the multivariate analysis supports what the zero-

order correlations already indicated: that the unemployment level in Arab

communitites is dependent upon the opportunity structure, while the Jewish

unemployment rate is affected more by the socioeconomic standing of the

community.

(Table 4 about here)

The same results hold when the longitudinal measure of mismatch is being

used: in all cases, the mismatch level of the mid 1980s does not affect the

unemployment level, but the change in mismatch does, at least for Arabs. The large,

but not significant, effect of the change variable for the Jewish communities indicates

the uneven distribution of mismatch and mismatch change: only a few communities

had been severely affected by the economic changes, compared to most of the Arab

communities. A closer examination of the data reveals that in only three Jewish

communitites (that are close to the average in most other characteristics) did the

mismatch grew substantially (by 100% or more) over the two time periods.

Discussion

Two theories guided our study of structural unemployment in Israel: "spatial mismatch", and "stratification of places". Israel provides a particularly illuminating setting for testing these two theoretical approaches. The small size of the country and its relatively developed highway infrastructure decrease the dependency of the population on on their local labor markets. However, there are substantial differences between communities in their opportunity structures, their socioeconomic composition, and the level of infrastructure development. Particularly salient are the differences between predominantly Jewish and Arab communities. Residential segregation is extremely high and Arab communities are substantially less developed than Jewish ones; they are located further from the major urban centers; and offer poorer economic opportunities for their residents. This context allows us to investigate the different contributions of the spatial mismatch hypothesis and the stratification of places approach to the understanding of structural unemployment.

The empirical evidence provides support for both theories, but the main conclcusion is that different factors affect the Jewish and the Arab communities' unemployment rates. Arab communities are more affected by spatial mismatch, while the Jewish ones are more influenced by the socioeconomic composition of the community. We found evidence not only that the spatial mismatch between jobs and skills affects positively the level of unemployment in the Arab communitites, but also that through time the mismatch increases mainly in this sector. These changes further increase unemployed in the sector which is less advantegeous to begin with.

Our findings concerning the Jewish sector support the "stratification of places" approach. Communities whth higher share of high-skilled residents suffer from lower levels of unemployment, or, in other words, higer levels of independence from local job opportunities. .

An important finding that deserves more attention is the increase in mismatch over time within the Arab population. This increase may be a result of two processes: the first is the steady expantion of education for Arabs, which makes them qualified for better jobs. Between the years 1985 and 1990, the percent of population with 11-12 years of schooling increased from 19.2% to 23.2%, whith a slight increase also in the percent with higher education (from 8.4% to 9.1%) (Israel, 1993). The second, is the persistence of residential segregation that affects the avalabilty of adequate jobs. The result is a paradox. The efforts of the Arab population to increase their skills and job qualifications, under conditions of extreme residential segregation and lack of job growth in their places of residence, result in a substantial increase in spatial mismatch and consequently higher levels of unemployment.

Finally one non-finding requires consideration. In the multivariate analysis the effect of distance from the larger communities was found to be insignificant. This finding is somewhat surprising considering the urban history of Israel. Peripherial towns and cities were created after the establishment of the state and new immigrants arriving from North Africa and the Middle East were sent to these places. Previous studies found that it was in these periphereal development towns that higher levels of social distress occured. Their unemployment and poverty rates

were much higher than in the four largest cities and the cities that were built in the central area of the country. However, since the late 70s a a spatial transformation of the country is taking place. The process consists of decentralization of industries and middle class residents to the periphery (Gonen, 1995). The result is the more complex spatial pattern that generated our finding of a non-significant effect of distance.

In terms of social policy, studies of unemployment and poverty conducted within the theoretical framework of spatial mismatch have suggested that unemployment can be reduced by increasing the educational levels of inner city residents. This study conducted in Israel shows that under conditions of extreme residential segregation such as the one of the Arab population in Israel, increases in education level does not necessarily improve the employment opportunties. The implication from a public policy perspective is that in order to reduce unemployment there is a need to invest more in the development of the Arab sector, either by creating more adequate job opportunities or in improving the access to the Jewish sector by improving the road infrastructure.

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Table 1
Definition of Variables in the Analysis

Variable	Definition
Unemployment rate	Number of unemployed as percent of the total labor force in the community (based on 1990 LFS pooled file).
Mimsatch level	Number of residents 25 years old and more with less than high school education as a proportion of the national share of jobs in the i'th occupation (at the two digit level) held by non high school graduates, multiplied by the number of jobs in the i'th occupation offered in the community (LFS 1990 and 1987).
Change in mismatch	The difference between the 1987 and the 1990 mismatch levels as percent of the 1987 mismatch level.
Ethnicity	Community was coded 1 if all residents are Arabs, 0 otherwise.
% PTM	Percent of residents holding professional, technical or managerial occupations (LFS).
Median salary	The median monthly salary of the community (NSI).
Community size	Number of residents in the community (NSI).
Distance	Distance of the community (in kilometers) from the closest urban center.
% Peripherial jobs	Percent of jobs in peripherial industries. The definition of "periphery" is based on Stier and Lewin-Epstein's (1988) categorization of the Israeli labor market.

Table 2
Descriptive Characteristics of Jewish and Arab Communities

Variable	Jewish Communities		Arab Communities	
	mean (s.d.)	range	mean (s.d.)	range
Unemployment rate	5.20 (1.95)	1.97-11.3	6.01* (3.56)	0-17.9
Mismatch 1990	2.82 (1.58)	0.35-10.83	11.57* (9.24)	3.32-44.17
Mismatch 1987	2.49 (1.41)	0- 9.46	8.62* (6.50)	2.43-34.75
Change in mismatch 87-90	0.18 (0.36)	-0.53-1.78	0.77* (2.63)	-0.81-16.44
% PTM	18.18 (5.56)	3.07-29.79	5.66* (2.76)	0.95-12.56
Distance	32.40 (34.07)	0-245	46.87* (19.55)	16-134
Size	55,119 (84664)	5900- 544,200	11,542* (8033)	5500-49,800
% peripherial jobs	44.72 (10.98)	26.4-83.3	49.86* (15.47)	14.4-100.0
Median salary	2,233 (686)	1343-5880	1,462* (197)	957-1895

* significant differences at p<.05

Table 3
Correlation Matrix of the Variables in the Analyses

	unemploy. rate (1)	mismatch 1991 (2)	mismatch 1987 (3)	Change in mismatch (4)	size (5)	distance (6)	% in periphery (7)	% PTM (8)
mismatch 91	.435*							
mismatch 87	.148	.652*						
change mismat	.344*	.572	-.073					
size	-.113	-.192*	-.199*	-.061				
distance	.108	.035	.021	.041	-.301*			
% periphery	.094	-.215*	-.096	-.149	-.220*	.157		
% PTM	-.463*	-.431*	-.387*	-.165	.281*	-.238*	-.310*	
median salary	-.375*	-.352*	-.346*	-.108	.300*	-.354*	-.263*	.748*
Jewish communities								
mismatch 91	-.062							
mismatch 87	-.120	.877*						
change mismat	.191	.189	-.255*					
size	-.136	-.008	-.046	-.008				
distance	.194	-.373*	-.323*	-.155	-.262*			
% periphery	.196	-.141	-.029	-.240*	-.268*	.135		
% PTM	-.671*	.000	.016	-.073	.136	-.181*	-.331*	
median salary	-.523*	.137	.136	-.039	.175	-.313*	-.276*	.633*
Arab communities								
mismatch 91	.563*							
mismatch 87	.121	.438*						
change in mismat	.384*	.606*	-.222					
size	.067	-.170	-.212	-.118				
distance	-.084	-.162	.198	.058	-.134			
% periphery	-.020	-.564*	-.369*	-.223	-.220	.116		
% PTM	-.394*	-.288	-.132	-.177	-.078	-.281	-.141	
median salary	-.357*	-.234	-.289	-.012	-.054	.104	-.054	.483*

* p<.05

Table 4
Factors Affecting Unemployment Rate Within Communities
(Standard Error)

	Total Population		Jewish Communities		Arab Communities	
	(1)	(2)	(1)	(2)	(1)	(2)
mismatch 90	.127*		-.089		.300*	
	(.039)		(.131)		(.064)	
mismatch 87		.004		-.097		.135
		(.053)		(.151)		(.098)
change in		.462*		.745		.629*
mismatch		(.147)		(.583)		(.233)
% PTM	-.120*	-.173*	-.218*	-.207*	-.087	-.259
	(.043)	(.043)	(.032)	(.033)	(.181)	(.212)
size	.002	.001	-.001	-.001	.050	-.051
	(.003)	(.004)	(.002)	(.002)	(.060)	(.068)
distance	.002	-.002	.002	.004	-.017	-.035
	(.008)	(.008)	(.006)	(.006)	(.036)	(.044)
% periphery	.019	.002	-.012	-.001	.099*	.029
	(.003)	(.002)	(.021)	(.021)	(.043)	(.046)
constant	4.930	7.101	8.985	8.117	-1.713	5.260
	(1.596)	(1.573)	(1.436)	(1.561)	(3.338)	(3.750)
Adjusted R^2	0.25	0.25	0.42	0.44	0.42	0.21
F	8.300*	6.940*	10.903*	8.117*	6.563*	2.684*
N	109	109	69	69	40	40

* $p < .05$