

## **PREFACE**

This publication presents findings of a study on characterization and ranking of the local authorities in Israel by the socio-economic level of the population residing in the localities. The analysis focuses on two types of geographical units: Local councils and municipalities, and regional councils. The study presents, for each type of geographical unit, an index that summarizes a variety of socio-economic variables, and a classification of the units into 10 homogeneous clusters with respect to the index.

The research is divided into three parts. The first part derives a socio-economic index for all of the municipalities and local councils. This index is used to generate a single ranking for all authorities in the Jewish and Arab-Druze sectors. The second part of the research produces an index for regional councils and links it to the ranking of the municipalities and local councils. Finally, dispersion measurements for the variation of the socio-economic level of the localities within the regional councils are introduced. The research is based on data for the year 2006 which were obtained from a variety of sources: the Central Bureau of Statistics, the National Insurance Institute, the Ministry of Labor and Social Affairs and the Ministry of Religious Affairs. Great effort was put into collecting, checking and testing the data and converting them into a uniform scale.

The Central Bureau of Statistics hopes that the characterization of geographical units presented here will provide a basis for planning, management and research. The socio-economic index is a useful tool for comparing the levels of populations in geographical units, and can also help in identifying more prosperous regions on one hand, and poorer regions on the other. In particular, the cluster that a local authority is allocated to reflects its position relative to other authorities in the same year.

The Statistical Analysis Sector of the Central Bureau of Statistics and the staff of the Municipal Research Department at the Ministry of the Interior collaborated in the preparation of the index. The study was commissioned by the Ministry of the Interior, and is intended to serve as one of the indicators for allocating grants to local authorities, as well as for other purposes. The National Insurance Institute that provided data on income and on benefits fully participated in the study. The steering committee monitored the project, evaluated the proposed methods and offered advice. We thank Mr. Issachar Dor of the Municipal Research Department at the Ministry of the Interior and Mr. Jacques Bendelac and Ms. Miriam Shmeltzer of Research and Planning Administration at the National Insurance Institute for their assistance and cooperation in the project.

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