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The Effect of Psychological Capital on Employment Oriented Behaviour of Israeli Arab women

Wpływ kapitału psychologicznego na zachowania nakierowane na znalezienie zatrudnienia wśród arabskich kobiet w Izraelu

Doctoral dissertation

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DEDICATION

This thesis is dedicated to my father, Pinchas.

This project is a fruit of your nurture and tutelage. You taught me to always look forward with optimism and to never give up on my goals, regardless of any obstacles I may encounter on the way. I want to thank you for your faith in me throughout this journey, and for your endless support over the years.

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ABSTRACT

The economic inactivity rate among Israeli Arab women is the highest of any demographic in the country, standing at 69.6 percent. Israeli Arab women constitute a sub-group of the Israeli Arab minority, which accounts for approximately 20 percent of the nation's population, and has a poverty rate of 45.3 percent. The literature agrees that this group faces interrelated employment barriers that represent the life circumstances they live in. Such are barriers to education and healthcare, cultural, infrastructural, and social-policy related hindrances. As inactive Arab women represent an untapped potential labor and economic resource, and as they have such high poverty rates, it is of interest for the state to find ways to transition them into the active labor market. Existing labor policies that are intended to increase activity rates among Israeli Arab women direct their main efforts towards increasing human capital and infrastructural impediments. However, these have, to date, proven to be ineffective. Therefore, the purpose of this study is to deepen our understanding of the economic inactivity phenomenon among Israeli Arab women, and to propose improvements to employment enhancement policies.

The literature identifies Luthans et al.'s [2007a] personal psychological capital (PsyCap) and Lam et al.'s [2010] stages of readiness for change (RFC), as essential facilitating factors in the employment enhancement process. However, these have not been examined in the context of the inactive, let alone inactive Arab women.

This study examines: (1) the relevance and magnitude of these variables in the employment behaviors of inactive Arab women. A new metric - employment oriented behavior (EOB) was developed to support the investigation; (2) whether PsyCap, RFC, and EOB can serve as a basis for labor activation policies designed to enhance employment; and, (3) the complexity of the employment barriers faced by this population. Two studies were conducted to this end: (1) a cross-sectional comparative study using the 2017 national social survey and, (2) a non-random self-collected snowball survey, which included 49 participants.

Three main conclusions were drawn: (1) Inactive Arab women's primary challenge in joining the labor market, is lessening the impact of employment barriers. (2) Low PsyCap levels act as

an additional employment barrier. (3) Higher PsyCap levels fuel positive progress, effect the willingness to change, and the performance of employment orientated behaviors.

It is proposed that labor activation programs in the future be designed to improve PsyCap through short-term interventions, in order to achieve faster, and cost-effective employment enhancements. It is further suggested that, as a form of 'capital' and as a positive resource which energizes to initiate change, bolsters resilience, increases self-efficacy and optimism, the value of enhancing PsyCap may be extended to other employment vulnerable populations who face barriers to employment.

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LIST OF ABBREVIATIONS

ALMP	Active Labor Market Policy
EOB	Employment Oriented Behavior
CBS	Israeli Central Bureau of Statistics
HC	Human Capital
ILO	International Labor Organization
JSA	Job Search Assistance
LASER	Lam et al.'s [2010] assessment on stages of employment readiness
LTU	Long Term Unemployed
NEET	Not in Employment, Education, nor Training
NIS	New Israeli Shekel (Israel's currency)
OECD	Organization for Economic Co-operation and Development
OC	Organizational (social) Capital
P_{ie}	Productivity of Economically Inactive
P_L	Productivity of Labor
PsyCap	Psychological Capital
RFC	Readiness for Change
RTW	Return to Work

Introduction

Background and primary goals

A major cause of concern in Israel today is the low representation of Arab women in the labor market. Their economic inactivity rate is 69.6 percent [1,2], compared to 38.7 percent among Arab men, and 33.1 percent among Jewish women. And although Arab women's employment rate has risen over time, the gap between them and Jewish women remains significant.

This issue is particularly problematic since as Israeli Arabs[3] constitute 21 percent of the entire 2018 population (with a growth expectancy of approximately 2 percent by 2025[4,5]), and currently 45.3 percent of them live in poverty[6] [National Insurance Institute 2019]. It is well-established in the literature that labor market participation lifts people out of poverty [OECD 2010, cited in: Jabareen 2015]. Arab women's high inactivity rate aggravates their low socio-economic status [Miaari and Khattab 2018; Boland 2015], their mental health problems [Milner et al. 2014], and more. As such, they are considered as an employment vulnerable population.

Inactive Arab women represent an untapped pool of human resources [Sen, 2000]. Their high risk of poverty increases their financial dependence on allowances and benefits,

[1]See Appendix 1, Appendix 2.

[2]It is important to note that the Arab women's inactivity rate is sometimes presented by CBS under the category 'Arab women' and sometimes under 'other religions women' (see Appendix 1; Appendix 2). There is no confusion in the text. These differences arise from the manner in which the CBS presents data. Some tables show results of only Arab women, while others present data including an additional 4 percent of other religions living in Israel (e.g. Hindu, Baha'i).

[3]This study does not carry a political character. It examines the Arab population living in Israel, who have different religion backgrounds: Muslim, Christian, Druze and Circassia. Part on them identify with another nationality, but for me they are all part of the Israeli social texture, although being a minority group. Thus, by placing citizenship before ethnicity, and opposed to the conventional structure in which ethnicity should precede nationality, I purposefully relate to them as 'Israeli Arabs' and not as 'Arab Israelis'.

[4]Source for calculated estimations: Paltiel et al. 2012, *Long-Range Population Projections for Israel: 2009-2059,* Demography and Census Department, https://www.cbs.gov.il/he/publications/DocLib/tec/tec27/tec27.pdf [Hebrew].

[5]Source for calculated estimations: CBS, nd, *Projections of the Israeli population by 2025*, https://old.cbs.gov.il/www/publications/popul2005/pdf/h-mavo.pdf [Hebrew].

[6]While the poverty rate of the whole Israeli population is approximately 20 Percent.

however, they have the potential to contribute to the national economy and to the wealth of the country. Consequently, integrating inactive Arab women into the labor force is of crucial importance both to their well-being and to the productivity and growth of the Israeli economy [Yashiv and Kasir 2014; Tachauku, Kalisher and Mushklab 2020]. With these facts in mind, the motivation for this study is to improve the employment situation of Arab women in Israel.

The case of Israeli Arab women is of particular interest since, although Israel has a modern economy, their inactivity follows a pattern similar to that found in developing Arab countries [Jabareen 2015]. Previous studies have shown that Arab women face complexities and interrelated co-occurring barriers which affect their employment participation and may explain their economic inactivity [Khattab 2002]: (1) low educational performance, due to e.g. poorly developed educational infrastructure [Yashiv and Kasir 2014; Yashiv and Kasir 2015]; (2) limited occupational distribution in the knowledge based sciences, with disproportionate concentration in education and health services [Fucks and Friedman-Wilson 2018; CBS 2018]; (3) geographical concentration in peripheral regions who's authorities are ranked among the lowest in the country, and that form suffer from a lack of services such as child-care facilities [Simon Mizrahi 2016], poor infrastructure [Hai and Shoham 2013], and lack of employment opportunities [Yashiv and Kasir 2015]; (4) poor health status in various objective parameters e.g. life expectancy and diabetes [Chernichovsky et al. 2017]; (4) poor healthcare infrastructure with low accessibility and effectivity [Chernichovsky et al. 2017]; (6) cultural constraints including restrictive gender roles [Cinamon 2009; Jabareen 2015; Hadad Haj-Yahya et al. 2016]; ethnicity [Hai and Shoham 2013; Yashiv and Kasir 2015; Ali Levin-Chen 2019]; and religion and religiousness [Khattab 2002]; and, (7) social policies that presents both incentives and disincentives to joining the labor force.

This thesis aims to reveal the extent to which these barriers impair inactive Arab women's employment potential, through a comparison between Arab and Jewish women.

To improve the employment situation of inactive Arab women, the Israeli government committed to an employment objective of 41 percent[7] employment by 2020. To achieve this

target, labor market policies were developed and 15 billion NIS (about $4 billion) were allocated to the effort for 2016-2020.[8] This budget is mainly directed towards reducing structural impediments infrastructural barriers in Arab areas of residence, such as: developing the education system, improving the health care system, setting up industrial zones, expanding places of employment to increase labor demand, redesigning social policy to change the distribution of grants and allowances to those eligible, and the like[9].

The literature shows that in order to integrate vulnerable populations (e.g. minorities, injured) into the labor market, policies should aim at increasing individual human capital (i.e. technical skills and knowledge) or social capital (i.e. social networks and relationships), in addition to removing infrastructural barriers. While Israel operates in accordance with these accepted standards, and despite the massive investments: *'Employment rates of Israeli Arab women are still low and are not increasing as rapidly'* as desired [Ministry of Labor, Social affairs, and Social services, 2017[10]; Fucks and Friedman-Wilson 2018, p. 3]. Thus, appears that the economic activation policy has been ineffective to date. The current approach to economic activation might not be sufficiently nuanced to address the specific needs of the inactive population, thus, a more novel approach might be required.

This suggestion is guided by two assumptions. The first is Cole's [2007, p.170] argument that employment programs might be more effective *'if they target both human and psychological capital'*. The second comes from Prochaska et al. [1992], who note that individuals who modify their vulnerable behaviors, move through a series of stages of being ready for change. The current Israeli labor market policies are mainly oriented towards improving human capital and addressing structural barriers, while psychological capital and stages of readiness for change are largely neglected.

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[7]This was decided by the government's Labor Market Policy Committee in 2010. The current committee published similar recommendations for policy objectives for 2030 [Ekshtein 2018].

[8]Prime minister's office, *Decision no. 922+959*, https://www.gov.il/he/Departments/policies/2015_des922 [Hebrew]

[9]Ministry of Social Equality, 2016, *Five-year plan for the Arab sector,* https://www.gov.il/he/departments/news/economic_development_ [Hebrew].

[10]Ministry of Labor, Social affairs and Social services, 2017, *Protocol meeting no. 3-2030 committee,* http://www.molsa.gov.il/Publications/Committees/Pages/CommitteeDetails.aspx [Hebrew].

Luthans et al. [2007b] define psychological capital (PsyCap) as a positive psychological resource and a high-order core construct of dimensions: self-efficacy; optimism; hope; and resiliency. Plentiful research has confirmed that investment in PsyCap is beneficial as strengthens a range of emotional, cognitive and psychological abilities that are essential for joining and remaining in the labor force. Investigating the value of PsyCap within the context of inactivity has multiple advantages. Firstly, this approach represents a new method for considering the economically inactive population, and as such this research aims to fill a notable gap. Secondly, since PsyCap yields value by being a capital [Luthans et al. 2007a], investing in it is also an essential component of the expressed aim to enhance human and social capital. Finally, since PsyCap is malleable, and can be increased through timely and effective interventions, enhancement training can be slotted into existing labor market activity programs.

Lam et al. [2010] stages of readiness for change (RFC) refer to an individual's perception of the extent to which he/she is prepared to engage in activities that will change situation. RFC is comprised of three stages: 1. Pre-contemplation – in which an individual denies the need to change; 2. Contemplation – a stage of ambivalence in which the individual is considering behavioral change, but does not act on it; 3. Action – the individual is ready and willing to pursue change. RFC is frequently examined in relation to vulnerable populations such as welfare recipients [lam et al. 2010], unemployed [Curtis et al. 2016] and rehabilitation program participants [Li et al. 2006]. However, it has not yet been used to consider the personal trajectories faced by the inactive population, let alone inactive Arab women.

In this thesis, I attempt to find a way in which to bring these two concepts together to measure the employment orientated behavior (EOB) variable - that can be used to study inactive populations. Thus, one of the main aims of this thesis is to show how the employment behavior of the inactive can be measured effectively. EOB addresses the fact that the outcomes of individuals in different employment statuses (i.e. employed, unemployed, inactive) should be measured in accordance to the characteristics of that status. Inasmuch as the employment enhancement field literature considers the economically active, their outcomes are either measured in terms of productivity [e.g. Fugate et al. 2004; McQuaid and Lindsay 2005], or in terms of behaviors and attitudes [e.g. Li et al. 2006; Lam et al. 2010; Braathen 2014; Curtis 2016].

It is important to note that choosing to examine PsyCap and RFC is not intended in any way to diminish from the importance of employment barriers that Arab face. Rather my intention is to highlight the importance of other, unexplored and underrated, facets of inactivity. In this manner this thesis aims to: (1) explore the extent to which PsyCap and RFC relate to the EOB of Israeli inactive Arab women; (2) expand the scope of existing labor market policies.

In addition to the goals set above, this thesis has some practical importance. The results of the research conducted herein, may serve as the basis for planning and designing labor market activation policies in the future, not only for Israeli Arab women, but for many other disadvantaged groups around the world. The study may help explain the failures of the state's current policy, and indicate the need to expand its aims beyond removing barriers. Arab women may have a low level of psychological capital, and therefore, may not be ready to take full advantage of the programs in place, and may not actively seek employment or be eager to work.

Research question and hypotheses

The research question at the heart of this thesis is:

How do psychological capital (PsyCap) and readiness for change (RFC) affect the employment oriented behavior (EOB) of economically inactive Israeli Arab women?

This research question leads to the following hypotheses:

- OECD [nd, cited in: Cole 2007] note that psychological characteristics relate to better employment outcomes. In addition, Cole [2007, p. 196] argues that *'people with poor psychological capital* (i.e. PsyCap) *are likely to remain economically inactive'*. Since Arab women's inactivity rate is higher compared to Jewish women's, they are expected to have lower PsyCap compared to inactive Jewish women. Thus, **economically inactive Israeli Arab women's PsyCap level is lower than that of inactive Jewish women's.** And in the same vein, as inactive Arab women face more challenging employment barriers, which effect their inactivity rate, they are expected to be less ready for change than inactive Jewish women. Thus, **economically inactive Arab women are less ready for change than inactive Jewish women.**

- Curtis et al. [2016] claim that people who are out of the labor market for a longer period of time would be least ready to change their employment status. Lam et al. [2010] claim that 'least ready' means being in lower stage of readiness for change. Consequently, they are expected to be in the lower RFC stages. Thus, **economically inactive Israeli Arab women's stage of readiness for change (RFC) is pre-contemplation or contemplation and not action.**
- Prochaska and Di Clemente's [1982], as well as Lam et al. [2010] claime that people who have higher psychological resources (i.e. PsyCap) would be in higher readiness for change stages. As a result, inactive Arab women with higher PsyCap levels are expected to be in higher stages of readiness for change than those with lower PsyCap. Thus, **the higher psycap the higher is the readiness for change (RFC) stage.**
- Luthans et al. [2007a] and Pajic et al. [2018] show that higher PsyCap levels effect better employment outcomes. This positive relation is expected to also occur in the case of Israeli economically inactive women. Thus, **the level of PsyCap affects positively employment oriented behavior of Israeli Arab women.**
- Lam et al. [2010] show that employment vulnerable populations who are in higher RFC stages have better job search outcomes. As inactive women are defined as an employment vulnerable population, this positive relation is expected to also occur in their case. Thus, **the higher the stage of readiness for change (RFC) the higher is the probability of employment oriented behavior of Israeli Arab women.**
- Two literary findings lead to this hypothesis. One, in which Prochaska et al. [1992, as seen in: Curtis et al. 2016] note that having psychological resources (i.e. PsyCap) is an essential precondition for progression between RFC stages. Second is Lam et al. [2010], who note that progress between RFC stages enables to change employment behaviors. Leaning on these notations, it is expected that RFC stages mediate the relation between PsyCap and employment behavior. Thus, **the relationship between PsyCap and employment behavior is mediated by readiness for change stages: the higher the PsyCap leads the greater readiness for change, which leads to a higher probability of performing EOB.**

Research method

The study is rooted in the positivist paradigm, through which researchers use probabilities to estimate causes that produce observable outcomes [Neuman 2014]. The research question and hypotheses are then explored in a descriptive correlative study [Beyth-Marom et al. 2009], using two research designs:

1. A cross-sectional analysis, using the Israeli CBS 2017 annual social survey. The sample includes 2,568 women respondents, of which 1,950 were Jewish (73.8 percent), 618 Arabs (23.4 percent) and 73 were defined as others or Atheist (2.8 percent). The aims of this preliminary comparative approach study is to reveal: (1) whether the research variables (PsyCap, RFC and EOB) are relevant and can serve to measure the research population; (2) to explore the relationship between the variables.

2. A non-random survey study using the snowball sampling technique. The sample included 49 Israeli inactive Arab women from the northern periphery. The aim of this supplementary study is to reveal the in-depth relationships between the variables, and examine to what extent these can serve as tools to indicate effective enhancement programs for inactive Arab women.

The two studies' methodologies and metrics, objectives and reasoning, limitations and suggestions for future research are elaborated upon in chapters three and four.

Structure of the dissertation

This thesis is organized into two part: part one includes the theoretical research. Part two includes the empirical studies. Hereinafter is their structure.

Part one is divided into two chapters. The first chapter presents a general introduction of the research population – the economically inactive population. This is followed by a discussion of the economic, social and personal consequences of inactivity. The chapter further presents a literary review of barriers to employment: education, location and infrastructure, health, culture, and social policy. Additionally, is discussed the idea of labor market policy. The discussion in this chapter is presenting simultaneously the theoretical aspect alongside the demonstration of Israeli Arab women's case. It aims in explaining the

problematic employment situation of the research population. The second chapter setts the scene for a possible solution, by providing explanations as to why were the current research's variables chosen. It is divided into three sub-chapters: The employment enhancement field, in which the readiness for change independent variable was chosen, through the 'scale of diagnosis'; Presenting the psychological capital (PsyCap) variable; presenting how the outcomes measurement variable (EOB - employment oriented behavior) was developed, specifically oriented for the economically inactive population.

Part two is the empirical section of this thesis. It is divided into two chapters. Chapter three presents the first research design – cross-sectional analysis, using the Israeli CBS 2017 social survey. This chapter is followed by chapter four, which is a self-collected non-random survey study, using the snowball sampling technique. Each chapter presents its aims, research question and hypotheses, description of methodologies, description of the research population, results, discussion, limitation and suggestions for future research.

The last section of this thesis relates to the concluding remarks. It presents the main findings and final thoughts of the whole study, the theoretical contribution, as well as the practical implementation of this thesis, followed by limitations and suggestions for future research. Finally, this thesis presents the references list used in this thesis, followed by the appendices.

PART ONE • Theoretical Study

The first part of this thesis presents the literary context of the dissertation. It is divided into two chapters: The first chapter begins with a general introduction to the target demographic, the consequences of their economic inactivity, and the influence on the Israeli Arab situation. This chapter further elaborates on the key determining factors of inactivity (i.e. employment barriers) impacting Israeli Arab women's employment problem and the ways in which this problem is taken care of by labor market policies. The second chapter setts the theoretical scene for a possible alternative policy, by presenting and choosing the appropriate factors for the empirical study.

1 Chapter I: The Economically Inactive Population

1.1 The economically inactive population

The labor market is one of the most important engines a nation possesses with which to drive economic growth [Wolla 2013]. Consequently, much effort is invested to exhaust the potential of national labor resources, as a high rate of joblessness is a significant factor inhibiting growth.

Barham [2002] presents three main classifications of human labor resources that vary in their employment behavior: employed, unemployed, and economically inactive. The sum of these equals to the total workforce potential in any given country [ILO 2016a]. Each group has its own distinct characteristics. The employed group is defined by the ILO (International Labor Organization) as: persons in employment or who have performed some work for pay or in kind, or with a job but not at work, while maintaining a formal attachment to the position according to certain criteria [OECD 2003].[11]The unemployed are currently not working individuals. They are defined by the ILO as meeting three necessary criteria: desirous of work, actively seeking work, and an availability to start work [Barham 2002; Buckup 2009]. As such, if a person does not have a job, but desires to work, has been actively looking for one in the last four weeks, and is available to start working within two weeks, he/she will fit into this category [Gregg and Wadsworth 2011]. People who make up the economically inactive group are defined as working-age people who do not work [ILO 2016a], in which one or more of the criteria mentioned for the unemployed (i.e. desire, seek, available) are not met [Barham 2002; Buckup 2009; Leaker 2009]. As such, they do not desire to work, or do not seek employment, or are not available, or both. Occasionally the unemployed and the economically inactive are grouped together under the umbrella term 'non-employed', due to their similarities, and for ease of measurement [Tomlinson 2001]. As noted by Gregg and Wadsworth [2011, p. 23]: *'economic inactivity, for some, [was] quite often another dimension of (long-term) unemployment'*. Martin [2015] also includes the economically inactive within the unemployed group, when discussing active labor market policy (ALMP). It is not easy to precisely identify

[11]https://stats.oecd.org/glossary/detail.asp?ID=764.

the demarcations of the economically inactive category; nevertheless, in most cases, the rate of inactivity within a population is usually calculated as the percentage of the total working-age population (16yrs-pension [Leaker 2009][12]), who do not participate in the labor force *permanently* [ILO 2016a, p. 112]. In contrast, unemployment rates are usually calculated as the percentage of people who do not work *temporarily* [Barham 2002]. Although the economically inactive group, the focus of my research, are not considered to be part of the actual supply of workers, they do represent a large potential workforce [Barham 2002; Weir 2003; Leaker 2009]. Integrating them into the active labor force has great economic, social, and personal benefits, and can have an impact on national growth and prosperity.

Three main populations are defined as economically inactive: (1) young people[13] and students; (2) those who do unpaid work such as women raising children or caretaking; (3)the temporarily or permanently incapacitated [Gregg and Wadsworth 2011]. Noticeably, each of these groups can also be classified using the three above-mentioned criteria of wanting or seeking employment, and availability for employment [Barham 2002]. Hence, the economically inactive group may include blended cases such as: a person who wants a job, but has not necessarily been actively looking for one in the last four weeks; or someone who may not be available to start working [Leaker 2009]; or someone wanting to find work but unavailable to start [Barham 2002].

There is a broad consensus that it is not straightforward to incorporate economically inactive people into the labor market. Eurostat [2017] stated that only 20 percent of inactive people are interested in working, meaning that the majority are not. OECD [2006] reported that 60 percent of inactive people would like to find a job "at some point". While such rates may indicate a lack of motivation or commitment to joining the labor force, it should be noted that these reports cover only inactive people who receive allowances and social benefits. Consequently, it is hard to get a precise picture regarding inactive people's motivation and attitudes towards labor activity since *'inactive individuals who do not receive benefits can be hard to reach'* [OECD 2006, p. 11].

[12] Barham [2002] mentions that the economic inactive group of women above age 59 and men above age 64, who constitute 55 percent are less important since their future potential for employment is low.
[13] Called NEET and defined as young people Not in Employment, Education and Training [Salvatore 2011].

Economic inactivity rates are more stable and higher than unemployment rates [Barham 2002]. For example, *"the number of inactive people of working age [being] over five times that of the unemployed in 2001"* [Barham 2002, p. 71]. This indicates both a troubling phenomenon and the potential value of assimilating the inactive into the labor force. Weir [2003] and Leaker [2009] discuss a constant inactivity rate of approximately 21 percent in the UK, which did not show any significant change between the years 1970-2008. When examining specific factors some interesting trends can be identified within this population. For example, it is evident that men's inactivity rates have quadrupled to 16.3 percent since the 1970's, whereas women's rates have declined from 40 percent to 25.8 percent [Barham 2002].

Economic inactivity rates vary greatly among different demographics, not only along gender lines, but also in terms of age, qualifications, ethnicity, and location. Studies usually refer to three age groups which represent very different stages of life: 16-24yrs, 25-54yrs, 55-64yrs [Eurostat 2017]. Each age group displays diverse reasons for inactivity. The primary cause of inactivity among the youngest age group (16-24-years old), regardless of gender, is education. Whereas, in the mid-life age group (25-54-years old), the foremost reason for women's inactivity are family responsibilities, whereas for men in this age group inactivity often relates to sickness or disability [Barham 2002; Eurostat 2017]. In addition, women in this age group are slower to take up their first job than men, more so if they are married [ILO 2016b]. Consequently, women have a higher chance of being economically inactive than men. In addition, the data show that there is an interaction effect between gender and age that has an impact of the inactivity rate. Among inactive people in the age group 25-54yrs, 23 percent have worked in the last two years, 47 percent are long term unemployed who have not worked more than two years [Card et al. 2016], and 29 percent have never worked. A simple calculation shows that approximately 76 percent of all inactive individuals are detached and isolated from the labor market [Eurostat 2017, p. 8].

Another contributing factor to inactivity is ethnicity. Ethnic minorities have a lower probability of working and are thus prone to higher inactivity rates. This is accentuated by gender, as women from ethnic minorities work less than men [Gregg and Wadsworth 2011, p. 232].

Beyond presenting the phenomena of economic inactivity, it is of great importance to understand its consequences and to unveil its impact on the economy, the society, and the

individual. One of the 'weakest links' in the labor force, and at the same time the group with the greatest potential of being economically inactive, are women. The following chapter expands on the consequences of economic inactivity with a focus on women and Israeli Arab women in particular.

1.2 Consequences of economic inactivity

The state of economic inactivity is fraught with consequences for the economy, society, and the individual. These consequences are elaborated upon below.

1.2.1 Economic consequences

The economic consequences of inactivity are twofold. Firstly, there is a direct loss of income that affects GDP and growth, and a waste of the unrealized productive potential of productive human resources [Sen 2000]. Secondly, there is an indirect loss to state funds due to expenses such as education or financial benefits received by different economically inactive groups.

Examples of the first consequence include economic inactivity among people with disabilities, which accounts for an average GDP loss for example 7.7 percent in Canada [Buckup 2009]. Similarly, the inactivity of NEETs (young people aged 15-29-years old, who are Not Educated, Employed, or Trained), of whom a large fraction is inactive [OECD 2017, p. 27], is costly [ILO 2017; Wong 2016]. This is the case in Israel, where the proportion of NEETs in the population is about the OECD average (15 percent of people aged between 16-29-years old). Another example of economic inactivity with a far-reaching impact is that of women not participating in the labor force due to child-care and household responsibilities, which are not paid for nor tallied as work. The OECD report of 2017 projected a loss of 12 percent in GDP in the next 20 years due to women's inactivity. In the case of inactive Israeli Arab women, Yashiv and Kasir [2013, p. 79] estimated that the potential contribution of their participation in the labor market could rise from 22.5 percent in 2010 to 30 percent by 2030, and to 38 percent by 2040. This was mapped onto an accumulated growth in Israel's GDP of 17 billion NIS (~$6 billion) and 39 billion NIS (~$12 billion) accordingly [Yashiv and Kasir 2013, p. 81]. Although these estimates are presented in GDP growth terms, they can be attributed to losses. That is,

if inactive Arab women are not integrated into the labor market these estimates will represent losses of potential growth.

The second impact of inactivity – the cost to national funds – arises from a greater risk of poverty [Sen 2000; Sheppard 2006] and an increased dependence on allowances and benefits. The average government's expenditure on benefits given to the economically inactive can equal, or even exceed, unemployment benefits expenditures [OECD 2006]. Obviously, governments wish to reduce such fiscal burdens and to generate growth by integrating the economically inactive into the workforce [Weir 2003]. In Israel, for example, Arab women account for approximately 70 percent of inactivity, and as a whole the Israeli Arab population's poverty rate is 45.3 percent [National Insurance Institute 2019]. The Israeli Arab population's dependence on government allowances is regarded by some as costly and a 'waste' of public funds.

1.2.2 Social consequences

The social consequences of economic inactivity are widespread and extend beyond a single community. The arguments presented below should be understood to refer to societies in general, not just to the Israeli Arab minority and to Arab women. Moreover, some of the social consequences described refer to Arab NEETs – who represent only part of the inactive population, and who's circumstance are not always directly applicable to social consequences relating to Arab women.

- *Low social status – prejudice and discrimination* – work is a fundamental aspect of human nature [Boland 2015, p. 15]. Employment is highly valued in modern society and there is a social expectation that each person will consider finding a job at some point in their lives [Berntson 2008]. Because of the high value placed on work and employment, a state of 'not being employed' can be interpreted, prejudicially, as a mark of laziness and counter-productivity. This almost universally accepted negative stigma that surrounds the workless can cause the unemployed to feel ashamed about their situation [Dambrun and Dubuy 2014]. Consequently, the implications of unemployment for the workless include negative social stereotyping, prejudice [Major 2008] and a sense of being worthless [Boland 2015, p. 21]. Discrimination against those who are unemployed further limits their access to

resources such as employment, income, and the education that may improve their situation. Furthermore, discrimination may discourage the unemployed from participating in the labor market [Blazevski et al. 2017]. Israeli Arab women, who may already suffer discrimination for other reasons, may be further discouraged from finding work due to the stigma associated with being workless.

- *Ethnic tension and isolation* - Sen [2000] argues that unemployment can heighten ethnic tensions. Immigrants are often the first to be affected in strained job markets, as they are seen as competitors who 'take away' jobs from the native population. This feeds racism and political intolerance, which in turn deepens ethnic minorities' segregation and social exclusion. It seems reasonable to extend Sen's [2000] arguments about the unemployed to minority groups such as Israeli Arab women, because of the many characteristics these demographics share (e.g. different cultures, languages, religions, and political tensions).
- *Weaker social values and social cohesion* – Sen [2000] also describes large-scale joblessness as a stressor that weakens social values and social cohesion, and intensifies isolation and exclusion. He points out that this may lead to a perception of "us" versus the "other", pitting the working majority against the minority of long term unemployed. According to Sen, the group defined as "others" may develop cynicism, a sense of social unfairness, and dependency on the majority. The "other" unites in their grievances which deepens their sense of isolation and exclusion from the rest of the population. It seems reasonable to extend this argument to the matter of Israeli Arab women due to their high inactivity rates and their minority status, both of which may enhance their sense of being discriminated against.
- *Lower education level due to lower income and greater poverty* – having less income due to inactivity means having less money to invest in education. Thus, although education is a very important factor in reducing poverty, it may not receive due consideration among the economically inactive [Elborgh-Woytek 2013]. Since there are fewer employment opportunities for the less educated, the cycle is self-perpetuating. In the case of women, there is a tendency to invest a large proportion of any household income into children's education [Elborgh-Woytek 2013]. Consequently, economically inactive Israeli Arab woman with less income may also invest less into their children's education (perhaps even more their daughters' education), fueling an ongoing trend.

- *Mothers as role models* – the family environment has a significant influence on a young person's decision to participate in the labor market [Miaari-Hadad and Haj-Yahya 2017]. For example, research has shown a positive correlation between NEETs inactivity and their parent's low education levels [Carcillo et al. 2015, cited in: Miaari-Hadad and Haj-Yahya 2017]. Educated and working mothers act as role models for young girls, and evidence shows that higher rates of the former stimulate enrollment in education programs and employment among the latter [ILO 2016]. The absence of an employment role-model in childhood can be used to explain inactivity among Arab women, many of whom explain their situation as a reflection of the women who raised them [Cinamon et al. 2016].
- *Social engagement* - political and social engagement among the economically inactive is relatively lower than other groups. For example, NEETs' vote in significantly lower numbers than non-NEETs. This is a problem both for the individual and for society [Salvatore 2011]. The lack of political engagement displayed by NEETs, may also explain social disengagement among economically inactive women, as NEETs may become inactive adults.
- *Crime and violence* – economic inactivity and poverty may increase a person's tendency towards criminal or violent activity. Studies worldwide have shown that higher levels of poverty are connected to greater levels of crime [Ali Levin-Chen 2019, p. 19]. In the same vein, anti-social behaviors, such as vandalism, are often the consequence of boredom or a sense of futility; feelings which characterize the Israeli Arab NEETs population [Ali and Levin-Chen 2019, p. 20]. Since the data referenced above relate to young Israeli Arab men, one should not transfer its conclusions to economically inactive Israeli Arab women without due reflection.

As is evident from this brief survey, economic inactivity affects economic growth, social values, and behaviors in multiple ways which may have a direct or indirect effect on Israeli Arab women. In the following section I will consider the personal and psychological causes associated with reduced well-being [Crown 2016].

1.2.3 Personal consequences

The literature that discusses the personal consequences of non-working for the (long-term) unemployed rarely covers the economically inactive as a distinct group. Nonetheless, if the differences between the two demographics are kept in mind, it is possible to draw on the generalized approach taken in the literature to examine the economically inactive in greater detail. Arguably, since the inactive are characterized by permanent joblessness, and the unemployed are jobless only temporarily, the personal consequences described in the literature that effect the latter might be aggravated among the former. As Tomlinson [2001] stresses, these two groups are frequently merged into a 'non-employed' category; consequently, a circumspect application of the conclusions drawn about the combined group might be used to describe the distinct group.

- *'Skill loss and long-term damage'* [Sen 2000, p. 19] – working people 'learn by doing'. Furthermore, rapid technological developments increase skills gaps. This may exacerbate the lack of relevant job skills, making it harder for inactive people to join the labor force.
- *Stigma*- stigmatization has an enormous negative impact on a person's psychological well-being[14] and self-worth. Stigmatized persons often internalize society's attitude towards them into a chronic sense of shame or lack of self-esteem [Sinclair and Huntsinger 2008]. Such groups have also been shown to display anxiety, stress, poor physical health, and are at a higher risk of developing an addiction [McKee-Ryan et al. 2005]. They may feel isolated, patronized, or become targets of violence [Major 2008]. According to Sen [2000], stigmatized people may suffer from feelings of exclusion that can lead to a loss of motivation, mental illness, higher mortality rates, and an elevated suicide risk. Gregg and Wadsworth [2011, p. 135] also show that the well-being of people who are not in labor force is much worse than that of those who are employed. Ethnic minorities, who are often mentioned as a sub-group of the long term unemployed, frequently suffer from stigmatization resulting in psychological distress[15] [Dambrun and Dubuy 2014]. The

[14] A consequence of reduced well-being is a rising of the 'drift effect' [Crown 2016], this describes a situation in which individuals with poorer well-being are more likely to drift towards worse jobs [Van Den Heuvel et al. 2010, p. 138], or may prefer to stay inactive.

[15] This can be alleviated through positive psychological interventions [Dambrun and Dubuy 2014].

associated low self-esteem may reduce their resilience to, and ability to cope with, the barriers they face to employment [Cinamon 2009].

- *Mental health problems* – Milner et al. note that *'economical inactivity is associated with worse mental health in the general population'* [2014, p. 1]. A number of variables, have been shown to increase the odds of depression [Rai et al. 2013], some of which are pertinent to the consideration of Israeli Arab economically inactive women. For example, females with a low level of education and low professional status (which may lead to a lack of prestige or power within their society) have an increased probability of developing symptoms of depression. This probability increases in high-income countries where women occupy traditional gender roles and have fewer material assets. Israeli Arab women possess these characteristics in addition to being economically inactive, suggesting that they are at higher risk of suffering from depression.

One might question whether someone who is not working will suffer from the same degree of harmful stigmatization if many their peers are also economically inactive. Clark et al. [2008] show that in the presence of other unemployed people living in the same local area, it is easier to bear the condition of unemployment. According to Kessler et al. [1987, cited in: Clark et al. 2008, p. 4] this is due to the support from others that *'reduces the negative impact of unemployment by helping the unemployed to escape from boredom and establish a goal direction in daily activities'*. Subsequently, it is easier to establish and maintain social contacts that reduce the sense of isolation. Jackson and Warr [1987, cited in: Clark et al. 2008] found that when the local unemployment rate is higher, there is a greater sense of well-being among the unemployed living there. Meaning that the presence of peers might reduce the negative impact of labor inactivity on the individual. It seems reasonable to infer that the same might be true of the economically inactive living in areas with high rates of inactivity. The presence of inactive peers in the same locality might lessen personal distress, stigma, prejudice, and the negative impact on health.

In summary: the consequences of being economically inactive can be severe on the macro and micro level, for both majority and minority groups, for all ages, both genders, and especially for women. Dealing with the issue of inactivity will result in a healthier economy, society, and population. Prior to offering potential solutions to this problem, it is important to consider the determining factors for economic inactivity.

1.3 Barriers to economic activity faced by Israeli Arab women

This chapter elaborates on the determining factors of economic inactivity, the barriers which constrain employment and lead to economic inactivity, both in general and for Israeli Arab women in particular.

Naon et al. [2006] catalogued four types of barriers: (1) a lack of personal resources (e.g. education or healthcare); (2) group barriers (e.g. cultural or gender barriers); (3) labor market conditions (e.g. lack of employment opportunities); (4) social policies (e.g. minimum wage, income support, unemployment benefits, insurance, or childcare facilities). It is important to consider how each of these factors might cause a person to become economically inactive, before considering how they might impact Israeli Arab women. Israeli Arab women face a multifaceted and complicated set of barriers *'among them are educational, economic, cultural, and structural obstacles'*.[16] This chapter discusses five barriers: education, location, health, cultural, and social policies.

1.3.1 Education

The importance of the level of education attained has been increasingly recognized as a factor that enhances labor market participation [OECD 2018]. Education is perceived as a way to raise competences, skills, and potential, and thereby improve adaptability to the changing labor market. Thus, education is the basis for an individuals' cognitive, affective, as well as economic growth.

An individual's knowledge base, skills, and qualifications, represent their **human capital** (HC) and contribute to their productivity [Becker 1964]. Acemoglu [2012] states, HC is a central determinant of individual economic growth. *'By creating skills that enhance labor productivity, education is seen as a force directly influencing economic activity and social welfare'* [OECD nd, p. 49].[17] Human capital theories emphasise that having skills increases the chances of

[16]Ministry of Labor, Social affairs and Social services, 2017, *Protocol meeting no. 3-2030 committee*, p. 3, http://www.molsa.gov.il/Publications/Committees/Pages/CommitteeDetails.aspx [Hebrew].
[17]OECD, nd, *Educational attainment of the labor force*, Chapter 2, http://www.oecd.org/els/emp/3888221.pdf

finding employment, as well as making those who are employed more productive [England 2004, cited in: Jabareen 2015, p. 129]. In this context, it is possible to think of promoting education as an essential investment in human capital.[18]

HC theory states that developing skills through education enhances an individual's productivity, which in turn enhances labor market opportunities. Thus, lower education levels lead to lower HC resulting in lower productivity [OECD nd]. There are various possible sources of HC [Acemoglu 2012]: (a) innate ability – the genetic component of IQ; (b) schooling - measured in years of education; (c) school quality and non-schooling investments such as extra curricula activities; (d) training – skills acquired after completing compulsory education; (e) pre-labor influences – such as those exacted by one's peer group.

The HC perspective has given rise to other approaches that question the connection between HC, productivity, and economic activity. In this approach there are four additional assessments used to evaluate the role of education in employment [OECD nd]:

(1) **The sorting and screening mechanism** - since educated individuals have already proven their academic productivity, they are presumed to be industrious workers. Employers tend to prefer educated individuals since they are judged to have an inherent aptitude for productivity.

(2) **The socialization perspective** – this refers to education as a social stratification and division of labor apparatus, rather than solely as a cognitive developmental process. It suggests that employers expect better educated employees to be well socialized and more readily assimilated into the work environment. There are two possible justifications for this stance. The first focuses on the process of constructing social attitudes. Since school helps form and teach social rules and ways of behaving, more years of schooling provides more opportunities to experience and consolidate these attitudes. The second focuses on the formation of traits associated with being a student (e.g. punctuality, persistence, concentration, obedience, compliance, and the ability to work with others). More years of schooling means having also acquired advanced education traits, such as

[18]See additional elaboration on the term 'capital' - chapter 2.2.

self-esteem, versatility, and the capacity to assume leadership roles, all of which are valuable in employment.

(3) **Segmented and dual labor market perspective** - this regards barriers to employment as stemming from the way that education can reinforce class divisions along work and capital lines. In this perspective, the main role of education is to support class interests. This contrasts with the perspective of HC in which education is viewed as a social equalizer, and as an engine for economic growth and social welfare.

(4) **Education and entrepreneurial activity perspective -** this approach places an emphasis on the need to educate individuals to be pro-active, entrepreneurial, and acquire technological skills, business training, and management literacy.

In summary, being less educated means being less attractive to prospective employers, which may result in becoming economically inactive. The sorting and screening mechanism and the socialization perspective also represent a set of values that could also motivate educated people to enter into the world of employment, which further highlights the importance of education. On the other hand, the last two perspectives see education in terms of adjustments to the nature of the labor market: 1) education should be decided upon labor market demand, or it would not be able to ensure participation in labor market, and 2) the need for people to be entrepreneurially oriented.

Arguably, the value of education in the labor market is as multifaceted as it is dynamic. The **skills-biased change hypothesis** [Violante 2008, p. 3] suggests that the recent *'information technology revolution'* has been 'skills-biased' in that the rise in new technologies has necessarily coincided with better qualified and skilled workers across all industries. Violante explains this phenomenon using three rationalisations: (1) fast paced growth in the use of technology that drives the demand for a skilled labor force. This also raises the skill premium of skilled workers; (2) *'educated people make good innovators so that education speeds the process of technical diffusion'* [Nelson and Phelps 1966, cited in: Violente 2008, p. 5]. In other words: those with more education and experience adapt quickly and better to new technologies. For skilled workers, learning and adopting new knowledge is less threatening than it is for the low-skilled. Hence, the speed of technological change drives skill-bias; (3) technological advances cause organizational changes that are skill-biased. Workers are required to multi-task, have analytic skills, and the ability to cope with complex

communication; meanwhile, repetitive, and simple tasks are replaced by information technology. Consequently, the skills-biased hypothesis implies that only educated and qualified individuals can progress within a technologically progressive modern society.

Other theoretical perspectives on education focus on the reduced labor status of lower skilled workers. For example, the **globalization hypothesis** [Oesch 2009] presents two viewpoints. The first considers that international trade favours a skilled labor force. The market position of low-skilled workers in OECD countries has weakened due to economic globalization [Oesch 2009]. This is probably due to the high rate of goods produced using a highly-educated workforce; giving such businesses a comparative advantage over those who employ a low skilled workforce. The second aspect of the globalization hypothesis considers labor migration. When a country adopts immigrants, the employment opportunities for the native population are reduced as the pool of potential workers grows. This may lead to an increase in unemployment among lower skilled individuals. According to this explanation, immigration contributes negatively to unemployment, and the trend towards globalization requires adjustment. However, a macro-economic account of immigration identifies its positive contribution. Immigration increases the total population and accordingly the aggregate demand for goods and services. This boosts the economy and productivity, and creates more jobs [Oesch 2009].

As previously mentioned, educational attainment is considered one of the strongest determinants of labor market outcomes [OECD 2018]. Attaining an education demonstrates a personal desire to be employed. An interesting illustration of this is the case of women. Women participate in the labor market in higher rates when they are educated, whereas most lower-educated women tend to participate in informal employment or be economically inactive [Verick 2014; ILO 2016].

The influence of education on economic inactivity rates has been studied extensively. Eurostat [2017] reports that among people aged 25-64-years old in the EU, 36 percent have less than secondary education, 19.8 percent have at least lower secondary education, and 10.9 percent have a higher academic qualification. The data show that the probability of being inactive is three times higher for non-educated individuals [Blazevski et al. 2017; Eurostat 2017]. For example, while more than half of the UK's working-age women and one-third of

men were considered inactive in 2017, having GCSE qualifications[19] lowered the rate to 14 percent of men and 24 percent of women, and possessing a first degree (i.e. a B.A.) decreased inactivity rates even more to 7 percent and 12 percent respectively. These rates clearly indicate that education promotes participation in the labor market [Barham 2002; Eurostat 2017].

A similar pattern occurs with immigrants, as seen in the Netherlands, Turkey, and Morocco. When immigrant women are less educated their probability of inactivity is twice as high as it is for other demographic groups. On the other hand, when immigrant women are educated, and especially if they have earned a post-graduate degree, they tend to participate in the labor market almost entirely [Chamlou et al. 2011, p. 5]. The rate of employment among non-educated women in Kosovo, for example, is 3 percent, whereas it stands at 33 percent among women with a secondary education, and increases to 64 percent for those with tertiary education [Gashi and Rizvanolli 2015]. In Amman, 75 percent of women with none or very basic education are economically inactive, whereas employment rates among women with a university education stand at 50 percent and above [Chamlou et al. 2011, p. 8]. This pattern is replicated in Southern Asia and East and North Africa, where literacy rates are still lower among women than among men [Elborgh-Woytek et al. 2013]. This results in higher inactivity rates among women. All these examples indicate that in western and OECD countries, as well as in developing countries, lower education levels among women is a potential cause of economic inactivity.

NEET women also display a higher rate of inactivity than NEET men. For example: in Australia, 51 percent more NEET women are inactive compared to men, largely due to caring responsibilities [Wong 2016; OECD 2017]. This is exacerbated by an *'education-transition link*' to employment among young women [ILO 2016, p. 13]. The transition to employment is twice as fast for women with higher level academic degrees than it is for women who only have primary level education. Nonetheless, it is important to note that in general, and regardless of their level of education, young women face a longer transition from education into the job

[19]General certification of secondary education: a system of public exams taken in various subjects from age 16, or one of these exams, or a qualification from this system, https://dictionary.cambridge.org/dictionary/english/gcse

market than young men [ILO 2016]. One reason for this may be marriage or having children, causing women to postpone entrance into the job market and thus remain inactive for longer periods of time. This consequently lowers their skills adjustment to market requirements and relevance to employers.

Women also frequently impede their employability through their chosen fields of study. Women usually concentrate on less economically valued studies such as the humanities, while men tend to focus on highly-valued studies in the fields of technology and science [UN women, sited in: ILO 2016]. Thus, as far as quality of jobs available is concerned, employment opportunities are gender-biased, with as much as 30 percent of all employed women worldwide working in the health and education sectors [ILO 2016].

Location is a significant interfering factor in women's education and employment rates. The lowest economic participation rates occur among those with 12 or less years of schooling, however, the area of residence presents differences in rates. In India for example, economic inactivity rates in rural areas are higher (19 percent) than they are in urban areas (12 percent). Employment rates increase among those with a higher education, such as undergraduate degree; 33 percent in rural areas compared to 27 percent in urban areas [Verick 2014]. Thus, higher education is not only beneficial in increasing the odds of employment, it is especially so, according to Verick [2014], in rural locations.

Since education level is evidently strongly linked to employment, the next section will examine Israeli Arab women's educational situation and its influence on their economic activity.

Education of Israeli Arabs

In Israel, the education system is heterogeneous and is provided in four main educational streams: two state secular streams (Hebrew-speaking and Arabic-speaking); one state ethnic stream (Hebrew-speaking); and one independent stream (ultra-orthodox Hebrew-speaking). There are significant differences in academic performance between Arab students and their peers within the Hebrew-speaking education stream. To illustrate: in 2013 only 45.7 percent of Arabic-speaking students completed upper secondary education and obtained matriculation, which allows entry to higher education [OECD 2016]; this compared to 98.2

percent of students in streams other than the Jewish-ultra-orthodox stream. Large differences in academic performance and attainment exist between the Jewish-ultra-orthodox demographic and Arab students. 51.3 percent of 18-year-old Jewish-ultra-orthodox students completed upper secondary education in 2013 and 9 percent obtained the matriculation certificate, compared to 98.2 percent in other Hebrew-speaking education streams and 72.2 percent respectively. Whereas, only about half of the pupils in the Arab education stream obtained the matriculation in 2016 [OECD 2016].

Academic achievements vary in each stream, for different reasons [OECD 2016]. Generally, Israeli Arab pupils exhibit the following trends: (a) achieve lower grades than their counterparts in the Jewish educational stream on international tests, national tests in primary education, and on tests which determine school efficiency and growth indicators; (b) have higher dropout rates; (c) are less likely to go to university [Yashiv and Kasir 2014; Hai and Shoham 2013]. Consequently, Israeli Arabs attain lower education levels in most parameters in comparison with the Jewish population. Israeli Arabs also have a higher rate of less years of schooling, 0-8 and 9-10 years, in comparison to Israeli Jews (23 percent compared to 8.3 accordingly). Consequently they have a lower rate of matriculation eligibility (49.9 percent compared to 58.5 percent in the Jewish sector) and lower rates of 12^{th} grade pupils who satisfy university requirements (36 percent among Arabs and 50 percent among the Jewish population) (see Appendix 3). When comparing the distributions of the highest diplomas received by population group and gender in Israel (see Appendix 4), some trends become evident with regards to 'other' women (i.e. non-Jewish Israeli's, of which 96 percent are Arab): (1) 'other' women have the highest rate of not studying; (2) 'other' men and women have more than twice the rate of people who have only completed primary to lower secondary school, than the Jewish population; (3) when the highest diploma received is a matriculation certificate, percentages are similar between the populations; (4) when the highest diploma received is an academic degree, percentages of 'other' women are much lower, especially for second and third degrees; (5) the group with the highest representation in the category 'no diploma received' is that of 'other' women. Thus, it is evident that the Arab population, and Arab women in particular, have lower levels of education than their Jewish counterparts.

Arab students also lack professional diversification in their chosen fields of study. Their rates of participation are higher and overrepresented in fields such as pharmaceutical studies,

nursing [Hai and Shoham 2013], and education, which is in fact saturated [Weiss 2018]. On the other hand, they have diminished representation in high-demand fields such as engineering, technology, business, and industrial administration [Hai and Shoham 2013].

Nevertheless, it should be highlighted that the human capital of Israeli Arabs has improved over time, and the gap between them and Israeli Jewish citizens has decreased. There was a rise in the number of Israeli Arabs entering higher education between 1990 to 2016; with the greatest increase among those entering secondary degree programs. There has been a positive uptick in the last few decades in the education level of Arab women (see Appendix 5). The advance in education level attained has been the greatest among Arab women. This is partially due to their lower initial educational levels, compared to Arab men and the Jewish population. One possible reason for this trend is the peace treaty between Israel and Jordan which has given Israeli Arabs greater access to higher education institutions in Jordan [Lewin-Epstein et al. 2015]. Since the formal teaching language in Israeli higher education institutes is Hebrew, it is appealing for Israeli Arabs to study in Jordan and other Arab countries due to the shared language [Tachauku, Kalisher and Mushklab [2020]. However, educational gaps between Israeli Arabs and Jews still remain significant (see Appendix 3).[20]

It is feasible that the lower academic performance among the Israeli Arab population stems from an impoverished and insufficient educational infrastructure. Often schools in Arab areas have more students per classroom and fewer well trained teachers than schools in Jewish areas [Hai and Shoham 2013]. Another explanation might be that the current generation of young Arab women are often the first generation of women from their families to participate in higher education or develop professional careers. Since they lack role-models and mentors in their community, they need to navigate an unfamiliar education system on their own, and must learn the hard way how to develop their careers in the Israeli labor market [Hai and Shoham 2013].

[20]CBS, Statitilite No. 2002.

Apart from the formal education system, there is another issue which plays an important role in the transition from education to employment in Israel - compulsory military service or voluntary civil service. This is usually undertaken by young people between the ages of 18-21-years old. The majority of Arabs[21], and Arab females in particular, do not participate in these services [OECD 2016]. Although military service paths are not considered academic, they can be viewed as educational for various reasons: (1) military service as well as civil service participants receive different forms of vocational training and practical experience during their service, that can be helpful when entering into employment; (2) national or voluntary service is perceived by Israeli society as an important initiation into adulthood and as preparation for independent living [Hadad Haj-Yahya 2016]; (3) the service period allows participants to postpone making decisions regarding their futures until they can do so with greater maturity [Hadad Haj-Yahya 2016]; (4) Israelis (both Jews and Arabs) who participate in these services stand to develop better social networks (i.e. social capital). By not participating in this system, the majority of the Arab population do not enjoy the advantages offered by military and civil service.

While education acts as a barrier to Arab women's employment, it also affects their labor inactivity. Table 1.1 reveals the following: 66.9 percent of Jewish women who studied are employed, this falls to 39.7 percent for non-Jewish women - a 27.2 percent gap in favour of Jewish women. In addition, examining the categories of 'primary to lower secondary school diploma' up to 'first degree', there are lower rates of employment among the non-Jewish women group (which is mainly Arab) compared to the Jewish women group. However, the difference between groups decreases in the ‘academic degree’ column. Higher education greatly improves Arab women’s likelihood of being employed; yet, a big gap in inactivity rates exists among the less educated. These patterns are true to both genders and ethnicities (additional data on Arab women's lower employment rates can be found in Appendix 6).

When comparing employment rates by education and by ethnicity (see Table 1.2), the data show that the effect of schooling on Arab women is very different from the one observed for Jewish women. In all schooling categories, Arab women are less likely to be employed in

[21]Although being part of the Israeli Arab population, many Druze and fewer Bedouin men do perform military service in the Israeli Army. Some of Bedouin women perform civil service.

comparison to Jewish women. The lowest level of education (0-4 years) shows an employment rate almost four times lower among Arab women than their Jewish counterparts, and employment rates of Arab women with 11-12 years of schooling are two times lower than their counterparts.

Table 1.1: Economic activity by highest diploma received, gender & population, 2018, percentage.

	Jewish women	Non-Jewish women	Jewish men	Non-Jewish men
Studied	66.9%	39.7%	69.9%	64.6%
Primary or lower secondary school diploma	23.7%	13.3%	32.9%	45.4%
Upper secondary school (no matriculation)	62.0%	43.0%	64.3%	79.1%
Matriculation certificate	74.9%	41.0%	78.2%	71.9%
Short cycle tertiary diploma (not academic)	69.6%	64.8%	78.3%	88.1%
First academic degree	80.5%	67.1%	86.6%	81.2%
Second academic degree	80.3%	79.6%	82.9%	83.0%
Third academic degree	77.4%	67.2%	74.9%	74.6%
Other diploma	75.1%	74.5%	75.6%	94.6%
No diploma received	12.8%	12.5%	23.0%	39.2%
Unknown diploma	66.9%	39.7%	69.9%	64.6%

Source: Data was interpreted from CBS, 2018, Labor force survey, table 1.18.

Table 1.2: Jewish and Arab women's labor activity by education, 2018

Years of schooling	Jewish women	Arab women
0-4	16.0%	4.8%
5-8	17.2%	14.5%
9-10	25.2%	18.7%
11-12	65.8%	36.2%
13-15	70.4%	52.0%
16+	81.2%	69.9%

Source: CBS, 2018, Labor force survey, table 9.6.

To summarize: In the contemporary labor market employers look for employees who are able to offer their organization a competitive advantage (e.g. better able to respond to employers' demands and changing market conditions). Consequently, education is of critical importance, and is considered to be one of the key predictive factors for employment.

However, the less educated a woman is, the less likely she is to be engaged in employment. Findings show that Arab women's educational situation is still inadequate. Although education levels among the population have increased, which has led to a rise in their labor market participation, the ratio of education is still low compared to the Jewish population.

An explanation of Arab women's high inactivity rates that considers only a single predictive factor, such as education, is not robust enough since it only accounts for labor supply and not demand for labor. In order to attain a more complete picture of the circumstances involved in Arab women's inactivity, it is necessary to consider additional hindering factors, both national and local, which affect demand. These are discussed below.

1.3.2 Location

This section introduces the barriers to employment imposed by location at the global, national, and local levels, followed by a closer look at the case of Israeli Arab women.

When analyzing labor activity, it is necessary to take into account that a person's living situation may influence their employment status [Jensen 2017]. This considers the individual within a context that embraces not just their specific locality, but also the national and global influences acting on that location. A person's local context may be impacted by local market conditions, local infrastructure, as well as national factors, and global trends, etc. All of these shape labor demand [Jensen 2017].

Global and national influence on demand

On the national and global levels, the employment market goes through various structural and sectorial changes over time. According to ILO [2018] this is reflected in: (1) new technologies in which robots have replaced menial workers, while also driving up the requirement for highly-skilled workers; (2) a decline in traditional and manual-labor industries (e.g. agriculture, textiles, and construction), and a shift to a *'competitive and knowledge-based economy'* [Varloo et al. 2006, p. 19] and a professional sphere economy; (3) growth in the service sector, particularly over the past few decades which has proven to be a remedy for employment-growth [ILO 2018, p. 32]. By 2017, the service sector employed the largest share of the world's workforce [ILO 2016], creating a need for labor mobility from traditional industries to services.

These global trends create new conditions in the labor market and for potential employment. Firstly, mobility between sectors (e.g. moving from manufacturing to services) requires education, training, and re-qualification, that are not always available. This leaves the unskilled workforce less able to participate in the labor market, and can lead to informal and vulnerable employment [ILO 2018]. Secondly, these changes generate new forms and structures of employment such as job sharing, on-call work, self-employment, a reduced chance of full-time employment, and increased rate of temporary and part-time employment [ILO 2018]. Less permanent job opportunities also worsen working conditions (e.g. higher work intensity, excessive working hours, and limited access to social protection) [ILO 2018]. Consequently, these new structures can leave individuals in a state of uncertainty, which can easily result in economic inactivity. Thirdly, employment gains vary greatly for different populations (e.g. men versus women) [Aharon et al. 2014]. For example, research shows that the shift from agriculture to industry has benefited men more than women in employment terms [Verick 2014]. This has driven women to increasingly participate in the retail and service sectors [Aharon et al. 2014]. Environments with strong service economies tend to favor employing women more than those with a less developed service economy [Jensen 2017]. In fact, *'more than half of the world's women'* are employed in the retail sector [ILO 2016, p. xii]. This may be because service is *'more family-friendly and accessible'* [Verick 2014, p. 6], and offers women the opportunity to work flexible and part-time hours [Jensen 2017]. Fourthly, minority group women face social restrictions that constrain their labor market integration [Aharon et al. 2014] and hinder access to employment. This is not simply a case of insufficient demand (e.g. job vacancies) and supply (i.e. individual-level attributes), but rather, it is often also the product of employers holding '*institutionalized sets of stereotypes shaping their demand for certain kinds of workers and not others*' [Aharon et al. 2014, p. 615]. Fifthly, women's occupational preferences are affected by their family commitments [Stier 2005]. Subsequently, women tend to choose occupations in which the penalty of termination is minimal, or jobs which offer more convenience for maintaining the work-family balance. These are often also positions with lower salaries [Polachek 1987, cited in: Stier 2005].

On the national level, the Israeli labor market has experienced rapid professional transformation and modernization over the past few decades; however, the Arab population had lagged. Arabs were mainly employed in traditional manual-labor industries, such as

agriculture, textiles, and construction. Many have lost their employment potential due to the *'competitive and knowledge-based economy'* that has replaced those industries [Varloo et al. 2006, p. 19]. Since higher education has become a prerequisite to advancement and to quality employment [Hai and Shoham 2013], the low educational performance (as described above) among Arabs, and especially among Arab women, has a detrimental impact on their ability to compete in labor market against their more educated Jewish counterparts [Hai and Shoham 2013].

To boot, Arab occupational distribution has not been influenced by national and global world trends. While globally, men have tended to focus more on technological and scientific occupations [UN women, cited in: ILO 2016], Arab men still present higher rate of employment in traditional manual labor industries, and have very low rates of employment in the skills-based sciences.[22] Nor have Arab men shifted to the service sector. According to CBS, the ratio of employment in manual labor industries compared to the service sector is 1.5 accordingly.

In the case of Arab women, the following picture emerges: 23.4 percent of working Arab women work in the education sector, 19 percent in the health services, 14.2 percent work as household employees, 2.9 percent in the sciences, professional and technical occupations, and only 1.4 percent in the information technology industry (see Appendix 7). These rates are similar to women's occupational rates globally [ILO 2016]. It is interesting to note that while the rates of Arab women employed in the education and health services sectors are similar to those among the Jewish population, the rates of employment in other sectors range between half to a third of those among Jewish women. These rates indicate that Arab women are concentrated in the service sector, education, health services, and household employment, and that the tendency of Arab women to go into the skills-based sciences is significantly lower than it is for Jewish women.

Work practices also present a hindrance to employment. The rates of involuntarily part-time employed Arab women are almost three times higher than that of Jewish women (see Appendix 8). It is also evident that the gaps between voluntary and involuntary part-time employment of Arab women are very low, especially in the years 2014 (1 percent), 2015 (2.1

[22]CBS 2015, table 2.7

percent), 2016 (6.5 percent). This differs from the gaps among Jewish women that were 16.8 percent in 2014, 18.2 percent in 2015, and 19.4 percent in 2016. These data suggest that most Arab women who work part-time are doing so involuntarily. This situation is probably due to having fewer possibilities of full-time employment, and increased rates of temporary and part-time employment [ILO 2018], comparable to the global trend.

Another national level issue is employment in the public sector. Although Arabs comprise almost 20 percent of the Israeli population, out of 122,548 government employees in 2015[23], only 9.6 percent were Arabs employees. Different government offices employ Arabs at various rates, with some even employing none [Controller's office report, 2016]).[24] Overall rates of Arab employment in the public sector have increased gradually (see Appendix 9). Still, Arab women's employment rates in the public sector are almost twice as low as they are among Arab men. This may be related to cultural and ethnic stereotyping during the hiring process (see p. 48).

Critically, Arab women report not having jobs available in their occupations of choice (see Appendix 10). This raises two issues: the availability of proper jobs in the region of residence, and the selection of field of study. According to Verloo et al. [2006], rather than blaming the lack of jobs opportunities on discrimination or traditional gender roles, *'the blame is with the women who tend to enter training in fields for which the market is saturated and in which there are limited job opportunities'* [Verloo et al. 2006, p. 49]. Can Arab women be blamed for making the 'wrong choices', as it were, or do they genuinely face barriers to employment? In order to better answer this question, we need to examine the situation within their residential areas.

Local context

The aim of this section is to describe the causes and effects of the local employment economy on inactivity.

[23]CBS 2015 table 3.1, http://www.cbs.gov.il/www/y_labor/e3_01.pdf

[24]https://www.mevaker.gov.il/he/Reports/Report_537/42f21169-c208-4524-9c7c-6b8b0f70400c/101-arb-emp.pdf?AspxAutoDetectCookieSupport=1 [Hebrew].

The literature points to some factors which may present barriers to employment in the local economic sphere: (1) less economically developed local areas results in scarce employment opportunities and a shortage of regional job vacancies. Barham [2002] suggests that areas which experience greater employment hardship are prone to inactivity since higher rates of inactivity tend to exist in areas with above-average unemployment rates [OECD 2017][25]; (2) the extent of cultural traditionalism (i.e. patriarchy, gender roles) has an impact on job opportunities. Women are more likely to find employment if the local economy is growing, and the demand for labor increases as whole. And vice versa – in regions where labor demand is low, women face difficulties finding employment since they are considered second-rate workers [ILO 2018]. It is worth stressing that the demand for women's labor is generally lower than the demand for men, even if the economy in the region is strong. In such cases, the demand for women increases only if the supply of men is exhausted (or nearly exhausted).[26] In other words, the demand for female employees is affected by the supply of alternative labor sources. Moreover, even well-educated women may face serious difficulties in finding proper jobs [Jansen 2006]. Thus, their education level does play a crucial, but not a decisive, role in their employment opportunities [Verick 2014]. In the absence of proper jobs, or only jobs with low wages, many women prefer to remain inactive [Verloo et al. 2006]; (3) the enclave model [Khattab 2002] defines a secondary economy market mechanism, in which ethnic minorities concentrated in a geographical location develop and manage their own market. This 'secondary labor market' provides an economic alternative to the primary labor market. Consequently, it enables members of the ethnic minority to avoid the potential disadvantages of integrating into the primary labor market, while enjoying the advantages of being employed; (4) the availability of public transport is an initial condition for getting to work and finding employment. Unreliable and unaffordable public transportation may harm people's availability and mobility, alienating them from possible jobs. And so, external conditions rather than personal factors may act as a disincentive from participation in the labor market [Yashiv and Kasir 2014; Jensen 2017]; (5) worldwide, in both traditional and

[25]For example: in the UK, in a region where the unemployment rate was 8.7, 28percent of people of working age were economically inactive, contrary to another region which had only 3 percent f unemployment and only 17 percent inactivity. Other European countries also show the same pattern [Barham 2002].

[26]https://www.ilo.org/global/about-the-ilo/multimedia/maps-and-charts/enhanced/WCMS_458201/lang--en/index.htm

modern societies, childcare availability, and childcare costs impact mothers' availability for employment. The absence of these services presents a hardship that hinders people, and especially women, from finding work [Mizrahi Simon 2016]. The price of childcare services has an impact on many women's decisions about whether or not to work, particularly in the case of low-paying jobs [Jensen 2017, p. 126]. Therefore, the availability of facilities such as childcare and elderly care are critical factors in women's employment, especially for those with young children [Jensen 2017]. Schlosser's [2011] research examines the impact of childcare facilities on mothers in the labor supply. She shows a dramatic increase in women's tendency to work when using childcare services. However, the increase occurs only among educated mothers who were *a-priori* employment oriented. Conversely, another study by Jensen [Jensen 2017] reveals that mothers with care obligations show reduced levels of labor activity, independent of access to care facilities. For example, women's employment rates in Bologna were high even when they had access to daycare facilities, while in Hamburg despite high numbers of daycare facilities, the usage of these facilities was low. Saxonberg et al. [2013, p. 6] argue that *'the decision of whether a mother will stay at home for a long period with her child or send the child to daycare is not only dependent upon the quality, cost, and accessibility of daycare, it is also dependent on cultural norms of what is "proper" care',* and on how the society defines a 'good' mother [Jensen 2017, p. 128].

Local level barriers to Arab's employment

The following paragraphs elaborates on local level issues impacting Israeli Arabs and Arab women's employment.

Arab local authorities grading

All Israeli local authorities, towns, cities, and settlements are graded and ranked into clusters, based on demographic, social and economic variables from 1 - the lowest to 10- the highest.[27] The majority of Arab authorities rank between 1-4 , and only one is in cluster 5 (see Appendix 11). In contrast, most Jews live in authorities within clusters ranked 4 and above. Accordingly, most of the Arab population lives in socio-economically disadvantaged areas [Lewin-Epstein and Semyonov 1992], in which the authorities and communities experience

[27]CBS 2013, table 2, http://www.cbs.gov.il/webpub/pub/text_page.html?publ=100&CYear=2013&CMonth=1

major demographic, social, and economic hardships. Arab localities are considered to be relatively poor [Hesketh et al. 2011]. Living in a low ranked cluster is also related to living in the most peripheral regions of the country [Hai and Shoham 2013], many of which are rural (see Appendix 12). 70 percent of the Arabs live in peripheral areas [Hai and Shoham 2013, and about 15 percent live in mixed cities. Israeli Arab localities are geographically concentrated in three main geo-cultural areas: The Galilee in the north, the Triangle in the central part of the country, and the Negev in the south of the country. Arabs who live in the peripheries suffer from some shared concerns: Firstly, most of the socio-economic development is centered in big urban areas in the center of Israel, leaving the periphery less developed [Hai and Shoham 2013]. This creates barriers to employment. Secondly, as most Arab localities rank low on the socio-economic scale, the revenue from property taxation, the school system, public transport, infrastructure, and the services provided by local authorities, are generally scarcer and of poorer quality [Yashiv and Kasir 2014].

Arab and Jewish places of residence differ even if they are in the same region. Neighboring towns show major differences in the indicators that determine cluster rankings (see Appendix 13). For example, the highest average revenue per capita is in Zikhron Ya'akov (Jewish town), and is 65 percent higher than the highest Arab average found in Jisr el-Zarqa (Arab settlement). However, it is necessary to consider a combination of factors influencing this difference. On the one hand, this is caused by the gaps in education, types of occupation, and salaries, while on the other hand the higher birthrate among the Arab population (i.e. 2.6 percent of Arabs as compared to 1.7 percent in the non-Orthodox Jewish society) results in significant income per capita gaps [Hai and Shoham 2013].

Enclave economy

As an ethnic minority who is subordinated to the primary economy, Arabs have developed *'a secondary labor market through the establishment of an ethnic enclave economy'* [Khattab 2002, p. 94]. The are several reasons for, and consequences of, this: (1) most of the Arab localities are small villages where the expenses of building industrial parks will exceed potential revenues; (2) the industrial areas that do exist in these localities are built for small businesses and industries, which lack the physical and human capacity to cater to large factories; (3) a lack of available local commercial and service districts; (4) the changes that the Arab population has gone through over the past decades, such as better achievements in

education, are not accounted for by the enclave economy which fails to provide better employment opportunities; (5) the enclave model assumes that women are supposed to find work within it, whereas in fact Arab women who live outside the enclave, in large mixed population cities, have greater employment opportunities [Khattab 2002]. As a result, the Arab enclave that is centered in rural areas cannot serve as a major source of employment for its population [Hai and Shoham 2013]. It has scarce industrial and occupational opportunities and is not as developed as the primary market. The period of job seeking in the Arab sector is also much longer than it is within the Jewish sector. Most Jewish women find a job after 1-4 weeks of searching; whereas for most Arab women it takes over a year (see Appendix 14). Rural localities, both in the north and south of Israel present especially high Arab women inactivity rates; the gap between rural and urban localities is 23 percent (see Appendix 12). Therefore, the Arab enclave economy appears to be economically ineffective.

One potential solution for the shortage of job vacancies in the enclave is finding work outside the area of residence, within the primary market. Arab Christian women, for example, appear to be more open to this possibility than Muslim and Druze women (see elaboration p. 51). However, the rates of Arab men who work outside their area of residence are significantly higher than they are among Arab women (see Appendix 15). Most working Arab women work within the enclave, apart from those who reside in Tel-Aviv and Haifa and work in a mixed environment. Thus, most Arab women are limited to, and by, the enclave economy and its lack of development, jobs, and its lower wages.

Despite the problems that arise from it, the enclave economy also has advantages for Arab women. Although Arab women face some social and structural barriers, they find benefits in that the enclave economy shields them from the need to compete within the Jewish labor force, and from discrimination in the primary market [Khattab 2002]. Moreover, the enclave market offers them 'female oriented jobs' such as teaching, welfare, and health care services; thus, protecting them from any socio-cultural retaliation from the dominant patriarchy [Khattab 2002]. Consequently, at the local level, Arab women prefer to be employed in their enclave labor market; however, this confronts them with additional barriers, as presented in the following paragraph.

Infrastructure

Due to various historic reasons and lower budgets, Arab localities are relatively poor and their infrastructure is inferior (e.g. roads, sewage, and water connections) [Hesketh et al. 2011]. Changes have been made by the government in the last decade, however, these are still not sufficient. The issue of infrastructure and public transportation directly impacts employment since the lack of industrial and commercial zones nearby forces people to work further from home. Arab localities often suffer from undeveloped public transportation systems, despite their dependence on it [Hai and Shoham 2013], making it difficult to commute to work within a reasonable amount of time. Poor public transportation is a particularly problematic issue for Arab women, since Arab women are not supposed to walk long distances outside their domestic areas, nor drive a car. Having inappropriate and unaffordable public transportation, and insufficient infrastructure, result in Arab women's disincentive to participate in the labor market [Yashiv and Kasir 2014].

Children and preschool education services

In addition to lack of public transportation and infrastructure, the Arab society faces a dearth of support services and childcare facilities [Abu Jaber 1992, cited in: Schlosser 2011; Mizrahi Simon 2016; Yashiv and Kasir 2015]. Consequently, there is remarkably low attendance among Arab children in preschool education, compared with the Jewish sector [Schlosser 2011]. As such, Arab mothers with young children aged between 2-4-years old present lower rates of labor participation[28] compared to Jewish mothers. In the Arab sector, the rates were 4.3 percent in 2012, rising to 7 percent by 2015. The coverage rate of childcare facilities in the Jewish sector is 25 percent compared to 12.6 percent in the Arab sector [Mizrahi Simon 2016]. These rates represent large differences between the two populations, which is partially due to the lack of resources and infrastructures [report of the State Comptroller 2015, in: Rabinovich 2015], but is also related to the average number of children under the age of 17 per family. According to CBS 2017, the average number of children aged

[28]Preschool enrolment rates for Israeli Arab children are similar to those reported by immigrant children of Middle Eastern origin countries in the U.S. [Chiswick Deb Burman 2006, in: Schlosser 2011].

17 and under per family stood at 2.36 in the Jewish population, compared to 2.7 in the Arab population.[29] The number of Arab families with four children and above is almost twice the rate found in Jewish families. Therefore, not having sufficient childcare facilities, along with having higher rates of younger children, may hinder Arab women from seeking employment.

All the above issues narrow the employment possibilities open to Arab women. This is reflected in their reported feelings of despair around work issues. CBS [2018][30] data on this matter (see Appendix 10) presents some of these concerns. It describes a drastic gap of 21.4 percent between Arabs and Jews with regards to job availability. In addition, there are half the available number of jobs for Arabs in their area of residence. Hence, it is reasonable to assume that Arabs experience more of the frustrations involved in finding proper or suitable employment.

To summarize: It seems impossible to differentiate fully between the barriers to employment imposed on the national level and those found on the local level. On the national level, Arab women are largely employed in the service sector and less so in the knowledge based sciences. The public sector does not provide sufficient opportunities for employment for the Arab population in general, and they also experience higher rates of involuntary part-time employment. At the local level, Arabs often live in poorer rural areas, in which the enclave economy is not well developed, lacks services, and provides scarce employment opportunities. Arab women face low wages, poor infrastructure, and limited availability of transportation and caretaking facilities within their community. Many report not having enough jobs available to them. Since they earn lower wages they may consider time spent in work, and outside of the domestic sphere, not worthwhile. These national and local features hinder Arab women from entering employment, and result in their high economic inactivity rate.

[29] http://www.cbs.gov.il/reader/newhodaot/hodaa_template.html?hodaa=201811038

[30] http://www.cbs.gov.il/publications16/saka1215m/pdf/intro_d_h.pdf [Hebrew].
People who are out of work but are willing to work, if they were offered a job, did not work due to one of the following reasons: they didn't believe they could get a proper job in the area of residence or in their profession for reasonable wages; inappropriate working hours; a lack of interest in the job; not possessing the right qualifications or experience; experiencing language barriers; or not in the right age group for the position.

1.3.3 Health

An individual's participation in the labor force may impact, and also be affected by, his/her physical or mental health. This chapter elaborates on the connections and causal relationships between health and employment, followed by a focus on the case of Arab women in Israel.

The literature presents two hypotheses regarding the connection between health and employment. **The direct selection hypothesis** postulates that people with better health have a higher likelihood of participating in the labor market than unhealthy people [Fonseca 2011]. Conversely, people with poor health are less likely to find employment because they are less able to cope with the related demands while facing chronic health issues (e.g. due to time consuming treatments, or the need for frequent sick leaves, etc.). Thus, they also have a higher probability of becoming economically inactive and unemployed [Korpi 2001; Jusot et al. 2008; Tøge and Blekesaune 2015]. The OECD report of 2017 shows that an employment gaps exist between mentally ill and non-mentally ill people. Although mentally ill people may be interested in working, they have difficulty finding a job. The same employment challenges are faced by people with disabilities, who also have higher inactivity rates compared to enabled people. In Australia for instance, the ratio of employment rates between people with disabilities and the non-disabled is around 0.5. While in Germany, France, Austria, Finland, Sweden, and Switzerland it is around 0.7 [OECD 2017]. Chronic diseases also increase absenteeism from the workplace [Goetzel et al. 2004], resulting in lower productivity and potential job loss [Fonseca 2011]. By way of example, Brown et al. [2005] showed that *'the employment probability of diabetics is 7.5 percent lower than for non-diabetics',* and that the disease has a negative impact on employment and productivity [Fonseca 2011, p. 6]. These examples show that personal health burdens may cause disadvantages in the labor market.

The second is the **indirect selection hypothesis** which argues that certain personal characteristics and behaviors (e.g. obesity, smoking) are more likely to affect a person's health, and consequently their employment opportunities [Tøge and Blekesaune 2015]. Obesity, especially among women, and heavy smoking among men, are the most frequently reported health concerns associated with unemployment. People who have undesirable attributes or behaviors are often discriminated against and stigmatized by society, regardless of their actual productivity. For example, Jusot et al. [2008] note that western societies often measure a woman's attractiveness by norms such as slimness. Consequently, there is a much

higher likelihood of obese persons being unemployed, a lower probability of reemployment, and a greater likelihood of experiencing exclusion from the labor market based on normative notions of attractiveness.

Fonseca [2011] also reinforces the connection between health and employment. Fonseca views it as a **one-way causality relationship**: **employment improves health** through financial benefits (e.g. having higher income, higher standard of living), and psychological benefits (e.g. increased well-being vs. distress that may lead to alcohol or substance abuse, smoking, and psychiatric problems such as depression) [Korpi 2001]. In contrast, Goodman [2015] and Korpi [2001] claim that not participating in the labor market may cause ill-health due to its impact on psychological well-being that worsens health, or due to a consequent lower standard of living which dictates lower expenditure on personal health care. For example, ILO's [2009] report on economically inactive people with disabilities argues that: *'they are less productive because they live and work in environments that are disabling them, and not because they are 'disabled'*. People living with a disability may exemplify other groups that suffer from poor financial and social conditions which lead to social exclusion. The OECD 2006 report [p. 16] states that there are many people who are not considered to be disabled, but *'are not fully able to work'*. Only one-third of them report having severe disabilities that prevent them from working, which suggests that other factors such as ill health may be at play. Thus, economic inactivity may result from social-exclusion, and may give rise to other hardships [Buckup 2009] such as financial and psychological disadvantages, and low health care expenditure.

Fonseca [2011, p. 1] describes this as the *'two-way relationship between health and employment'*: being employed has a positive impact on the probability of reporting good health [Goetzel et al. 2004], whereas being non-employed can impact health negatively. The effect of health on employment is amplified in the case of vulnerable groups. Fonseca [2011] found that women are generally less likely to report good health (compared to men), resulting in them being less likely to be hired in the first place. Goetzel et al. [2004] add that health conditions, physical and mental, might have a direct and indirect influence on employers hiring intentions. Employers may be discouraged from hiring a job candidate with health issues since it may lead to absenteeism. Poor health is also negatively correlated with the exertion related to a job search, further reducing the chances of being hired [Paul and Moser 2009]. As mentioned earlier, Jusot et al. [2008] connect difficulty finding a job, when suffering from

health issues, to discrimination. Despite of their potential productivity some groups, such as obese women, are discriminated against in the labor market. Consequently, being a woman who also suffers from poor health may intensify instances of labor discrimination. Khattab and Kajya [2011] discuss the complicated and multifaceted connection between ethnic minority health and socio-economic status. They show, similarly to Tøge and Blekesaune [2015], that those with lower socio-economic status suffer poorer health more often than the majority, higher socio-economic group. As a result, women from ethnic minorities have a higher rate of health conditions than men from ethnic minorities, and the majority group [Khattab and Kajya 2011]. Education levels are also a relevant component. *'The chances of women with lower levels of education dying from a heart disease have risen in the past two decades from two times to five times that of more educated women'* [Avni et al. 2015, p. 120]. Similarly, class may impact health; *'diabetes is 3.6 times more prevalent among low income households'* [Avni et al. 2015, p. 120]. Chernichovsy et al. [2017, p. 20] also report that economically poorer people are more likely to report suffering from health conditions and consequently affect their employment status.

The Israeli Arabs health situation

There are large differences in health status across Israeli society [Avni et al. 2015; Chernichovsky et al. 2017]. The differences can be drawn along the lines of ethnicity (Jew vs. Arabs), social class, religiousness (orthodox vs. secular), gender (men vs. women), education (higher vs. lower), profession, and place of residence [Avni et al. 2015].

Previous studies have shown that the greatest gap in health status in Israel is found between Jews and Arabs, and that Israeli Arab women in particular are more likely to be ill or disabled than any other social group in the country [Muhammad et al. 2012]. The health status of Israeli Arab, and especially of Israeli Arab women, should be considered from two different angles. Firstly, as a state measured by different health parameters (e.g. life expectancy, infant mortality, diabetes, disability, cancer).[31] Secondly, *'researchers tend to consider health issues as combined with low socio-economic status, place of residence, accessibility and availability*

[31]Physical health is measured by different parameters: cardiovascular diseases, diabetes, mortality rates, obesity, disabilities, and heavy smoking. While mental health is measured by suicidal tendencies, psychological illnesses, and alcohol consumption [Jusot et al. 2008; Fonseca 2011].

and other macro factors' [Chernichovsky 2017, p. 30]. Consequently, accessibility to health care services and their quality, barriers to receiving services such as income, education, and the frequency and outcomes of treatment and disease prevention, must all be taken into consideration.

Both angles reveal differences between the Israeli Jewish and the Israeli Arab population in various parameters. [32] One example is in the average life expectancy of Israelis Arab. This has risen from 76-years old in 2000, to 79-years old in 2015. While this is relatively high compared to all other Arab counties (e.g. Qatar, UAE, and Bahrain) [Chernichovsky et al. 2017], and equal to that of USA in 2015, it is lower than that of the Israeli Jewish population and falls below the OECD countries [Chernichovsky et al. 2017]. Differences can also be found in infant mortality rates, which stands at a rate of 6.1 per 1000 live births for Arabs, compared to 2.2 for Jews [Avni et al. 2015, p. 120; Chernichovsky et al. 2017, p. 16]. However, when compared to other Arab countries the infant mortality rate in Israel is very good. For example, Egypt has an infant mortality rate of 20.3 deaths per 1000 live births. Both Israeli Jewish and Israeli Arab populations have shown improvement in the infant mortality parameter over the last two decades, however, the rates are still disadvantageous for the Israeli Arab population [Chernichovsky et al. 2017]. Self–reported health status also shows a difference between the Jewish and Arab populations in Israel. In 2015, although 50 percent of both populations reported having good health, more Israeli Arabs reported their health as being 'not so good' and 'not good at all' compared to the Jewish population. Moreover, the share of those reporting a health issue that 'interferes a great deal' with daily functioning or is ‘severe’, was over 10 percent higher among Arabs (especially Muslims) than among Jews (36 percent for Muslims vs. 23.3 percent for Jews). This implies that *'Muslim Arabs have a poorer health perception, including health issues that impact negatively on daily functioning'* [Chernohovsky et al. 2017, p. 19]. In addition, mental health issues among the Arab population have been reported as being higher than among the Jewish population [Khattab and Kajya 2011]. In fact, the rates of almost all the main causes of death (e.g. congenital disorders, diabetes, hypertension, respiratory, kidney, heart diseases, etc.) are frequently twice as high, or more, among the Israeli Arab population. Different religious demographics (i.e. secular, moderately

[32]The Sikkuy Report - The Equality Index of Jewish and Arab Citizens in Israel [2008].

religious, orthodox) also exhibit health differences exist between Jews and Arabs in terms of cardiovascular morbidity, general morbidity, and life expectancy [Avni et al. 2015].

A few issues arise regarding accessibility to healthcare services. Accessibility is defined as a subjective perception of one's ability to obtain necessary healthcare, and one's ability to use these services effectively [Chernichovsky et al. 2017]. The data show that distance between area of residence and healthcare providers is greater by more than 40 percent for the Arabs than the distance from home-to-healthcare for most Jews; this is largely due to residing in peripheral localities [p. 33]. In addition: Arabs display lower rates of healthcare service usage, often due to language issues; they are more dependent on the public healthcare due to fewer material resources; and they would rather forgo medical treatments and purchase less prescribed medicines due to economic hardship. Israeli Arabs also tend to use healthcare services less effectively. They visit family physicians more frequently and consult less with specialist doctors than their Jewish counterparts. They are also hospitalized more often, use less preventive care, and undergo fewer periodic health screenings. In general, Arabs report being less satisfied with the availability of healthcare services [Chernichovsky et al. 2017]. Unfortunately, Israel lacks the resources needed to adjust its limited healthcare services according to the different needs of its culturally diverse population [Khattab and Kajya 2011].

Arab women's health barriers to employment

When deliberating the health of Israeli Arab women, Muhammad et al. [2012] comment that they are considered to be the group suffering from the most health issues. Israeli Arab women are less educated and have lower household incomes, consequently their health is poorer than most Jewish women's health. This may help to explain their high rate of economic inactivity, as is the nature of the *'two-way relationship between health and employment'* [Fonseca 2011, p. 1].

The relatively poor health of Israeli Arab women is evident when looking at certain health indicators such as: life expectancy, incidences of chronic diseases, diabetes, obesity, and breast cancer [Khattab and Kajya 2011]. For example, diabetes is a cause of death for 39.6 Arab women out of 100,000, compared to 10.1 among Jewish women [Hesketh 2011, p. 28]. This is particularly noticeable in the 45-54-years-old age group, with 14.3 percent of Arab women deaths from diabetes compared to 5.3 percent among Jewish women (see Appendix

16). 47.8 out of 100,000 Arab women die of heart disease, which is twice the rate it is for Jewish women. Accordingly, Jewish women have an extra 3.6 years of life expectancy, with an average life expectancy of 83.3 compared to 79.7 [Hesketh 2011].

Healthcare behaviors can be related to cultural norms and perceptions. Arab women's propensity to perform mammography screenings is lower than that of Jewish women [Khattab and Kajya 2011]. Apart from the geographical distance from checkup providers, the screening itself is perceived by some in the Arab community as endangering a woman's femininity and her role as a mother or wife. Obesity is also a major health concern for Arabs. 52 percent of Arab women are considered obese compared to 31 of Jewish women [Khattab and Kajya 2011]. However, there is a pertinent cultural difference between Arab women and Jewish women in terms of their body shape perceptions. Arab women report feeling more satisfied with their weight. Despite this, and although not directly related, Arab women also suffer from depression more than any other Israeli sub-group.

As previously noted, health problems influence labor market participation and are related to economic inactivity. In 2015, 18 percent of Israeli Muslims and 23 percent of Arab Christians reported 'being unable to work more than 35 hours per week due to health problems', compared to 7 percent of Jews [Chernichovsky et al. 2017]. Consequently, it would be reasonable to expect that the Arab women's inactivity rates are connected to health problems; however, some unexpected trends emerge from the data. While 54.7 percent of inactive Jewish women report having a health problem that might restrict them from working, only 37.6 percent of Arab women report having a health problem, and 62.4 percent report 'not having a health problem' (see Appendix 17). Thus, it would appear that Israeli Arab women's reported health may be related to their sense of well-being, indicating the differences between actual and perceived health. Interestingly, 14 percent of Jewish women who are inactive report having 'very good health', but 43 percent of women classified in this category are Arab women (see Appendix 18).

To summarize: a twofold picture of the health of Israeli Arab women emerges: on the one hand, objective parameters show that, as a group, their health situation is worse than that of Jewish women. This condition is born of a combination of their lifestyles, cultural beliefs, and behaviors. In addition, the healthcare services that the Arab population receives are inferior to those received by the Jewish healthcare services. Consequently, and in keeping with the

theoretical principles described above, health is one of the barriers to employment that Arab women experience.

1.3.4 Culture

A prevalent culture has the power to dictate the lifestyle and behavior of its members. It can also influence beliefs, values, and performance with regards to employment. This chapter shows how being part of Arab culture effects Israeli Arab women's employment rates.

Some scholars have claimed that a person's employment status is a reflection of their societal cultural norms [Yashiv 2012; ILO 2016]. Thus that, participation in the employment market may mirror a person's social status in a particular society. Gender (men vs. women), religion and religiousness (within a religion), and ethnic forces (majority vs. minority), may all have a profound impact on the prospect of participating in the labor force [Khattab 2002]. This is most evident when comparing the higher employment rates of women in modern and developed societies, with the lower rates in conservative and traditional societies [Chamlou et al. 2011; OECD 2017].

Culture may act as a restricting force that obstructs women from realizing their employment potential, as described in Taraki's [1995] **cultural model**. In traditional social structures, norms control and constrain women's economic activities [Taraki 1995, cited in: Khattab 2002]. Gender power relations in cultures where the 'classical' patriarchal social structure is preserved [Gashi and Rizvanolli 2015; OECD 2017], and men are viewed as the breadwinners and decision-makers, confine women to the domestic sphere. Women are tasked with caring for the household, and perceived to be secondary earners if at all [Mojsoska-Blazevski et al. 2017]. These attitudes restrict or even prevent women from freely participating in the labor market. ILO [2016] notes that stereotypes which state that women should fulfill caring responsibilities or perform traditional feminine roles, limit *'their ability to overcome [sectoral and occupational] segregation and participate on an equal footing in political, social and economic life and decision-making and reach top-level positions'* [ILO 2016, p. xviii]. In some strictly patriarchal cultures, women may not have the privilege of autonomy [Chamlou et al., 2011]. This affects their self-identity in a manner *'that seems to indicate the traditional-orientation and acceptance of passive role in society'* [Moore 2000, p. 21]. These

phenomena can be seen in Western countries, in the Middle-East, and in OECD countries, especially among emigrant communities [Chamlou et al., 2011].

At the same time, employers may demonstrate ' *'Statistical Discrimination'* - a subjective prejudice against women's (real or potential) likelihood of becoming a mother [ILO 2016, p. 57]. Employers may choose to employ women, or not, based on subjective social expectations and stereotypes about women such as: believing that women demonstrate less job commitment; have less interest in improving their skills; and are less likely to take on larger roles because they are, or may become, mothers. This prejudice may *'undervalue women's status in the household or labor force'* [ILO 2016, p. 57] and discourage women from seeking employment, resulting in economic inactivity. Of all the barriers to employment that women face, traditions and norms are the slowest to change as they are deeply rooted in the culture [OECD 2017].

Arab women's cultural barrier to employment

Different scholars posit various cultural reasons for Israeli Arab women's high rates of economic inactivity. Cinamon et al. [2016] present this phenomenon as a multifaceted combination of environmental, contextual, and personal factors, emphasizing two cultural aspects: (1) ethnicity –the Jewish majority hegemony over the Arab minority; (2) gender - male patriarchal dominance over the female. Analogously, Jabareen [2015][33] describes four domains of activity that prevent Arab women's participation in the economy: (1) a socio-cultural domain – referring to social values and systems, based on the collective, hierarchical, and patriarchal structure characteristics of the whole Arab culture. Arab women are considered to be a more disadvantaged segment of society than other women, both economically and politically; (2) an ethno-political domain – where the Israeli Arab-Jewish conflict affects the entire arena of employment; (3) a personal domain - referring to human capital (see elaboration chapter 1.3.1) and social capital; and (4) the spatial domain - which includes deficiencies that prevent accessibility to job opportunities, such as availability of public transportation, fewer day-care solutions, lower levels of education due to less

[33]Jabareen [2015] conducted a study of over 580 Arab women, of whom 54 percent had never been employed [p. 124]. 43 percent mentioned they were willing to join the work force.

developed education systems, etc. [Yashiv and Kasir 2014] (the 4th domain is elaborated in pg. 34-38).

Abu-Rabia-Quedar [2016][34] perceives the above factors as 'penalties' which Arab women are forced to pay. These include: (1) an *'ethnic penalty'* -referring to barriers imposed by the hegemonic group. This is ethnically based racial discrimination that prevents the integration of ethnic minorities into the labor market; (2) a *'religious penalty'* - which is racial discrimination based on religious background, often focusing on religious attire and especially head coverings[35]; (3) a *'gender penalty'* - born of patriarchal dominance and a deeply held perception that a woman's place is in the home. Thus, femininity is defined by the domestic sphere and masculinity by the public sphere, influencing Arab women's orientation towards working; (4) a *'tribal penalty'* - that is specific to Bedouin traditions. The tribal codex demands that tribe members to be fully and uncompromisingly loyal to the tribe. This is enforced through the community leaders in such a way that, even if a woman manages to have a profession and enter the hegemonic sphere, the tribe will use its power *'to preserve ethno-colonial and patriarchal boundaries',* and will '*refuse to recognize the new representation introduced by the professional women's identity'* [Abu-Rabia-Quedar 2016, p. 1096]. Thus, the power exerted by the tribal codes are the dominant voice that governs any potential professionalization of women. This raises the question of whether a tribal Bedouin (i.e. Muslim) women would even attempt to become an educated professional if she knew that eventually her voice will be suppressed? These three scholars (i.e. Cinamon 2016; Jabareen 2015; Abu-Rabia Quedar 2016) essentially share the view that the dominant culture is a central employment barrier that Arab women face, whether expressed through gender norms, ethnicity, or religious customs.

Gender

Traditional Arab Muslim societies are male dominated and exhibit patriarchal-hierarchical, patrilineal, and patrilocal social norms [Cinamon 2009]. In such social structures, men inhibit women's freedom of action and perpetuate gender inequalities that dampen women's

[34]Although Abu-Rabia-Quedar discusses Muslim educated women, she explains these 'penalties' are generic and applicable to the whole female Israeli Muslim community.

[35]It should be emphasized that that Muslim population constitutes the majority of Israeli Arabs.

motivation to join the labor market [Jabareen 2015]. In addition, Levin-Epstein et al. [2015] note that employment in the Jewish sector is not viewed as appropriate for Arab women, since the possibility to work in a gender mixed environment may expose them to dangers. Hence, gender separation is culturally inherent [Jabareen 2015] and is slow to change [Jamali, Sidani and Safieddine 2005]. Consequently, Arab women have relatively fewer opportunities to join the labor market than men do.

Azzam [1979] notes that Islamic doctrine has helped to reinforce the societal structure and patriarchal norms in the Middle East in several ways: (1) the religion requires Islamic women to be veiled for modesty, symbolizing a repudiation of women appearing in public, and further restricting their economic independence and labor market activity; (2) the tribal tradition demands that women marry early, have a high number of children, and show complete devotion to the household; (3) working outside of the domestic sphere may threaten 'family honor'; (4) poor economic conditions limit educational possibilities for young girls compared to boys, and families tend to invest less in their daughters' education relative to their sons' education, because of familial expectations [Hadad Haj-Yahya et al. 2016]. These force women to compromise their autonomy and surrender to traditional gender roles [Hadad Haj-Yahya et al. 2016]. It is important to state that not all women accept these norms. However, the ability to rebel requires a great deal of determination, and a willingness to confront harsh (often male) resistance [Hadad Haj-Yahya et al. 2016].

The above strongly suggests that Arab society favors men, especially when it comes to the labor market [Azzam 1979]. In such ethnic communities, a discriminatory labor market, based on tradition and socio-cultural norms, discourages women from economic activity [Chamlou, Muzi, Ahmed 2011; Mojsoska-Blazevski et al. 2017]. This is evident in discriminatory hiring-practices and lack of legislation to prevent such discrimination [Mojsoska-Blazevski et al. 2017].

Verloo et al. [2006] emphasize the significance of women's participation in political life as a crucial element in changing attitudes and policies towards women, and integrating them into the economy. They argue that political representation drives 'gender parity' (i.e. achieving equal participation of men and women in all forms of employment), and 'gender equality' (i.e.

ensuring equality between women and men in the labor market). In Israel, by 2018[36], there were three female Arab parliament members compared with 31 Jewish female members of parliament. Arab women suffer from under-representation in government, and account for only 25 percent of the possible number of members[37], compared to 65 percent of Jewish women. These low numbers can be explained by the familial codex and patriarchal order that excludes women from submitting their candidacy, from voting in the primary and local elections, and makes them unwelcome in local meetings and political gatherings [Yhieh-Yunis and Herzog 2005]. These patriarchal principals are almost taken for granted within the community; thus, Arab women's low participation rates in the national House of Representatives corresponds to the tension between conservative traditionalism and modernism on the local level [Shapira et al. 2013]. Nevertheless, one can see ripples of change, although very gradual [Herzog 2006]. Arab women have found alternative routes to gain power and influence. They are active in a long list of social organizations[38] that lobby for changes in female inclusion in the public sphere. This suggests that many Arab women wish their voices to be heard.

The gender aspect of the cultural barrier to economic activity can be summarized as follows: Israeli Arabs are a traditional society, especially with respect to gender relations. Women are expected to surrender to, and fulfill, the role of wives, care-takers, and mothers. They are expected to be active only in the private sphere, and their activities outside the home are restricted and controlled by men [Khattab 2002]. Those that rebel against this structure need to be equipped with strong personal resources. It is difficult to separate their employment activity from the social gender structure they are subjected to, since the two are often mutually reinforcing. However, gender issues are not the only cultural barrier Arab women face; the ethnic social structure and religion are also part of the cultural phenomena acting on their economic inactivity.

[36]The Knesset homepage: https://m.knesset.gov.il/about/history/pages/womeninknesset.aspx [Hebrew]
[37]The Israeli parliament includes a total of 120 members. Reportedly accounting for 10 percent of Israeli society, Arab women's representation should have accordingly stood at 12 members.
[38]Palestinian organizations and movements such as 'Al-Paner', 'Al-Suar', 'Al-Chian', 'Women in black' etc.

Ethnicity

The Israeli Jewish population is the dominant group in social, political, and economic domains of the country. The Israeli Arab population is an ethnic, religious, linguistic, and national minority, and is non-assimilating [Samoha 2012, cited in: Ali and Levin-Chen 2019]. Some evidence of this can be found in income differences (see Appendix 19). The average gross income in Israel in 2014 was 9,317 NIS, whereas the average gross income among Arabs was 6,210 NIS, which is significantly lower. Additionally, the gross income of Arab men was 1.5 times lower than that of Jewish men. High income gaps also exist between men from either group, with Jewish men earning 1.5 times more than Arab men for similar weekly working hours. Between Jewish and Arab women, the gap in gross income is 45 percent (7,663 NIS contrary to 5,271 NIS) and 30 percent in hourly wages (49.9 NIS contrary to 38.5 NIS) in favor of Jewish women [Mizrahi Simon 2016]. Yashiv and Kasir's [2015] put this difference between the genders down to the fact that women are more selective about going to work in the first place. Hai and Shoham [2013, p. 11] see all these gaps as the result of *'labor market discrimination'*. Thus, gross income gaps grounded on ethnicity may help to partially explain Arab women's choice of inactivity over employment.

Another ethnic variable is the language barrier. In Israel, Hebrew is the first official language, however, the Arab minority all speak Arabic and not all of them are fluent in Hebrew. Tachauku, Kalisher and Mushklab [2020] examined the correlation between Israeli Muslim women's Hebrew level and their economic activity. They found that their Hebrew level is generally low (only 41 percent speak ‘quite well’ or ‘well’), this correlates with low economic activity rates (28 percent in 2017). They also found higher employment rates among women with a higher level of Hebrew. As language level is part of Becker's [1964] human capital (along with education and skills), this may point to a low level of human capital (see p. 19) which is associated with low inactivity rates. Employment opportunities in official and public roles are more often filled by Hebrew-speakers than Arabic-speakers due to the language barrier [Hesketh et al. 2011]. Thus, there may be incidences of hiring discrimination because of language fluency.

In developed countries women do about two times more unpaid work than men, whereas in developing countries the gap between men and women is almost 3.5 times [ILO 2016, p. 20]. Although at first glance this seems to be a gender issue, the trend fits well within an

examination of ethnicity barriers. While Israel is considered to be a developed country, the very traditional Arab minority seems to behave in a manner that is more in keeping with developing countries [Jabareen 2015].

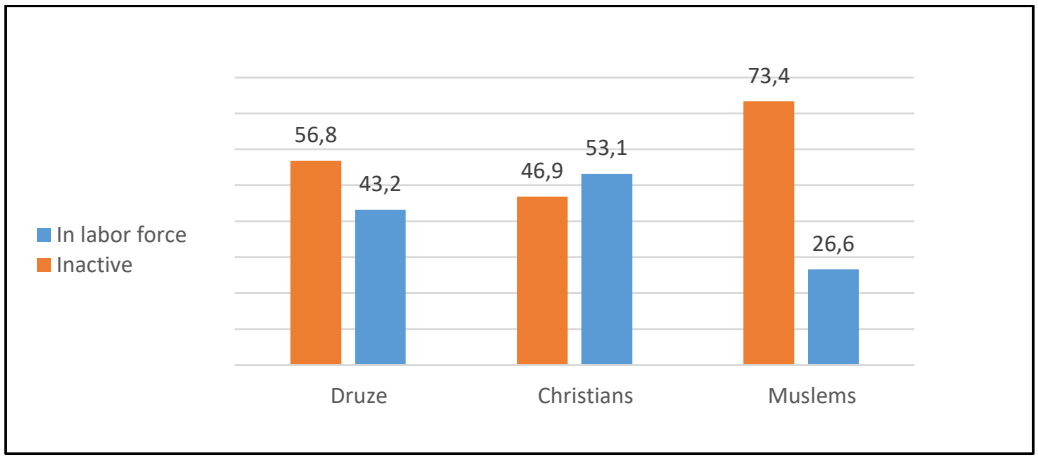
Ethnicity-related cultural barriers to employment can be summarized as follows: Israeli Arabs are an ethnic minority group, as exemplified by gross income inequalities and fewer employment opportunities. This is often due to language shortfalls. Moreover, women from minority groups can be deprived of jobs that are reserved for the majority groups or for men [Buckup 2009]. In addition, Arab women behave in a manner more in keeping with the gender norms in a developing country than those in a developed county (perform more home based and unpaid jobs). These examples may also help to explain Arab women's high inactivity rate.

Religion

Arab society accounts for about 20 percent of the Israeli population and is comprised of three religions: Muslims (about 80 percent), Christians (12 percent), and Druze (9 percent) [Khattab 2002]. These three groups maintain different lifestyles in terms of culture, residence, economy, and social life. The Muslim and Druze are similar in that both groups are very traditionally oriented. They live mainly in villages, have high birth rates, share similar restrictions on women's appearance in the public sphere due to 'Sharia' law [Jamali, Sidani and Safieddine 2005], and restrict women in a *'conservative atmosphere'* [Khattab 2002 p. 106]. In contrast, Israeli Arab Christians are more modern and urbanized, and adapt more easily to western norms and values. They have lower birth rates, have better academic accomplishments, and acquire higher occupational status. They have different family arrangements, and women are less likely to abandon the labor market after marriage. An older average age of marriage also contributes to their higher rates of employment. However, neither Muslims nor Christians complete the compulsory Israeli military service, as the Jews and the Druze do. According to Al-Haj [1995, cited in: Khattab 2002], this offers the Druze population better access to the labor market and greater financial benefits.

Religious affiliation (i.e. Muslim, Christian, or Druze) correlates with women's employment rates (see Figure 1.1). The highest working rates are among the Arab Christians, who are employed in nearly twice as many numbers than the Muslim group, and more than the Druze.

The economic inactivity rate is the highest among Muslims, falling in the middle are Druze women, and the lowest inactivity rate is among the Arab Christians.



Source: CBS 2018, Labor force survey, table 9.6.

Figure 1.1: Arab women's labor market status – ages 15+, percentage, 2018

The degree of religiosity has a significant relationship to employment among Arab women. CBS [2019][39] shows that 20.2 percent of very religious women are in work, and 24.5 percent of traditional (i.e. slightly religious) are employed, compared to 42.6 percent of secular women.

Religious cultural barriers to employment can be summed-up as follows: The Israeli Arab's attitude to women in employment can be divided along three religious lines: Muslim, Christian, and Druze. These dictate dissimilarities in beliefs and behaviors regarding lifestyle, culture, place of residence, and economic and social activity. Consequently, religion also shapes perceptions about employment and impacts employment outcomes.

To summarize: Arab Women's participation in the labor force have been examined through the lens of a cultural model, which considers restrictions in the supply of employment due to cultural mechanisms and forces including gender, religion, and ethnicity. From this survey, it seems that Israeli Arab women pay three high ethnic penalties: 1) in the domestic sphere, where patriarchal traditions limit their activity in the public sphere; 2) as an ethnic minority, subject to the hegemony of the majority and other limitations, such as the official language,

[39]CBS 2019, *Religion and Self-Definition of Extent of Religiosity Selected Data from the Society in Israel Report No. 10,* https://www.cbs.gov.il/he/mediarelease/DocLib/2018/195/32_18_195b.pdf, [Hebrew]

that dictate hiring practices, generate prejudices, limit wages, and so on.; and 3) due to their religion, especially when Muslim or Druze. When combined, the consequences of these penalties include high rates of economic inactivity. In other words, culture places a multiplicity of restrictions on Arab women's ability to raise their participation rates in the labor market.

In the next section I will consider the social policies within the country of residence that act as an incentive or disincentive to joining the labor market.

1.3.5 Social policy

This chapter presents the underlying principles of social policy, and considers its consequences to employment in terms of incentives to participate in the labor force. In particular, I will look at incentives for women, followed by a discussion of the case of Israeli Arab women.

Social policy is fundamental in reducing poverty[40] [Gugushvili and Hirsch 2014]. It is defined differently between countries depending on philosophy, politics, and public opinion [Doron 2010]. These elements influence the degree to which a country can be considered a welfare state. Lewin-Epstein et al. [2003, p. 2] define a welfare state *as 'the sum of the practices that aim to bring about the de-commodification of the life prospects of citizens; that is, to assure decent living conditions irrespective of the position of people in the market'.* Esping-Andersen [1990, cited in: Lewin-Epstein et al. 2003] describes three typologies for a welfare state: liberal, conservative, and social-democratic. These are differentiated by various kinds of economic security granted to citizens by way of social rights and duties, without any connection to economic status. Economic security is provided by the transfer of income and via a wide spectrum of state services encompassing education, health, housing, employment, and welfare [Doron 2010]. Marshall [1963, cited in: Doron 2010] states that it is the right of each citizen to receive dependable social welfare and security, so that everyone can enjoy a proper standard of living. This improves the living conditions and opportunities for progress

[40]Poverty as a consequence of income and employment hardship is defined as 'problems resulting from lack of income from work, lack of employment stability, low income level, lack of vocational training / diagnosis, temporary unemployment, housing problems, impaired work and chronic placement difficulties' [CBS 2012, *Israeli Society – 5th Report - Socio-Economic gaps*, chapter 3, welfare services, p. 4].

among the working population regardless of any existing inequality, thus preventing class conflict. Therefore, access to welfare and social rights is also seen to derive from being a citizen.

Gradual ideological and structural changes have challenged this perception of social rights, and in the last few decades many western counties have adopted neo-liberal policies. These decry the notion that people have the right to make claims from the state, and have weakened the social security net that characterized the welfare state [Cohen et al. 2010]. The state's incentive is to cut *'back on public expenses in the name of reducing the deficit'* [Beresford 2013][41] and lower public spending [Lewin-Epstein et al. 2003]. In this system, individuals are entitled to receive benefits from the state on the condition of their ability to work. In democratic countries the state is said to express public opinion [Cohen et al. 2010]. Welfare is determined by a citizens' actions or needs, and adherence to laws and obligations. Thus the state's responsibility to welfare is essentially limited to the citizens who fulfil a set of standards- a concept in which shared values form the basis of a contractual relation between the state and the individual and its role in their welfare [Paz-Fuchs 2008, cited in: Doron 2010]. In practice, these changes are apparent on two levels: (1) legislation, which restricts the conditions and entitlement to benefits and services, and (2) toughening the administrative systems by which benefit programs are managed [Doron 2010, p. 399].

Since social policy is intended to tackle poverty and prevent social and financial hardship, Gugushvili and Hirsch [2014] question whether it should target the weakest socio-economic links within a population, or aim towards the middle-class taxpayers. In other words: should it be based on selectivism (i.e. means-testing) or universalism? As each of these approaches has both strengths and weaknesses, the dilemma ought to be resolved based upon three considerations.

The first is effectiveness: Universal services are a *'no questions asked'* income system [Browne and Immervoll 2017, p. 24], in which social benefits such as compulsory education for all, maternity-leave, and state retirements, are provided regardless of income and other household resources. Universal services are characterized as simple to administer and

[41]Beresford's [2013] quote is drawn from an article published in 'The Guardian', https://www.theguardian.com/social-care-network/2013/jan/14/means-testing-benefits-not-efficient-fair

operate; up-take rates are almost complete, still they represent higher public expenditure [Browne and Immervoll 2017]. The opposite side of the coin - means-tested benefits - are selective. These disadvantage low-income populations and discriminate by being bureaucratically complex to acquire [Beresford 2013]. Thus, means-tested benefits can generate stigmatization of those seen as unable to be financially independent as 'second-class citizens'. Often these benefits deter those who need them from taking advantage of them by being complicated, and consequently take-up rates are low [Beresford 2013]. Furthermore, people who are in-need are frequently unaware of their rights and entitlements, or reluctant and discouraged to claim them.[42] Therefore, means-tested benefits may force people into a 'poverty trap' in which they are further disincentivized from working, socially integrating, seeking due justice, or achieving financial independence [Bradshaw 2011, cited in: Gugushvili and Hirsch 2014, p. 6]. Thus, while universal services are seen to generate a sense of solidarity among the population, selectivism is seen to sew division and misunderstanding [Beresford 2013].

The second consideration is political: Lewin-Epstein et al. refer to welfare policies as a political action that depends on *'the nature of the social rifts and the coalitions that develop around one policy or the other'* [2003, p. 2]. In other words, political views on welfare that are often divided along 'left' and 'right' wing lines impact policy. Right wing politics tends to resist welfare and public provision, and is characteristically individualistic. In contrast, the left-wing tends to be pro-welfare, pro-public provisions, and more collectivist [Spicker 2019]. Since universal services are 'costly' to the state, the right-wing is interested in restricting the state's expenses by promoting personal responsibility for employment and income.

The third consideration is public opinion: this moves along a continuum between viewing public money as being 'wasted' on those who are not in need, to being unquestioning about the protection of people considered at risk. For example, Australia, USA, and Switzerland's middle-class population largely hold a less open attitude towards social policies that distribute taxes to the benefit of low-income populations [Gugushvili and Hirsch 2014].

[42]In western societies, where a person is valued in terms of self-sufficiency and ability to earn income, inactive people may be discouraged from applying for their income benefits due to embarrassing means-tested processes [Gugushvili Hirsch 2014].

Neither selectivism nor universalism is an ideal solution on its own, therefore in practice, social policy is defined in all advanced welfare states as a combination of *'mixed economy'* programs [Gugushvili and Hirsch 2014, p. 1].

Social policy as an incentive vs. disincentive to engage in employment

The design of social policies can generate incentives or disincentives for people to find employment [ILO 2016b]. For example, Gregoir and Maury [2018] describe how social housing (i.e. public housing) often reinforces being unemployed or economically inactive. They detail three possible causes. Firstly, people living in social housing are reluctant to move since they pay less rent. Thus, they do not accept non-local job offers. Secondly, those living in social housing may be less exposed to quality information about job opportunities since they live in locations that are further from employment areas. Thirdly, living in social housing may generate prejudice among employers during the hiring process. Hence, public housing may reinforce and disincentivize people from seeking employment. Another example of a policies that may deter people from finding work are family policies and their consequences. According to Thevenon [2011, cited in: Gehringer and Klasen 2015], the goals of family policies are poverty reduction and income maintenance, direct compensation for the economic cost of children, and support for early childhood development. The way these policies are designed may lessen employment incentives. An example of this is universal benefits for child support that are allocated according to the number of children under the age of 18 in a single household. These are unconditional, meaning that the more children one has the more benefits one receives. When a person is unemployed, and yet receives unearned income and financial assistance, or has *'access to high levels of income independent of (his) own work effort'* [OECD 2017, p. 47], he/she may be disincentivized from finding employment or withdraw from the labor force [Gehringer and Klasen 2015; Browne and Immervoll 2017]. The OECD reports that when the total household income from sources other than employment, such as earning-replacement benefits, is 1.55 times higher than the potential household income with it, or if the household income from outside sources is at least 50 percent of potential wages from employment, individuals are assumed to be disincentivized from working [OECD 2017, p. 49].

In terms of gender, the impact of family policies and income taxation on labor market behaviors among women is greater than it is on men This is since women earn less than men [ILO 2016b] and have stronger attachments to family-related responsibilities, due to cultural or social reasons [Gehringer and Klasen 2015]. For example, Lam et al. [2010] show that women who have received welfare benefits at some point, only work about 60 percent as much as women who have never received welfare benefits. This may indicate that although government assistance, such as the provision of income support, is financially advantageous for many, it may also be restrictive and handicap some from moving towards employment due to fear of losing these rights and income. In addition, ILO [2016b] shows that a high tax-burden on lower earning women may also have a negative impact on the incentive to work. Thus, labor policy taxation systems, along with other barriers to employment, may impose disincentives to full engagement in employment for women. Moreover, barriers often influence and interact with one another [OECD 2017], and facing a multiplicity of barriers is common, with about 50 percent of inactive people, such as Arab women, facing two barriers or more.

In contrast, the literature indicates that when social policies are well designed, they can be critical in generating incentives to employment and can boost labor market participation, especially among women. Examples of incentivizing policies include: (1) since women's labor supply is more sensitive than that of men to taxation, applying individual income taxation instead of overall family income taxation can act as an incentive. In this way, women (who are secondary earners) benefit from a reduction in their tax burden [Elborgh-Woytek et al. 2013]; (2) reduced in-work tax credit has been shown to motivate women to work, especially when they have children; (3) policies that provide equality between paternity and maternity leave;(4) effectively-calculated child support benefits encourage mothers, especially those with low earning potential, to work; (5) appropriate, affordable, and subsidized childcare services (e.g. childcare facilities) boosts labor force participation among mothers [Elborgh-Woytek et al. 2013], especially *'if it increases the effective wage they can earn*' [Gehringer and Klasen 2015, p. 6]. Therefore, social policies, and especially cash benefits, family allowances, parental leave, and daycare facilities, can impact labor market participation, particularly among women [Gehringer and Klasen 2015].

In summary, different social policies have different outcomes regarding employment, particularly for women. This is since women's wages are often lower, and they assume more family duties, than men. *"In this respect, family policies, if properly designed, could contribute to enhance women's involvement in the labor market*' [Gehringer and Klasen 2015, p. 24].

The Israeli Arab case

The current political government in Israel (true to 2019) is right-wing, and the philosophy behind its social regulations is neo-liberal [Avni, Filc and Davidovitch 2015]. This means that the state decreases its involvement in the provision of social services and a social security net [Cohen, Mizrahi and Yovel 2010]. Two interesting facts regarding the current political climate, identified by Cohen and colleagues in their research [2010], are that: Firstly, people in the middle to lower class were more likely to vote for the right-wing, whereas the stronger class voted for the left-wing. Secondly, Israeli public opinion *de-jure* is very much pro-welfare state, and agrees strongly with the need to financially support the weakest groups in society. However, Israeli society *de-facto* rejects financing these expenses from their own pockets [Cohen et al. 2010]. Therefore, the elected government in Israel does not necessarily express public opinion regarding the welfare state and social policy, though it may reflect attitudes towards other issues important to the public. Lewin-Epstein et al. [2003] add another relevant observation: ethnicity has a strong influence on people's perception of the welfare state as does gender, though not to the same extent.

The incidence of poverty, and the level of inequality, are exceptionally high in Israel in comparison to other welfare states in the world. Poverty rates amongst the general population were approximately 20 percent in 2016, compared to 11 percent in other welfare states [Gal and Medhela 2017, p. 5, p. 12]. In addition, 23.1 percent of the population earned low wages'[43], compared to 15.6 percent on average in OECD countries [Svirskey et al. 2019].

[43]The OECD defines low wages as wages that do not exceed two-thirds of the median wage in the economy, relevant only to employees who work full-time job [Svierskey et al. 2019]

The Arab population's poverty rate was 45.3 percent in 2018.[44] However, expenditure on welfare is also one of the lowest in relation to other welfare states [Gal and Medhela 2017].

Israel offers different welfare security programs through various national institutions.[45] As in other countries, there are universal and means-tested services, and cash benefits. Among the universal allowances provided are: health and medical care services; maternity/paternity leave and allowance; childcare benefits; and child savings (for higher education) [Gal and Medhela 2017]. Means-tested benefits include: income security allowances including retirement pensions; salary-change programs (e.g. unemployment allowance, temporary sickness, or injury benefits); programs to ensure subsistence at a minimal level (e.g. income support and income supplement); rehabilitation programs; benefits for disabled people; earned income tax credit [Gal and Medhela 2017]; discounts and subsidies (e.g. in day-care and kindergarten services, municipal taxes); and public housing [Welfare committee 2018[46]].

The Israeli means-tested program is somewhat similar to other countries[47], and is liberal regarding the resources and possessions benefits applicants are permitted to have, except with regards to car ownership. The latter may disqualify claimants from receiving income support benefit [Koreh, Gal and Cohen 2007], unless they have physical disabilities or provide care to an ill relative.[48] This means that income support benefit recipients, who already experience the difficulties that come with poverty, must use public transportation; creating additional hardships and possibly encouraging economic inactivity. This might especially be the case for people living in peripheral localities, as most Israeli Arabs do (see elaboration p. 34).

[44]National Insurance Institute, 2019, *The dimensions of poverty And social disparities Annual Report*, https://www.btl.gov.il/Publications/oni_report/Documents/oni2018.pdf

[45]National Insurance Institute, Ministry of Labor and Social Affairs, Ministry of Finance, Ministry of Health, and Ministry of Construction and Housing. Information was drawn from the 'office policy of welfare and social services for 2014-2018' - Ministry of labor and social affairs [2014].

[46] Welfare committee, 2018, Internal affairs office, second edition, http://moin.gov.il/LOCALGOVERNMENT/Information/Documents/%D7%95%D7%A2%D7%93%D7%AA%20%D7%A8%D7%95%D7%95%D7%97%D7%94%20-%D7%9E%D7%A4%D7%A2%D7%9D.pdf

[47]For example, means-tested examination considers similar parameters (e.g. house ownership, worth of savings) in various countries (e.g. Sweden, Germany, France).

[48]https://www.btl.gov.il/English%20Homepage/Publications/AnnualSurvey/2011/Documents/3_Income%20Support-1.pdf

Some of the services and benefits provided are paid, or given, directly to the citizens, and some are delivered through other mechanisms, such as local authorities or outsourcing services [Gal and Medhela 2017]. The services and means-tested allowances that are available to each local authority vary according to its wealth. The higher the socio-economic status of the locality, the lower the uptake of social services per 1,000 persons [CBS 2012, p. 99]. The Ministry of Labor and Social Affairs pays 75 percent of allowances, providing the local authority can pay the remaining 25 percent out of their resources [Welfare committee 2018, p. 14]. However, since authorities are divided into clusters, there are authorities that are less able to pay full benefits than others. Therefore, the possibility of enjoying certain benefits can be limited by the locality you reside in; this is particularly problematic for people in need who live in poor local authorities.

With regards to public housing benefits, Arab localities are very underprivileged. According to a parliamentary document [Shahak 2016], only four Arab localities hold public housing. These four are distributed among Israel's big cities, and none are found in peripheral areas. Data show that only 0.3 percent of all public housing is found in Arab localities, though 15 percent of the citizens that live in them experience poverty (45.3 percent in 2018[49]). Moreover, the amount of public housing in Israel has generally decreased. The Arab sector also has much lower rates of rental assistance recipients (0.3 percent compared to 1.8 percent of the Jewish sector); and, only 10 percent of those entitled to rental assistance within Arab localities implement their eligibility. The reasons for the low uptake are not clear, but are assumed to be due to low demand or low supply of rental apartments [Shahak 2016].

Examining Arab application numbers to social services reveals three trends.[50] Firstly, the highest rates of income support seekers are found in cluster 1 localities (see Appendix 20) in which most the population are non-Jewish (see Appendix 21). Secondly, in clusters 1 and 3, where Arabs account for the majority population, income support is higher than among clusters 2 and 4 in which the population is largely Jewish. This is in keeping with figures regarding income from 2017, which showed that income from work among the lowest income

[49]National Insurance Institute, 2019.
[50]CBS, 2017, Local authorities file.

deciles constituted 52.3-60 percent total household income (see Appendix 22), the remainder coming from income support and allowances [Svirskey et al. 2019].

While 69 percent of the entire Israeli population earns up to the average wage, only 31 percent earn above the average. Among the Arab population a different picture emerges: 83 percent of the population earns up to the average salary, while only 17 percent earn more than the average. Hence, most of the poorest workers in Israel are Arabs, with Arab women at the bottom of the wage ladder [Svirskey et al. 2019]. Thirdly, authority clusters 1-3 have relatively low rates of unemployment benefits recipients (see Appendix 23). This may be because these benefits are given only when a person quits his or her job. Since Arabs have higher rates of economic inactivity, they are less entitled and likely to receive unemployment benefits.

Generally, the bottom income deciles have raised their working rates over the past two decades (i.e. household income providers). There has been a 65 percent growth among the lowest decile that brings it to 0.66 workers per household, and a 56 percent growth in the second decile that now stands on 0.86 workers per household [Svirskey et al. 2019]. While this means an average of less than 1 working person per household, it constitutes a rise. This growth arises from: (1) the "work-first" approach (see elaboration p. 64), which led to huge cuts in income support, unemployment benefits, and child support allowances; and, (2) the implementation of the negative work-tax (i.e. work grant). However, the increase in the number of income providers did not result in a higher income per household. This is since many of the 'new workers' were absorbed into low paying positions and part-time employment (e.g. sales, services, caretaking, and so on). Thus, the increase in wage earners appears to reflect a political-economic agenda rather than being a mark of an improved and upgraded the labor market, since overall poverty has not decreased [Svirskey et al. 2019]. Adding to this is the fact that receiving benefits and allowances has a negative impact on the incentive to go to work [Flug and Kasir-Kaliner 2001].

It is hard to determine from the data whether the social benefits received by the lower deciles act as an incentive or disincentive to employment. On one hand, it seems that the 'work-first' agenda resulted in an increased rate of employment. However, the following examples suggest a trend towards disincentive: (1) Arab women's birth rate, especially among the Muslim majority, remains the highest in Israel (i.e. 3.26). Thus, the child benefits received

are also higher, and might somewhat compensate for a lack of income from work; (2) income support rates for the economically inactive are higher in the clusters where Arab localities are concentrated; (3) living in a poorer cluster may result in lower expenses spent on subsidized social services (e.g. childcare facilities). Thus, it may not be financially beneficial or practical to work; (4) the in-work tax credit is calculated universally and not individually. This may act as a disincentive to work due to the possibility of receiving less financial benefits. Therefore, it seems that with regards to the employment of Arab women, the neo-liberal perception of welfare is ambiguous, and acts as both an incentive and a disincentive to economic inactivity. It is important at this juncture to understand how labor market policy is formulated, and examine various approaches taken to increasing motivation to work.

In conclusion: This chapter sheds light on how different constraints that Arab women experience lead to lower rates of labor participation. It considered matters such as low education, lower wages, low number of job vacancies and opportunities, poor (transportation) infrastructure, low number of governmental jobs, low supply of childcare facilities, and poor skills when competing in the primary labor market. Although cultural background, as well as health conditions, may amplify the situation, it seems reasonable to assume that Arab women's employment behavior patterns result from a combination of these barriers [Khattab 2002]. Gal et al. [2019] note that barriers are interrelated and it is important to understand them as a whole. The following chapter elaborates on how decision-makers are dealing with the situation of Arab women's economic inactivity, what has been done so far, and what are the pitfalls of the Israeli labor market policy.

1.4 Labor market policy

Labor market policy reflects the nation's desire to incorporate its vulnerable human labor resources (i.e. unemployed and economically inactive individuals) into the labor market. It is developed with the aim of finding ways to increase their willingness and readiness to find work, and to move them away from welfare assistance [Ministry of industry, trade, and labor 2010; Brown 2015; Card et al. 2016]. The following chapter discusses different governmental approaches and strategies towards the labor market policy.

Between 1960 and 1980 the labor market policy was the leading governmental strategy worldwide [Fisher-Shalem and Quadagno 2016]. It was focused on supplying an unconditional financial security net [Naon et al. 2006]; leading some to dependence on social security benefits (e.g. income support benefits, unemployment insurance, and disability allowances) [Doron 2011; Martin 2015]. This policy of unconditional support generated a 'passivity' among beneficiaries, disincentivizing them from finding work and from becoming financially independent [Brown 2015]. Therefore, in order to integrate non-employed[51] individuals into the labor force, realize national growth, and enable personal economic independence, a need for a new active mechanism arose.

A new activation approach

The current and most common labor market policy is an 'active mechanism' [Doron 2011], aimed at enhancing and facilitating labor possibilities and improving attitudes towards employment [Brown, 2015]. In the past three decades, a new approach - Active Labor Market Policy (ALMP) – has been implemented around the world. It was designed in contrast to former passive[52] policies [Doron 2011], and became a central governmental employment policy tool in many countries, particularly those in the OECD [Crépon and Van den Berg 2016; Card et al. 2016]. This approach responds to each employment barrier separately to form a comprehensive and holistic package of measures [Doron 2011].

Fisher-Shalem and Quadagno [2016] describe ALMP as an investment in human capital. Ultimately, it should enable each person to eventually attain economic independence and self-reliance, and to meet all their needs without recourse to benefits but rather through gainful labor. However, Doron [2011] shows that integration into employment is not the sole intention of ALMP; rather, it reflects ideological and moral agendas as well. An ideological belief that working is an obligation each of us undertake for economic security. And a moral belief that holds financial independence in high esteem.

OECD's [2013, p. 2, cited in: Martin 2015] definition for activation is to:

[51] As discussed on p. 17, Tomlinson [2001] notes that the unemployed and inactive are occasionally grouped into a 'non-employed' category, both due to similarities and for ease of measurement.

[52] The 'passive' labor policy provides people who are unemployed or jobless with welfare benefits [Martin 2015].

'bring more people into the effective labor force, to counteract the potentially negative effects of unemployment and related benefits of work incentives by enforcing their conditionality on active job search and participation in measures to improve employability, and to manage employment services and other labor market measures so that they effectively promote and assist the return to work'.

Since definitions vary between countries due to dissimilar cultural perceptions and approaches to welfare policy, each country applies ALMP in a manner best suited to their population. Application methods can be said to fall into two main approaches [Doron 2011]. The U.S. and Anglo-Saxon countries emphasize the 'work-first' approach [Martin 2015]. This refers to investing efforts to transfer all benefits supported individuals into employment, instead of leaning on welfare institutions [Doron 2011]. In contrast, the 'train first' European approach [Martin 2015] focuses on the primary development of human capital by strengthening affinity to the labor market, and increasing absorption possibilities [Doron 2011]. The European approach derives from the notion that employment is a social right, whereas the U.S. and Anglo-Saxon approach tends to view it as a social duty. The social duty attitude to employment ultimately gives a society the right to enforce employment [Doron 2011]. These different approaches demonstrate dissimilar policy designs and implementation, as well as the very different pressures each country imposes on its citizens to encourage employment [Doron 2011]. Nevertheless, both stances ultimately aim to strengthen the work potential of the unemployed and long term unemployed (LTU), bring them closer to mainstream society, and decrease poverty [Doron 2011]. Importantly, investment in ALMP has been shown to reduce economic inactivity [Martin 2015].

Card, Kluve and Weber's [2015] meta-analysis[53] evaluates the impact of ALMP programs around the world and shows the following: (1.) the efficacy of 'train first' programs is higher in the long-run than the 'work first' approach, whereas the 'work first' is more efficient in the short-term; (2.) the impact of a program is greater when focused on women and the LTU, whereas it is weaker for programs which are focused on younger and older-aged participants;

[53]Ministry of Finance - Chief Economist Division, 2018, *The experience of programs to encourage employment,* https://www.molsa.gov.il/publications/committees/documents/%D7%9E%D7%A6%D7%92%D7%AA%20almp%20-%20%D7%9B%D7%9C%D7%9B%D7%9C%D7%9F%20%D7%A8%D7%90%D7%A9%D7%99.pdf [Hebrew].

(3.) the 'work first' program is more effective at helping disadvantaged populations; (4.) 'train first' programs are more successful at assisting the LTU. Therefore, the more effective ALMP programs are those which combine both 'work first' and 'train first' programs. Moreover, they are designed to match the needs and characteristics of the population.

Crépon and Van den Berg [2016] add that, as well as a distinction in approaches to ALMP, there is a distinction between countries with regards to goals. One possible goal is the improvement of the process matching individuals to jobs, a second goal is to improve individual productivity, and a third goal is *'boost self-esteem and other personality traits'* [Crépon and Van den Berg 2016, p. 4]. Doron [2011] describes the goal of 'boosting self-esteem' as the enhancement and support of personal and psychological attributes, which enable the individual to be absorbed into labor market. Naon et al. [2006] included it as part of an overall 'work-abilities' goal.[54] Crépon and Van den Berg highlight that labor market policies *'may be ill-designed'* if not taking all these goals into consideration, but rather employing substitute activities such as mentoring and group therapy.

Under the activation strategy, ALMP includes a classification of four dynamic intervention types [Kluve, 2010, cited in: Baron 2015, p. 3]: (1) training – aimed at enhancing human capital and productivity through the provision of education and vocational skills; (2) Job search assistance (JSA) – intended to enhance the effectiveness of job seeking; (3) subsidized private sector employment – providing incentives for both employers and employees; (4) subsidized public sector job creation mechanisms - which are mainly oriented to prevent people from becoming unemployed/inactive (e.g. develop childcare systems, improve public transportation, develop new job opportunities, etc.).

When measuring the effectiveness of these various types of intervention, Card et al. [2016] show that ALMP has a more positive and greater impact on LTU than it does on the short-term unemployed. While training and JSA strategies are the most successful, and have the greatest effect on the unemployed. Thus, human capital intervention programs that target lack of skills, motivation, and the like were found to be most effective for LTU.

[54]By 'work abilities', Naon et al., [2006] refer to two groups of skills: (1) work-readiness workshops that include proper dress-codes, timetable keeping, inter-personal communication, team work, discipline, work-life balance, and the like; (2) motivation and self-worth workshops.

Pajic et al.'s [2018] research of Syrian refugees living in Europe seems to disagree with Card et al. [2016]. They emphasize the importance of fitting the right intervention to the needs and situations of the participants. According to Pajic et al, training and JSA interventions too often focus on enhancing job searching skills instead of stimulating self-regulatory resources and other coping abilities. They note that only a few individuals who participated in casual training programs perceived them to be helpful in the process of joining the labor force. This since vulnerable individuals often have fewer personal resources to lean on, and subsequently they might not be able to cope when faced with work-related challenges. Pajic et al.'s [2018] suggest that adding programs that help participants strengthen and develop psychological capital to the *'standard classification'* of the intervention types [Martin 2015, p. 3], may prove more effective.

Martin [2015] discusses another aspect of ALMP efficiency, referring to the spending and cost-effectiveness of programs. JSA programs were found to be cost-effective since the related expenses are low [Baron 2015]; however, training programs are effective only in certain circumstances and cost more. Subsidized hiring was found to be less cost-effective, and public sector job creation not cost-effective. On the whole, Baron [2015] observes that ALMP spending internationally minimizes unemployment and LTU; hence, JSA and training programs are considered the most cost-effective programs for assisting LTU.

Active Labor Market Policy in Israel

As part of the OECD, Israel has adopted the concept of employment activation in the last few decades. In doing so, the Israeli government has rejected the previous passive strategy of income support [Doron 2011; Fisher-Shalem and Quadagno 2016] and has adopted the U.S. and Anglo-Saxon 'work-first' approach. This means that the Israeli government directs all its efforts towards integrating unemployed and LTU welfare recipients into jobs. In order to achieve this active employment goal, the Israeli labor policy committee presented the national ALMP document in 2010[55]. It discussed a wide range of recommendations and enactments regarding the needs and the obstacles facing the three main economically inactive groups:

[55]Nowadays, the Ministry of labor, Social affairs and Social services has started to formulate the recommendations for 2030, since the recommendations from 2010 were intended for 'project 2020'. http://www.molsa.gov.il/Employment/EmploymentCommittee/Pages/EmploymentCommittee.aspx

Jewish ultra-orthodox, Arab women, and 'others' - defined as lower educated with restricted access to employment. Different ALMP mechanisms were developed and implemented to address the various barriers facing these groups (see chapter 2.2). These include: the establishment of a government employment agency, building of daycare centers, creating vocational education opportunities, supporting unemployment allowances and earned income tax credit, developing one-stop-shop 'welfare to work' centers, and more [Ministry of Industry, Trade and Labor 2010, p. 22].

Employment intervention programs

Different intervention programs have been developed in Israel. The first one to be launched was entitled 'Wisconsin'[56]. This was a 'welfare-to-work' program that was designed to encourage participants whose main income sources are allowances, to enter the labor market [Gal 2005]. As in other countries, welfare-to-work programs implemented in Israel have certain parameters and characteristics: (1) any unemployed persons who wish to continue receiving allowances are required to participate in an employment intervention program. These programs offer various reinforcement activities (e.g. JSA, training and education, subsidized employment, childcare facilities, tax discount, etc.); (2) welfare to work centers that act as one-stop-shops; (3) programs are designed especially and exclusively for working-age populations, but not for the temporarily unemployed or people with physical/mental disabilities [Gal 2005, p. 5]. From its foundation, the 'Wisconsin' program faced criticism since: (1) it mimicked the American program, and was therefore culturally unsuitable for Israeli needs (i.e. the Israeli cultural mix that includes Arab women, differs from the welfare demographic of Wisconsin, USA); (2) it was considered dangerous due to the responsibility for its creation having been outsourced. This led to concerns regarding the morality of the outsourcing companies who maximized their earnings, while depriving participants of tailored and effective solutions; (3) it was considered too harsh in its penalties and sanctions on participants [Adut 2017]. Thus, the program was terminated in 2010, although lessons were learned from it [Adut 2017].

[56]It was copied from the state of Wisconsin, USA.

Since 2014, an alternative nationwide program has been implemented by the government's employment agency called 'Maagalei Taasuka' (translated as 'employment cycles'). According to Kluve's [2010, cited in: Baron 2015] typology, the program is categorized as a JSA. As such, it includes a range of activities such as occupational diagnosis, coaching sessions, job search workshops, and motivational workshops [Avitzur et al. 2016]. Results from a survey run by the Israeli government's employment agency show that: (1) participants report higher job searching self-efficacy and occupational self-efficacy; (2) the program has a greater effect on low employment-oriented groups and welfare dependents, especially the Arab population; (3) outcomes are similar, or slightly higher, than those attained via former programs; (4) the influence of this program on employment rates is similar to other comparable programs around the world; (5) this program is much cheaper than the one it replaced, even when compared to programs run in other countries [Adut 2017]. These conclusions show that the program has successfully targeted employment motivation and job search assistance. However, it has been criticized for being less effective among the LTU and economically inactive due to its focus on tackling unemployment over other demographics [Adut 2017].

Additional national programs are partly generic in that they target society as a whole, and in part specific in that they are oriented towards benefiting a specific population or culture. Among the latter are: 'Afikim' for young adults that includes 'job clubs' and the like. [Ministry of labor, social affairs, and social services 2017]; and 'Eshet Hail' or 'Na'amat' programs, which are oriented towards women from traditional population groups, who are unemployed and experience economic hardship. These programs were initiated by the 'Israeli National insurance institute' [Hendelas 2015] and deal with human capital enhancement (e.g. education, vocational training, and skills development). They seem to fit with Baron's [2015] JSA and training typography. Some of the programs are bi-lingual (e.g. Hebrew and Arabic language speaking), while others are more sector-specific (e.g. Arab women). Findings show that there are necessarily differences between programs within the Jewish and Arab sectors in terms of needs, expectations, and other characteristics. Thus, program structure and content must be developed accordingly [Hendelas 2015].

ALMP programs for the Arab population

As discussed above, Israeli Arab's employment barriers are recognized and addressed by the relevant institutions. Hence, specific recommendations for their employment

development were presented by ALMP, these included: (1) the national distribution of welfare to work centers according to geographical allocation, including rural areas (addressing the location barrier); (2) improvement of public transportation accessibility (addressing the infrastructure barrier); (3) creating day-care solutions (addressing the child-care facilities barrier); (4) strengthening human-capital (addressing the education barrier); (5) cultivating best-practices programs to promote Arab employment such as 'Eshet-Hail', 'Idit', regional career centers and vocational courses, etc., (addressing the qualifications barrier) [Kimchi 2015].

It is worth noting that Israeli ALMP tackles the Arab population as a whole, regardless of gender. Moreover, it appears to neglect the specific barriers that Arab women face e.g. cultural barriers, specific health problems, etc. These are addressed more effectively by the development of a special nationwide program for the Arab population - 'Rayan centers' - run by the 'Alfanar' company. The program was established as a result of a government initiative in 2013, spearheaded by the Israeli Ministry of Economy in cooperation with the Prime Ministers' office. Its target is the Israeli Arab population, ages 18-64-years old, who are not part of the workforce and are not registered as allowance receivers. This initiative operates on the ground as 'one-stop-shop' career centers in Arab settlements spread around the country. Sixty percent of Rayan center participants are women[57]. Alfanar's expressed aim is to *'empower and enhance labor force, integrate them into Israeli industry, and enable them to obtain a respectable career and a secure livelihood'.*[58]

Rayan centers provide professionally guided services that satisfy different training criteria: (1) according to Kluve' s typology of training [2010, as seen in: Baron 2015] they improve participants Hebrew language skills, deliver vocational training, develop computer literacy, and assist in completion of basic education;[59] (2) in keeping with JSA type programs, they teach job search skills, assist in CV writing, prepare participants for interviews, and offer occupational diagnosis;[60] (3) similar to subsidized private sector employment ALMP initiatives,

[57] employment.molsa.gov.il/Employment/UniquePopulation/ArabSector/Pages/GuidanceCenters.aspx.
[58] www.alfanar.org.il/he/content/71 [Hebrew]
[59] http://www.alfanar.org.il/he/content/4 [Hebrew]
[60] http://www.alfanar.org.il/he/content/4 [Hebrew]

they develop employer relations, arrange transportation and the like[61]. These activities, and the others detailed on their web-site, are oriented to facilitate *'going to work'*.[62] Thus, Rayan centers' services integrate the three most effective ALMP strategies.

The ALMP discussion can be summarized as follows: To effectively transfer inactive Arab women into employment, Israel has chosen to adopt an activation approach to its labor market policies centered on the 'work first' practice. The government is implementing this through employment intervention programs based on strategies considered to be the most effective - job search assistance and training.

Summary of chapter 1

The primary interest of this thesis is how to integrate economically inactive Israeli Arab women into the labor force, as their inactivity rate is very high. It is of crucial importance, since inactivity has harmful consequences for the economy, society, and the individuals involved.

This chapter has also described how Arab women face a multiplicity of accumulated barriers (i.e. low educational level, location issues, poor health, cultural concerns, social policy), making their situation very complex. These barriers are key factors of their life circumstances that may explain their economic inactivity. It can be concluded that when individuals experience barriers - let alone such a complex construct of barriers, it means that their life circumstances may hinder them from entering the labor market. This is especially the case of Israeli Arab women, and therefore it is not a trivial mission to enhance their employment situation.

Israel has invested massively in active labor market policies with the aim of improving the employment situation of inactive Arab women. However, and despite these efforts, the Israeli State Comptroller's report[63] shows an unsatisfactory increase in Arab women's employment rates, and a failure to reach the stated objective of 41 percent employment by 2020. The steps taken were intended to provide a reasonable response to the problem with the

[61] www.alfanar.org.il/he/content/45 [Hebrew]
[62] Protocol meeting no. 3-2030 committee, Ministry of Labor, Social affairs and Social services 2017 [Hebrew]
[63] https://www.mevaker.gov.il/he/Reports/Report_537/42f21169-c208-4524-9c7c-6b8b0f70400c/101-arb-emp.pdf?AspxAutoDetectCookieSupport=1 [Hebrew]

implementation of proven and effective ALMP strategies (i.e. training, JSA and subsidized private sector employment). Since ALMP invests in human capital (as it is one of the strongest determinants of labor market outcomes [OECD 2018]), its effects tend to be very gradual and incremental. This may partly account for why ALMP has thus far failed to raise the employment rate of economically inactive Arab women to the target of 41 percent by 2020 [Fucks Friedman-Wilson 2018]. The remainder of this thesis will attempt to find an alternative explanation as to why current ALMP does not offer a good enough solution, by suggesting how economic inactivity might be enhanced.

2 Chapter II: Setting the Scene in the Field of Employment

The aim of this chapter is to present the theories behind a possible solution to the problem of inactivity among Israeli Arab women, which ALMP has failed to resolve. The solution offered herein is constructed in three parts. The first is will determine the correct theoretical concept of employment enhancement that best fits the economically inactive population. It covers three theoretical concepts in the employment enhancement field (i.e. employability, work readiness, and readiness for change) which will be reviewed in terms of similarities and differences. The second part presents Luthans et al. [2007a] psychological capital (PsyCap) theory. The third will present the development of an employment productivity measure for economically inactive. These will form the basis for the empirical study that follows.

2.1 Employment enhancement field

A comprehensive reading in the field of employment enhancement revealed that literature lacks studies that refer specifically to the inactive population. Therefore, the following literature review starts by showing that suitability for the labor market is acquired through enhancement processes in one of three concepts: employability, work readiness, or readiness for change (RFC). This chapter presents these theoretical concepts in terms of their differences and similarities, with the aim of establishing which of them is most suitable for improving the employment situation among the economically inactive.

2.1.1 Employability

Employability is a means to combat unemployment by developing the individual's productive capacity and performance [Gazier 2001]. Gazier defines employability as *'the ability to obtain and preserve a paid job'* [Gazier 2001, p. 5]. Similarly, Lo Presti and Pulviano [2016] describe employability as an individual's ability to secure initial employment, maintain it, face transitions between roles, and obtain new employment if necessary. This puts the liability and responsibility of acquiring skills and knowledge, that are attractive to employers, on the individual. Likewise, an employable individual is expected to navigate constantly

changing labor market requirements by being an adaptable self-initiator [Hall, 2002, in: Lo Presti and Pulviano 2016]. These abilities are deemed critical for surviving, let alone flourishing, in today's dynamic and economically unpredictable labor market [Fugate et al. 2004; McQuaid, Green, and Danson 2005]. Employability boosts an individual's long-term attractiveness to the market [Hogan, Chamorro-Premuzic, and Kaiser 2013]. Consequently, employability is a measure of whether a person is competent to deal with labor market demands.

Gazier [2001] presents the evolvement of the concept of employability as occurring in three waves. The first wave, between 1900-1950, approached employability as a 'dichotomy' that categorized the unemployed into: employable (i.e. able and willing to work) or unemployable (i.e. unable and not willing to work) [Gazier 1998, cited in: McQuaid and Lindsay 2005]. During the second wave, between 1950 to 1960, three different approaches to employability emerged. The first, the 'socio-medical employability' approach, aimed to place the most suitable disabled unemployed into enhancement programs. The second, the 'man-power policy employability' approach, was focused on unemployed people restricted by skills inadequacies. It compared individuals' existing abilities to their productivity potential, and to the conditions needed to match them to the labor market. The third, the 'flow employability' approach, was interested in the speed in which the unemployed could find a job. These employability measures were not found to be good predictors of success in the labor market, consequently they were abandoned. The third wave began in 1970 and continues to date. The concept at present is no longer specific to a population, rather, it has expanded to encompass all persons in the labor market [Berntson 2008]. Moreover, the potential of employability is regarded within the context of the changing nature of the labor market. The current thinking includes the following approaches: (1) 'initiative employability', which places the focus on individual capacities and abilities needed to fit into labor market. It is measured by human capital (knowledge, productive abilities, and learning skills) and social capital (the size and quality of one's existing and potential supportive network). These qualities are combined to gauge an individual's marketability [Gazier 2001, p. 9]. The employable individual is one who can fit his or her self into a constantly changing labor market, and use his/her attributes in support of an employee and organization. It is a dynamic approach; (2) 'interactive employability' refers to an interactive and collective approach, which links the individual's

attributes to the labor market's changing circumstances and trends [Gazier 2001; 9]. From a historical perspective, and despite the changes, the concept of employability remains a critical [McQuaid et al. 2005], and urgent issue [Lo Presti and Pluviano 2016].

Employability has been described by some as *'a problematic term with shifting and diverse meanings'* [Lo Presti and Pulviano 2016, p. 193]. It lacks a mainstream coherent definition an or broad theoretical model [Artess et al., 2017], and *'it is quite difficult to comprehend'* [Berntson 2008; 13]. Gazier [2001] notes that definitions of employability have two different versions. Some definitions place the sole responsibility for development in the hands of the individual. In other words, it is the individual's task to initiate measures to adapt to changing labor market dynamics. Other definitions place responsibility on the government and public employment services to develop employability. For example, by implementing policies which supply *'tailor-made measures designed to have a preventive effect'* [Gazier 2001; 11]. The differences between the definitions can also be seen to be drawn along the lines of objective or subjective evaluations of employability [Berntson 2008]. The objective view considers employability from the perspective of the labor market, whereas, the subjective view of employability considers the individual's self-perception of his/her employment potential. Thus, *employability* is essentially defined and characterized by each researcher differently according to his or her point of view [Lo Presti and Pluviano 2016, cited in: Sigal 2018]. For example, some researchers employ evaluative criteria such as adaptability and pro-activity [Fugate et al., 2004; McQuaid and Lindsay, 2005; Van der Heijde and Van der Heijden, 2006; Lo Presti and Pluviano, 2016], while others use criteria such as corporate sense [Van der Heijde and Van der Heijden, 2006] and career identity [Fugate et al., 2004].

Hodzic et al. [2015] examine the long term unemployed who may encounter a combination of physical, psychological, economic, and social barriers to employment [Li et al. 2006]. They refer to employability as dependent *on 'psychological resources (skills, abilities, knowledge)'* [Hodzic et al. 2015, p. 29].[64] These skills are usually referred to as human capital

[64]Hodzic et al. [2015] examine whether emotional competence can increase employability perceptions of the long term unemployed, and by that increase their likelihood of being reemployed. Results show that short-term interventions, that deal with emotional competences, modify the participants' outlook on unemployment and increases their perceived employability. This is due to the fact that through the program, they learn, while exposed to their emotions, to cope with the obstacles encountered during job search.

resources [Luthans et al. 2007a]. McQuaid and Lindsay [2005, p. 215] state: *'there is a continuing need for researchers and policy analysts to investigate the full range of factors affecting the ability of individuals to attain 'the character or quality of being employable*'.

Arguably, and despite different conceptualizations, the latest versions of employability all fall into five considerations: macro level employability, self-perception, organizational demands, a combined perspective, and a holistic one.

The 'macro level evaluation' of employability is associated with active labor market policies [Gazier 2001]. Employment enhancements that are included in policies prioritize employability. For example, the *European Employment Strategy* set measurable obligations of participation in enhancement programs (such as tailor-made vocational guidance) for people to be eligible for welfare support. In this manner the policies aim to prevent further unemployment. However, Gazier [2001] suggests that it raises challenges, such as how best to select the recipients of the welfare programs. Should people be chosen by their potential employability, so that the programs show rapid, visible, and cost-effective return on investment? Or, should recipients of welfare be those most in need? Either way, the macro level perspective views improving employability as a responsibility shared between the individual and the state.

The 'self- perception measure' assesses employability from the individual's point of view. Rothwell and Arnold [2007], for instance, discuss employability as an individual's self-perception of how well he/she expects to handle the variety of circumstances faced when searching for appropriate and sustainable employment. Berntson [2008] also views employability as a subjective perception. He is especially interested in the individual's self-belief regarding his/her ability to perform tasks i.e. self-efficacy beliefs and their effect on perceived employability. Van der Heijde and Van der Heijden [2006] define the self-perception of employability as a continuous utilization of competencies in an optimal manner (i.e. fulfilling, acquiring, or creating). They examine how perspective influences career outcomes. Their research is based on two mindsets: the willingness to change, and the willingness to learn.

The 'Organizational demands' measure views employability within the context of the work environment. For example, Fugate et al. [2004] describe employability as a psycho-social

construct made up of the ability to gain and maintain a job within a formal organization. It encompasses adaptiveness and flexibility (i.e. attitudes) to organizational/labor market demands. Thus, organizational demands become the reference point, and *'employability is explicitly contextualized in work settings'* [Fugate et al. 2004, p. 30]. In other words, without the organization as a reference point, being employable cannot be adequately measured. Therefore, the employable are those who benefit the organization. This requires that an employee be competent and dynamic, (pro)active and adaptable. These are manifest through professional development (i.e. human capital), formation of contacts with other people and networks (i.e. social capital), and psychological resources (i.e. optimism, self-efficacy).

Another conceptualization of employability, that sits within the organizational demands approach, is advanced by Hogan, Chamorro-Premuzic and Kaiser's [2013]. They define employability as an ability to gain and retain employment. According to them, organizations expect job candidates to contribute to the organization's utility. Thus, employee's skills should be fine-tuned according to the organizations demands and aspirations. Employable people display three key attributes: (a) they are rewarding to work with[65]; (b) can learn and perform new skills; (c) are willing and driven to work hard. Consequently, employers rate candidates' employability on three qualities: (1) interpersonal skills and compatibility with organizational values; (2) degree of professionalism; (3) ambition, motivation, and ethics.

The 'combined perspective' measures employability from both the individual and the organizational point of view. For example, Van Dam's [2004] model discusses the antecedents that develop employability orientation as predictors for employability activities. These are discussed in terms of organizational employability and individual employability, which influence each other. Generally, all the qualifications, proclivities, and outcomes described in Van Dam's model are skills (i.e. human capital) and attitudes. The model also encompasses *'individual characteristics and perceptions of the work situation and 'attitudes toward career changes and development activities'* [Van Dam 2004, p. 31].

[65]Hogan, Chamorro-Premuzic and Kaiser [2013, p. 8] refer to 'Rewarding to deal with' which means showing 'sensitivity to others' - the capacity to empathise, seek out intentional interactions with others, the ability to meet others' needs, and showing respect for others' wishes, being friendly, being considerate, and being well mannered.

McQuaid and Lindsey [2005] combine definitions of employability and describe it as a set of skills, competencies, and attitudes that help individuals gain employment within an organization. The origins of their perspective derive from McQuaid et al. [2005] who discuss the labor market from the viewpoint of supply and demand. According to them, a narrow supply-side approach helps identify the relevant set of skills and attributes needed by a worker, in certain context. On the other side, a broad demand-side approach identifies the factors and circumstances that influence an individual's employability, within a specific labor market. Thus, McQuaid and Lindsey [2005] develop a broad and comprehensive framework for employability built around skills (i.e. human capital) and attitudes. For example, *individual factors* are comprised of attitudes such as willingness to work, a positive attitude towards work, and human capital (i.e. skills, qualities). *Personal circumstances* encompass a person's household circumstances, work culture, and access to resources. *External factors* refer to various conditions effecting the labor market.

The 'holistic perspective' views employability in an all-embracing manner. Lo Presti and Pluviano [2016] suggest that the best way to deal with the turbulent labor market, and its challenging demands, is by addressing individuals through a 'personal navigation compass'. Their definition of employability is an individualized set of moves taken in preparation for labor market competency. They define employability as a resource people develop, which drives them to acquire competencies and skills (i.e. human capital) and improve their social networks (i.e. social capital). This model has several interesting characteristics: (1) it is a dynamic process model, rather than being static; (2) the model views employability as a resource which has the potential to lead to the development of additional resources [Lo Presti and Pluviano 2016, p. 205]. For example, developing employability may lead a person to develop self-efficacy, which in turn may enable them to further develop and fine-tune their employability; and (3) they view employability as a formula that can adapt to the individual context [Lo Presti and Pluviano 2016, p. 199]:

Employability = Career identity/self-management x professional development x networking x environmental monitoring.

Hence, Lo Presti and Pluviano create a model of employability that means developing attitudes, human capital, social capital, and labor market conditions.

It seems evident that the majority of studies on employability focus on employment enhancement in terms of improving human capital, social capital, and whatever constitutes competency (accommodation to labor market conditions). Fewer studies explore employment enhancement in terms of attitudes, and even fewer discuss the significance of emotional states [Sigal 2018]. In terms of research populations, these studies range in ages and in the progressions that they monitored; from unemployed, students and graduates to reemployed populations and to career advancers [Hogan et al. 2013]. These populations have already undergone some developmental processes in their careers.

In summary, the current wave of employability research stresses mainly human capital attributes (e.g. knowledge, professional skills, and abilities), social capital, and attitudes. It also addresses populations with very different needs (unemployed, graduates, employees and reemployed). Consequently, '*there is no consensus how employability should be viewed*' [Berntson 2008, p. 5] and dealing with it remains inconsistent [Sigal 2018]. In addition, although Luthans et al. [2007b] suggest that employment enhancement should be achieved through interventions, most of the studies discussed did not detail these interventions. Rather, they focus on the identification of required characteristics. Moreover, since skills and attitudes were examined most frequently, with little attention paid to emotional competencies, the current discussion demonstrates a continued lack of clarity about employability and its definition.

2.1.2 Work Readiness

Folds [2013, p. 6] defines work readiness as *'a combination of employability, technical, and academic skills necessary for occupation that offer opportunities for advancement and that pay family sustaining wages'*. Sigal [2018] shows that, like employability, the definitions and dimensions of readiness are multiple and lack a coherent or uniform definition in the literature. As Folds [2013, p. 23] notes, some researchers use a variety of terms such as employment readiness, employability skills, workforce readiness, and 21st-century skills interchangeably to represent work readiness. Caballero et al. [2011, p. 42] also found inconsistencies and variations among terms that indicates work readiness, such as 'generic skills', 'employability skills', 'transferable skills', 'employability skills', 'work preparedness', and

more. Some researchers in the field of employment enhancement also appear to conflate concepts. For example, Clarke [2014, p. 122] refers to participants *'who were already the most employable or 'job ready''* – comparing two distinct terms in the same sentence as though to suggest that they are interchangeable.

Despite this confusion, work readiness remains an important concept in the field of employment enhancement and rehabilitation [Keim and Strauser 2000]. To try and identify a common thread connecting the various denotations of work readiness, the following discussion elaborates on research in the field. Particularly those that examine disadvantaged populations such as welfare recipients, people with disabilities, and graduates.

Ward, Riddle, and Lloyd [2004] discuss benefits allowance recipients, who are non-employed due to a lack of skills needed for a self-reliance and managing change. They argue that: *'Addressing only job search skills could be a waste of public funds for 84 percentage of clients if [those] programs are not supplemented with assistance in the other areas where clients lack employment readiness skills'* [2004, p. 2]. They show that most clients who use employment programs experience more than job search issues; they also need assistance in order to transition into work. Consequently, the first step towards developing well-tailored intervention programs is to recognize the specific employment challenges and barriers that welfare individuals face [Ward, Riddle, and Lloyd 2004]. Ward, Riddle, and Lloyd present a three pronged model for employment enhancement: understanding the particular challenges (e.g. personal, environmental and systematic); enhancement of employability (e.g. skills and abilities); and enhancing the ability to cope with challenges (e.g. personal resources as self-efficacy, positive/negative expectations). This means that being 'ready' to be employed requires a combination of skills, attitudes, and psychological resources. The research points out that in pre-intervention measures the majority of clients were not considered to be 'ready', and subsequently improved their conditions by 50 percent and above in the post-intervention measurements. Consequently, enabling welfare recipients transition into work.

O'Neill and Wolf [2010] note that to enable impaired individuals to return to work there is a preliminary requirement to meet and evaluate their needs, and to tailor a rehabilitation process accordingly. Evaluation and implementation of readiness to return to work models (RTW) should be constructed not only on a perceived work ability scale (i.e. skills and characteristics), but also around improving psychological resources such as motivation, self-

efficacy, and self-confidence. According to O'Neill and Wolf, this facilitates the most appropriate work rehabilitation program and transition into work for individuals with complex deficits [2010, p. 429].

Similarly, Keim and Strauser [2000] are interested in the issue of how best to enable the transition into work. Their research focuses on DSM-IV diagnosed individuals participating in a traditional job readiness rehabilitation program (e.g. CV writing, job search, interview). Their results show that traditional job readiness programs are not effective in developing a congruence between employees' abilities and workplace needs, and might lead to faster job termination since participants tend to overrate their capabilities. Hence, programs need to combine performance training that is based on experiencing and rehearsal, as well as self-efficacy training (i.e. psychological resources) and performance perceptions training (i.e. attitudes) [Keim and Strauser 2000].

Since, *'any barriers that an individual faces in the job search can be disadvantageous'* [Audet 2012, p. 1], research on employability and employment readiness among ex-offenders facing hardships, such as stigma and discrimination, seems relevant to this study. This may also demonstrate how the ability to transition from non-working to working is a matter of subjective self-perception, as well as being an objective metric used to assess compatibility to the market.

Audet's [2012] research explores specific aspects of ex-offenders that best correlate with their perceived job readiness. Perceived job readiness is defined as consisting of two interconnected factors: self-perception and job readiness. Self-perception relates to the way one sees his/her capabilities and one's confidence in the ability to manage and pursue a desired future [Audet, 2012]. Readiness is presented as a construct of knowledge, skills, goals, and confidence. Perceived job readiness is essentially self-efficacy - a psychological resource of self-assurance that one has regarding his or her job readiness. Referencing both skills and psychological resources seems to indicate that, for distinctive populations, readiness to enter the job market is not only a matter of what you know (i.e. human capital) but also a matter of how you perceive your abilities. Audet found that years of education and work experience do not raise self-perceived work readiness among ex-offenders, indicating that personal resources and attitudes are as much a prerequisite for employment as human capital.

Graduates have also been a target population for work readiness research. Readiness has emerged in literature as a criterion for predicting graduates' post-academic potential [Caballero et al. 2011]. Caballero et al. examined graduates that failed to enter the labor market due to a lack of crucial work readiness capabilities, save for human capital skills. They questioned how best to help graduates develop work-ready competencies, and how to assist them with recruitment and the transition into work. Caballero et al. [2011] developed an assessment process through which they identified attributes and characteristics of work readiness within broad categories of graduates. These included: aspects of human capital such as technical focus, and problem-solving skills; attitudes regarding personal growth/development such as motivation and adaptability; and personal resources such as resiliency.

Caballero et al.'s [2011] model is similar to those that describe employability in terms of how best to prepare an individual to be competent (vs. not competent) for the labor market. However, it differs in that their model, de-facto, defines work readiness by adopting readiness themes such as attitudes and psychological resources. This may be a consequence of a blending of terms [Sigal 2018]. Despite using the work readiness concept, they do not use intervention as the enhancement method of choice [Sigal 2018].

In contrast, Makki et al. [2015] view work readiness as an indicator that can be used to predict psychological resources (i.e. self-efficacy). Findings show that self-efficacy and self-judgment regarding performance have a significant effect on engineering graduates who experience skill deficiencies. Makki et al. conclude that: *'one can be employed only if he has belief and confidence'* [Bandura 1977, cited in: Makki et al. 2015, p. 1007].

Makki et al. [2015] differ from Caballero et al. [2011] in their focus. While the latter concentrate on skills, attitudes, and personal resources as predictors of graduates' recruitment potential, the former believe these attributes cannot stand alone. Rather they see them as predictors of psychological resources (i.e. self-efficacy), which are enabling factors in attaining outcomes and productivity. This raises a question as to why self-efficacy was selected to represent graduates? Arguably, graduates have already proven their academic capability, yet they lack experience and skills. These deficiencies, and the absence of occupational practice, may result in failure to be recruited. Graduates need to enhance their self-perception and self-confidence to be ready to enter the work place successfully. Thus, in

enhancing work readiness among graduates, the improvement of skills, attitudes, as well as self-efficacy, has great significance [Sigal 2018].

To summarize: It seems that the concept work readiness is principally understood as the existence/provision of skills such as an ability to learn, think independently, possess information and communication technology proficiency, and other relevant life skills [Caballero et al. 2011; Makki et al. 2015]. Folds and Tanner [2014] argue that usage of work readiness is like that of employability, and does not lend itself to easy distinction. However, unlike employability, 'work readiness' includes a consideration of attitudes; an addition which, as argued below, is not incidental.

Research on work readiness focuses on unique subsections of the population such as ex-offenders, DSM-IV diagnosed individuals, or people with musculoskeletal impairment returning to work [O'Neill and Wolf 2010]. The majority of studies on work readiness deal with populations in transition from various welfare situations into work [Sigal 2018]. Consequently, work readiness research populations are found in a new phase or state of their work lives, yet they usually also have some prior work experience. These are often individuals who, for various reasons, experienced a period outside the status quo or regular work, and now wish to return to the fold. Even the graduate population, who are phasing into employment, can be thought of as already having been on a trajectory towards employment by choosing to study for a degree. Although not explicitly stated in the research, studies of work readiness essentially examine populations that must undergo some form of change to reenter the labor market. For example: ex-offenders need to become viable as employees, people with disabilities need to conform to mainstream notions of 'health', and so on. These populations need to adopt a new approach to their employability - change their self- perception [Sigal 2018]. This may account for why 'attitudes' are deemed so significant in the various definitions of work readiness.

2.1.3 Readiness for change

The goal of employability is to achieve competency for the labor market. Thus, the most common research populations are attached to the labor market (i.e. employees, reemployed and graduates). The aims of work readiness research are mainly to assess how to support the

transition from unemployment into a workplace, with employability as an objective. However, there are populations for whom entrance into the labor market requires going through profound individual/personal changes. For such people readiness is not simply a question of competence, but rather it is a psychological shift towards being ready to enter work as a preliminary step before seeking employment. This is elaborated upon below through the consideration of a third concept in the employment enhancement field - readiness for change (RFC).

The original RFC model was developed by Prochaska and Di Clemente [1982, 1992] in relation to psychiatric addictive behaviors. They developed their transtheoretical model based on the study of smoking addicts in the process of quitting [Prochaska and Di Clemente, 1982]. According to Prochaska and Di Clemente, progress occurs as long as the interventions used consist of the right content. To identify the correct content, one must first establish the stage an individual is at in their journey towards change. *'Individuals modifying addictive behaviors move through a series of stages'* they argue [Prochaska et al., 1992, p. 1103]. Prochaska et al.'s transtheoretical model identifies five stages of progression towards readiness, and examines and categorizes individuals according to the stage they are in: 1) pre-contemplation stage - during which the individual has no intention of making a change. Moreover, he/she is probably unaware of the problem or the need to change. He/she may be surrounded by social cycles that recognize the problem and force it to be dealt with. The pre-contemplator is neither self-initiated nor self-motivated to deal with the problem; 2) Contemplation stage - during which the individual is aware that a problem exists, yet he/she does not make a commitment to address it. This stage is defined by ambivalence. The contemplator is yet unable to initiate change since the effort and energy required to change outweigh the positive outcomes of the problem; 3) + 4) Preparation and action stages - these are the stages at which intentions and behavior meet. In order to overcome the problem, the individual begins to make concrete plans for the near future. These stages increase perceptions of self-efficacy when successful work experience is achieved; 5) The maintenance stage - the time during which *'people work to prevent relapse and consolidate the gains attained during action'* [Prochaska and Di Clemente 1982, p. 1104].

In order to cultivate change, Prochaska et al. [1992, as seen in: Curtis et al. 2016] emphasize that individuals must first be equipped with essential psychological resources. These are:

'consciousness raising, *awareness and responsibility, motivation as a consequence of setting up long term action plans and establish realistic goals, and optimism'*. Without this precondition, and *'until an individual is willing to change, progress cannot occur'* [Di Clemente, 1982, p. 52]. Regardless of the exact nature of the change, these resources are essential components to any transitional process [Van Den Heuvel et al. 2010]. Owning them will shape an individual's level of readiness for change [Kirrane et al. 2017], and will influence the way in which a person perceives and manages dynamic situations. These resources are a means of facilitating a desired goal or overcoming a deficiency [Van Den Heuvel et al. 2010).

Numerous researchers have modified Prochaska and Di Clemente's [1992] original model. Both the original and the modified models examine the resources an individual possesses (or does not) on a scale indicating motivation [Li et al. 2006], readiness for personal transformation, and behavioral change.

A survey of the literature reveals that there are two primary modified approaches, which tend to research two different populations. The first approach relates to populations which return to work (RTW). Examples include: Franche and Krause [2002] who discuss injured, ill, and disabled populations; Braathen et al. [2014] who address individuals with health problems; and Brendbekken et al. [2017] who focus on those who suffer from chronic musculoskeletal disorders.[66] The second approach is based on Lam et al.'s [2010] assessment tool for stages of employment readiness (LASER). Since Lam et al. [2010] discuss welfare recipients, a research population that is similar to my own, I shall elaborate upon their model and LASER next.

Lam et al. [2010, p. 322] note that *'the ability to return to work for welfare recipients is influenced by various social, psychological, personal and economic factors'*. Moreover, they found that for 20-43 percent of them, intervention to acquire skills and behaviors was premature.[67] Therefore, it is ineffective to lead all welfare recipients through the same rehabilitation curriculum. Their RFC model identifies the different levels of readiness of each

[66]For further elaboration on the RTW approach see Sigal [2018].

[67]Prochaska Di Clemente's [1982] clarified that individuals with addiction require behavioural change and not behaviour acquisition of skills and knowledge.

participant, thereby defining the process of developing readiness to change employment behavior.

Lam et al. [2010] modified Prochaska and Di Clemente's [1992] transtheoretical theory into a three stage theory: 1. Pre-contemplation stage- when a person does not recognize the need to change, nor are they willing to make that change; 2. Contemplation stage - when an individual considers the possibility of change, yet is not yet engaged in making changes; 3. Action stage– the period during which an individual, who is ready and willing, begins to pursue change. Notably, this theory is perceptual and not behavioral.

Following Lam et al. [2010], other researchers have used LASER, including Li et al. [2006] and Curtis at al. [2016]. Li et al.'s [2006] research was conducted over a rehabilitation program and accordingly tailors its counseling and training processes. These processes were designed to help participants prepare to join the workforce both physically and psychologically. The researchers adjusted the interventional schemes according to individual needs and stage of readiness. They found that tailor-made individual and group counseling helped participants to move from stage to stage and develop psychological preparedness. For example, intervention during the pre-contemplation stage was aimed to alleviate participants' anxieties, re-establish life goals, and think of a long-term action plan [Li et al.'s 2006, p. 532]. Participants graduated from one stage to the next by developing psychological resources such as self-efficacy and self- awareness.

Curtis et al.'s [2016] research offers another example of using LASER. Their study of unemployed individuals, whose unemployment duration ranged from one month to 30 years, found a negative correlation between unemployment duration and readiness to change. In other words, the longer the duration of unemployment, the lower the level of readiness for change. They conclude that, in order to assist the long-term unemployed, interventions should account for individual degrees of preparedness *'because those who have experienced the longest duration of unemployment are likely to be least ready to change their employment status'* [Curtis et al. 2016, p. 57]. The affectivity of interventions will depend on identifying the pre-contemplators' and contemplators' specific needs.

Other relevant research includes Holt and Vardaman's study [2013] which focused on employees rather than on a typical disadvantaged population [Sigal 2018]. Since Holt and

Vardaman [2013, p. 9] define readiness *as 'the degree to which those involved are individually … primed, motivated and … capable of executing …change'*. They highlight the importance of being equipped with the psychological resources in preparedness for a change. Therefore, their study is relevant to this discussion, particularly as they emphasize the role of self-initiative in working towards a goal and investing effort in doing so [Holt and Vardaman 2013, p.13].

Deeply rooted and challenging employment situations have been discussed using the RFC concept. Arguably, all the studies reviewed apply Prochaska and Di Clemente's transtheoretical model for change [1982, 1992] or Lam et al.'s [2010] modified model to some extent. In all cases it seems clear that, for certain populations, the employment enhancement journey starts with a fundamental phase of becoming ready to undergo a process of change. The metrics used in RFC research evaluate interventions that are centered on the enhancement of personal and psychological resources which act as an antecedent for the employment cultivation processes [Sigal 2018]. It appears that the overarching change these research populations must undergo, to move from joblessness to employment [Li et al. 2006] is a movement between domains of thinking - a shift in mind-set. Mostly, studies explore the psychological movement from joblessness towards obtaining a perception of being an active participant in the labor market. This differs from the transformation demanded of individuals who are defined as re-employed, and may account for the use of the term employability with reference to graduates or the already employed. Graduates, the employed, or the temporarily unemployed, undergo a process of fine-tuning to meet the requirements of the labor market. However, unlike the more challenged populations described above, this change usually takes place within an existing employment domain, or within the one they have actively chosen to enter (e.g. a program of study). This might be termed a minor change when compared to the psychological shift in perspective described in the RFC process.

Selecting the most suitable concept for the economically inactive population

The aim of this chapter was to determine which of three theoretical concepts - employability, work readiness, and readiness for change- best matches the circumstances involved in enhancing employment among the economically inactive. It is apparent that there is incoherence regarding populations and definitions; moreover, different researchers use

diverse concepts to discuss similar populations. For example, both Lam et al. [2010] and Ward et al. [2004] discuss welfare recipients. However, while Lam et al. [2010] use RFC, Ward et al. [2004] use work readiness. Both Braathen et al. [2014] and Keim and Strauser [2000] discuss populations with health difficulties, however, while the former use RFC the latter discuss job readiness. Consequently, it is not simple to determine which conceptual framework would be the most suitable when discussing employment enhancement among the economically inactive. Moreover, it is important to emphasize that this population has, to date, not been found to be a subject of employment enhancement research of this kind.

In order to differentiate between the concepts, I developed an assessment scale based on conclusions garnered from the employment enhancement literature review. I suggest that the three concepts have four parameters in common that are repeated throughout the discussion. Firstly – all research focused on certain **populations**. Secondly – each study dealt with a **leading question**. Thirdly – the research population underwent some type of change, therefore it seems reasonable to ask where to place them on a **scale of progression**. Fourthly - the majority of researchers propose a **method** of enhancement. Thus, I suggest that these four parameters can be comprised into a framework - 'a scale of diagnosis' - that will assist to determine the most appropriate concept to use in this work [Sigal 2018].

According to Sigal [2018], the following questions ought to be asked when using the scale of diagnosis: (1) what leading question is the focus of the research; (2) who are the research populations; (3) at what 'stage of progression' are the research populations. With regards to the latter, I make use of Prochaska, Di Clemente and Norcross's [1992] model, since it is already widely used in the field. Based on this model, the stages are as follows: A. pre-contemplation; B. contemplation; C. preparation; D. action. Placement in a stage should be decided according to the criteria that Prochaska et al. [1992] provide [68] (see elaboration on p. 83); (4) the final diagnostic question is, which enhancement method should be used? Using 'the scale of diagnosis', as demonstrated below, will help determine the characteristics of each of the terms encountered in the literature review.

[68]As mentioned earlier, originally this model includes five stages, with the additional stage 5 - maintenance. However, only the first four stages will be used in this analysis, since stage 5 requires long term examination.

Research that uses the term employability measured on the 'scale of diagnosis' can be interpreted as follows: (1) the leading question is 'how does one prepare individuals to be competent and meet the requirements of the labor market?' Therefore, the focus is one of competence vs. incompetence; (2) the research population consists of graduates, employees and reemployed; (3) the 'stages of progression' described are focused on preparedness and the availability to take action. Thus, research using this term appears to fall into stages C and D, as per the model above (see stages description, p. 83), following a transition from 'not knowing' to 'knowing'; (4) the focus of the enhancement methods described in this research mainly involve the identification of advantageous skills and knowledge.

Most research mentioned in the literature review, which focused on the concept work readiness, can be characterized as follows: (1) the leading question is 'how does one enable an individual to transition from not-working to working?' In other words, the focus is working vs. non-working; (2) the research populations are graduates, welfare recipients, people with disabilities, ex-offenders, those with musculoskeletal injuries, etc.; (3) 'the stages of progression' described vary. Since these are individuals who have work experience and only need to develop competencies for the labor market, the stages described fall into categories C and D. However, stage B is also represented in that there is a consideration of 'attitudes' and 'challenges' that is consistent with the contemplation stage; (4) the enhancement methods target professional and occupational skills and attributes enhancement, as well as attitudes to work, through rehabilitation interventions and training programs.

Finally, when applied to the literature on RFC, the scale of diagnosis reveals the following: (1) the leading question is 'how does one prepare an individual to be ready to go through change?' In other words, the focus of the research is changed vs. unchanged; (2) research populations are disadvantaged groups, such as: long term unemployed, individuals discouraged from the labor market, people with disabilities who have not worked before or are returning to the work-force [Li et al. 2006], and welfare recipients; (3) the 'stages of progression' described vary. The majority of individuals, who are long term unemployed, and even welfare recipients, will need to undergo a psychological transition. Welfare recipients who may not recognize the need to change, or are unwilling or ambivalent about change, can be included in this category. Therefore, the populations described seems to be at stages A and B. Presumably no more than a few individuals reach stage C, as it would not make sense to

include such individuals within a RFC population; (4) the focus of the enhancement methods are tailored interventions according to the individually identified stage of change. The focus of the interventions is mainly on improving participants' employment attitudes and psychological resources.

The analysis of the concepts used in the literature reveals that each presents different stages on the scale of diagnosis. At one side of the scale lies employability. It refers to research populations that are in stages C and D, meaning that they are fully engaged in developing their attractiveness and appeal to the labor market. At the other end of the scale are populations in stages A and B who are usually referred to using the term RFC. These groups incorporate people who are not attached to labor market for different reasons, and who do not yet have the abilities, nor the psychological resources, to initiate the changes required to participate in labor market. Thus, the focus of enhancement methods required are process oriented and target psychological and psycho-social attitudes [Sigal 2018]. The readiness populations are less easily distinguishable and appear to be placed in-between.

The applicability of this analysis stems from the research trend towards first identifying a population's placement on the 'scale of progression' (i.e. stage A, B, C or D) in order to determine what is needed to obtain labor market competence. The 'leading question' and the 'focus of enhancement methods' are derivatives of the participants' stage of progression [Sigal 2018].

As discussed extensively above, the research population in question herein is economically inactive Israeli Arab women. The examination of the literature using the scale of diagnosis indicates that the term RFC is the best fit when discussing employment enhancement among this population, due to the following: (1) the leading question of the research asks whether due to high economic inactivity rates, it is possible to assume that the majority of the population are not employment oriented. Hence a further question arises as to is how to prime Israeli Arab women to go through a process of change in attitudes and mind-set, before considering any skills development? Consequently, in the case of Arab women, terms such as employability or readiness are not suitable; (2) the research population: Arab women who are economically inactive; (3) the 'stages of progression': since approximately 70 percent of the population in question are economically inactive, the need arises to investigate whether there is any recognition of the need to change (i.e. stage A) or ambivalence towards change (i.e.

stage B). To assume that the population as a whole is at stage C is questionable, since this would suggest preparedness to and willingness to go to work and look for jobs, etc.; (4) the focus of any enhancement and intervention methods should primarily be on developing employment attitudes and psychological resources, and less on skills development. This since the majority of economically inactive individuals are not interested in work at all [Eurostat 2017]. Since current employment enhancement programs have not led to the fall in inactivity rates promised, the most fitting employment enhancement term to use regarding Israeli Arab women is RFC. This since RFC encompasses the appropriate stage of readiness needed to go through to effect change in their employment status.

Arguably, although Israeli ALMP applies the most effective employment enhancement strategies (e.g. training and education, JSA, childcare facilities) to the economically inactive population, it does not take into account the need to become ready for change. Consequently, not enough effort is concentrated on the cultivation of psychological resources.

Prochaska et al. [1992, as seen in: Curtis et al. 2016] claim that readiness for change enhancement is achieved through the enhancement of self-efficacy, optimism and goals setting. These appear to be included in Luthans et al.'s [2007a] psychological capital theory. Thus, the next chapter will elaborate on what these psychological resources are and on the theory of psychological capital (PsyCap) which, while well-known, has been rarely examined in relation to employment enhancement of vulnerable populations.

2.2 Psychological capital

The psychological capital (PsyCap) theory is rooted in the positive organizational behavior (POB)[69] approach, which originates from, and is allied with, the 'Positive Psychology' approach.[70] It is defined as *'an individual's positive psychological state of development'*

[69]POB is defined as 'the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement' [Luthans et al. 2007b, p. 542]. It was established to counter traditional organizational behaviour theory that emphasized in-effectivity, dysfunction and conflict.

[70]Positive psychology is a branch of psychology founded in 1998. It is founded on the desire to develop human well-being and promote conditions and processes that contribute to optimal human functioning and flourishing. It is based on social and cognitive psychology [Gable and Haidt 2005].

[Larson and Luthans 2006, p. 8] and is comprised of the four most appropriate cognitive-emotional characteristics, or positive psychological attributes, to possess in an organizational setting [Bloom 2016]:

(1) Self-efficacy - a self-perceptional belief that one can invest effort and succeed in the workplace;
(2) Optimism - the tendency to assign a positive attitude to success in the present and future;
(3) Hope - the ability to persist in achieving goals and plan dynamically to achieve them;
(4) Resiliency - the ability to cope and recover from adversity and obstacles.

The question arises as to why PsyCap is referred to as a 'capital' and not simply as a construct of characteristics, since 'capital' is used in terms of economic and financial value [Lin 1999]? The term 'capital' is defined as a product of a process, in which investment produces and yields surplus value. In 'neo-capital' theories and economic analysis the term capital has been broadened, and at the individual level it is used in two main forms: human capital (HC) and social capital (SC). HC represents an individual's investment of resources in the acquisition of technical skills and knowledge. SC is an individual's access to, and use of, resources embedded within social networks including relationships with others. SC is acquired through investment in social interactions. Both types of capital must be nurtured to grow in value, and both can be dissolved, putting any investment at risk [Larson and Luthans 2006]. Some scholars refer to SC as an extension of HC, whereas others view the concepts as independent of each other.

PsyCap is described by Csikszentmihalyi as *'psychic resources* [i.e. self-efficiency, optimism, hope, and resiliency] *that results in obtaining experiential rewards from the present moment while also increasing the likelihood of future benefit'* [Csikszentmihalyi, cited in: Luthans et al. 2007a, p. 542]. Goldsmith et al. [1998, cited: Larson and Luthans 2006] refer to PsyCap as a construct of personal attributes that affect productivity. Thus, while PsyCap builds on positive psychological aptitudes [Toor and Ofori 2010], the concept may be considered a form of capital in neo-capital terms (although this is not directly stated). In other words, investment in PsyCap adds surplus value by predicting desirable attitudes, behaviors, and emotions that have a direct impact on productivity. Therefore, HC, SC, and PsyCap are not in competition with each other [Toor and Ofori 2010]; rather, each form of capital has its unique attributes that complement the other. HC charts 'what you know', SC 'who you know', and PsyCap *'goes*

beyond' [Larson and Luthans 2006, p. 8] to consider 'who you are' in the present and 'who you are becoming'. Their common thread lies in that having more capital means possessing more 'power'[71] to attain anticipated outcomes.

PsyCap is composed of four characteristics; investing in any of them separately will yield less return than an investment made in the whole (i.e. core construct). Examining each characteristic as an independent dimension negates PsyCap's distinction as *'an integrative theoretical foundation'* [Luthans 2007b, p. 545]. The strength and uniqueness of this theory lies in its high-order, multidimensionality. It is a core construct of resources, and has synergistic features [Avey, et al. 2011]. As such, more stands to be learned from using PsyCap as a cumulative construct [Luthans et al. 2007a]. In other words, when gathering data about PsyCap dimensions, added value is gained by considering the combined value as a resource in its own right. Bloom [2016] argues that PsyCap components act together like a tool-kit which assists the individual in the processing, planning, and evaluation of feelings and thoughts. Moreover, Luthans et al. argue, *'if employees demonstrating resiliency with bounce-back capacity are also efficacious and hopeful, they should be more confident to persist and put forth the necessary effort, while pursuing alternate pathways to return to their original level'* [2007b, p. 550].

PsyCap is based on the premise that its state-like[72] components are developmental [Luthans et al. 2006]. Consequently, effective PsyCap enhancement can be achieved through short, and highly focused, micro-interventions [Luthans et al. 2006; Luthans et al. 2007a]. Resulting changes in PsyCap will influence an individuals' behaviors, abilities, and self-perceptions (i.e. changes in 'who you are becoming'). Improvements in PsyCap can positively impact and increase an individual's: ability to cope with and overcome adversity; effectivity

[71] According to Bourdieu [1986], when a person has more capital, he owns more power. Thus it is worthwhile to invest in capital.

[72] Psychological resources are broadly divided into two categories: trait-like and state-like [Van Der Heijden et al. 2014]. These categories differ primarily in their malleability. Trait-like characteristics, such as intelligence, inate talent, personality factors [Luthans et al. 2007b], locus of control, self-esteem, and emotional stability [Cole 2007] are more stable. As such, trait-like characteristics are less likely to be developed through interventions. On the other hand, state-like characteristics, such as self-efficacy, optimism, hope, resiliency, humor, wisdom, creativity [Luthans et al. 2007a] are more dynamic and can be cultivated. These are *'crucial precursors of individual's well-being and behavior, both on and off the job'* [Van Der Heijden et al. 2014, p. 254]. State-like characteristics have a common thread: they involve agency (i.e. the motivation to transform behaviors and performance), result in positive outcomes, and are malleable [Van Dam 2013].

and persistence in the face of uncertainty; awareness of opportunities; ability to be proactive; sense of well-being; engagement; flexibility; and interpersonal relationships [Luthans et al. 2007a]. In addition, PsyCap is positively correlated with desirable attitudes [Avey et al. 2011], such as to the tendency to be more determined and expend more effort [Avey et al. 2008]. Pajic et al. [2018] add that high PsyCap seems to effect one's perception of obstacles, making them appear challenging rather than threatening. Thus, individuals who have the benefit of the psychological capabilities that compose PsyCap, have the raw material to develop resources that will in turn assist them to achieve their goals [Luthans et al. 2007a].

Most PsyCap research has been conducted in the field of organizational behavior and examines the theory as an independent variable for predicting employees' outcomes. Only a few studies in the field of employment enhancement consider PsyCap. One of them, Pajic et al. 's [2018] research of Syrian refugees reentering the labor market in European countries, examines refugees' ability to behaviorally adapt to the new labor market when job hunting. Pajic et al. are not interested in examining changes in perceptions or long-term behavior, but specifically behaviors during job-searching such as willingness to explore alternatives, etc. They showed that those with a *'positive outlook on life'* and with higher psychological resources are more confident when setting goals and when engaging in behaviors required for finding a job [Pajic et al. 2018, p. 2]. Georgiou and Nikolaou's [2018] study of unemployed, mostly educated individuals, shows that people who are engaged in job seeking and possess higher PsyCap levels a more persistent, motivated, and demonstrate proactive behavior in their search process. That is to say, a positive state of mind influences job seeking activity. Georgiou and Nikolaou examined the effect of PsyCap enhancement intervention through a quasi-experimental design of examined and control groups. Their findings show two important trends: 1) PsyCap intervention in the field of employment raises the overall level of PsyCap, not only in the organizational field; 2) possessing higher PsyCap is beneficial to the job seeking process and its outcomes. In the same vein, Oglensky [2013] discusses PsyCap's correlational impact on job seeking behavior. He found that PsyCap predicts active job searching behavior in the case of the reemployed. Meaning that strengthening a job searchers' PsyCap can ease and accelerate their return to employment. Ngoma and Ntale [2016] examine the relationship between PsyCap and graduate employability. Their study shows that perception of employability is significantly more positive among those with a higher level of PsyCap than

those with a low level. Additionally, they found that the 15 percent variation in graduate employability can be attributed to PsyCap. Chen and Lim [2012] and Lim et al. [2016] studies of the unemployed also show that a positive state of mind and self-perceptions have a direct influence on employment. Their findings show that in times of adversity caused by joblessness, PsyCap is a good psychological resource in helping individuals maintain a positive attitude. Consequently, individuals with higher PsyCap rate themselves positively as being more employable, and develop beneficial behaviors that promote success. These results indicate that, in addition to developing job seeking skills, intervention programs that increase PsyCap can help keep the non-employed motivated for longer [Chen and Lim 2012]. The OECD [nd, cited in: Cole 2007] has also recognized the need to enhance psychological variables to achieve better employment outcomes. They suggested a broadening of the concept of human capital enhancement (i.e. skills and knowledge) to 'wider human capital'. This includes components and personal characteristics that enhance a person's employment effectivity.

In summary, *'people with poor psychological capital are likely to remain economically inactive… since they become increasingly pessimistic and despondent'* [Cole 2007, p. 196], while those with higher PsyCap are able to apply their psychological resources to specific tasks within various domains to achieve better outcomes [Luthans 2007a]. The above serves to underscore the suitability of using PsyCap with regards to enhancing the employment of the economically inactive.

Only one study, Lizar et al.'s [2014], examines the influence of PsyCap on individual's readiness for change (RFC). However, this research was conducted within the organizational field, which differs from the employment enhancement interests of this thesis. Nevertheless, it seems pertinent to note that Lizar et al.'s research shows that a higher score on PsyCap has a positive and significant influence on organizational RFC.[73] Both Lizar et al.'s [2014] and Lam et al.'s [2010] RFC models[74] support the notion that being ready for change is an antecedent for achieving successful change.

[73]Organizational RFC is defined as *'a cognitive state that occurs when organization members have positive attitude, belief, and intention toward change'* [Armenakis et al. 1993, as sited in: Lizar et al. 2014; 3].

[74]Lam et al.'s [2010] model is central for this thesis. They defined RFC as the identification of the personal stage one is at, in the process of becoming ready to change his/her employment status (see p. 84).

The Four PsyCap Dimensions

Luthans et al. [2007a] stress that PsyCap is a higher order core construct, which demands that the resources encompassed therein be treated as 'a set' rather than in isolation. PsyCap theory is comprised of four main spheres of competencies, or dimensions. In order to better understand the whole, I will elaborate on each dimension individually, of the qualities within them and relevant research previously conducted below.

Hope

Hope is a cognitive and affective component of PsyCap, and is considered to be a psychological strength and asset [Shorey et al. 2002; Luthans et al. 2007a]. Hope enables goal focused thoughts which guide actions [Rand and Cheavens 2009]. Snyder et al.'s [1991, p. 287] theory of Hope, which is the origin of the PsyCap hope dimension, defines it as *'a positive motivational state that is based on an interactively derived sense of successful (a) agency (goal-directed energy), and (b) pathways*' (e.g. planning to meet goals). Rand and Cheavens [2009, p. 323] define hope as *'the perceived ability to produce pathways to achieve desired goals and to motivate oneself to use those pathways'*. This means that in order to accomplish a goal successfully an individual must have high levels of hope, which combine the sub-components of willpower (i.e. a sense of personal energy, motivation, and determination) and pathways (i.e. the ability to pursue the goal and find alternative routes when barriers are detected). An interesting and unique feature of hope is the reinforcing circular interaction between willpower and pathways. Agency (i.e. willpower) motivates the individual to pursue new pathways, which in turn ignites one's energy and sense of control, which feeds one's sense of agency, and so on and so forth. The relationship between the sub-components cultivates hope [Luthans et al. 2007a]. Accordingly, Snyder et al. [1991] refer to hope as a multidimensional construct through which an individual perceives himself as proficient and able to set realistic and challenging goals, can develop strategies to meet these goals, and applies motivation and positive expectations to those pathways [Luthans et al. 2007a].

Hope is mentioned in studies as having an impact on several life domains, one of which is performance. For example, Snyder et al. [1991, p. 579] show that people with dissimilar levels of hope react differently to obstacles: *'high hope people sustained agency and pathways behaviors; medium-hope people had less agency but nevertheless generated pathways; and*

low-hope people evidenced both decreased agency and pathways for the goal'. Higher hope levels were also found to predict better academic performance [Rand, Martin and Shea 2011]. Bressler et al. [2010] show a significant positive correlation between student performance and hope. Two other life domains on which hope has an influence are life satisfaction[75] and well-being. Rand, Martin and Shea [2011] found that students with higher levels of hope at the beginning of the semester, strongly predicted higher life satisfaction levels at the end of the semester. Bailey et al. [2007] also found this to be true among college students. In term of influencing well-being, Snyder et al. [1991, cited in: Rand and Cheavens 2009, p. 328] found that *'hope correlates positively with positive affect and inversely with negative affect'.* Wrobleski and Snyder [2005, cited in: Rand and Cheavens 2009, p. 328] argue that *'higher levels of hope [were] associated with greater life satisfaction and better perceived well-being, independent of objective measures of physical health and functional ability'*.

Hope is also related to physical health. Scioli et al. [1997] show that lower levels of hope correlate with a higher frequency of reported illness and with greater severity of illness. In other words, higher levels of hope correlate with better reported health. Moreover, hope is a strong predictor of reported health outcomes, with hopeful people proving to be better able to cope with major life struggles, and being less vulnerable to illness. Rand and Cheavens [2009] present multiple studies that indicate a positive correlation between hope and physical health. For example, hopeful people engage more in physical exercise [Harney 1990], and cancer prevention activities [Irving et al. 1998]. Rand and Cheavens [2009] also present hope as an important factor in coping with, and recovering from, illness.

So far, hope was discussed in a general manner, in terms of performance and in the health field. However, research on hope in terms of employment is comparatively poor. Hinton [2012] discusses the value of connecting hope to employability, since current labor market circumstances require the individual to maintain his/her employability (i.e. be proactive and accomplish goals). Hence, Hinton argues, hope is positively correlated with employability, and enhancing hope positively influences one's perception of being employable. Moreover,

[75]Life satisfaction is a major component of subjective assessments of well-being [Rand, Martin and Shea 2011].

agency appears to predict employability more so than pathways; thus, the motivational aspect is more essential for reaching goals. In contrast to Hinton's [2012] use of Snyder's definition of hope, Pitre's [2017] research employs Juntunen and Wettersten's [2006] definition. Pitre discusses international students who experience acculturative stress.[76] Her findings show that increased experiences of acculturative stress correlate negatively with hope, lower the student's perception of his/her ability, and decrease expectations of succeeding and maintaining a satisfying job. Although the groups described above are not identical in their characteristics to Arab women, they resemble them in the perception of Arab women in Israel.

There is little evidence of a direct connection between hope and unemployment in the literature. Waynor and Gill [2015] examined whether hope has an influence over attainment of employment goals among participants in employment support programs for the mentally ill. Although hope was revealed as a *'key recovery variable'*, it was negatively correlated with obtaining employment. These surprising results were explained by the fact that higher levels of hope are not always the best predictor of rehabilitation process outcomes (i.e. employment goal) among mentally ill individuals. this suggests that for certain populations, hope should be proportional to their state and employment barriers.

Optimism

Optimism is another component of PsyCap that is considered to be cognitive, affective, motivational, and behavioral. As shown below, although optimism is used commonly to describe positive expectancy of the future, in PsyCap it focuses more on individual's positive or negative interpretations and evaluations of present, past, or future events [Seligman 2002; Luthans et al. 2007a]. As with other PsyCap dimensions, optimism is also malleable.

The literature presents two types of optimism: dispositional and explanatory [Peterson 2000; Seligman 2002]. Dispositional optimism refers to a general positive expectation that goals will be achieved [Scheier and Carver 1992; Gillhame et al. 2001]. This leads a person to invest continuous efforts towards achieving those goals [Peterson 2000]. Explanatory optimism refers to how a person explains life events [Peterson 2000; Seligman 2002].

[76]Acculturative stress is reflected through verbal and nonverbal communication, stigma, lower family support, less sensitivity to their different values and culture, etc.

Seligman [2002] explains that events are interpreted through three dimensions: internality (internal vs. external explanation i.e. self-blame or self-efficacy); stability (stable vs. unstable i.e. happens always or only sometimes); and globality (global vs. specific i.e. generally in life or specific to the situation). For an optimist, positive events are interpreted as personally accredited, long-lasting, and global. On the other hand, the interpretation of negative events refers to external (environmental or situational factors), temporary, and situation-specific factors that only affect a specific domain of life [Gillhame et al. 2001; Luthans et al. 2007a]. In the same vein, a pessimist does not accredit positive events to their person, but rather to external factors, and self-blame tends to characterizes their response to negative events. *'Optimism is linked to positive mood and good morale; to perseverance and effective problem solving; to academic, athletic, military, occupational and political success; to popularity; to good health; and even to long life and freedom from trauma'* [Peterson 2000, p. 44]. Thus, it has many positive outcomes, while in complete contrast pessimism indicates depression, passivity, failure, social estrangement, illness, and even mortality [Peterson 2000].

Luthans et al. [2007a] adopt PsyCap Seligman's explanatory type of optimism to describe different reactions to situations. An optimist will embrace the changes that characterize the current labor market, will interpret negative events as being caused by external factors, will have positive expectations for the future, and will be more resilient. This gives optimists greater control over their lives and a sense of responsibility for their destiny and success.

In employment enhancement terminology, optimism is connected to an employee's ability to be employable. Luthans et al. [2007a] note that the outcomes of optimism within employment are: adaptiveness, proactivity, flexibility, self-initiation, trustworthiness, being more resistant, and welcoming challenges. Luthans et al. [2007a, p. 98] compare optimism to pessimism by stating that pessimists tend to *'dwell on incidences of failure or poor performance and stunt their own growth opportunities as they continue to seek their lost structure and certainty in their work lives'* [Luthans et al. 2007a, p. 98], leading to disengagement. Furthermore, an individual is more likely to feel negativity, which leads to lower levels of perceived job resources [Barkhuizen et al. 2014]. Mohanty [2010] found that greater positivity and optimism has a significant affirmative effect on the probability of finding employment. Moreover, it has a great influence on the ability to perceive unemployment more positively, with higher expectations of being reemployed [Curtin 2016]. Lim et al. [2016]

found that during stressful job searches, PsyCap in general, and optimism specifically, have a great influence on reemployment outcomes. Additionally, optimism plays an important role in generating positive work components and coping better with the negative ones [Barkhuizenet et al. 2014]. Lam et al. [2010] include optimism as one of the qualities that compose their readiness for change model (as mentioned in chapter 2.1.3). According to them, being more optimistic means being readier for change. Lo Presti and Pluviano [2016] mention optimism as an important personality trait which relates positively to the perception of employability. And similarly, Fugate et al. [2004] refer to optimism as an attribute that conditions the ability to be adaptive to challenges.

Thus, there is a clear representation of optimism in the literature as an important dimension in the employment enhancement field, be it for employee self-perception or for the ability to cope with unemployment. As optimism is malleable, it is worth while enhancing it rather than allowing people to stagnate as a consequence of being pessimistic. Since only one study was located that considered optimism among the economically inactive population, it is unclear what contribution optimism may have on changing their condition.

Self-efficacy

Self-efficacy is an internal cognitive resource that is fundamental to motivation [Bandura 1997]. It is centered around a perceived estimation of one's potential to achieve a specific level of performance within a certain task [Luthans et al. 2007a] and context [Pepe et al. 2010]. Self-efficacy is a self-belief [Hodges 2010] that dictates 'who you are' and 'who you can become' [Luthans et al. 2007a, p. 20]. Self-efficacy beliefs are structures that mirror the level of control people feel they have over life events [Pepe et al. 2010]. Therefore, people with high self-efficacy are distinguished by five parameters: (1) they set high goals and welcome difficult tasks; (2) they thrive in the face of challenges; (3) they are highly self-motivated; (4) they invest the necessary efforts to achieve their goals; and (5) they persevere when faced with obstacles [Luthans et al. 2007a, p. 38]. Compared to people with low self-efficacy, they are largely free of skepticism, less vulnerable to criticism, and suffer less from self-doubt [Luthans et al. 2007a].

PsyCap self-efficacy is based on Bandura's social cognitive theory [1997, cited in: Luthans et al. 2007a], and involves five cognitive processes: symbolizing, forethought, observation,

self-regulation, and self-reflection [p. 39]. These are the processes *'in which cognitive, social, emotional and behavioral skills must be organized and affectively orchestrated'* [Bandura 2012, p. 24]. According to Luthans et al. [2007a] self-efficacy has similar characteristics to other PsyCap components since it is cognitive, state-like, and open to development and enhancement.

Bandura [2012] states that there are four paths of potential development and impetus that help generate belief in one's abilities: (1) **mastery experience**, which refers to a former positive experience in which one has overcome barriers. The successful act, as well as the positive interpretation of it, shapes the confidence to succeed in a future task. Moreover, the ability to generalize success from one domain to another, has the potential to increase the belief in ability [Luthans et al. 2007a]. Additional ways to raise self-efficacy are to: break the task down into sub-components, give people tasks that they are more likely succeed in, or place people in a risk-free environment; (2) **social modeling and vicarious learning,** which happens when we are inspired by observing others experience success or failure in an endeavor similar to our own. This affects the belief in our own capabilities since through observation we can process and reflect on the situation in a selective manner [Luthans et al. 2007a]; (3) **social persuasion** refers to the ability to be persuaded by others in a way that influences self-efficacy. Acknowledgment from others, positive feedback, and signs of appreciation generate self-efficacy; turning 'you can do it' statements into an 'I can do it' approach; (4) **psychological and physiological arousal** which create a sense of well-being and a positive emotional state that fosters self-efficacy. These four conditions have the potential to enhance self-efficacy [Luthans et al. 2007a] through self-reflection and intellectual processing. They engender feelings of control and confidence that in turn, influence the individual's capabilities and strengths. This may affect the degree of motivation exhibited and the decision making process [Hodges 2010]. Hodges emphasized that the highest predictive power of self-efficacy improvement is that of having had a mastery experience.

Bandura [2012] states that self-efficacy functions similarly across different cultures by helping people to achieve their goals. Generally speaking, high self-efficacy correlates positively with performance and productivity, decision-making ability, academic success, initiative, and drive [Hodges 2010]. Self-efficacy was also found to help people regulate

emotions (i.e. self-regulation) [Pajic et al. 2018] and impact motivation and effort in such a way as dictate whether they will be self-enabling or self-debilitating [Bandura 2012].

Another well-studied characteristic of self-efficacy is its domain-specificity or universality. Bandura [2012, p. 15] suggests that *'people differ in their efficacy'* in different domains, as well as in various facets of the same domain. This means that the beliefs one has regarding his or her ability to perform a task should not be generalized to all domains. Bandura [2012] adds that a generalized view of self-efficacy may yield difficulties in predicting expectations. Consequently, current measurements of self-efficacy should be examined in the same domain of the task in discussion. Luthans et al.'s [2007a, p. 36] PsyCap theory embraces Bandura's view, thus PsyCap self-efficacy is domain-specific and results in better performance outcomes.

Various studies show a correlation between self-efficacy and employment. For example, Schaffer and Taylor's research [2012] of unemployed African-Americans shows that high self-efficacy generated a higher level of job-searching behavior. In terms of employability, researchers such as Fugate et al. [2004], Berntson [2008], Lo Presti and Pluviano [2016], and readiness researchers such as Keim and Strauser [2000], Ward et al. [2004] and Makki et al. [2015] all discuss the importance of self-efficacy in employment enhancement (as detailed in chapter 2.1). Regarding RFC, researchers such as Brendbekken et al. [2017], Li et al. [2006], and Franche and Krause [2002], agree that self-efficacy is a critical psychological resource needed to join the labor force; whether as an antecedent or as an outcome of enhancing other variables. Interestingly, Anthony's [2005] research on disadvantaged women (e.g. low income, minorities) found that self-efficacy and work attitudes are the most important characteristics in achieving job readiness, even more so than education, as certain skills can be learnt on the job. Anthony argues that for disadvantaged women personal soft skills (i.e. self-efficacy and work attitudes) are *'characteristics most promising for achieving sustained employment',* and should therefore be enhanced through tailored job training programs [Anthony 2005, p. 117]. This raises the question as to what extent enhancing self-efficacy could enable Arab women to achieve the goal of becoming economically active.

Resiliency

Resiliency is the forth PsyCap component. Resiliency is also an internal [Sèlebarska, Moser and Gunnesch-Luca 2009], cognitive, developmental, and state-like resource [Moorhouse and Caltabiano 2007; Fleig-Palmer et al. 2009; Luthans et al. 2015].

Generally, resiliency is defined as *'a phenomenon or process* [not a trait] *reflecting relatively positive adaptation despite significant adversity or trauma'* [Luthar et al. 2015, p. 4]. Luthans et al. [2007] describe it as a positive component that bestows *'the capacity to rebound or bounce back from adversity, conflict, failure, or even positive events, progress and increased responsibility'* [Luthans et al. 2007a, p. 112]. 'Bounce back' is explained by Luthar et al. [2015, p. 4] as the turning point where *'negative adjustment trajectories were transformed into positive, healthy ones'*. Consequently, resiliency is considered a process rather than a trait. Moreover, it is a process that improves the individual's resourcefulness [Sèlebarska, Moser and Gunnesch-Luca 2009, p. 162].

Research on resiliency identifies the factors that help correct the negative impact of adverse events, and the progressions that might lead to them [Luthar et al. 2015]. Therefore, resiliency is viewed as a composite of *adversity* (i.e. exposure to a high-risk condition) and *positive adaptation* (i.e. effective adjustment to this exposure). In other words, an individual's ability to overcome risk and move on from negative evets through positive adaptation (as opposed to dwelling on misfortune), displays their resiliency [Luthans et al. 2007a].

As discussed, for Luthans et al.'s [2007a] resiliency is a facet of the multidimensional and mutually reinforcing PsyCap construct. Resiliency is reliant upon the availability of other resources [Curtin 2016]. For example*, 'Fredrickson's broaden-and-build theory of positive emotions'* describes a framework in which '*the experience of positive emotions (e.g. optimism, self-efficacy) broadens or expands an individual's thoughts and behaviors. The broadening of one's awareness leads to novel or exploratory thoughts and actions that may undo or mitigate the effect of negative emotions… Individuals are able to draw upon these resources over time, which helps to build resilience'* [Fredrickson, 2013, cited in: Curtin 2016, p. 54]. Therefore, resiliency is developed on a foundation of positive emotions.

Luthans et al. [2007a] explain that resiliency, as proposed by the PsyCap model, is developed through three factors: assets (i.e. identification of cognitive abilities, positive self-

perception, emotional stability, other resources and their mobilization); risk factors (i.e. recognition and pro-active prevention of exposure to negative outcomes) [Hodges 2010; Luthans et al. 2006]; and accrediting the values and beliefs one possesses in order to *'influence the interpretation of adverse events'* [Luthans et al. 2007a, p. 213].

Resiliency in the labor market is also affected by, and correlates positively with, educational level. Dekker et al.'s [2014] research on job-seeking unemployed graduates shows that higher academic degrees result in far higher resiliency in comparison to lower-level education unemployed, even in times of economic crisis. Suggesting that resiliency is also affected by external factors.

Considerable attention has been paid to resiliency in the field of employment enhancement, primarily focusing on two labor market populations: employees and the unemployed. In their discussion of employability, Rothwell and Arnold [2007] view resiliency as an element of being employable. According to them, resiliency relates to self-perceptions regarding the competencies needed to respond effectively to different work-related circumstances. Caballero et al. [2011] use the term resiliency when discussing graduates who fail to enter the labor market since they lack certain requisite competencies to be work-ready. One of these prerequisite competencies is identified as resiliency. Different scholars have shown the connection between unemployment, as a major life stressor, and resiliency. For example, Sèlebarska et al. [2009] discuss the positive benefit of resiliency during the job seeking process. Moorhouse and Caltabiano [2007] note that unemployment creates adversity and accumulated risk factors (e.g. including poor job searching skills, financial hardship, and less job opportunities). However, the presence of resiliency helps protect the unemployed from the full impact of these setbacks. Chen and Lim [2012] demonstrate that resiliency as a component of PsyCap, is positively correlated with levels of perceived employability among displaced employees. This means that although displaced employees are likely to perceive themselves as incapable and unemployable, having greater resiliency helps them bounce back to their pre-involuntarily job loss state.

Evidently, resiliency is crucial when coping with unemployment. This is even more the case for members of a minority group who are more vulnerable to challenges in the labor market and job seeking process [Fleig-Palmer et al. 2009]. They may perform poorly in interviews, face cultural constraints, experience greater discrimination, and subsequently have limited

employment opportunities [Fleig-Palmer et al. 2009, p. 231]. Thus, scholars note that developing resiliency and other human capital skills (e.g. job search skills) is particularly relevant to helping minority groups increase employment outcomes, successfully pursue employment, and overcome potential barriers.

It is important to note that while the literature often discusses the importance of resiliency for employees and the unemployed, its value for the economically inactive population has largely been neglected.

In summary: Luthans et al.'s [2007a] theory considers PsyCap and its components as 'capital'. This is different from other 'neo-capital' concepts - human capital and social capital – in its focus. PsyCap discusses personal psychological resources, while human capital encompasses skills and knowledge, and social capital considers social connections and networks. PsyCap has been examined in the employment enhancement field in relation to different populations, but not on in relation to the economically inactive. Higher PsyCap levels have been found to elevate motivation and improve employment behavioral outcomes. Thus PsyCap is beneficial to those in the process of entering the labor market.

Research that connects PsyCap and RFC theory is very limited. Nevertheless, higher PsyCap levels have been shown to relate to greater readiness for change. In addition, the literature reveals that the PsyCap dimensions improve employment and job seeking behaviors.

2.3 Employment oriented behavior

This section presents the economic aspect of employment, with the aim of identifying the most appropriate way to measure employment behavior among the economically inactive. To date, no such measure has been found. Therefore, a term for this variable was devised for use in this research - *Employment Oriented Behavior* (EOB). To explain the meaning of this term, and my route to it, I will begin by considering some terms used to describe the working population.

The term 'productivity of labor' is used in the field of employment. It measures the efficiency to *'which inputs are used in an economy to produce goods and services and it offers*

a measure of economic growth, competitiveness, and living standards within a country' [ILO 2018, p. 131]. As this definition discusses the macro level, and this research is interested on the micro individual level, it is unsuitable. This term is even less suitable for any discussion of the inactive population since this group does not contribute to economic growth, market competitiveness, and living standards within a country. Thus, 'productivity of labor' cannot predict behavior of the inactive population.

I turn now to the organizational level of the working population that uses the individual as a reference point. My hypothesis about the economically inactive began with a consideration of Ekins's equation [1992, cited in: Cole 2007]: *'Productivity of labor'* (PL) measured in an organizational setting, for the working population and for individuals. This equation reveals that *'the variables within human capital, psychological capital, and organizational capital jointly determine productivity, and some level of each must be present for work performance to occur'* [Cole 2007, p. 182].

$$\mathbf{P_L = f\ (HC \times PC \times OC)}$$

PL (productivity of labor)

HC (human capital)

PC (psychological capital)

OC (organizational social capital)

Becker [1994] discusses HC as pertaining to a person's knowledge, skills, qualifications, level of education, form of training (e.g. on-the-job training or other types of informal education), and work experience. Accordingly, PL is a consequence of a person's HC. OC represents one's 'social capital' (e.g. relationships, values, rules, norms, etc.) which are shared with others working within an organization (e.g. organizational culture). This fosters cooperation and enables *'people to be jointly productive'* [Cole 2007, p. 179]. Thus, PL is also a consequence of social factors such as inter-employee relationships, communication, and peer influence. Psychological capital (PC) refers to characteristics which have a demonstrated effect on performance (behavior) and work attitudes. The variables that make up PL are indicators of the individual performance on the micro level.

This raises the question as to whether Ekins's equation is relevant and applicable to the economically inactive population, and particularly to inactive Arab women? A resolution may

be found by considering the following: (1) the relevancy of the P_L component to this population; (2) the relevancy of the OC component to this population; (3) the relevancy of the HC and PC components to this population and the relationship between them; (4) an explanation of how the productivity of economically inactive should be measured and constructed. These are discussed below.

(1) As noted above, the P_L component measures the productivity of labor participants. However, since the inactive population is not part of labor force, the component cannot be used in its existing composition. Nevertheless, it is important to measure the productivity of this demographic; therefore, it will be substituted by the modification P_{ei} - productivity of the economically inactive - as detailed below.

(2) The OC component should be discarded from this discussion given that this research examines people who are not attached to any workplace. Notwithstanding, one could argue that social capital (rather than OC) ought to be part of the discussion, since it is defined as encompassing any social structure of *'networks, norms and trust that enable participants to act together more effectively'* [Di Clemente et al. 2002, p. 231]. Nevertheless, even if one assumes that every individual has a social network, it appears that it has not served the economically inactive as a form of 'capital' (see discussion on p. 91) in the sense that capital provides power, return on investment, profits and goods [Lin 1999]. If the social network of the economically inactive was effective as social capital, one would expect them to make use of it to create ties to the labor market. Therefore, the social capital component, as it stands, was removed from the equation.

(3) Ekins's equation gives weight to the HC component[77]; however, the economically inactive are characterized by lower HC [Keeley 2007, OECD] and lack of skills [Chan et al. 2006]. As such, we ought to treat HC as having limited influence on P_L for the inactive. Nonetheless, *'a higher level of psychological resources* (PC) *may compensate somewhat for limited ability* (HC)' [Cole 2007, P. 184]. This compensation represents the relations between HC and PC for the economically inactive population. Consequently, PC becomes a critical and essential component for the employment enhancement of the inactive. Moreover, labor market programs designed to help those who are not in labor force are likely to be more

[77]The HC component was elaborated on p. 19.

effective *'if they target both human capital and psychological capital'* [Cole 2007, P. 170]. This since personal attributes are associated with better attitudes toward work [Luthans et al. 2007a]. Comparing two people with the same HC, the one with higher personal resources (PC) will have a greater capacity to perform better [Jewell 1985, cited in: Cole 2007]. Therefore, I propose to follow Cole's [2007] suggestion of change inactivity rates by compensating for the lack of HC by the addition of PsyCap. Psychological skills are more malleable and more easily shaped (see p. 92) than HC skills are [Carneiro et al. 2005]. Furthermore, enhancing HC is not entirely within the individual's control; it is reliant on the social apparatus and takes longer to enhance. In contrast, PC is in within the individual's control and quicker to enhance. Therefore, it is economically more worthwhile to develop PC than it is HC. Cole [2007] adds that the combination between HC and PC demonstrates *'how economic theory can be significantly improved by the inclusion of psychological variables'* [p. 169]. Consequently, I hypothesize that PC is the most important component in developing P_{ei}.

In conclusion, PC is regarded as one of the most influential components in the P_{ei} equation for the inactive, the HC component is less important, and OC is appearing to be irrelevant. Thus, Ekins's equation is modified as follows:

$$\mathbf{Pei = f\,(HC \times PsyCap)}$$

(4) It is necessary to determine how the employment productivity of the economically inactive should be measured. I examined the literature in the field of employment enhancement (see chapter 2.1) since it discusses various population types, and found that in the literature that focuses on employability (chapter 2.1.1) the HC component was the most common target of enhancement programs. The employment outcomes of employability populations (i.e. employed, reemployed, and graduate) are measured mainly by productivity, using rigid numeric monetary metrics such as: gross income, number of promotions [Van der heijde and Van der Heijden 2006], wages, quality of job [Fugate et al. 2004], number of working days/hours [McQuaid and Lindsay 2005].

Literature focused on work readiness (see chapter 2.1.2) discusses both HC and PC components. The employment outcomes of work readiness populations (e.g. unemployed, welfare recipients, people with disabilities, and graduates) were: going/not going to work

[Ward et al. 2004], being recruited [Caballero et al. 2011], enter and maintain a work position [Keim and Strauser 2000], and employment self-perception [O'Neil Wolf 2010; Audet 2012]. Thus, work readiness is measured by both productivity and performance components.

Readiness for change (RFC) is measured mainly through the PC component (psychological resources dimensions). Research populations such as welfare recipients, injured, and unemployed, are assessed by different employment outcomes such as working/not working [Braathen 2014; Curtis 2016; Brendbekke 2017], and behaviors, such as job seeking, overcoming obstacles, looking for assistance, entering into training [Lam et al. 2010], improved motivation, and having an action plan [Li et al. 2006]. Therefore, it appears that employment outcomes are measured more in terms of performance (behaviors) and attitudes, and less through numeric variables such as are used for HC.

As the research population in question herein bears a greater similarity to the RFC population (see pg. 89-90), measurement of their employment outcomes should be presented in terms of behavioral and attitudinal variables rather than via numeric hard metrics. It is valuable to recall Prochaska et al.'s [1992] conclusion which states that in-order to start the process of change (i.e. join labor market), the enhancement of PC (personal psychological resources) is essential and critical. Thus, when examining the outcomes of PC interventions for the economically inactive, measurements ought to be centered on behavioral performance and attitudes.

It is also important to refer to the outcome of working/not working[78] previously mentioned as a measurement of readiness for change. One might presume that the economically inactive are assumed to not yet be prepared to change their employment status (i.e. are in the pre-contemplation or the contemplation stages of the RFC model), or that they might hardly consider going to work. Hence, a suitable set of metrics are needed to measure behaviors that 'bring them closer to employment', but do not necessarily take them into a job. Thus, for the inactive, readiness for change parameters seem insufficient.[79] The definition and measurement of the dependent variable required for this research must be

[78]It is a central idea in the Israeli ALMP 'work-first' approach (see elaboration on p. 66).

[79]Although the work/not work measurement is sufficient for the unemployed population, as seen in Braathen 2014; Curtis 2016; Brendbekke 2017 researches.

wider and look deeper towards alternative behavioral orientations, rather than just accounting for the outcome of going to work.

Two more issues need to be addressed in terms of inactive Arab women. First is the issue of employment barriers. As presented above (see chapter 1.3), the different barriers (i.e. education, culture, health, infrastructure, and social policy) also affect the ability to become economically active, especially in the case of Arab women. No work readiness or RFC research considers such barriers as components within its equation. However, it seems important to account for the effect of these barriers, and not just of job seeking behaviors, as part of the examination of employment behavior outcomes.

Second, is the issue of patterns of Israeli Arab women's employment as reflected in high economic inactivity rates. According to Jabareen [2015], this is on a par with that of Arab developing countries but not with that of a developed county. This means that we cannot measure Arab women's employment outcomes using the same measures that are employed in studies of a western developed countries. Rather, they must be assessed using metrics that are suited to traditional and peripheral societies, and must account for applicable behaviors when overcoming the above-mentioned barriers.

Currently, Israeli Arab women's employment training programs, as provided via ALMP, are primarily focused on developing HC skills such as: CV writing, interview skills, language development and vocational skills (see elaboration on p. 69). However, it is of little surprise that these programs have not brought the major changes in employment rates they promised, which suggests that current employment enhancement methods and ALMP are not effective enough.

Summary of chapter 2

The purpose of this chapter was to propose an alternative method to solve the problem of economically inactive Israeli Arab women. The discussion focused on three themes: the field of employment enhancement; psychological resources such as PsyCap theory; and, appropriate labor productivity metrics for economical inactivity. The employment enhancement field was found to be comprised of three principal theoretical concepts: employability, work readiness, and readiness for change. These were examined using the 'scale of analysis'. The resulting analysis revealed that the concept of readiness for change

best matches the characteristics of the economically inactive. Moreover, it found that Lam et al.'s [2010] readiness for change theory, which assesses the individual's perception of the stages of willingness and readiness to change employment behavior, was of particular relevance. The individual can be in either one of the three stages: pre-contemplation, contemplation, or action. To bring the individual closer to labor market, and make them ready for change, demands a progression through the stages. This requires a change in mind-set that necessitates the precondition of possessing certain psychological resources. For those reasons, Luthans et al. [2007a] psychological capital theory was chosen as the most appropriate for use in this study. It has a fourfold and unique character that: (1) takes a 'positive psychology' approach and is positively oriented; (2) is a high-order integrative core construct theory comprised of four separate dimensions (i.e. self-efficacy, hope, optimism, and resiliency), which are empirically valuable individually and more so in sum. These have a synergistic value that acts as a resource in its own right; (3) is a state-like and simultaneously malleable construct that can be enhanced through interventions; (4) it is a capital that yields surplus value, thus it is an investment. Research shows that investment in PsyCap is beneficial in strengthening personal psychological capacities in a range of life domains (e.g. academic achievement, health, well-being), as well as assisting in the process of joining the labor force and changing employment status. Finally, although PsyCap was mostly studied within the organizational context (as it stems from the positive organizational behavior approach) and less so within the labor market context, its malleability might be useful for the design of active labor market policies.

PART TWO • Empirical Study

The empirical study of this thesis is rooted in the positivist paradigm [Newman 2014], which argues that a researcher can make reasoned estimates based on probabilistic causes that produce proven outcomes. Thus, under certain conditions there is a high probability of a certain predictive behavior occurring and resulting in an observed outcome [Newman 2014]. This paradigm is suitable for this study since: (1) my research attempts to estimate causal laws which, under certain circumstances, can predict a behavior; (2) the scholarly basis of this research are studies measuring outcomes based on prevailing theories; (3) my research consolidates concepts into variables that form the hypotheses and the data collection procedure [Croswell 2014, p. 36].

This research follows a descriptive correlative design [Beyth-Marom et al. 2009]; it begins with a question, then measures behaviors and attitudes, examines statistical relations, and ends by offering a detailed picture of a specific social condition. In that way, the resulting picture may act as a basis for future policy decisions [Newman 2014, p. 38].

This dissertation presents two empirical studies. The *first* study, presented in chapter 3, is a cross-sectional comparative study based on data from the Israeli Central Bureau of Statistics (CBS) annual social survey (2017). Since this data is representative of the whole Israeli population, it enables a comparison of research variables (PsyCap, RFC and EOB) between Arab and Jewish women in terms of employment status (employed, unemployed, inactive) and other socio-demographic characteristics. This first study aims to provide an answer to the question: How does PsyCap (i.e. psychological capital) and RFC (i.e. readiness for change) relate to the EOB (i.e. employment oriented behavior) of Israeli economically inactive Arab women? Notably, this part of the research is reliant on data from external sources and consequently is forced to use proxies of metrics. So, PsyCap is assessed via metrics of psychological resources, RFC - via work readiness, and EOB - via labor market oriented activity. Examining this data preliminarily, is intended to provide a snapshot of the phenomenon of economic inactivity among Israeli Arab women.

The *second* study, presented in chapter 4, is a smaller and independently conducted survey of Israeli economically inactive Arab women. Since the first preliminary study reveals only a

partial impression of the situation, supplementary research was needed to measure the full range of variables and gradations, and to provide an in-depth analysis of their relationships. In this independent study, PsyCap is measured via four dimensions: self-efficacy as per Schwarzer and Jerusalem [1995] and Bandura [2006]; optimism as per Scheier, Carver, and Bridges [1994]; hope as per Snyder et al. [1991] and resiliency as per Smith et al. [2008]. The RFC variable is measured using Lam's Assessment on Stages of Employment Readiness (LASER) scale [Lam et al. 2010]. Finally, EOB is a novel and self-designed variable, which I tailored to the study of the inactive population. It is measured via two dimensions: overcoming barriers, and labor market oriented activity. This research was conducted using the snowball technique that made it possible to reach the specific study population, and was chosen due to its convenience and efficiency.

3 Chapter III. Psychological Capital, Readiness for Change and Employment Oriented Behavior of Israeli Inactive Arab and Jewish Women - a Comparative Analysis Based on Israeli Social Survey Data

3.1 Introduction

This chapter offers a snapshot of inactive Arab women as seen through a cross-sectional study. Data from the Central Bureau of Statistics (CBS) 2017 Israeli social survey was analyzed with the aim of learning what characterizes the employment hardships of this population through the lens of three factors: PsyCap, RFC, and EOB.

While the findings of the analyses alone do not provide any definitive solution to the research question regarding inactive Arab women, their value lies in a comparison with a parallel group - inactive Jewish women. While both populations live in the same country, they differ in several important characteristics. Firstly, Arabs are the minority group while Jews represent the majority. Secondly, while both groups face employment barriers, the degree and volume of these facing Arab women are very different. Consequently, each group experiences differences in employment opportunities. Thirdly, the inactivity rates differ significantly: 69.6 percent for Arab women and 30 percent for Jewish women.

The aims of this cross-sectional study, its research question and hypotheses, research method, and description of the research population, will be presented below. This will be followed by the results of my analyses, a discussion of the findings, and the study's limitations.

3.2 Aims of the study

This research sets out with two aims. The first is to preliminary examine whether the three variables that have not been tested as yet on the inactive Arab women's population (i.e. PsyCap, RFC, and EOB), can serve to measure this group in the employment context. The second aim is to scrutinize the links between PsyCap, RFC, EOB, and socio-demographic characteristics, and to examine whether these variables indicate applicable tools to help enhance employment among inactive Arab women.

This thesis is centered on inactive Arab women whose employment situation has various causes and profound consequences. The literature examined did not present references to the inactive population's employment behavior, PsyCap, or RFC (see elaboration on section 3.3.2). As the inactive demographic does not work by definition, commonly used employment outcomes metrics that are suited to studying the employed and unemployed, are not sufficiently sensitive to measure changes in their employment behaviors. Thus, the dependent variable - EOB was developed to serve this purpose. Furthermore, As the social survey examined herein uses research items developed for other purposes; consequently, my analyses employ proxies of measurements. The variables were substituted as follows: EOB is examined through labor market oriented activity; PsyCap is adjusted to psychological resources; RFC is converted into work readiness.

This investigation attempts to answer the following questions:

1. What are the identifiable differences between Arab and Jewish women's psychological resources, in terms of employment statuses (employed, unemployed, inactive) and other relevant socio-demographic factors?
2. What are the differences between inactive Arab and Jewish women's work readiness?
3. What are the differences between inactive Arab and Jewish women's labor market oriented activity?
4. What are the relationships between inactive women's psychological resources and work readiness?
5. What are the relationships between inactive women's psychological resources and labor market oriented activity?

Answering these questions will achieve a situational snapshot of Israeli inactive Arab women's characteristics in respect to three variables: PsyCap, RFC and EOB.

Research question and hypotheses

A review of the literature carried out in the previous chapters indicates the complex and difficult situation faced by Arab women. It also presents the role of PsyCap, and its individual components, in human behavior and decision making. Without diminishing the significance of

the social, cultural, and economic life conditions that Arab women experience and which effect their employment activity, I will attempt to highlight the role of PsyCap and RFC as a cause of Arab women's economic inactivity by asking the following:

Q. How do psychological capital (PsyCap) and readiness for change (RFC) relate to the employment oriented behavior (EOB) of economically inactive Israeli Arab women?

In order to answer the above, one must compare PsyCap, RFC, and EOB between inactive Arab and inactive Jewish woman. It is also essential to compare the relationships between these variables. As aforementioned, the variables names have been changed for the purposes of my research targets. There follows an explication of the theoretical basis for each hypothesis, followed by an illustration and explanation of the research model.

The OECD [nd, cited in: Cole 2007] emphasizes the need to enhance psychological resources that relate to better employment outcomes. Equally, Cole [2007, p. 196] notes that *'people with poor psychological capital* (i.e. PsyCap) *are likely to remain economically inactive'*. As Arab women have a higher inactivity rate than Jewish women, and since they face more employment barriers (e.g. education, culture, infrastructure) (as discussed in chapter 1.3), it is predicted that they will exhibit less psychological resources than inactive Jewish women. Subsequently, the first hypothesis is:

H.1. Economically inactive Arab women have less psychological resources than inactive Jewish women.

In the same vein, since Arab women face a complex combination of employment barriers that lead to higher inactivity rates than Jewish women, it is predicted that inactive Arab women will exhibit less readiness for change than inactive Jewish women. Notably, readiness for change is measured through work readiness. Thus, the second hypothesis is:

H.2. Economically inactive Arab women are less work ready than inactive Jewish women.

Since Arab women have a higher inactivity rates than Jewish women due to these barriers, it is further anticipated that they will exhibit less employment oriented behavior (EOB) than Jewish women (i.e. measured by labor market oriented activity). As such, the third hypothesis is:

H.3. Economically inactive Arab women perform less labor market oriented activity than inactive Jewish women.

Luthans et al. [2007a] refer to PsyCap as psychological resource and Prochaska and Di Clemente [1982] and Lam et al. [2010] claim that people who have greater psychological resources will be at higher stages of readiness for change. Assuming that H.1. and H.2. are confirmed one would expect that, in the case of inactive women, more psychological resources will be related to higher stages of RFC. Moreover, it is expected that inactive Arab women with lower psychological resources will be less ready for change than inactive Jewish women. Thus, the fourth hypothesis is:

H.4. The lower the psychological resources, the lower the work readiness among inactive women.

Luthans et al. [2007a], Pajic et al. [2018], and others have shown that a higher level of PsyCap positively effects employment outcomes, be it in the organizational field (for the employed) or job search field (for the unemployed). Assuming that H.1. is confirmed, it is expected that a positive relationship between PsyCap level and EOB will be confirmed in the case of the economically inactive. Moreover, one expects to find that inactive Arab women with less psychological resources will demonstrate less employment oriented behavior than inactive Jewish women. Consequently, the fifth hypothesis is,

H.5. The lower the psychological resources, the lower the probability of labor market oriented activity demonstrated by economically inactive women.

Figure 3.1. illustrates the cross-sectional research design model. It shows each variable by its conceptual name and by its de-facto metric name (due to the limitations presented by external design). In addition, the model presents PsyCap's twofold function: In the first instance, the investigation of H.1., PsyCap is a dependent variable and is examined comparatively. The differences in psychological resources are expected to arise from ethnicity, employment status, and socio-demographic variables which also represent employment barriers (as discussed in chapter 1.3). In the second instance, in the analysis of H.4. and H.5, PsyCap acts as an independent variable. H.4. examines the relations between PsyCap and RFC by ethnicity, and H.5. examines the relations between PsyCap and EOB by ethnicity. In the case of H.2 and H.3. a comparative approach is also used: H.2. examines the differences in the

level of work readiness (i.e. readiness for change) by ethnicity while H.3. examines the differences in EOB by ethnicity. Notably, the relationship between RFC and EOB is not examined due to a very low response rate.

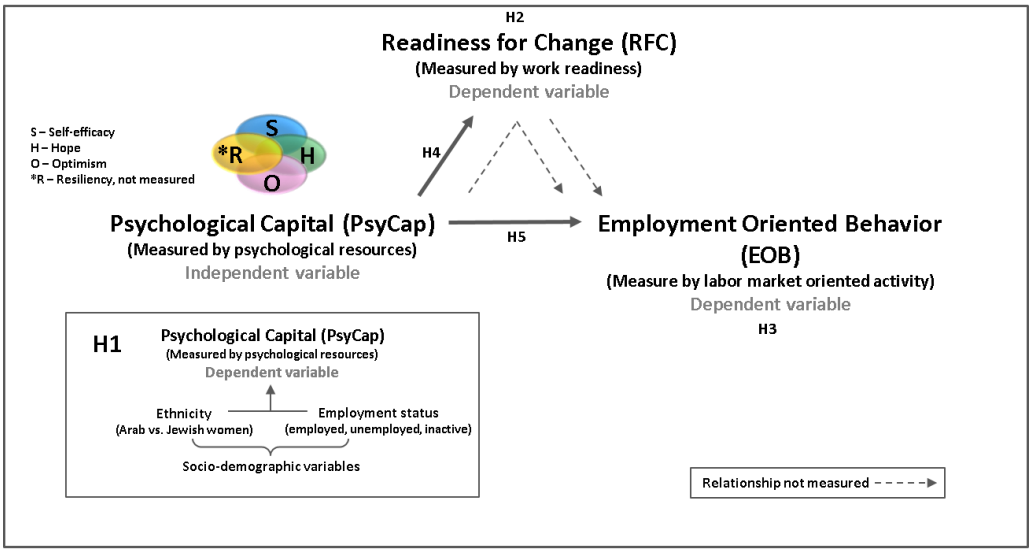


Figure 3.1. Cross-sectional research design model

3.3 Research method

This section presents the research methodology. It elaborates on the data collection method, defines the research variables by their conceptual and operationalization definitions, and details the statistical analyses performed.

3.3.1 Data

This cross-sectional analysis is based on data from the Israel Social Survey (ISS) that is performed annually by the Central Bureau of Statistics (CBS). It relies on a representative sample and includes sufficient data for the comparison between Arab and Jewish women. Its scope allows for generalizing findings for the whole population [Omair 2015]. The social survey's data (i.e. cross-sectional) is gathered at a single point in time which enables the identification and analysis of potential associations between variables [Creswell 2014], but not those of causation [Newman 2014].

CBS social surveys usually consist of two parts: the first is a basic questionnaire which gathers objective socio-demographic data (e.g. age, gender, economic status, employment, health, religiousness, education, children) and attitudes (such as sense of well-being,

satisfaction, etc.). The second part is a themed questionnaire that changes annually. In 2017, this part was devoted to health and lifestyle. At the time of writing, the 2017 survey was the most recent data available.

3.3.2 Description of research variables

This section describes the variables by their theoretical and conceptual definitions, and operationalization and direct measurement scales.

Psychological Capital

The literature on employment enhancement examines various psychological resources as independent variables. For example, Keim and Strauser [2000], Franche and Krause [2002], Cole [2007] examine self-efficacy; Lam et al. [2010], Curtis [2016] and Lim et al. [2016] examine optimism; Lam et al. [2010], Hinton [2012] examine hope; and Rothwell and Arnold [2007] and Caballero et al. [2011] examine resiliency. As shown, these psychological resources are examined separately; however, the literature also expounds on psychological capital (PsyCap) theory which combines individual resources in a high-order and multidimensional core construct [Luthans et al. 2007a]. The uniqueness of this construct is its synergistic effect, in which the value of the whole is greater than the sum of its parts [Avey, et al. 2011]. Scholars such as Oglensky [2013], and Chen and Lim [2012] have shown that PsyCap has a positive effect on job seeking (i.e. EOB labor market oriented activity - dependent variable); yet PsyCap has not, yet, been used to examine the economically inactive, let alone economically inactive Arab women. As such, Luthans et al.'s [2007a] PsyCap is adopted in this research.

Luthans et al. [2007a, p. 3] describe PsyCap as *'an individual's positive psychological state of development'*. It is comprised of four cognitive emotional components: **self-efficacy** – *'having confidence to take on, and put in, the necessary effort to succeed at challenging tasks'*; **optimism** – *'making a positive attribution about succeeding, now and in the future*'; **hope** – *'persevering toward goals and, when necessary, redirecting paths to goals in order to succeed*'; **resiliency** – *'when beset by problems and adversity, sustaining and bouncing back and even* beyond to attain success'.

Measurement

The current research uses the conceptual definition of PsyCap to define the PsyCap metric. However, the operationalization is slightly different from Luthans et al.'s [2007a] PsyCap measurement scale. The cross-sectional research conducted by the CBS uses specific terms which have been substituted as proxies for the original PsyCap metrics, as detailed: (a) the social survey examines three PsyCap dimensions - self-efficacy, optimism. and hope. No 'resiliency' equivalent items were present; (b) the social survey employs different terms for the dimensions than Luthans et al.'s [2007a]; (c) the social survey presents one item for each dimension instead of six components per dimension as per Luthans et al. Nevertheless, items from the social survey were carefully selected to represent, as closely as possible, the original PsyCap components. Notably, only one item was found for each dimension and it was not possible to measure reliability.

The following lists the questions from the survey as they relate to a PsyCap variable and the metrics that were used:

Self-efficacy – 'in the last 12 months, have you felt that you are able to cope with your problems?' This item was measured on a 1-4 ordinal scale, in which 1= "always" and 4= "never";

Optimism - 'in the next few years, do you think your life will get better or worse than it is now?' This item was measured on a 1-3 ordinal scale, in which 1= "better" and 3= "worse";

Hope - 'in the last 12 months, have you felt full of energy?' This item was measured on a 1-4 ordinal scale, in which 1= "always" and 4= "never".

As evident, the scales used mean that a higher score points to a worse perception of the condition in question. Therefore, the scores were reversed. In other words, a low score of 1 indicates lower levels of self-efficacy, optimism, and hope, while a high score or 4 indicates greater levels.

The scales used prevent one from measuring PsyCap in the manner employed by Luthans et al. [2007a] - as a high-order multidimensional core construct and synergistic variable. This is since responses to the three items are not measured on the same scales. Consequently, the optimism scale was changed as follows: 1 = "worse"; 2.5 = "will not change"; 4 = "better". This

manipulation enables a calculation of the PsyCap core construct as a sum of three dimensions, while the relative weight of the dimensions remains equal (i.e: 1/3 x optimism + 1/3 x self-efficacy + 1/3 x hope). The scale for PsyCap ranges between 3-12; higher scores indicate higher levels of PsyCap. The Cronbach Alpha of PsyCap was 0.51.

Readiness for Change

This variable is rooted in Lam et al.'s [2010] readiness for change (RFC) theory which defines RFC as an individual's perception regarding making changes to his/her employment behavior. The characteristics of Lam et al.'s research population - Afro-Americans on welfare benefits - resemble those of Arab women. This enables the utilization of Lam et al.'s conceptual definition and classification of stages in this research.

Lam et al. [2010] developed the LASER (assessment scale of readiness to change stages) based on the notion that individuals modify their behaviors with regards to RFC through three stages. Each stage is defined by the individual's level of willingness to change. The stages echo the individual's available psychological resources. These stages are: **Pre-contemplation** – when an individual doesn't recognize the need to change, nor are they willing to do so; **Contemplation** – an ambivalence while contemplating behavioral change, but without showing initiative to do so; **Action** – the individual is ready and willing to pursue change. To date, no research has examined economically inactive individuals using the LASER scale, let alone inactive Arab women.

Measurement

This research adopts Lam et al.'s [2010] conceptual definitions, however, their operationalization requires further attention. The item in the social survey that was most similar to LASER was the question: 'Are you interested in working in a suitable job for you'? Its essence can be understood as most resembling the substance of the contemplation stage, although using different terminology[80]. In the survey this item is measured nominally by

[80] The LASER contemplation stage item that matches the RFC social survey item is: 'I have been thinking that it might be time for me to find a job'.

yes/no options instead of on a scale of 1-5, as one finds in LASER. As a result, the RFC variable requires an alternative measure, one that differs from the LASER.

Reviewing the literature reveals that the above item ('are you interested in working in a suitable job for you?') is most akin to Caballero et al.'s [2011, p. 49] work readiness item 'cannot wait to start work'. Thus, the operationalization of the RFC variable was modified into an item taken from Caballero et al.'s [2011] work readiness term[81]. Using this item has threefold limitations: firstly, as noted on pg. 88-89, the work readiness term is not best suited to describing employment enhancement among the economically inactive population. Hence, the RFC term was used in this thesis. Secondly, Caballero et al. discuss the work readiness of graduates (before entering their first job), and not the work readiness of the inactive. Thirdly, they discuss other people's perception of work readiness and not the individual's self-perceptions, as is the case with RFC. With this in mind, this work negotiates the limitations above by guardedly substituting RFC with the term work readiness.

Employment Oriented Behavior

The literature reviewed did not offer an employment outcomes metric for the economically inactive population. Consequently, a need arose to develop an adaptive measurement for this research. The inactive are people who are not in work at the point of study, so by definition, they do not work. To examine their employment outcomes demands a scale sensitive enough to measure any proactive behavior, no matter how slight, that potentially brings them closer to employment. Israeli Arab women face many barriers that taking any action to overcome might be read as proactive behavior towards employment. Thus, I argue that activities aimed at overcoming socio-cultural barriers, that may also impact economic inactivity, should be treated as employment oriented behavior. In addition, there is a need to measure labor market oriented activity. Job seeking methods among Arab women may differ from those used in developed market economies. Sending applications for a position, for example, is relatively rare, whereas the use of the social networks to find a position is more common. The measure

[81] Caballero et al. define work readiness as *'the extent to which graduates are perceived to possess the attitudes and attributes that make them prepared or ready for success*' [Caballero et al. 2011, p. 42].

needs to be sensitive enough to measure small proactive activities relating to job searching that might not register on existing scales.

The literature shows that populations that resemble the inactive (e.g. welfare recipients, injured, unemployed, and the like) are studied through measurements related to attitudes and behaviors. However, the employment behavior variable for the inactive ought to be comprised only of active behaviors to differentiate it from the RFC variable. Behaviors such as job searching, that involves looking for a job, removing obstacles, seeking assistance, and entering training, were measured. by Lam et al. [2010] Oglensky [2013], Pajic [2018], and Gregious and Nikolaou [2018]. Although Braathen [2014], Curtis [2016], Brendbekke [2017] studied their subjects in terms of work/not work, it seems that their metrics are unsuitable to the inactive, as they do not demonstrate the necessary sensitivity. An alternative employment behavior metric is needed for inactive Arab women; one that measures behaviors which are oriented towards employment, on a scale that does not peak in actual employment.

Measurement

The employment oriented behavior (EOB) variable designed for this study is a construct of performed behaviors that are oriented towards labor market participation. It is comprised of two dimensions: **overcoming barriers** - behaviors that demonstrate the individual coping with employment barriers and taking action to reduce their impact; and **labor market oriented activity**. In the cross-sectional survey EOB is examined only in terms of labor market oriented activity; there is no item in the survey that addresses the 'overcoming barriers' dimension.

One item from the survey was used to measure the **labor market oriented activity** dimension: 'Have you been actively seeking a job in the past 4 weeks?' This is a nominal discrete variable [Newman 2014] measured on a yes/no scale.

Control variables

Socio-demographic variables including **ethnicity** and **employment status** were used in this research. Ethnicity is a categorical variable, measured by: (1) Jewish; (2) Arab - which combines three categories: Muslim, Christian and Druze. Employment status is a categorical variable, comprised of three categories: employed, unemployed, and economically inactive.

Additional control variables used represent employment barriers (discussed on chapter 1.3) and socio-demographic and family related data. It is difficult to hypothesize the directionality or dominance of any of the variables. The following is a list of the additional socio-demographic variables which examined to assess their effect on the data.

- Categorical variables –
  - Family status; 1 (married); 2 (divorced/separated); 3 (widowed); 4 (single).
  - Military service and national service; items 'did you serve in the military'? / 'did you perform national service'? 1 (yes)/ 2 (no).
  - 'Reasons for not searching for a job in the last four weeks': 1 (physical disability/disease); 2 (caregiver for family/home); 3 (no jobs in residential area; 4 (no jobs in profession); 5 (no suitable salary, working hours, interest); 6 (lack of experience/ language deficit); 7 (other).
- Ordinal variables –
  - Age; 1 (20-24); 2 (25-29); 3 (30-34); 4 (35-39); 5 (40-44); 6(45-49); 7 (50-54); (55-59).
  - Religiosity: for non-Jewish – from 1 (very secular) to 4 (very religious), for Jewish – from 1 (very secular) to 5 (orthodox). The Jewish scale was transformed into a four options scale (orthodox and very religious were combined). The scales were re-coded in a reversed manner.
  - Number of children.
  - Health status – from 1 (very good) to 4 (not at all good). The scale was recoded in a reversed manner.
  - Education: highest diploma received – from 1 (no education) to 7 (third degree).

3.3.3 Statistical analyses

Both non-parametric analyses (performed through Mann-Whitney and Kruskal-Wallis exams) and parametric one-way ANOVA analyses, were used to examine the differences between groups. An interaction effect examination was performed with the aim of identifying the effect of the interaction between two given factors (i.e. between ethnicity and employment statuses on PsyCap). In order to examine the relationship between variables, Chi-square, Cramer, and Spearman correlation analyses were performed. In addition, Fisher's significance of correlations test was performed to examine the significance of differences

between correlations. To evaluate the unique influence of variables over multi-variable models, logistic regression analyses were performed for binary nominal variables, and linear regression analyses were performed for scale variables. All analyses were performed using the Statistical Package for the Social Sciences (SPPSS, version 20).

3.4 Research population

The entire social survey involved 7,230 respondents aged 20-years old and above. For the purposes of this research, males, students, and respondents older than 60 years-old were removed. The final sample included 2,568 female respondents aged between 20-59-years old, of which 1,950 were Jewish (73.8 percent), 618 Arabs (23.4 percent), and 73 identified as Other or Atheist (2.8 percent).

Table 3.1 presents the socio-demographic characteristics (i.e. age, family status, education, employment status, religiosity, number of children, health status, military and national service) of the general sample, by ethnic group. Group comparisons were performed using Mann-Whitney and Chi-square tests. It shows the important and significant differences between Israeli Jewish and Israeli Arab female general populations. Relative to Jewish women Arabs respondents are younger, are more likely to be married (less likely to be divorced or single), have (more) children, are much less educated, are less likely to be in national service, and are more religious. In addition, despite being younger overall, Arab women reported poorer health than Jewish women. It is important to note that the sample is characterized by the fact that many participants did not answer certain items. This caused their number (i.e. n) to vary between the different analyses performed.

Table 3.2 presents the socio-demographic characteristics (i.e. age, family status, education, and employment status, religiosity level, number of children, health status, military and national service) of the inactive sample, by ethnic group. Group comparisons were performed using Mann-Whitney and Chi-square tests.

The analyses presented in Table 3.2 shows several significant differences between Israeli inactive Jewish women (n=193) and inactive Arab women (n=276). Relative to Jewish women, Arabs have much lower education levels, are much more religious, have more children, and

are less likely to perform national service[82]. In contrast to the differences found in the general population (Table 3.1), there were no significant differences in age, family status, and health status.

[82] Arab women do not perform military service. Only 18 out of 278 Arab women responded to this item.

Table 3.1. Socio-demographic characteristics of Jewish and Arab women aged 20 – 59yrs old

		Jewish		Arab		
		n	%	n	%	Group comparison & Effect size
Age	20-24	257	13.2	102	16.5	$Z=3.55^{**}$
	25-29	246	12.6	100	16.2	$\eta^2=.00$
	30-34	283	14.5	93	15.0	
	35-39	253	13.0	80	12.9	
	40-44	282	14.5	67	10.8	
	45-49	234	12.0	74	12.0	
	50-54	188	9.6	60	9.7	
	55-59	207	10.6	42	6.8	
Family status	Married	1281	65.7	449	72.7	$\chi^2=13^{**}$
	Divorced/separated	172	8.8	37	6.0	Cramer's V=.07
	Widowed	17	.9	8	1.3	
	Single	17	24.6	8	20.1	
Educational Degree	None	79	4.1	158	25.6	$Z=11.24^{**}$
	High school	773	39.7	191	30.9	$\eta^2=.05$
	Vocational certificate	295	15.1	129	20.9	
	BA	515	26.4	120	19.4	
	MA+	287	14.7	20	3.2	
Employment status	Employed	1692	86.8	304	49.2	$\chi^2=405.05^{**}$
	Unemployed	65	3.3	38	6.1	Cramer's V=.40
	Inactive	193	9.9	276	44.7	
Religiosity level	Secular	842	43.2	106	17.2	$Z=14.73^{**}$
	Traditional	650	33.4	102	16.5	$\eta^2=.08$
	Religious	219	11.2	380	61.5	
	Very religious	236	12.1	30	4.9	
Number of children	0	527	27.4	156	26.0	$Z=4.13^{**}$
	1	225	11.7	57	9.5	$\eta^2=.01$
	2	404	21.0	98	16.3	
	3	421	21.9	90	15.0	
	4	174	9.0	105	17.5	
	5	80	4.2	50	8.3	
	6	42	2.2	21	3.5	
	7+	53	2.8	23	3.8	
Health status	Poor	21	1.1	23	3.7	$Z=7.91^{**}$
	Not very well	97	5.0	66	10.7	$\eta^2=.02$
	Good	539	27.7	219	35.4	
	Very good	1292	66.3	310	50.2	
Military service	Yes	1106	56.7	7	6.5	$\chi^2=102.84^{**}$
	No	844	43.3	100	93.5	Cramer's V=.22
National service	Yes	239	28.3	20	3.3	$\chi^2=151.93^{**}$
	No	605	71.7	591	96.7	Cramer's V=.32

$^{**}p<.01$

Table 3.2. Socio-demographic characteristics of inactive Jewish and Arab women

		Jewish		Arab		
		n	%	n	%	Group comparison & Effect size
Age	20-24	28	14.5	53	19.2	Z=1.40
	25-29	23	11.9	33	12	η^2=.00
	30-34	22	11.4	34	12.3	
	35-39	22	11.4	32	11.6	
	40-44	25	13	27	9.8	
	45-49	23	11.9	32	11.6	
	50-54	17	8.8	32	11.6	
	55-59	33	17.1	32	11.6	
Family status	Married	130	67.4	209	75.7	χ^2=4.84
	Divorced/separated	17	8.8	15	5.4	Cramer's V=.10
	Widowed	2	1	4	1.4	
	Single	44	22.8	48	17.4	
Educational Degree	None	18	9.3	113	40.9	Z=7.27**
	High school	106	54.9	106	38.4	η^2=.11
	Vocational certificate	24	12.4	40	14.5	
	BA	32	16.6	17	6.2	
	MA+	13	6.7	0	0	
Religiosity level	Secular	59	30.6	20	7.2	Z=5.86**
	Traditional	61	31.6	32	11.6	η^2=.07
	Religious	31	16.1	206	74.6	
	Very religious	42	21.8	18	6.5	
Number of children	0	47	25.3	56	21.4	Z=3.25**
	1	17	9.1	18	6.9	η^2=.02
	2	40	21.5	29	11.1	
	3	33	17.7	33	12.6	
	4	19	10.2	57	21.8	
	5	10	5.4	33	12.6	
	6	7	3.8	16	6.1	
	7+	13	7	20	7.6	
Health status	Poor	14	7.3	18	6.5	Z=1.80
	Not very well	27	14	42	15.2	η^2=.00
	Good	55	28.5	109	39.5	
	Very good	97	50.3	107	38.8	
Military service	Yes	77	39.9	0	0	χ^2=11.31**
	No	116	60.1	18	100	Cramer's V=.23
National service	Yes	27	23.3	11	4	χ^2=34.72**
	No	89	76.7	265	96	Cramer's V=.30

**p<.01

3.5 Results

This research used the 2017 Israeli Central Bureau of Statistics (CBS) social survey. The data is examined at one point in time, and the cross-sectional analysis is projected to provide indications for economic inactivity by examining the relations between PsyCap, RFC, EOB, and socio-demographic characteristics. Below is a description of the distribution of reasons for not looking for a job among inactive Arab and Jewish women (Figure 3.2). Followed by an analysis of results relating to the hypotheses (Tables 3.3-3.24).

3.5.1 Descriptive statistics

Economically inactive Arab and Jewish women's main reasons for not seeking employment

Inactive Arab (n=276) and Jewish women (n=193) to the question what was their main reason for not searching for a job in the last four weeks. The differences between inactive Arab and Jewish women in distribution of responses were tested using a Chi-square test and was found to be significant, with a strong correlation (χ^2=21.76, p<.01, Cramer's V=.47). However, it is important to note that out of the total inactive population questioned, only 99 women (50 Jewish, 49 Arab) responded to this item on the survey. Consequently, findings should be treated cautiously. Figure 3.2 presents the distribution of responses.

The most common reason for not searching for a job reported by women in both ethnic groups is 'being a caregiver of family and home'. This corresponds with EU-27 data [Eurostat 2020]. However, this response is given more frequently by inactive Arab women than inactive Jewish women. The pattern of responses most like Israeli Arab inactive women are those given by Turkish inactive women in Eurostat 2020. This might be indicative of a Socio-cultural and religiosity similarities.

Other results of interest are found in the physical disability/prolonged illness category (Figure 3.2). While 18.4 percent of Jewish women respondents report not seeking work for this reason, it is not mentioned by Arab women at all. Although results in the age category are not significant (Table 3.2), this discrepancy may be because the Arab population represented is slightly younger than the Jewish one. At younger ages the 'illness' reason for not seeking employment is very rare, whereas illness or disability occur at a higher rate among older respondents [Eurostat 2020, Figure 9].

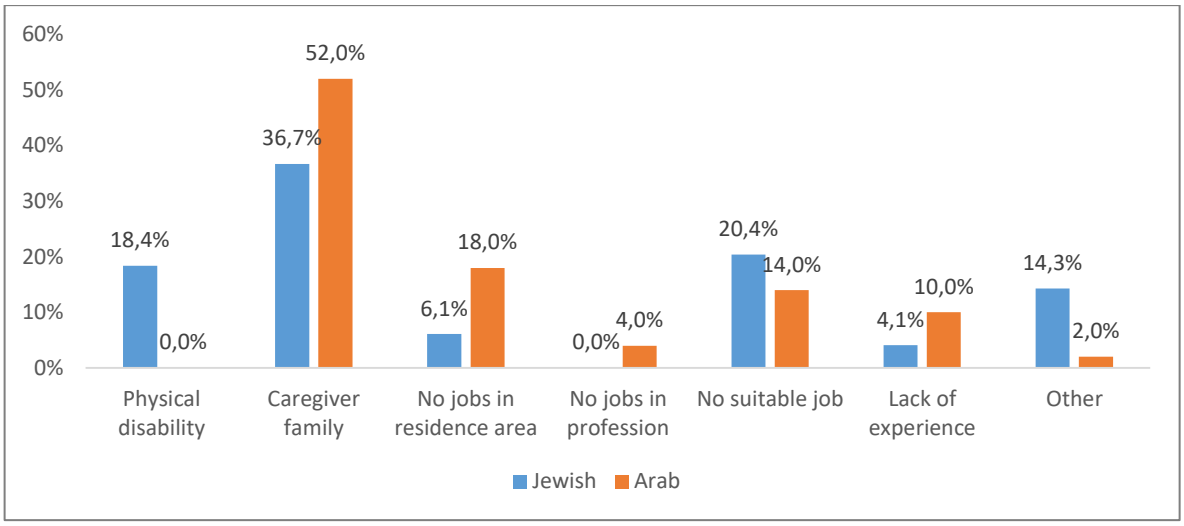


Figure 3.2. Distribution of reasons for not seeking employment among inactive Arab and Jewish women

The results indicate that, in comparison to inactive Jewish women, inactive Arab women are more frequently engaged in family caregiving duties, lack human capital (i.e. lack of experience and training), have fewer jobs available in their residential area, and suffer from not having jobs in their profession. These results can be attributed to the employment barriers (i.e. culture, human capital, infrastructure, and place of residence) as discussed in Chapter 1.

3.5.2 Inferential statistical analyses

To verify and clarify the import of the results for each hypothesis, a comparison between the two ethnic groups (Arab vs. Jewish), and between other socio-demographic characteristics was performed.

Initially, the differences in psychological resources in the general population were tested by ethnicity to uncover whether the anticipated differences exist. Mann-Whitney tests and a one-way ANOVA analysis were performed. Table 3.3 presents the results.

Results in Table 3.3 indicate significant differences in psychological resources and PsyCap between Arab and Jewish women. Arab women indicate significantly lower optimism, self-efficacy, and hope, compared to Jewish women. In addition, their level of PsyCap is significantly lower. Once the above examination was completed, an analysis of H.1. could begin.

Table 3.3. Differences in psychological resources by ethnicity, general population

	Ethnicity	N	Mean	SD	Group comparison & Effect size
Optimism	Jewish	1807	2.70	.52	$Z=6.44^{**}$
	Arab	564	2.55	.56	$\eta^2=.02$
Self-efficacy	Jewish	1920	3.70	.53	$Z=7.64^{**}$
	Arab	612	3.44	.78	$\eta^2=.02$
Hope	Jewish	1924	3.28	.77	$Z=1.65^{*}$
	Arab	610	3.18	.89	$\eta^2=.00$
PsyCap	Jewish	1787	10.55	1.43	$F(1,2344)=60.56^{**}$
	Arab	559	9.98	1.77	$\eta^2=.03$

$^{*}p<.05$; $^{**}p<.01$

H.1. Economically inactive Arab women have less psychological resources than inactive Jewish women.

The literature shows that people with higher PsyCap levels display a higher rate of economic activity. Thus, it was estimated that the inactive population in both ethnic groups would indicate lower psychological resources and PsyCap levels than populations from other employment statuses. In particular, since the inactivity rate among Arab women is much higher than among Jewish women, and due to the differences in socio-demographic characteristics (i.e. employment barriers) between the groups (Table 3.2 and Table 3.3), it was predicated that inactive Arab women would indicate lower psychological resources and PsyCap levels compared to inactive Jewish women.

A twofold comparison was performed: one by ethnicity and the other by employment status. In addition, the socio-demographic variables (i.e. employment barriers) were examined by ethnicity to reveal whether, and to what extent, they impact and predict psychological resources. The following analyses examine the impact of ethnicity and employment status on each of PsyCap dimension in turn using Mann-Whitney analyses: optimism, self-efficacy, and hope. Tables 3.4-3.6 present the results.

The results in Table 3.4 indicate that the effect of ethnicity on optimism is significant among all employment groups. The level of optimism is significantly lower among Arab women in comparison to Jewish women in all employment statuses, although the effect is stronger in the unemployed women group. Inactive Arab women are also the least optimistic of the Arab

women population, of any status (employed and unemployed). Differences in the means between employment statuses should be treated with care since the variable is ordinal.

Table 3.4. Differences in optimism by ethnicity and employment status (on a scale of 1-4)

Employment status	Ethnicity	N	Mean	SD	Group comparison & Effect size
Employed	Jewish	1575	2.70	.52	$Z=4.21^{**}$
	Arab	276	2.58	.53	$\eta^2=.01$
Unemployed	Jewish	62	2.90	.30	$Z=3.11^{**}$
	Arab	30	2.63	.49	$\eta^2=.10$
Inactive	Jewish	170	2.69	.56	$Z=3.34^{**}$
	Arab	258	2.52	.59	$\eta^2=.03$

$^{**}p<.01$

Table 3.5. Differences in self-efficacy by ethnicity and employment status (on scale of 1-4)

Employment status	Ethnicity	N	Mean	SD	Group comparison & Effect size
Employed	Jewish	1670	3.71	.51	Z=1.58
	Arab	300	3.62	.66	$\eta^2=.00$
Unemployed	Jewish	62	3.68	.59	Z=.27
	Arab	37	3.51	.93	$\eta^2=.00$
Inactive	**Jewish**	**188**	**3.61**	**.64**	**$Z=5.37^{**}$**
	Arab	**275**	**3.23**	**.83**	**$\eta^2=.06$**

$^{**}p<.01$

Results in Table 3.5 indicate that the effect of ethnicity on self-efficacy is only significant among the inactive group. Inactive Arab women demonstrate less self-efficacy than inactive Jewish women. Furthermore, among all Arab women, the lowest level of self-efficacy is presented by the inactive. In the middle are the unemployed, while the employed indicate the highest self-efficacy. A similar pattern occurs among Jewish women, although the difference in self-efficacy between employed and inactive Arab women is much greater than it is among Jewish women. In fact, when compared to Jewish women, Arab women show lower self-efficacy in all employment statuses. This means that whether they are employed, unemployed or inactive, Arab women's self-belief in their ability to succeed in challenging tasks is lower than their Jewish counterparts.

Table 3.6. Differences in hope by ethnicity and employment status (on a scale of 1-4)

Employment status	Ethnicity	N	Mean	SD	Group comparison & Effect size
Employed	Jewish	1672	3.29	.75	Z=1.28
	Arab	300	3.31	.82	η^2=.00
Unemployed	Jewish	63	3.37	.70	Z=1.47
	Arab	36	3.06	.96	η^2=.02
Inactive	Jewish	189	3.28	.77	Z=1.51
	Arab	274	3.18	.87	η^2=.00

The results indicate that the effect of ethnicity on hope was insignificant across all employment statuses. Since the effect of ethnicity was significant in the total sample, its insignificance by employment statuses was most likely caused by the group sizes.

In order to examine the general differences in **PsyCap** between **employment status** (i.e. employed/unemployed/inactive) and **ethnicity** (i.e. Arab and Jewish women), a two-way ANOVA analysis was performed. Since not all participants answered the items relating to hope, self-efficacy, and optimism, a smaller group was analyzed: only 2,346 participants with 222 excluded from the analysis. Table 3.7 presents the results.

The results in Table 3.7 indicate that the effect of ethnicity on PsyCap is significant [$F_{(1,2340)}$=20.04, p<.01,η=.01]. The general level of PsyCap is significantly lower among Arab women in comparison to Jewish women. In addition, the effect of employment status on PsyCap is significant [$F_{(1,2340)}$=17.13, p<.01, η=.01]. The general level of PsyCap is significantly lower among inactive women in comparison to employed/unemployed women. Additionally, the interaction effect of ethnicity and employment status on PsyCap is significant [$F_{(2,2340)}$=5.61, p<.01, η=.01]; thus, each employment group was tested separately. Ethnicity effects were significant among inactive women [$F_{(1,422)}$=17.43, p<.01, η=.04], employed [$F_{(1,1831)}$=5.27, p<.05, η=.00], and unemployed women [$F_{(1,87)}$=5.22, p<.05, η=.06]. This indicates that the ethnic gap is the strongest among the inactive, relatively strong in the unemployed category, and weakest among the employed. Thus, inactive Arab women have the lowest PsyCap level. The interaction effect is illustrated in Figure 3.3 below.

Table 3.7. Differences in PsyCap by ethnicity and employment status (on a scale of 3-12)

Ethnicity	Employment status	N	Mean	SD
Jewish	Employed	1559	10.56	1.40
	Unemployed	60	10.95	1.08
	Inactive	**168**	**10.35**	**1.74**
	Total	1787	10.55	1.43
Arab	Employed	274	10.35	1.43
	Unemployed	29	10.22	1.91
	Inactive	**256**	**9.56**	**1.99**
	Total	559	9.98	1.77

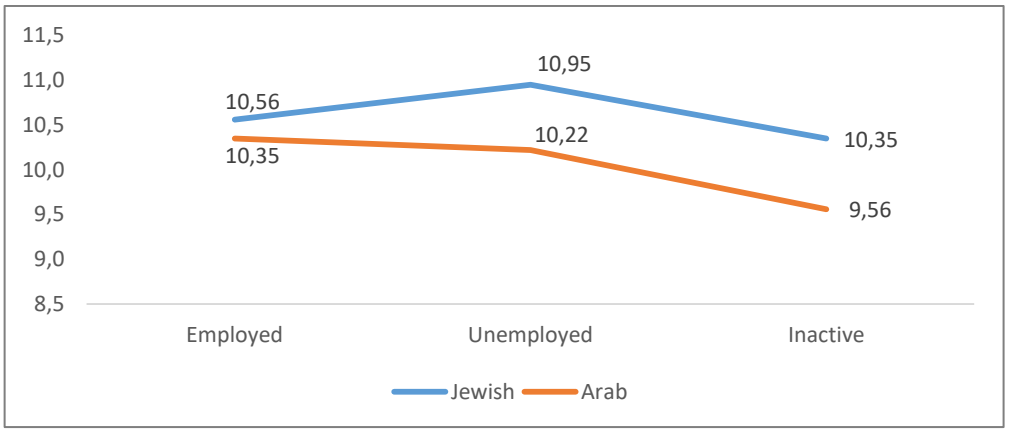


Figure 3.3. Interaction effect of ethnicity and employment status on PsyCap

Various socio-demographic characteristics of inactive Arab and Jewish women were compared across psychological resources, to reveal which employment barriers effect psychological resources and PsyCap level.

The first characteristics examined were: age, education, number of children, health status, and religiosity. As these are ordinal scale variables, Spearman correlations analyses were performed. Then Fisher's significance of correlations tests was performed to examine whether the differences between correlations of both groups is significant. These were performed only on significant correlations with the same directionality. Table 3.8 presents these results.

Table 3.8. Correlations between age, education, number of children, health status, religiosity, and psychological resources among inactive Arab and Jewish women

	Optimism		Self-efficacy		Hope		PsyCap	
	Jewish	Arab	Jewish	Arab	Jewish	Arab	Jewish	Arab
Age	**-.20****	**-.14***	-.12	**-.20****	-.10	**-.28****	**-.17***	**-.33****
	170	248	188	261	189	260	168	246
N. of child	.06	**-.21****	.08	**-.29****	.03	**-.41****	.02	**-.24****
	165	258	181	275	182	274	163	256
Edu. level	-.01	**.21****	.14	**.20****	.12	**.28****	**.05***	**.33****
	170	258	188	275	189	274	168	256
Health status	**.20****	**.15***	**.32****	**.38****	**.36****	**.51****	**.39****	**.49****
	170	258	188	275	189	274	168	256
Relig. level	.13	.09	.11	**-.14***	**.18***	**-.15***	**.21****	.11
	170	258	188	275	189	274	168	256

*p<.05 **p<.01

The results indicate the following similarities and differences between inactive Arab and Jewish women in terms of psychological resources:

- **Age.** Among inactive Arab women, age has a significantly weak negative correlation with optimism, and significant medium negative correlation with hope, self-efficacy, and PsyCap. Among Jewish women's group, age has a significant medium negative correlation with optimism, and a significantly weak negative correlation with PsyCap. Thus, older age is significantly related to lower psychological resources. In addition, only the differences in age was found to be significant (p<.05) between PsyCap correlations of the two ethnic groups. Thus, correlation between age and PsyCap is stronger among inactive Arab women than among inactive Jewish women.
- **Number of children (indicated as N. of child).** In the Arab group, the number of children shows significant medium negative correlations with optimism, self-efficacy, hope and PsyCap. However, in the case of Jewish women the number of children has no significant correlations. These differences indicate that having a greater number of children is related to having significantly lower levels of psychological resources, but only among Arab

women. For Jewish women, an increased number of children does not show any impact on psychological resources.

- **Education level (indicated as edu. Level).** In the case of inactive Arab women, education levels have significant medium positive correlations with optimism, self-efficacy, hope, and PsyCap. Jewish women show a very weak correlation between education levels and PsyCap. The results indicate that for Arab women, higher educational levels are significantly related to all psychological resources including PsyCap. While for Jewish women the level of education does not correlate with PsyCap and its dimensions. In fact, the only significant differences between correlations in the two ethnic groups were found in PsyCap ($p<.01$). To conclude, the relationship between education level and PsyCap is stronger among inactive Arab women than it is among Jewish women.
- **Health status.** The results show that health status among Arab women has a significant weak positive correlation with optimism, a significant medium positive correlation with self-efficacy, and a significant strong correlation with hope and PsyCap. Similarly, Jewish women health displays significant medium positive correlations with self-efficacy, hope, and optimism, and a significant strong positive correlation with PsyCap. This means that better health is significantly related to higher levels of psychological resources for women from both ethnic groups. Only the differences in hope between the two ethnic groups were found to be significant ($p<.05$). To conclude, the relationship between health and hope is stronger among inactive Arab women than among Jewish women.
- **Religiosity (indicated as relig. level).** The results indicate significant weak negative correlations between religiosity, self-efficacy, and hope for Arab women. Meaning that increased religiosity correlates with decreased psychological resource levels. However, the trend is reversed among inactive Jewish women. There are significant weak positive correlations between religiosity, hope, and PsyCap. Meaning that increased religiosity correlates with increased psychological resources, i.e. the more religious a Jewish woman is, the higher her level of psychological resources.

Subsequently, the relationship between military/national service performance and psychological resources and PsyCap levels was examined. Mann-Whitney tests and a one-way ANOVA were performed to assess the differences among inactive women of both ethnic

groups. It is important to note that Israeli Arab women do not usually perform military service. Table 3.9 and 3.10 present the results.

Table 3.9. Differences in psychological resources among inactive Arab women by national service

	National service	N	Mean	SD	Group comparison & Effect size
Optimism	Yes	11	2.73	.47	$Z=1.75^{*}$
	No	247	2.51	.60	$\eta^2=.02$
Self-efficacy	Yes	11	3.73	.47	$Z=1.13$
	No	264	3.21	.83	$\eta^2=.02$
Hope	Yes	11	3.55	.52	$Z=2.11^{**}$
	No	263	3.02	.95	$\eta^2=.02$
PsyCap	Yes	11	10.86	1.023	$F(1,254)=5.00^{*}$
	No	245	9.50	2.01	$\eta^2=.02$

$^{*}p<.05$ $^{**}p<.01$

The results indicate significant differences in optimism, hope, and PsyCap between inactive Arab women that did perform national service and those that did not. The levels of optimism, hope, and PsyCap are significantly higher among inactive Arab women that did national service. This suggests that for inactive Arab women, performing national service correlates with a more positive self-perception.

Conversely, the results in Table 3.10 indicate that there are no significant differences in PsyCap and its dimensions between inactive Jewish women who did or did not serve in the military (IDF). Thus, results indicate that military service has a bearing on inactive Arab women's psychological resources and PsyCap levels but no significant influence on inactive Jewish women. This may be related to it being a salaried duty. Noticeably, only 11 Arab women respondents reported performing national service. Although results are significant, the cohort of respondents is still very low.

To examine whether family status is also related to psychological resources, and whether it reveals differences among inactive women from the two ethnic groups, Kruskal Wallis tests and a one-way ANOVA analysis were performed. Table 3.11 presents the results among inactive Arab women.

Table 3.10. Differences in PsyCap among inactive Jewish women by military service

	Military service	N	Mean	SD	Group comparison & Effect size
Optimism	Yes	68	2.71	.52	Z=.92
	No	102	2.69	.58	η^2=.00
Self-efficacy	Yes	75	3.64	.56	Z=.03
	No	113	3.59	.69	η^2=.00
Hope	Yes	75	3.21	.81	Z=.15
	No	114	3.16	.91	η^2=.00
PsyCap	Yes	67	10.42	1.46	F(1,166)=.19
	No	101	10.30	1.91	η^2=.00

$^{*}p<.05$ $^{**}p<.01$

The results in Table 3.11 indicate that there are significant differences in hope and PsyCap between inactive Arab women, that are linked to their family status. The level of hope is significantly higher among single inactive Arab women in comparison to women from other marital status categories. Similarly, the level of PsyCap was significantly higher among singles. The results reveal that singles have the highest means for optimism and self-efficacy, although these are not significant. Thus, in the case of inactive Arab women, singles had the highest psychological resource levels.

The results in Table 3.12 indicate that there are significant differences in hope and PsyCap between inactive Jewish women tied to family status. Although it appears that widowed women have the highest hope and PsyCap scores, it would be misleading to conclude this since very few individuals reported being widowed. The statistics show that the level of hope is significantly higher among married inactive Jewish women, in comparison to the other marital categories. In addition, PsyCap levels are significantly higher among married Jewish women. Although not significant, married Jewish women also indicate higher levels of optimism and self-efficacy. In conclusion, married inactive Jewish women have greater psychological resources.

Table 3.11. Differences in psychological resources among inactive Arab women by family status

	Marital Status	N	Mean	SD	Group comparison & Effect size
Optimism	Married	196	2.51	.59	$\chi^2_{(3)}=1.70$
	Divorced/separated	13	2.46	.52	
	Widowed	4	2.50	.58	
	Single	45	2.60	.62	
Self-efficacy	Married	209	3.21	.82	$\chi^2_{(3)}=4.07$
	Divorced/separated	15	3.20	.68	
	Widowed	3	2.67	1.16	
	Single	48	3.38	.87	
Hope	Married	208	3.04	.89	$\chi^2_{(3)}=15.78^{**}$
	Divorced/separated	15	2.40	1.24	
	Widowed	3	1.67	.58	
	Single	**48**	**3.33**	**.88**	
PsyCap	Married	195	8.76	1.74	$F(3,252)=3.32^{*}$
	Divorced/separated	13	8.08	1.98	$\eta^2=.04$
	Widowed	3	6.67	2.08	
	Single	**45**	**9.31**	**2.02**	

$^{*}p<.05$ $^{**}p<.01$

Once all the socio-demographic variables and their correlations with PsyCap had been examined, an evaluation of the overall and unique contribution of the socio-demographic variables on PsyCap was conducted. Linear multi variable regression models were completed for Arab and Jewish inactive woman to identify which variable is predictive of PsyCap in the presence of the other variables. Nominal and ordinal variables were recoded as binary variables: education level (have certificate/do not have), religiosity (very religious and religious/traditional and secular), health status (very good and good/slightly good and poor), marital status (single/not single). Military service and national service were excluded from the regression models due to the low number of respondents.

The models were performed separately for inactive Jewish and inactive Arab women since previous analyses showed differences in PsyCap between the two ethnic groups. Results are shown on Table 3.13.

Table 3.12: Differences in psychological resources among inactive Jewish women by family status

	Marital Status	N	Mean	SD	Group comparison & Effect size
Optimism	Married	113	2.73	.52	$\chi^2_{(3)}=1.77$
	Divorced/separated	14	2.50	.76	
	Widowed	1	3.00	-	
	Single	42	2.67	.57	
Self-efficacy	Married	126	3.65	.61	$\chi^2_{(3)}=3.74$
	Divorced/separated	16	3.25	1.00	
	Widowed	2	4.00	0	
	Single	44	3.61	.54	
Hope	**Married**	**126**	**3.29**	**.80**	$\chi^2_{(3)}=12.62^{**}$
	Divorced/separated	17	2.35	1.12	
	Widowed	2	3.50	.71	
	Single	44	3.18	.82	
PsyCap	**Married**	**111**	**9.68**	**1.43**	$F(3,164)=5.48^{**}$
	Divorced/separated	14	8.00	2.15	$\eta^2=.09$
	Widowed	1	11.00	-	
	Single	42	9.48	1.47	

$^{**}p<.01$

Table 3.13. Linear regression models predicting PsyCap among inactive women by ethnicity

	Model		β					
	$R^2_{(adj)}$	F	Age	Educational level	No. child	Religious	Health status	Marital status
Jewish	.31	$F(6,156)=13.21^{**}$	-.08	.08	.03	**.15***	**.48****	.01
Arab	.30	$F(6,239)=18.27^{**}$	.11	**.13***	.11	.03	**.40****	-.01

$^{*}p<.05$ $^{**}p<.01$

Results in Table 3.13 reveals that health status is a significant predictor of PsyCap for both Arab and Jewish women. Religiosity appears to have a minor influence on PsyCap for Jewish women, implying that a greater level of religiosity is related to higher PsyCap. Among Arab woman education level was a significant predictor, with more years of education relating to higher PsyCap. As these regressions are multi variable models, they cast a shadow over the results in Table 3.8. The results in Table 3.13 take the co-variance between the socio-demographic independent variables into consideration, and as such present a more accurate

picture of the relationship between socio-demographic variables and PsyCap than that found in Table 3.8.

Summary of the key findings for H.1.

- Generally, inactive women have less psychological resources and lower PsyCap levels when compared to employed and unemployed women.
- Inactive Arab women are less optimistic, less self-sufficient, and less hopeful – in other words they do worse on three dimensions of PsyCap, and their overall PsyCap level is lower than inactive Jewish women.
- Individually, the socio-demographic characteristics of age, number of children, and religiosity correlate negatively with inactive Arab women's psychological resources; while educational level and health status correlate positively with psychological resources. When comparing between inactive Jewish and Arab women, the correlations are mainly stronger for inactive Arab women. This means that being an inactive Arab woman of an older age, with more children, and stronger religiosity, correlates with lower psychological resources. On the other hand, having more education and reporting better health correlates with greater psychological resources.
- Health status positively and strongly predicts PsyCap level for both ethnic groups. While religiosity positively correlates with inactive Jewish women's PsyCap, among inactive Arab women it is education levels that do so. Meaning that inactive Arab women with higher education levels indicate higher PsyCap levels. Thus, health status and education are the key factors for predicting inactive Arab women's PsyCap level.
- Inactive Arab women who performed national service are more optimistic, hopeful, and have higher PsyCap levels than those who did not serve in the army.

Therefore, the hypothesis is confirmed: inactive Arab women have less psychological resources and lower PsyCap levels than Jewish women. In other words, inactive Arab women's self-belief and optimism is lower than inactive Jewish women. A possible explanation for this is that they are less ready for change (note that readiness for change was measured by work readiness). This issue will be further analyzed below.

H.2. Economically inactive Arab women are less work ready than inactive Jewish women.

The literature shows that people who have lower psychological resources are less ready for change. Based on this argument, and due to the harsh employment barriers and high inactivity rate faced by Arab women, it is predicted that inactive Arab women will be less ready for change than inactive Jewish women. Notably, readiness for change is measured through work readiness.

The responses to the item 'are you interested in working in a job that is suitable for you?' were compared between inactive women from the two ethnic groups. The hypothesis was tested with a Chi-square test. Table 3.14 presents the results among inactive Jewish and Arab women.

Table 3.14. Differences in work readiness among inactive women by ethnicity

		Jewish		Arab		
		n	%	n	%	Group comparison & Effect size
Are you interested in working in a job that is suitable for you?	Yes	49	26.8	49	17.9	$\chi^2=5.15^*$
	No	134	73.2	225	82.1	Cramer's V=.11

$^*p<.05$

The results indicate a weak correlation between work readiness and ethnicity. Nevertheless, inactive Arab women are slightly less ready to work than inactive Jewish women. Therefore, the hypothesis was verified.

To examine whether, and which, socio-demographic variables predict the interest to work in the presence of other variables (other than ethnicity), logistic regression models were performed. To enable this, nominal and ordinal variables were recoded as binary variables: education level (have certificate/don't have), religiosity level (very religious and religious/traditional and secular), health status (very good and good/slightly good and poor), marital status (single/not single). Military service and national service were excluded from the regression models due to the low numbers of respondents. Notably, the models were performed separately for inactive Jewish and Arab women due to the analysis in Table 3.14 that shows differences between the two ethnic groups. Table 3.15 presents the results.

Results in table 3.15 reveal that while religiosity is a significant predictor of a reduced probability of readiness for work among inactive Jewish woman (by 6.66), the significant indicator among inactive Arab woman is education. For Arab women each additional unit of higher education increases the probability of being ready for work by almost twice. Thus, of all the socio-demographic variables, education is the most critical factor in inactive Arab women's work readiness.

Table 3.15. Logistic regression models predicting work readiness among inactive women by ethnicity

	Model		Exp(B)					
	Nagelkerke R^2	$\chi^2_{(6)}$	Age	Education level	No. child	Religiosity	Health status	Single
Jewish	.14	**18.15****	.97	.85	1.18	**.15****	2.16	1.45
Arab	.15	**24.95****	.91	**1.88****	.96	.80	1.75	1.25

$^{*}p<.05$ $^{**}p<.01$

H.3 Economically inactive Arab women perform less labor market oriented activity than inactive Jewish women.

Arab women have a higher inactivity rate than Jewish women. Since they also demonstrate lower levels of PsyCap, psychological resources, and work readiness, they are also expected to perform less labor market oriented activities. This hypothesis was tested with a Chi-square test. Table 3.16 presents the results.

Table 3.16. Differences in labor market oriented activity among inactive women by ethnicity

		Jewish		Arab		
		n	%	n	%	Group comparison & Effect size
Have you been actively seeking a job in the past 4 weeks?	Yes	7	3.6	1	.4	χ^2=7.19**
	No	186	96.4	274	99.6	Cramer's V=.12

**p<.01

Results indicate a weak correlation between seeking employment and ethnicity. Inactive Arab women report being less engaged in job seeking in the past four weeks than inactive Jewish women. Thus, the hypothesis is verified - inactive Arab women perform less labor

market oriented activity. This may go some extent towards explaining their higher inactivity rates.

H.4. The lower the psychological resources, the lower the work readiness among inactive women.

The literature indicates that individuals with higher psychological resources display greater readiness for change (RFC). As the RFC measure was modified to work readiness, it was predicted that psychological resources and PsyCap would relate to work readiness in the case of the inactive women. To verify this hypothesis both ethnic groups' responses to the item 'are you interested in working in a job that is suitable for you?' were analyzed. The item was categorical (yes/no); thus, the analysis was preformed using Mann-Whitney tests and a one-way ANOVA. Results are shown in Tables 3.17-3.20.

The results in Table 3.17 indicate that the effect of optimism on work readiness is only significant among inactive Jewish women. This means that being optimistic relates to readiness to work for inactive Jewish women, but not for Arab women. Nevertheless, this result verifies the relationship between the two factors; the more optimistic the inactive Jewish woman, the readier she is for work.

Table 3.17. Differences in optimism among inactive women by work readiness and ethnicity

Ethnicity	Are you interested in working in a job that is suitable for you?	N	Mean	SD	Group comparison & Effect size
Total sample	Yes	89	2.69	.51	Z=1.53
	No	334	2.57	.59	η^2=.00
Jewish	Yes	43	2.84	.43	Z=2.10*
	No	118	2.64	.58	η^2=.03
Arab	Yes	45	2.53	.55	Z=.16
	No	211	2.53	.60	η^2=.00

*$p<.05$

Studying the absolute optimism level of both ethnic groups reveals that the lowest level is found among inactive Arab women. Both groups of Arab women respondents (yes and no) show the same relative optimism level. This may indicate that the level is too low to make any

difference to their readiness to work. Thus, while inactive Jewish women who positively acknowledge success and display optimism also show readiness for work, this does not appear to be the case for inactive Arab women.

Table 3.18. Differences in self-efficacy among inactive women by work readiness and ethnicity

Ethnicity	Are you interested in working in a job that is suitable for you?	N	Mean	SD	Group comparison & Effect size
Total sample	Yes	99	3.51	.612	Z=1.28
	No	361	3.35	.809	η^2=.01
Jewish	Yes	48	3.60	.61	Z=.21
	No	131	3.60	.67	η^2=.00
Arab	Yes	49	3.41	.61	Z=1.21
	No	224	3.20	.85	η^2=.00

The results in Table 3.18 show that all the differences in self-efficacy between women who are/are not interested in working are insignificant. At first glance it might seem that self-efficacy is not relevant to work readiness; however, an examination of the absolute levels of self-efficacy reveal some interesting trends: (1) inactive Arab women who are not interested in work also have the lowest self-efficacy level relative to that of Jewish women who are not interested in work. This lower level of self-efficacy may be an indication of not being ready to work; (2) there is a higher proportion of Arab women who report 'not being interested' in work compared to Jewish. This higher percentage of Arab women not interested in finding work may be related to lack of self-efficacy; (3) even inactive Arab women who are interested in finding work display lower levels of self-efficacy than their Jewish counterparts. Therefore, while Jewish women did not show differences in self-efficacy, these are seen in the Arab women's group, though they are not statistically significant.

Table 3.19. Differences in hope among inactive women by work readiness and ethnicity

Ethnicity	Are you interested in working in a job that is suitable for you?	N	Mean	SD	Group comparison & Effect size
Total sample	Yes	99	3.41	.76	$Z=3.99^{**}$
	No	361	3.01	.94	$\eta^2=.03$
Jewish	Yes	48	3.31	.83	$Z=1.38$
	No	132	3.12	.89	$\eta^2=.01$
Arab	Yes	49	3.49	.68	$Z=3.74^{**}$
	No	223	2.95	.96	$\eta^2=.01$

$^{*}p<.01$

The results in Table 3.19 indicate that there are significant differences in hope among the total sample, and among Arab women. Inactive women, and specifically inactive Arab women who are more hopeful, are significantly more eager to work. It is also worth stressing that inactive Arab women who are interested in work have the highest level of hope among the both ethnic groups. Whereas inactive Arab women who are not interested in working exhibit the lowest absolute level of hope. Their low levels of hope might be indicative of their disinterest. In other words, the ability and motivation to set goals and set expectations (i.e. have hope), appear to be related to readiness to work.

Table 3.20 shows the results of a one-way ANOVA test comparing inactive Arab and Jewish women. It indicates that significant differences in PsyCap exist among the total sample, and among Arab women in particular. Inactive women who have a higher PsyCap levels are more interested in working; this is particularly true among Arab women. In fact, of all the groups examined, inactive Arab women who are not interested in work register the lowest PsyCap levels. These relationships indicate that a positive psychological state of development (i.e.PsyCap) is related to work readiness.

A predictive model was not used to examine these results as there was only one item relevant to the work readiness variable in the survey. Consequently, it is impossible at this stage to define the impact psychological resources and PsyCap have on work readiness.

Table 3.20. Differences in PsyCap among inactive women by work readiness and ethnicity

Ethnicity	Are you interested in working in a job that is suitable for you?	N	Mean	SD	Group comparison & Effect size
Total sample	Yes	89	9.65	1.32	$F(1,417)=12.36^{**}$
	No	330	8.92	1.83	$\eta^2=.03$
Jewish	Yes	43	9.77	1.46	$F(1,157)=1.94$
	No	116	9.37	1.64	$\eta^2=.01$
Arab	Yes	45	9.53	1.20	$F(1,252)=8.96^{**}$
	No	209	8.66	1.89	$\eta^2=.03$

$^{*}p<.01$

Summary of results for H.4.

The results of the analyses of relationships between psychological resources, PsyCap, and work readiness reveal the following:

- Psychological resources that are dimensions of PsyCap, i.e. hope and optimism, are significantly related to work readiness.
- There are significant differences in hope, and the levels of PsyCap, between inactive Arab women who are interested in working and those who are not. When they are more hopeful and have higher PsyCap, they are more work ready.
- Inactive Arab women who have the lowest optimism, hope, self-efficacy, and PsyCap levels, are not ready for work. Although these results were not significant, they do indicate that the more an inactive Arab woman exhibits a positive attitude (i.e. optimism and PsyCap), has faith in her ability to succeed (i.e. self-efficacy), and is motivated to achieve her goals (i.e. hope), the more likely she is to be interested in work (i.e. work ready). Thus, the hypothesis was confirmed.

H.5. The lower the psychological resources, the lower the probability of labor market oriented activity among inactive women.

The literature shows that higher PsyCap levels are related to positive employment outcomes. Thus, it was predicted that lower levels of PsyCap would correspond to less employment outcomes among the inactive. A comparison of PsyCap levels to employment

oriented behavior by ethnicity was used to set a reference point. As employment-oriented behavior is measured through labor market oriented activity, the hypothesis examines the relationship between psychological resources and labor market oriented activity. These were examined through Mann-Whitney tests and a one-way ANOVA tests. Tables 3.21-3.24 present the relevant results.

The results in Table 3.21 indicate that the effect of optimism on labor market oriented activity is significant only among the inactive total sample, and among inactive Jewish women. Women who are more optimistic report actively seeking employment in the past four weeks. In addition, the absolute optimism parameters reveal that inactive Arab women are less optimistic than Jewish women. Indeed, inactive Arab women who did look for a job in the past four weeks are even less optimistic than Jewish women who didn't look for a job. The lowest level of optimism is found among inactive Arab women who did not look for a job.

Table 3.21. Differences in optimism among inactive women by labor market oriented activity and ethnicity

Ethnicity	Have you been actively seeking a job in the past four weeks?	N	Mean	SD	Group comparison & Effect size
Total sample	Yes	96	2.79	.46	$Z=3.16^{**}$
	No	425	2.60	.57	$\eta^2=.02$
Jewish	Yes	66	2.86	.39	$Z=2.27^{*}$
	No	163	2.70	.55	$\eta^2=.03$
Arab	Yes	28	2.64	.56	$Z=1.01$
	No	256	2.53	.59	$\eta^2=.00$

$^{*}p<.05$; $^{**}p<.01$

The results in Table 3.22 indicate that no significant differences in self-efficacy exist between women who reported actively seeking a job in the past four weeks, and women who reported not seeking a job. However, the absolute level of self-efficacy reveals that in both groups, inactive Arab and Jewish women, those who looked for job have more self-efficacy on average. Inactive Arab women who did not look for a job have the lowest self-efficacy levels. Moreover, inactive non-job seeking Arab women have less self-efficacy than their Jewish counterparts.

Table 3.22. Differences in self-efficacy among inactive women by labor market oriented activity and ethnicity

Ethnicity	Have you been actively seeking a job in the past 4 weeks?	N	Mean	SD	Group comparison & Effect size
Total sample	Yes	103	3.61	.77	Z=3.53
	No	462	3.38	.77	η^2=.02
Jewish	Yes	66	3.68	.59	Z=.86
	No	181	3.60	.65	η^2=.00
Arab	Yes	35	3.46	1.04	Z=2.49
	No	273	3.24	.82	η^2=.02

**p<.01

Table 3.23. Differences in hope among inactive women by labor market oriented activity and ethnicity

Ethnicity	Have you been actively seeking a job in the past 4 weeks?	N	Mean	SD	Group comparison & Effect size
Total sample	Yes	103	3.25	.83	Z=1.47
	No	462	3.10	.91	η^2=.00
Jewish	Yes	67	3.36	.71	Z=1.32
	No	182	3.17	.87	η^2=.00
Arab	Yes	34	3.03	1.00	Z=.10
	No	272	3.04	.94	η^2=.00

The results in Table 3.23 show that no significant differences in hope exist between women who report actively seeking employment in the past four weeks and women who did not seek a job. Nevertheless, the means in both groups reveal that inactive job-seeking Arab women are less hopeful than their Jewish counterparts. Moreover, inactive Arab women display similar levels of hope whether they looked for a job or not.

The results in Table 3.24 indicate that significant differences in PsyCap exist among the total sample and Jewish women. Notably, the result in the Arab sample is not significant, probably due to high SD. The absolute level of PsyCap is higher among women who have been actively seeking employment in the past four weeks in comparison to women who did not. The PsyCap level of inactive Arab women is the lowest of all the groups. In fact, the PsyCap level of inactive

Arab women, who did actively look for a job, is still lower than that of Jewish women who did not seek employment.

Table 3.24. Differences in PsyCap among inactive women by labor market oriented activity and ethnicity

Ethnicity	Have you been actively seeking a job in the past 4 weeks?	N	Mean	SD	Group comparison & Effect size
Total sample	Yes	93	9.77	1.42	$F(1,512)=12.62^{*}$
	No	421	9.08	1.75	$\eta^2=.02$
Jewish	Yes	64	9.95	1.01	$F(1,223)=4.76^{*}$
	No	161	9.48	1.59	$\eta^2=.02$
Arab	Yes	27	9.33	2.09	$F(1,279)=1.97$
	No	254	8.81	1.81	$\eta^2=.01$

$^{*}p<.05$

Summary of results for H.5.

The results of the analyses of psychological resources' and PsyCap's, relationship with labor market oriented activity reveal the following:

- Optimism and PsyCap are significantly related to labor market oriented activity, both in the inactive total sample and in the inactive Jewish women group.
- There are significant differences in optimism and PsyCap levels between inactive women linked to performing labor market oriented activity.
- Among the two ethnic groups, inactive Arab women who are least optimistic, hopeful, have less self-efficacy, and have the lowest PsyCap level, are the most likely not to perform labor market oriented activity (although these are insignificant absolute parameters). Thus, inactive Arab women who are more positive (i.e. optimism), have faith in their ability to succeed (i.e. self-efficacy), are more motivated to achieve their goals (i.e. hope), and have higher overall PsyCap levels, are more likely to perform labor market oriented activity. Consequently, the hypothesis was confirmed.

Summary of key results

1. The PsyCap levels of inactive Arab women are significantly lower than those found among inactive Jewish women. Furthermore, inactive Arab women are significantly less optimistic and have less self-efficacy than inactive Jewish women. The hope dimension, although not significant, showed similar results. Thus, hypothesis 1 was confirmed.
   - Multi-variable analyses reveal that inactive Arab women's better health condition and higher education level predict higher PsyCap levels[83].
   - Inactive Arab women who perform national service are more optimistic, hopeful, and have higher PsyCap levels than those who do not do national service.
2. Inactive Arab women are significantly less work ready than inactive Jewish women, confirming hypothesis 2. In addition, their education level predicts their work readiness.
3. Inactive Arab women perform significantly less labor market oriented activity than inactive Jewish women, confirming hypothesis 3.
4. Psychological resources (i.e. optimism and hope) and PsyCap significantly relate to work readiness among inactive Arab women. Thus, inactive Arab women who are more hopeful and have higher PsyCap levels, significantly relates to being work ready. Moreover, although not significant, inactive Arab women who are more optimistic, more hopeful, have more self-efficacy, and a higher PsyCap level, are more work ready, than those who are less optimistic, less hopeful, have less self-efficacy, and a lower PsyCap level. Thus, hypothesis 4 was partially confirmed.
5. Higher optimism and PsyCap level have significant positive relations with looking for work. In addition, there are significant differences in optimism and PsyCap between those who are looking for work and those who are not. Although not found to be significant, inactive Arab women who have the lowest levels of optimism, self-efficacy, hope, and PsyCap levels,

[83]These results are different at the individual variables analyses: Age, number of children, and religiosity correlate negatively with inactive Arab women's psychological resources; while educational level and health status correlate positively with their psychological resources. These correlations are stronger overall among inactive Arab women. In other words: an inactive Arab woman of older age, who is more religious and has more children, displays less psychological resources in comparison to a woman who is more educated and healthier.

show the least interest in finding work. Consequently, psychological resources and PsyCap correlate positively with labor market oriented activity, confirming hypothesis 5.

3.6 Discussion

The aim of this cross-sectional study was to gain a preliminary understanding of whether PsyCap and RFC are relevant variables to measure the inactive population, especially inactive Arab women, and to examine the variables' roles in the employment behavior of economically inactive women. To achieve this a comparative approach was used to compare inactive Arab to inactive Jewish women. The following is a discussion of the results.

What are the identifiable differences between Arab and Jewish women's psychological resources, in terms of employment statuses (employed, unemployed, inactive) and other relevant socio-demographic factors?

PsyCap represents an individual's positive attitudes towards achieving desired goals and the ability to cope with adversity. PsyCap is malleable and is a 'capital' which yields surplus value (see chapter 2.2). Consequently, any changes in PsyCap levels can impact the individuals' behaviors, abilities, and perceptions.

As shown above, PsyCap has been examined in the employment field across several and various populations. A common conclusion among the studies is that higher levels of PsyCap furnish individuals with a positive set of psychological skills which are critical for obtaining better employment outcomes. Individuals with higher PsyCap levels are more able to apply their psychological resources to whatever life throws at them and, consequently, to achieve positive outcomes [Luthans 2007a]. However, research on this trend among economically inactive population is still very poor. The following discussion attempts to narrow this gap and shed some light on PsyCap among the inactive, especially among economically inactive Arab women in Israel.

Statistics show a trend in which inactive women have lower PsyCap levels compared to employed and unemployed women (both Arab and Jewish) (Figure 3.3). The question is why is this the case? One possible explanation stems from the value placed on employment in society. Being outside the labor market is known to reduce one's overall sense of well-being

[Crown 2016; Gregg and Wadsworth 2011]. Since well-being relates positively to PsyCap [Youssef-Morgan and Luthans 2015], being inactive may directly and indirectly reduce PsyCap.

Another possible explanation for lower PsyCap levels among the inactive concerns ethnicity. Ethnic minorities may face psychological difficulties arising from social stigma and feelings of being discriminated against [Dambrun and Dubuy 2014]. These may also result in lower degrees of self-efficacy arising from a sense of facing unsurmountable limitations. Such negative perceptions may lead to an inability to cope with employment barriers [Cinamon 2009] and lower one's resilience [Barkhuizen et al. 2014]. Consequently, inactivity may negatively impact psychological resources.

A further explanation may be rooted in the main idea that lies behind the concept 'capital' (i.e. as in psychological capital), in which it is seen to yield surplus value [Lin 1999]. Having higher PsyCap and psychological resources is related to joining the labor market (i.e. being employed/unemployed), whereas having lower PsyCap and psychological resources makes the inactive less likely to seek work. Arguably, inactive women who are a-priori less equipped with psychological resources are already less likely to participate in the labor market, since their PsyCap level does not yield surplus value for them.

The statistics show that inactive Arab women who complete national service[84] have greater PsyCap and resources than those who did not serve. Since National service is also salaried it might be viewed as equivalent to work-experience, offering those who undertake it practice and skills that raise their human capital. This shows the importance of providing the inactive with opportunities to be active, since by raising their PsyCap level they increase their odds of participating in the labor market. Since PsyCap is malleable [Luthans et al. 2007a], increasing it can be achieved through proper interventions. Unfortunately, such opportunities might not always be available.

A second trend found in the statistics relates to Arab women's psychological resources. Arab women display less resources compared to their Jewish counterparts; this is specifically true when looking at the inactive. The raises the question again, as to why this might be the

[84]Israel has a compulsory military service/civil service. The majority of Arabs, and especially Arab females, do not participate in these services [OECD 2016]; therefore, they do not benefit from the advantages it offers (see discussion on p. 51).

case? One possible explanation lies in the employment barriers faced by Arab women compared to those confronted by Jewish women. The results of the examination evidently show that the barriers to employment faced by Arab women (e.g. in terms of education, health, number of children, culture, and religiosity) are more severe than those facing Jewish women.

There are also indications of a socio-cultural effect on psychological resources. Arab culture, especially Muslim the religion to which 80 percent of Israeli Arabs belong, is patriarchal, hierarchical, and patrilineal [Cinamon 2009] (see p. 47). In such traditional socio-cultural structures men are dominant, they restrict women's freedom of action, and perpetuate gender inequalities [Jabareen 2015]. Tradition dictates that women exist under men's control and may even be undervalued [Jamali, Sidani and Safieddine 2005]. It is comprehensible that inactive Arab women who inhabit such traditional gender roles and socio-cultural positions might possess lower levels of PsyCap.

Cole [2007] argues that caretaking is a gender role barrier. Mothers of dependents are 0.33 times likely to be employed than mothers without dependent children. Since Arab women have significantly more dependent children than Jewish women, this may act as a formidable barrier to employment. Similarly, education, health, and other employment barriers discussed above (see chapter 1.3) present barriers to employment.

Statistical comparisons between socio-demographic variables and PsyCap show that the more challenging the barriers, the lower the PsyCap level among those facing them (Table 3.8). Consequently, the fact that Arab women confront a multiplicity of challenging barriers seems to make it more difficult for them to equip themselves with better psychological resources.

It is also worth noting some of the trends that can be found in the analyses of various PsyCap dimensions. Inactive Arab women are less optimistic and have less self-efficacy in comparison with inactive Jewish women. In other words, they exhibit less positive expectations for their future, and feel less control over their lives (i.e. optimism) [Luthans et al. 2007a]. Moreover, their perception of their performative potential - self-efficacy- is lower. According to Luthans et al., those who have less self-efficacy are also more skeptical, more vulnerable to criticism, and suffer more from self-doubt. The reasons driving these trends among Arab women are varied. For one, the poverty rate among the Arab population is 47.1

percent compared to 20 percent among the Jewish population [Gal and Medhela 2017]. This increased hardship adds to the challenging combination of employment barriers they face, many of which stem from within their own community (i.e. patriarchal society).

Finally, two factors - health and education- were found to significantly predict inactive Arab women's PsyCap levels. Since PsyCap is a malleable, internal, and personal factor, it is easier and faster to enhance. Investment in health and education will help raise PsyCap levels, however, these factors are external, and changing them demands effort, time, and investment.

Summary: Arab women exhibit lower PsyCap levels than Jewish women across all employment statuses and examined variables. Therefore, entering employment is much more complicated for inactive Arab women than it is for inactive Jewish women. This arises from socio-cultural employment barriers and a lack of psychological resources. The snapshot of this situation detailed above implies a real need to enhance Arab women's PsyCap levels. Before considering how best to achieve this, it is necessary examine whether inactive Arab women are 'ready for change'; in other words, to what extent are inactive Arab women willing and ready to change their employment status. The next section focuses on this issue.

What are the differences between inactive Arab and Jewish women's work readiness?

Curtis et al. [2016, p. 57] note that *'those who have experienced the longest duration of unemployment are likely to be least ready to change their employment status'*. To prepare the long term unemployed for employment, they must undergo a process of change that involves a shift in domains of thinking [Li et al. 2006]. This forms the basis of Lam et al.'s [2010] readiness for change theory, which builds on a conceptualization of employment vulnerable individuals as existing in one of the following stages: (1) denying the need to change, nor willing to make change; (2) ambivalent to change; (3) showing a willingness to initiate change in their employment status. Since the primary interest of this research concerns readiness for change this variable was measured via the proxy of work readiness. Thus, the discussion below implies readiness for change from the results referring to work readiness.

The social survey's statistical analysis revealed that most inactive women, both Arab and Jewish, are not interested in joining the labor force. This corresponds with Eurostat [2020]

data. Moreover, the hypothesis that inactive Arab women are significantly less interested than their Jewish counterparts in finding work, was confirmed.

A few reasons might help explain these results: (1) since approximately 69 percent of Arab women are inactive they are more likely to be surrounded by women like them, potentially increasing their disinterest in finding work [Jackson and Warr 1987, cited in: Clark et al. 2008]; (2) Arab women often reside in a very traditional, conservative, and patriarchal society. This is evident in variables such as occupational distribution and higher rates of religiosity. Thus, their lower interest to work may be a consequence of a more traditional conceptualization of their social and gender roles. Even though this culture is gradually changing, one can assume that this may currently prevent women from being willing/ready to change their inactivity; (3) one can also assume that inactive Arab women are aware of the barriers they may face when seeking employment. Many spend three times longer looking for a job than Jewish women. Thus, they may feel frustrated and helpless which prevents them from being interested in, or willing to, find employment.

What are the differences between inactive Arab and Jewish women's labor market oriented activity?

Labor market oriented activity was measured by the item: 'have you been actively seeking a job in the past 4 weeks?' The statistical analysis shows that Arab women are significantly less likely to be actively seeking employment than Jewish women. Meaning that they perform less labor market oriented activity. As such, the hypothesis was confirmed.

Figure 3.2, which details the reasons for not looking for a job, may go some way towards explaining this phenomenon. The possible reasons include: traditional gender role barriers; residential limitations (e.g. infrastructure); and low human capital (e.g. lack of work experience). Another possible explanation might be rooted in the relationship between labor market oriented activity and psychological resources discussed below.

What are the relationships between inactive women's psychological resources and work readiness?

Prochaska et al.'s [1992] and Di Clemente [2002] claim that to be ready for change, an individual must first be equipped with psychological resources such as optimism and hope. This research considers whether the PsyCap can fulfill this role, in other words, whether having higher PsyCap level influences readiness for change, and whether there are differences between Arab and Jewish women in this regard.

Statistics show that inactive women who have greater PsyCap are more interested in finding employment than those who are not (i.e. PsyCap correlates with work readiness). Inactive Arab women who have more positive attitudes and expectations and cope better with adversities, are more prepared for work. The shift towards being interested in working is a shift between domains of thinking from 'not being ready to work' to 'being ready'. This can be achieved through the enhancement of psychological resources. The results confirm the hypothesis that the higher the PsyCap, the readier for change an inactive woman will be. This proved to be particularly the case among inactive Arab women. This is in keeping with evidence that inactive Arab women are less a-priori equipped with psychological resources, have a higher inactivity rate as a whole, and face more challenging barriers to employment.

With respect to the various PsyCap components, only hope was revealed as significant. Hopeful inactive Arab women are more interested in finding work than less hopeful inactive Arab women. This is notable since inactive Arab women interested in finding work were even more hopeful than their inactive Jewish counterparts. As the hope item was 'in the last 12 months, have you felt full of energy?', these high levels of hopefulness may be driven by the additional energy needed to overcome employment barriers compared to Jewish women.

Nonetheless, most inactive Arab women are not interested in finding work, and have less psychological resources and PsyCap, caused by such factors as lower education levels. However, while improving education systems, as mentioned earlier, is time consuming and expensive, PsyCap can be increased through short and affordable interventions. Moreover, PsyCap yields surplus value that may stimulate improvements in education. Thus, to help inactive women be more work ready, one must initially enhance their PsyCap level.

What are the relationships between inactive women's psychological resources and labor market oriented activity?

The literature shows a positive relationship between PsyCap and job seeking behaviors [e.g. Chen and Lim 2012; Pajic et al. 2018; Georgiou and Nikolaou 2018]. The current research aims to explore whether these relations also exist for the inactive. Several researchers have examined individual PsyCap components e.g. optimism [Lam et al. 2010; Mohanty 2010] self-efficacy [Schaffer and Taylor 2012], hope [Snyder et al. 1991], and so on. However, since the research populations in those studies were not inactive, the current research sets out to discover whether the positive relationship between higher PsyCap and employment outcomes found in those studies, also exists among the inactive.

The social survey indicated that in the case of inactive women, having higher PsyCap levels and dimension gives a higher probability of performing labor market oriented activity. However, the relationship was only significant in the total sample and the Jewish sample, but not in the Arab's sample. This result might be due to the high standard deviation score (SD=2.09). It may also be caused by the use of proxy metrics, which did not yield sufficiently robust results. It seems reasonable to conclude that the inactive Arab women, who have the lowest PsyCap level have a negative attitude toward work, as they are not interested to look for a job (ready for change) and not looking for a job.

3.7 Limitations and recommendations for future studies

- On the one hand, a significant strength of the cross-sectional research design lies in its representative sample, which enables findings to be effectively generalized. On the other hand, the variables in this research are only proxies of the original research metrics. Thus, conclusions should be considered judiciously. To obtain more accurate results it is necessary to perform an in-depth survey which includes all variables' metrics with their proper operationalization.

- The CBS items which match the research variables are analyzed through non-parametric exams (e.g. Chi-square, Spearman, Mann-Whitney). However, and despite employing

Logistic regression multi-variables analyses, dummy variables had to be used to complete these tests, resulting in a loss of data.

- While it was initially assumed that the large cohort of respondents would facilitate examination of all the research variables and hypotheses, the data turned out to be limited. Due to missing values, the current study had to rephrase two hypotheses. Thus, it was not possible to conduct the examinations of hypotheses about the effect of the PsyCap variable on RFC and on EOB, but only correlations. Moreover, it was not possible to examine how, and to what extent PsyCap and its components predict labor market oriented activity (EOB). In addition, due to the same reason of missing values, it was not possible to examine at all two additional hypotheses about the relationship between RFC and EOB and the mediation hypothesis. Consequently, statistical analyses provided only a partial picture of the field. Therefore, additional research is needed to fill-in the gaps.

- A common characteristic of social surveys is a high non-response rate. There may be biases in the survey estimates, e.g. sub-population coverage, or variability in sample sizes by missing features in the design such as job characteristics and education [CBS 2017].[85] In the same vein, the format of the social survey is akin to interaction with a pollster.[86] This can interfere with honesty in responses [Neuman 2014, p. 328] and inaccuracy. Had the questioning format been a self-administered questionnaire, it may have produced more honest data.

- The current research uses data collected at one point in time, which can identify correlations between variables but not causations. Had there been an additional data set for the same population at another point in time, it would have enabled a consideration of causality. Therefore, it is proposed that future research to take on a longitudinal design, such that enables a comparison between surveys, or by using a panel-data study design.

[85]CBS, 2017, *Social survey – PUE file - Methodological Appendix* (unpublished manuscript].
[86]CBS, 2017, *Social survey – PUE file – Introduction Appendix* (unpublished manuscript).

4 Chapter IV. Psychological Capital, Readiness for Change, and Employment Oriented Behavior of Inactive Israeli Arab Women – Correlational Design Based on a Snowball Survey Study

4.1 Introduction

The previous chapter used a cross-sectional research design using data from the CBS social survey. It offered a preliminary examination of inactivity among Arab women through the lens of three variables: PsyCap, RFC and EOB. The analyses identified the three most relevant variables for measuring the employment situation of economically inactive women, and provided a snapshot of Arab women's inactivity in terms of these variables. It also revealed the relationships between these variables. To that end, it achieved its stated aims. However, since it was based on the CBS social survey data, it encountered various methodological limitations. As it relied on proxy metrics, only partial results were attainable. Therefore, despite the valuable insights gained from the representative sample, further analyses is required to answer the question of this dissertation.

The research discussed in this chapter is a supplementary study that targeted only inactive Arab women and considered the full spectrum of metrics. In this manner, I hope to present a more robust account of the employment phenomenon of inactive Arab women, and to provide a sound foundation for employment enhancement and other policy recommendations.

The research below takes a positivistic approach [Neuman 2014, p.121]. The research question and the hypotheses were developed initially, and the metrics accordingly. The surveys format was selected as the most effective way to gather information about respondents' current employment situation in an accurate, reliable, and practicable manner [Neuman 2014, p. 316-17]. Surveys enable the collection of individual, self-reported attitudes, beliefs, characteristics, and behaviors. They also collect multiple responses to many questions at one point in time, as well as gathering descriptive information and enables the simultaneous measurement and examination of several hypotheses [Neuman 2014, p. 317].

4.2 Aims of the study

This study is intended to provide an in-depth examination of the phenomenon of economic inactivity among Arab women in Israel. It has two primary aims: (1) to scrutinize the links between PsyCap, RFC, and EOB; (2) to examine the extent to which these links may act as tools to guide employment enhancement policies and based on that suggest policy recommendations. To achieve this, the research developed a research question and hypotheses which examine the relationship between PsyCap and its sub-scales, RFC stages, and EOB sub-scales. Notably, the study provides two research models: one in which RFC acts an independent variable, and the other in which RFC acts as a mediation variable.

More specifically, the research attempts to answer the following questions:

1. In what stage of RFC are inactive Arab women?
2. How does inactive Arab women's PsyCap relate to RFC stages?
3. How does inactive Arab women's PsyCap relate to EOB?
4. How do RFC stages relate to EOB?
5. Whether, and in what manner do, inactive Arab women's RFC stages mediate the relationship between PsyCap and EOB?

Results of the full-scale measurements are expected to provide specific and accurate conclusions regarding the variables' potential to operate as tools for designing employment enhancement within labor market policies.

Research question and hypotheses

A review of the literature above indicates that Arab women face a complex and difficult employment situation. It also suggests the critical roles of psychological capital (and its individual components), and readiness for change in human behavior and decision making. It is important to note that this does not undermine the significance of social, cultural, and economic conditions impacting Arab women's professional activity. However, as shown in chapter 3, since PsyCap, RFC, and EOB are linked, a deeper understanding of their role in Arab women's economic activity in needed. The research question for this study is:

Q. How do psychological capital (PsyCap) and readiness for change (RFC) affect the employment oriented behavior (EOB) of economically Israeli inactive Arab women?

To answer the question requires an examination of the relationship between the three variables therein. An explication of the theoretical basis for each hypothesis and of the research model follows.

The starting point of this research is to reveal inactive Arab women's perception of change – i.e. are they ready to change their employment status. This is a preliminary requirement and forms the basis for the policy recommendations that follow.

Curtis et al. [2016] claim that the longer people are outside of the labor market, the less ready they will be to change their employment status. Lam et al. [2010] describe 'least ready' as meaning being in lower stage of readiness for change (i.e. 'pre-contemplation' or 'contemplation'). As most Arab women are inactive, it is expected that they will be in the RFC pre-contemplation and contemplation stages. Thus, the first hypothesis is:

H.1. Economically inactive Israeli Arab women's stage of readiness for change (RFC) is pre-contemplation or contemplation and not action.

Prochaska and Di Clemente's [1982] and Lam et al. [2010] claim that people who have greater psychological resources will be at higher readiness for change stages. Psychological resources are understood in this study as PsyCap, as per Luthans et al. [2007a]. It is predicted that inactive Arab women with higher PsyCap levels will be in higher stages of readiness for change (contemplation and action), rather than in the lower stage of pre-contemplation. Thus, the second hypothesis is:

H.2. The higher psycap the higher is the readiness for change (RFC) stage.

Luthans et al. [2007a], Pajic et al. [2018] and others argue that a higher PsyCap levels lead to better employment outcomes, be they in the organizational field (for employed) or the job seeking field (for unemployed). It is hypothesized that the positive relationship between PsyCap and employment outcomes will be true in the case of economically Israeli inactive Arab women. Meaning that inactive Arab women with higher PsyCap levels will perform more EOB. Thus, the third hypothesis is:

H.3. The level of PsyCap affects positively employment oriented behavior (EOB) of Israeli Arab women.

Lam et al. [2010] and others show that employment vulnerable populations, who are in higher RFC stages (i.e. contemplation and action), have better job searching outcomes. As the research population- inactive Arab women - are defined as employment vulnerable, it is hypothesized that this will also be the case for them. In other words, inactive Arab women who indicate higher RFC stages will perform more EOB than those in the lower RFC stage. Thus, the fourth hypothesis is:

H.4. The higher the stage of readiness for change (RFC) the higher is the probability of employment oriented behavior (EOB) of Israeli Arab women.

Prochaska et al. [1992, as seen in: Curtis et al. 2016] note that having psychological resources (i.e. PsyCap) is an essential precondition for progression through RFC stages. Lam et al. [2010] note that upward progress between RFC stages also empowers changes in employment behaviors (EOB). Therefore, assuming that H.2., H.3. and H.4. are confirmed, it is predicted that RFC stages will be shown to mediate the relationship between PsyCap and EOB. Thus, the fifth hypothesis is:

H.5. The relation between psychological capital and employment behavior is mediated by readiness for change stags: the higher the PsyCap leads the greater readiness for change, which leads to a higher probability of performing EOBs.

Figure 4.1 illustrates the research model of this study. It presents the three variables examined by their sub-scales and also shows the research hypotheses stated above: H.1. states that economically inactive Israeli Arab women's stage of readiness for change (RFC) is pre-contemplation or contemplation and not action. H.2. and H.3. show the anticipated relationships between PsyCap and other variables. In H.2. the higher PsyCap the higher is RFC stage. In H.3. higher PsyCap effects positively more EOBs. H.4. shows that the higher is the RFC stages the higher is the probability of EOBs. H.4 examines the relationship between RFC and EOB, in which EOB is the dependent variable and RFC is the independent variable. Another role of RFC is examined in H.5. in which it acts as a mediating variable in the relationship between PsyCap and EOB.

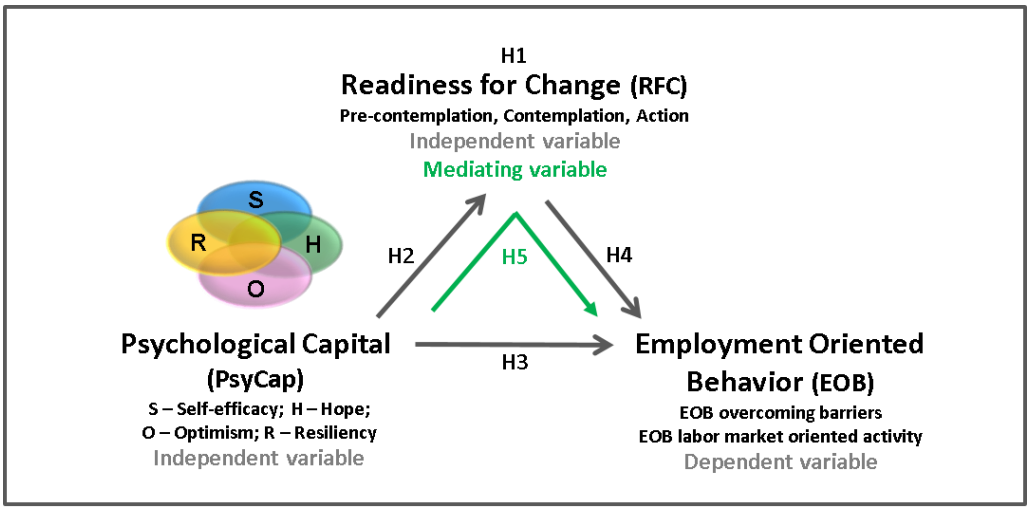


Figure 4.1. Snowball research model

4.3 Research method

This section presents the methodological part of the research. It elaborates the data collection method, describes the research population, describes the research variables by their conceptual definition and operationalization and presents the statistical analyses that were performed.

4.3.1 Data

The previous chapter examined the representative CBS social survey, and as such it includes 'hidden populations' who are difficult to locate and contact [Van Meter 1990; Fraugier and Sargeant 1999, cited in: Ben Baruch and Liberzon nd, p. 9]. Inactive individuals can be equally hard to reach [OECD 2006, p. 11]. This is particularly the case when studying economically inactive Arab women, who are mostly homemakers, live in peripheral areas, and are not attached to any public institution. This research deals only with this 'hidden' demographic; although, one can assume that they are connected to other economically inactive women through their social networks. Pajic et al. [2018, p. 163] recruited their hidden research participants - refugees – using a snowball sampling technique that employed the assistance of 'referrals', or 'field-women' with similar characteristics to the desired subjects [Ben Baruch and Liberzon nd]. Similarly, this research uses a snowball sampling technique to reach its desired population conveniently and efficiently. Since this study is a forerunner in the research

of PsyCap and RFC of economically inactive Arab women, the use of the snowball, non-random, sampling technique is conventional [Neuman 2014, p. 248, p. 274].

Data was gathered with the assistance of 'field-women' with whom I was formerly acquainted. I approached them to request their assistance recruiting research participants from within their social network of inactive Arab women. The field women came from a number of Arab villages located in northern Israel. Inactive Arab women who agreed to participate in the survey received a link to the questionnaire on their mobile 'WhatsApp' application. Their responses to the questionnaire were sent directly to me via Google drive. In total, 49 inactive Arab women participated in the research, all of them from villages in the north of Israel.

Using 'WhatsApp' to distribute the questionnaire had several benefits that are worth noting. It enabled participants to respond quickly, reduced the necessary labor, and eliminated any initial data logging errors. In addition, respondents enjoyed the flexibility of being able to complete the questionnaire in their own time [Ben Baruch and Liberzon nd]. However, this data collection method also has its pitfalls; it is hard to ascertain whether respondents completed more than one questionnaire, or to keep track of those who refused to participate in the research.

4.3.2 Description of research variables

This section presents a description of the research variables by their theoretical, conceptual definitions, and their operationalization. It also introduces the measurement scales. A number of the scales used were not originally developed for the study of economic inactivity; thus, the scales were contextualized to fit this study. Since economically inactive Arab women have lower education levels and often face language barriers (chapter 1.3.1), the scales were modified and translated into simple terminology, and no graphical elements were used [Ben Baruch and Liberzon nd]. Furthermore, as the primary language is Arabic, the questionnaire was translated into Arabic and into English. This was done in accordance with Brislin's [1986, p. 161] suggestion: *'The recommended procedure is back-translation… In back-translation, one bilingual translates from the source to the target language, and another blindly translates back to the source. The procedure can be repeated for several rounds'.*

Psychological capital

Luthans et al.'s [2007a] multidimensional, subjective and malleable personal resource has been discussed extensively above and does not require repeating. However, it is worth reiterating that its selection for this research stems from its proven importance as a resource in the employment enhancement process (see chapter 2.2). Multiple studies previously detailed, have demonstrated PsyCap's positive relationship to EOB labor market oriented activity – a dependent variable. Notably, PsyCap theory has not yet been used to examine the economically inactive population. The strength and uniqueness of PsyCap as a high-order, multidimensional core construct, and as a synergistic theory [Avey, Reichard, Luthans, and Mhatre 2011] which is a resource and a capital means it has much to offer this research.

Luthans et al. [2007a, p. 3] defined PsyCap as *'an individual's positive psychological state of development'*. This theory is comprised of four cognitive emotional components: **self-efficacy** – *'having confidence to take on and put in the necessary effort to succeed at challenging tasks'*; **optimism** – *'making a positive attribution about succeeding now and in the future*'; **hope** – *'preserving toward goals and, when necessary, redirecting paths to goals in order to succeed*'; **resiliency** – *'when beset by problems and adversity, sustaining and bouncing back and even beyond to attain success'* (see elaboration pg. 95-104). The PsyCap conceptual definition was adopted by the current research.

Measurement

Luthans et al. [2007a] developed the PsyCap questionnaire (PCQ) as an empirically validated and reliable research tool [Kalpana 2015, p. 152]. It was introduced within an experimental research design and developed for the study of organizational behavior within a workplace setting [Luthans 2007b]. Since this study employs a correlational research design, PCQ was not used and the PsyCap metric in this study (i.e. self-efficacy, optimism, hope, and resiliency) is assessed using four separate scales that match the research population's characteristics.

Being an ordinal variable, all items are scored on a scale from 1 (strongly disagree) to 5 (strongly agree). The self-efficacy, hope, and optimism scales were originally designed on a four-point response scale. To match them to the additional variables contained in this research and to the resiliency sub-scale, they were adjusted into a five-point scale. The higher

the point on the scale, the higher the measured sub-scale. Each sub-scale was calculated as the mean of its items. All sub-scales measurements are combined to form a synergetic PsyCap scale. Notably, the Pearson correlations among the PsyCap sub-scales were very high (ranging from α=.50-.78). Hence, to avoid multi-collinearity in the regression analyses, the PsyCap core construct was calculated as the mean of the sub-scales' means.

Reliability measures:

- Self-efficacy - in Luthans' scale the Cronbach alpha was α=.85; in this research its α=.86.
- Optimism - in the original scale the Cronbach alpha was α=.82. In the current study, it is α=.71.
- Hope - in the original scale the Cronbach alpha ranged between α=.74-.84. In the current research it is α=.93.
- Resiliency - in the original scale the Cronbach alpha ranged between α=.80-.91. In the current study the initial reliability of item 22 was α=.69. Due to low reliability, this item was subsequently removed. The item removed stated: 'It is hard for me to snap back when something bad happens'. It appeared that respondents found this item hard to understand due to the use of double negatives. Consequently, the phrasing was deemed inappropriate for the population, and is better avoided in questionnaires [Neuman 2014, p. 326]. Once the item was removed the reliability increased to α=.79.

The following describes the operationalization of each sub-scale.

(1) The measurement of the **self-efficacy** sub-scale was designed according to Bandura's "Guide for constructing the self-efficacy scale"[2006].[87] The self-efficacy scale in this research was developed to match the economically inactive population since existing scales are designed for researching unemployed, employed, and disabled populations, and the like. Items 1-6 relate to the self-efficacy sub-scale. Items 1-4 were drawn from the general self-efficacy scale (GSE) developed by Schwarzer and Jerusalem [1995]. Questions 5 and 6 were

[87]Guideline examples: (a) a differentiated set of self-beliefs linked to distinct realms of functioning; (b) items are phrased in the present tense, as a judgment of capability to execute given types of performance, rather than future tense as a statement of intentions; (c) there is a need to provide a multifaceted comprehensive assessment for aspects relevant to the domain; (d) the scale needs to be linked to factors that determine quality of functioning in the domain of interest.

added to meet Bandura's requirement to target a relevant domain [2006]. Responses were given on a five-point Likert scale.

The items are:

1. I have confidence in my ability to solve problems;
2. Thanks to my resourcefulness, I feel confident in initiating new steps relating to employment;
3. I have the ability to set myself goals and achieve them successfully;
4. Even if someone opposes my desire to work, I still get what I want;
5. I feel confident when talking to strangers and presenting myself;
6. I feel confident consulting with people whom I did not know before.

(2) The measurement of the **optimism** sub-scale was drawn from the LOT-R scale developed by Scheier, Carver and Bridges [1994, p. 1065]. They defined optimism as: *'generalized expectancies for positive versus negative outcomes'*. Items 7-12 relate to the optimism sub-scale. Items 7, 9, 11 measure optimism, and items 8, 10, 12 are reverse scored and measure pessimism. The original questionnaire contained 4 filler items which were later discarded. Responses are given on a five-point Likert scale.

The items are:

7. In uncertain times, I usually expect the best;
8. If something can go wrong for me, it will;
9. I'm always optimistic about what will happen to me in the future;
10. I rarely count on good things happening to me;
11. Overall, I expect more good things to happen to me than bad;
12. I hardly ever expect things to go my way.

(3) The measurement of the **hope** sub-scale was drawn from the 'hope scale' developed by Snyder et al. [1991, p. 571]. Hope is defined as: *'a cognitive state that is based on the reciprocally derived sense of successful (a) agency (goal directed determination) and (b) pathways (planning of ways to meet goals*)'. Questions 13-18 relate to the hope sub-scale. Four filler items were deleted from the original questionnaire. Furthermore, an item that discusses past experiences was discarded due to irrelevancy, as generally economically inactive Israeli Arab women do not have previous employment experience. Similarly, an item

that asked respondents to compare themselves to others was discarded. Responses are given on a five-point Likert scale.

The items are:

13. I can think of many ways to get out of a jam;
14. At the present time, I am energetically pursuing my goals;
15. There are a lot of ways around any problem;
16. Right now, I see myself as being relatively successful;
17. I can think of many ways to get the things in life that are most important to me;
18. At this moment, I am meeting the goals that I have set myself.

(4) The measurement of the **resiliency** sub-scale was drawn from Smith et al.'s 'brief resilience scale', wherein resiliency is defined as: *'the ability to bounce back or recover from stress'* [2008, p. 194]. Items 19-24 relate to the resiliency sub-scale. Items 19, 21, 23 examine positive attitudes, and items 20, 24 negative ones. Responses are given on a five-point Likert scale. Notably, item 22 was deleted due to reliability.

The items are:

19. I tend to bounce back quickly after hard times;
20. I have a hard time making it through stressful events;
21. It doesn't take me long to recover from a stressful event;
23. I usually come through difficult times with little trouble;
24. I tend to take a long time to get over set-backs in my life.

Readiness for change

Lam et al.'s [2010] readiness for change stages were used to construct the theoretical framework of this research. The conceptual definition of readiness for change defines it as a state of preparedness and willingness to change and undergo a *'a pattern of stages of readiness'* [Lam et al. 2010, p. 322]. Lam et al developed the Lam Assessment of Stages of Employment Readiness – LASER, to study African American mothers on welfare benefits (i.e. a minority), who face employment disincentives and barriers (such as childcare and transportation). The similarities this population and their difficulties bear to the characteristics of Arab women and the barriers they face, makes the LASER scale suitable for use in this

research. To date, I have not found any research that has used LASER to examine economically inactive individuals or Israeli Arab women.

The LASER scale defines and describes three stages of readiness for change:

(1) **Pre-Contemplation** - refers to individuals who do not recognize the need to change, nor are they willing to work;
(2) **Contemplation** – encompasses individuals who consider the possibility of change, yet do not act on it;
(3) **Action** - encompasses individuals who are ready and willing to pursue change and engage in job searches and other employment oriented behaviors, increasing their chances of being recruited [Chan et al. 2006].

Measurement

The operationalization of RFC is a construct of three stages: pre-contemplation, contemplation, and action. Being an ordinal variable, all items score on a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree). The reliability of the scale is α=.84 for the pre-contemplation stage; α=.89 for the contemplation stage; α=.85 for the action stage.

In Lam et al.'s LASER, calculations were conducted by adding the scores and then allocating *'different sub-scores representing the corresponding stages as forming a continuous measure'.* The highest sub-score represents '*a subject's tendency towards the corresponding stage*' [Chan et al. 2006, p. 699]. The stages are calculated similarly in this research.

Lam et al.'s [2010] LASER scale contains 14 attitude items: six Items (4, 7, 8, 10, 12, 14) relate to the pre-contemplation stage, four Items (1, 3, 6, 9) relate to the contemplation stage, and four items (2, 5, 11, 13) relate to the action stage.

Pre-contemplation stage items are:

4. I am not able to work. I do not see why I have to be here;
7. Getting my-self ready to find a job is pretty much a waste of time because I can't work anyway;
8. I guess being out of work is not good, but there is nothing I can do about it right now;
10. People tell me I should get a job, but I don't think so;
12. All this talk about job is boring. Why can't people just leave me alone?

14. It is pretty much a waste of time getting ready to find a job because I really do not want to work.

Contemplation stage items are:

1. I think I might be ready to look for job;
3. It might be worthwhile to work on finding a job;
6. I have been thinking that it might be time for me to find a job;
9. I know I need to get a job and really think I should work on finding one.

Action stage items are:

2. I am doing something to get ready to look for a job;
5. I am finally doing something about finding a job;
11. Anyone can talk about wanting a job, but I am actually doing something about it;
13. I am actively doing something to find a job.

Employment oriented behavior

No employment efficiency metric, that was specifically suited to economically inactive Arab women population, was identified during preliminary research. Thus, a new one was developed based on the relevant literature. I examined metrics used to study populations who are most similar to the target population, such as welfare recipients, injured, and unemployed populations (see chapter 2.3). In addition to their employment status [Braathen 2014; Curtis 2016; Brendbekke 2017], these populations were often measured in terms of their attitudes (e.g. willingness to improve and having an action plan) [Li et al. 2006], and behaviors (e.g. looking for a job and overcoming obstacles) [Lam et al. 2010]. In as much as the populations studied were all out of work they are like the target population of this study; however, the employment outcomes of the economically inactive cannot be measured in the same manner. Jabareen [2015] notes that the employment pattern of Israeli Arab women, as reflected by the high rate of economic inactivity rate, is more akin to that found in Arab developing countries. For example, the women may have some work, but it takes place within a black market enclave economy. Arab women are inactive by all official definitions, however, employing commonly used developed country measurements (e.g. work/not work) seems inappropriate. I argue that there is a need to examine the actions of the inactive population in more nuanced terms. For inactive individuals, every kind of activity that is labor market

oriented should be treated as having a high value. Therefore, the measurement of EOB must be sensitive enough to account for even the smallest actions that are purposefully oriented towards readiness for employment, rather than only measuring those that culminate in being hired.

For example, one such employment oriented behavior is the need to deal with the barriers faced by the research population, which were widely discussed in chapter 1.3. Another example is volunteer activity.[88] It is perceived to Fredrickson's broaden and build theory of positivity[2003, as sited in: Avey et al. 2011, p. 133]. Employees who have high levels of positivity (high PsyCap) *'exhibit more OCBs* (i.e. volunteer activities) *than employees who tend to be negative* (low PsyCap). Fredrickson's model [2003] argues that people who have greater positivity are more likely to engage in *'extra-role behaviors'*. Although Fredrickson refers to working employees, engaging in volunteer activity when inactive can be interpreted as a behavior oriented towards employment which can serve other benefits than those salaried.

The reason why EOB is measures through behaviors: RFC measures attitudes towards working, and PsyCap measures motivation and action. Thus, attitudes were not included as part of EOB in order to differentiate between the three variables.

Measurement

The conceptual definition of employment oriented behaviors (EOB) developed for this research is: behaviors that are oriented towards labor market participation.

The operationalization of EOB is a construct of two sub-scales: 1. **EOB overcoming barriers** – refers to coping with, and overcoming, employment barriers to get closer to the labor market (i.e. education, location and infrastructure, health, culture, and gender roles). The reliability of EOB overcoming barriers sub-scale (α=.74) was satisfactory; 2. **EOB labor market oriented activity** – refers to job searching activities. The items examining EOB were inspired

[88] http://www.cbs.gov.il/www/publications/social_survey04/social_survey_h.htm [date of access: 26 August 2018][Hebrew]. The survey shows people who actively volunteer, have more friends, are in better health, and feel more satisfied with their economic situation. Additionally, the study found: lower rates of volunteering among women, lower rate of volunteering among those with less education, and lower rates of volunteering among the Arab population compared to the Jewish.

by Chen and Lim's [2012] dependent variables assessment tool. Chen and Lim discuss the influence of PsyCap on job searching outcomes among displaced employees and the unemployed. The items were modified[89] to better suit the conditions of the target population in this study, such as being unattached to a labor market and being at an unknown stage of readiness for change. The reliability of labor market oriented activity sub-scale (α=.81) was satisfactory. Each EOB sub-scale was calculated by its mean.

The scale includes 17 items divided into the two sub-scales:

EOB overcoming barriers sub-scale: items 1, 2, 3, 4, 5, 14, 15, and 17 relate to barriers that, according to the literature, economically inactive Arab women experience: items 1, 2, and 4 relate to gender roles; item 3 relates to health deficiencies; item 5 relates to volunteer work and was drawn from the Israeli CBS 2004 social survey; items 14 and 17 relate to education; item 15 relates to infrastructure (i.e. transportation). The sub-scale is categorical [Neuman 2014]. Responses are coded as following: for items 1, 2, and 3: not applicable (2) / yes (1) / no (0); for items 4, 5, 14, 15, and 17: yes (1) / no (0).

The items are:

1. I arranged for my children to receive adequate care while I am at work;
2. I arranged that the (ill/old) person that I provide care for would receive adequate care;
3. I took care of my medical limitations to be able to go to work;
4. I got my husband/partner / family's support in doing paid job;
5. I worked as a volunteer;
14. I have participated in a vocational training;
15. I made a transportation arrangement that enables me to get to work (if I had any);
17. I enrolled in a study program to increase my employment opportunities.

EOB labor market oriented activity sub-scale: Items 6-13, and 16. This sub-scale is categorical. Responses are coded as yes (1) / no (0).

The items are:

6. I have written my CV that is ready to be sent out;
7. I have sent my CV to employers;
8. I have participated in a job interview;

[89]Chen and Lim's [2012, p. 839] items such as: I read ads in newspapers, talked to friends or relatives about possible job leads, sent my resumes to potential employers, contacted an employment agency.

9. I am in contact with an employment agency or an employer that I wish to work for;
10. I have asked members of my family, friends, or people in the local community about employment opportunities for me;
11. I have asked various people for tips regarding starting work / job searching;
12. I have looked for job advertisements in the press and online;
13. I went to employment fairs;
16. I have called an employer to ask for job.

Personal data variables questionnaire

Demographic and human capital information was collected through a personal data questionnaire. The following is a description of the variables therein (see Appendix 24).

(1) **Age** (ordinal scale), similar to the CBS social survey: 1 (18-24); 2 (25-34); 3 (35-44); 4 (45-54); 5 (55-64).

(2) **Marital status** (categorical scale): (1) single; (2) married; (3) divorced; (4) separated; (5) widowed; (6) live together.

(3) **Children**: having children 1 (yes) / 0 (no) (categorical scale); number of children (ordinal scale); age of youngest child (ordinal scale); number of children who attend an educational setting (ordinal scale).

(4) **Religion** (categorical scale): (1) Muslim; (2) Christian; (3) Druze or Cherkessk; (4) other; (5) no religion.

(5) **Educational level** - years of study (ordinal scale); matriculation certificate (categorical scale) 1 (yes) / 0 (no); study after high school (categorical scale) 1 (yes) / 0 (no); highest diploma received (categorical scale): (1) high school; (2) matriculation certificate; (3) vocational certificate; (4) do not have any diploma.

(6) **Health condition** - do you suffer from any health condition (categorical scale): (1) yes; (2) yes, but temporary; (3) yes, but only sometimes; (4) no.

(7) **Caretaking** – do you take care of a child or sick/other/older person (categorical scale) 1 (yes) / 0 (no); how many hours a week, can anyone replace you: (1) yes; (2) only temporarily; (3) no.

(8) **Hebrew speaking level** (1) none; (2) weak; (3) quite well; (4) very good.

(9) **Receive allowances** (categorical scale) - 1 (yes) / 0 (no) / 2 (do not know): child allowance; housing allowance; handicap allowance; financial support; other. Reliance on allowance

(ordinal scale): (1) very significant; (2) a little significant; (3) not at all; (4) do not get any allowance.

Employment history and status questionnaire

(1) Have you ever had a job (categorical scale): 1 (yes) / 0 (no).
(2) How long have you worked (categorical scale): (1) few days; (2) week-month; (3) 1 month–3 months; (4) more than 3 months.
(3) Currently employed (categorical scale): 1 (yes) / 0 (no)
(4) Looked for a job in the last month (categorical scale): 1 (yes) / 0 (no)
(5) Reason for currently not working (categorical scale): (1) taking care of a child; (2) taking care of other; (3) student; (4) health condition; (5) no work in the area; (6) too old; (7) housewife; (8) not interested in working.

4.3.3 Statistical analyses

The statistical analyses performed are: (1) A within-subject analysis of variance ANOVA and student's t-test analyses to examine the differences between groups; (2) Pearson correlation analyses to examine correlations within multi-variables models; (3) Linear regression analyses to examine the prediction of variables in the multi-variable model, revealing the odds ratio? of the predictors (4) A Baron and Kenny [1986] mediation model to reveal the intervention of RFC in the relationship between PsyCap and EOB.

All the analyses were performed using the Statistical Package for the Social Sciences (SPPSS, version 20).

4.4 Research population

Descriptive statistics and frequencies of demographic and socio-economic variables are shown in Table 4. and Table 4.2.

Table 4.1. Socio-demographic characteristics of the research population

	n	Mean	SD	Range
Age	49	30.2	8.40	19-49
No. of children	28	2.18	1.19	0-4
Child's age	30	7.057	6.65	0.5-24
Years of education	48	13.19	2.20	8-18
Time of caring	8	114.25	75.13	8-168
			n	%
Marital status	Single		12	24.5
	Married		33	67.3
	Divorced		1	2.0
	Widow		2	4.1
	Lives together		1	2.0
Children	No child		16	33.3
	Have a child		32	66.7
Religion	Muslim		34	69.4
	Christian		7	14.3
	Druze		8	16.3

Table 4.2. Frequencies of socio-demographic variables

		n	%
Highest education received	None	6	12.8
	12 years of school	9	19.1
	High school diploma	7	14.9
	Professional diploma	25	53.2
Health problems	Yes	3	6.1
	Temporarily	3	6.1
	Sometimes	3	6.1
	No	40	81.6
Caretaking of others	No	37	77.1
	Yes	11	22.9
Replacement for caretaking of others	Yes	7	63.6
	No	4	36.4
Hebrew speaking level	No	2	4.1
	Poor	12	24.5
	Quite well	30	61.2
	Very well	5	10.2
Child allowance	No	25	55.6
	Yes	14	31.1
	Don't know	6	13.3
Housing allowance	No	44	89.8
	Yes	1	2
	Don't know	4	8.2
Handicap allowance	No	44	89.8
	Yes	3	6.1
	Don't know	2	4.1
Financial / pension support	No	44	89.8
	Yes	2	4.1
	Don't know	3	6.1
Reliance on allowance	Very significant	9	21.4
	A little significant	8	19
	Not at all	6	14.3
	Don't get allowance	19	45.2
Have you ever had a job	No	11	22.4
	Yes	38	77.6
Period of previous employment	Several days	5	10.2
	1-4 Weeks	11	22.4
	1-3 month	11	22.4
	More than 3 months	22	44.9
Job searching	No	30	61.2
	Yes	19	38.8
Reasons for not working	Take care of child	5	13.9
	Take care of others	4	11.1
	Student	2	5.6
	Health condition	1	2.8
	No good jobs	6	16.7
	Household	9	25
	Not interested	9	25

4.5 Results

The purpose of this chapter is to present the findings of the empirical research. Table 4.3 shows the descriptive statistics of the main variables. Tables 4.4 - 4.7 show the influence of potential demographic variables. This is followed by analyses of the research hypotheses in Tables 4.8 - 4.16.

4.5.1 Descriptive statistics

The descriptive statistics presented in Table 4.3 reveal that all variables were within the normal range and variance, and normally distributed. The results show that participants engage in more behaviors to reduce the impact of the employment barriers they face (EOB overcoming barriers) than in job searching behaviors (EOB labor market oriented activity). With respect to RFC distribution, most respondents indicated that they are in the RFC contemplation stage, meaning that they are ambivalent to change. The PsyCap variable results reveal that most participants possess an average level of psychological resources, both for the individual sub-scales and for PsyCap as a construct.

Table 4.3. Descriptive statistics of main variables

	n	Mean	SD	Range
EOB overcoming barriers	47	4.23	1.86	0-7
EOB labor market oriented activity	47	3.34	2.69	0-9
RFC pre-contemplation	48	2.41	.94	1-4
RFC contemplation	48	3.53	1.09	1-5
RFC action	48	3.26	1.13	1-5
Self-efficacy	44	3.67	.85	1.5-5
Optimism	44	3.30	.70	1-4.5
Hope	43	3.71	.98	1-5
Resiliency	43	3.70	.79	2.4-5
PsyCap	44	3.58	.72	1.53-4.83

4.5.2 Inferential statistics analyses

The potential effect of demographic variables

The purpose of this section is to provide the statistical analyses for the research hypotheses. To verify each hypothesis, correlation and regression analyses were performed

on the main research variables. Potential interfering variables were initially checked before turning to the first hypothesis. The relationships between research variables and demographic variables were examined to deduct their influence in later analyses. The demographic variables were used as follows: 1. the **age** variable was used as is; 2. The 'highest diploma received' item was changed so that the 'don't have any diploma' category (4) was changed into (0). The new variable is now **professional education** (professional education / no professional education); 3. **marital status** was changed by consolidating its categories into 'single' and 'not single'; 4. the **children** variable was changed so that the item ' how many children under the age of 18 do you have' was calculated as two categories: 'child under 18' and 'no child under 18'. Pearson correlations and t-tests were performed, as shown in Tables 4.4 – 4.7.

Tables 4.4 – 4.7 reveal that age is negatively related to EOB labor market oriented activity and to RFC contemplation and action stages. Professional education was positively related to RFC contemplation and action. Marital status and having a child under 18 did not have any influence on the research variables. Thus, age and professional education were controlled as covariates throughout the analyses.

Table 4.4. Correlation between age and EOB and RFC stages

	EOB		RFC		
	Overcoming barriers	Labor market oriented activity	Pre-contemplation	Contemplation	Action
Age	-.15	**-.29***	.11	**-.31***	**-.43****

$^{*}p<.05$ $^{**}p<.01$

Table 4.5. Comparison of EOB and RFC stages by education groups

	Professional education (n=25)		No professional education (n=24)		
	Mean	SD	Mean	SD	t
EOB overcoming barriers	4.58	1.69	3.87	1.98	1.33
EOB labor market oriented activity	3.92	2.81	2.74	2.47	1.52
RFC pre-contemplation	2.22	.91	2.63	.95	1.52
RFC contemplation	3.83	1.12	3.21	.99	**2.04***
RFC action	3.63	1.01	2.86	1.13	**2.47***

$^{*}p<.05$

Table 4.6. Comparison of EOB and RFC stages by marital status

	Single (n=13)		Not single (n=34)		
	Mean	SD	Mean	SD	t
EOB overcoming barriers	4.46	1.33	4.15	2.03	.52
EOB labor market oriented activity	4.08	2.43	3.06	2.76	1.17
RFC pre-contemplation	2.23	.98	2.49	.93	.89
RFC contemplation	3.84	1.08	3.40	1.09	1.26
RFC action	3.58	1.03	3.13	1.15	1.28

Table 4.7. Comparison of EOB and RFC stages by children

	Child under 18 (n=25)		No Child under 18 (n=22)		
	Mean	SD	Mean	SD	t
EOB overcoming barriers	4.36	2.06	4.09	1.63	.49
EOB labor market oriented activity	2.76	2.59	4.00	2.71	1.60
RFC pre-contemplation	2.63	.98	2.18	.86	1.66
RFC contemplation	3.44	1.06	3.63	1.15	.60
RFC action	3.24	1.21	3.29	1.06	.15

H.1. Economically inactive Israeli Arab women's stages of readiness for change (RFC) are pre-contemplation or contemplation, and not action.

Literature relates the high length of being out of labor market to lower RFC stages. As the research population is inactive by definition, they are expected to be in lower RFC stages.

To test the hypothesis, a within-subject analysis of variance (ANOVA) was conducted over the means of the stages presented in Table 4.3. The results reveal that the difference between the stages of readiness for change were significant [$F_{(2,94)}$=15.13, p<.01; η^2=.24]. RFC contemplation (M=3.53, SD=1.09) was higher than RFC action (M=3.26, SD=1.13), which was higher than RFC pre-contemplation (M=2.41, SD=.94). These findings suggest that most participants are prone to higher stages of readiness for change. In other words, participants are mostly aware of their employment problem, but are ambivalent with respect to changing it. Fewer respondents are ready and willing to pursue change, and some do not even recognize the need to change. Thus, hypothesis 1 was partially verified.

H.2. The higher PsyCap the higher is the readiness for change (RFC) stage.

The literature suggests that individuals with higher psychological resources will be in higher stages of readiness for change. In addition, the results presented in chapter 3 show that inactive Arab women have a low PsyCap level. As PsyCap is a core construct of four psychological resources, it is expected that inactive Arab women who have higher PsyCap levels, will also be in higher RFC stages (i.e. high PsyCap will positively correlate to contemplation and action stages). In contrast, inactive women with lower PsyCap levels will be in the lowest RFC stage (i.e. low PsyCap will negatively correlate to pre-contemplation). In order to verify the hypothesis, the data was analyzed using a Pearson correlation and Linear regression analyses. Results are shown in Table 4.8.

Table 4.8. Correlation between PsyCap and sub-scales and RFC stages

	RFC		
	Pre-contemplation	Contemplation	Action
Self-efficacy	**-.27***	**.58****	**.58****
Optimism	.05	**.44****	**.31***
Hope	-.19	**.50****	**.54****
Resiliency	-.24	.23	.25
PsyCap	-.22	**.52****	**.51****

**p<.05 **p<.01*

The results in Table 4.8 show that PsyCap positively and strongly correlates with RFC contemplation and action stages. This means that inactive Arab women who have more positive attitudes and expectations, and a greater ability to cope with adversities (i.e. PsyCap) are ambivalent to change, or willing to change their employment status, but are not in denial about the need for change.

The PsyCap sub-scales self-efficacy, optimism, and hope also correlate positively with these RFC stages. Meaning that inactive Arab women with confidence in overcoming challenging tasks (i.e. self-efficacy), with positive attitudes about their potential to succeed (i.e. optimism), and who are motivated to set goals (i.e. hope), are also more likely to consider changing their employment status and are more willing to do so.

Nonetheless, it is evident that dealing with adversities (i.e. resiliency), on its own, does not significantly relate to being ready for change. It is also clear that self-efficacy is moderately negatively correlated to the pre-contemplation stage. Thus, inactive Arab women who have lower confidence before challenging tasks are also more likely to deny the need to change.

Linear regression analyses using age and professional education as dummy variables were performed to deduct the effect of PsyCap with interfering variables. The results are shown in Table 4.9.

Table 4.9 reveals that PsyCap is significant in predicting RFC contemplation and action stages, even with age and professional education taken into account, but not in that of the pre-contemplation stage. Therefore, the regression models did not infer PsyCap to be significant. Thus, higher PsyCap level strongly predicts the higher stages of RFC (contemplation and action). This suggests that inactive women who have more positive attitudes and expectations about achieving goals, and cope well with adversities (i.e. PsyCap), will be significantly, strongly, ambivalent towards making change or show willingness to take action in changing their employment status. However, they will not be in a stage of denial. In addition, age was found to negatively predict the RFC action stage. In other words, the older an inactive woman is, the less willing and ready to initiate actions for employment change she will be. The analyses also reveal that professional education is not correlated to any of the three RFC stages.

Table 4.9. Three Linear regression analyses predicting RFC using age, professional education, and PsyCap

	Pre-contemplation		Contemplation		Action	
	Adj R^2=.02	$F_{(3,40)}$ =1.24	Adj R^2=.27	$F_{(3,40)}$ =6.28**	Adj R^2=.35	$F_{(3,40)}$ =8.77**
	β	t	β	t	β	t
Age	.08	.47	-.17	1.15	**-.32**	**-2.32***
Professional - education	-.18	1.14	.16	1.17	.20	1.52
PsyCap	-.13	-.73	**.40**	**2.71****	**.32**	**2.33***

*p<.05 **p<.01

H.3. The level of PsyCap affects positively EOB of Israeli Arab women.

The literature suggests that higher PsyCap levels relate to positive employment outcomes. Furthermore, as previous noted above (Table3.24) PsyCap correlates to EOB in the total and the Jewish sample. Although no correlation was seen in the Arab women's sample, it was possible to identify differences between groups in the absolute level of PsyCap. Thus, it is anticipated that inactive Arab women with higher PsyCap level will perform more EOB, whereas women with lower PsyCap will perform less. In order to verify the hypothesis a Pearson correlation was performed. The results are shown in Table 4.10.

Table 4.10. Correlations between PsyCap and sub-scales and EOB

	EOB	
	Overcoming barriers	Labor market oriented activity
Self-Efficacy	**.35****	.18
Optimism	**.35****	-.11
Hope	**.47****	-.01
Resiliency	**.35***	.10
PsyCap	**.42****	.03

*$p<.05$ **$p<.01$

The results in Table 4.10 show that the PsyCap core construct and its components, significantly and positively correlate with the EOB overcoming barriers sub-scale. However, they do not correlate with EOB labor market oriented activity. This means that inactive Arab women with more positive attitudes and expectations and the ability to cope with adversities (i.e. PsyCap), will perform more behaviors that reduce the impact of employment barriers. However, positive attitudes and expectations (i.e. PsyCap) do not relate to an increased performance of job searching behaviors (i.e. EOB labor market oriented activity). The distinction might stem from a different mechanism being responsible for the latter type of behavior. Another possibility is that inactive Arab women prioritize the need to address employment barriers over performing labor market activity, particularly when having low levels of PsyCap.

Since the only significant relationship between PsyCap and EOB was found in the EOB overcoming barriers sub-scale, a Linear regression analysis with age was performed to deduct the effect of PsyCap with interfering variables. Results are shown in Table 4.11.

Table 4.11. Linear regression analysis predicting EOB overcoming barriers using age and PsyCap

	EOB overcoming barriers	
	Adj R^2=.14	$F_{(2,41)}$ =4.48*
	β	t
Age	.03	.19
PsyCap	**.44**	**2.80****

*p<.05 **p<.01

Table 4.11 reveals that PsyCap remains a significant predictor of EOB overcoming barriers even with age. This means that inactive Arab women's positive attitudes and expectations and ability to cope with adversities (i.e. PsyCap) significantly and positively predicts behaviors intended to cope with employment barriers, regardless of age. As shown in chapter 3, inactive Arab women have lower PsyCap compared to their Jewish counterparts, and face a complex combination of barriers to employment. The results shown in Table 4.11 suggest the priority placed on confronting these barriers before engaging in job seeking behaviors. Therefore, hypothesis 3 is verified.

H.4. The higher the stage of readiness for change (RFC) the higher is the probability of employment oriented behavior (EOB) of Israeli Arab women.

The literature suggests that the higher an individual's RFC stage, the better his/her employment outcomes will be. As EOB represents the employment outcomes of the inactive, it is predicted that inactive Arab women in higher RFC stages will perform more EOB, and vice versa. In order to verify the hypothesis a Pearson correlation was performed. Results are shown in Table 4.12.

Table 4.12. Correlations between RFC stages and EOB sub-scales

	RFC		
	Pre contemplation	Contemplation	Action
EOB overcoming barriers	-.24	**.51****	**.55****
EOB labor market oriented activity	**-.49****	**.45****	**.40****

*p<.05 **p<.01

In accordance with the hypothesis, RFC contemplation and action stages correlate positively and strongly with EOB overcoming barriers. Meaning that inactive Arab women who are ambivalent to changing their employment status, or those who are ready and willing to change, take more actions to overcome the employment barriers they face.

In addition, results show that RFC contemplation and action stages correlate positively and strongly with EOB labor market oriented activity, whereas the RFC pre-contemplation stage has a strong negative correlation to such activity. This means that inactive Arab women who are ambivalent or ready and willing to change, perform more labor market oriented activity than those who deny the need to change.

To identify the strongest relationship between RFC stages and EOB sub-scales, while also deducting the influence of age, two simultaneous Linear regressions were performed. Table 4.13 presents the results.

Table 4.13. Two Linear regression analyses predicting EOB sub-scales, using age and RFC

	EOB overcoming barriers		EOB labor market oriented activity	
	Adj R^2=.25	$F_{(4,42)}$ =4.88**	Adj R^2=.28	$F_{(4,42)}$ =5.48**
	β	t	β	t
Age	.12	.85	-.19	1.36
RFC pre-contemplation	.02	.15	**-.39**	**2.79****
RFC contemplation	.14	.60	.37	1.57
RFC action	**.49**	**1.89***	-.17	-.68

**p<.05 **p<.01*

The results in Table 4.13 show that the RFC action stage has a strong positive correlation with, and is the only significant predictor of, the EOB overcoming barriers sub-scale. This means that only when inactive Arab women are ready and willing to change their employment status will they engage in behaviors needed to overcome the employment barriers they face. However, this will not necessarily translate into also performing labor market oriented activity behaviors. Since it is evident that most of the sample are in the RFC contemplation stage, it would seem worthwhile finding a way to bring them into the action stage.

The RFC contemplation stage was not a significant predictor of EOB; however, the RFC pre-contemplation stage has a strong negative correlation with, and is the only significant predictor of, the EOB labor market oriented activity sub-scale. This means that inactive Arab

women who deny the need to change are less likely to perform labor market oriented activities. Therefore, it seems essential to grogress inactive Arab women out of the pre-contemplation stage in order to have an impact on their employment rates. Thus, hypothesis 4 is partially verified.

H.5. The relationship between PsyCap and employment related behavior is mediated by readiness for change.

This hypothesis was based on the assumption that H.2., H.3. and H.4. would be confirmed. In other words: if PsyCap predicts RFC and EOB, and RFC predicts EOB, thus RFC should mediate the relationship between PsyCap and EOB. To verify this hypothesis a mediation model was developed.

According to Baron and Kenny [1986], the first condition required to prove a mediation model is the existence of a significant relationship between the dependent variable and the independent variable – in this case EOB and PsyCap respectively. The relationship between PsyCap and EOB overcoming barriers is detailed in Tables 4.10 – 4.11. The second condition for proving a mediation model is the existence of a significant relationship between the mediating variable (RFC) and the dependent variable (EOB), as detailed in Tables 4.12 – 4.13. Since PsyCap is correlated with RFC contemplation and action stages and not with the pre-contemplation stage (Table 4.9), the latter was not tested. The third condition for mediation is that when adding a relationship between the independent and dependent variables to the mediator, the relationship between the variables will be eliminated, or at least significantly reduced. Tables 4.14 – 4.15 presents the statistical analyses.

As seen in Tables 4.14 – 4.15, the insertion of RFC contemplation and RFC action stages eliminates the significance of PsyCap. This confirms the mediation hypothesis. Figures 4.2 – 4.3 illustrate these mediation models. The results indicate that the correlation between PsyCap and EOB overcoming barriers is mediated both by RFC contemplation, and by the RFC action stage. Thus, PsyCap predicts RFC contemplation and RFC action stages, and these in turn predict EOB overcoming barriers. Due to the full mediation, the correlations between PsyCap and EOB overcoming barriers (as seen in Table 4.10) are no longer relevant.

Table 4.14. Two step Linear regression analysis predicting EOB overcoming barriers, using PsyCap and RFC action

	EOB overcoming barriers			
	Step1		Step2	
	Adj R^2=.16	$F_{(1,42)}$ =9.13**	Adj R^2=.29	$F_{(2,41)}$ =9.80** Fchange=8.78**
	β	t	β	t
PsyCap	.42	3.02**	.19	1.30
RFC action			**.44**	**2.96****

*p<.05 **p<.01

Table 4.15. Two step Linear regression analysis predicting EOB overcoming barriers, using PsyCap and RFC contemplation

	EOB overcoming barriers			
	Step1		Step2	
	AdjR^2=.16	$F_{(1,42)}$=9.13**	Adj R^2=.25	$F_{(2,41)}$ =8.16** Fchange=6.08*
	β	t	β	t
PsyCap	.42	3.02**	.23	1.46
RFC contemplation			**.38**	**2.47****

*p<.05 **p<.01

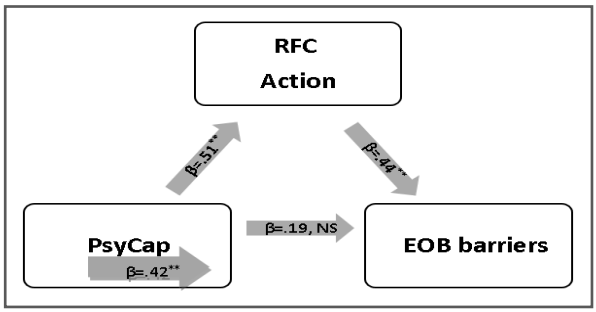


Figure 4.3. Mediation model for RFC action

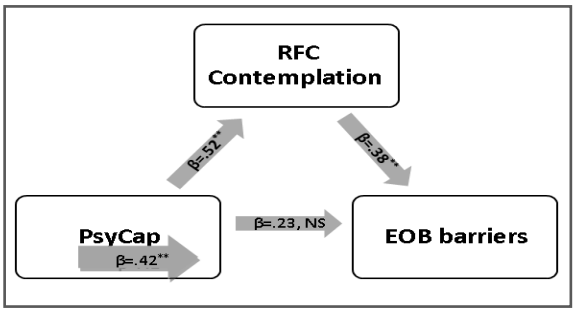


Figure 4.2. Mediation model for RFC contemplation

In order to deduct the effect of PsyCap on the interfering variables, a Linear regression analysis was performed on the EOB labor market oriented activity sub-scale, using age as a dummy variable. Although the relationship between PsyCap and EOB labor market oriented activity was examined in Table 4.10, it was performed here as a two-variable regression model with age. Table 4.16 presents the results of this analysis.

Table 4.16 (and Table 4.10) show that PsyCap is not related to EOB labor market oriented activity. Hence mediation was not tested. However, the results do indicate that age negatively predicts EOB, i.e. older age predicts less performance of EOB labor market oriented activity.

Table 4.16. Linear regression analysis predicting EOB labor market oriented activity, using PsyCap and Age

	EOB labor market oriented activity	
	Adj R^2=.06	$F_{(2,41)}$ =2.34**
	β	t
Age	-.32	2.15*
PsyCap	-.11	.69

*p<.05 **p<.01

The first conclusion that can be drawn from the relationships revealed by the mediation is that inactive Arab women do not appear to be concerned with performing labor market oriented behaviors. The results indicate that inactive Arab women find it more important to first deal with the complex employment barriers they face, and that they only perform such behaviors when they are ambivalent or ready to change.

Summary of key results

H.1. Economically inactive Israeli Arab women's stage of RFC is pre-contemplation or contemplation and not action. Most participants are significantly found in the RFC contemplation stage, followed by the RFC action stage, and lastly the pre-contemplation stage. Therefore, the hypothesis is partially verified.

H.2. The higher PsyCap the higher is the readiness for change (RFC) stage. PsyCap and its components significantly affect RFC stages: PsyCap predicts the RFC contemplation and RFC action stages with good explained variance. Therefore, the hypothesis is verified.

H.3. The level of PsyCap affects positively EOB of Israeli Arab women. PsyCap predicts the EOB overcoming barriers sub-scale; however, it does not predict the EOB labor market oriented activity sub-scale. Therefore, the hypothesis is partially verified.

H.4. The higher the stage of readiness for change (RFC) the higher is the probability of employment oriented behavior (EOB) of Israeli Arab women. RFC stages significantly

correlate with EOB sub-scales. More specifically, the RFC action stage predicts EOB overcoming barriers. In addition, the RFC pre-contemplation stage negatively predicts EOB labor market oriented activity, with good explained variance. Therefore, the hypothesis is partially verified.

H.5. The relationship between PsyCap and EOB is mediated by RFC stages: the higher the PsyCap leads the greater readiness for change, which leads to a higher probability of performing EOBs. The RFC action stage significantly and fully mediates the relationship between PsyCap and EOB overcoming barriers. In addition, the RFC contemplation stage significantly and fully mediates the relationship between PsyCap and EOB overcoming barriers, with good explained variance. Therefore, the hypothesis is verified.

4.6 Discussion

The question at the heart of this research is how do psychological resources (PsyCap) and readiness for change (RFC) relate to the employment oriented behaviors (EOB) of economically inactive Arab women in Israel? There follows a discussion of the results.

The complexity of barriers to employment facing Arab women

The literature review (chapter 1.3) showed that economically inactive Israeli Arab women suffer from a difficult combination of employment barriers. These were demonstrated through comparisons with the conditions and circumstances that Jewish women face. Examples of these barriers include: lower levels of education; less availability of support systems and services such as childcare, healthcare, and transportation; lower employment rates in the public sector; fewer job opportunities; lack of competitive skills, and so on. In addition, traditional gender roles as well as health conditions can amplify these difficulties.

(1) Human capital and employment: Education, knowledge, skills, and qualifications compose an individual's human capital (HC) [Becker 1964], which positively predicts economic activity [Tachauku et al. 2020]. The first HC component referred to in this discussion is education and its connection to employment. 46.8 percent of the sample population have low education levels of ‘none’ up to 'high school diploma'. These findings are similar to the

approximately 44 percent of Arab women reported found these categories in the CBS 2018 representative data (See Appendix 3). Moreover, the CBS data reports that 63.8 percent of those with 'up to 12 years of schooling' are inactive (See Appendix 6). As discussed, it is reasonable to assume that the education levels of Arab women act as an employment barrier in this research. The second component of HC to consider is knowledge which in this research denotes Hebrew language abilities. Tachauku et al. [2020] found that language positively strongly correlates to employment rates, and that Arab women's Hebrew language level acts as a barrier to employment. This research found that 85.7 percent (see Table 4.2) speak Hebrew at a low-medium level ('poor' to 'quite well'), whereas only 10.2 percent speak Hebrew 'very well'.[90] According to Tachauku et al., had they raised their Hebrew level to 'very well' they would have increased their odds of being economically active by 27.2 percent. Thus, Hebrew language levels can be viewed as a barrier to employment in the current research. The third, component of HC to consider is skills, or the lack thereof. The duration of respondents' previous employment can be indicative of their skills base – in that a shorter period of 'previous work' means having less skills. Table 4.2 shows that 55 percent of participants did not have more than 3 months of work experience, while the remainder had worked even less. As having more skills increases an individual's opportunities for employment [England 2004, cited in: Jabareen 2015, p. 129], the low rates of participants with previous employment may imply a lack of skills. The research population appears to fit the Eurostat data [2020] which reports that the share of inactive who do not have any previous work experience is 75.3 percent. Although this is the mean rate for both genders, it is known that rate among women is higher.[91]

To conclude, the low human capital that inactive Arab women appear to have can be viewed as a HC barrier to employment.

(2) Caretaking / household duties and employment: 50 percent of participants reported they do not work due to caretaking or homemaking duties. Cole [2007, p. 107] notes that the odds of women with dependent children being employed is a third of the odds of women

[90] Notably, these results might not be accurate and may point to even lower levels. This is due to the following: Firstly, participants were able to fill in the questionnaire in either Arabic or Hebrew. Out of 49, 42 preferred to use the Arabic version. This may point to a medium to lower level of Hebrew. Secondly, it may be that due to the associated social desirability, they exaggerated their Hebrew levels.

[91] https://ec.europa.eu/eurostat/statistics-explained/index.php?title=People_outside_the_labour_force

without dependent children. As most of the sample are Muslim and Druze women, the prevalence of this barrier is greater (see chapter 1.3.4). The social survey also shows that 52 percent of women do not work due to caretaking responsibilities (Figure 3.2), and this was noted as the main reason for inactivity by EU-27 data [Eurostat 2020]. Thus, it is reasonable to conclude that cultural-gender norms that bind women to the household act as barriers to employment (see p. 47); in fact, it is the most significant barrier to employment barrier identified in this study

(3) 'No good jobs' and employment: The lack of appropriate jobs was introduced previously as a facet of the infrastructure barrier to employment (see section 1.3.2). 16.7 percent of participants reported it as their primary reason for not working. CBS 2018 data shows 11.9 percent of respondents claimed that 'no proper work' was available for them (See Appendix 10). Since the rate in this research is even higher, it can be concluded that inactive Arab women, at least those that reside in the north of Israel, suffer from an infrastructure barrier to employment that includes having no appropriate employment options.

(4) Health level and employment: Although the literature reviewed showed that that inactive Arab women suffer from an employment health barrier; this was not corroborated in this study. 81.6 percent of participants in this study do not report suffering from any health conditions. This is in keeping with CBS 2017 data in which most inactive women (62.4 percent) reported having 'no' health issues (See Appendix 17). Thus, health state does not appear to act as a barrier to employment within the context of the current research.

(5) Financial assistance and employment: While 45.2 percent reported not receiving any monetary benefits (i.e. allowance), a similar percentage (40.4) reported some degree of dependence on them. This echoes the discussion on social policy (see p. 61). Thus it seems that, in the context of the current research, allowances do not act as a barrier to employment.

The above suggests that inactive Arab women face multiple concurrent employment barriers, the most significant of which are barriers of human capital, cultural gender roles, and infrastructure. The likelihood of being employed, or of performing employment oriented behaviors, decreases as the number of barriers and their severity increases [Danzinger et al. 2000]. This is especially the case when one of the barriers faced is the cultural barrier. Such barriers are deeply rooted in cultural traditions and social norms, and thus are often the slowest to change [OECD 2017].

In addition to employment barriers, there is a lack of interest in finding work. Eurostat [2017] and OECD [2006] note that the clear majority of the inactive are not interested in working, and lack the motivation and commitment needed to join labor market (see chapter 1.1, p. 11). However, only 25 percent of participants in this research showed no interest in working; meaning that most inactive Arab women are interested in working. While this presents an optimistic vision, it also raises the question as to why this is the case, and why this attitude is not being actualized into activity. This will be discussed further below.

In what stage of readiness for change (RFC) are Israeli Arab inactive women?

The primary purpose of this study was to identify an alternative method to improve the high rate of inactivity among Arab women in Israel. To assess that, it was essential to primarily gather the extent to which this population is interested and willing to change. This meant ascertaining which RFC stages most inactive Arab women are in, to then tailor enhancement projects accordingly [Prochaska Di Clemente 1982].

Based on Curtis et al.'s [2016] argument that longer periods outside of the labor market lead to lower RFC stages, it was anticipated that economically inactive Arab women would be in RFC pre-contemplation or contemplation stages. However, the results did not fully match the expectations; rather, they indicate that most participants are in the ambivalent contemplation stage. The results also show that the second largest group of participants are in the action stage, and are ready and willing to pursue change, with only a minority in the pre-contemplation stage. Thus, the results present a positive trend towards change in so much as the majority of inactive Arab women understand their employment problems, and although they are undecided about taking actions to make changes.

Comparing these findings to the existing literature is not simple, since RFC research on the inactive is very poor. Consequently, the comparison is based on populations studied in previous research that have similar characteristics.

Li et al.'s [2006] study of unemployed individuals with musculoskeletal injuries reveals that this population face a multifaceted construct of employment barriers, although these are specific to their condition (e.g. physical, psychological, psycho-social, and socio-economic). The most common RFC stage among Li et al.'s target population is contemplation, followed by

action, and lastly pre-contemplation. Thus, the RFC stages revealed in study are not unusual, and may indicate that when a population faces a complex mix of employment barriers, they are likely to be more ambivalent about change than willing to change.

Nonetheless, the expectation that inactive Arab women would mostly be in the pre-contemplation stage was not realized. One possible explanation for this may be found in responses to 'reasons for not working'. This shows that only 25 percent are not interested in working and fit the definition of the pre-contemplation stage. 50 percent of respondents who do not work due to care taking and homemaking, suggest that inactivity is a consequence of priorities that are influenced by various external forces. Working might not be their goal since they are engaged in other, more culturally acceptable, activities such as caretaking and home-making. In the same vein, the 16.7 percent of participants who responded that there are no suitable jobs in their area, could be categorized as ambivalent or even willing to change, but external circumstances hinder them from doing so. Therefore, this investigation reveals that Arab women's inactivity status is not necessarily a consequence of not being willing to change.

Since work is a means to elevate people out of poverty, realistically there needs to be a move to help inactive Arab women change their employment situation. How best to achieve this should be considered on two levels: the macro and the micro-personal. As seen in chapter 1.4 the macro level - the matter of employment barriers - is currently being dealt with by the Israeli labor market policy (ALMP). Nonetheless, the personal level must also be addressed. To do so it is imperative to discern what can be done to improve inactive Arab women's intentions towards change. This is elaborated upon in the following section.

How does inactive Arab women's PsyCap relate to RFC stages?

Prochaska and Di Clemente's [1982] and Prochaska et al.'s [1992] studies among those with addictive behaviors consider how can readiness for change can be enhanced. According to them and others (e.g. Li et al. 2006; Holt and Vardaman 2013), psychological resources are an essential precondition for progression through the RFC stages [Di Clemente 1982]. Notably,

Prochaska et al. [1992] refer to positive psychological resources such as self-efficacy, hope and optimism[92], which echo Luthans et al. [2007a] PsyCap sub-scales.

The current study is also concerned to establish how best progression between stages can be achieved. The above examination of the relationship between PsyCap and RFC stages reveals that PsyCap, both the core construct and its individual sub-scales, are significant strong predictors of RFC contemplation and action stages. However, it is interesting to note that the resiliency sub-scale, in and of itself, does not correlate with any of the RFC stages. Although resiliency - being able to bounce back from adversities - was found to be reliable, it is not sufficient for a person to be solely resilient to effect change. Though, as a part of the synergistic construct PsyCap construct, it can be assumed resiliency plays an important role. Thus, it can be concluded that higher PsyCap levels act as a critical resource for transitioning up the stages of RFC.

The question is how PsyCap can cause this transition? Luthans et al. [2007a] refer to PsyCap as a 'capital' that adds surplus value to attitudes, behaviors, and emotions that have a direct impact on employment outcomes (see chapter 2.2). In this vein, higher PsyCap levels increase an individual's ability to be proactive, effects his/her perception of obstacles, promotes engagement and willingness to pursue goals, and results in other desirable attitudes [Avey et al. 2011; Avey et al. 2008]. The upward transition between RFC stages can be thought of as a shift between domains of thinking, from a position of denial and rejection (i.e. pre-contemplation), through ambivalence (i.e. contemplation), to willingness (i.e. action); PsyCap 'capital' may be the fuel needed to propel this shift.

An additional result came out of statistics: the age variable was found to negatively predict the willingness to change. This means that being older decreases the odds of performing any changes in employment status. This aligns with Cole's [2007] findings that as people age, they perceive themselves to be less likely to be recruited. This might indicate that people perceive their age as a barrier that prevents them from integrating into the labor market. Adding to that Theodossiou's [1998, as seen in: Cole 2007] claim that middle aged individuals have lower

[92]Prochaska et al. [1992, as seen in: Curtis et al. 2016] details the following psychological resources: consciousness raising realistic goals stand for 'self-efficacy'; motivation and action plans stand for 'hope' and 'optimism'.

psychological well-being compared to younger age groups, and that *'psychological strain increases with age'* [Cole 2007, p. 24], it would be hard to expect an older person with lower PsyCap to pursue change.

To conclude, in the case of inactive Arab women the analysis shows that the best way to progress from contemplation to action is through higher PsyCap. As PsyCap is malleable, it is worthwhile finding ways to enhance it among economically inactive women, and in doing so increase their readiness to change their employment status.

How does inactive Arab women's PsyCap relate to their employment oriented behavior (EOB)?

The results show that PsyCap is a significant positive predictor of EOB overcoming barriers. Thus, increasing inactive Arab women's PsyCap resource level leads them to perform more behaviors intendent on eliminating the employment barriers they face. However, this research did not find any correlations between PsyCap and EOB labor market oriented activity behaviors (Table 4.10). These results are especially interesting since previous studies did show positive correlations between psychological resources and job searching behaviors.[93]

The gap between anticipated and actual results may be explained by the recourse to literature on proxy populations, due to the lack of studies on the inactive. In studies like Pajic et al.'s [2018] research of Syrian refugees and Curtis et al.'s [2016] research of the unemployed, the most common stage of RFC was action, and consequently performed job seeking behaviors. The inactive populations' ambivalence towards engaging in similar activities that lead to change might be due to the primary importance they place on overcoming employment barriers. Arguably, it seems unreasonable to expect inactive Arab women to perform job searching behaviors in the face of the complex set of employment barriers they face. Thus, while the literature reviewed, and the methods therein, played an essential guiding role in the formation of this research, a comparison of the final results does not yield any meaningful explanations for the employment status of inactive Arab women.

[93]For example, PsyCap research by Pajic et al. [2018]; Georgiou and Nikolaou [2018]; Chen and Lim [2012] and separate PsyCap dimensions research e.g. Lam et al. [2010] and Mohanty [2010] discussed optimism; Schaffer and Taylor's research [2012] and Li et al. [2006] discussed self-efficacy.

Therefore, I turn to other possible explanations for why PsyCap does not correlate with EOB labor market oriented activity.

Firstly, this study had a relatively small sample of women (N=49), sourced from a small geographical range, so there may be some homogeneity between participants. Thus, the sample may not necessarily represent the entire inactive Arab Israeli women population. Consequently, one must be cautious when concluding that correlations between PsyCap and EOB labor market orientated activity do not exist. A larger sample is needed to increase the significance in the results [Bloom 2016].

Secondly, and most importantly, PsyCap does predict EOB overcoming barriers. This indicates the preeminent need to address inactive women's ability to deal with the employment barriers they face. It is evident that the majority of inactive Arab women do not work due to these employment barriers, and thus helping them confront these barriers may release them to engage in job searching behaviors. Since coping with barriers constitutes inactive Arab women's' main employment oriented behavior, enhancing their PsyCap will contribute towards improved employment related activity.

How do RFC stages relate to EOB?

This study also examines whether inactive Arab women's RFC stages correlate with performing more employment oriented behaviors, i.e. whether inactive Arab women with a positive state of mind regarding change (RFC) also demonstrate more EOB.

The most important finding in the relationship between RFC and EOB is that being at the RFC action stage positively and strongly predicts EOB overcoming barriers. Thus, an inactive Arab woman will be able to cope with her employment barriers only when she is ready and willing to change. This corresponds with Lam et al.'s [2010, p. 327] argument that individuals in the action stage are engaged in activities with the intention of removing the employment barriers they face. However, Lam et al. found that the such individuals are also engaged in job seeking behaviors, while inactive Arab women in the current research are not. This indicates the centrality and heavy burden of the employment barriers Arab women face, compared to those suffered by Lam et al.'s research population. It seems to point to the fact that the combination of barriers faced by inactive Arab women is so severe, that due to their low

PsyCap levels they are unable to engage in other employment oriented behaviors. Thus, most are “stuck” in the RFC contemplation stage and it would seem important, and desirable, to find ways to move them out of this passive state.

Whether, and in what manner do, inactive Arab women's RFC stages mediate the relationship between PsyCap and EOB?

This research hypothesized that RFC would mediate the relationship between PsyCap and EOB. This hypothesis was based on two assumptions: firstly, Prochaska et al. [1992, as seen in: Curtis et al. 2016] note that having psychological resources (PsyCap) is an essential precondition for progression between RFC stages. Secondly, Lam et al. [2010] note that progress between RFC stages enables changes in employment behaviors (i.e. EOB). Thus, it seemed reasonable to expect that RFC would mediate the relation between PsyCap and EOB overcoming barriers (but not EOB labor market oriented activity). The results confirmed that this is indeed the case. The mediation model reveals two major insights: Firstly, although earlier analyses found that PsyCap predicts EOB overcoming barriers, after mediation it loses its direct effect. Secondly, whenever PsyCap level increases, it leads to an increase in the RFC contemplation and actions stages, that in turn result in an increase in EOB that involve overcoming barriers. Meaning that each increase in PsyCap level instigates a chain-reaction of positive change. Therefore, since changes in inactive Arab women's behavior begins with increased PsyCap, it seems valuable to find ways to enhance it.

It is important to mention that PsyCap was not found to be sensitive in the pre-contemplation stage. Lam et al. [2010] argues that pre-contemplators are passive and do not engage in any employment activity; change can occur at the pre-contemplation, but only in terms of perceptions and attitudes, not in terms of behaviors. This implies that being, at least, in the contemplation stage is an initial requirement for changing behaviors. This also means that any changes in behavior are relevant only when they occur in the contemplation stage and above. Since the need is to turn inactive women into active participants in the labor market, it is necessary to elevate them into the action stage.

4.7 Limitations

1. Methodological limitations that hinder generalization and induction of results:

- Participants in this research were recruited using the snowball sampling technique. Thus, they may exhibit some homogeneity in terms of social group and area of residence, and may also face similar barriers. Therefore, the sample is only representative of inactive Arab women from the peripheries in northern Israel. Due to differences between Arab Israelis who live in the north, south, and the center (e.g. number of children, level of human capital, percentage of Arab ethnicity groups, etc.), the current sample cannot be taken as representative of the whole Arab Israeli inactive women's population [Van Meter 1990; Gobo 2008]. Nonetheless, generalization may be possible in a probability sample and also in non-probability sample [Gobo 2008, p. 195], as will be shown in chapter 5.

- The sample size, N=49, is relatively small. This is due to lack of resources and accessibility. The inactive are hard to reach and it was practically impossible to recruit a larger sample and receive significant results. The problems that arise from a small sample size can be circumvented when using more than one research design, as was done in this thesis.

- A self-reported questionnaire might lead to bias in results, particularly if the population has a social desirability bias. The inactive population may be, like the unemployed, prone to feelings of shame or blame regarding their employment status [Dambrun and Dubuy 2014 (see p. 14). In an attempt to bypass bias caused by embarrassment or sensitivity, the present research questionnaire was distributed via 'WhatsApp'. However, being surveyed in this way may have also resulted in a disconnection between the researcher and respondents. This may have led to slanted responses due to misunderstanding of questions, or feelings of detachment.

2. Limitation presented by the literature:

- The research literature on economically inactive women is meagre, and in many studies the inactive are included in the unemployed group (e.g. Cole 2007; Curtis 2016). Consequently, it was necessary to rely on fewer supportive studies than would be ideal.

4.8 Recommendations for future studies

1. The current research uses a correlational study design and identifies correlations between variables and predictions only at one-point-in-time. It is recommended that a longitudinal experimental research design is used in the further research. This should include a systematic intervention of two groups, collecting data in two waves. Such a design will enable the identification of causality and of the effect of the independent variables on dependent variables over time, and enable a comparison between experimental and control groups.

2. The study was unable to show a correlation between PsyCap and EOB labor market oriented activity behaviors. This did not align with existing literature. It is recommended that future research identify whether a mediating variable exists between these two variables.

3. This investigation did not find a correlation between PsyCap and the RFC pre-contemplation stage. Since pre-contemplators are not responsive to changes in PsyCap, it is recommended that future research identify a mechanism, other than PsyCap, that stimulates transition out of the pre-contemplation stage.

4. The literature on employment barriers facing Arab Israeli women addresses them extensively, albeit in a generalized manner that fails to examine their intensity and regionalism. More research on how barriers combine and their severity will allow for comparisons to be made between different geographical populations in terms of PsyCap. Future research are offered to develop a scale that enables the exploration of barrier intensity, and an examination of their relationship to PsyCap and performance (EOB). The resulting conclusions will enable researchers to present more targeted recommendations for each region and population, and empower policy-makers to effectively segment the economically inactive Arab Israeli population so as to provide the most suitable interventions.

Concluding Remarks

In the final part of this thesis I reflect on the main insights drawn from the analyses, followed by a consideration of the theoretical and practical contributions, limitations, and suggestions for future research.

The situation of Israeli Arab women in the labor market is challenging. Their inactivity results from the complex combination of employment barriers encompassing education, culture, health, infrastructure, and social policy. These barriers are key factors of their life circumstances that may explain their economic inactivity. Their inactivity is estimated to be almost 70 percent, which is strongly related on the micro level to poverty and low social status. On the macro level, inactivity among Arab women prevents the Israeli economy from realizing its full growth potential, while simultaneously costing the country expenditure on welfare allowances and benefits. Thus, it is in the state's interest to integrate Israeli Arab women into the labor force, which means expanding its existing labor market policy.

However, to date, the national employment activation policy has been ineffective in raising this population's activity rate towards the targets it set for 2020. Considering this, the motivation for this dissertation was to improve our understanding of the phenomenon of economic inactivity among Israeli Arab women. My attention was directed to furthering our understanding of the, largely ignored, relationship between psychological capital (PsyCap), readiness for change (RFC), and economic activity of Israeli Arab women. No scholarship was found that examines these relationships in terms of the inactive population, let alone inactive Arab women. The second and related aim of this dissertation, was to better understand the barriers faced by Arab women in Israel, and to highlight how removing 'traditional' barriers may not be enough to increase employment. The third aim was to use the results and conclusions garnered from this study as guidelines in the design of programs to enhance inactive Arab women's, and other vulnerable groups, labor market activity and employment prospect.

Two studies were completed to achieve these aims. The first was a cross-sectional study using representative data from an Israeli social survey. The second was a supplementary, independently conducted, non-random, snowball survey, which was used to analyze the relevant metrics and variables in greater depth.

Hypotheses verification

The main research hypotheses of the thesis were:

H.1. Economically inactive Israeli Arab women's PsyCap level is lower than that of inactive Jewish women. The results of the research indicate a significant difference between the comparison groups. Arab women have lower levels of PsyCap relative to Jewish women. This means that inactive Arab women not only face more employment barriers (as was seen in the literature review and in the studies) than inactive Jewish women when looking for a job, they also have a weaker foundation to start from, in that they lack the psychological resources needed to join the labor market. As such, the results further highlighted the role that PsyCap plays in the employment situation of the inactive.

H.2. Economically inactive Arab women are less ready for change than inactive Jewish women. The research confirmed this hypothesis. Being less ready for change adds another dimension to the reasons that lie behind Arab women's low rate of economic activity. The study results suggest that the reason behind the differences in labor activity rates between Arab and Jewish women is the difference in their level of readiness to change.

H.3. Economically inactive Israeli Arab women's stage of readiness for change (RFC) is pre-contemplation or contemplation and not action. The hypothesis was supported by the results. Most of the target population appear to be in contemplation stage; in other words, they are ambivalent to change. One the one hand, they are aware of their situation and even consider changing it; on the other, they do not initiate any actions to do so. Fewer women are ready and willing to pursue change (action stage), and only some deny the need to change at all (pre-contemplation stage). These findings support the primary argument that RFC is a relevant factor when investigating economically inactive populations. The scattering seen in the results implies that Arab women's attitude towards changing their employment status is better than was initially expected. It also suggests that most inactive Arab women might be willing, with some assistance, to undertake actions to change their employment situation.

H.4. The higher PsyCap the higher is the readiness for change (RFC) stage. This hypothesis was also supported by the results: The higher the level of psychological capital, the higher the stage of readiness for change (contemplation and action stages). This corroborates findings in

other studies, and indicates the need to invest in enhancing psychological capital among the unemployed and economically inactive.

H.5. The higher the stage of readiness for change (RFC) the higher is the probability of employment oriented behavior (EOB) of Israeli Arab women. The hypothesis is partially supported by the results. The results show that individuals who deny the need to change are most likely not perform job search behaviors; and that individuals who are willing to change are more likely to perform employment behaviors intended to overcome barriers. The latter underscores the central role employment barriers play in preventing inactive Arab women from progressing towards employment. It also highlights the need to preliminarily perform behaviors that reduce the effect of these barriers. Finally, it indicates the need to progress this population into the action stage.

H.6. The relationship between psychological capital and employment related behavior is mediated by readiness for change stages: the higher the PsyCap leads the greater readiness for change, which leads to a higher probability of performing EOB. The study supports this hypothesis. The relationship between PsyCap, EOB, and RFC can be explained by the role of psychological capital in an employment enhancement mechanism. The results imply that PsyCap plays a central role in the process of employment enhancement in that an increase in PsyCap leads to greater readiness for change. This, in turn, leads to a higher probability of performing employment behaviors that cope with employment barriers. Notably, due to the verification of this hypothesis, the correlation between PsyCap and EOB is no longer relevant.

Discussion

Luthans et al. [2007a] claim that an individual's living conditions and circumstances can promote or lessen PsyCap. This study found that the employment barriers faced by Arab women are stronger than those faced by their Jewish counterparts, and consequently Arab women's PsyCap is lower than that of Jewish women. In fact, employed Arab women's PsyCap level is also lower than employed Jewish women. The quantity, severity, and concurrence of

these barriers create an extremely challenging environment[94] for these women. These barriers restrict their free choice and autonomy, making it difficult to pursue any desire to become employed and independent. They can also influence their self-identity and diminish their expectations for the future (as discussed in section 1.3.4). Consequently, Arab women's cumulative life experiences may hinder the development and cultivation of psychological resources. The results of the analyses suggest that, due to multifaceted and unfavorable external conditions (economic, cultural, etc.), Arab women, and especially the inactive, are more likely to have a low level of PsyCap and be less ready for change.

The results suggest that current programs designed to transition Arab women into the labor market have little chance of achieving their aims. Arab women are not ready for change; they do not have confidence in their ability to succeed, and suffer from low levels of self-efficacy, hope, and optimism. As a result, standard forms of activation, aimed at acquiring skills needed for the labor market, are ineffective. This thesis proposes that in the case of inactive Arab women, enhancing human capital and improving infrastructure, while important, are not enough to stimulate them into joining the labor market. I suggest that more is needed. The analyses point to the centrality of PsyCap as a driving force in the employment enhancement process. The mediation model analyses show that an increase in PsyCap level leads to advances in readiness for change. These eventually lead to performing more employment behaviors, particularly those that are intended to cope with employment barriers. As such, strengthening PsyCap through interventions would have a perpetuating effect by improving psychological resources: people with better PsyCap perform more employment behaviors, increasing their odds of joining labor force; being in the labor force will progressively strengthen their resources. Thus, this dissertation proposes that programs that increase PsyCap are worth considering as an important part of any employment enhancement policy.

[94]Such as: many live in a patriarchal social structure; are subject to traditional gender roles; their religiousness is mostly high and thus they tend to live in more conservative environments; as a minority group, they face ethnic tension with the majority Jewish group; they live mostly in the peripheries, in which the infrastructure is underdeveloped; they face a lack of jobs availability; etc.

This recommendation does not aim to invalidate the intentions and potential benefits of existing major, and costly, labor market policies. However, these are macro-level processes that require a huge investment of resources and, most importantly, they target external factors outside the individual's scope [Gal et al. 2019]. On the other hand, PsyCap enhancement is an internal process within the individual's control; it yields surplus value and motivates people to action. Crucially, PsyCap is a state-like[95] and malleable resource that can be enhanced through short and focused micro-interventions [Luthans et al. 2006; Luthans et al. 2007a]. Thus, investment in PsyCap seems worthwhile, cost-effective, and offers additional value for the individuals in terms of employment behaviors and personal resources. Having higher PsyCap levels can empower inactive Arab women and enable them to take actions that reduce the impact of their external circumstances. By that, may assist in better achieving the aims of labor market policies.

Theoretical contribution

- Low PsyCap as a barrier to employment: Employment barriers are key determining factors that constrain employment [Naon et al. 2006], such as poor education and infrastructure. It is proposed that lower levels of PsyCap act as a barrier to employment, while higher levels are advantageous and increase the chances for employment. This thesis has shown that PsyCap levels differ by ethnicity (Arab and Jewish) and employment status (employed, unemployed, inactive), and thus unsurprisingly, inactive Arab women who have the lowest PsyCap levels also have the highest inactivity rates. Therefore, since PsyCap is a vital and beneficial resource and a form of capital that yields surplus value (as discussed in section 2.2), Arab women's low levels represent a barrier to employment as significant, and as vital to improve, as any other. Nonetheless, low PsyCap represents a unique type of barrier. It differs from 'traditional' barriers in that it is within the individual's scope of influence [Gal et al. 2019], rather than being external[96] and dependent on expensive national investment and slow-moving policies.

[95] As opposed to trait-like. See elaboration p. 92.

[96] For example, poor infrastructure, limited access to transportation, poor educational infrastructure, restricted access to preventive medical services, etc.

- Wider scope of research: The study has widened the scope of PsyCap to consider its relationship to RFC and EOB. This has not been subject to previous research. The thesis has shown that, as a form of capital that yields surplus value, PsyCap empowers inactive individuals to consider changing their employment status, and to initiate actions towards that goal. Analyses of the relationships between PsyCap and EOB reveal that high levels of the first will eventually lead to performing more of the last.
- Previous studies examined Luthans et al.'s [2007a] PsyCap metric mostly within the organizational context, and very few have examined at it over the general population. This thesis measured PsyCap levels among an inactive population and in doing so revealed that their PsyCap levels are lower than those of employed and unemployed people.
- Previous research measured Lam et al.'s [2010] LASER RFC metric for unemployed and vulnerable populations. This thesis adopted this measurement for the inactive, and found that being ready for change effects the employment behavior of this population.
- Employment outcomes are usually used in studies which measure employment activity. This thesis developed the EOB (employment oriented behavior) metric to measure the economic inactivity of Arab women.

Practical contribution

The role of PsyCap in designing ALMP: This study explored an alternative way to increase employment activity among inactive Arab women. The findings indicate that PsyCap and RFC factors increase employment behavior and even predict it. It is proposed that policy makers adopt the enhancement of PsyCap in the design of their policies as an engine for behavioral, emotional, and perceptual improvement. PsyCap enhancement can be achieved through focused short-term interventions.

The content of employment enhancement interventions for inactive Arab women: This thesis suggests that the content of enhancement programs concentrate on enhancing PsyCap by cultivating its dimensions: self-efficacy, optimism, hope, and resiliency. In addition, interventions should examine participants' stages of readiness for change, and tailor training accordingly.

Limitations

(1) There were multiple methodological limitations encountered in the course of analyzing the cross-sectional survey: the variables used to analyze the cross-sectional study were proxies (i.e. PsyCap was measured via psychological resources, RFC via work readiness, and EOB via labor market oriented activity); the analyses were partly performed through non-parametric exams (e.g. Chi-square, Spearman, Mann-Whitney); the parametric exams were performed through dummy variables, resulting in loss of data; it was not possible to examine all the desired relationships due to missing values. Thus, to cope with these issues, a second in-depth non-random snowball survey was performed, which enabled an examination of the full scale of metrics with their proper operationalization.

(2) The cross-sectional study contained data from one point in time; therefore, only correlations between variables could be identified, but not causations. Had there been an additional data set for the same population, from an additional point in time, it would have enabled the identification of changes over time and a consideration of causality.

(3) There are inherent limitations to generalizing results. Both studies in this thesis present similar trends: the presence of employment barriers, and a confirmation of relationships between PsyCap and RFC and PsyCap and EOB. However, these generalizations are problematic since the research designs vary. Though representative, the cross-sectional analyses (i.e. of the CBS social survey) are limited due to the use of proxies of measurements; while more in-depth, the analyses of the non-random study (i.e. the snowball sampling) are limited by the small sample from the same area of residence, and is not representative of the whole inactive Arab women's population.[97] As such, one could argue that generalization to wider inactive or employment vulnerable populations is unworkable.

However, I propose that the results can be generalized by focusing on the shared context of the studies as argued by Gobo [2008]:

[97]To examine whether the non-random sample is representative, a statistical examination was performed between the non-random sample and the social survey representative sample data, over the same age range (19-49) and socio-demographics. Results indicate significant strong differences between both samples, especially in terms of educational level, but also in religion and marital status, while showing similarities in age scattering and number of children (see Appendix 25). This indicates that the groups are not similar, hence, the non-random study cannot be considered as representative of the whole population.

'It is possible to find cases which on their own can represent a significant feature of a phenomenon. Generalizability thus conceived concerns more general structures and is detached from individual social practices, of which they are only an instance. In other words, the scholar does not generalize the individual case or event, but the key structural features of which it is made up, and which are to be found in other cases or events belonging to the same species or class' [Gobo 2008, p. 206].

Gobo's argument stresses that cases can be generalized based on common rules, or 'key structural features' that can be identified by an 'individual case'. The snowball sample meets the criteria of an 'individual case' - participants living in a northern peripheral region group – it is the patterns of relationships between their PsyCap levels, RFC stages, and employment behaviors (i.e. overcoming barriers) that can indeed be generalized to the specific group, though not to the whole population. This is reinforced by the literature that shows that the Israeli Arab population is heterogeneous. For example: Israeli Arabs live in different socio-economic clusters; their geographical dispersion varies[98], each area has its own characteristics[99]; their education levels differ between religions[100], regions and socio-economic characteristics[101]; they have differences in health status as a consequence of the socio-economic range of regions and religions[102]; they are culturally diverse[103]; suffer from regional gaps in employment opportunities (e.g. periphery vs. center); and so on.

[98]Four different areas of residence: 56 percent live in the north, 19 percent in East Jerusalem, 11 percent in the center of the country, and 14 percent in the south [Chernichovsky et al. 2017; Yashiv and Kasir 2018].

[99]For example, the northern region is heterogenic, it consists of the far peripheral north, settlements, and communities close to Jewish towns, and ethnically mixed cities (Arab and Jewish). The south of Israel is peripheral in nature compared to the center. These regions differ also in their cultural composition e.g. Arab Muslims are divided between the peripheries, ethnically mixed cities, and villages near Jewish cities. Moreover, as a population they are comprised of two segments: Muslim and tribal Bedouin. Arab Christians live mainly in the north, while the Druze live only in the North.

[100]For example, while Arab Christian female's matriculation eligibility is 61 percent, Druze is 46 percent, among Muslim it is 42 percent, and Bedouins 28 percent [Fucks-Friedman and Wilson 2018]. In addition, are gaps in the fields of higher education studies; while 9 percent of Muslim females study scientific fields, the rate among the Druze is 22 percent, and for Christians it is 21 percent.

[101]For example, dependent on parents' income and the local authority cluster their place of residence falls into [Regev 2017].

[102]For example: Christians' self-report better health generally better than Muslims and Druze [Chernichovsky et al. 2017, pg. 16].

[103]For example: the degree of gender constraints varies between Muslim patriarchal societies and more modern Christian communities.

Consequently, one can assume that the inactive Israeli Arab women's population will also be diverse.

The literature reveals that diversification occurs in respect to other populations. An example are Israeli Ultra-Orthodox Jewish men, who, to some extent exhibit similar employment patterns to inactive Arab women. They also have a high economic inactivity rate, of 49 percent [Malach Kahaner 2018]. This group is comprised of five sub-groups which differ in their socio-cultural (e.g. religiosity, beliefs, norms), socio-economic, and educational features [Malach Kahaner 2018; Regev 2017]. These sub-groups also differ in their employment rates and the barriers to employment they face, according to their area of residence.[104]

The above shows that, due to the unique social fabric of the country and the different circumstances each inactive group lives in, the severity and influence of employment barriers varies. Thus, it would be valid to assume that inactive Arab women in each region experience different barriers, and that subsequently the ways to cope with those barriers also vary. Additionally, one can suppose that the difficulty of barriers experienced will be related to differences in individual PsyCap, RFC and EOB levels. Such distinctions would suggest that 'individual cases' cannot be extrapolated into generalizations. However, the statistical relationships and interventions between variables found in both studies - between the barriers, PsyCap, RFC and EOB – can be viewed as 'key structural features'. As such, it seems reasonable to generalize from the results that the improvement of inactive Arab women's employment behavior is achievable through the enhancement of their PsyCap.

Generalization also seems possible in a wider context. Both research samples showed that the target populations face barriers, albeit of a unique mix and severity; in other words, they share key structural features. Arguably, since all vulnerable populations (e.g. Ultra-Orthodox Jewish men, people with disabilities, long term unemployed, Afro-American single-mothers

[104]For example, 40 percent of the Lithuanian Jewish orthodox sub-group live in Jerusalem, and have the lowest employment rate among the sub-groups. Conversely, the Chabad sub-group, who live the center of the country, have the highest employment rates. In addition, Ultra-Orthodox men have higher employment rates when they reside in heterogenic cities (mixed religions) compared to those who live in homogeneous Ultra-Orthodox cities. This is due to more employment opportunities and the influence of other external mechanisms that ease their labor market participation [Regev 2017].

on welfare, etc.) face barriers that influence their employment, all vulnerable populations can benefit from an increase in PsyCap. And that all vulnerable populations who face barriers to employment, who enhance their PsyCap, will show increases in their readiness for change and their employment behavior.

(4) This thesis was originally designed as an experimental research project, intended to measure experimental and control groups through data collection over time. The aim was to examine the effects of PsyCap interventions in target populations pre-intervention and post-intervention. However, this plan proved impossible to execute due to hindrances posed by labor office policy and bureaucratic procedures.

Suggestions for future research

This thesis collected data at one point in time. Future research should follow a longitudinal experiential research design, and measure the changes in PsyCap, RFC and EOB within a control group over time. This would enable cause-and-effect analyses.

Khattab [2002] claims that Arab women face a complex combination of barriers; however, he refers to barriers as though they are a universally shared set of general external life circumstances. It is proposed that the population is heterogeneous, and that the mix of employment barriers faced will vary by population. This study did not present an orderly metric scale of barriers; developing such a scale, one that takes the variety and intensity of barriers into account, is recommended for future studies. It is also proposed that this scale be examined in relation to PsyCap and RFC, and that a unique and targeted PsyCap intervention plan be designed accordingly.

This thesis dealt with the trajectory up to the point of job searching behavior and did not address what happens to the target population after entering labor market. It would be enlightening to investigate how best to keep the inactive within the labor market, once they had successfully transitioned into it. Since Arab women's PsyCap level is lower than that of Jewish women across employment statuses, and since Arab women experience barriers even when in the labor market, it is recommend that such a study deliver PsyCap interventions for both employed and unemployed populations and examine the effect of PsyCap's enhancement on the length of staying employed. It is expected that such an intervention

would contribute to their ability to deal with barriers as well as enhancing their resiliency within in the work place. Supporting these women through PsyCap inventions is expected to increase the odds that they will remain longer in the labor market.

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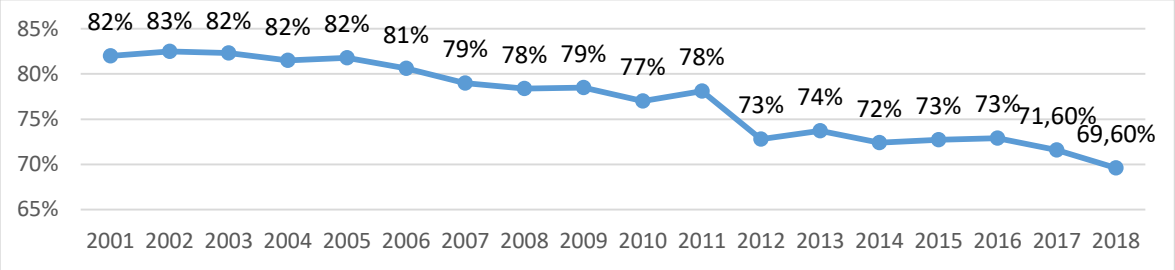
Appendices

Appendix 1. Inactivity rate trend of Arab women – aged 16+, 2001-2018



Source: CBS Labor force survey, table 14, 2011; CBS Labor force survey, table 8.1, 2012-2018.

Appendix 2. Economic inactivity rates by ethnicity and gender, 2016

Jewish women	Jewish men	Other ethnicity women	Other ethnicity men
33.1%	30.5%	69.6%	38.7%

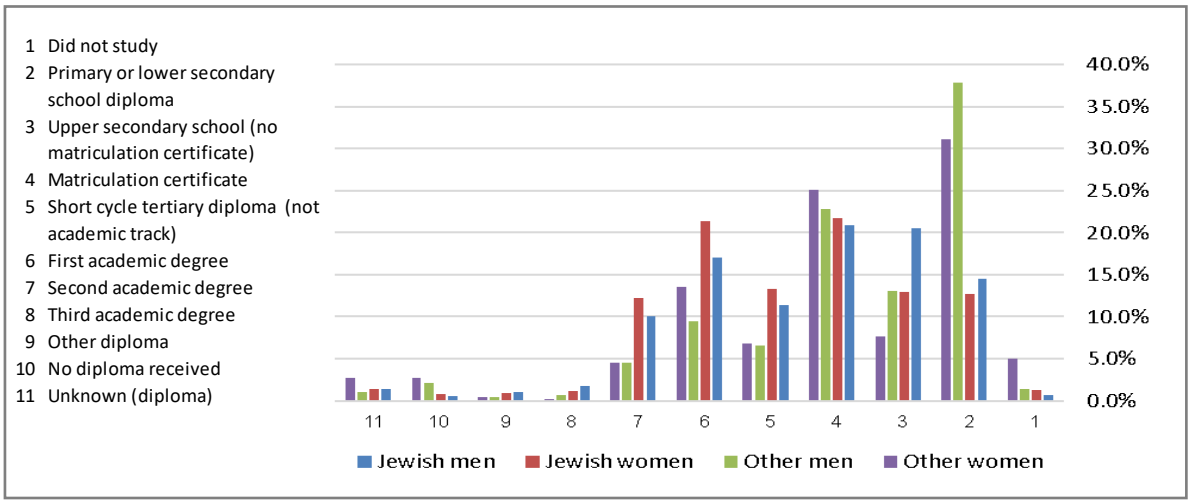
Source: CBS, Labor force survey, 2018, table 1.10, table 8.1.

Appendix 3. Years of schooling, rates of matriculation eligibility, and rates of satisfying university entrance requirements, by population groups, 2014

	Arab	Jewish
Years of schooling, aged 15 and over		
0-8 years	23.1	7.5
9-10 years	15.9	8.3
11-12 years	37.2	35.2
13-15 years	23.7	48.8
Rates of matriculation eligibility, pupils in 12th grade	49.9	58.5
Rates of 12th grade pupils that satisfy university requirements	36	49.7

Source: Yashiv Kasir 2014

Appendix 4. Highest diploma received – by population groups and gender, 2018



Source: data was calculated from CBS 2018, table 1.18.

Appendix 5. Arab female students, by degree, between 1999/00-2016/17

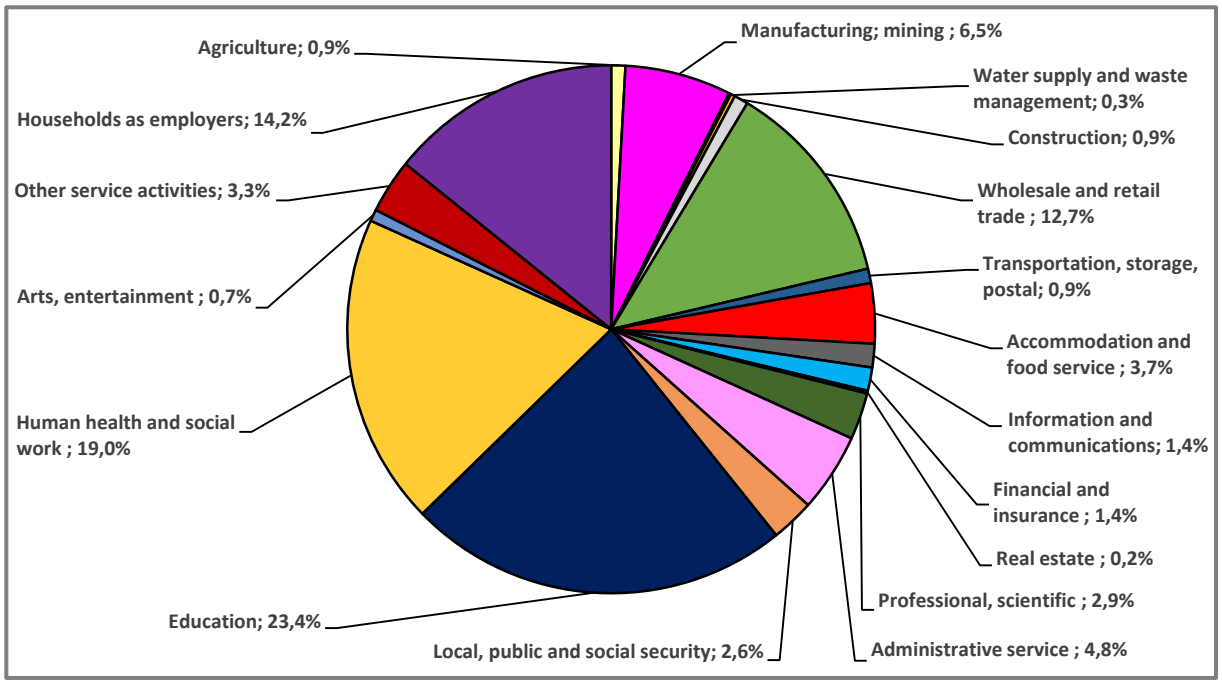
Degree	Year 1999/00	Year 2016/17
First academic degree	10%	19%
Second academic degree	2%	15%
Third academic degree	1%	7%
Other diploma	12%	21%

Source: http://www.cbs.gov.il/statistical/stat168_h.pdf, table 7.

Appendix 6. Employment rates by gender, ethnicity and schooling, 2018

Years of schooling	Jewish men	Jewish women	Other ethnicity men	Other ethnicity women
Total	69.6%	66.2%	63.8%	37.9%
0	23.8%	16.9%	9.1%	3.4%
1-4	21.9%	13.6%	36.2%	8.3%
5-8	35.0%	17.2%	47.2%	14.5%
9-10	36.1%	25.2%	50.1%	18.7%
11-12	72.6%	65.8%	69.4%	36.2%
13-15	74.6%	70.4%	71.7%	52.0%
16+	76.6%	81.2%	81.2%	69.9%

Source: CBS, 2018, Labor market survey, table 1.10.



Appendix 7. Arab women occupational distribution, 2018

Appendix 8. Women part-time involuntarily employment by ethnicity, 2014-2016

Year	Status of employment	Arab women	Jewish women
2014	Part-time employment	35%	30.4%
	Of them worked part-time involuntarily	**36%**	**13.6%**
2015	Part-time employment	33.1%	30%
	Of them worked part-time involuntarily	**35.2%**	**11.6%**
2016	Part-time employment	29.1%	30%
	Of them worked part-time involuntarily	**35.6%**	**10.6%**

Source: CBS, 2018, Labor force survey, table 2.7

Appendix 9. Rates of Arabs employees out of the whole public sector employees, by gender, 2010-2015

Year	Arab men	Arab women
2010	4.6%	2.8%
2011	4.8%	2.9%
2012	5.1%	3.2%
2014	5.7%	3.5%
2015	5.9%	3.7%

Source: http://www.cbs.gov.il/webpub/pub/text_page.html?publ=68&CYear=2016&CMonth=1#3

Appendix 10. Reasons for being desperate from job search by ethnicity, 2018

	Other ethnicity	Jewish
There is no work available in the occupation	**52.0%**	30.6%
There is no work available in the area of residence	**24.4%**	13.6%
Lack of necessary experience, training or language	--	7.0%
Because of age: too young or too old	--	25.6%
There is no proper work: wages, working hours, satisfactory job	11.9%	23.3%

Source: CBS, 2018, Labor force survey, table 5.6.

Appendix 11. Percentage of Arab authorities on each cluster

Cluster	1	2	3	4	5	6-10
Arab local authorities	54%	77%	75%	53%	3%	0%

Source: CBS 2013, table 2

Appendix 12. Arab women inactivity rates by locality of residence and district, 2015

District of residence	Women	Men
North	45.3%	29.3%
Center-Tel aviv	27.4%	32.3%
South	59.9%	45.9%
Urban localities	46.6%	29.1%
Rural localities	69.3%	58.5%

Source: CBS, 2015, Labor force survey, table 8.1

Appendix 13. Neighboring pair's comparison of selected Arab and Jewish towns by socio-economic indicators

Towns *Arab towns in grey color	Average income per capita (NIS)	Socio-economic cluster ranking
Afula	2,626	5
Umm-el Fahem	1,321	2
Dimona	2,530	4
Rahat	1,059	1
Zikron Ya'akov	3,823	7
Jisr el-Zarqa	1,300	2
Migdal Haemeq	2,313	5
Shafa'amr	1,747	3
Karmi'el	2,980	6
Arrabeh	1,417	2

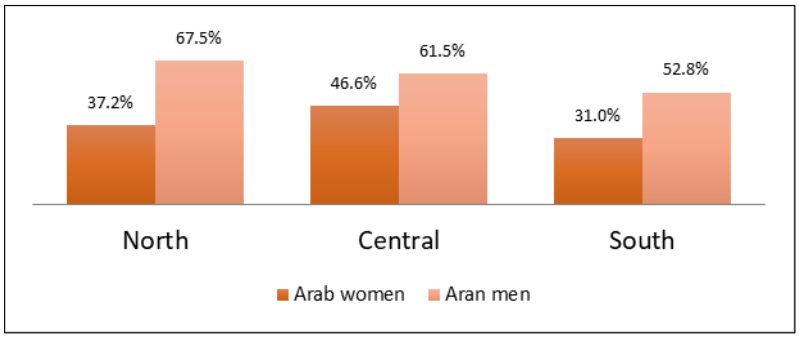
Source: Hesketh 2011, p. 20

Appendix 14. Duration of job search, by gender and ethnicity, age 25-64, 2015

Duration of job search (weeks)	Arab women	Jewish women	Arab men
1-4	14.2%	27.9%	19.5%
5-8	15%	16.1%	15.1%
13-9	--	13.3%	8%
14-26	17%	19%	15.1%
27-52	15.3%	13.7%	16.2%
53+	**31.2%**	10%	26.1%

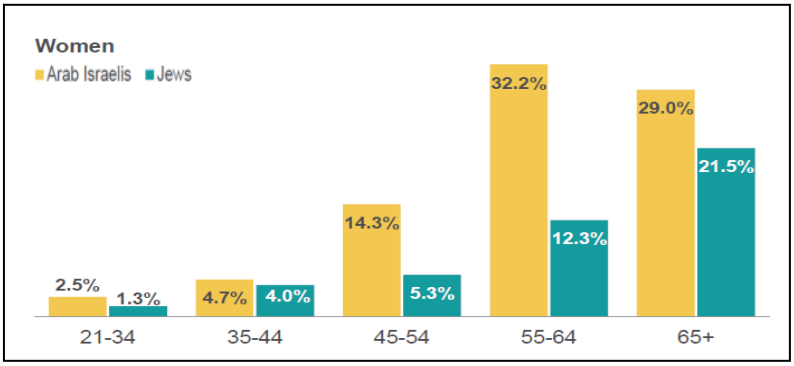
Source: Mizrahi Simon 2016, p. 8

Appendix 15. Arabs working outside their place of residence by gender, 2015



Source: Mizrahi Simon 2016, p. 12

Appendix 16. Women's incidence of diabetes, by ethnicity and age, 2015



Source: Chernihovsky 2017, pg. 28

Appendix 17. Self-report for having a health problem by labor market status, 2017

Health problem Yes/No		Employed	Unemployed	Economically inactive
Jewish Women	Yes	24.6%	25.4%	**54.7%**
	No	75.4%	74.6%	45.3%
Arab women	Yes	20.4%	---	37.6%
	No	79.6%	71.5%	**62.4%**

Source: CBS, Social survey 2017, http://surveys.cbs.gov.il/Survey/survey.htm.

Appendix 18. General health condition, by ethnicity and employment status, 2017

Health condition	Employment status	Jewish Women	Arab women
		Total - 52%	Total - 38%
Very good	Employed	82	47
	Unemployed	4	--
	Inactive	**14**	**43**
		Total - 32%	Total - 35%
Good	Employed	61	32
	Unemployed	2	--
	Inactive	37	62
		Total - 12%	Total - 13%
Not so good	Employed	29	--
	Unemployed	--	--
	Inactive	69	84
		Total – 3%	Total – 7%
Not good at all	Employed	17	--
	Unemployed	--	--
	Inactive	81	93

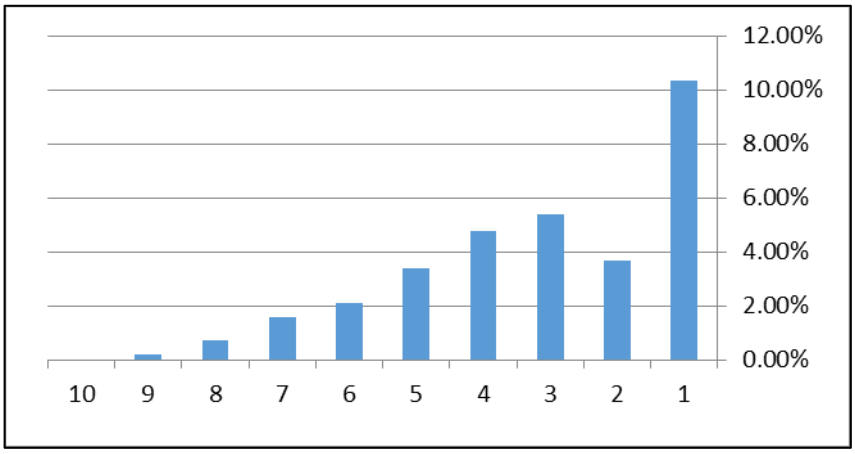
Source: CBS social survey 2017, http://surveys.cbs.gov.il/Survey/survey.htm

Appendix 19. Gross income (NIS), weekly work hours and hourly wages by gender and population, 2014

	Jewish		Arab	
	Men	Women	Men	Women
Average gross income from wage earnings	11,064	7,663	7,190	**5,271**
Average weekly work hours per worker	44.5	36.1	44.3	32.4
Hourly wages	58.2	49.9	38.7	38.5

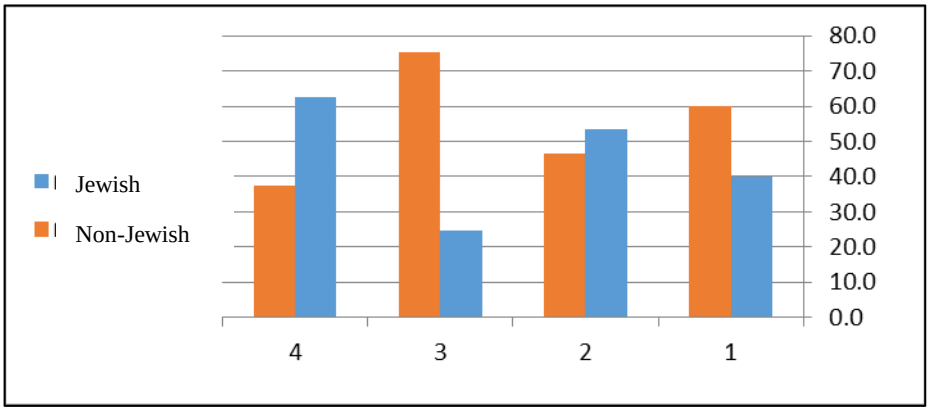
Source: Mizrahi Simon 2016, p. 10.

Appendix 20. Income support recipients according to clusters, 2017



CBS, 2017, Local authorities file

Appendix 21. Distribution by ethnicity for clusters 1-4, 2017



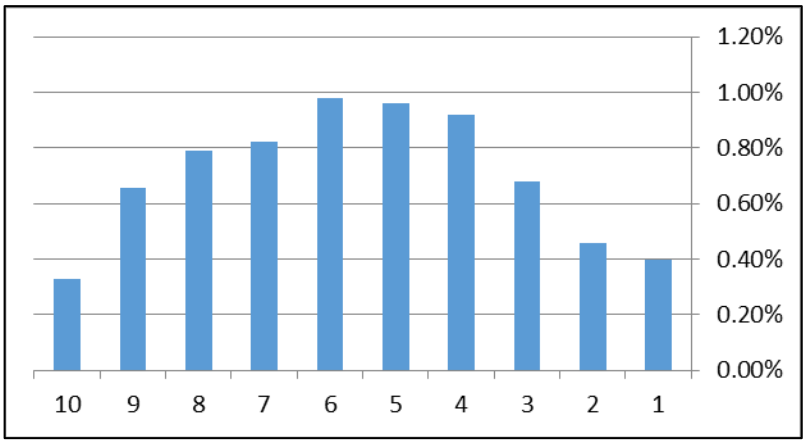
CBS, 2017, Local authorities file

Appendix 22. Work and allowances component of household income, 2017

Docile	1	2	3	4	5	6	7	8	9	10
Income from work	52.3	60.0	70.6	77.7	79.1	81.5	83.4	82.9	81.6	79.5
Income from allowance	45.8	37.2	24.8	16.7	13.7	10.8	8.0	7.6	6.2	4.8

Source: Svirskey et al. [2019, p. 8]

Appendix 23. Unemployment benefits recipients according to clusters, 2017



Source: CBS, 2017, Local authorities file

Appendix 24. Full scale research questionnaire

Dear respondent,
This questionnaire is part of a research in the employment field conducted in Israel.
The questionnaire contains a number of questions and will require about 15 minutes of your time. It is of major importance that your answers will be real and come from your hart – the success of the research depends on that.
Your answers will be kept **in secret and to my eyes only.**
I sincerely thank you for your cooperation in filling the questionnaire.
Your participation will contribute to a better understanding of the Israeli labor market.

☺☺

With much appreciation,
Rivka Sigal – Researcher.

Personal data Please circle your answer

1. In what year were you born? _____
2. Are you: single / married / divorced / separated / widowed / live together
3. Do you have children? Yes / No (if "No" go to question 7)
4. How many children under age 18 do you have? _____
5. What is the age of your youngest child? _____ years old
6. How many of your children younger than 18 attend any educational institution (school, kindergarten, crèche, nanny)? _____
7. What is your religion?
   (1) Muslim
   (2) Christian
   (3) Druze or Cherkessk
   (4) Other
   (5) No religion
8. What are your total years of schooling? _____
9. Do you own a matriculation certificate? Yes / No (if "no" go to question 12)
10. Did you study in any institution after school? Yes / No (if "no" go to question 12)
11. What is your highest diploma received?
    (1) High school
    (2) Matriculation certificate
    (3) Vocational diploma
    (4) Didn't receive any diploma yet
12. Are you suffering from any health or physical problem that restricts your daily life?
    (1) Yes
    (2) Yes, but only temporary
    (3) Yes, but only sometimes
    (4) No

13. Do you provide care to any family member (child/ ill person/old person)? Yes / no (if no go to question 16)
14. How many hours a week do you spend caring for family member? _____ Hours per week
15. Is there anyone who can replace you in providing care?
    (1) Yes
    (2) Only temporary
    (3) No, I do not have another provider
16. Do you speak fluent Hebrew?
    (1) I do not speak Hebrew at all
    (2) My Hebrew is poor
    (3) I speak Hebrew quite well
    (4) I speak Hebrew very well
17. Does your family get any social security allowance which is dependent on the income of the family? Please circle the correct answer
    (1) Child care support Yes / No / I do not know
    (2) Housing allowance Yes / No / I do not know
    (3) Disability allowance Yes / No / I do not know
    (4) Supplementary income Yes / No / I do not know
    (5) Other Yes / No / I do not know
18. How significant is/are the social security allowance(s) for the material situation of your family?
    (1) Very much significant
    (2) A little significant
    (3) Not at all significant
    (4) I do not get any allowance

Employment history and status questionnaire Please circle your answer

1. Have you ever done a paid job? Yes / No
2. How long have you worked?
    1 (several days)
    2 (1 week-1 month)
    3 (more than 1 month-3 moths)
    4 (more than 3 months)
3. Are you currently employed? Yes / No
4. Have you actively looked for a job in the last month? Yes / No
5. Why are you not currently employed? (indicate maximum 2 reasons):
    (1) Care taking of children
    (2) Care taking of family member different than child (ill person, old person)
    (3) Student
    (4) Ill health condition

(5) There are no decent jobs in my region
(6) advanced age; retirement
(7) Housekeeping
(8) Not interested in working

Employment oriented behavior questionnaire (EOB)

The following questions discuss your life in **the last 3 months**.
It is mostly important you answer the sincerest answer.
You should indicate Yes/No for each question, except items 1, 2, 3 where you have 3 choices.

1. I arranged for my children to receive adequate care while I am at work	YES	NO	Not applicable (I do not have children)
2. I arranged that the (ill/old) person that I provide care for would receive adequate care	YES	NO	Not applicable
3. I took care of my medical limitations to be able to go to work	YES	NO	Not applicable
4. My husband/partner / family support me in doing paid job	YES	NO	
5. I worked as a volunteer	YES	NO	
6. I have written my CV that is ready to be sent out	YES	NO	
7. I have send my CV to employers	YES	NO	
8. I have participated in a job interview	YES	NO	
9. I am in contact with an employment agency or an employer that I wish to work for	YES	NO	
10. I have asked members of my family, friends or people in the local community about employment opportunities for me	YES	NO	
11. I have asked various people for tips regarding starting work / job searching	YES	NO	
12. I have looked for job advertisements in the press and online	YES	NO	
13. I went to employment fairs	YES	NO	
14. I have participated in a vocational training	YES	NO	
15. I made a transportation arrangement that enables me to get to work (if I had any)	YES	NO	
16. I have called an employer to ask for job	YES	NO	
17. I enrolled in a study program to increase my opportunities	YES	NO	

Readiness for change questionnaire (RFC)

The following sentences describe how you feel before you start the employment enhancement program.

Regarding each sentence, **please indicate how you feel at this exact moment** (and not what you felt in the past or want to feel in the present).

For each sentence you are asked to choose the most appropriate answer for **this moment**:

	☹☹ Strongly disagree	☹ Disagree	😐 Un-decided	☺ Agree	☺☺ Strongly Agree
1. I think I might be ready to look for job					
2. I am doing something to get ready to look for a job					
3. It might be worthwhile to work on finding a job					
4. I am not able to work. I do not see why I have to be here					
5. I am finally doing something about finding a job					
6. I have been thinking that it might be time for me to find a job					
7. Getting my-self ready to find a job is pretty much a waste of time because I can't work anyway					
8. I guess being out of work is not good, but there is nothing I can do about it right now					
9. I know I need to get a job and really think I should work on finding one					
10. People tell me I should get a job, but I don't think so					
11. Anyone can talk about wanting a job, but I am actually doing something about it					
12. All this talk about job is boring. Why can't people just leave me alone?					
13. I am actively doing something to find a job					
14. It is pretty much a waste of time getting ready to find a job because I really do not want to work					

Psychological capital questionnaire (PsyCap)

Below are statements that describe how you may think about your-self right now.
Please indicate the answer that describes best how much you agree with the following sentences:

	☹☹ Strongly disagree	☹ Disagree	😐 Un-decided	☺ Agree	☺☺ Strongly Agree
1. I have confidence in my ability to solve problems					
2. Thanks to my resourcefulness, I feel confident in initiating new steps relating to employment					
3. I have the ability to set myself goals and achieve them successfully					
4. Even if someone opposes my desire to work, I still get what I want					
5. I feel confident when talking to strangers and presenting myself					
6. I feel confident consulting with people whom I did not know before					
7. In uncertain times, I usually expect the best					
8. If something can go wrong for me, it will					
9. I'm always optimistic about what will happen to me in the future					
10. I rarely count on good things happening to me					
11. Overall, I expect more good things to happen to me than bad					
12. I hardly ever expect things to go my way					
13. I can think of many ways to get out of a jam					
14. At the present time, I am energetically pursuing my goals					
15. There are a lot of ways around any problem					
16. Right now, I see myself as being relatively successful					
17. I can think of many ways to get the things in life that are most important to me					
18. At this moment, I am meeting the goals that I have set myself					
19. I tend to bounce back quickly after hard times					
20. I have a hard time making it through stressful events					
21. It doesn't take me long to recover from a stressful event					
22. It is hard for me to snap back when something bad happens					
23. I usually come through difficult times with little trouble					
24. I tend to take a long time to get over set-backs in my life					

Thank you very much for your co-operation!!

Appendix 25. Comparison of inactive Arab women between the snowball survey and social survey, by demographic variables (age range 19-49)

		Snowball survey		Social survey		Group comparison
		n	%	n	%	
Age	20-24	12	26.1	63	28.1	Z=.75
	25-29	10	21.7	35	15.6	η=.00
	30-34	9	19.6	34	15.2	
	35-39	7	15.2	32	14.3	
	40-44	4	8.7	28	12.5	
	45-49	4	8.7	32	14.3	
Education level	No school	8	17.8	0	0	Z=7.65**
	no graduation	7	15.6	1	.4	η=.23
	High school	14	31.1	23	10.3	
	Vocational certifi	4	8.9	24	10.7	
	BA	10	22.2	77	34.4	
	MA	2	4.4	75	33.5	
	PHD	0	0	24	10.7	
Marital status	Married	33	71.7	163	72.8	χ^2=10.02*
	Divorced	1	2.2	8	3.6	R=.19
	Widowed	2	4.3	0	0	
	Single	10	21.7	53	23.7	
Religion	Muslim	33	71.7	201	89.7	χ^2=10.97
	Christian	6	13.0	9	4.0	*R=.20
	Druze	7	15.2	14	6.3	
		M	Sd	M	Sd	
No. child		2.57	2.14	2.19	1.21	$t_{(244)}$=1.41 Cohen's d =.25

*p<.05 **p<.01