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Municipal Territoriality: The Impact of Centralized Mechanisms, and Political and Structural Factors on Reducing Spatial Inequality

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**Abstract:** We explore two complementary mechanisms that are designed to work together to reduce spatial inequality—redrawing municipal borders and the redistribution of tax resources. The study's methodology is based on empirical analysis of 376 decisions of boundary commissions and permanent geographic commissions that resulted in land transfers and redistributed tax resources in Israel. Our findings indicate that the impact on spatial inequality is mixed. Over time, the amount of land transferred to low socioeconomic municipalities has increased, provided these municipalities are located in the center of the country, or have a Jewish ethnic majority, are politically affiliated with the Minister of the Interior and the ultra-Orthodox right, are financially sound, have a large population and a large area. In contrast, the redistribution of tax resources provided revenue increases for low socio-economic municipalities that are in the periphery, largely populated by Arabs, are unaffiliated with powerful politicians, are financially weak and small in size and population.

**Keywords:** Municipal Territoriality; Spatial Inequality; Spatial Resource Mobility; Local Governance; Localism; Spatial Balance of Power; Land and Boundary; Socioeconomic Affiliation & Ethnicity

1. Introduction

Two basic assumptions underlie the discussion of spatial inequality. First,according to philosopher Jean-Jacques Rousseau, spatial inequality has existed from the very first time a human being claimed “This is mine!” and continues to exist in one form or another in every society. Thus, inequality will forever be the result of asymmetrical power relations marked by the control of individuals and groups over material and non-material resources (Gyuris, 2017). The second basic assumption is that every point in space differs from all other points in space (Morrill, 2001). Hence, it is only natural for discrepancies to emerge in the value ascribed to various places, leading to competition over their ownership (Gyuris, 2017). Finally, Ward (2009) defined spatial inequality as the unequal distribution in space of something that would not have emerged without human intervention.While spatial variance created by forces of nature is usually regarded as reasonable and fair, spatial inequality is usually considered to be undesirable and unfair (Morrill, 2001). Is spatial inequality a problem? How should it be defined? Should and how can it be controlled, regulated and minimized?

We begin by assuming that spatial inequality reflects social and economic inequality – disparities that can be expressed at the state, the region, the local authority or the city level – and therefore should be minimized (Derakhti & Baeten, 2020; Kim, 2008; Wei, 2015; Yue et al., 2014). Spatial inequality is also termed spatial resource mobility, to differentiate from a within-person resource mobility, e.g., income, education, and alike. We explore two complementary mechanisms used in Israel that are designed to work together to accomplish this goal—redrawing municipal borders and redistributing local tax resources. To do so, we investigate how political and structural municipal factors reduce or preserve spatial inequality. The study's methodology is based on empirical analysis of 376 decisions of boundary commissions (2003-2016) and permanent geographic commissions (2016-2022) that resulted in land transfers and redistributed tax resources.

Our findings indicate that the impact of these transfers on spatial inequality is mixed. In relation to land transfer decisions usually did not brought about a decrease in spatial inequality but preserved spatial inequality. In relation to redistribution of tax resources, decisions usually reduced spatial inequality.Hence, we contribute to the literature by highlighting the mechanisms and factors that play a role in the effects that redrawing municipal boundaries and redistributing tax revenues have on reducing and preserving spatial inequality.

2. Literature Review, Framing and Hypotheses Development

Spatial inequality has been examined in various local authorities and cities ranging from China (Ren, 2023) to Benin (Philippe & Anne-Claire, 2019), Greece (Kalfas et al., 2023) and the UK (Falk & Manns, 2019; Tewdwr-Jones & McNeill, 2000), and both during routine in the context of urban emergency (Fuentealba, Verrest & Gupta, 2020).

The current study can be seen as one possible extension of the debate of urban science, urban sustainability, urban development, land use and land management. For instance, while urban and city development are necessitated for improving mobility, investment, quality of life, affordable housing and urban integration (Bounoua et al., 2018; Derakhti & Baeten, 2020), all need, at least to some extent, land and space (Kalfas et al., 2023). In a similar vein, inclusive urban planning, sustainable planning and socio-spatial landscape of urban areas also require land and space, as a precondition for urban and cities' sustainability (Okyere et al., 2017). This is especially relevant for urban areas that suffer from vulnerability, lack of resources or lack of land (Addae & Oppelt, 2019; Derakhti & Baeten, 2020; Salata, Özkavaf-Şenalp & Velibeyoğlu, 2022).

Urban science research and the research on municipal territoriality and spatial inequality share a common interest in the world of cities and its implications for urbanization and sustainability. The current research aims to bridge urban science and municipal territoriality by exploring one of the preconditions of urban sustainability and development, that is, central mechanisms used in Israel to regulate land and accomplish reduction in spatial inequality. Meaning, while many studies assume as a starting point that the territory of the city is a fixed figure, the current study examines one earlier step, the allocation of land between local authorities as a key to reducing spatial inequality.

An in-depth critical review (Gyuris, 2014) introduces four serious criticisms and lacunae in political research on spatial inequality. First, the research conducted thus far has lacked any political context even though the study of spatial inequality is political by nature. Therefore, spatial inequality must be reinvestigated from a vantage point that considers the political and historical context. Second,some of the research conducted so far has not been objective, leading to fragmented policies that have focused on either people or places and did not best serve those who need them. Thus, an empirical study based on valid observations is needed. Third,there are few studies on the effect of methods designed to reducespatial inequality, even though such an examination is essential for understanding the phenomenon. Fourth, territoriality has been explored almost exclusively in the context of international relations. Very few studies have examined its impact at the local and municipal levels.

In response to these lacunae, this study responds to the global and Israeli calls for investigating how political actors, social groups and regulatory mechanisms are related to spatial inequality, local boundary changes and tax revenues in particular (e.g., Elden, 2010a, Gyuris, 2017; Jenkins, Leicht, and Wendt, 2006; Kübler & Rochat, 2019; Musterd, Marcińczak, Van Ham & Tammaru, 2017; Razin & Hazan, 2001). We contribute to theory on the subject by considering the political and historical context of our Israeli case study. In doing so, we reveal the role of the spatial balance of power in minimizing spatial inequality. Another significant theoretical contribution of this study is that it extends the territoriality discourse, which usually focuses on international relations (e.g., Agnew, 2015; Elden, 2006, 2010a, 2010b; Paasi, 2001; Shah, 2012; Tockman, 2016), to the local scale by focusing on the interrelations between local actors, municipalities and the relations between these actors and the central government.

In Israel, due to political, geographic and demographic circumstances, land is scarce and society is heterogeneous and fragmented into communities and minorities. Until 2016, one of the main governmental mechanisms of municipal territoriality at the local level was ad-hoc boundary commissions – public commissions that the Minister of the Interior appointed to discuss and recommend changes in municipal jurisdictions (Beeri, Aharon-Gutman & Luzer, 2020). These boundary commissions recommended whether, which and to whom territory would be transferred (Razin & Hazan, 2001). Thus, they were viewed as a tool for regulating spatial policy. However, these boundary commissions were subject to various political pressures and forces. They operated as ad-hoc reactive players, not as proactive players, and did not follow a clear, strategic spatial policy (Beeri et al., 2020). In 2016, the boundary commissions were replaced by permanent geographic commissions. To date, it is still unknown how these generations of regulatory mechanisms affect spatial inequality, or how the transferring of land and tax resources from one local authority to another reduces or preserves spatial inequality. Hence, our research question is:What are the conditions under which centralized regulatory mechanisms and political and structural factors reduce or preserve spatial inequality?

Several researchers have coupled politics with spatial inequality at the local level. Some of them connect politics and space using the term territoriality. While the definition of territory is narrow—a fenced area controlled by people—territoriality is a broad term referring to human, social and political behavior that results in territorial achievements. Territoriality is defined as political behavior shaped by interaction, competition, struggle and cooperation. In other words, it is the political organization of space that connects land and boundaries. Thus, a possible solution to the "lack of fit" between the legal municipal area and the need for land is redrawing these boundaries (Yilmaz, 2018). Land is a physical, political, economic, cultural and symbolic resource. Boundaries are what transform space into place. They distinguish between groups, connect them, give them territory and assign geographic space to particular groups. Thus, local borders define communal identity, and determine inclusion and exclusion. They reflect the degree of socio-political and ethnic homogeneity of the community (Pendall, Wolanski & McGovern, 2002).

In their cross-country analysis Ezcurra and Rodríguez-Pose (2014) stressed that countries with a better quality of government have less spatial inequality. Nevertheless, the heart of the political process influencing spatial inequality at the local level—municipal territoriality—reflects the spatial and political relations between local authorities, communities, classes and ethnic groups, and between these groups and the central government (Bianchi & Richiedei, 2023; Ebinger, Kuhlmann & Bogumil, 2019).

Hence, we adopt a structural approach to understanding the balance of power in space and its impact on land, boundaries and economic resources. Indeed, the very act of assigning land and its associated rights and powers to a community is, in and of itself, a political act. In fact, it is the wielding of power vis-à-vis neighboring communities and the central government, which is legitimized by affiliation with a social, geographic, political or ethnic group (Kemp, 1999). The objective of such acts is to achieve territorial, economic and symbolic benefits such as attracting residents and businesses and increasing revenues, which may lead to support and governmental stability (Tiebout, 1956). On the other hand, the very act of assigning and allocating land or tax resources and of delegating their associated rights and powers in a way that benefits a local authority, community, social class or ethnic group constitutes a political act on the part of the central government, and national politicians and regulators working on their behalf. The consequences of such acts might reduce spatial inequality, at least for some groups, at the expense of others, or preserve spatial inequality at the expense of others (Birkland, 2015).

3. The Israeli Context

The main historical events that have influenced spatial inequality in Israel are the ongoing Arab-Jewish conflict and the new immigrant settlement policy in the early years of the state. The main aim of the Arab-Jewish conflict, which reached its height in 1948 during the Israeli War of Independence, was to gain national control of the land. The Arabs refused to accept the Partition Plan, leaving them without national land. Most private land owned by Arabs who fled during the war was expropriated (Falah, 1992).

The new immigrant settlement policy, on the other hand, was affected by ethnic tensions within Jewish society. In the early years of the state, Jewish immigrants from European countries (Ashkenazim) usually settled in the center of the country and in the land-rich kibbutzim and regional councils. In contrast, Jewish immigrants from Asia and North Africa (Mizrahim or Sephardim) were directed to new development towns in marginal and peripheral areas of the country, leading to dramatic and structured inequality in control of the land. In other words, alongside the Arab-Jewish conflict, populating the development towns with new immigrants from Mizrachi backgrounds, meaning Jews from Arabic-speaking countries, was a central component in the creation of spatial inequality in Israel (Lipshitz & Raveh, 1998).

In a continuation of these trends, the local government map in the state’s early years and in the years to come benefited municipalities and local and regional councils located in the center of the country and regional councils located in the periphery. Most of the residents of these areas were Jews from the upper-middle class or were well-established Ashkenazi immigrants. In contrast, the small new urban development towns populated by poorer Mizrachi immigrants and Arab villages were disadvantaged and had fewer resources (Cohen & Aharon-Gutman, 2016; Razin & Hazan, 2001; Tzfadia, 2005; Yiftachel & Ghanem, 2004).

Local authorities can appeal to a boundary commission to redraw the municipal boundaries and have land, including the rights for planning, construction and business development on that land, transferred to them. Alternatively, a local authority may ask to transfer land that already includes developed commercial and industrial areas and thus claim to own the tax resources and the future profits from these areas (Razin & Hazan, 2001). Permanent geographic commissions follow the same procedures, with one major addition. With the approval of the Interior Minister, they can engage in proactive measures to reduce spatial inequality by transferring land and redistributing taxes in accordance with the Interior Ministry’s spatial policy.

Over time, frictions between the various groups in Israeli society led to demands for the redrawing of municipal boundaries (Yiftachel & Ghanem, 2004). More importantly, the conflicts and tensions between neighboring local authorities and between the local and central governments often stemmed from spatial inequality. These conflicts resulted in claims about owning land and repeated demands to transfer land and its associated rights and potential profits (Beeri, 2020; Yiftachel, 2001). As a result of these increasing formal conflicts, the central government tried to regulate spatial inequality using the mechanism within its control—boundary commissions (Razin & Hazan, 2001).

4. Minimizing Spatial Inequality? The Conditions under which Boundary Commissions and Permanent Geographic Commissions Make Land Transfers and the Redistribution of Tax Resources in Israel

From the 1950s through the 1970s boundary commissions were more of an internal bureaucratic procedure of the Ministry of the Interior. They were usually comprised of Ministry employees and attracted little publicity or public interest. They generally focused on preserving agricultural land. During the 1980s and 1990s, due to the urgent need to absorb a massive wave of immigrants from the former Soviet Union and other areas, and the rapid rise in housing prices in central regions, the number of municipal boundary commissions appointed each year increased substantially. However, the pressure to rapidly transfer land for residential construction created difficulties that were considered a bottleneck that retarded development (Razin & Hazan, 2001).

In response, the Israel Land Authority introduced new norms of municipal territoriality. It implemented a spatial policy that allowed Jewish regional councils, primarily those in the center of the country, to rezone agricultural land in their jurisdiction for the purpose of developing and constructing industrial zones—an authorization that produced profits in the years to come. Jewish regional councils were not the only ones to profit from this change. The Israel Land Authority itself was entitled to profit from this rezoning, despite not being the owners of the land (Razin & Hazan, 2001).

Nevertheless, this land policy created resentment among those who did not benefit from it. In 2001, a number of NGOs appealed to the Israeli High Court to change what they claimed was built-in discrimination in the policy. The court voided the resolutions that granted construction and development rights on agricultural lands to various municipalities, saying that they were unreasonable and disregarded the principle of distributive justice (Barak-Erez, 2005; Hananel, 2009). It seems clear that the court regarded spatial inequality as a problem that could and must be minimized by the equal distribution of resources. The ruling was passed in 2002 against a background of ongoing spatial inequality, social and ethnic rifts, and institutional non-governance. Disadvantaged groups gave up on parliamentary politics as a means of resolving spatial inequality, and appealed instead to the Supreme Court (Meydani, 2005). Heartened by the court’s decision, more local authorities have appealed to boundary commissions demanding distributive and spatial justice and equity. At the same time, the central government has tried to preserve and regain its power in this area, which has gradually eroded since the 1970s (Razin & Hazan, 2001).

In a wider sense, the role of the court in setting new precedents was particularly crucial because the trends of decentralization and local democracy that were sweeping the country were neither accompanied by consensus on national goals and priorities nor legal reforms to transfer power from the state to local stakeholders. In practice, the court increasingly became the arena for societal conflicts. Its activism limited the control of the central government and challenged the decisions made by the state and quasi-legislative bodies such as the Israel Land Authority and boundary commissions (Razin & Hazan, 2001).

According to Razin and Hazan (2001), there were various external pressures on the boundary commissions. Politicians from both the central and local governments tended to distrust them. In addition, the commissions tried to strike a balance between decentralization, social justice, sustainable development, globalization, polarization, individualism and materialism, and rational planning, equality and efficiency. Ultimately, their decisions became increasingly politicized, often prompted by subjective judgments rather than purely objective evaluations of development needs and efficiency (Razin & Hazan, 2001; 2004).

In 2016, the Minister of the Interior replaced the boundary commissions with seven permanent geographic commissions. These commissions were charged with acting according to more professional standards. They used urban planning, economic measures and GIS tools. They were also supposed to use proactive, balanced, autonomous, transparent, collaborative practices that were efficient and posted online. They were supposed to base their decisions on a regional approach and on the national spatial policy set by the Ministry of Interior (Israel Interior Ministry, 2023).

According to the Interior Ministry (2023), by the end of 2021 the permanent geographic commissions had made more than 200 decisions, which involved 91 local authorities, 21,400 transferred dunams of land and the redistribution of 45 million NIS. (A dunam is about one quarter of an acre. At that time, one NIS, new Israeli shekel, was worth about 28 American cents). Still, Alfasi and Migdalovich (2020) stressed that Israeli planning, although desperate to create new tools and procedures for decision-making, suffered from the public’s loss of faith in its ability to bring about positive change due to the complete lack of spatial planning principles. While a previous report provides a primary analysis of the performance of the former centralized mechanism of regulating spatial inequality, meaning the boundary commissions that operated until 2016 (Beeri et al., 2020), there is a lack of updated, comparable data and analysis of the current mechanism of regulating spatial inequality through the permanent geographic commissions. Accordingly, our goal is to close this theoretical and practical gap in our knowledge by investigating the conditions under which boundary commissions and permanent geographic commissions make land transfers and the redistribution of tax resources in Israel. We also examine their impact on reducing or preserving spatial inequality.

Based on this discussion, we hypothesize that:

**Hypothesis 1:** In 2003-2016, there will be a positive relationship between the socio-economic status, geographic location, political affiliation and ethnicity of local authorities and the extent to which land was transferred to these local authorities.

**Hypothesis2:** *In 2003-2016, the socio-economic status, geographic location, political affiliation and ethnicity of local authorities and communities will moderate the relationship between the timing of the boundary commission’s recommendation (after the 2002 decision) and the extent to which land was transferred to these local authorities.*

**Hypothesis 3:** *In 2016-2022, there will be a positive relationship between the socio-economic status, geographic location, political affiliation, ethnicity, financial soundness, size of population, the area of the local authority, the area demanded by the local authority, and the initiator of the land transfer process and the extent to which land was transferred to these local authorities and the increase in tax revenues.*

**Hypothesis 4:***In 2016-2022, socio-economic status, geographic location, political affiliation, ethnicity, financial soundness, size of population, the area of the local authority and the initiator of the land transfer process will moderate the relationship between the area demanded by the local authority and the extent to which land was transferred to the local authority and the increase in tax revenues.*

5. Research Method

5.1. Databases and Sample

The study uses quantitative methods. The database includes two data sets: (1) 94 decisions made by boundary commissions between 2003 (after the High Court of Justice’s landmark decision) and 2016 (hereinafter: BC2003-2016) and (2) 280 decisions made by permanent geographic commissions between 2016 and 2022 (hereinafter: PGC2016-2022). These decisions redrew 175 municipal borders and redistributed revenue to 105 local municipalities.[[1]](#footnote-1) While the reference point of BC2003-2016 was the timing, meaning the time that had passed since the 2002 High Court decision about spatial inequality, the reference point of PGC2016-2022 was politics, meaning the area demanded by the local authority.

5.2. Research Variables

5.2.1. Dependent Variable: The Land Transferred to Local Authorities

To assess the land transferred to local authorities, we examined the increase in the land area of the recipient local authority relative to its original jurisdictional size as a continuous variable. Using this approach prevented any bias derived from the size of the local authority. The relative growth rate ranged from 0% to 393% and from 0% to 8.9% for BC2003-2016 and PGC2016-2022, respectively, with an average growth rate of 13.2% (S.D. = 47.8%) and 0.4% (S.D. = 1.3%), respectively. The total requested territory was estimated at 390,826 and 306,340 dunams, of which 45% and 31% were transferred, respectively. For PGC2016-2022 only, the data also enabled us to examine the growth in jurisdictional size relative to the jurisdiction demanded by the petitioning local authority. These variables provided a deeper look into the dynamics of land transfers.[[2]](#footnote-2)

5.2.2. Dependent Variable: The Increase in the Income of a Local Authority

For PGC2016-2022, in order to assess the increase in the income of a local authority, we examined the increase in the non-residential property tax revenues of the recipient local authority resulting from the transfer of a land resource. The rates of increase in non-residential property tax revenues ranged from 0% to 5%, with an average increase of 0.23% (S.D. = 0.81%). In total, the tax revenue of recipient local authorities increased by ~K-INS78,000 per year.

5.2.3. Independent Variables

***Socio-Economic status (SES)*** – measured by the socioeconomic cluster of the recipient local authority in accordance with data from the Israel Central Bureau of Statistics. This organization classifies all Israeli local authorities in clusters from 1 (lowest) to 10 (highest) based on their socioeconomic status. In this study, the socioeconomic clusters ranged from 1 to 9 and 1 to 10, with an average of 4.5 and 5.0 (S.D.=2.0 and 2.3) for BC2003-2016 and PGC2016-2022, respectively. For the hypotheses involving moderation effects, Hayes’ (2015) PROCESS macro uses automatic conditioning values: low SES = average SES minus 1SD; High SES = average SES plus 1SD.

***Geographic closeness to the center***– measured by the geographic location cluster of the recipient local authority in accordance with data from the Israel Central Bureau of Statistics. This organization classifies all Israeli local authorities in clusters from 1 (furthest away) to 10 (closest) based on their proximity to the center of the country and access to economic, political and cultural resources. In this study, the geographic location clusters ranged from 1 to 10, with an average of 5.5 and 4.6 (S.D.=1.9 and 1.8) for BC2003-2016 and PGC2016-2022, respectively. For the hypotheses involving moderation effects, Hayes’ (2015) PROCESS macro uses automatic conditioning values: close to the periphery = average closeness minus 1SD; close to the center = average closeness plus 1SD.

***Ethnicity*** of the community in the recipient local authority. According to the Ministry of the Interior data, 71.3% and 53% of the recipient local authorities have a Jewish majority (i.e., the national majority) for BC2003-2016 and PGC2016-2022, respectively (1=Jewish majority, 0=non-Jewish majority). For PGC2016-2022 ethnicity was measured as the rate of Jewish population.

***Political affiliation*** of the mayor of the recipient local authority. For BC2003-2016 and PGC2016-2022, in 68.1% and 35% of the recipient local authorities, respectively, the mayor belonged to the same party as the Minister of the Interior or the same political coalition (e.g., right wing and ultra-Orthodox as opposed to left wing and Arab).

***Timing of the boundary commission’s recommendations****.* We conducted this analysis for BC2003-2016 only. The timing was measured by the number of years from the 2002 decision to the year of the boundary commission’s recommendation, ranging from 0-14. Generally, the High Court of Justice’s rulings are not implemented immediately. Therefore, the timing variable reflects spatial policy dynamics. For PGC2016-2022, decisions were made in a relatively short period (2016 to 2022) and we refer to them as if they were made at once.

5.3. Additional Independent Variables for PGC2016-2022.

The PGC2016-2022 database enabled us to explore additional explanatory variables. Financial soundness (1=lowest, 100=highest), the size of the population in K, the area of the local authority in K-KM2, the area demanded by the local authority relative to its size, and the initiator of the land transfer process (0=the government/permanent geographic commissions, 1=the recipient local authority) were measured in accordance with data from the Interior Office.

5.4. Statistical Analysis

We used SPSS 27.0 for the data analysis. First, we calculated the descriptive statistics, and considered a direct relationship using Pearson’s correlation coefficients. Then, we examined the moderation hypotheses using regressions based on Hayes’ (2015) random sample approach. Specifically, we used Models 1 and 2 of his PROCESS macro.

6. Findings

6.1. Boundary Commissions in 2003 to 2016 - BC2003-2016

6.1.1. Direct Correlations – H1

Table 1 (see supporting files) lists the averages, standard deviations and correlations between the study’s variables for BC2003-2016. The findings reject Hypothesis 1 about a direct correlation.The results of thePearson test did not reveal any significant direct correlation between the variables of socioeconomic status, geographic closeness to the center, ethnicity and political affiliation and the relative growth rate of the land that was transferred. Contrary to what was expected, a significant medium and negative correlation emerged (r=-.25, *p* < .05) between political affiliation and the relative growth rate in the territory of the local authority.

**Table 1.** Means, SD and Correlations between the Research Variables for BC2003-2016 – H1.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Mean SD | 1 | 2 | 3 | 4 | 5 |
| Independent variables | 1. Timing of the boundary commission’s decision | 9.04 3.20 |  |  |  |  |  |
| 1. Socioeconomic status | 4.50 2.07 | .03 |  |  |  |  |
| 1. Geographic closeness to the center | 5.52 1.87 | .01 | .33\*\*\* |  |  |  |
| 1. Ethnicity (Jewish) | 0.71 0.45 | -.07 | .62\*\*\* | .31\*\*\* |  |  |
| 1. Political affiliation (Right, ultra-Orthodox) | 0.68 0.47 | .07 | .02 | .31\*\*\* | .57\*\* |  |
| Dependent variables | 1. Relative growth in land area of recipient local authority | 13.18 47.83 | -.35\*\* | .06 | -.18 | -.06 | -.25\* |

N=94; \*p < .05, \*\*p < .01, \*\*\*p < .001.

6.1.2. Indirect Effects – H2

Second,we used Model 1 (Hayes, 2015) to test whether socio-economic status, geographic closeness to the center, political affiliation and ethnicity influence the relationship between the timing of the decision and the proportion of land transferred. Each model included one moderator such that we ran a total of four models. Three moderators proved significant: socioeconomic status, geographic closeness to the center and political affiliation (see supporting files: Table 2 and Figure I). In general, the more time that had passed since the 2002 decision, the greater the drop in the relative proportion of the territory transferred to local authorities. Nevertheless, contrary to the general trend, in low socioeconomic status local authorities, the decreasing trend was more moderate (Model I). In local authorities close to the center of the country, the relative proportion of territory transferred to local authorities increased (Model II). In local authorities politically affiliated with the ruling regime, the decreasing trend was more moderate or non-existent (Model III). In other words, the findings supported Hypothesis 2 about indirect effects. Socioeconomic status, geographic location and political affiliation moderated the relationship between the timing of the decision and the proportion of land transferred.

**Table 2.** Analyses testing indirect effects of built-in structural and political factors moderating the correlation between the timing of the decision and relative growth in land transferred (PROCESS Model #1) - BC2003-2016 – H2.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Dependent Variable = Relative amount of land transferred to recipient local authority | | | | | | | | | | | | | | |
| R2=.19\*\*\*  ΔR2=.09\*\*\* | | | R2=.19\*\*\*  ΔR2=.09\*\* | | | | | | R2=.31\*\*\*  ΔR2=.16\*\*\* | | | | | |
|  | **Model I** | |  | | **Model II** | | | |  | | **Model III** | | | |  |
| Predictors | B(SE) | T | | B(SE) | | | T | | | B(SE) | | | T | | |
| Fixed | -43.45(34.53) | -1.25 | | 198.25(29.88 | | | 4.48\*\*\* | | | 154.99(26.95) | | | 5.75\*\*\* | | |
| Timing of Decision | 4.50(3.10) | 1.45 | | -15.75(4.13) | | | -3.81\*\*\* | | | -12.48(2.55) | | | -4.89\*\*\* | | |
| Socioeconomic Status | 22.52(6.87) | 3.27\*\* | |  | | |  | | |  | | |  | | |
| Geographic closeness to the center |  | | | -26.60(7.59) | | | -3.50\*\* | | |  | |  | |  | |
| Political Affiliation (Right, ultra-Orthodox) |  | | |  | |  | |  | | -153.13(35.07) | | | -4.36\*\*\* | | |
| SES X Timing | -1.93(.61) | -3.15\*\* | |  | | |  | | |  | | |  | | |
| Geographic closeness to the center X Timing |  | | | 2.17(.70) | | | 3.09\*\* | | |  | |  | |  | |
| Political Affiliation (Right, ultra-Orthodox) X Timing |  | | |  | |  | |  | | 12.72(3.26) | | | 3.89\*\*\* | | |

N=94;  *p* < .05\*, *p* < .01\*\*, *p* < .001\*\*\* ; R2=Model Prediction; ΔR2=Prediction of moderation.

**Figure I[[3]](#footnote-3): Correlations between the timing of the decision and the relative growth in the land transferred as moderated by various factors – BC2003-2016 – H2[[4]](#footnote-4)**

A graph with a red line and a green line

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**Figure 1.** Socioeconomic status as a moderating factor (Model I).

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**Figure 2.** Geographic status of recipient local authority as a moderating factor (Model II).

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**Figure 3.** Political affiliation of head of recipient local authority as a moderating factor (Model III).

6.1.3. Simultaneous Indirect Effects – H2

Third,we used Model 2 (Hayes, 2015) to test the simultaneous indirect effects on the relationship between the timing of the decision and the proportion of land transferred. Each model included two moderators and in total we ran six models. All six models were significant (see supporting files: Table 3 and Figure II). In other words, the findings supported Hypothesis 2. Socioeconomic status, geographic locations, ethnicity and political affiliation moderated the relationship between the timing of the decision and the proportion of land transferred. The general trend in political dynamics showed a sharp decline over time in the relative proportion of territory transferred to the local authorities. In contrast, the positive slopes illustrate inverse trends showing an increase in the relative proportion of transferred land over time. In local authorities with low socioeconomic status, there was a trend toward an increasing proportion of transferred land, provided they were located close to the center of the country (Model IV), or had a Jewish ethnic majority (Model V), or were politically affiliated with the ruling regime (Model VI). In addition, in local authorities located close to the center of the country there was a growth trend, regardless of whether the municipality was populated by Jews or non-Jews (Model VII), or located close to the center of the country, provided they were politically affiliated (Model VIII). Furthermore, the growth trend also occurred in local authorities populated by the Arab ethnic minority, provided they were politically affiliated (Model IX).

**Table 3.** Analyses testing simultaneous indirect effects of built-in structural and political factors moderating the correlation between the timing of the decision and relative growth in land transferred (PROCESS Model #2) - BC2003-2016 – H2.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Dependent Variable = Relative amount of land transferred to recipient local authority | | | | | | | | | | | | | | | | | | | | | | | | | |
| R2=.44\*\*\*  ΔR2=.26\*\*\* | | | | | R2=.33\*\*\*  ΔR2=.17\*\*\* | | | | | R2=.43\*\*\*  ΔR2=.230\*\*\* | | | | | R2=.29\*\*\*  ΔR2=.09\*\* | | | | R2=.49\*\*\*  ΔR2=.24\*\*\* | | | | R2=.42\*\*\*  ΔR2=.18\*\*\* | | |
|  | **Model IV** | | | |  | | **Model V** | | |  | | **Model VI** | | |  | **Model VII** | | |  | **Model VIII** | | |  | **Model IX** | | |
| Predictors | B(SE) | | | T | | B(SE) | | | T | | B(SE) | | | T | | B(SE) | | T | | B(SE) | | T | | B(SE) | | T |
| Fixed | 137.35(37.58) | | 3.65\*\* | | | -18.38(29.88) | | | -.61 | | 107.81(47.65) | | | 2.26\* | | 194.94(37.88) | | 5.14\*\*\* | | 275.68(42.63) | | 6.46\*\*\* | | 157.52(38.62) | | 4.078\*\*\* |
| Timing of Decision | -12.81(4.05) | | -3.15\* | | | 3.50(3.23) | | | 1.08 | | -9.17(5.03) | | | -1.82 | | -18.89(4.20) | | -4.49\*\*\* | | -26.25(4.74) | | -5.53\*\*\* | | -14.23(3.95) | | -3.610\*\*\* |
| Socioeconomic Status | 25.92(5.26) | | 4.92\*\*\* | | | 39.4(8.3) | | | 4.73\*\*\* | | 10.08(7.14) | | | 1.41 | |  |  |  | |  |  |  | |  |  |  |
| Geographic closeness to the center | -35.80(6.13) | | -4.73\*\*\* | | |  | |  |  | |  | |  |  | | -31.31(7.38) | | -4.23\*\*\* | | -22.94(7.59) | | -3.02\*\* | |  |  |  |
| Ethnicity (Jewish) |  |  |  | | | -158.94(40.569) | | | -3.70\*\*\* | |  | |  |  | | 59.20(33.12) | | 1.78\* | |  |  |  | | 17.82(49.02) | | -1.037 |
| Political Affiliation† |  |  |  | | |  | |  |  | | -153.51(34.39) | | | -4.46\*\*\* | |  | |  | | -119.79(33.84) | | -3.02\*\*\* | | -169.30(38.81) | | -3.617\*\*\* |
| SES X Timing | -2.70(.57) | | -5.83\*\*\* | | | -3.86(.09) | | | -4.26\*\*\* | | -1.22(.77) | | | -1.56 | |  |  |  | |  |  |  | |  |  |  |
| G. closeness to the center X Timing | 3.67(.69) | | 5.31\*\*\* | | |  | |  |  | |  | |  |  | | 3.25(.82) | | 3.97\*\* | | 2.20(.86) | | 2.54\* | |  |  |  |
| Ethnicity (Jewish) X Timing |  |  |  | | | 14.77(4.50) | | | 3.27\*\*\* | |  | |  |  | | -6.98(3.41) | | -2.04\* | |  |  |  | | -3.82(5.23) | | .586 |
| Political Affiliation† X Timing |  |  |  | | |  | |  |  | | 15.45(3.75) | | | 4.12\*\*\* | |  |  |  | | 11.66(3.75) | | 3.10\*\* | | 17.87(4.28) | | 3.336\*\*\* |

N=175;  *p* < .05\*, *p* < .01\*\*, *p* <. 001\*\*\* ; R2=Model Prediction; ΔR2=Prediction of simultaneous moderation; † =Right, ultra-Orthodox;.

**Figure II: Correlations between the timing of the decision and the relative growth of land transferred, as simultaneously moderated by various factors – BC2003 -2015 – H2**

A graph with red and green lines

Description automatically generated

**Figure 4.** Simultaneous moderation of SES and geographic status (Model IV).

A graph of a line between two different colored lines

Description automatically generated with medium confidence

**Figure 5.** Simultaneous moderation of SES and ethnicity (Model V).

A graph of a graph showing the difference between the time and the time

Description automatically generated with medium confidence

**Figure 6.** Simultaneous moderation of SES and political affiliation (Model VI).

A graph with red and green lines

Description automatically generated

**Figure 7.** Simultaneous moderation of geographic status and ethnicity (Model VII).

A graph with red and green lines

Description automatically generated

**Figure 8.** Simultaneous moderation of geographic status and political affiliation (Model XIII).

A graph with red and green lines

Description automatically generated

**Figure 9.** Simultaneous moderation of ethnicity and political affiliation (Model IX).

6.2. Permanent Geographic Commissions from 2016 to 2022 - PGC2016-2022

6.2.1. Direct Correlations of Land Transfers – H3

Table 4 (see supporting files) lists the averages, standard deviations and correlations between the study’s variables for PGC2016-2022. The findings confirm Hypothesis 3.The results of thePearson test revealed a significant direct correlation between the area demanded by a local authority and the fact that land was transferred to it (r=.28, *p* < .05). The results also revealed a significant direct correlation between socioeconomic status, ethnicity, the area of the local authority and the area demanded by the local authority, on one hand, and the relative growth in the amount of land that was transferred, on the other hand (r=.20, r=.19, r=.23, r=.84, relatively, all *p* < .05). As expected, the more a local authority demanded land, the wealthier, larger and more Jewish it was, the more territory it received.

**Table 4.** Means, SD and Correlations between the Research Variables – PGC2016-2022 – H3.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Mean SD | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Independent  variables | 1. Socioeconomic status | 4.91 | 2.34 |  |  |  |  |  |  |  |  |  |  |
| 1. Geographic closeness to the center | 4.43 | 1.78 | .34\*\* |  |  |  |  |  |  |  |  |  |
| 1. Ethnicity (percentage of Jews) | 61.8 | 46.7 | .72\*\* | .25\*\* |  |  |  |  |  |  |  |  |
| 1. Political affiliation…† | .64 | .48 | -.45\*\* | 0.02 | .24\* |  |  |  |  |  |  |  |
| 1. Financial soundness | 47 | 19.2 | .81\*\* | .41\*\* | .71\*\* | -.34\*\* |  |  |  |  |  |  |
| 1. Size of population | K27 | K63 | 0.00 | .31\*\* | 0.10 | 0.06 | .13\* |  |  |  |  |  |
| 1. Area of local authority in KM2 | K892 | K3022 | .16\* | -.20\*\* | .18\*\* | -.29\*\* | .37\*\* | -0.01 |  |  |  |  |
| 1. The area demanded by the LA…†† | .37 | 1.06 | .02 | -.04 | .07 | -.05 | -.11 | -.04 | .14 |  |  |  |
| 1. Initiator (the recipient local authority) | .61 | .49 | -.14\* | -.15\* | -.21\*\* | -0.09 | -.17\*\* | -0.02 | -0.12 | .08 |  |  |
| Dependent  variables | 1. Relative growth in land area | .32 | 1.16 | .20\* | -0.02 | .19\* | -0.10 | 0.06 | -0.02 | .23\*\* | .84\*\* | -0.03 |  |
| 1. Rates of increase in tax revenues | .30 | .96 | -0.17 | 0.11 | -.25\* | 0.19 | -.28\*\* | -0.13 | -0.16 | .02 | -0.16 | 0.15 |

*N=280; \*p < .05, \*\*p < .01, \*\*\*p < .001*; † …of the mayor is as of the political affiliation of the Interior Minister or the government coalition ; ††…relative to its size ;.

6.2.2. Direct Correlations of Tax Revenues – H3

In addition, we found support for H3 with significant direct relationships between geographic closeness to the center, the initiator of the land transfer process, ethnicity and financial soundness, on one hand, and increases in tax revenues, on the other (r=.26, r=-.24, r=-.25, r=-.28, relatively, all *p* < .05) (see Table 4). When the local authority was geographically close to the nation's center and the initiator of the process was the permanent geographic commission or the central government (i.e., not the recipient local authority), the increase in income in NIS was higher. In addition, the less a local authority was populated by the national majority (Jewish) and the less financially sound it was, the higher the rates of increase in tax revenues.

6.2.3. Indirect Effects of Land Transfers – H4

Next,we used Model 1 (Hayes, 2015) in order to test H4 about whether socio-economic status, geographic location, political affiliation, ethnicity, financial soundness, size of population, the area of the local authority and the initiator of the land transfer process moderated the relationship between the area demanded by the local authority and the extent to which land was transferred to it. Each model included one moderator such that we ran a total of sixteen models.

Four moderators proved significant for the extent to which land was transferred to the local authority: socioeconomic status, ethnicity, financial soundness and the area of the local authority (see supporting files: Table 5 and Figure III). In general, the more the local authority demanded land (relative to its size), the greater the relative proportion of the territory transferred to it. However, this trend intensified the more the local authority was populated by high socio-economic residents (Model X) and by higher rates of the national ethnic majority (Jews) (Model XI), the more the local authority was financially strong (Model XII) and the larger its area (Model XIII). In other words, the findings supported Hypothesis 4. Socioeconomic status, ethnicity, financial soundness and the area of the local authority moderated the relationship between the land demanded by the local authorities and the land transferred to them.

**Table 5.** Analyses testing indirect effects of built-in structural and political factors moderating the correlation between area demanded and relative growth in land transferred and rates of increase in tax revenues (PROCESS Model #1) – PGC2016-2022 – H4.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Dependent Variable =  Relative amount of land transferred to recipient local authority | | | | | | | | | | | | | | | | | | |  | | Dependent Variable =  Rates of increase in tax revenues | | | |
| R2=.82\*\*\*  ΔR2=.09\*\*\* | | | | | R2=.33\*\*\*  ΔR2=.06\*\*\* | | | | | R2=.73\*\*\*  ΔR2=.02\*\*\* | | | | | R2=.73\*\*\*  ΔR2=.02\*\* | | | | | R2=.42\*\*\*  ΔR2=.39\*\*\* | | | | |
|  | **Model X** | | | |  | | **Model XI** | | |  | | **Model XII** | | |  | **Model XIII** | | |  | | **Model XIV** | | | |  |
| Predictors | B(SE) | | | T | | B(SE) | | | T | | B(SE) | | | T | | B(SE) | | T | | | B(SE) | | | T | |
| Fixed | .20(.13) | | 1.53 | | | .11(.09) | | | 1.14 | | -.05(.16) | | | -.31 | | -.05(.07) | | -.69 | | | -.12(.39) | | | -.29\*\*\* | |
| Area demanded | -.32(.16) | | -2.05\* | | | .13(.14) | | | .96 | | .41(.18) | | | 2.21\* | | .73(.07) | | 10.22\*\*\* | | | 9.67(2.24) | | | 4.32\*\*\* | |
| Socioeconomic Status | -.03(.02) | | -1.34 | | |  | | |  | |  | | |  | |  |  |  | | |  | |  |  | |
| Ethnicity (Jewish) |  | |  | | | .00(.00) | | | -1.13 | |  | |  |  | |  | |  | | |  | | |  | |
| Financial soundness |  |  |  | | |  | | |  | | .00(.00) | | | .03 | |  | |  | | |  | |  |  | |
| Area of local authority |  |  |  | | |  | |  |  | |  | | |  | | .00(.00) | | .91 | | |  | | |  | |
| Initiator (the recipient local authority) |  | |  | | |  | | |  | |  | | |  | |  |  |  | | | .42(.47) | | | .89 | |
| Area demanded X Socioeconomic Status | .19(.02) | | 7.94\*\*\* | | |  | | |  | |  | | |  | |  |  |  | | |  | |  |  | |
| Area demanded X Ethnicity (Jewish) |  | |  | | | .01(.00) | | | 5.72\*\*\* | |  | |  |  | |  | |  | | |  | | |  | |
| Area demanded X Financial soundness |  |  |  | | |  | | |  | | .01(.00) | | | 2.78\*\* | |  | |  | | |  | |  |  | |
| Area demanded X Area of local authority |  |  |  | | |  | |  |  | |  | | |  | | .00(.00) | | 2.81\*\* | | |  | | |  | |
| Area demanded X Initiator |  |  |  | | |  | |  |  | |  | | |  | |  |  |  | | | -9.66(2.25) | | | -4.30\*\*\* | |

N=280; *p* < .05\*, *p* < .01\*\*, *p* < .001\*\*\* ; R2=Model Prediction; ΔR2= Prediction of moderation.

**Figure III: Correlations between the land demanded and relative growth in land transferred and increases in tax revenues as moderated by various factors – PGC2016-2020 – H4[[5]](#footnote-5)**

A diagram of a small area

Description automatically generated

**Figure 10.** Socioeconomic status as a moderating factor (Model X).

A graph with a red line and green line

Description automatically generated

**Figure 11.** Rates of the national ethnic majority (Jews) as a moderating factor (Model XI).

A graph with a green line and red line

Description automatically generated

**Figure 12.** Financial strength as a moderating factor (Model XII).

A graph with red and green lines

Description automatically generated

**Figure 13.** Area of local authority as a moderating factor (Model XIII).

A diagram of a large number of individuals

Description automatically generated with medium confidence

**Figure 14.** Initiator of land transfer process as a moderating factor (Model XIV).

6.2.4. Indirect Effects of Tax Revenues – H4

We used Model 1 (Hayes, 2015) in order to test H4 about whether socio-economic status, geographic location, political affiliation, ethnicity, financial soundness, size of population, the area of the local authority and the initiator of the land transfer process moderated the relationship between the area demanded and tax increases. Each model included one moderator such that we ran a total of sixteen models.

One moderator proved significant for the extent to which the tax revenues increased due to land transfers to the local authority: the initiator of the land transfer process (see supporting files: Table 5 and Figure III). In general, the more the local authority demanded land (relative to its size), the more tax revenues increased due to land transferred to the local authority. However, this trend intensified when the initiator of the land transfer process was the permanent geographic commissions or the central government rather than the recipient local authority (Model XIV). In other words, the findings partially supported Hypothesis 4. The initiator of the land transfer process moderated the relationship between the land demanded by the local authorities and the increase in tax revenues.

6.2.5. Simultaneous Indirect Effects of Land Transfer – H4

Then,we used Model 2 (Hayes, 2015) to test the simultaneous indirect effects on land transfers. Each model included two moderators and in total we ran twenty-eight models. Twenty-one models were significant (see supporting files: Table 6 and Figure IV). In other words, the findings supported Hypothesis 4. The general trend in political dynamics showed a positive correlation between the land the local authority demanded (relative to its size) and the proportion of the territory transferred to it. This trend was attenuated by many simultaneous factors.

**Table 6.** – Continued-2: Analyses testing simultaneous indirect effects of built-in structural and political factors moderating the correlation between area demanded and relative growth in land transferred (PROCESS Model #2)– PGC2016-2022 – H4.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Dependent Variable = Relative amount of land transferred to recipient local authority | | | | | | | | | | | | | | | | | | | | | | | | | | |
| R2=.79\*\*\*  ΔR2=.06\*\*\* | | | | R2=.78\*\*\*  ΔR2=.06\*\*\* | | | R2=.75\*\*\*  ΔR2=.03\*\*\* | | | | R2=.74\*\*\*  ΔR2=.02\*\* | | | | R2=.76\*\*\*  ΔR2=.04\*\*\* | | | | R2=.74\*\*\*  ΔR2=.02\*\* | | | | | R2=.75\*\*\*  ΔR2=.03\*\*\* | | |
|  | Model XXIX | | |  | Model XXX | |  | | Model XXXI | |  | | Model XXXII | |  | | Model XXXIII | |  | | Model XXXIV | |  | | Model XXXV | | |
| Predictors | B(SE) | | T | | B(SE) | T | | B(SE) | | T | | B(SE) | | T | | B(SE) | | T | | B(SE) | | T | | | B(SE) | T | |
| Fixed | .11(.09) | | 1.20 | | .28(.13) | 2.18\* | | .05(.16) | | .28 | | -.02(.16) | | -.13 | | .29(.20) | | 1.49 | | -.05(.07) | | -.66 | | .09(.10) | | | .91 |
| Area demanded | .10(.14) | | .76 | | .11(.17) | .66 | | -.08(.26) | | -.33 | | .48(.19) | | 2.48\*\* | | .29(.18) | | 1.63 | | .78(.08) | | 9.34\*\*\* | | .85(.09) | | | 9.79\*\*\* |
| Ethnicity (Jewish) | .00(.00) | | -1.15 | | .00(.00) | -1.69 | |  | |  | |  | |  | |  | |  | |  | |  | |  | | |  |
| Political Affiliation† |  | |  | |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | | |  |
| Financial soundness |  | |  | |  |  | | .00(.00) | | -.76 | | .00(.00) | | -.17 | | .00(.00) | | -1.19 | |  | |  | |  | | |  |
| Size of population |  | |  | |  |  | | .00(.00) | | .39 | |  | |  | |  | |  | | .00(.00) | | .20 | |  | | |  |
| Area of local authority | .00(.00) | | .78 | |  |  | |  | |  | | .00(.00) | | .92 | |  | |  | | .00(.00) | | .86 | | .00(.00) | | | .46 |
| Initiator (the recipient LA) |  | |  | | -.23(.12) | -1.93\* | |  | |  | |  | |  | | -.24(.12) | | -1.89\* | |  | |  | | -.18(.12) | | | -1.48 |
| Ethnicity (Jewish) X Area demanded | .01(.00) | | 5.13\*\*\* | | .01(.00) | 5.60\*\*\* | |  | |  | |  | |  | |  | |  | |  | |  | |  | | |  |
| Political Affiliation† X Area demanded |  | |  | |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | | |  |
| Financial soundness X Area demanded |  | |  | |  |  | | .03(.01) | | 3.69\*\*\* | | .01(.00) | | 1.48 | | .02(.00) | | 4.20\*\*\* | |  | |  | |  | | |  |
| Size of population X Area demanded |  | |  | |  |  | | .00(.00) | | -2.68\*\* | |  | |  | |  | |  | | .00(.00) | | 1.07 | |  | | |  |
| Area of local authority X Area demanded | .00(.00) | | 1.75\* | |  |  | |  | |  | | .00(.00) | | 1.43 | |  | |  | | .00(.00) | | 2.75\*\* | | .00(.00) | | | 3.43\*\*\* |
| Initiator (the recipient LA) X Area demanded | |  |  | | .06(.10) | .58 | |  | |  | |  | |  | | -.30(.12) | | -2.57\*\* | |  | |  | | -.21(.11) | | | -1.93\* |

N=175;  *p* < .05\*, *p* < .01\*\*, *p* < .001\*\*\* ; R2=Model Prediction; ΔR2=Prediction of simultaneous moderation; † =Right, ultra-Orthodox;.

**Table 6.** – Continued-2: Analyses testing simultaneous indirect effects of built-in structural and political factors moderating the correlation between area demanded and relative growth in land transferred (PROCESS Model #2)– PGC2016-2022 – H4.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Dependent Variable = Relative amount of land transferred to recipient local authority | | | | | | | | | | | | | | | | | | | | | | | | | | |
| R2=.79\*\*\*  ΔR2=.06\*\*\* | | | | R2=.78\*\*\*  ΔR2=.06\*\*\* | | | R2=.75\*\*\*  ΔR2=.03\*\*\* | | | | R2=.74\*\*\*  ΔR2=.02\*\* | | | | R2=.76\*\*\*  ΔR2=.04\*\*\* | | | | R2=.74\*\*\*  ΔR2=.02\*\* | | | | | R2=.75\*\*\*  ΔR2=.03\*\*\* | | |
|  | Model XXIX | | |  | Model XXX | |  | | Model XXXI | |  | | Model XXXII | |  | | Model XXXIII | |  | | Model XXXIV | |  | | Model XXXV | | |
| Predictors | B(SE) | | T | | B(SE) | T | | B(SE) | | T | | B(SE) | | T | | B(SE) | | T | | B(SE) | | T | | | B(SE) | T | |
| Fixed | .11(.09) | | 1.20 | | .28(.13) | 2.18\* | | .05(.16) | | .28 | | -.02(.16) | | -.13 | | .29(.20) | | 1.49 | | -.05(.07) | | -.66 | | .09(.10) | | | .91 |
| Area demanded | .10(.14) | | .76 | | .11(.17) | .66 | | -.08(.26) | | -.33 | | .48(.19) | | 2.48\*\* | | .29(.18) | | 1.63 | | .78(.08) | | 9.34\*\*\* | | .85(.09) | | | 9.79\*\*\* |
| Ethnicity (Jewish) | .00(.00) | | -1.15 | | .00(.00) | -1.69 | |  | |  | |  | |  | |  | |  | |  | |  | |  | | |  |
| Political Affiliation† |  | |  | |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | | |  |
| Financial soundness |  | |  | |  |  | | .00(.00) | | -.76 | | .00(.00) | | -.17 | | .00(.00) | | -1.19 | |  | |  | |  | | |  |
| Size of population |  | |  | |  |  | | .00(.00) | | .39 | |  | |  | |  | |  | | .00(.00) | | .20 | |  | | |  |
| Area of local authority | .00(.00) | | .78 | |  |  | |  | |  | | .00(.00) | | .92 | |  | |  | | .00(.00) | | .86 | | .00(.00) | | | .46 |
| Initiator (the recipient LA) |  | |  | | -.23(.12) | -1.93\* | |  | |  | |  | |  | | -.24(.12) | | -1.89\* | |  | |  | | -.18(.12) | | | -1.48 |
| Ethnicity (Jewish) X Area demanded | .01(.00) | | 5.13\*\*\* | | .01(.00) | 5.60\*\*\* | |  | |  | |  | |  | |  | |  | |  | |  | |  | | |  |
| Political Affiliation† X Area demanded |  | |  | |  |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | | |  |
| Financial soundness X Area demanded |  | |  | |  |  | | .03(.01) | | 3.69\*\*\* | | .01(.00) | | 1.48 | | .02(.00) | | 4.20\*\*\* | |  | |  | |  | | |  |
| Size of population X Area demanded |  | |  | |  |  | | .00(.00) | | -2.68\*\* | |  | |  | |  | |  | | .00(.00) | | 1.07 | |  | | |  |
| Area of local authority X Area demanded | .00(.00) | | 1.75\* | |  |  | |  | |  | | .00(.00) | | 1.43 | |  | |  | | .00(.00) | | 2.75\*\* | | .00(.00) | | | 3.43\*\*\* |
| Initiator (the recipient LA) X Area demanded | |  |  | | .06(.10) | .58 | |  | |  | |  | |  | | -.30(.12) | | -2.57\*\* | |  | |  | | -.21(.11) | | | -1.93\* |

N=175;  *p* < .05\*, *p* < .01\*\*, *p* < .001\*\*\* ; R2=Model Prediction; ΔR2=Prediction of simultaneous moderation; † =Right, ultra-Orthodox;.

**Figure IV: Correlations between the land demanded and relative growth in land transferred as simultaneously moderated by various factors – PGC2016-2020 – H4**

A diagram of a line graph

Description automatically generated with medium confidence

**Figure 15.** Simultaneous moderation of SES and geographic status (Model XV).

A diagram of a line graph

Description automatically generated with medium confidence

**Figure 16.** Simultaneous moderation of SES and ethnicity (Model XVI).

A diagram of a graph

Description automatically generated with medium confidence

**Figure 17.** Simultaneous moderation of SES and political affiliation (Model XVII).

A diagram of a line with a red line

Description automatically generated with medium confidence

**Figure 18.** Simultaneous moderation of SES and financial strength (Model XVIII).

A diagram of a line and a line

Description automatically generated with medium confidence

**Figure 19.** Simultaneous moderation of SES and population size (Model XIX).

A diagram of a small area

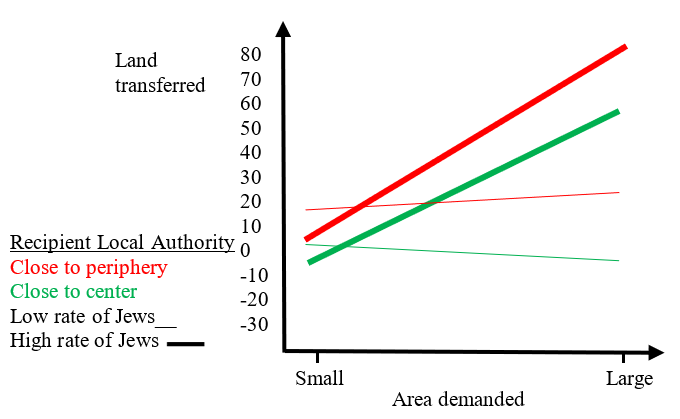
Description automatically generated with medium confidence

**Figure 20.** Simultaneous moderation of SES and municipal area (Model XX).

A diagram of a small and small area

Description automatically generated

**Figure 21.** Simultaneous moderation of SES and the initiator of process (Model XXI).



**Figure 22.** Simultaneous moderation of geographic status and ethnicity (Model XXII).

A graph of a line graph

Description automatically generated with medium confidence

**Figure 23.** Simultaneous moderation of geographic status and political affiliation (Model XXIII).

A diagram of a line graph

Description automatically generated with medium confidence

**Figure 24.** Simultaneous moderation of geographic status and financial strength (Model XXIV).

A graph of a line and a line

Description automatically generated with medium confidence

**Figure 25.** Simultaneous moderation of geographic status and population size (Model XXV).

A graph of a number of land and land

Description automatically generated with medium confidence

**Figure 26.** Simultaneous moderation of geographic status and municipal area (Model XXVI).

A graph with red and green lines

Description automatically generated

**Figure 27.** Simultaneous moderation of national majority (Jews) and financial strength (Model XXVII).

A graph with red and green lines

Description automatically generated

**Figure 28.** Simultaneous moderation of national majority (Jews) and population size (Model XXVIII).

A graph of a different type of land

Description automatically generated with medium confidence

**Figure 29.** Simultaneous moderation of national majority (Jews) and municipal area (Model XXIX).

A graph with lines and numbers

Description automatically generated with medium confidence

**Figure 30.** Simultaneous moderation of national majority (Jews) and the initiator of process (Model XXX).

A graph of a person's strength

Description automatically generated with medium confidence

**Figure 31.** Simultaneous moderation of financial strength and population size (Model XXXI).

A graph of a person with a red line

Description automatically generated with medium confidence

**Figure 32.** Simultaneous moderation of financial strength and municipal area (Model XXXII).

A graph with red and green lines

Description automatically generated

**Figure 33.** Simultaneous moderation of financial strength and the initiator of process (Model XXXIII).

A graph with red and green lines

Description automatically generated

**Figure 34.** Simultaneous moderation of municipal area and population size (Model XXXIV).

A graph of a diagram

Description automatically generated with medium confidence

**Figure 35.** Simultaneous moderation of municipal area and the initiator of process (Model XXXV).

Thus, the positive correlations between the land demanded and the proportional territory transferred were stronger in local authorities of high socio-economic status that were also far from the center of the country (Model XV), populated by the national majority (Jews) (Model XVI), politically affiliated with the ruling regime (Model XVII), financially weaker (Model XVIII), less populated (Model XIX), had a larger municipal area (Model XX) and whose process was initiated by the permanent geographic commissions or the central government (not the recipient local authority) (Model XXI).

The positive correlations between the land demanded and the proportional territory transferred were also stronger in local authorities located far from the center that were also populated by the national majority (Jews) (Model XXII), not politically affiliated with the ruling regime (Model XXIII), financially stronger (Model XXIV), more populated (Model XXV), and had a larger municipal area (Model XXVI).

The positive correlations between the land demanded and the proportional territory transferred were also stronger in local authorities that were mostly populated by the national majority (Jews) and also financially stronger (Model XXVII), more populated (Model XXVIII), had a larger municipal area (Model XXIX), and whose process was initiated by the recipient local authority (Model XXX).

The positive correlations between the land demanded and the proportional territory transferred were also stronger in local authorities that were financially strong and also less populated (Model XXXI), had a larger municipal area (Model XXXII) and whose process was initiated by the permanent geographic commissions or the central government (not the recipient local authority) (Model XXXIII).

The positive correlations between the land demanded and the proportional territory transferred were also stronger in local authorities that had a larger municipal area and were also less populated (Model XXXIV) and had not initiated the land transfer process (Model XXXV).

6.2.6. Simultaneous Indirect Effects of Tax Revenues – H4

Last, we used Model 2 (Hayes, 2015) to test the simultaneous indirect effects on tax revenues. Each model included two moderators and in total we ran twenty-eight models. Six models were significant (see supporting files: Table 7 and Figure V). In other words, the findings supported Hypothesis 4. The general trend in political dynamics showed no direct correlation between the land the local authority demanded (relative to its size) and an increase in tax revenues. However, this trend was significantly attenuated by six simultaneous factors, all of them related to the initiator of the land transfer process.

Thus, the correlations between the land demanded and the increase in tax revenues were stronger in local authorities whose land transfer process was initiated by the permanent geographic commissions or the central government (i.e., not the recipient local authority). These correlations were very strong when these communities were also of low socio-economic status (Model XXXVI), located far from the center of the country (Model XXXVII), populated by the national minorities (Arabs) (Model XXXVIII), financially weaker (Model XXXIX), less populated (Model XXXX), and had a smaller municipal area (Model XXXXI).

**Table 7.** Analyses testing simultaneous indirect effects of built-in structural and political factors moderating the correlation between area demanded and rates of increase in tax revenues (PROCESS Model #2)– PGC2016-2022 – H4.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Dependent Variable = Rates of increase in tax revenues | | | | | | | | | | | | | | | | | | | | | | |
| R2=.56\*\*\*  ΔR2=.37\*\*\* | | | | R2=.46\*  ΔR2=.42\*\*\* | | | R2=.48\*  ΔR2=.27\*\* | | | | R2=.50\*\*  ΔR2=.31\*\* | | | | R2=.45\*  ΔR2=.36\*\* | | | | R2=.44\*  ΔR2=.37\*\* | | | |
|  | Model XXXVI | | |  | Model XXXVII | |  | | Model XXXVIII | |  | | Model XXXIX | |  | | Model XXXX | |  | Model XXXXI | |  |
| Predictors | B(SE) | | T | | B(SE) | T | | B(SE) | | T | | B(SE) | | T | | B(SE) | | T | | B(SE) | T | |
| Fixed | .67(1.06) | | .63 | | 1.12(1.06) | 1.05 | | .20(.81) | | .25 | | 1.08(1.17) | | .92 | | -.04(.63) | | -.06 | | -.08(.51) | -.16 | |
| Area demanded | 12.22(3.27) | | 3.74\*\*\* | | 9.17(3.20) | 2.87\*\* | | 9.25(2.86) | | 3.23\*\*\* | | 9.31(3.30) | | 2.83\*\* | | 9.94(2.77) | | 3.59\*\*\* | | 9.60(2.66) | 3.61\*\*\* | |
| Socioeconomic Status | -.12(.16) | | -.76 | |  |  | |  | |  | |  | |  | |  | |  | |  |  | |
| Closeness to the center |  | |  | | -.27(.20) | -1.30 | |  | |  | |  | |  | |  | |  | |  |  | |
| Ethnicity (Jewish) |  | |  | |  |  | | -.30(.68) | | -.45 | |  | |  | |  | |  | |  |  | |
| Financial soundness |  | |  | |  |  | |  | |  | | -.02(.02) | | -1.08 | |  | |  | |  |  | |
| Size of population |  | |  | |  |  | |  | |  | |  | |  | | .00(.00) | | -.08 | |  |  | |
| Area of local authority |  | |  | |  |  | |  | |  | |  | |  | |  | |  | | .00(.00) | -.26 | |
| Initiator (the recipient LA) | .29(.54) | | .54 | | .41(.61) | .67 | | .20(.63) | | .32 | | .06(.10) | | .58 | | .32(.63) | | .51 | | .36(.63) | .57 | |
| Socioeconomic Status X Area demanded | -.65(.45) | | -1.43 | |  |  | |  | |  | |  | |  | |  | |  | |  |  | |
| Closeness to the center X Area demanded |  | |  | | .24(.46) | .51 | |  | |  | |  | |  | |  | |  | |  |  | |
| Ethnicity (Jewish) X Area demanded |  | |  | |  |  | | -1.18(1.13) | | -1.05 | |  | |  | |  | |  | |  |  | |
| Financial soundness X Area demanded |  | |  | |  |  | |  | |  | | -.01(.05) | | -.24 | |  | |  | |  |  | |
| Size of population X Area demanded |  | |  | |  |  | |  | |  | |  | |  | | .00(.00) | | -.08 | |  |  | |
| Area of local authority X Area demanded |  | |  | |  |  | |  | |  | |  | |  | |  | |  | | .00(.00) | -.26 | |
| Initiator (the recipient LA) X Area demanded | | -9.02(2.35) | -3.83\*\*\* | | -9.97(2.64) | -3.78\*\*\* | | -8.09(2.77) | | -2.92\*\* | | -8.82(2.52) | | -3.50\*\*\* | | -8.67(2.79) | | -3.11\*\* | | -8.80(2.79) | -3.16\*\*\* | |

N=105;  *p* < .05\*, *p* < .01\*\*, *p* < .001\*\*\* ; R2=Model Prediction; ΔR2=Prediction of simultaneous moderation; † =Right, ultra-Orthodox.

**Figure V: Correlations between the land demanded and increases in tax revenues as simultaneously moderated by various factors – PGC2016-2020 – H4**

A diagram of a graph

Description automatically generated with medium confidence

**Figure 36.** Simultaneous moderation of the initiator of process and SES (Model XXXVI).

A diagram of a diagram with a red line and green line

Description automatically generated

**Figure 37.** Simultaneous moderation of the initiator of process and geographic status (Model XXXVII).

A graph with red and green lines

Description automatically generated

**Figure 38.** Simultaneous moderation of the initiator of process and ethnicity (Model XXXVIII).

A graph of a diagram

Description automatically generated with medium confidence

**Figure 39.** Simultaneous moderation of the initiator of process and financial strength (Model XXXIX).

A diagram of a political system

Description automatically generated with medium confidence

**Figure 40.** Simultaneous moderation of the initiator of process and population size (Model XXXX).

A diagram of a large and small company

Description automatically generated with medium confidence

**Figure 41.** Simultaneous moderation of the initiator of process and municipal area (Model XXXXI).

7. Summary of Results and Discussion

Figure VI provides an overview of our research results. Altogether, the finding suggests mixed results.

**Figure VI: Summary of results: Regulatory mechanisms and factors explaining reductions in or and preservation of spatial inequality**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Regulatory**  **Mechanisms** | | | | |  | **Permanent geographic commissions - PGC2016-2022** | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | **Boundary commissions - BC2003-2016** | | | | | | | | | | | | | | | |  | | |  | | | | | | |
|  | | | **Factors** | |  | 1.  Timing of decision | | 2. Socioeconomic status | | | 3.  Closeness to the center | | | 4.  Ethnicity (Jewish) | 5.  Political affiliation | | | | 6.  Area demanded | | | | 7.  Financial soundness | | | 8.  Population size | 9.  Area of LA | | | 10.  Initiator (recipient LA) |
| **Permanent geographic commissions - PGC2016-2022** | **Boundary commissions - BC2003-2016** | |  | 1. Decision timing | | 🏭 BC | |
| 2. Socioeconomic status | | 🏭 BC🡅 (I) | | 🏭 PGC | | |
| 3. Closeness to the center | | 🏭 BC (II) | | 🏭 BC (IV)  🏭 PGC (XV) | | |  | | |
| 4. Ethnicity (Jewish) | |  | | 🏭 BC (V)  🏭 PGC (XVI) | | | 🏭 BC (VII)  🏭 PGC (XXII) | | | 🏭 PGC  💰PGC🡅 |
| 5. Political affiliation | | 🏭 BC (III) | | 🏭 BC (VI)  🏭 PGC (XVII) | | | 🏭 BC (VIII)  🏭 PGC🡅(XXIII) | | | 🏭 BC (IX) | 🏭 🡅 BC | | | | |
|  | | 6. Area demanded | | |  | | 🏭 PGC (X) | | |  | | | 🏭 PGC (XI) |  | | | | 🏭 PGC (XII) | | | |  | | |  |  | | |  |
| 7. Financial soundness | | |  | | 🏭 PGC (XVIII) | | | 🏭 PGC (XXIV) | | | 🏭 PGC (XXVII) |  | | | | 🏭 PGC (XII) | | | | 💰PGC🡅 | | |  |  | | |  |
| 8. Population size | | |  | | 🏭 PGC (XIX) | | | 🏭 PGC (XXV) | | | 🏭 PGC (XXVIII) |  | | | |  | | | | 🏭 PGC (XXXI) | | |  |  | | |  |
| 9. Area of LA | | |  | | 🏭 PGC (XX) | | | 🏭 PGC (XXIV) | | | 🏭 PGC (XXIX) |  | | | | 🏭 PGC (XIV) | | | | 🏭 PGC (XXXII) | | | 🏭 PGC (XXXIV) | 🏭 PGC | | |  |
| 10. Initiator (recipient LA) | | |  | | 🏭 PGC (XXI)  💰PGC🡅(XXXVI) | | | 💰PGC🡅(XXXVII) | | | 🏭 PGC (XXX)  💰PGC🡅(XXXVIII) |  | | | | 💰PGC🡅 | | | | 🏭 PGC (XXXIII)  💰PGC🡅(XXXIX) | | | 💰PGC🡅(XXXX) | 🏭 PGC (XXXV)  💰PGC🡅(XXXXI) | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Notes:  Kinds of impact | | | | **Potential Direct Relationship** between factor and land transferred | | | | |  | **Potential Indirect Effect** of a factor on the relationship between timing/area demanded and land transferred | | | | | |  | | **Potential Simultaneous Indirect Effect** of 2 factors on the relationship between timing/area demanded and land transferred | | | | | | | | | | |  | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Direction  of impact | | 🏭 BC🡅  Significant improvement  in reducing spatial inequality –  land transferred in bc2003-2016 | | | | | 🏭 BC  Significant preservation  of spatial inequality –  land transferred in BC2003-2016 | | | | |  | 🏭 PGC🡅  Significant improvement  in reducing spatial inequality –  land transferred  in PGC2016-2022 | | | | 🏭 PGC  Significant Preservation  of spatial inequality –  land transferred  in PGC2016-2022 | | | |  | | | 💰 PGC 🡅  Significant improvement in reducing spatial inequality – tax revenues increased  In PGC2016-2022 | | | | 💰 PGC  Significant Preservation of spatial inequality – tax revenues not increased  in PGC2016-2022 | | | |
|  |  | | |

In relation to *land transfer*, there were only three combinations that revealed evidence of reducing spatial inequality.

(i) Between 2003 and 2016, the direct relationship between the amount of land transferred and non-affiliated mayors could have been a sign of a rational, non-politicized approach to reducing spatial inequality. However, land transfers to non-affiliated mayors did not continue over time. They were made only to local authorities that were populated mostly by high socio-economic Jewish residents in the center of the country. On the other hand, after 2016, this trend disappeared and did not preserve spatial inequality anymore. This fact implies that under the permanent geographic commissions political affiliation was not a factor that explained the relationship between the demand for land and the responsiveness to this demand.

(ii) In 2003-2016, low socio-economic municipalities received a relatively higher share of land, which could have been a sign of social compensation of past spatial inequality. However, only low socio-economic municipalities that were Jewish, politically affiliated with the Interior Ministry and located in the center of the country received this benefit. Again, after 2016, under the permanent geographic commissions, low socio-economic status was not a factor that brought about a decrease in spatial inequality. Low socio-economic status was not a strong enough factor to overcome other local factors. The rule of demanding more land and receiving more land remained mainly for financially sound local authorities.

(iii) In 2016-2022, the more local authorities located close to the periphery and not affiliated with the Minister of Interior demanded land, the more they received land, which is a positive move in the direction of reducing spatial inequality. However, closeness to the periphery by itself was not a strong enough factor to reduce the spatial inequality of those who demanded more land. Thus, it was usually Jewish communities, financially strong local authorities, densely populated local authorities, and local authorities that already had a relatively large municipal area that received the land transfers they requested.

In relation to *increased tax revenues*, which stemmed from the redistribution of tax resources, the findings reveal a different picture. In the case of financial mechanisms, the permanent geographic commissions in 2016-2022 were more enthusiastic about reducing spatial inequality, particularly for non-Jewish national minorities and financially weak local authorities. These communities saw more growth in income and an increase in non-residential property tax revenues than local authorities that were populated mostly by Jews and were financially strong. Another significant sign of the permanent geographic commissions' insistence on reducing spatial inequality by redistributing tax resources was evident in the many cases in which the commission itself recognized a need and was the factor that initiated the redistribution process. Although the initiation of the process by the permanent geographic commissions did not convert more demand for land in underdeveloped local authorities into real land, it did result in the redistribution of tax resources. Put differently, after the permanent geographic commissions initiated the process, the more underdeveloped communities and local authorities demanded more land, the more they were compensated by greater allocations of tax resources resulting in larger tax revenues, which coheres with reduced spatial inequality.There is only one exception to this pattern: politicization. When the mayor was affiliated with the Ministry of Interior, even when the process was initiated by the permanent geographic commissions, it was unable to transform more demands for land into compensation in the form of a greater redistribution of tax resources.

Given the results, we stress that there are many obstacles – political and structural – to reducing spatial inequality, both under the boundary commissions between 2013 and 2016 and under the later mechanism of permanent geographic commissions between 2016 and 2022. A close examination of the decisions made in 2002-2016 by the boundary commissions indicates the importance of timing and its effect on spatial inequality. Thus, the later a recommendation was made after the 2002 decision, the more likely the relative proportion of land transferred would be smaller. Apparently, the more time that went by, the less underdeveloped land was available for transfer. Nevertheless, despite the decrease in available land and in the size of the transferred territory, over the years, consistent amounts of land continued to be transferred to local authorities with lower socio-economic status or those politically affiliated with the minister.

Therefore, one might argue that low socio-economic status or politically affiliated communities benefited from a policy seeking to minimize spatial inequality. (Note, however, that these communities suffered from spatial inequality from the outset. Therefore, it is difficult to determine the degree to which spatial inequality was diminished). Nevertheless, the simultaneous models are the most important ones because they provide a deeper and clearer look at the dynamics of spatial inequality and the mechanisms aimed at tackling it. For instance, in 2003-2016 Arab municipalities received less land. Three of our variables explain this variation: they were geographically located in the periphery, rarely affiliated with the minister’s party, and politically identified with the Palestinians in the context of the Israeli-Palestinian conflict. In other words, we can generalize and say that during those years Israel implemented a policy that minimized spatial inequality depending upon the political affiliation of the mayor in power, the socioeconomic status of the community, and ethnicity of the community of the recipient local authority.

Between 2002 and 2016, the boundary commissions adopted a more responsive spatial policy to deal with reductions in government support, widespread budgetary and operational crises, and petitions to the boundary commissions to redistribute land (Beeri & Razin, 2015; Blank, 2003; Reingewertz & Beeri, 2018). However, our findings are consistent with the claim that even though professional considerations are taken into account in shaping the local government map, this process is not free of political considerations and structural attributes of local communities. Its outcomes depend on socioeconomic status, geographic location, ethnicity and political affiliation that in many cases preserve spatial inequality.

Similar political and structural factors influenced the relationship between the demand for and the transfer of land from the permanent geographic commissions in 2016-2022. Moreover, contrary to the basics of good governance and contrary to policy makers who see inequality as undesirable and unfair (Gyuris, 2014; 2017; Morrill, 2001), during this period, in many cases financially sound local authorities won more land and their demands were met to a greater extent. Apparently, in many cases spatial inequality was preserved as many decisions related to land transfers favored local authorities that enjoyed better spatial, economic and political conditions and resources from the outset.

We provide three explanations for these dynamics. First, the Minister of the Interior appoints the ad-hoc boundary and permanent commission heads and members, thus heightening the impact of their identity and their ethnic, socioeconomic and political affiliations. Second, the members appointed might feel an affinity with and commitment to the minister and the groups s/he represents. Third, the Minister of the Interior is entitled to accept or reject the commission’s recommendations, and the commission might want to benefit certain groups. Thus, one possible recommendation that stems from this dynamic is to delegate at least some authority to professional regional and municipal planners. They can propose policies and actions aimed at reducing spatial inequality. Examples include improving land use and assets, exhausting land rights and changing the designation of land use in way that could more beneficial and less politicized.

No less interesting is the shift from land transfers to the more preferred solution of the permanent geographic commissions after 2016--the redistribution of tax resources. The weight and value of municipal land as opposed to tax money, and its symbolic, social, historical, cultural and political consequences, are negotiable (e.g., Cohen & Aharon-Gutman, 2016; Hananel, 2015). One possible explanation for this change in approach of the permanent geographic commissions is that the redistribution of tax resources is a better method than land transfers for reducing spatial inequality for two reasons. First, its effects are immediate. Second, it is impossible to guarantee that weak local authorities will utilize the land transferred to them in a manner that will reduce social inequality. Another possible explanation for the change in approach is the fact that land in Israel is scarce. As a result, institutional regulators are less autonomous in their decisions about where to award it (Hananel, 2015). Apparently, the permanent geographic commissions reflect the essence of Israeli governments' policy, far beyond a specific party or Minister, which prefers the values of neoliberalism, nationalism and ethnicity over the value of reducing spatial inequality (Tzfadia, 2006; Yacobi & Tzfadia, 2019; Yiftachel, 2001). Thus, even though the central government has always stated the need to reduce spatial inequality (Razin & Hazan, 2001), Arab municipalities have usually received the least amount of land, because they score low on all of the explanatory variables: location, partisanship, political identity, socioeconomic status, financial soundness, size of population and ability to demand more land. Although these variables may describe and explain the situation, they do not excuse the continuation of spatial inequality. Thus, given that the current centralized regulatory mechanisms aimed at reducing spatial inequality are affected by political and structural factors, they require further thought as to whether they are adequate, effective and just.

To conclude, this study can be viewed as a continuation of recent work discussing spatial inequality in the contemporary neo-liberal era (e.g., Elden, 2010a, Gyuris, 2014; 2017; Hananel, 2015; Tzfadia, 2006). In line with Neil Smith (1984) and Paasi (2001) who discussed the politics of scale, here we use a unique regulatory, political mechanism. Contrary to customary scales (Soja, 1989), this scale operates in the space between the interests of the local and central governments. This analysis of the political and historical events and the judicial rulings that have shaped spatial inequality, alongside policies that preserve or reduce it, sharpens the unique characteristics of municipal territoriality. In this study, municipal territoriality involves numerous demands, petitions, negotiations, compromises, recommendations and resolutions on behalf of local and central actors, all operating within a multi-channel hierarchy. They compete with one another, make demands of their superiors and make decisions on behalf of those subordinate to them regarding territory, boundaries and land. Our study demonstrates Yilmaz’s (2018) claim that territoriality is a tool for conveying political messages. In other words, it is much more than just a tactic for increasing land resources. Its political and strategic objectives are to expand influence over assets, residents and business owners (local politics) that will help politicians be reelected (local and national politics). Another goal is to preserve the state’s exclusive ownership of the land and exclusive power to settle local land disputes through a centralized “divide and conquer” policy (national politics).

Therefore, we stress that borders still have effects on regional inequality dynamics. Our analysis and explanation of reducing spatial inequality are unique to municipal territoriality. We identify three major characteristics of municipal territoriality that make it a concept distinct from the notion of territoriality prevalent in international relations. First, most discussions about territoriality in international relations include the possibility of violent struggle. In contrast, the struggle between local authorities and communities located in the same democratic country is usually restrained (save for a civil war). This struggle involves a wider range of political action, compromises and procedural claims without threats and the use of armed force. Second, in international relations there is no clear body that has the power and legitimacy required to regulate spatial inequality (see Trady, 2007). At the local level, in contrast, it is the government and many other legislative, quasi-legislative, political and civil society bodies at the local and central levels that regulates land policy (Razin & Hazan, 2001). The existence of a clear political actor that has the power, legitimacy and authority to regulate spatial inequality facilitates a political dynamic of compromises without a clear resolution. Third,unlike on the international scene, the Western world has built-in structural and spatial trends, such as networking and regionalism (Aarsaether, Nyseth & Bjørnå, 2011; Uster, Beeri & Vashdi, 2018). However, the land reforms that are reshaping the interrelations between municipal actors tend to lack the tools needed for appropriate research and analysis.

Many argue that the political picture is complex and the Israeli discourse on spatial inequality has never differentiated between the personal, cultural and social sphere and the political, ideological and geographic sphere. In this regard, the findings also raise broader questions related to Israeli identity politics. Since the late 1970s the major ruling party in Israel has been the Likud, many of whose supporters come from peripheral, low socio-economic, financially weak municipalities that are mainly populated by Jewish Mizrahim/Sephardim. The same populations support the Shas party, which claims to represent Jewish Mizrahim/Sephardim and controlled the Interior Ministry for more than 20 years between 1989 and 2022. Thus, following Smith (1974), we expand this question even further and suggest that future studies deal with “who gets what, where, how and from whom?”

8. Limitations and future studies

These complex, dual, contradictory trends pose methodological challenges that both limit our research and provide recommendations for further research. For example, the mechanisms of boundary commissions and permanent geographic commissions are only two tools of many that can be used to help reduce spatial inequality. Considering only these mechanisms provides only a partial picture. Future research should examine additional means of handling social gaps. In addition, choosing an approach – land transfers or tax transfers – to help reduce spatial inequality is a policy matter. Understanding which policy is more efficient would provide obvious value and should be further investigated in future studies.

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1. One should bear in mind that the data sets are continuous and comparable. Most of the independent variables measured and analyzed for BC2003-2016 were also available for PGC2016-2022. Nevertheless, given that PGC2016-2022 is based on more accessible resources, we could measure and analyze additional variables. [↑](#footnote-ref-1)
2. Obtaining the rights to this land does not necessarily lead to the use of it in a way that will benefit the local authority financially. [↑](#footnote-ref-2)
3. Figures 1-9 were published in *Megamot, 55(2)*, 67-96. All of the articles in *Megamot* are accessible in the databases of the Henrietta Szold Institute. All rights reserved to the Henrietta Szold Institute – The National Institute for Research in the Behavioral Sciences, 9 Columbia St. Jerusalem, 96583. [↑](#footnote-ref-3)
4. Figures 1-9 all follow the same format. Thus, in Figure 1 the red line indicates the linear correlation between time (earlier / later) and the increase in the land transferred to local authorities with low socio-economic status. The green line indicates the linear correlation between time (earlier / later) and the increase in the land transferred to local authorities with high socio-economic status. These notations are the same in Figures 2-9. [↑](#footnote-ref-4)
5. Figures 10-41 all follow the same format. Thus, in Figure 10 the red line indicates the linear correlation between the area demanded by the local authority (small area / large area) and the increase in the land transferred to local authorities with low socio-economic status. The green line indicates the linear correlation between the area demanded by the local authority (small area / large area) and the increase in the land transferred to local authorities with high socio-economic status. These notations are the same in Figures 11-41. [↑](#footnote-ref-5)