



Ethnic conflict and workplace inequality: Hiring Arabs during conflict escalation in Israel, 1997–2015

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ABSTRACT

We use the case of Israel to analyze the relationship between ethnonationalist conflict and workplace inequalities, arguing that escalation of ethnic conflict in the political environment induces social closure behaviors within organizations geographically more proximate to the conflict. Combining data from Israeli population registers and the Global Terrorism Database we find that an increase in conflict, measured by non-state political violence occurring within the state of Israel, leads to a decrease in the likelihood of nearby organizations hiring Arab men and women. Importantly, these effects are typically stronger for women and are diminished in organizations that either depend on Arab labor or have a higher density of Arab workers at the top of the organization. Demonstrating that deepening ethnonationalist political conflicts shape workplace inequalities, this paper extends both the theory of racialized organizations and Relational Inequality Theory.

On April 6, 1994 a car exploded at a bus stop in Afula, a city in the northern district of Israel, killing eight Israelis and wounding forty-nine. It was the first suicide bombing perpetrated by Hamas against civilians in Israel, though not the first outbreak of violence between Palestinians and Israelis. The attack was a reprisal for an attack perpetrated that February by an Israeli settler who opened fire at the Ibrahim mosque at the Tomb of the Patriarchs compound in Hebron, Israel, a sacred religious site for both Jews and Muslims.

Violent incidences such as these are integral to the deep ethnonationalist conflict in Israel, a particularly intense version of nationalist conflicts that have emerged throughout the democratic world regarding who belongs in national and political communities. In this paper we use the case of Israel to analyze the relationship between the escalation of ethnonationalist political conflict, like the example above, and a key form of employment inequality: hiring. Past research on the relationship between political conflicts and access to jobs mainly asks about the effects of terrorism on attitudes toward minorities (Elsayed & De Grip, 2018; Gautier et al., 2009; Ratcliffe & von Hinke Kessler Scholder, 2015) and on perceived discrimination among minorities in European countries (Birkelund et al., 2019; Giani & Merlino, 2021). We argue in this paper that we also need to consider the actual response of organizations to escalations of ethnonationalist conflict, and how this response differs across organizations.

We build on and extend Relational Inequality Theory (RIT) and the theory of racialized organizations to argue that the intensification of ethnic conflict in the political environment leads dominant ethnic groups to close off access to jobs within organizations for ethnic minorities, especially in organizations geographically closer to the violence. Based on analyses of data on all non-state political violence occurring within the state of Israel between 1997 and 2015 matched to district-level employment registers, our core findings are consistent with these theoretical expectations. Political conflicts external to organizations appear to induce social closure strategies among the dominant group within an organization closer to that conflict – measured in this paper by the likelihood of nearby organizations hiring Israeli Arabs compared to Jews.

This paper then extends our understanding of organizational inequalities by demonstrating that organizations are racialized in different ways and to different extents based on the relative power of ethnic groups within organizations. This differential racialization has an effect on the influence of ethnonationalist conflict on patterns of social closure within organizations. In this way we incorporate workplaces and their institutional context, specifically the notion of racialized workplaces, into our understanding of the consequences of political and ethnic conflict.

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1. Ethnic conflict and economic inequalities

Inequalities between racial and ethnic groups shape labor market outcomes in most contemporary societies (Reskin, 2012; Pager & Shepherd, 2008; Roscigno, 2007). While audit studies demonstrate that much of the observed racial and ethnic labor market inequalities are driven by discrimination (e.g. Pager et al., 2009; Pager, 2008), these discriminatory patterns appear to vary across place and over time. Systematic comparisons across audit studies finds substantial variation across countries and labor markets in the extent of racial and ethnic discrimination (Quillian et al., 2019, 2017). Other quasi-experimental and observational evidence shows variation over time within local labor markets, where events that activate racial stereotypes or increase the ability of employers to discriminate lead to worse labor market outcomes for racial and ethnic minorities (Goldstein & Hamilton, 2022; Mobasser, 2019).

Our analysis builds on this work that treats discrimination as varying across context and overtime by highlighting how these events shape organizational processes, and especially what organizational contexts may mitigate an increase in inequality after an increase in political violence. To develop this argument, we need a theoretical model that captures the organizational context in which inequalities are produced and reproduced.

1.1. Racialized organizations and relational inequality theory

Recent research makes clear that organizations cannot be adequately understood apart from the ways that race and racism shape them (Wingfield & Chavez, 2020; Ray, 2019; Hirschman & Garbes, 2021; Wooten & Couloute, 2017). Racism enables organizational bureaucracies to be used in the interest of dominant racial groups, providing latitude to dominant racial groups while overpolicing minorities (Byron & Roscigno, 2019; Wingfield, 2010). Organizational cultures inflect dominant racial group preferences as normative within the organization and racialize the tasks of organizational participants (Wingfield & Alston, 2014). Thus, race and racism must be understood as constituent processes within organizations that produce and reproduce racial disparities.

Relational Inequality Theory (RIT) provides a theoretical argument that both racializes organizations and explains how racism operates within and through organizations to generate employment inequalities (Tomaskovic-Devey & Avent-Holt, 2019). RIT argues that salient categorical distinctions within organizations generate status hierarchies that enable some groups to make claims on organizational resources that others in the organization treat as legitimate. Legitimated claims then allow high status actors to monopolize resources (social closure) and appropriate resources (exploitation) from lower status actors.

Discrimination in this model is a form of social closure, in which access to jobs and organizations are monopolized by high status actors. In RIT some organizations are more prone to social closure via discrimination than are others, and the proximate cause of this variation is the capacity for high status actors to make a legitimate claim on particular jobs and close off access to low status groups.¹ In turn this capacity is shaped by both the acceptability of social closure around that particular categorical distinction in the institutional field and within the

¹ In RIT the basis of legitimate claims of social closure varies across organizations, but is often linked to the local culture of the organization and presumed differences in productivity or work effort (Tomaskovic-Devey & Avent-Holt, 2019: Chapter 5). While claims to jobs can be legitimated through several rhetorical channels, in our case of Israeli workplaces in the context of local conflict we suspect Arabs would most likely be excluded because they are seen as underqualified or morally suspect as potential “terrorists.” We would need more detailed ethnographic or textual data to identify specific claims, which we hope future research can adequately provide.

cultural and relational context of the organization itself (Smith-Doerr et al., 2019; Schweiker & Groß, 2017; Mun & Brinton, 2017; Tomaskovic-Devey, Hallsten, and Avent-Holt, 2015; Avent-Holt & Tomaskovic-Devey, 2010).

2. Ethnonationalist conflict in Israel and minority employment

Israel provides a very useful test case of how ethnonationalist conflict within institutional fields shape social closure within organizations. The state of Israel was constituted in 1948 as an effectively ethnonational state, and it has pursued a strategy of building and maintaining a strong boundary around who belongs within the nation-state (Black, 2017; Shafir & Peled, 1998; Sternhell, 1998; Shafir, 1996). Since the 1948 war it has developed a well-structured system of legislation and other governmental policies that consolidated the ‘separate and unequal’ conditions between Arabs and Jews that now prevail (Cohen & Gordon, 2018; Forman & Kedar, 2004; Yiftachel, 2006). These hypersegregated conditions turned what was a nascent Palestinian identity in the 1920s into a well-developed Palestinian nationalist movement by 1960, and by the mid-1960s this nationalist movement had developed an alliance with the surrounding Arab states. With a strong categorical distinction between Jew and Arab in place, the Six Day War in 1967 sedimented the ethnonationalist conflict that we argue shapes social closure dynamics within organizations.

In this context RIT predicts that outbreaks of ethnic conflict more geographically proximate to the organization will heighten the salience of the Arab-Jew ethnic distinction within those organizations. Salience is likely heightened through a variety of mechanisms, including inducing fear of and anger towards minorities as the perceived source of conflict, the increased visibility of the categorical distinction, and overt racism (Getmansky & Zeitsoff, 2014; Shayo & Zussman, 2011). This salience then leads Jews to exclude Arabs from jobs and organizations, and makes these social closure strategies more likely to be successful within some organizations.²

Some evidence for these processes within Israel already exists. In general Arabs face discrimination in both product markets and labor markets (Zussman, 2013), and this appears to have increased since the late 1960s after the Six Day War (Lewin-Epstein & Semyonov, 1986). Regression analyses find Arabs being paid less than Jews with similar wage-determining characteristics (Miaari & Khattab, 2013; Haberfeld & Cohen, 2007), and more recent experimental work finds direct evidence of discrimination with Israeli Jews disliking and distrusting Arabs and perceiving them as incompetent (Feldman et al., 2023).

Importantly for our purposes, there is some evidence that the intensification of ethnic conflict increases some of these inequalities. Miaari et al. (2012) find that after the second intifada the likelihood of job separation for Arabs increased, suggesting a discriminatory closure process emerging directly from the ethnic conflict (assuming that both voluntary separations (quits) and involuntary (layoffs) indicate employers’ closure behaviors). But, this evidence is confined to examining the immediate pre- and post-Intifada eras as a quasi-experimental design, leaving unaddressed the more typical violence, and its geographic variation across Israel that has been a recurring feature in this conflict since at least the 1980s.

While Miaari et al. (2012) find no evidence for distinct spatial effects of the Second Intifada across Israel during this period (p. 433), this was a cataclysmic event in Israel that was national in its character. It may be that more localized intensifications of conflicts outside of the Intifada

² Social closure can take a variety of forms, including employer discrimination, co-worker bullying, harassment, and ostracism and in alliances between managers and workers in the dominant group (Roscigno 2019; Darr, 2018; Harris & Ogbanna, 2016). Empirically, we are unable to distinguish these specific forms of closure, but any combination is likely to be heightened during conflict escalation.

periods have more localized effects. There is some evidence that political violence can generate such local effects. Within Israel, Darr (2018) finds that among workers in the healthcare organizations he studied, eruptions of ethnic conflict tended to increase conflict and tension between co-workers at work. Dickson and Hargie (2006) found similar processes in Northern Ireland. According to RIT these effects of violent conflict should operate through increasing the salience of categorical distinctions and heightening the perceived boundaries around them.

Given these theoretical expectations from RIT, racialized organizations, and current empirical findings we predict the following:

Hypothesis 1. *Escalation of ethnonationalist conflict between Arabs and Jews decreases the likelihood of Israeli Arabs (relative to Jews) being hired into establishments geographically proximate to the conflict.*

While existing literature finds that social closure can range from refusal to hire to firing to harassment on the job to maltreatment such as ignoring minorities or treating them as incompetent (see Tomaskovic-Devey & Avent-Holt, 2019, Ch. 6), we focus on hiring as it is perhaps the dominant form of social closure in the literature. We have formulated our hypotheses without regard to gender differences, but we do expect some differences between the treatment of Arab men and Arab women in hiring. Arab women in the Israeli labor market face a double disadvantage as the gaps in labor force participation and pay are substantial compared to both Jewish women and Arab men, and occupational segregation by gender and nationality persists (Kraus & Yonay, 2018; Mandel & Birgier, 2016; Yaish & Gabay-Egozi, 2021). This suggests to us that the effects may overall be stronger for women than men, and we will split our analysis by gender to determine if that is the case.

3. The racialized character of organizations and minority hiring

Both RIT and the theory of racialized organizations suggest that organizations should vary in the extent to which particular forms of racial inequalities emerge within them. In particular, these theories draw on arguments developed within research on group threat and resource dependencies. Because of differential power dynamics within organizations, some organizations are more likely to exacerbate inequalities because of changes in the organizational environment while others are less likely to do so. Thus, our next set of hypotheses focus more explicitly on the racialized character of organizations to explain disparate outcomes across organizations in the effect of ethnic conflict on inequalities within them.

Resource dependence theories argue that when the organization is dependent on some other organization for a resource, that organization will have power over them (Davis & Cobb, 2010; Pfeffer and Salancik, 1978). Conceptualizing labor as a resource, in the Israeli context some organizations can be characterized as more dependent on Arab labor than others. Typically, this dependence is because the establishment is in an industry – such as construction and agriculture – in which the preponderance of jobs have been typed as suitable for Arabs. While these are often more exploitable jobs because of their racialized character, it counterintuitively may constrain the organization's ability to reduce their hiring of Arabs during conflict escalation. Arab dependent organizations may even be more likely to increase their hiring of Israeli Arab workers during conflict escalation if the conflict makes mobility across the occupied territories more difficult (e.g. Adnan, 2022; 2015; Miaari & Sauer, 2011; Mansour, 2010). In such situations Arab dependent organizations may have to substitute Israeli Arabs for Palestinian Arabs. All of this then leads to the following hypothesis:

Hypothesis 2. *Escalation of ethnonationalist conflict between Arabs and Jews decreases the likelihood of Israeli Arabs (relative to Jews) being hired into establishments geographically proximate to the conflict more when those organizations are less dependent on Arab labor.*

The racialized structure of organizations can also lead to power dynamics that increase or decrease the social cost of hiring racial

minorities during conflict escalation. The primary mechanism here is the threat that a lower status group poses to the resource that a higher status group believes itself deserving of (Bobo & Hutchings, 1996; Quillian, 1995; Blumer, 1958). Whether perceived or real, when higher status actors interpret the presence of lower status actors to potentially take resources from them they will engage in strategies to prevent this. We argue that while conflict escalations may increase the perceived threat of Arabs in an organization, it is possible that the presence of powerful Arab allies in the organization may prevent some social closure. Specifically, the presence of Arabs in high status positions within the organization can provide the lower status group with allies who can buffer against discrimination and act in their interest, and it can create organizational contexts that de-emphasize group boundaries making the Arab-Jew distinction less salient in the organization. In the Israeli context, we argue that organizations are more likely to hire Arabs when Arabs make up a greater share of more powerful positions, such as managerial and high-income professionals, within the organization. This leads to the following hypotheses:

Hypothesis 3. *Escalation of ethnonationalist conflict between Arabs and Jews decreases the likelihood of Israeli Arabs (relative to Jews) being hired into establishments geographically proximate to the conflict more when there are fewer Arabs in the top of the organizational hierarchy.*

Finally, escalation of conflict may have differential effects on the hiring of Arabs in the government sector relative to the business sector. In Israel, anti-discrimination laws and affirmative action policies are stronger within the government sector. Because of these stronger protections for Arabs in the government sector, we expect the escalation of conflict to have a greater influence on hiring patterns among businesses than government establishments. Given this we predict the following:

Hypothesis 4. *The escalation of ethnonationalist conflict between Arabs and Jews decreases the likelihood of Israeli Arabs (relative to Jews) being hired into establishments geographically proximate to the conflict more when those organizations are in the business sector.*

4. Data and methods

To assess these hypotheses, we combine linked employer-employee administrative data from 1996 to 2015 with data from the Global Terrorism Database over this same time period. The linked employer-employee data are constructed from governmental registers by Israel's Central Bureau of Statistics (CBS), and cover all Israeli citizens during this time period. As the registers only contain information on Israeli citizens we do not have information on Palestinians living in the occupied territories who are employed in the Israeli labor market. We therefore also exclude all Israeli citizens living in the occupied territories. This gives us the full population of Israeli citizens (Jews and Arabs) living in one of the six districts of Israel (Jerusalem, Haifa, Tel Aviv, Central, Southern, and Northern Districts), which is critical to assessing geographic proximity to conflict escalation. We further only include individuals aged 18–54, the prime working ages in Israel. Because our theoretical expectations assume heterogeneity in workplaces, all models are restricted to establishments with at least one Arab and one Jew in a given year and we include both government and business sector establishments. However, in some analyses we will separate business and government sectors because the stronger anti-discrimination laws in the government sector should produce weaker effects of our theorized processes there.

We merge these registry data by year and district with data from the Global Terrorism Database (GTD), which collects information on incidences of non-state political violence from news media sources.³ For data collection purposes they define non-state political violence (which they call terrorism) as “the immediate threatened or actual use of illegal force and violence by a non-state actor to attain a political, economic, religious, or social goal through fear, coercion, or intimidation” (*Global Terrorism Database*, 2019). Each of these is measured annually and within districts, providing variation across years and districts in ethnic conflict and allowing us to locate the incident within the district in which it occurred. We include only attacks within the state of Israel, excluding the territories occupied by Israel but not part of the state of Israel (the West Bank, Gaza Strip, and Golan Heights), since we do not have full information on establishments or workers in the occupied territories.

4.1. Dependent variable

The measurement of job hiring is relatively straightforward using linked employer-employee data. We measure a new instance of hiring as the onset of an employment relationship between an individual and an establishment, that is a new employer-employee match. This means that the linked employer-employee data from 1996 to 2015 enable us to measure job hiring since 1997.

4.2. Independent variables

Ethnic conflict is measured at the year-district level in two ways. First, we measure the incidence of ethnic conflict by summing the number of incidences of non-state violence in a district in a given year. Second, we measure the intensity of ethnic conflict by multiplying the number of incidences by the number of fatalities from those incidences in a given district in a given year.⁴ These are transformed by the inverse hyperbolic sine ($\sinh^{-1}(x) = \log(x + (x^2 + 1)^{1/2})$) to enable an interpretation similar to a logged value but preserving zero values.

One potential problem with these measures of ethnic conflict is that using the GTD we can only capture actions by non-state actors, excluding violence perpetrated by the state of Israel. However, nearly all of the state-perpetrated violence occurs within the occupied territories, which are excluded from our analysis. Violence within the pre-1967 borders is almost entirely captured by the GTD. An advantage of this measure is that it primarily captures events that produce fatalities and injuries among Jews. This then lends plausibility to our claim that increases in this measure should increase the likelihood of Jews engaging in social closure behaviors against Arabs.

Fig. 1 documents the overall trends in incidences and fatalities across the state of Israel. It further compares our measures to the comparable measure in data from the human rights organization B’Tselem. The two measures of conflict closely track one another, suggesting our indicators from the GTD capture quite well the dynamics of the conflict. Fig. 1 also breaks down these trends across districts for the data from the GTD (B’Tselem data does not distinguish between districts).

Ethnicity is measured in the registers as whether or not the individual is an Arab or a Jew, producing a dichotomous variable that captures the core ethnic distinction in Israel. The Arab category includes individuals who were defined as Arabs by the Population and

Immigration Authority (relying on the Population Register Procedure), and most of them are Muslim. All others were defined as Jews. The majority of this latter group are Israeli-born Jews, but it includes also individuals who are non-Jews according to Halakhic law but who immigrated to Israel in accordance with the Law of Return (as descendants of Jews and their family members).

We also include an array of individual and organizational covariates. At the individual level we include the following demographic variables: gender (male/female), marital status (married/unmarried), age, and level of education (having a university degree or not). As neither part-time status nor hours of work is recorded in the registers we impute a part-time measure from information in Israel’s CBS. We first utilize data from the CBS labor force surveys on working hours to predict part-time employment by gender according to age, marital status, industry (2-digit), working months, and establishment size, and then use the predicted likelihoods matched to our job-level data as an indicator for part-time employment status in our registers.

At the workplace level to test *Hypothesis 2* we include measures for the establishment’s dependence on Arab workers, measured as the percentage of the employees in the organization who are Arab. Here we reason that organizations with more Arab employees will be more likely to see themselves as dependent on Arab workers. This dependency is especially evident in many industries, such as construction and agriculture, where jobs are often typed as Arab. To test *Hypothesis 3* we include Arab leadership in establishments, measured by whether more than 50 percent of the top 10 percent of income earners in the establishment are Arab. Here we reason that if more than 50 percent of the very top of income earners in the establishment are Arab, then they are more likely to be in more powerful managerial and professional positions. We do not have direct measures of occupations, and so the top decile is more likely to capture those powerful occupations. Finally, to test *Hypothesis 4* we include a dummy indicator of whether the organization is in the government sector or not. The government sector includes organizations in the Central Government, Local Government, public non-profit organizations, National Insurance and other national institutions, Local Administration, and Public Administration and Security industries. In testing each of these hypotheses we include three-way interactions for the probability of hiring an Arab into these organization types under increasing intensity of conflict.

We also include the size of the organization, measured as whether or not the organization has more than 250 employees. Finally, we measure the gender composition of the establishment by the percentage of employees who are female and the gender composition of leadership by whether more than 50 percent of the top 10 percent of income earners in the establishment are female.⁵

Table 1 provides descriptive statistics for all measures in the subsequent analyses. The significant differences between Jews and Arabs in the shares employed in establishments’ dependent upon and led by Arabs suggests notable workplace segregation between Jews and Arabs, even in our sample of integrated establishments. Close to 32 % of Arab men and 39 % of Arab women are employed in establishments in which more than 50 percent of Arabs are in the top decile, while less than 4 % of Jews are employed in such establishments. Fig. 2 presents kernel density plots, which offer a way to smooth the histogram frequency of the population. There we can see that most workers are in workplaces with very few Arabs (especially in the top decile), but Arabs are far more likely to be in Arab-dependent organizations and Arab-led organizations. However, in both cases among workers in the government sector

³ We use the GTD instead of the more common B’Tselem data because the GTD is collected at the district level whereas the B’Tselem data do not distinguish across districts. B’Tselem is an independent, non-partisan organization who collects information and data on human rights in the occupied territories and Israel.

⁴ In additional analyses (not shown) we measure ethnic conflict by the number of fatalities in a given year and district. The results are consistent with findings for the intensity of ethnic conflict.

⁵ We considered the possibility that ethnicity may interact with gender in the top decile. However, in these organizations it is almost all men at the top (on average only 28 percent of the top decile are women, with 26 percent Jewish women and 2 percent Arab women) and so we do not have enough variation to estimate an interaction effect. That said, in everyday interaction the fact that the overwhelming majority of the top decile are men is suggestive.

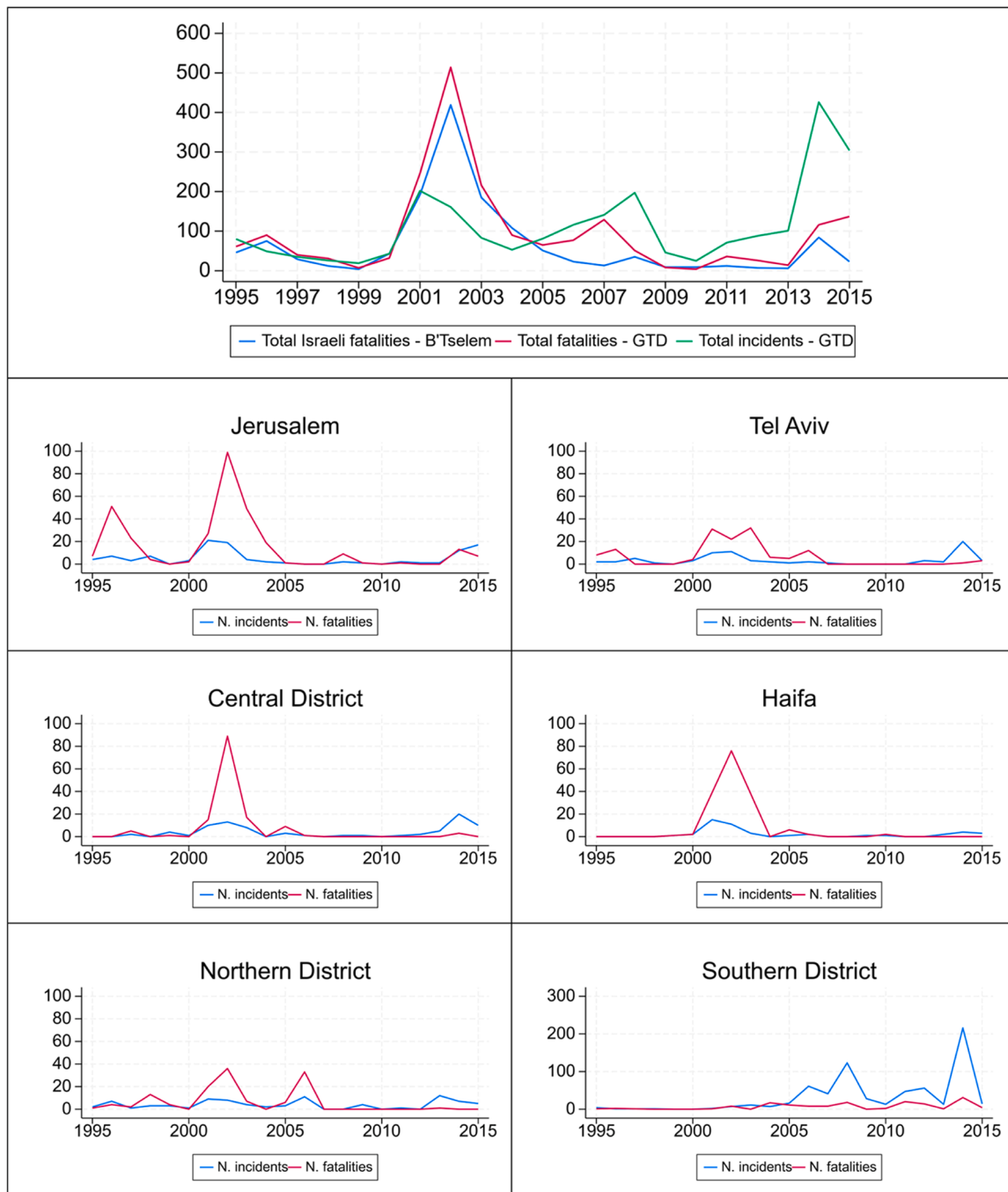


Fig. 1. Ethnic conflict indicators: Number of incidents and Number of fatalities, 1995–2015. Data source: Authors' calculations of data from B'Tselem – The Israeli Information Center for Human Rights in the Occupied Territories, and from the Global Terrorism Database (GTD). The GTD defines a terrorist attack as the threatened or actual use of illegal force and violence by a non-state actor to attain a political, economic, religious, or social goal through fear, coercion, or intimidation. We took only terrorist attacks in Israel, excluding incidents in Gaza Strip, Golan Heights, North Sinai, and the West Bank.

organizations and in the agricultural and construction industries, two industries that are significantly more likely to depend upon and be led by Israeli Arabs, they are far more likely to be in both Arab dependent and Arab led organizations. These industries are also more likely to depend on non-citizen Palestinian residents of the West Bank and Gaza Strip, workers that do not appear in the administrative data.

4.3. Analytic strategy

We estimate linear probability models (LPM), which are linear regression models applied to a binary outcome, to predict the proba-

bility of hiring at a given establishment. Despite the conventional use in sociology of logit and probit models for estimating binary dependent variables, recently the LPM has become a preferred estimation strategy. This is mainly because of their straightforward interpretation, the accumulated evidence that LPM coefficients are closely related to average marginal effects derived from logit or probit models, and because the linear model runs much faster, which is important for a large dataset like ours. The LPM can also solve problems with nonlinear probability models, such as the comparison of the coefficients from the same model fitted to different groups (Breen et al., 2018). The LPM equation takes the following form:

Table 1
Descriptive statistics (mean, s.d.) of relevant variables, 1997–2015.

	All	Jews		Arabs	
		Male	Female	Male	Female
Job hiring (1997–2015)	40.7	41.2	39.4	43.9	41.0
<i>Demographic:</i>					
% Female	48.9	0.0	100.0	0.0	100.0
% Married	50.1	48.5	50.3	52.5	55.7
% Arab	16.5	0.0	0.0	100.0	100.0
Age	32.4 (9.9)	33.1 (9.9)	32.8 (10.0)	29.6 (9.1)	29.7 (8.8)
<i>Education:</i>					
% University degree	30.6	27.6	37.7	14.1	29.0
<i>Employment:</i>					
% Part-time ^a	30.5	7.7	51.1	5.9	83.4
Tenure (years)	2.7 (4.6)	2.8 (4.9)	2.8 (4.5)	2.3 (4.3)	2.4 (4.0)
Initial monthly wage in establishment (NIS)	5328.8 (5009.9)	6717.3 (6231.1)	4414.6 (3928.9)	5046.0 (3212.0)	2977.8 (2158.3)
<i>Workplaces:</i>					
% Arabs in establishment	15.3 (21.1)	9.9 (12.8)	9.7 (11.7)	41.5 (30.2)	46.0 (34.9)
% Female in establishment	48.1 (24.4)	37.5 (21.3)	59.5 (20.4)	32.0 (23.8)	67.6 (20.2)
Top 10 % Arabs > 50 %	7.9	3.3	2.9	30.5	34.8
Top 10 % Female > 50 %	22.6	10.3	33.5	11.5	47.7
Establishment size 250 +	64.5	63.0	71.4	42.0	66.6
Government ^b	14.7	9.4	19.7	9.2	24.5
<i>Ethnic conflict:</i>					
Number of incidents (t–1)	8.5 (24.3)	8.8 (25.0)	8.2 (23.3)	9.1 (26.2)	8.0 (23.6)
Conflict intensity (t–1)	161.7 (717.7)	169.0 (734.6)	153.1 (687.3)	179.6 (780.0)	139.7 (694.5)
N	31,338,941	12,557,183	13,600,332	3470,429	1710,997
N jobs	14,359,949	5894,141	6030,020	1678,915	756,873
N individuals	3229,528	1344,927	1371,535	306,235	206,831
N establishments	112,450	101,728	86,513	100,274	41,299

Data source: Israeli linked employer-employee panel data. Sample: Age 18–54, establishments with at least 2 employees, integrated establishments, excluding residences in the West Bank. ^a Part-time employment is defined as a person-job match with less than 35 weekly hours. We predicted part-time employment by gender according to age, marital status, industry (2-digit), working months and establishment size using data on working hours from LF surveys. ^bGovernmental sector includes Central Government, Local Government, public non-profit organizations, National Insurance and other national institutions, Local Administration, Public Administration and Security industries.

$$H_{i,e,t} = \beta_0 + \beta_1 EC_{t-1} + \beta_2 Arab_i + \beta_3 (EC_{t-1} * Arab_i) + \beta_4 X_{i,t} + \beta_5 W_{e,t} + \mu_t + \gamma_e + \varepsilon_{i,e,t}$$

$H_{i,e,t}$ is the predicated probability of an individual being hired into an establishment in the current year, while $\beta_1 EC_{t-1}$ is our indicator for ethnic conflict at the year-district level. To capture the temporal dimension of the relationships between ethnic conflict and job hiring we model hiring as a function of conflict the prior year, as we expect conflict in year t-1 to affect the likelihood of hiring in year t.⁶ All other variables are estimated instantaneously. $\beta_2 Arab_i$ is the coefficient for the ethnicity indicator and should be interpreted as the probability of an Arab being hired in a given workplace and year relative to the probability of its reference group, Jews. Our main independent variable is $\beta_3 (EC_{t-1} * Arab_i)$ representing an interaction between Arabs and the ethnic conflict. $X_{i,t}$ is a vector of demographic and employment characteristics for workers and $W_{e,t}$ is a vector of time-varying workplace-level explanatory variables.

⁶ Since only 42 % of ethnic conflicts occurred at the first half of the year, we model job hiring as a function of conflict in the previous year.

As our central concern is the relationship between the location of ethnic conflict and ethnic inequalities in hiring within workplaces, we model the probabilities within the six major districts of Israel (Jerusalem, Northern, Haifa, Central, Tel Aviv, and Southern districts)⁷ using year and establishment fixed effects.⁸ Including year fixed effects allows us to control for variation associated with specific years and the establishment fixed effect enables us control for any stable establishment traits that may correlate with ethnic inequalities within the establishment or our measures of ethnic conflict. We estimate these models on all jobs, then separate the models by the gender of the jobholder. As we are using population-level data we will focus on the size and direction of the coefficients rather than tests of statistical significance.

⁷ We do not have direct information on the location of each establishment and so we define the district of an establishment using information on the residences of employees. An establishment is defined as in a given district based on the district where the largest proportion of its employees reside. For about 1000 establishments from our sample (5 %) there are several modes. As most of them have less than 5 workers employed we dropped these establishments from the analysis.

⁸ See appendix A for two robustness analyses: (a) measuring intensity of conflict in distant districts, and (b) excluding the years of the Second Intifada. Overall the results hold that ethnic conflict effects indicators for social closure in proximate areas more so than in distant areas (except for job hiring among women), and that the relations between ethnic conflict and organizational closure was not limited to the Intifada years.

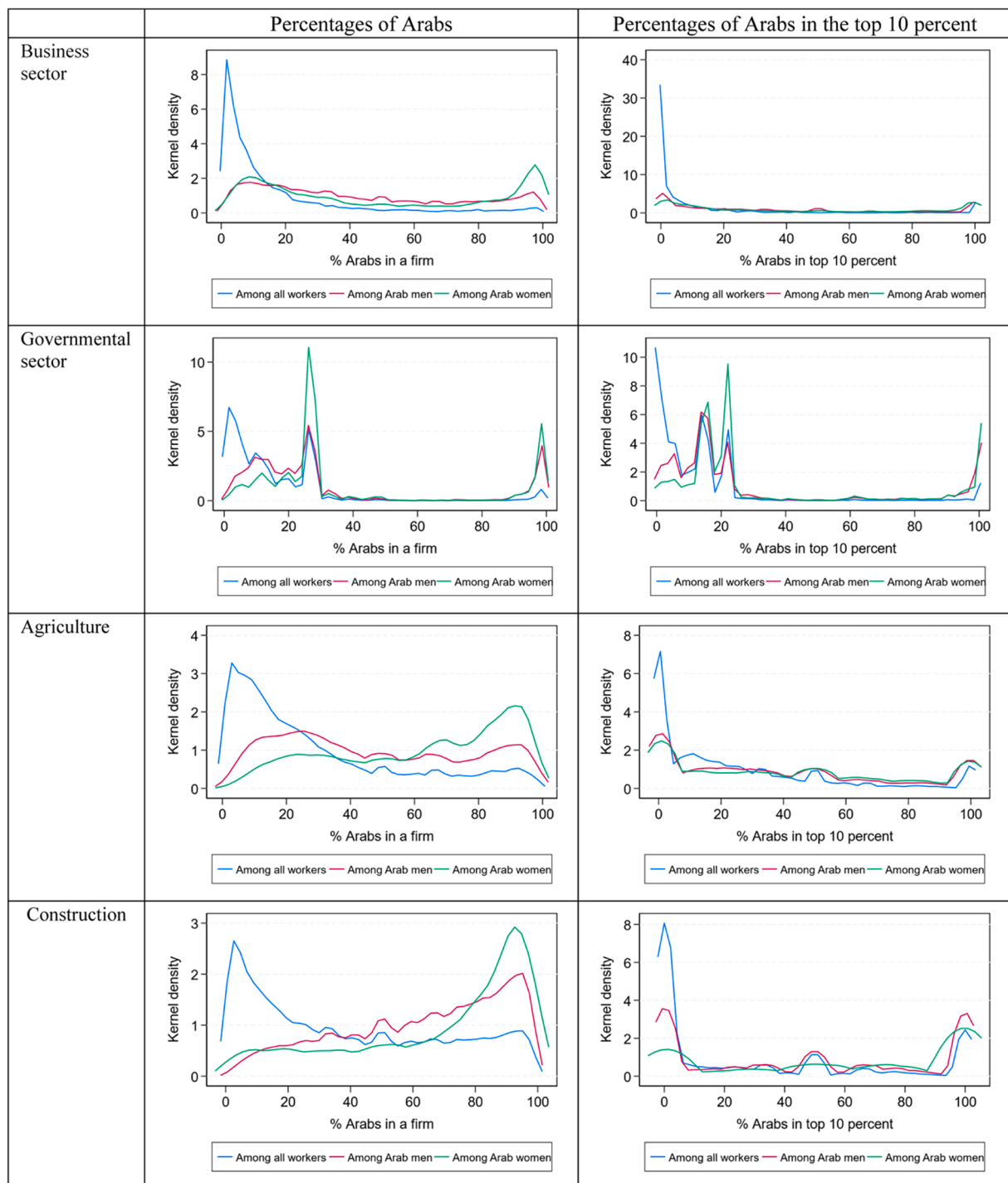


Fig. 2. Kernel density distributions of the percentages of Arabs in establishment and the percentages of Arabs in the top 10 percent among all workers and among only Arabs workers, 1997–2015. Business and governmental sectors, and selected industries. Data source: Israeli linked employer-employee panel data. Sample: Age 18–54, establishments with at least 2 employees, integrated establishments, without residences in the West Bank.

5. Results

Table 2 presents models of the effect of ethnic conflict on job hiring among workers with similar individual and organizational fixed (e.g., economic sector) and time-varying (e.g., share of Arabs) measured

attributes, first on the full population then split by gender.⁹ The basic demographic, employment, and workplace variables mostly operate as expected. Independent of the level of violence, workplaces are less likely to hire Arabs, women, married individuals, and older individuals, while they are more likely to hire part-time workers. Surprisingly, workplaces

⁹ Since terrorism shocks can have differential effects on different industries, we estimate the same models shown in Table 2 by industry. See Appendix B for the results.

Table 2
Linear Probability Models for the effect of ethnic conflict ^a on job hiring, 1997–2015.

	All		Men		Women	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
<i>Ethnic conflict:</i>						
Number of incidents $(t-1)$	0.0010 (0.0014)		0.0021 (0.0016)		−0.0005 (0.0015)	
Intensity $(t-1)$		0.0003 (0.0006)		0.0008 (0.0006)		−0.0002 (0.0007)
Arabs *Incidents $(t-1)$	−0.0000 (0.0008)		−0.0001 (0.0009)		−0.0001 (0.0015)	
Arabs *Intensity $(t-1)$		−0.0003 (0.0004)		−0.0004 (0.0004)		−0.0007 (0.0009)
<i>Demographic:</i>						
Arabs	−0.0373 (0.0029)	−0.0367 (0.0027)	−0.0287 (0.0030)	−0.0280 (0.0025)	−0.0746 (0.0052)	−0.0732 (0.0050)
Female	−0.1078 (0.0040)	−0.1078 (0.0040)				
Married	−0.0679 (0.0012)	−0.0679 (0.0012)	−0.0639 (0.0016)	−0.0639 (0.0016)	−0.0676 (0.0019)	−0.0677 (0.0019)
Age	−0.0090 (0.0000)	−0.0090 (0.0000)	−0.0087 (0.0001)	−0.0087 (0.0001)	−0.0088 (0.0002)	−0.0088 (0.0002)
University degree	−0.0238 (0.0037)	−0.0238 (0.0037)	−0.0205 (0.0017)	−0.0205 (0.0017)	−0.0279 (0.0058)	−0.0279 (0.0058)
<i>Employment:</i>						
Part-time	0.2507 (0.0035)	0.2507 (0.0035)	0.2131 (0.0039)	0.2131 (0.0039)	0.3504 (0.0040)	0.3504 (0.0040)
<i>Workplaces:</i>						
% Arabs	0.0181 (0.0178)	0.0236 (0.0016)	0.0265 (0.0136)	0.0263 (0.0136)	−0.0106 (0.0286)	−0.0104 (0.0287)
% Female	−0.0093 (0.0179)	−0.0256 (0.0017)	−0.1568 (0.0171)	−0.1567 (0.0171)	0.1638 (0.0255)	0.1636 (0.0255)
Top 10 % Arabs > 50	−0.0124 (0.0032)	−0.0123 (0.0006)	−0.0118 (0.0029)	−0.0118 (0.0029)	−0.0155 (0.0044)	−0.0155 (0.0044)
Top 10 % Female > 50	0.0004 (0.0042)	0.0003 (0.0042)	0.0081 (0.0038)	0.0081 (0.0038)	−0.0067 (0.0049)	−0.0067 (0.0049)
Size 250 +	0.0205 (0.0032)	0.0206 (0.0032)	0.0263 (0.0034)	0.0264 (0.0034)	0.0152 (0.0038)	0.0151 (0.0038)
Constant	0.7095 (0.0097)	0.7103 (0.0096)	0.7595 (0.0077)	0.7613 (0.0077)	0.4392 (0.0171)	0.4389 (0.0169)
FE Establishment	Yes	Yes	Yes	Yes	Yes	Yes
FE Year	Yes	Yes	Yes	Yes	Yes	Yes
N	31,338,941	31,338,941	16,023,484	16,023,484	15,300,260	15,300,260
N establishments	112,450	112,450	104,592	104,592	79,486	79,486

Data source: Israeli linked employer-employee panel data. Sample: Israeli resident, Age 18–54, establishments with at least 2 employees, integrated establishments, excluding residences in the West Bank. Standard errors are adjusted for within-establishment clustering. ^a Measured by the inverse hyperbolic sine transformation.

are less likely to hire those with university degrees, though this may have to do with the relatively lower supply of such workers compared to less educated workers. An increase in the proportion of Arabs in the workplace increases their likelihood of hiring men but reduces their likelihood of hiring women. An increase in the proportion of women in the workplace tends to increase the likelihood of hiring women but reduces the likelihood of hiring men. As well, once Arabs make up more than 50 percent of the top 10 percent of the wage distribution in an organization that workplace reduces overall hiring. However, an organization crossing the threshold to a majority of women in the top 10 percent increases the likelihood of hiring men but reduces the likelihood of hiring women. Unsurprisingly, larger organizations hire more.

Focusing on the core variables of theoretical interest – the interactions between ethnicity and ethnic conflict – we find that in organizations within districts where there is an increase in conflict intensity, both Arab men and Arab women are less likely than Jews to be hired in the year following an intensification of incidences. Using model 2 which includes both men and women, organizations in districts that experienced an increase in the level of conflict intensity by 100 points (as happened for example in the Second Intifada in 2001 in most districts and in 2014 in Jerusalem and in the southern districts during the Gaza War) experienced a decrease in the probability of new hires among Arabs, relative to Jews, by approximately 0.3 percent. This effect is ten times higher in trade, transportation, and the accommodation and food

industries (see Appendix B), in which work interacting with customers is more frequently done. This is not a minor effect as the average probability of Arabs being hired is lower than Jews by 2 % among men and 6 % among women. However, this relative decline in hiring of Arabs seems to be driven mostly by the intensity of events rather than just events themselves. Without splitting the models by gender the effect of incidences alone on Arab employment is zero, and even in splitting by gender they are weaker than the effect of intensity.

When we split the models by gender we see that the decline in hiring Arabs is more pronounced among women. Fig. 3 plots the marginal probabilities for hiring men and women, graded by conflict intensity, and there we can clearly see this variation across gender. For men conflict increases the hiring probability for Jews but less so if at all for Arabs. However, all women are less likely to be hired as the conflict intensifies, but the decrease is notably steeper for Arabs than for Jews. Thus, we have fairly strong evidence for Hypothesis 1, that an increase in ethnic conflict reduces the relative probability of Arabs being hired into establishments more proximate to that conflict escalation, as well as results suggesting these effects are stronger among women.

Table 3 presents results from our three-way interactions assessing the influence of the racialized character of organizations. We restrict these models to the business sector to avoid confounding the effects of racialized organizations with the effects of the stronger anti-discrimination laws in the government sector. To ease the

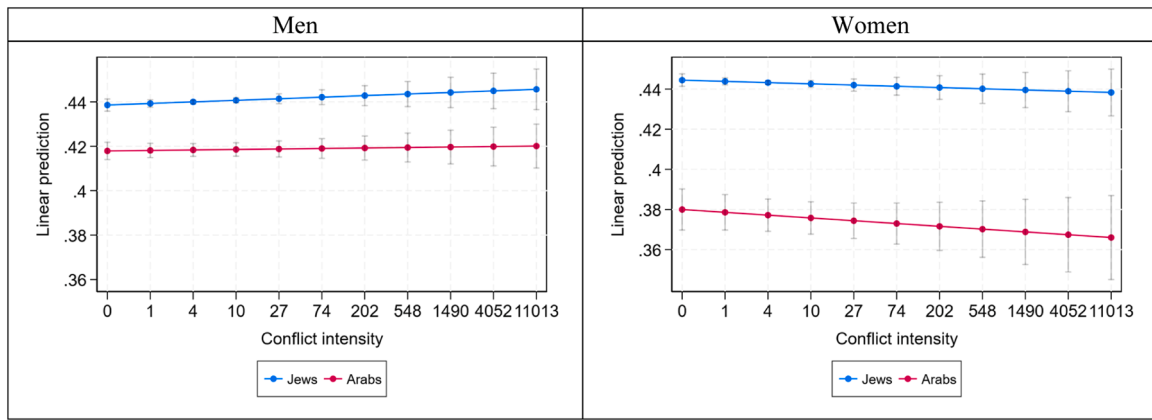


Fig. 3. Adjusted predicted probabilities (with 95 % confidence intervals) for job hiring of Arabs and Jews, conditional on ethnic conflict intensity, 1997–2015. Note: Results from Linear Probability Models for the effect of ethnic conflict on job hiring (Table 2). Data are from the 1997–2015 Israeli LEEP data with appended data on ethnic conflict by year and district from the Global Terrorism Database (GTD). Sample: Age 18–54, establishments with at least 2 employees, integrated establishments, excluding residences in the West Bank.

Table 3

Unstandardized coefficient for the interaction term between ethnic conflict, ethnicity (1 = Arabs), and Arab-dependent/Arab-led establishments (1 = Arab-dependent/Arab-led) from Linear Probability Models; Dependent variable is job hiring (1997–2015).

	All	Men	Women
Model 1 - Arab-dependent establishments			
Arabs	−0.0206	−0.0149	−0.0577
Intensity ($t-1$)	0.0001	0.0006	−0.0007
Arab-dependent establishment	0.0233	0.0275	0.0124
Arabs * Intensity ($t-1$)	−0.0010	−0.0012	−0.0012
Arabs * Arab-dependent	−0.0328	−0.0331	−0.0445
Intensity ($t-1$) * Arab-dependent	0.0024	0.0022	0.0024
Arabs * Intensity ($t-1$) * Arab-dependent	0.0000	0.0006	−0.0010
N	26,745,180	14,524,195	12,205,833
Model 2 - Arab-led establishments			
Arabs	−0.0196	−0.0126	−0.0573
Intensity ($t-1$)	0.0001	0.0006	−0.0007
Arab-led establishment	0.0024	0.0133	−0.0062
Arabs * Intensity ($t-1$)	−0.0009	−0.0008	−0.0016
Arabs * Arab-led	−0.0444	−0.0561	−0.0491
Intensity ($t-1$) * Arab-led	0.0019	0.0022	0.0014
Arabs * Intensity ($t-1$) * Arab-led	0.0001	−0.0004	0.0011
N	26,745,180	14,524,195	12,205,833

Data source: Israeli linked employer-employee panel data. Sample: Israeli resident, Age 18–54, business sector, establishments with at least 2 employees, integrated establishments, excluding residences in the West Bank. Standard errors are adjusted for within-establishment clustering. For the list of independent variables see Table 2.

interpretation of the 3-way interactions, we dichotomized Arab dependence in these analyses, where Arab dependent organizations are those with more than 50 percent of the establishment being Arab.¹⁰ Model 1 focuses on Arab-dependent establishments, and without adjusting for gender we see that Arabs are no more or less likely to be hired into Arab-dependent establishments when the intensity of conflict in a given district increases. However, in splitting the analyses by gender we find that Arab men become more likely to be hired into Arab-dependent

Table 4

Unstandardized coefficient for the interaction term between ethnic conflict and ethnicity (1 = Arabs) from Linear Probability Models, by sector; Dependent variable is job hiring (1997–2015).

	All	Men	Women
Model 1 – Business sector			
Arabs	−0.0341	−0.0268	−0.0756
Intensity ($t-1$)	0.0001	0.0007	−0.0006
Arabs * Intensity ($t-1$)	−0.0004	−0.0005	−0.0009
N	26,745,180	14,524,195	12,205,833
Model 2 - Governmental sector			
Arabs	−0.0471	−0.0292	−0.0687
Intensity ($t-1$)	0.0013	0.0011	0.0017
Arabs * Intensity ($t-1$)	0.0001	0.0000	−0.0003
N	4593,761	1499,289	3094,427

Data source: Israeli linked employer-employee panel data. Sample: Israeli resident, Age 18–54, establishments with at least 2 employees, integrated establishments, excluding residences in the West Bank. Standard errors are adjusted for within-establishment clustering. For the list of independent variables see Table 2. To estimate the effect of the interaction between Arab workers and conflict intensity we applied separate models for each sector. This is because a establishment's affiliation to a specific sector is constant overtime.

establishments while Arab women are less likely to be hired into those establishments as conflict intensifies. That said, according to Model 2 Arab women are more likely to be hired into Arab-led establishments when conflict in a given district intensifies, while Arab men become less likely to be hired into such establishments.

Figs. 4 and 5 display these effects graphically, with Fig. 4 focusing on Arab-dependent establishments (model 1 in Table 3 estimated by gender) and Fig. 5 focusing on Arab-led establishments (model 2 in Table 3 estimated by gender). In Fig. 4 we see that both Jewish and Arab men become more likely to be hired into Arab-dependent establishments as conflict intensifies (upper part of Fig. 4), though only Jewish men are more likely to be hired into establishments not dependent upon Arabs (lower part of Fig. 4). In establishments not dependent on Arabs, Arab men become less likely to be hired as conflict intensifies.

Among women, Jewish women are more likely to be hired into Arab-dependent establishments as conflict intensifies while Arab women are stable or become slightly less likely to be hired (upper part of Fig. 4). And in establishments not dependent upon Arabs both Jewish and Arab women become less likely to be hired as conflict intensifies, though the slope for Arab women is slightly steeper (lower part of Fig. 4). This provides some support for Hypothesis 2 that Arab dependent establishments provide some protection for Arabs during conflict, though this is confined to Arab men. And it is important to note that hiring seems to

¹⁰ For measuring both Arab-dependent establishments and Arab-led establishments we experimented with different thresholds. In addition to the 50 percent threshold we used a 20 percent threshold (because Arabs make up roughly 20 percent of the Israeli population) as well as quintiles (>25, 25–49, 50–74, and 75–100 percent Arab). All provide similar support for our hypotheses. Results available upon request.

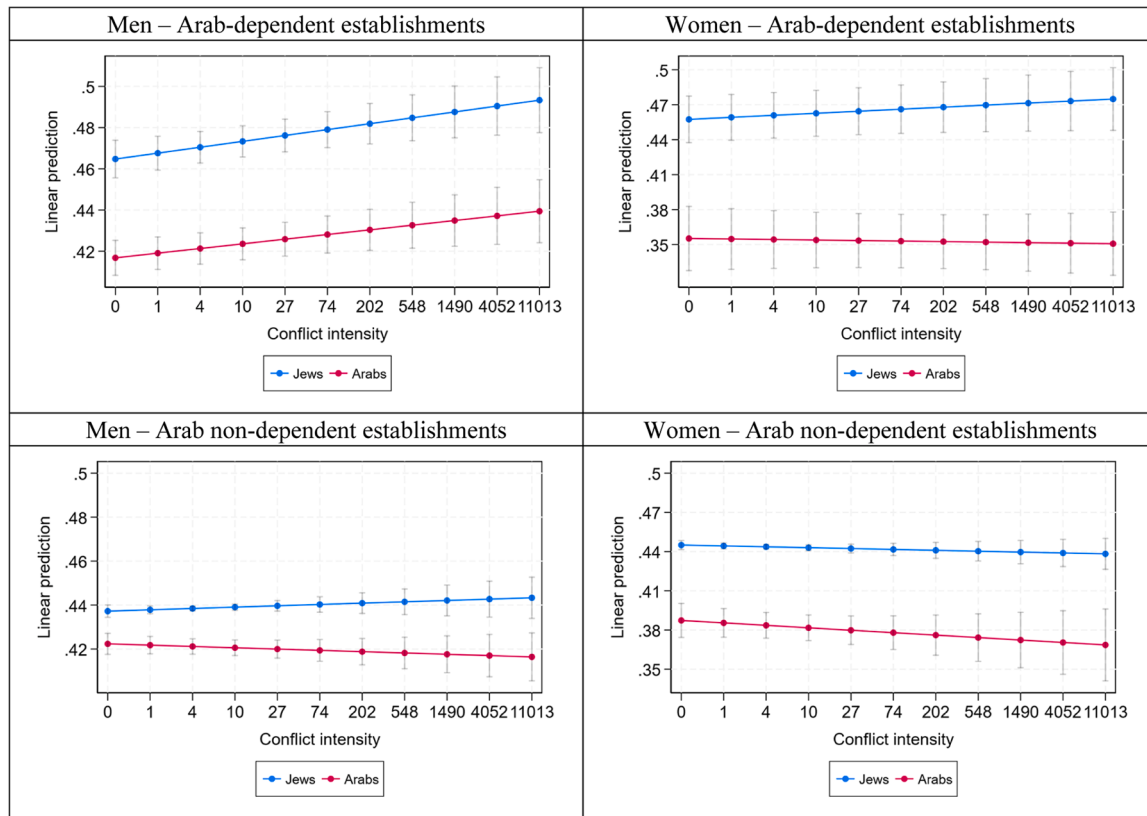


Fig. 4. Adjusted Predicted Probabilities (with 95 % confidence intervals) for job hiring of Jews and Arabs by Ethnic Conflict, in Arab-dependent and non-dependent establishments, business sector, 1997–2015. Note: Results from Linear Probability Models for the effect of ethnic conflict on job hiring (Table 3). Data are from the 1997–2015 Israeli LEEP data with appended data on ethnic conflict by year and district from the Global Terrorism Database (GTD). Sample: Age 18–54, business sector, establishments with at least 2 employees, integrated establishments, excluding residences in the West Bank.

increase for Jewish men and women as well in Arab-dependent establishments, suggesting these organizations may benefit both Arabs and Jews during conflict escalation.

In Fig. 5 we can see that in districts where conflict escalates, both Jewish men and Arab men become more likely to be hired into establishments led by Arabs, though at roughly equivalent rates (upper part of Fig. 5). And Arab men become less likely to be hired into non-Arab-led establishments as conflict escalates, whereas Jewish men become slightly more likely (lower part of Fig. 5). Among women in Arab-led establishments both Arab and Jewish women become slightly more likely to be hired into Arab-led establishments, while they are both less likely to be hired into establishments not led by Arabs. However, Arab women become notably less likely to be hired into non-Arab-led establishments, which seems to drive the ethnic disparity among women. This provides some support for Hypothesis 3 that Arab-led establishments act as a buffer at least for Arab women (but not Arab men) during intensification of conflict, again with the notable proviso that Jews are also more likely to be hired into Arab-led organizations.

Fig. 6 plots the effect of conflict intensity on hiring in establishments in the business sector compared to government establishments. Differences across sectors here are minimal for men. In the business sector the slopes are fairly flat for both Jewish and Arab men, but in the government sector there is a slight increase for both Arab and Jewish men. For women, we see that an increase in conflict intensity increases hiring of both Arab and Jewish women, but in the business sector there is a slightly more pronounced decline for Arab women than Jewish women with increasing conflict intensity. However, these differences are notably small, suggesting sector plays little role in mediating conflict intensity contradicting Hypothesis 4.

6. Discussion

In this paper we have sought to better understand the relationship between ethnonationalist conflict and workplace inequalities, combining Israeli registry data with data on ethnonationalist conflict from the Global Terrorism Database. Our analysis is theoretically informed by treating organizations as racialized and the inequalities generated in them as emerging through the processes specified in RIT.

The results from our linear probability models with establishment and year fixed effects show that in general, with important caveats discussed below, when ethnic conflict escalates in Israel the hiring of Arabs' decrease compared to Jews. This effect is more prominent among women than men. Importantly, this is a spatial process in which employment opportunities for Arabs get worse in workplaces in those districts where the conflict is occurring. Organizations closer to the conflict hire fewer Arabs when the conflict is more intense.

These processes though are somewhat mitigated in organizations either led by or dependent upon Arabs, but are no more pronounced in the business sector than in the government sector. Arab-dependent and Arab-led organizations are more likely than their counterpart organizations to hire Arab men and do not reduce their hiring of Arab women as conflict escalates. It is worth noting that Jews are also more likely to be hired into these workplaces, which suggests these may be more likely to be organizations with more hiring in general. However, employment prospects in non-Arab led and non-Arab dependent organizations are notably worse for Arabs than for Jews, which may be driving these differences and may suggest Arab-led and Arab-dependent organizations are just friendlier workplaces overall and thus more attractive or open to prospective employees. More research is needed to tease these mechanisms out.

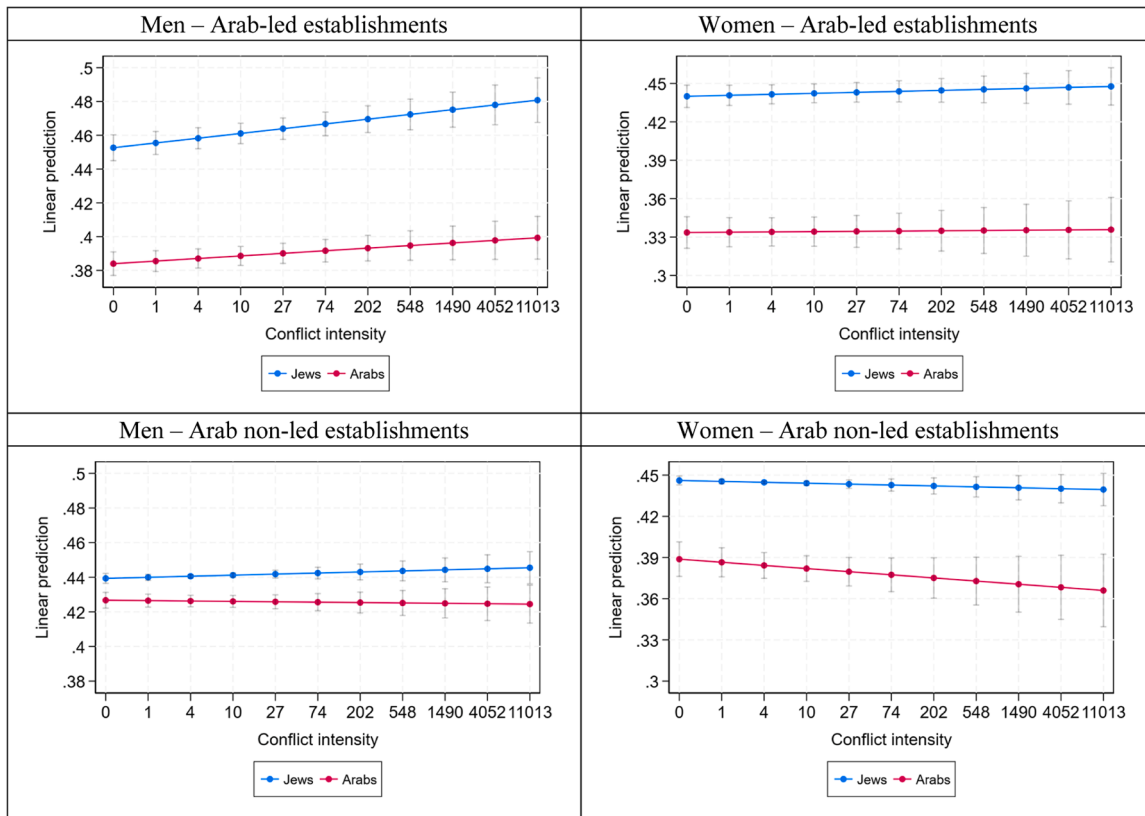


Fig. 5. Adjusted Predicted Probabilities (with 95 % confidence intervals) for job hiring of Jews and Arabs by Ethnic Conflict, in Arab-led and non-led establishments, business sector, 1997–2015. Note: Results from Linear Probability Models for the effect of ethnic conflict on job hiring (Table 3). Data are from the 1997–2015 Israeli LEEP data with appended data on ethnic conflict by year and district from the Global Terrorism Database (GTD). Sample: Age 18–54, business sector, establishments with at least 2 employees, integrated establishments, excluding residences in the West Bank.

While we did not develop gender-specific hypotheses, it is worth noting the importance of the intersection of gender and ethnicity. In general, across organizations Arab women bear the brunt of the reduction in hiring of Arabs, being almost half as likely to be hired in places and times where conflict intensifies. This may be at least partially due to the gendered and racialized structure of employment in which Arab women are largely working in more precarious jobs, which are more easily eliminated. More work is needed to unpack how and why these gendered patterns of racialized hiring emerge during conflict escalation, but it is likely some combination of structural features of women's employment and the relational contexts this produces.

Overall, we argue that our results are primarily driven by workplace-level social closure processes, in which the escalation of conflict activates bias among Jews and reduces employment opportunities for Arabs, especially Arab women. In general, these findings contribute to literatures on racialized organizations, Relational Inequality Theory, and the spatial and temporal dynamics of organizational inequalities.

6.1. Racialized organizations

First, we provide evidence for the theoretical claim that organizations are racialized. If organizations did not incorporate race and ethnicity into their decision-making, as is suggested by human capital theory, then we should find no effects of the dynamics of ethnic conflict on who is hired into organizations. But here we show that in times of escalating conflict the racialized underpinnings of organizations are revealed even more clearly, with those organizations situated more proximate to the conflict hardening the racial boundaries around their organization. This is on top of the already existing racialized organization of workplaces that is built into the structure of work, in which Arabs

and Jews are largely segregated into different jobs and workplaces.

The activation of social closure after conflict intensification is further inflected by the racial character of organizations themselves. Much work has recently connected the activation of discrimination to particular events, and here we show that the racialized character of organizations shapes how these events translate or not into changed employment opportunities for minorities. Importantly, the way the organization is racialized prior to the event seems to shape what happens to employment opportunities after the event. Having ethnic minorities at the top of the organizational hierarchy or having the organization dependent upon them seems to empower ethnic minorities throughout the organization, mitigating social closure. Given that this comes with increases in hiring for Jews in these contexts as well, it may be that organizations that empower ethnic minorities more generally instill egalitarian organizational practices that benefit all those within the organization. This suggests that there may be an underlying egalitarian structure or culture to these organizations that could be reproduced in other contexts, though we need to better specify exactly what that egalitarian structure or culture is.

Importantly, the government sector does not seem to be a particularly less racialized organizational context in Israel. This is notable given the government sector in Israel is constrained by stronger anti-discrimination laws. Either the effects of these laws have largely diffused to the business sector, or their effects even in the government sector are minimal.

This paper then builds on the theory of racialized organizations by specifying when and where racism emerges in organizations, treating the extent of racism within the organization as variable. Organizations are not uniformly racialized, but become racialized in different ways as they interact with the political environment around them. Organizations

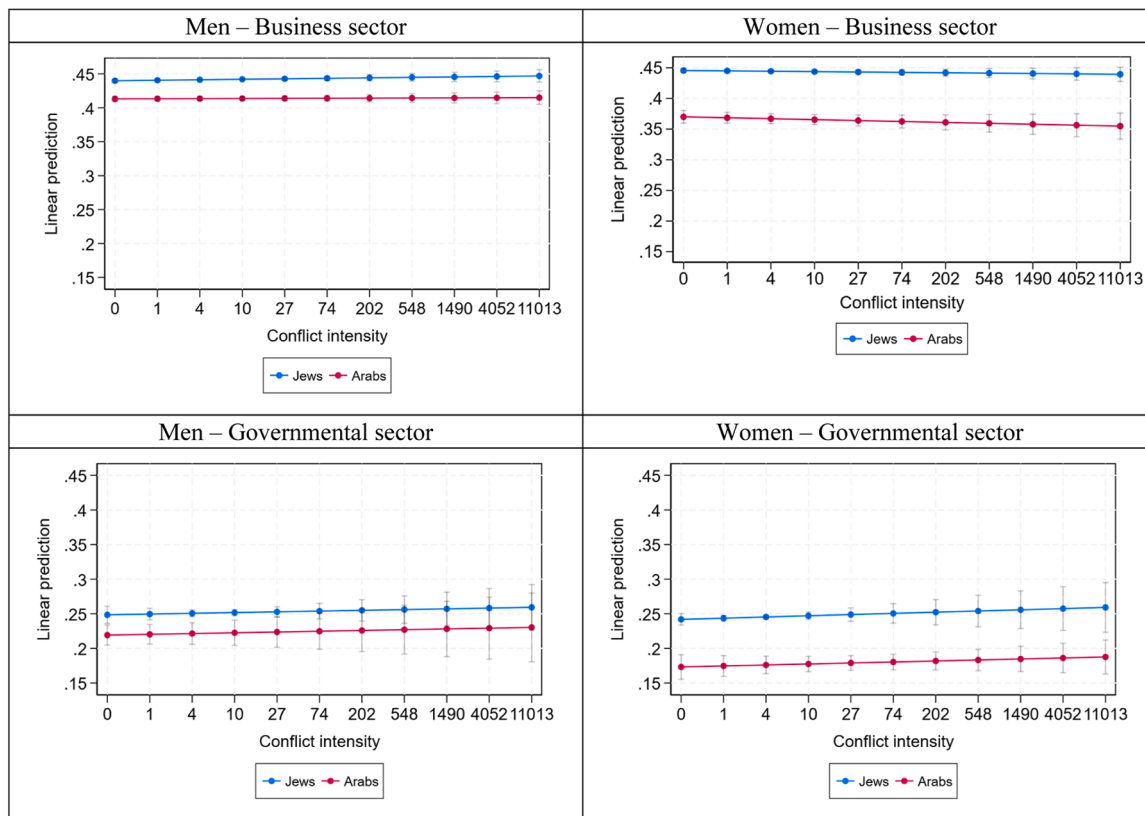


Fig. 6. Adjusted predicted probabilities (with 95 % confidence intervals) for job hiring of Arabs and Jews, conditional on ethnic conflict intensity, by the employment sector of the establishment, 1997–2015. Note: Results from Linear Probability Models for the effect of ethnic conflict on job hiring (Table 4). Data are from the 1997–2015 Israeli LEEP data with appended data on ethnic conflict by year and district from the Global Terrorism Database (GTD). Sample: Age 18–54, establishments with at least 2 employees, integrated establishments, excluding residences in the West Bank.

that already marginalize and exclude racialized others will escalate their social closure practices as ethnic conflict escalates, while those that incorporate ethnic minorities into the fabric of the organization – especially at the top – are more likely to prevent social closure (without harming employment prospects for ethnic majorities).

6.2. Relational inequality theory

A second contribution of our paper is to provide additional evidence on the role of organizational contexts in shaping how external organizational environments are translated into particular kinds of inequalities. In particular, the relational power of actors within organizations shapes what happens when organizational environments change. We use information about what racial groups are more prevalent and powerful in the organization, finding that inequalities are mitigated when minority groups are more prevalent and powerful in organizations. This provides further evidence to existing research findings that having lower status actors present and in more powerful positions leads to better outcomes for those actors (e.g. Tomaskovic-Devey et al., 2015; Stainback et al., 2016; Stainback et al., 2011). We extend this to show that these groups are able to parlay their power in such organizations to prevent institutional shifts from exacerbating inequalities, further linking RIT and the theory of racialized organizations.

This also has implications for more recent findings on the mapping of external status categories onto internal divisions of labor. When organizations move ethnic minorities, with lower status, into more powerful positions they are likely to mitigate the impact of ethnic conflict on ethnic inequalities in employment. The broader implication is that weakening the link between internal divisions of labor and external status categories will likely weaken the effect of external environmental

shocks on the racialized employment outcomes.

While we cannot empirically specify the mechanisms through which political violence translates into social closure in some organizations and not others, we think that the activation of a threat is the most likely mechanism. Escalations of ethnic conflict likely induce a sense of threat in ethnic majorities that leads them to avoid hiring ethnic minorities. This is consistent with our findings that Arab-led and Arab-dependent organizations mitigate racialized social closure, as the threat is less likely to infuse powerful decision-makers when more of them are among the ethnic minority. That said, there are likely other mechanisms that may be at work, and we hope future research will more directly test these mechanisms.

6.3. Spatial and temporal effects on inequalities

A final contribution of our paper is to better understand the spatial and temporal effects of ethnonationalist conflict on inequalities. Much work exists showing that ethnic conflict in Israel produces advantages for Jews relative to Arabs in educational outcomes, health, and general well-being. However, we show that these inequalities are patterned by the temporal dynamics and spatial locations of the conflict. Even beyond the key cataclysmic events, such as the Second Intifada, that produce sharp discontinuities for Arabs relative to Jews (Brück et al., 2019; Miaari et al., 2012), we find localized effects across all routine non-state acts of political violence in Israel. Moreover, while much of this research has focused on attitudes, educational outcomes, and health outcomes, this paper links this political violence to specific workplace inequalities.

These kinds of processes are likely linked to unequal outcomes in other contexts as well. Localized political violence connected to a long-standing ethnonationalist conflict can activate stereotypes and heighten

the salience of social boundaries across categorical distinctions, similar to effects found for police violence against citizens, violent crime in neighborhoods, the election of nationalist politicians, and large-scale terrorist attacks. These then reinforce the inequalities that those social boundaries produce.

In this way our findings then contribute to a burgeoning literature on the spatial and temporal dynamics of inequalities, especially around workplaces. Particular events in specific places shape the evolution of inequalities within those locales. Workplaces are embedded in local political, economic, and social contexts, and actors within workplaces take these contexts into account when devising course of action.

7. Conclusion

Our argument builds on existing structural explanations of the relationship between ethnic conflict and ethnic inequalities that focus on the unequal socio-economic positioning and geographic segregation of racial and ethnic groups by highlighting how the racialization of organizations produces specific ethnic inequalities in the face of external political conflict. Organizations are racialized social structures in which racially defined in-groups and out-groups inscribe relations of domination between them through the formal and informal channels of the organization. Processes of categorization and social closure operate to create more or less rigid racial boundaries around jobs within the organization and around the organization itself, reinforcing relations of domination. Importantly, we have shown here that these organizational processes are inflected by racial and ethnic conflict outside the organization. RIT enables us to specify this process, and to further see that the racialization of organizations is a variable. Organizations can be racialized in different ways, even if all organizations are permeated with race, and these dynamics are inflected by the spatial and temporal events in which organizations are embedded.

In this vein we suggest three further avenues of future research. First, additional research that identifies other plausible sources of variation in the effects of ethnonationalist conflict would be beneficial. Geographic proximity to the conflict is a key driver, and we have identified two organizational contexts that appear to mitigate the effects of proximity. We can also imagine the effects of ethnonationalist conflict to be moderated by other environmental, organizational, and individual factors such as the extent of local ethnic animosities, the political dominance of far-right parties, formal organizational discrimination policies, and group and individual skill profiles. Our industry analyses in particular suggest that industry may be an important context of heterogeneity in the salience of ethnic distinctions, and thus in the effect of ethnic conflict. Many interactions are empirically plausible, and we suggest future research empirically assess other theoretically plausible moderators of ethnonationalist conflict on workplace inequalities.

Second, further research should examine the precise mechanisms that link categorization processes in organizations to social closure behaviors. We have speculated that threat is one possible mechanism underlying the link between political violence and social closure. In this regard it would be useful to identify specific empirical measures of threat that could be used to empirically validate such a theoretical chain of causation. Similarly, it would be useful to tease out when the salience

of categorical distinctions does not produce a sense of threat, but may generate positive outcomes that reduce racial antagonism and inequalities. Our results suggest that examining more specifically what is going on inside of organizations that are led by or dependent on racial minorities may generate empirical insights that can be translated across organizations.

Finally, we suggest future research examine other forms of social closure beyond hiring. In particular, job separation and earnings are important outcomes that are likely influenced by ethnonationalist conflict. However, each of these requires developing modeling strategies that are particular to that outcome. Wages are sticky, which suggests there are likely lags between the effects of conflict and changes in earnings. This may also suggest the wages would be more likely to be influenced only with a longer duration of conflict. And modeling job separation requires identifying voluntary versus involuntary separation, and may be even more gendered than hiring.

Each of these directions is made more plausible with the increasing use of country registers and other forms of administrative data. Linking administrative data with spatial data (e.g. district vote shares) makes possible identifying how local mechanisms that may shape the salience of categorical distinctions within organization operate and interact with each other. Such administrative data also make possible modeling mobility in and out of organizations, thereby examining subsequent worker prospects and how they respond to job separation.

Ultimately, this paper provides evidence for the role of organizations in mediating the influence of ethnic conflict on employment outcomes. There is much more work to do, and we think RIT and the theory of racialized organizations provide invaluable theoretical tools for unpacking these inequality generating processes.

CRedit authorship contribution statement

Kristal Tali: Writing – review & editing, Writing – original draft, Methodology, Formal analysis, Data curation, Conceptualization. **Avent-Holt Dustin:** Writing – review & editing, Writing – original draft, Conceptualization. **Garmash Ludmila:** Writing – review & editing, Writing – original draft, Methodology, Formal analysis, Data curation.

Declaration of Competing Interest

All authors declare that there are no conflicts of interest.

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Appendix A. Unstandardized coefficient for the interaction term between ethnic conflict and ethnicity (1 = Arabs) from Linear Probability Models; Dependent variable is job hiring (1997–2015)

Ethnic conflict		Job hiring		
Location	Second Intifada	All	Men	Women
Same district	Included	−0.0004	−0.0005	−0.0008
Distant district	Included	−0.0002	0.0004	−0.0021
Country (all districts)	Included	0.0005	0.0006	−0.0002
Same district	Excluded	−0.0000	0.0001	−0.0007

Notes: for the vector of explanatory variables for job hiring see Table 2.

Distant district was defined by skipping two nearby districts as following: North (observed district) = Central (distant district); Haifa (observed district) = Jerusalem (distant district); Tel Aviv (observed district) = South (distant district); Central (observed district) = North (distant district); Jerusalem (observed district) = Haifa (distant district); South (observed district) = Tel Aviv (distant district).

The second Intifada was between 2000 and 2005.

Appendix B. : Linear Probability Models for the effect of ethnic conflict a on job hiring, 1997–2015 by industry

		Men	Women
Agriculture	Arabs	−0.0451	−0.0867
	Arabs *Intensity _(t−1)	0.0017	−0.0017
	N	329,633	299,580
Nondurable manufacturing	Arabs	−0.0587	−0.1067
	Arabs *Intensity _(t−1)	−0.0037	−0.0011
	N	1205,726	738,640
Durable manufacturing	Arabs	−0.0494	−0.0266
	Arabs *Intensity _(t−1)	0.0024	−0.0016
	N	1261,158	414,075
Construction	Arabs	0.0028	−0.0486
	Arabs *Intensity _(t−1)	0.0029	−0.0089
	N	814,346	146,540
Trade	Arabs	−0.0288	−0.0642
	Arabs *Intensity _(t−1)	−0.0018	−0.0032
	N	2150,078	2180,575
Transportation	Arabs	0.0037	−0.0464
	Arabs *Intensity _(t−1)	−0.0030	−0.0055
	N	878,027	308,979
Communications	Arabs	0.0191	−0.0385
	Arabs *Intensity _(t−1)	−0.0026	−0.0068
	N	840,591	752,296
Finance	Arabs	−0.0137	−0.0163
	Arabs *Intensity _(t−1)	−0.0046	−0.0133
	N	253,082	418,214
Business services	Arabs	−0.0180	−0.1007
	Arabs *Intensity _(t−1)	−0.0018	0.0023
	N	616,630	546,764
Employment services	Arabs	−0.0154	−0.0649
	Arabs *Intensity _(t−1)	−0.0009	−0.0004
	N	3149,572	2657,859
Accommodation and Food	Arabs	−0.0134	−0.0538
	Arabs *Intensity _(t−1)	−0.0011	−0.0011
	N	1505,520	1119,440
Social services	Arabs	−0.0007	−0.0700
	Arabs *Intensity _(t−1)	0.0001	0.0019
	N	787,426	2098,729
Cultural services	Arabs	−0.0022	−0.0215
	Arabs *Intensity _(t−1)	−0.0001	0.0057
	N	207,561	169,861
Other services	Arabs	−0.0144	0.0116
	Arabs *Intensity _(t−1)	0.0019	−0.0013
	N	128,960	190,497
Government	Arabs	−0.0292	−0.0687
	Arabs *Intensity _(t−1)	0.0000	−0.0003
	N	1499,289	3094,427

Data source: Israeli linked employer-employee panel data. Sample: Israeli resident, Age 18–54, business and governmental sector (only the last row in the table), establishments with at least 2 employees, integrated establishments, excluding residences in the West Bank. Standard errors are adjusted for within- establishments clustering. For the list of independent variables see Table 2.

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