

AP, August 17th, «Israeli employers have been under pressure from the government to replace their Arab workers with Israelis for security reasons and to lower the nation's rising unemployment rate.» This effort seems dubious, since Palestinians from the territories do the jobs Israelis avoid. The initial response to the Palestinian strikes was to import workers. (*Davar*, August 4th, reported that there are 10-15,000 workers in Israel from Portugal, Poland, Thailand, England, Turkey and the Philippines.)»

Unemployment intersects with the issue of demoralization in the army as well. Aside from immigrants from North Africa, the Israelis hardest hit are those who have just completed military service. Ran Cohen of the Citizens Rights Movement said: «This is what the State of Israel asks of its soldiers, to go and serve their country and then go and stand in line for unemployment payments» (AP, September 5, 1989).

Our review of the Israeli economy during the uprising reveals only one success story: On June 11th, the Defense Ministry released figures for 1988 weapons sales that exceeded \$1.47 billion, with export contracts signed that were greater than the previous peak year. The *Israel Economist* magazine reported that Israel got \$2 billion in military contracts - twice the 1987 amount. With Palestinian workers excluded from the vital military industry, it can remain unaffected by the uprising, and Israel can base its economy more and more on this sector. This will, of course, strengthen Israel's nature as a garrison state. Another suggestion has been to make a high-tech revolution which would render Palestinian labor superfluous. The feasibility of doing this very quickly is dubious; in any case, it would require massive new infusions of US aid, such as accompanied the restructuring of Israel's economy in the early eighties - a phenomenon which raised many question about Israel's independence and ability to provide the degree of welfare to which its Jewish citizens are accustomed.

Water as a resource is obviously vital for any state's existence, and the need for water was one of the motives of the 1967 occupation in the first place. Reuvan Pedatzur wrote in *Haaretz*, April 23, 1989, «Any future settlement will rise or fall around one essential issue - the water problem...The government of Israel has ignored this problem...It constitutes the major problem in Israel's relations with its eastern neighbors, and once again reveals the shortcomings of Israel's strategic planning. The reason for this blunt statement is quite simple. Those who control West Bank water sources will - quite simply - have the ability to dry up the Israeli coast...Close to one-third of Israel's water is from the West Bank.» The opponents of withdrawal can bolster their position with a material argument even if the occupation becomes unprofitable. Until the uprising, the occupation paid for itself with the taxes, cheap labor and other resources stolen from the Palestinians. This is no longer the case, but the cost has not yet become high enough to force Israeli consensus on withdrawal, much less a just solution that might pave the way for neighborly, civilized solutions between Palestinians and Israelis on issues such as water. Here it is useful to recall that politically-related security considerations have generally taken

precedence over economic considerations in the occupation authorities' decision-making. We also recall that Israel has previously solved economic crises by going to war, 1967 being the most obvious example. But can Israel afford to do so today with the war raging in its «backyard»?

### Is Israeli security compatible with peace?

We have seen that the Palestinian intifada has had a devastating, though certainly not fatal, impact on the Israeli military, the cornerstone of Israeli security doctrine. It has also impacted significantly on all fields considered to have importance for Israel's security in a comprehensive sense. The uprising has posed as a reality that the only possible alternative to the occupation is an independent Palestinian state, but while many Israelis realize the status quo is untenable, they are far from countenancing this state which is being built right under their noses.

Even the thinkers of the Tel Aviv University Strategic Studies Institute have not come farther than the Israeli man on the street in this respect, as evidenced by a report issued midway through 1989. These experts are aware of all the dangers involved: «While compromise options appear to be either unfeasible or too risky for Israel; while its legitimate fears of the alternatives appear to be paralyzing Israel's capacity for bold initiative; while Israel may indeed «muddle through» for some time to come - it is equally possible that the foundations of Israel's society and its deterrence will begin to crumble, thus raising the specter of war...» The study group examined a series of options: the status quo, autonomy, annexation, a Palestinian state, Gaza withdrawal, Jordanian-Palestinian federation. None of them were found to be feasible and desirable at the same time. For example: «Palestinian statehood is potentially extremely risky from a security standpoint, and is as dangerous for the fabric of Israeli society as is annexation» (*Israel, the West Bank and Gaza - Toward a Solution*).

Thus, Israel remains armed with the intransigence of its security concept which rules out real consideration of Palestinian rights; discussions on how to resolve the dilemma posed by the intifada remain trapped in the withdrawal-annexation-transfer paradigm. To break this vicious circle, the intifada must continue and become more radical, and the Palestinian resistance and Arab liberation movement must move more decisively to create a new dynamic in the regional situation. Theoretically, this could prod Israel to resolve its own internal contradictions and develop a consensus for security via a just peace. We say theoretically because Israel's colonial and militarist nature have always been steering it in the opposite direction. The intifada has shown the traditional Zionist security concept to be non-functional, when faced by united Palestinian determination to achieve independence. Whether the Zionist state will draw the obvious conclusions is however uncertain. In this sense, Israel's security is in its own hands.

- For quotes from Israeli sources, we are indebted to the translations provided in the following sources: *Journal of Palestine Studies*, *Al Fajr* English weekly edition, the monthly *Uprising Updates* published by Database Project on Palestinian Human Rights, Associated Press news bulletins and *EURABIA* (French).