

WSWS International Editorial Board meeting

# The economic, social and political disaster produced by the Zionist project

## Part Two

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Part 1 | Part 2

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*WSWS IEB chairman David North's report was posted on 27 February. SEP (Australia) national secretary Nick Beams' report was posted in three parts: Part one on February 28, Part two on March 1 and Part three on March 2. James Cogan's report on Iraq was posted on March 3. Barry Grey's report was published in two parts: Part one on March 4 and Part two on March 6. Patrick Martin's report was published in two parts: Part one on March 7 and Part two on March 8. John Chan report on China was published in three parts: Part one was posted on March 9, Part two on March 10 and Part three on March 11. Uli Rippert's report on Europe was posted in three parts: Part one on March 13, Part two on March 14 and Part three on March 15. Julie Hyland's report on New Labour in Britain was posted in two parts: Part one on March 16 and Part two on March 17. Bill Van Auken's report on Latin America was posted in two parts: Part one on March 18 and Part two on March 20. David Walsh's report on artistic and cultural issues was posted in two parts: Part one on March 21 and Part two on March 22. Richard Hoffman's report on democratic rights was posted on March 23 and Wije Dias's report on South Asia posted on March 24. Richard Tyler's report on Africa was posted in two parts: Part one on March 25 and Part two March 26.*

Let us consider the social conditions within Israel. First, a few statistics.

Despite some slight improvement in the economic situation over the past year as terrorist attacks have declined, unemployment is nearly 9 percent.

The latest report published by the National Insurance Institute in August 2005 shows:

- \* over 1.5 million Israelis, one quarter of the 6 million population, were living below the poverty level, an increase of 119,000 over the previous year
- \* 23 percent of the elderly live below the poverty line
- \* child poverty has increased 50 percent since 1988
- \* 714,000, or 1 in 5, children go hungry each and every day.

A 2004 survey showed that a shocking 40 percent of children live in poverty, squalor and delinquency, and that another 30 percent could slip into a similar fate. Yitzhak Kadman, director of the National Council for the Child, said: "Israeli society is deluding itself if it thinks that it can give up 40 percent of its children who are the citizens of its future.... There is

no chance Israeli society will be able to exist in 20 years, standing on the spindly legs of 30 percent of its children. This criminal negligence of a considerable proportion of Israel's children who are living in poverty, sickness and neglect is going to cost the state dearly in every way."

\* The proportion of children in Israeli society fell from 39 percent in 1970 to 33 percent in 2002.

\* The average number of children per family fell consistently from 2.7 in 1980 to 2.3 in 2002, while the number of single child families doubled.

\* There are 50,000 abortions a year, mostly for economic reasons.

All this is in a country where its population is key to its future existence as a Jewish state.

More than 140,000 children living in Israel do not have full Israeli citizenship:

\* 71 percent live in East Jerusalem

\* 29 percent are children of legal foreign workers in Israel, children of immigrants of unclear status, and children from mixed marriages of Israeli Arabs and Palestinians.

In a recent poll, 80 percent of Israelis considered themselves "poor".

The head of the National Insurance Institute, Yohanan Stessman, warned that: "Without the welfare benefits, Israeli society would fall apart and we would reach a point of civil war." Opposition politicians have attacked the Sharon government, saying: "Poverty and inequality are becoming the country's most serious strategic threat, not its neighbours." Eli Yishai, the leader of Shas, one of the ultra-orthodox religious parties, said: "The government's policies undermine the cohesion of our society," pointing to Finance Minister Benyamin Netanyahu's cuts in welfare spending and tax breaks that favoured the rich.

The vacuum created by the government's retreat from welfare provision is being filled by soup kitchens, not-for-profit organisations that provide food for the poor and religious networks. Children as young as 10 have been arrested for stealing food to quell their hunger. There have been newspaper reports of single mothers in Beer Sheva, whose benefits have been cut by 40 percent, approaching supermarket managers to tell them of their plight, and their intention to fill their trolleys and make off without paying. Managers have stood by and let them do it. "There are so many, we don't stop them," one said.

While more than 40 percent of those defined as poor have jobs, the government is determined to see wages fall further in order to make Israel "internationally competitive".

It is these conditions that lie behind the constant strikes and threats of industrial action. In many cases, the workers seek not so much to improve their wages and conditions but simply to get paid. It is not unknown for municipal and other public service workers, including teachers, to go

unpaid for months.

These economic and social conditions also help to explain the attraction of the settlements to hard-pressed Israelis. Central government gives twice as much per capita to local government in the Occupied Territories than in Israel. Investment in housing is 5.3 times that of Israel.

According to one Israeli academic, only 50,000 settlers—out of a total 450,000 settler population in the West Bank and East Jerusalem—are hardcore expansionists. Most have moved for “quality of life considerations, tax breaks and cheaper mortgages.... Many want to leave but ... nobody will buy their homes.” According to a Peace Now survey, the majority would leave if offered compensation for withdrawal.

Jewish Israeli society is not just divided between rich and poor. It is riven with divisions based on ethnicity and religion. Jews from the Middle East and North Africa have the worst-paid jobs, while Jews of European origin are generally better paid, with an average income of 1.5 times that of those from the Middle East and North Africa.

Israel is also divided along religious lines; between religious and secular Jews, as the religious authorities seek ever-increasing social control over marriage, divorce and travel on Saturday, making it all but impossible for secular Jews to live in Jerusalem.

If the situation is dire for the average Israeli, the situation is much worse for Arab Israelis:

- \* Average wages are less than half those of the Jews of European origin
  - \* 42 percent of Arab families live below the poverty line
  - \* Every second Arab child (compared with every fourth child in the general population) lives in poverty
  - \* Unemployment is higher than average. While Jewish unemployment rose 53 percent between 1996 and 2001, it rose 126 percent for Israeli Arabs in the same period
  - \* In 2003, the Orr Commission reported, “decades of discrimination against the Israeli Arab minority”. It found a pattern of government prejudice, neglect and discrimination against the one million or more Arab Israelis—the Palestinians who were not forced out of their ancestral homeland when the Jewish state was created in 1948. Arab municipalities are starved of cash and deprived of government-sponsored industrial development
  - \* Educational facilities are much poorer than their Jewish counterparts
  - \* Many long-standing communities are not recognised by the state, refused all services, including electricity and water, and their homes threatened with demolition
  - \* Arab Israelis are more likely to be subject to verbal and physical abuse by the police and security services, and investigation and trials.
- While Israel appears to have a relatively high average per capita income that places it within the top 25 countries, this is deceptive. Average income masks the enormous and ever rising inequality within Israel.
- \* Despite the recession, in 2003, Israel’s richest 10 percent became richer
  - \* In 1994, top managers earned on average 30 times the minimum wage. In 2002, they earned 36 times more
  - \* Their share of total income rose by 5.6 percent in the same period, while the share of the bottom 80 percent fell by between 0.4 percent and 0.8 percent
  - \* Average annual income of the top 10 percent of households was about NIS 42,000, compared to NIS 3,100 for the poorest 10 percent. That is, the richest households have 14 times more income than the poorest
  - \* The *gini coefficient*, a widely used statistic to measure income inequality, shows that at .38, Israel has one of the highest rates of inequality in the world, second only to the US in the advanced countries.

As elsewhere, the government’s cuts and reforms are directed at further enriching these layers. The emasculation of the labour movement has removed all constraints on them. Whereas in the 1950s, Zionism offered a level of social equality on a par with Sweden, and from the 1960s to

1980s, a standard of living that was on a par with that of the advanced countries, that perspective is in tatters. It is these economic and social conditions that have led to Israel’s political instability and shifting political alliances.

## Political conditions in Israel

Once touted as the region’s only liberal democracy, political life in Israel is now in an advanced state of putrefaction. Israel faces a very real threat of civil conflict—and not just between Jews and Arabs. The rise of ultra-religious and nationalist forces after the 1967 war, largely funded by the US, played a key role in shifting Israeli politics sharply to the right, despite their small numbers. Their foremost political patron was until recently Ariel Sharon.

Israel’s political system is made up of a large number of political parties, with constantly changing alliances and new parties. At no point has the majority party ever been able to rule on its own. Coalitions are the order of the day, and the right-wing small parties therefore have enormous power.

While Labour dominated for the first 30 years, the break up of the post-war order and the expansion of Israel’s territories after the 1967 war required a different type of government. The 1977 elections brought a right-wing Likud government to power and since then it has been the dominant party, in government for 23 out of 29 years.

Consider the nature of the Likud prime ministers. Menachem Begin, as leader of the terrorist Irgun, had blown up the British Headquarters based at the King David Hotel in 1946 and orchestrated the massacre of 256 Palestinians at Deir Yassin. Yitzhak Shamir, the leader of the terrorist Stern gang, was responsible for a string of terrorist attacks, including the assassination of Lord Moyne, the British Military Governor in 1944. Ariel Sharon is an undicted war criminal. Labour prime minister Ehud Barak led murderous raids on the PLO leadership in Tunis in the 1980s, culminating in the assassination of Abu Jihad. No other country in the world has been headed by such a series of infamous thugs.

Israel’s political and business leaders are mired in corruption. Tel Aviv has for some decades been one of the foremost money and stolen diamond laundering countries in the world. Two of the biggest business scandals in Israel’s history took place in 2005, involving money laundering and industrial espionage. Sharon and his predecessors, Ehud Barak, Benjamin Netanyahu and Yitzhak Rabin, were all under investigation for bribery and corruption but charges were never brought.

It seemed at one point when Sharon was prime minister, that he would face the prospect of indictment for bribery when he was foreign minister, in a case that also implicated his successor, Ehud Olmert, until the incoming Attorney General refused to press charges. In a separate case, Sharon’s son, as his campaign manager, is currently awaiting sentencing for illegal campaign contributions during his 1999 election to the Likud leadership.

The Labour party’s perspective is in tatters after a brief and unsustainable makeover as the party of peace by Peace Now. It was this that led them to hand over power to Sharon and Likud, then join and prop up his Likud coalition, and help it force through its military strategy of annexing much of the West Bank. It simply held its nose over Sharon’s Palestinian policy—genocide and ethnic cleansing—that supplanted the promise of a two-state solution embodied in the 1993 Oslo Accords. This is the inexorable logic of the nationalist programme that they embraced, albeit with socialist pretensions, in the early days of the last century.

These economic and social tensions have led to a political realignment. Last November, the left-talking Amir Peretz’s surprise defeat of the

82-year-old Shimon Peres in the Labour party leadership contest triggered a realignment of Israeli politics. He pulled out Labour's cabinet members from Sharon's coalition, already rocked by the withdrawal from Gaza, precipitating an early general election, now scheduled for March 28.

While Peretz won the leadership on the basis of ending the conflict with the Palestinians through a negotiated settlement and looking after the interests of ordinary Israeli families hard hit by the Sharon government, he soon began to back-pedal from his leftist rhetoric.

In relation to the Palestinians, he is now insisting that Jerusalem remains the undivided capital of Israel and that the Palestinian refugees be denied the right of return to their former homes in Israel. Such preconditions preclude any possibility of reaching an accommodation with the Palestinians.

In relation to social and economic policies, Peretz offers only minor changes to the government's free-market policies and an increase in the minimum wage. "I don't intend to damage the free market and competition," he declared. "But I intend that the free market in Israel will be a market that serves people and that competition will be fair," he continued. In other words, he presents no challenge to the basic interests of the capitalist ruling class.

Indeed, Labour's financial spokesman, a former World Bank economist, hastened to reassure the international financial institutions at the World Economic Forum in Davos that Israel would pursue pro-market policies and would not raise taxes or increase government debt. "We will be more competitive," he said.

When Sharon's Likud coalition became unworkable because of settler-religious opposition to Gaza, he pulled out of the Likud party that he had helped to form in 1977 and set up the Kadima party, with 14 of his Likud colleagues and several leading Labour MPs, including Shimon Peres and Haim Ramon. Kadima was, until Sharon's stroke, widely expected to win the most seats in the next parliament, although not sufficient to rule without a coalition.

In so far as Kadima is widely portrayed as a "centrist" formation, this only reflects the extreme right-wing nature of Israeli politics. Its mission is threefold.

\* First, to prevent the emergence of any domestic opposition to the annexation of much of the West Bank and East Jerusalem, for which Sharon had gained US approval behind the smokescreen of the withdrawal from Gaza.

\* Second, to gain a consensus around Sharon's right-wing economic and social agenda imposed under his Likud government.

\* Third, to curb the influence of the settler movement and the ultra-religious parties that had come to dominate within Likud.

As far as big business and international commentators are concerned, these ultra right-wing forces are an obstacle to the consolidation of secure borders of the significantly expanded Israeli state, the removal of what remains of the welfare state and the rationalisation of military expenditure, much of it taken up with defending the settlers.

While Kadima has won important support from Israel's political establishment and backing from the Bush administration, its popular support rests upon the so-called peace camp's ability to promote illusions in Kadima's readiness to end the military conflict. To this end, Israel's liberal media and political establishment has stepped nobly into the breach, including the architects of Oslo, Peres and Yossi Beilin. This is despite the fact that Sharon's perspective for "peace"—and that of all his successors in Kadima—is based on confining the Palestinians within a well-guarded and impoverished ghetto. So, far from being a solution, Kadima's Palestinian policy is a recipe for continued conflict with the Palestinians, while its neo-liberal economic agenda promises civil strife at home.

Taken together, this means that Israeli workers have no party that represents their interests.

In short, Israel with all its cultural advantages, an educated workforce,

and massive aid, is an economic and political disaster, dominated by enormous social inequality. The Israeli government does not represent the interests of the majority of the Jewish people who live in Israel, let alone the Jewish people all over the world. It is the political representative of a section of Israel's financial elite, a corrupt and venal clique of international gangsters who operate on behalf of their masters in Washington.

The future heralds intensifying conflicts both within Israel and with the Palestinians. Furthermore, Israel's role as a subcontractor for US imperialism means ever-greater military expenditure and attacks on its neighbours, threatening increasing political and military instability both in pursuit of its own interests and those of the US. While Israeli workers have thus far enjoyed a higher standard of living than their Arab neighbours, this is not set to continue.

All this is a far cry from the secure economic future that the Zionist dream seemed to offer the Jewish people.

This brief review has vindicated the principled approach taken by the Fourth International 60 years ago to the situation in Palestine. The conditions in Israel, Palestine and indeed the whole of the Middle East today differ in no fundamental way from the predictions made by the Fourth International.

The central lessons we must draw from this strategic experience concern the critical responsibilities of Marxists. Our task is to build independent revolutionary parties of the working class, sections of the International Committee of the Fourth International, which base themselves on implacable theoretical firmness and tell the working class the truth.

*Concluded*



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