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Middle East Bulletin

60 years of Israel

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Is Israel from "Mars"? Israel vs. the EU, EU vs. Israel

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While one would expect that Israel, a developed state having common socio-economic structures with the EU countries, would develop more intimate political relations with the European Union, the opposite is more often the case; the European Union and Israel often hold very different views regarding Middle East affairs. To date, Israel's relations have been much better with European countries on a bilateral level than within the multilateral context of the European Union.

The European societies seem to be unable to identify with the Israeli one. Europeans believe that, contrary to the dominant pacifist and secularist pattern that exists in European societies (especially in the northern mainland countries), the militarist and religious influence is very strong in the Israeli society. Even the massive influx of Soviet Jews after 1989 has not reversed that trends; the European spirit of the first Jewish settlers in the region seems to have been put aside. Since 1967, when it gained a de facto control of the West Bank, the Golan Heights, Gaza and Sinai, Israel has been viewed by most Europeans as an aggressive state with revisionist aims and practices. Recalling Kagan's famous phrase regarding the different views on foreign policy between Europeans and Americans, it could be argued that Europeans believe that Israelis and Americans are from the same planet, "Mars", as opposed to the "Venusian" Europe.

For their part, Israelis argue that the Europeans have adopted a "pro-Palestinian" approach vis a vis the Israeli-Palestinian conflict as a remnant of guilt for their imperialist past. Although European feelings of guilt contributed immensely to the creation of the state of Israel, the 1967 events marked a shift in Europe's perceptions of the latter. Apart from that, Israelis believe that the French support for the establishment of a Palestinian state is connected to the longstanding political and economic interests of France in the Arab world.

However, the above mentioned perceptions are not the only barrier. What's most significant is that none of the two sides seems to be interested in bridging this cultural, and potentially strategic, divide. Israeli policymakers think that the special relationship with the US can fully compensate for any disagreement with the EU. This is also reflected in the popular opinion that views relations with the US as far more important than relations with the EU. According to a 2004 survey in Israel, only 6% of Israelis favor a closer relationship with the EU than with the US.

Bearing in mind Israel's realist approach to international relations, it is clear that the Israeli foreign policy establishment does not think that the full incorporation to the EU would benefit Israeli interests. A future full integration into the EU would most probably place constraints on Israel's behavior towards the Palestinian population. For example, Israel would not be able to sustain the tough and very strict border controls that it currently holds for security reasons. Join-

ing the EU would mean that the whole structure of the Israeli state would have to be altered.

Actually, as Ambassador Harry Kney-Tal argues: "There has never been any government in Israel, any competent authority in Israel, which has posed the issue of membership." The issue of full and regular EU membership for Israel is indeed raised often, albeit only in terms of academic debate. By forging enhanced economic relations with the EU and limited political ones, Israel is already in a position to shape and implement its domestic and foreign policy anyway it wishes.

As far as the EU is concerned, there are two kinds of approaches in Brussels. The first one, views Israel as an irreplaceable partner in the Middle East which should not be isolated, even more so bearing in mind its special link with the US. On the contrary, it should be engaged and considered an ally in the effort to stabilize the Middle East.

According to the second approach, Israel has a disruptive influence in the region; the proponents of this approach favor the adoption of declarations and punitive measures with the purpose of moderating Israel's behavior. However, this approach cannot be easily implemented since the EU does not have much leverage on Israel. Israel does not receive direct aid from Europe due to its high rate of economic development; its average GNP per capita is higher than the average of EU countries. Israel has even chosen not to receive loans from the European Investment Bank, as it is already in a position to access the international financial markets.

The truth is that many Israeli officials do not even believe that the Euro-Mediterranean Partnership (EMP) is either financially or politically important. The Barcelona process for Israel has been, at least in the short run, rather insubstantial. In the 1995-1999 period, USAID grants to Israel have been higher than the MEDA I funds to the whole region, according to the USAID Green Book. Accordingly, it is only natural that Israel considers the EMP politically and economically irrelevant as it does not benefit from bilateral MEDA funds, while the Barcelona Process has not managed to achieve its declared political goals. Israelis also believe that the EMP will not be a means for Israel to gain economic integration into the Western financial system. In addition, Israel's participation in the bidding for regional projects financed under the MEDA program is not very likely, due to the political problems with its Arab neighbors.

The Israeli political establishment favors bilateral relations with the Europeans, rather than the arrangements proposed for the region under the Euro-Mediterranean Partnership. Israelis often contend that the Barcelona Process has come to resemble the United Nations... However, for its part, Israel has resisted European attempts to mediate between Arabs and Israelis to resolve the conflict: when the then Spanish Foreign Minister Javier Solana attempted to bring the representatives of Syria and Israel together, Israel responded that the peace process was being dealt with in another forum and with a different mediator.

In any case, the EU could discuss real or symbolic trade sanctions so that Israel could be persuaded to follow the EU line of thinking. However, it seems that the first approach has dominated the EU's external relations. The only resolution of a European institution referring to sanctions against Israel was the April 2002 European Parliament proposal to suspend the Association Agreement. Never-



theless, the EU has excluded products from the occupied territories from preferential treatment under the Association Agreement and subject them to tariffs. As Israel was infuriated with the EU stance, claiming that it constituted an illegitimate use of its economic might, there was a technical solution to the dispute, nominally in favor of the EU. Generally, the European Commission and the European Council have preferred not to oppose Israel, so as to avoid undermining their attempt to present a more coherent EU foreign policy, and to focus in other priorities, such as Islamic fundamentalism and illegal immigration.

However, the climate in two major countries of the EU seems to favor the second approach. Almost half of the French and German population called for more pressure on Israel in a 2004 EU survey as opposed to a mere 20% of Americans.

In contradistinction to the European post-modern approach, a realist interpretation of the strategic divide could be given by examining the different paths that these entities have followed. Although, the EU and the state of Israel are both products of the aftermath of the Second World War, the security environment in which they developed has been very different. The states that formed the European Union were protected by the US nuclear umbrella, while during the same period, Israel was involved in an existential conflict with the Arabs for the European-mandated lands of the Ottoman Empire. Their evolution was defined by the intensity of the threats that they faced.

Especially after the end of the Cold War, no country bordering the EU can be regarded as a military threat. Therefore, the European societies have developed abhorrence to the use of violence in their external relations. On the other hand, Israel is surrounded by real or potential enemies. Even though it is more powerful than them, Israel frequently employs violence against Arab populations, even inside its territory.

From the Israeli point view, the explanation of the EU behavior is quite different: the European attitude derives from the presence of numerous Muslim communities in European countries and their influence on European decision-makers. The coverage of Israel's behavior toward the Palestinians hits the headlines more easily than any other event in the world. Jerusalem has the largest number of foreign correspondents in the world after Washington- even though most of these correspondents are American. Israelis also believe that the Arab world is more important to the EU than Israel as it offers an enormous market of approximately 200 million people and a much-wanted source of energy supplies.

However, although the EU is the largest single aid donor to the Palestinians, it has never engaged in any initiative that could really harm Israel or even cause it to change its behavior vis-a-vis the Palestinians. The EU has not even requested compensation for the Israeli army's destruction of facilities in the Palestinian territories which had been financed through EU funds. There were only some protest letters from the EU in which the Israeli officials responded that EU funds were also used to finance armed activities against Israel, an allegation that was never proved.

According to Israeli analysts, the incorporation of 12 new members in the EU will favor Israel as the majority of them are from Eastern Europe and hold friendly relations with Israel (e.g. Poland, the Czech Republic and others). When their voice becomes stronger and they are able to influence EU foreign policy, it is possible that these new members will push for a more favorable EU position towards Israel. However, it is unlikely for the EU to undertake any diplomatic initiative in the near future regarding Israel. In any case, an Israeli would argue, Europe's initiatives are guided by the need to confront Islamic fundamentalism and immigration, especially from Northern Africa.

For its part, Israel would probably not be so keen on joining a European initiative. Israel has traditionally established close relations with the nations that were dominant in the Middle East, (Great Britain, France and more recently the United States). As Professor A. Tovias remarks: "Israel sympathizes with the idea of the Partnership as a kind of North-South Dialogue; provided Israel is aligned with the North." ■

The role of the military sphere in building the security order in Israel

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"Like it or not, ours is a militaristic society par excellence. This militarism is the central organizing principle around which Israeli society revolves, works, determines its boundaries, its identity and the accepted rules of the game." Professor Baruch Kimmerling's words seem to accurately depict the situation prevailing in Israel from its establishment up to the present.



As Israel approaches its jubilee, militarism becomes topical once again, as does the need to examine its crucial role in the building of Israel. The modern Israeli state is still bequeathed with the Zionist sense of moral rightness in the use of power, adopting the militaristic views of most academics, according to which Israel's perceived need for institutional violence as well for being permanently prepared for both full-scale

war and occasional use of limited violence is highly estimated. As Charles Tilly aptly put it: "Nations make war and war makes nations." Militarism in the "Israeli case-study" takes a beligerent policy beyond the goal of national defence. The potential adversaries are defined as "militants" and attacks against them are seen as part of a wider defence/deterrence policy.

Israel has introduced institutional arrangements which reproduce its militaristic policy. Israeli schools are still one of the major hubs where the militaristic survivalist is bred; their mission is to form the "New Jew", the young Israeli citizen trained for the conquest of labour, for settling the land, and guarding (shmira) the state. The judicial system, too, continues to operate on the basis of permanent demands for security deriving from the conflict with the Palestinians, giving high priority to defence requirements and tasks. A quite interesting phenomenon is the fact that military courts in the Occupied Territories - which differ from military courts in Israel itself since the late 1970s - try non-Israeli citizens (West Bank and Gaza residents) only, operating also under different laws for Jewish settlements and Palestinian municipalities.

Nevertheless, the Israel Defence Forces (IDF) - (which include the Israeli Army, the Air Force and the Sea Corps) still play a central role in preserving the militaristic status of the state, enjoying wide political consensus for its practices of control. The IDF is called upon to deter or repel a full-scale Arab invasion such as the ones experienced both in the first and second Arab-Israeli Wars (1948, 1956), and the one feared during the Six- Day war (1967). Defending the Jewish state's very existence, "justified" a high level of social and economic mobilization, enabling the government to maintain a high level of military expenditure along with improving the overall economic situation. During 1950-66, Israel spent an average of 9% of GDP on defense, while in the 1956-1966 period, military forces were gradually upgraded from an upstart army to a professional fighting force with nuclear capabilities.

At the same time, the IDF gradually built its civilian image as the great equaliser of the Israeli society. The army cut across ethnic (edah), religious and socio-economic boundaries, uniting Israelis under the ideal of fighting for the "common good". Military service functioned as a rite of passage, urging the majority to be involved in active combat for defending Jewish land.

Since the 1967 war, mass militarism developed, projecting the image of a society always under Arab siege. This translated into the occupation of the territories, national and religious extremism, and a massive increase in military budgets. This growth of national defence expenditure was in part related to the evolution of the Israeli defence industry and not to reasons of political defence (offensive, not defensive wars). According to economic analysts, a dichotomy developed between the performance of the big economy and that of the small economy, whose activities and investments were decentralized. Since 1957, the big economy has been performing in a manner contrary to the rest of the business sector (the small economy), and it has undergone the same process as its U.S. equivalent, moving to intensive activity in defense development and trade. Besides, the growing role of the U.S. defence industry in the Middle East since 1967 was another decisive element in the build-up of Israel's militarism. According to Israeli Professor Shimshon Bichler, within the framework of his theory of

differential accumulation, the increase in the export of military materiel to Israel together with the increase in U.S. military aid, led to an increasing dependence of consecutive Israeli governments on the U.S. administration, which indirectly subsidized and supported the entrance and involvement of international capital groups into the Middle East.

In addition to economic changes since 1967, the political institutions in Israel also underwent a deep change; the decline of Government power and the subsequent state intervention in the economic sphere resulted in direct political roles for the army leadership, mainly through the establishment of a military government in the occupied territories. These developments changed the early pattern of a non-political citizen army, subordinate to the civil authorities, to a new pattern of political-military partnership. This collaboration was even reinforced after the 1973 war and the consequent land loss. The latter served as the primary catalyst for the crystallization of conflict-oriented political priorities. The IDF acquired advanced weaponry and developed sophisticated tactics and restraints quite different from those used in conventional warfare. In particular, the army was extensively used to counter specific terrorist operations within Israel, for example hostage-taking incidents, developing at the same time an Israeli military industrial complex which has influenced the entire economy. The national security effort in Israel in the early 1980s constituted between a quarter and a third of Israel's GNP, about half of the government's budget, and involved a fourth of the labour force.

The economic infrastructure of the "security sector" reduced in the 1990's (though still maintaining one the highest levels of military expenditure in the world). After the Oslo Agreements of 1994, the IDF cut its expenditure, giving place to a deceptive civil militarism. In 1996, the military budget accounted for only 10.6% of the GDP and represented about 21.5% of the total 1996 budget. The IDF's military superiority was seen as a tool for moderating Arab political expectations in the conflict. Military force was in fact a means of carrying out diplomacy, which was not highly estimated by a public opinion focused on assimilating the realities of the new cultural war (kulturkampf). According to successive polls during

the 1987-1999 period, an average of 35.5 percent of the Jewish Israeli population considered their country's military strength to be decreasing, while at the same time condemning the military system of mass recruitment. Peace movements undertook to challenge mass militarism by advancing not a praetorian militaristic system, but a civil one.

However, even in the level of rhetoric, the achievement of peace was never presented in unconditional terms and was often equated with Israel's security. Most of the peace movements were accused of unintended collaboration with the military occupation and Jewish settlements in the territories, being in fact part of social elites strongly embedded in the consolidated militaristic ethos. For instance, most of the "Peace now" activists agreed that it was better to leave Arab citizens out of the political battle over the future of the state, reasoning that conflict-related issues were in fact "internal Jewish matters". In their view, the achievement of peace in the region would only be attainable if and when the "Arabs" understand that the Jewish state is indestructible.

The "security syndrome" embedded in the entire Israeli society (even in the most peace-friendly segment) has actually urged for more warfare after the collapse of the "peace agreements", legitimizing additional IDF operations after the second Intifada (2000) and the summer war with Hezbollah (2006). In fact, the latter marked a revival of mass militarism in Israel, which is also discernible in Israel's current foreign policy.

In particular, Israel's military leadership, still arguing over acting in self-defence against the Arabs, exacerbates the already technical state of war (not active) that exists between Israel and its two northern neighbours. The IDF claims that Syria still supplies weaponry to Hezbollah, including medium-range rockets, to replace those destroyed by the Israel Air Force during the Lebanon War, however not intending to spark a direct bilateral conflict. At the same time, the IDF diminishes the possibility of a forehead war with Hezbollah, regarding that the latter is not currently interested in another conflict against Israel due to the physical and material damage it suffered in 2006. Budgetary considerations, however, seem to be a definitive factor in Israel's policy. Israel's month-long war against Hizbullah has led to a significant

economic losses (a total gap of NIS 8 million-USD 1.8 million) for the Israeli government, which avoids using the military to perform major policing tasks that may diminish its strength.

Current working plans include security challenges facing the IDF together with the lessons learnt from the past and discreet budgetary estimations. Those estimations take into account the concern about global jihad, the risks posed by the Hamas government in the Palestinian Authority and Iran's nuclear race. As far as the "Palestinian issue" is concerned, Israeli military experts seem to reject the possibility of Mahmoud Abbas taking back control of the Gaza Strip by himself. For the IDF, Hamas continues to be the real danger. Therefore, the military leadership is strongly opposed to the new Yemeni-sponsored reconciliation accord which was signed by the two Palestinians parties, fearing that it could lead to Hamas' future reinforcement.

The major threat, however, facing the IDF is Iran's nuclear program and the sense of security that nuclear capabilities will give to Tehran. Israeli concerns about the prospect of Iran attaining independent nuclear manufacturing capability (and using it against Israel) have intensified. Apart from the US help in pressing Iran in the diplomatic sphere, a second step could possibly involve the launching of preventive strikes against Iran's nuclear installations. According to Defence News, the Israelis are in the midst of a rigorous effort to test and improve their defensive systems using simulations of Iranian missile attacks. There is the issue of Israel's expanding missile defence program, which is currently composed of the Israeli Arrow system and the most recent versions of the Patriot system. In this regard, missile defence may be one of the most important guarantees of Israel's future survival and security, forcing once again Israeli mass militarism.

Given the current political data, Israeli militarism is still massive in proportion, while the perception of a besieged Jewish society persists; "Security" is a rallying call legalizing any type of warfare in order to suppress "external threats". Security issues still loom large in the negotiations with "national enemies", making periodic wars in the future inevitable. ■



Old and New Immigration to Israel: Existing trends and social implications

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Immigration is a matter of life or death for Israel as it provides the state with a much needed demographic support. At the same time, the immigrants' diverse background has significant social implications for Israeli life and has fuelled an intense debate about the meaning of the terms "Israeli nationality" and "Jewish identity" and about the true character of the state.

The history of the Jewish diaspora as well as of that of the gradual immigration of Jewish populations to Palestine is a long one and it has passed through different phases. The first wave of Jewish immigrants to Palestine which is associated with the birth of the modern state of Israel took place between 1882 and 1903. The Ashkenazi Jews (Jews from Central, Northern and Eastern Europe, descendants of medieval Jewish communities in Germany) that reached Palestine following the Russian pogroms mostly established settlements whose development was based on agriculture and did not settle in cities where some Jewish communities already existed. This proto-Zionist policy was aimed at "the political, national, and spiritual resurrection of the Jewish people in Palestine" and can be considered as the founding stone of the subsequent Zionist practices to settle Palestine. The second Aliyah (Hebrew term literally meaning ascent, used for the immigra-



tion of the Diaspora to Palestine) took place between 1904 and 1914 and once again mainly consisted in Russian Jews fleeing anti-Semitism. This second wave of immigrants revived the Hebrew language, created the collective communities known as kibbutz and established workers' political parties and institutions as well as a paramilitary organization named Hashomer. A third Aliyah followed in 1919-1923. The newcomers (once more from the Russian Empire) enhanced the creation of an early state structure with the creation of the Elected Assembly and the National Council as well as Haganah, a paramilitary organization that later evolved into the Israeli Defense Forces. At the time, the Jews in Palestine were about 90.000 and international developments had lead to the recognition of the Jewish people's right to establish a national home in Palestine, according to the Balfour Declaration of 1917.

Two more Aliyahs followed between 1924-1939 and this time the numbers of Jews was increased - mainly due to the rise of Nazism in Germany - something that consequently lead to growing Arab reactions. From 1933 to 1948 the immigration was conducted illegally as the British had imposed restrictive quotas. In the first years following the establishment of the Israeli state in 1948, immigration reached a climax with important participation from Middle Eastern Jews: entire communities of Yemenite and Iraqi Jews (about 50.000 and 110.000 people respectively) were brought to Israel with airlifts. The immigration of Jews from various countries continued during the following decades, with the Soviet Union being a significant point of departure after it loosened restrictions on Jews willing to move to Palestine in the beginning of the 1970's. During the 1980's the first significant numbers of Ethiopian Jews arrived in Israel, with a large influx of immigrants from this country also in the 1990's. The collapse of the Soviet Union resulted in about a million of Soviet immigrants moving to Israel, the most massive number of immigrants in decades.

The present immigration pace is low compared to the bustle of the 1990's: Immigration to Israel fell to its lowest in 18 years in 2006 with about 21.000 Jews making Aliyah. The Israeli-Palestinian conflict is a major deterrent for potential immigrants from the large Jewish diaspora pools of the United States and France, while the improving economic situation in Russia makes fewer and fewer Jews willing to perform Aliyah.

The history of the Aliyahs reveals a lot about the interaction between the various immigrant communities: Ashkenazi Jews prepared the creation and organized the state of Israel and have remained the dominant social group on the political, economic and cultural level vis a vis Sephardi and Mizrahi Jews ever since. Sephardi Jews trace their roots in the Iberian Peninsula while the term Mizrahi denotes a Middle Eastern Jew. The boundaries between the two terms are not clear though, since many Sephardi Jews had moved to the Middle East after their expulsion from Spain and Portugal in 1492 and 1497 respectively and the two have similar rituals. Today the two terms are used interchangeably by Israelis in everyday discourse. Upon their arrival in the 1950's, they were crammed in towns built for them, which led to increasing segregation and marginalization since they were deprived of higher education, satisfactory incomes and a share in political power. This gap has been somewhat eased along the years but the pro-Western orientation instilled to the state of Israel by the Zionist tradition is not necessarily compatible with the cultural heritage of Oriental Jews.

More evident though - and much more crucial nowadays - is the distinctive character of two groups: The Ethiopian and the Russian Jews who performed their Aliyahs after the collapse of the Soviet Union. The first group currently represents a community of 100.000 that faces sizeable obstacles in its effort to integrate to the Israeli society. Gathered in Ethiopian neighborhoods with low living standards and high criminal rates, the Ethiopians face high unemployment rates and are usually employed in minimum wage jobs. A main reason for the persistence of this vicious situation lies, to a great extent, in the bleak performance of Ethiopian Jewish youth in terms of education (something that has to be ascribed not only to the poor education of their parents but also to insufficient provisions for them by the educational system). Furthermore, the Ethiopian Jews find -as other Oriental Jews do- that their distinct culture is not seen as equally important in the shaping of an Israeli identity which is monopolized by the Ashkenazi establishment.

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The Russian Jews constitute a large community of over 1.000.000 that, unlike Ethiopian Jews, had a strong educational background and loose ties with religion. However, despite their educational background, the majority ended up in unskilled jobs, largely irrelevant to their studies and previously held positions, as the size of the Israeli economy could not provide for large-scale successful incorporation. The size of the community allowed it to create its own areas with schools, shops and restaurants where Russian is the predominant language and pork is sold in the butchers' shops. According to Eliezer Feldman, a Russian immigrant and sociologist at the National Institute for Immigration Research, "It is a critical mass that has created a little Russia in Israel, and it's still not finished". In terms of political representation,

the Russian immigrant community is predominantly right-wing oriented and constitutes a measurable force in terms of its influence on Israeli governments. Natan Sharansky, a Russian Jew, formed in 1996 an influential party called Yisrael BaAliyah which focused on immigration issues but also maintained hard-line views about the Palestine Issue. In 2003 Yisrael BaAliyah merged with Likud and its members fiercely opposed Sharon's Withdrawal Plan from Gaza. Nowadays, the most prominent vehicle for the political representation of the Russian Jewish immigrants is Yisrael Beiteinu which ranked fourth in the 2006 elections, winning 11 seats in the Knesset and joining the coalition under Kadima. In January 2008 however, Yisrael Beiteinu's leader Avigdor Lieberman announced its party's departure from the governmental coalition due to the resumption of peace

talks between Israel and the Palestinian Authority over the core issues of the conflict. Two months later, Avigdor Lieberman became more outspoken, telling the Arab members of Knesset that "a new administration will be established and then we will take care of you." This right-wing orientation of the immigrants from the former USSR is not directed solely against the Arabs. In its more extreme forms, it has also marginally become a means for expressing discontent towards the Israeli establishment as well as of displaying a willingness to preserve a distinct identity. Expectedly, this is utterly shocking for the Israeli society, having resulted even in the creation of Neo-Nazi groups in Jerusalem.

The effort to integrate both Ethiopian and Russian Jews is based on the old and well tested pillars that were used for the creation of a national identity: the educational system and the army, with the latter being proved more effective. The participation in the ranks of the Israeli Army is largely seen by the immigrants as an opportunity to escape the marginalization to which they are subjected and to be treated more respectfully than in other walks of life. Moreover, the conflict with the Palestinians strengthens the ties among the various groups of Jews, thus contributing to the shaping of a common Israeli identity defined against the "other", the "enemy".

Nonetheless, separating lines do persist and the aforementioned example of Nazi salutations has once again put the renowned Law of Return that regulates immigration to the test. According to 1970 amendment: "The rights of a Jew under this Law and the rights of an *oleh* (Jewish immigrant to Israel) under the Nationality Law...are also vested in a child and a grandchild of a Jew, the spouse of a Jew, the spouse of a child of a Jew and the spouse of a grandchild of a Jew". Yet, this is incongruous with Jewish religious Law (*Halakhah*) according to which a Jew is one descending from a Jewish mother or having converted to Judaism. Some voices argue that this needs to be incorporated to the legislation so as to prevent a gradual loss of the Jewish character of state. On the other hand, the Palestinian citizens of Israel together with a few "radical" Jews maintain that the law needs to be abolished because it discriminates against non-Jewish citizens of the state - namely the Palestinians.

In conclusion, the state of Israel is in an very sensitive position, as on the one hand it needs to encourage immigration mainly to offset the higher birth rates of its Palestinian citizens (the Israeli-Arab population grows at an annual rate of 2.8%, more than double the Jewish population's rate of 1.3%, according to a research from the Hebrew University in Jerusalem) and on the other hand it cannot afford the extended social tensions that can be caused by new immigrants. A comprehensive solution to this dilemma is not easy to find as, beforehand, the whole notion of Israeli nationality needs to be re-examined, and this in a time of war and with the clock ticking... ▣

Israel achieving economic growth

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The acceleration of the Israeli economic development is a remarkable achievement given the fact that Israel is a relatively small country with limited natural resources, hostile relations with some of its neighbours and an unresolved ethnic dispute that it has to handle. While carrying a big debt to its partner countries, Israel is a developed economy with one of the highest growth rates globally.

Israel's highly developed economy and technologically advanced society continue to thrive, mostly due to global economic vividness and cautious macroeconomic policies. The robust economic performance was supported not only by the liberalization of the domestic market, but also by the implementation of macroeconomic policies which set the ground for high corporate profitability. Israel's invitation to the Organization for Economic Cooperation and Development (OECD) in 2007 was another proof of its ranking among the most advanced countries.

However, at the beginning of the decade Israel passed through some difficult times as two of its most important sectors suffered a severe blow. The high-tech and the tourist sector were badly heart, due to the NASDAQ fall and the outbreak of Palestinian Intifada. Israel managed to evade these difficulties through the implementation of economic reforms.

Israel has intensively developed its agricultural sector, despite its limited natural resources. The success of the agricultural sector -today agriculture covers 70% of the food requirements of the country- is mostly due to the introduction of "agro-technology". Nevertheless, water scarcity remains a considerable threat, since the amount of fresh water allocated for agriculture was reduced by 50% in 2000 and is thought to be considerably less in the



next 20 years. The Second Intifada did not have a major impact on the agricultural growth. Israel's agricultural exports declined slightly in 2002 (\$1.051, 5 million in 2001), rising again by 2004 to reach \$1.430 million. By the same time the imports in agriculture kept an ongoing pace since 2001 (\$1.841,9 million) and doubled by 2004. Agriculture then represented 2% of GDP. Neither the 2005 Gaza pull-out nor the 2006 Lebanon War influenced this percentage, which today is 2, 4% of GDP and represents a 4% of exports.

In the past few years, Israel's industrial sector has burst onto the international scene. The high growth is the result of the high-tech industry infrastructure and the considerable investment in Research & Development. There are more than 270 active industrial institutes and companies and Israel is considered as a key-player with a large share, globally. About 3.361 hi-tech companies are operating in Israel and are attracting foreign interest. Israel has made a great progress in water technologies industry while its major expansion can be traced in textiles, machinery and transport equipment, metallurgy, mineral processing, electrical products, precision instruments, and chemicals. High-tech industries account for more than 1/3 of manufacturing production and almost 2/3 of industrial exports. Israel currently invests 4.8% of GDP on R&D, more than any other country in relative terms. Many of the world's largest companies have established R&D centres in Israel, amongst them Intel, IBM, Motorola, Applied Materials, BMC, Marvell, Cisco, HP and Nestle. However, nowadays, there is a contradiction in the sense that the Israeli government funds lesser the educational system and teachers' wages keep reducing. Particularly, the educational reforms have led to the Israeli student strike in 2007 and to a rising "brain drain" as well. Considering all mentioned above, that affects current student performance and moreover the next generation's educational level.

As far as exports are concerned, generally, Israel has managed during the 1990s to quadruple its exports, from \$3 billion in 1991 to \$12.3 billion in 2000. Thereafter

a downward tendency which romped past has been noticed. By 2005 there was a significant improvement when exports reached \$18.7 billion. Although there was a quick recovery, the conflict in Lebanon resulted in a temporary sharp decline of the exports from the northern part of the country. The level of loans remains high and the rapid development of the capital market has introduced new challenges to the supervisory and regulatory agencies. On the other hand, there has been an important gradual decline in imports since the 1990s. Generally, Israel's exports reach \$48.6 billion while its imports count \$52.8 billion. Expectedly, Israel's major trade partner is the USA; Belgium follows along with Hong-Kong in the export sector and Germany, Switzerland, UK and China are the top countries in the import sector.

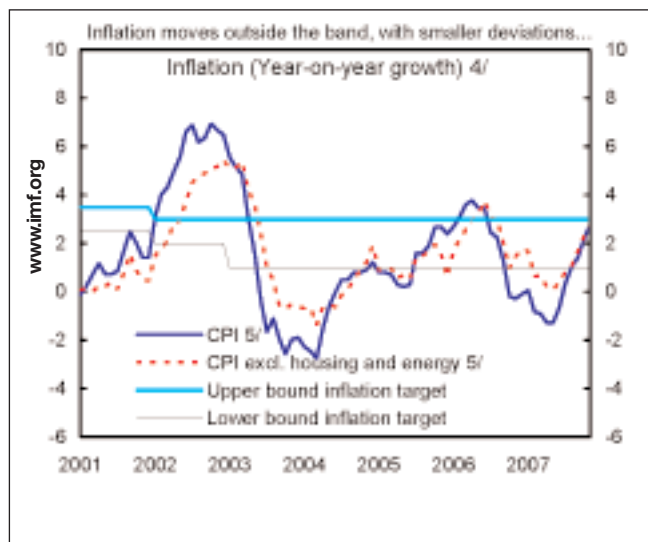
Israel is a country with exiguous natural resources, traditionally based on imported fossil fuels, mainly coal and crude oil for the derivation of electric power and fuel. Israel's coal supplies, generally, were from South Africa, Colombia, United States, Australia, Indonesia, and Poland. Among its main oil suppliers were Egypt, North Sea, West Africa, and Mexico. However, currently, some major structural changes are taking place in this field concerning natural gas and renewable energy sources. The declared targets of these changes are cost reduction and avoidance of environmental damages. According to the planning, Israel considers natural gas as a primary energy resource while a few years later it was totally out of use. Particularly, Israel's Chemicals plants, like many other companies, are switching from oil to gas. Egypt will be Israel's main natural gas supplier, due to an agreement signed in 2005 between the two countries for 15 years. Moreover, natural gas reserves have been discovered off the coast of Israel, where Yam Thetis consortium is developing a natural gas site. The secondary energy source of the planning will be solar energy. After many research efforts in the field of alternative energy, Israel took the decision to set up regulations which require that all new buildings be equipped with solar collectors for water heating. About 75% of Israel's households use

solar collectors which is one of the highest rates of domestic solar heating worldwide. Household solar collectors save 3% of overall energy consumption. So, it is expected that these two energy resources will give a boost to Israel's economy.

Diaspora holds a key role to the economy of Israel. Jewish people all over the world, driven by the desire to contribute to the development of their home-country, either donate money to institutions, or purchase bonds issued by the Development Corporation for Israel, in order major public sector projects to be financed. Part of these funds is used to finance various government activities rather than support future economic growth through investment. So the direct effect turns to be the enlargement of the national debt. Currently, the government owes bondholders \$6.153 billion including interest, which totals 1/3 of Israel's \$18.570 billion foreign debt.

National debt is the most important problem of the Israeli economy. Although it has generally declined over the last ten years to 95% of GDP in 2005, 89% of GDP in 2006 and 82% of GDP in 2007, national debt still remains high compared to other developed countries. Roughly half of the government's external debt is owed to its major partner, USA. Again, considering the fluctuation of the public debt ratio, it is understandable how vulnerable the economy is: during the 1990s it had been on a downward trend, but between 2001 and 2003 suddenly swung upward by 15% points, to 102% of GDP. The International Monetary Fund (IMF) estimates that Israel is going to lower its debt to 60% of GDP by 2015.

A matter of serious domestic concern is the high inflation that afflicts the Israeli economy for many years. In 1984 hyperinflation reached the unbelievable rate of 445%. A total freeze of prices of all goods and services was imposed and the linkage mechanism was suspended. By 1988 inflation was limited to 16.4%. The stabilization policy won worldwide admiration and is still studied in university faculties of economics. Monetary Policy has successfully stabilized inflation expectations, even though inflation has frequently been outside the 1-3%



target range on account of exchange rate changes. So until today, every year, the government and the Bank of Israel are planning the country's policies that are necessary for the inflation to stay in the target range, or at least close to it.

Unemployment in Israel has fallen faster than expected with a remaining labor force of 2.68 million in 2004. For the Israeli economy, the unemployment figures in 2004 are a continuation of a recovery beginning in 2003, when the year-on-year growth rate was 2% for the employed population and 6,6% for the unemployed. Government's policies aiming to the redistribution of income contributed to the upward trend of the employed population in the following years. In 2004 employed force grew by 3%, and increased in 3,9% in 2005. In 2006 unemployment decreased significantly and treasury sources attributed it in large part to the economic growth, even though participation in Israel's workforce was some 10% lower than in developed countries. The government tried to minimize the gap through various programs encouraging employment. The Ministry of

Finance warns that unless the number of foreign workers is quickly reduced, unemployment could rise even more. Nonetheless, it should be noted that most of the newly employed are employed in part-time jobs. The fall in the number of those in full-time work continues, with a corresponding rise in the number of people employed in part-time and low wage jobs. Last year though, the government adopted a socio-economic agenda, which aims to increase employment by 3% in the next three years.

Israel's economy seems to be quite strong, as the state has created a technologically advanced infrastructure in crucial productive sectors. Israel's achievements contributed to the country's proven financial capacity to withstand severe geopolitical shocks. An increasing household income contributed in boosting business confidence and spurred private consumption and investment. Moreover, propitious external conditions contributed to a strong export performance. Despite political uncertainties and military engagements, the Israeli economy has made steady progress since 2004. Macroeconomic policies and structural reforms have opened up the economy, improving its competitiveness and its attraction to foreign investment. Although the level of unemployment remains high, it is decreasing at a slow pace. The export performance of the Israeli economy has weakened as the growth of foreign demand has slowed. Among its primary concerns is the relationship of the shekel with the US dollar. From June 2007 and until today Israel's export performance keeps declining. The main reason is the dramatically increase of shekel to the American dollar. So Israel is interested in withholding dollar from falling and in that aim in March 14th the Bol bought, in only one day, \$600 million. According to Stanley Fischer, Bol's governor, the country will buy \$10 billion more in the next two years, hoping to affect also other countries policies to prevent further destabilization of dollar worldwide. The state deficits have decreased as well, and

the debt-to-GDP ratio has also pursued a clear downward trajectory since its 2003 peak above 100%; it is relatively high, though.

Israel does have a comparatively heavy public debt burden, and an economy vulnerable to the risky regional geopolitical environment. The government launched a series of privatizations of public companies which attracted a lot of foreign capitals to Israel with a significant fact the sharp growth between 2005- 2006 from 22% of GDP to 40%. The increased integration of the Israeli economy with the global financial system has enlarged the sensitivity of the economy to various international financial and economic dangers like extreme currency fluctuations and transmission of stock market volatility. Israel, having one of the highest growth rates globally, is looking forward to a stabilization of its upward economic tendency but it seems that the obligations that have evolved because of its integration with the international economy are more than restricting. ■

State or Nation?

Arab citizens of Israel

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The Jewish state of Israel includes a non-Jewish population of considerable size - the so called Israeli-Arabs. This article will explore their living situation, their relations with the Jewish majority and the Jewish state as such.

Depending on the counting method, the Arab citizens of Israel account for up to a fifth of the total population, which translates to around 1.3 million inhabitants. The Central Bureau of Statistics of the State of Israel includes in its surveys the inhabitants of Eastern Jerusalem, most of whom are holders of a permanent Israeli residence permit, as well as the mainly Druze population of the Golan heights, who are considered permanent residents as well. Only a small minority from those two areas has indeed accepted Israeli citizenship. The Arab citizens of Israel consist of three subgroups in religious terms. The Muslims are the majority with 80%, including the Bedouins of the Negev. The two smaller groups are of the Druze and Christian faith making up for 10% of the Arab population of Israel respectively.

According to the statistics, the Arab population is largely disadvantaged compared to the Jewish majority. Infant mortality rates (Arabs: about 8%; Jews: 3.6%), the percentage of families and children below the poverty line (Arabs: 46% of families and 53% of children; Jews: 15% of families and 17% of children) and the fact that Arab citizens only earn about two thirds of the average income, combined with the very low number of young people reaching higher education, demonstrate that this part of the Israeli society as a whole is under distress.

Further examples of what is perceived as discriminatory behaviour towards the Arab population is their participation in and portrayal by the media, as well as the security situation for the Arabs in the North of Israel during the summer war with Hizbullah in 2006. Both matters can be seen as connected to the dominant perception that Israel is a Jewish state. According to various studies, the Israeli media contribute to this ethnic divide within Israel. Arab citizens are portrayed as dangerous for the integrity of the nation, pictured as the fifth column of the enemy, referred to as 'they' (vs. 'us', the Jewish Israelis) and their everyday lives receive very little coverage. The employment of Arabs in the media sector is also far below that of other areas of employment. However, the

2006 missile attacks of Hizbullah on the North of Israel have revealed yet another treatment diverting from that which the Jewish majority receives. The fact is that Arab citizens of the North had very little or no access to safe houses and shelters. Even public schools were unprepared. Human Rights Watch referred in its report of the war in 2006 to the report of Israel's state Comptroller, who claimed that the neglect of the central government and the local authorities resulted in 150,000 Arab inhabitants not having a solution for protection. The office of Prime Minister Ehud Olmert rejected the report.

Another factor contributing to this division is the so-called demographic threat, which is widely used by the Jewish far right to forecast that the Jews will become a minority in their own state. It is true that the Arab citizens of Israel have a much higher birth rate than Jewish citizens; while the Jewish population grows by about 1.4% annually, the Arab population has a rate of 3.4% (5.5% for the Negev Bedouins). This phenomenon has somewhat been 'counterbalanced' by the immigration of Jews from post-communist states into Israel during the 1990's. However, projections are that in the not too distant future the Arab citizens of Israel will reach the 2 million mark and that by 2050 they will constitute a third of the population of Israel. Based on these statistics, the far right has proposed resettling the Arab citizens to territories on the border with Palestinian administered West Bank, handing those territories over to the Palestinian authorities and receiving in exchange Jewish settlements as national Israeli territory. This idea has met wide rejection from both Jewish and Arab Israelis.

The very fact that the Arab citizens rejected the idea of being put under the control of the Palestinian Authority brings up the question of what they themselves want their status to be. As demonstrated above, the Arab population of Israel is by no means homogeneous. The three different religious groups differ in many respects: the Druze serve in the Israeli Defence Forces (IDF), while the Moslems and Christians are exempt from this obligation and only a handful volunteer to serve. Christians mainly live in cities, namely Nazareth, have a better income, reach higher levels of education and grow at a much smaller rate (1.9%) than the rest. The Druze mainly live in the North, mostly in villages and smaller towns, but seldom in mixed Jewish-Arab settings. The Muslims, as the majority, show more diversity as they live in the North and the centre both in pure and mixed settings ranging from villages to developed cities. The Muslim Bedouins of the Negev are a special case, since the Israeli government tried to resettle them by force in areas chosen for them by the administration - areas which are often heavily polluted by industrial waste resulting in severe health issues.

Another identity indicator is the political representation of the Arab citizens of Israel. Following the tragic events of the 2000 Intifada, the majority of Israel's Arab citizens started to vehemently refuse their labelling as 'Arab-Israelis'. They openly referred to themselves as Palestinian citizens of Israel, thereby identifying with the Palestinian nationality while being citizens of Israel. This political radicalisation enhanced the trend of Arab parties in Israel winning over the Arab voters, which had already started in the first half of the 1990's. Moreover some observers underline that the ethnic gap has widened since then and that mutual perceptions of 'the other' have diminished to mere stereotypes.

The growing political importance of the Arab nationalist parties can also be attributed to the diminished role of the Arab electorate in shaping the rest of the political landscape. The Arab citizens have proven to vote strategically while they were in the position of representing the decisive margin in a number of elections. Candidates of Arab origin have run with centre-left, left and also Zionist parties and have regularly held seats in the Knes-

set and higher offices. Currently, the Knesset has twelve members of Arab origin: eight from Arab parties [United Arab List (3), Balad (3), Hadash (2)], two from Labour and one from Ta'al and Kadima.

Moreover, NGOs serve as a means of representation and political discourse. The cause - inequality within the Israeli society to the detriment of Arab citizens - may widely be the same, but the stance on possible resolutions differs amongst the various NGOs. From the intention to obtain minority rights and the mere protection of Human rights, to the advocacy of equality or friendship, anything can be found within this sector. Smaller community-based organisations are unified under ITTIJAH, which incorporates sectors as diverse as health, unrecognized villages and women's status. The plethora of issues the NGO sector is concerned with and the multitude of possible solutions ensure that particularistic interests have a forum, while unified action is hard to achieve.

In comparison to the conditions in the PA-controlled areas, the Arab citizens of Israel are better off, which is one of the reasons why they do not wish to be annexed to the Palestinian territories. Still, their status is far from equal to that of Israeli Jews. To what extent is the acknowledgement of Ehud Olmert in May 2007 that discrimination against Arabs exists (and his promises of a multi-million Shekel program aiming among others to build the first Arab city after 1946) a desire to incorporate Arab-Israelis into the Israeli society or just another hollow promise and a stonewalling tactic remains to be seen. ■



The Peace Movement in Israel: In a state of social irrelevance

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Researchers: Aimilia Nathanail

While the Israeli peace movement had been associated with some significant achievements in the past, it seems that its ability to affect the peace process with the Palestinians in a positive manner has been minimized over the last years.

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The mainstream peace movement in Israel has always been represented by "Peace Now" (Shalom Akhshav), whose supporters tend to vote for the Labour Party or Meretz. During the first years after it was founded (1977) the group was quite reserved in its political goals. Thus, during the first weeks of the Israeli invasion of Lebanon (June 1982), Peace Now had kept silent under the dominant doctrine of "no political protests during wartime". However, a number of more radical peace groups which had united into "The Committee against the Lebanon War" and held increasingly large protests, drew many Peace Now grassroots activists. As a result, the organisation changed its position and launched an intensive campaign against the war. It remained, however, opposed to soldiers refusing military orders, specifically the order to be deployed to Lebanon.

The Sabra and Shatila massacre in Lebanon (September 1982) precipitated an unprecedented week of protest demonstrations throughout Israel. Such protests culminated to a massive rally in Tel-Aviv, organized by Peace Now and calling for a commission of inquiry into the massacre. That was the largest gath-

ering of any kind in Israel's history (around 400,000 people out of a population of 5.5 million). The commission that was established recommended the removal of Ariel Sharon as Defence Minister.

Peace Now was also quite quite tardy in joining the dialogue with the PLO, a dialogue initiated by other groups, such as the "Israeli Council for Israeli-Palestinian Peace" (ICIPP) and the Hadash Communist party. In the process, Peace Now started to advocate a negotiated peace with the Palestinians. Initially, however, such a move was expressed in a rather vague manner, without providing any definition of who those "Palestinians" were and who represented them. It was only in 1988 that Peace Now accepted that the PLO was the body regarded by the Palestinians themselves as their representative. Moreover, the movement gradually became convinced that the only viable solution to the conflict was the creation of a Palestinian state in the Occupied Territories. Thus, during the 1st Intifada (1987-1993), the movement held numerous protests and rallies to denounce the cruelty of the Israeli army and call for a negotiated withdrawal from the territories. As it was expected, Peace Now strongly supported the

1993 Oslo Accords, and during the post-Oslo period it engaged in some action to promote a resolution to the conflict.

Nevertheless, the eruption of the 2nd Intifada (September 2000) was accompanied by a marked decrease in the activities organized by Peace Now and, more importantly, a gradual shift towards a more conservative stance which does not challenge the dominant views held by the Israeli society with regard to Palestinians - and Arabs in general. For instance, Peace Now unreservedly supported the Israeli war in Lebanon during the summer of 2006 (which left around 1100 civilians dead and destroyed a great part of the country), objecting only to the military strategies employed by the IDF during the last phase of that war. Moreover, it supports the erection of the Separation Wall, which has increased the misery of everyday life for the greatest part of the Palestinian population.



Nowadays, Peace Now is mainly focused on struggling against the expansion of illegal settlement outposts in the West Bank. Its ongoing project called "Settlement Watch" monitors and protests the building of all forms of settlements, including housing tenders,

expropriation of lands, budget allocations - while it also studies settler attitudes regarding a possible evacuation (and compensation) in the West Bank and East Jerusalem. Indeed, in the words of its leaders, one of the objectives of Peace Now is "to convey the sense of the harm incurred to Israel not only by the economic and political aspects of continued occupation, but also the moral damage done to the values and fabric of Israeli society - in addition to the untold hardship incurred on another people, the Palestinians".

The way in which the above mentioned objective of the group has been framed betrays perhaps some of the reasons for which the peace action in Israel is currently on the wane; the priority of the mainstream peace movement has always been the security of Israelis, as well as the end of the moral and economic decadence of Israeli society, and only secondarily the correction of the injustice done to the Palestinians. Even the dialogue with the Palestinians didn't start till 1994. Up to that point, Israeli peace activists were talking only in the name of Palestinians but did not really engage with them. It was only during the post-Oslo period that such a dialogue started to take place with the encouragement of the EU that promoted such forums for discussion, mainly on specific topics.

However, there was a serious asymmetry in the way these initiatives were construed by each side. According not only to Palestinians but also to more radical Israelis who had taken part in such forums, Israeli participants were mainly seeking their self-validation as 'progressive Israelis' struggling for peace with their neighbours. Their inability though to understand the political nature of the ethnic asymmetry and their insistence on a rather apolitical discussion of specific issues (common educational initiatives, for example) did not lead anywhere close to a sincere and constructive cooperation with the Palestinian

side. Thus, after the eruption of the 2d Intifada and the increasing violence that marked it, there was no space for initiating a dialogue that could potentially counter that violence and the subsequent alienation between the two communities. The apolitical perception of the basic problems faced by Palestinians did not allow those 'liberal' Israelis to understand the reasons of the rising frustration among the former - which was due to phenomena such as the steady expansion of settlements in the occupied territories during the post-Oslo period.

Today, most Palestinians don't regard Peace Now as a movement that could affect a change of attitude among Israelis. In fact, apart from its activity with regard to the settlements, it follows, more or less closely, the government's choices vis-a-vis the Palestinian issue and sides with the views of the mainstream Israeli society. In contrast, there are other Israeli peace groups at the left of Peace Now, which not only practically engage with Palestinians (and organize many joint activities with them), but are also openly critical of the Israeli government. The main problem, however, is that such groups have been socially marginalized and are incapable of reaching to the wider public.

Gush Shalom, or the "Israeli Peace Bloc" (founded in 1992), is the most important such group. The primary aim of Gush Shalom has been to influence Israeli public opinion and lead it towards peace and conciliation with the Palestinian people. Its action is based on the idea of the necessity of an independent and sovereign Palestinian state, as well as on the establishment of Jerusalem as the capital of the two states. Moreover, it recognizes in principle the "Right of Return" of Palestinian refugees and promotes a plan that would allow each refugee to choose freely between compensation and repatriation to Palestine

and Israel. Unlike Peace Now, Gush Shalom persistently supports conscientious objectors and those who refuse to render military service to the Occupation. Most of those Israelis are politically represented by the anti-war group Yesh Gvul ('There is a Limit'). In addition, Gush Shalom activists together with other radical Israeli groups (such as Ta'ayush, which operates as an umbrella organisation for such groups) are involved in daily struggle against the occupation at Palestinian villages in the West Bank.

There are a few other Israeli peace organizations that are committed to a principled support of the Palestinian struggle against the injustice of the Occupation, such as the "Israeli Committee Against the Demolition of Houses" (ICAHN) or the "Rabbis for Human Rights", as well as a few centers that are documenting the daily injustices done to the Palestinians (the most important of which is the "Alternative Information Center", the AIC). However, such groups - including Gush Shalom - are regarded by mainstream Israelis as "pro-Palestinian movements" and are usually scorned as "traitors" and "extreme leftist groups" - although the latter is definitely untrue for most of them. On the whole, the gradual shift of Israeli society towards more conservative political positions over the last years, coupled with the unprincipled attitude of many mainstream peace activists referred to above, can easily explain the current decadence of the peace movement within the Israeli society. ■

Israeli Settlements: Israel's silent war in the Palestinian Territories

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Since 1967 Israel has been carrying out a new strategy in order to retain control of the Palestinian territories, a strategy much more effective, more irreversible and certainly less provocative than a bloody war. The consequences of the policy of settlements- and its derivatives- are as catastrophic as those of war, both in the short and in the long term.

Israeli settlements, pioneered by religious Zionists, currently exist in the West Bank, East Jerusalem and the Golan Heights while Israeli settlers, estimated at around 475.000 (275.000 in the West Bank and 200.000 in East Jerusalem), are divided in two categories: the economic and the ideological settlers. The first moved to the Palestinian Territories (PT) chiefly to improve their quality of life, lured by the economic benefits granted by the Israeli government. Paradoxically, they come from two opposite poles of the religious spectrum, the secular and the haredi or ultra-orthodox. The economic settlers constitute the majority of the settler population and for the most part they have chosen to live on the edges of the Green line, including East Jerusalem, in Ma'aleh Adumim, Ariel, Givat Ze'ev, Pisgat Ze'ev, Gilo. Most of the economic settlers tend to detach themselves from the radical anti-disengagement campaign, although recently there has been a more hard-line ideological position even among them.

The ideological settlers were driven by religious and political conviction, and they are referred to as the national religious settlers, their core belief being summarized in the phrase "the Land of Israel to the People of Israel". They account for nearly 30% of the settler population and they have been the leaders of the anti-disengagement campaign. Nevertheless, there are two trends. On the one hand there are



the moderates, who tend to resist passively as their relation to Israel is not only ideological but also many of them are state employees and they therefore cannot afford a clash with the government. On the other hand, there are the post-Zionist extremists, around 9.000 in numbers, who initiate more activist forms of opposition to the disengagement plan and choose to live in distance from the Green line, in regions with Biblical significance often near major Palestinian cities or within the cities themselves, as in case of Hebron. Both of those wings avoid causing any animosity among the Israeli public, a large proportion of which does in fact consider most of the settlers as religious die-hards or right wing-radicals. 53% of Israelis support Sharon's plan for disengagement, although the number has declined, along with 25% of the settlers. The Israeli public is divided as to the contribution of the settlements to Israel's national security, but, most importantly, 62% of the Israelis and a surprising 30% of the settlers support dismantling most of the settlements as part of a peace agreement with the Palestinians.



The most extreme elements of the settler community are found among the hilltop youth, whereas some younger settlers have established unauthorized outposts adjacent to existing settlements. Unlike their parents, they have been born in the settlements, they do not feel the same solidarity or share the same experiences with other Israelis and they haven't served the IDF. Consequently, they are the more zealous opponents of the disengagement plan, often resorting to the use of violence, as on the one hand, they have no recollection of pre-1967 Israel and on the other, they consider the settlements to be their homes, not Israel proper.

The settler groups are organized into powerful lobbies influencing the political and social life of Israel. Their asymmetric power over the past 40 years lies in their ability to exploit fissures within the political elite. The Gush Emunim, an Israeli fundamentalist group, has over the years allied with parties such as the National Religious Party, Likud and Tehiya while also engaging in "extra-parliamentary activities", ensuring that the settlements could constrain the government in a manner unmatched by other players in the Israeli political scene. Furthermore, the creation of a social network of schools, military units, synagogues and institutions by the settler groups has succeeded to mobilize ideological and logistical support for the settler movement within the Israeli society.

Ariel Sharon, the father of the settlement policy, has also initiated the disengagement plan. The pull-out started from the Gaza Strip, where there were fewer nationalist and religious extremists, as Gaza is not of the same religious significance as the West Bank. With the pull-out, Israel directed the attention to Gaza instead of the West Bank, where new settlements are being established and existing ones reinforced. Israel presented this move as a compromise towards the Palestinians, whereas in fact it is now able to focus on the West Bank, where among others, the majority of the water resources are concentrated. After all, Israel never left Gaza; it just found an alternative and less expensive way of controlling the area, through reducing fuel shipments, not allowing the functioning of the port and controlling the land passages from where the food imports and humanitarian aid are channeled to Gazans.

According to International Law, an occupying power is forbidden from transferring its civilian population into the occupied territories. The settlement policy is illegal and discriminatory towards the Palestinians. Israel has established a network of infrastructure which has a devastating impact on their fundamental rights, includ-

ing their right to adequate standards of living, housing, health, education, work and freedom of movement within the Occupied Territories.

The system of bypass roads allows settlers to travel between Israel and the different settlements in relative safety. These roads were built in inhabited or cultivable Palestinian areas and as a result, the West Bank has been scattered into 64 separate units of varying sizes. This series of modern roads is used discriminatorily between Israelis and Palestinians, forcing the latter to use long alternative routes. Furthermore, the road blocs scattered inside the West Bank between villages and cities, designed to "protect the settlers" from Arab ambushes, have imprisoned entire populations within their communities and forced limited access to other parts of West Bank. In addition to the above, Israeli settlers have undertaken violent acts against Palestinians by attacking their properties, burning their fields, razing and destroying their agricultural lands and uprooting their trees, especially during the olive harvest season. Human Rights Watch has reported incidents of physical violence against the Palestinians by settlers, which in many cases has been encouraged by the IDF.

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In any case, the atmosphere of impunity for those attacks and the fact that the Israeli government has issued 9.000 weapons to settlers has even encouraged the creation of Israeli militia groups in the occupied territories, like the Gedud Ha'ivri. This militant right-wing group based in the West Bank settlement of Kfar Tapuach has initiated a policy unauthorized roadblocks and has been characterized as a terrorist organization by the US State Department.

The construction of the Wall is completing the strategy of isolation and separation of the Palestinians. Approximately 14.5% of the West Bank's most fertile land and more than 275.000 Palestinians will lie between the Wall and the Green Line, inside the closed zone. Those people will either live in closed areas or in enclaves totally surrounded by the Wall. Furthermore, more than 4.000.000 Palestinians living to the east of the Wall will need to cross it to get to their farms, jobs, and services, resulting in 30% of the population in the West Bank being directly harmed by the Wall. The 145.000 Israeli settlers of the West Bank will also be living in the closed zone, but they will be able to legally and easily cross the Wall.

The general settlement policy of confiscating land and imposing restrictions on water combined with the scarcity of rainwater in recent years, have greatly damaged agriculture. A large proportion of the population that would normally earn a living by traditional agriculture has gradually started to seek employment in Israel as unskilled workers. This appears to partially account for the economic dependence of the PT on Israel, particularly in terms of agricultural produce.

As far as water resources are concerned, Israel has monopolized them in order to control water transfer, extraction, consumption, sales, distribution, use, sharing and rationing. The three principle underground aquifers of Palestine are found largely in the West Bank. The Yarkon-Tanninim Aquifer is the one with the greatest significance as it supplies Israel with about 340 million cm³ of water annually, which is distributed to the Jerusalem-Tel Aviv area, while Palestinians just use about 20 million cm³ a year. These aquifers are vital to Israel's water needs - Israel's water supply was always based on them, both during mandate times and when the land was held by Jordan-, making even more imperative the need to retain control over that area.

Most importantly, the settlement policy intends to cut the ties between the Palestinians and their land, enabling the settlers to gain control of it and therefore breaking the coherence of a future Palestinian state. This is why the settlement policy is pursued so intensely: the settlements annually absorb about 1000 new immigrants from outside Israel, making the annual settler population growth more than 3 times the annual popula-

tion growth in Israel proper. Likewise, the Israeli government spends \$ 1,500 more per capita on Jewish settlers than it spends on citizens of the state of Israel, while it plans to build 31.900 housing units in the city of Jerusalem in the near future. Two French companies are involved in the construction and operation of a light-rail project, a tramline, which will connect West Jerusalem with the Jewish settlements in East Jerusalem. The project has raised many objections as, among others, it may pave the way for the unification of a Jewish Jerusalem.

Trying to understand the settlement policy as separated from the Israeli-Palestinian conflict would be delusive. The policy of settlements aims to change the demographic reality of the Palestinian territories in favor of Israel, in order to facilitate the establishment of all-Jewish areas which will at a later stage alter the basis for the negotiation of borders. The demographic criteria as a defining factor with regard to the borders between Israel and the OPT had been introduced by the UN Partition Plan of 1947, which had awarded Israel territories on the basis of large concentrations of Jewish inhabitants. Similarly, President Bush's statement that a permanent peace treaty would have to reflect the "demographic realities" in the West Bank has not come as a surprise, especially if we take into consideration that the settlements are largely financed from the pro-Israel US lobby, private US donations and the American Christian evangelicals. The CUFI (Christians United for Israel), one of the largest and most politically influential Christian grassroots organizations in the US, has convened a series of off-the-records meetings with the White House fully supporting, among others, the Israeli settler movement, the relocation of European Jews to illegal settlements and Israeli control over the West Bank and Gaza. Other pro-Israeli organizations such as the Zionist Organization of America and SaveGushKatif organize travels to the settlements and marches to Jerusalem along with millions of dollars of donations.

Under such circumstances, the prospect for a two-state solution seems rather remote. Settlements expansion seriously hinders the establishment of a unified and viable Palestinian state, while a settlements evacuation policy overwhelms the potential of the current Israeli leadership. The demise of the two-state solution leads some on both sides to think that an one-state solution, where Jewish and Arabs will be living together on equal terms, is perhaps worth to be considered for a better future. ■

The media in Israel: Swing of the broadcast news pendulum

Alexandra Karaiskou

Researchers: **Jan-Hinrich Wagner**

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The mosaic of the Israeli society has largely determined the media landscape. Political and ethnic pluralism along with economic factors have led to the democratization of the media during the past century. The Israeli society seems to display a strong dedication to news reporting and political issues, shaping newspaper editorials and television programs. Still, the interference of the Israeli Defense Forces rather distorts or puts barriers to impartial broadcasting.

Delving into the recent past of the Israeli media, one becomes witness to the significant change in their orientation. For the first half of the 20th century, the Jewish press was affiliated to political parties. Ideology was a decisive factor for the editorial line. The establishment of Haaretz (The Land), even before the establishment of the State of

Israel, brought about an innovation in news reporting. What followed was the inception of two other newspapers, Jerusalem Post in 1932 and Yediot Aharonot (The Latest News) in 1939. In 1948, a number of disaffected employees, among them reporters and editors, splintered from the latter to launch the daily Maariv (The Evening Paper).

In the 1980's, party-owned press adopted a scathing editorial line on the government, especially during the Lebanon War. 1986 was the year that the government approved the operation of private radio and television stations. Those developments paved the way for the democratization of the media. Despite their editorial shift to attract a wider readership, in late 1980's a number of partisan papers closed down due to economic factors. However, Hatzofeh, a religious-oriented right-wing daily founded in 1938, was one of the three that stayed afloat. Nowadays, due to its close ties with the National Religious Party, it is gradually losing ground.

The 1990's saw the beginning of a new era for Israeli media. Large privately-own conglomerates



based in Tel Aviv took control not only of the most influential newspapers, but of publishing houses and many local newspapers as well. Though third in circulation (65.000), left-leaning Haaretz is the most influential paper and it belongs to Amos Schoken. It stands out for its quality reporting and commentary, its moderate editorial line towards security and foreign policy issues. Yediot Aharonot, a tabloid-style daily with a more sensational approach, is the one with the widest circulation (300.000). It forms part of Yediot Media Group and the Moses family, owners of Arab-Israeli and Russian newspapers, such as the weekly Kull al-Arab and Vesti. Maariv belongs to the Maariv Group and the Nimrodi family. It is a centre-right daily and second in circulation (160.000), although it used to be first up until the 1970's. The English language Jerusalem Post shifted from left to right wing editorial as its ownership changed hands in 1989, passing over to Hollinger Group. In 2004, ownership was transferred to Mirkay Tikshoret Group Ltd and Canwest Global Communications Group. Jerusalem Post has adopted a deprecatory line towards security issues and the Palestinian-Israeli conflict. Together with Haaretz, it is popular to English-speaking readers, especially foreign journalists and diplomats.

Kull al-Arab is the most influential Arabic language newspaper in Israel. It caters to the Arab Israeli readers and it tends to be fairly disapproving towards both Israeli and Palestinians policies. On the other hand, the influx of Russian Jewish immigrants, especially during 1991-1992, most of whom did not speak Hebrew, fostered the publication of Russian papers. Besides, the Israeli media establishment had been particularly hostile to Russian Jews, referring to them as "prostitutes, prisoners and pensioners up to no good". As a result, Vesti gained ground and it is currently top in popularity among the Russian-speaking readership (55.000).

Speaking in numbers, approximately 400 papers and magazines are being published in eleven languages, among which Yiddish, German, French, Hungarian, Polish and Romanian. The total weekday daily newspaper circulation ranges between 500.00 and 600.000. However, there is a decline in newspaper circulation due to the Internet and the growing popularity of television. Yediot Aharonot and Maariv are already shareholders in two television stations. There are about seventeen television stations and forty radio stations operating in Israel and many pirate programs as well. Cable TV has dominated the media market as it has penetrated 65% of the households. Still, there are state-owned TV and radio stations, such as Channel one and Kol Israel respectively. It is worth mentioning that Israel was the first state to launch educational television in 1965.

The figures reveal that the Israeli society shows a preference for popular newspapers; television and radio stations follow the same trend. Moreover, Israel has one of the world's highest rates of adult readership. According to Yair Sheleg, a former writer for Haaretz and a reporter on Jewish Affairs, Israeli tabloids are quite different from the Sun in Britain or Bild in Germany in terms of the content. His argument rests on the fact that the topics of Israeli popular papers are pretty similar to those of the quality press (for example, an economic issue may appear on the front page), but with different highlights and probably with a more sensational presentation. Moreover, television programs with roundtable discussions on various issues are quite popular. It seems that the Israeli society is a highly politicized one, interested mainly in issues such as governmental handlings and security.

The important question to ask is to what extent the Israeli media operate freely. Under a 1948 agreement between the government, the army and the press, military and security-related issues are susceptible to censorship in order to safeguard state



security. According to a ruling of the High Court of Justice in 1989, censorship can be exerted in cases where a publication has the potential to harm public safety. Even foreign journalists are subjected to censoring when they plan to write on related topics.

In the 2005 world press freedom ranking of the Reporters Sans Frontieres (RSF), Israel dropped to the 67th from the 37th place. The Israeli army has been accused of violating human rights and harassing journalists, especially in the Palestinians Territories. Following the eruption of the Second Intifada in 2000, the reported incidents increased. Since Israel has control of the borders, it controls broadcasted news as well. At the end of 2000, the Israel Government Press Office refused to renew foreign press passes to Palestinian journalists. Instead, it would provide them only with Orange Assistant Cards, valid in the Palestinians Territories. The maintenance of the card depends on the journalists' compliance.

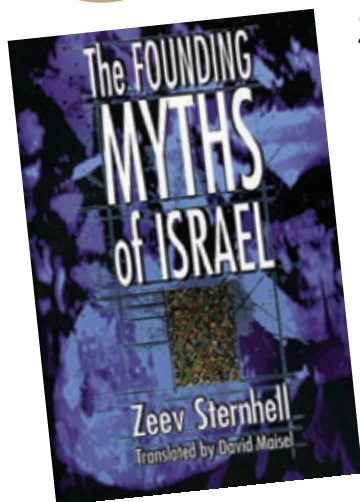
Political Rights Compared Freedom of the Press



Although critical towards governmental policies vis-a-vis internal issues, the Israeli media adopt a cohesive, nationalist approach towards the Israeli-Palestinian conflict. Yonatan Mendel, a former correspondent of the Israeli news agency Walla, examined the use of

language in the Israeli media. He found that the Israelis "confirm" or "say" while the Palestinians "claim"; while Palestinians "provoke", "attack" or "launch an operation", the Israelis "respond to violence". The "Occupied Palestinian Territories" do not appear as such in the press (although this is the established formal term used by various international organizations) but are rather referred to as "the Territories". The correspondents on Arab affairs are mostly Jews who speak Arabic, while native Arab speakers are not hired. There have been incidents of foreign media being prevented from broadcasting when they are not deemed to be in favor of Israel. An indicative example is that of CNN during the second Intifada. The minister of finance, Avraham Hirschson, had accused the station of "biased broadcasting and tendentious programmes that are nothing but a campaign of incitement against Israel", demanding its closure.

There is an ongoing debate in Israel over who manipulates the media. In relation to the Israeli-Palestinian conflict, the issue is whether the media have become too left-wing or "insufficiently patriotic". Right-wing leaning media exert hard criticism to the opposite side for promoting a pro-Oslo, a pro-peace position, urging a peace agreement with the Palestinians. This, in turn, questions the purpose which the media serve and whether they are mere tools in the race of disseminating parties' political ideology. ■



Zeev Sternhell

The founding myths of Israel

Princeton University Press, Princeton, New Jersey 1998

**Veatriki Aravani
Marina Tomara**

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"Memory is not only a filter; it has also a regrettable way of reflecting the needs of the present"

In this comparative political treatise, Zeev Sternhell seeks to challenge longstanding myths surrounding the founding of modern Israel. His stance on this demythologizing work is partially connected to the post-Zionist intellectual movement, which challenges the prevailing truisms of Zionist historiography, trying at the same time to put them in a historical context and explain them. As an advocate of this new approach, the writer moves away from the conceptual and widely accepted "myths" that view Zionism as a socialist-democratic movement of national liberation.

According to Sternhell "constructive socialism" was the doctrinal framework in which the Jewish Labor movement and the consequent modern Israeli state were shaped. Both the Jewish intelligentsia and leadership acted under this doctrine in the context of the general "nationalism socialism". Sternhell argues that, with regard to the "Israel case-study", the ideology "nationalism socialism" was based on the idea of the nation as a cultural, historical, and biological unit, having unusual central principles: the conquest of the land, the reformation of the individual and self-realization. Contrary to a commonplace view, in fact, socialism had always been a secondary factor, serving only as a rhetorical resource for Jewish leadership: no socialist consideration was allowed to stand in the way of national interests. Even the Marxist Zionist approach, like that of Ber Borochov, had been basically determinist, without any socialistic references.

The concept of the Zionist revolution was based to a great extent on Aaron David Gordon's thought. The acts and policies of the founders and leaders of Labor Zionism were inspired by his political philosophy. Founder of the Hapo'el Hatza'ir (Young worker) party which fused in 1930 with Ahdut Ha'avoda (Unit-

ed Labor) to form the Mapai party Gordon built the theoretical foundation that was used by the mainstream Labor Zionism. He defined the nation as the sole criterion for all social and political action. However, the purely Jewish nation would entail only the human remnant of Israel in Eretz Israel (Palestine), which would be the sole center not only of Jewish existence but also Jewish history, the source of inspiration and "the elixir of life". Hatred for the "filthy Diaspora" would be a methodological necessity of Zionism. The "authentic" Jewish identity would be built on this ideology. National revolution necessitated an absolute social and emotional break with exile. Immigration to Palestine (aliyah) was supposed to represent the bedrock of the new Jewish people. The organic foundation of the new identity should be religion: unifying the whole nation, it was a prerequisite for national revival. Paradoxically, religion required only external symbols, no connection with metaphysics or with an inner content. Bible would be the basic, irreplaceable weapon in the struggle for the land.

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A key concept for the Jewish revival, wedded to Gordon's thought, was physical labor with its worthwhile profits. Physical labor was considered a national value and it was the instrument par excellence for the conquest of the land (Eretz Israel); the nationalist ideology of the Labor movement was aimed at conquering as much land as possible. A basic component for the success of Zionist project, this demanded physical work in order to build up the homeland. The devoted agent to this holy mission was the Zionist worker: the cornerstone of the "proletarian" Zionist ideology. The direct aim of the agent worker was the production of wealth for the benefit of the nation, a kind of "productive socialism" in the words of Berl Katznelson, an intellectual of the Labor Movement during the Mandate period. However, socialism would be subordinate to nationalism and it would not evolve into a constitution or a Bill of Rights.

This perception is widely identified with the functional principles and practices of Histadrut which became the nucleus of the Yishuv society (the Jews of Palestine), as far as its leadership dominated Zionism and then Israel from the early 1930s until 1977. Sternhell accuses the labor leadership of sacrificing the formation of a liberal civil society on the altar of its vision for a Jewish nation. As Sternhell states, "Histadrut was neither an economic organization nor a trade union: it was the state in preparation." From the onset, it wished to create a national movement for the establishment of the Jewish state. That is why Ben-Gurion, Israel's first political leader, focused on the settlement rather than on the building of a new society.

Histadrut was not only a non-party organization for all salaried workers in Palestine; it was also a trade union which, in proportion to the local population, was the largest trade union in the "free world". Its great appeal was based on its provision of essential services for workers, such as labor exchange, worker's kitchens, a health service and an enterprise for building and construction. Thus, the main reason for its social services, as Sternhell points out, was functional. More specifically, Histadrut wanted to absorb new immigrants using socialism as a mobilizing tool. In fact, the early ideas of egalitarianism and equality were suppressed. An example of Histadrut's anti-socialist and centralized practices can be found in its policy

towards Gdud Ha'avoda in the early 1920s. Gdud Ha'avoda (Labor Corps), established mainly by immigrants of the third Aliyah (1919-1923), aimed at "building the land through the creation of a general commune of Jewish workers in Eretz Israel (Palestine)", following Histadrut's decision to establish Nir, a private company, as the legal owner of the collective settlements. Ben Gurion and Berl Katznelson fiercely put down this movement which was perceived as a threat to the nationalist concept.

Nonetheless, the political strategy of the labor movement was finally crystallized during the fourth Aliyah (1924-1928, from Poland) when large numbers of middle class Jews came to Palestine, and Ben-Gurion followed a policy of collaboration with the middle classes in order to promote the private sector. To this end, Ben-Gurion openly rejected socialism and modified the basic political position of Histadrut both before and after Israeli statehood. In 1929, he expressed the desire to transform the whole Yishuv "from a working class to a working nation" and in 1933 he published a collection entitled "From Class to Nation". The warfare of classes was redefined for the purposes of nationalism. It meant that the Jewish workers were fighting unified, without antagonisms, for the improvement of their working and living conditions as a whole. This was the end of ideological discussions. The founding of the party of Mapai, in 1930, was a significant move for the suppression of leftist tendencies in the Ahdut Ha'avoda since Histadrut's leadership had the absolute control of the party which became the dominant political force in the Zionist movement.

An important point in Sternhell's analysis is his attempt to demythologize the kibbutz communities. In his view, the kibbutz was not a realization of the socialist vision but just a pragmatist means for conquering the land. Furthermore, given the fact that Jewish Palestine in the 1920s was an 83% urbanized country, he emphasizes the fact that the unbalanced support of the Histadrut's leadership towards the kibbutz in comparison with urban centers, like Tel Aviv, was not a policy which helped the Yishuv.

However, by the end of 1930s, the Yishuv society had been turned into a bourgeois society identical to those in European countries, with great social discrepancies not only between skilled and unskilled workers but also between the privileged skilled workers of Histadrut and the others. A bureaucracy had divided the society between those who ruled and those who were being ruled. What is more, Sternhell stresses out the lack of an internal democracy in that there were no established mechanisms to remove people from their positions and no elections, leading to widespread corruption.

Sternhell argues that even after 1948 the distribution of power as a basic principle of the nationalist ideology of Israel did not differentiate, resulting in the lack of a liberal civil society. The political leaders of modern Israel, under the crushing weight of serving constructive socialism, sacrificed socialistic values on the altar of pragmatism. As he cites, nationalist socialism remains an autonomous system that could have developed in a totalitarian direction, but refrained from taking this path. The Eretz Israeli version did not become totalitarian, but nevertheless remained distinct from democratic socialism. The entire modern history of Israel, especially after 1973, reflects the image of a military, economic and technological power

structure in which religion functioned as the operative arm of the nation. An elitist perception of social action under the umbrella of a religious or semi-religious nationalism has overshadowed social and liberal policies for a long time, and it is still endangering Israel's ability to develop as a free and open society.

Nevertheless, Sternhell holds a rather optimistic view regarding Israel's consecrated political regime. Perhaps this is due to the fact that the book was published (in its English version) in 1998, 3 years after the Oslo agreements. In his words: "In the history of Zionism the Oslo agreements constitute a turning point, a true revolution. For the first time in its history, the Jewish national movement recognized the equal rights of the Palestinian people to freedom and independence. A genuinely liberal, fully democratic, and just society, it can only be built on the solid foundation of historical truth and reconciliation with the Palestinians, who have been the victims of Zionist success. 50 years after independence, the time has come for a second Zionist revolution, based on universal, rational and secular values".

However, he strongly believes that the Western liberal and universalistic principles promote a humanistic secular culture quite different than the one which is dominant in Israel. In his view, in order to become an open, secular, liberal state, Israel should not abandon its Jewish cultural heritage. In this respect, he argues that culture should not be considered as indistinguishable from religion. Nevertheless, one wonders if such a balance can be achieved with regard to practical political issues, such as the status of Israeli Arabs within the Jewish society. Will Israel ever have the potential to overcome the religious fundamentals of Jewish nationalism and thus become a liberal, secular and open society, at peace with itself and its neighbours? Ten years after the publication of the book, this question has still not been answered. ■



It takes two to tango: 60 Years of Greek-Israeli Relations

Sotiris Roussos

It is an irony of history that the Greek government of Eleutherios Venizelos had in 1917 openly supported the Balfour Declaration and the establishment of a Jewish National Home in Palestine. What the Greek Premier had in mind was the support of Jewish communities and World Zionist organizations for Greece's claim over part of Macedonia and the city of Salonica in the Peace arrangements of the Great War. Salonica with its large Jewish community, one of the largest in Europe, has been within Greek sovereignty from 1912 onwards. It also had in mind claims of the Arab Orthodox Christian community in the Holy Land, to take hold of the Greek Orthodox Patriarchate of Jerusalem and rid from the Greek upper clergy. The Greek Foreign Ministry saw in the Zionists a potential ally against such claims.

However, only three decades later, the situation had changed rapidly. We can discern five main periods in the Greco-Israeli relations; the first was that of the Greek civil war, lasting until the early 1950s. The second was the era of the Cyprus issue, when Greece's considerations in the region were overshadowed by the struggle for Cyprus self-determination. The third was that of "oil and terrorism" and lasted from the early 1960s to the late 1970s. The fourth one was that of domestic-ideological considerations, during PASOK governments in the 1980s and,



Early World Map devised by Greek Eratosthenes created around 230 BC

fifth, the period of normalization.

Greece emerging from the Second World War had to confront with a bloody civil war between a pro-communist guerilla and the loyalist army. The loyalist government tried to use all possible diplomatic means to stop Communist states in the northern borders, i.e. Bulgaria, Yugoslavia and Albania from assisting and offering sanctuary to the communist guerilla forces. One of the main diplomatic battlefields was the UN General Assembly, where Greece needed all the Arab votes for a resolution to condemn



the Communist encroachment. At the same time, the Jewish Agency with its strong labour-socialist inclination and affiliation with Socialist and Communist parties worldwide was by no means a potential friend of a state in its fight against communism. On the contrary, during the last years of the Second World War, there was serious talk within the Greek political elite about a possible anti-communist alliance in the Eastern Mediterranean, including Turkey, Egypt, Greece and Transjordan. Moreover, we should not ignore anti-Semitic undercurrents, always present in the Greek Right. Another serious consideration that discouraged Greek support for a Jewish state was the presence of more than a hundred thousand of Greeks in Egypt and of the two Patriarchates of Alexandria and Jerusalem, the latter owning 60% of the Christian Holy Places in Palestine. Greece did not recognise Israel and relations remained in a de facto status for more than nearly half a century. Ideas and perceptions concerning Greek policy the Arab-Israeli conflict of that period, continued to dominate, to a certain extent, the way of thinking of Greek diplomacy in the coming 30 years, creating a sort of groupthink in Greece's Middle Eastern policy. Two were the basic currents of this groupthink. The first that the Arab countries should be treated as a bloc, as any action related to one Arab country would have repercussions on relations with all other Arab states. The second that Israel, is by its nature inimical to Greece.

The second period was marked by the struggle for Cyprus unification with Greece and by the effort of Greece to internationalise the issue, bringing the matter to the UN. There again Greece needed the votes of the Arab group and the "bloc perception" became again prevailing. Being part of the global anticolonial struggle both the Greek-Cypriots and Greeks from the mainland thought of leaders such as Gamal Abdel Nasser as natural allies in this struggle and the participation of Israel in the Suez Crisis against Nasser placed it in the wrong side for the

Greek political and diplomatic elite. All the more, the Greek government was anxious to avoid a second "Asia Minor catastrophe" with a possible exodus of thousands of Greek from Egypt. The Greek government was, thus, eager to appease Egypt and maintain friendly relations with Nasser. This policy was, however, shortsighted. It failed to understand that for regimes like Nasser's was impossible to tolerate liberal, well-to-do minorities. Such a policy would erode its authoritarian populist domestic strategy. The catastrophe came, when in early 1960s, some one hundred thousand Greeks were virtually expelled from Egypt, along with all other foreign communities, due to nationalisation project of the Nasserist regime.

"Oil and terrorism" were the features of the third period which lasted from mid-1960s until mid 1970s. Greece realised the power held by the oil-rich Arab states and the importance of OPEC in world economy. Moreover, from late fifties onwards, Greece experienced tremendous economic growth, both in industry and the construction sector, which meant considerable increase of oil demand. In the mid-1960s and mid-1970s there was a shift in investment in refineries in Greece and most of today's Greek refineries were built at that period. These economic developments increased the political importance of maintaining cordial, close relations with the Arab states. During the same period, Greece experienced the ascent of Arab terrorism, with numerous attacks on Greek soil, either against American or Jewish-Israeli interests or as a result of intra-Arab antagonism. The Greek governments of the time, even the brutal, authoritarian military dictatorship, has chosen a policy based on the belief that international terrorism, and most importantly the Arab one, was ultimately a political and foreign policy problem distinct from law enforcement and as such it had to be taken into account along with the interests and capacities of the Greek state abroad. Very few, if any, Arab terrorists had been arrested even by the well organised, notorious police

of the dictatorship. Here, a short story should be said, about the decision of the Colonel's junta to remain neutral in the 1973 Arab-Israeli war, declining to allow the US forces in the region to use the Souda Base in Crete, in order to back the Israelis. There is certain evidence that questions this neutrality. The same days that the Greek Premier Markezinis declared Greece's neutrality, the Egyptian Foreign Ministry called on the Spanish, Italian and Greek Ambassadors in order to complain about the use of facilities in their respective countries by the US Air force for air reconnaissance operations against Egypt. Moreover, the Head of US forces in the region sent a warm thanking letter to his Greek counterpart for the Greek help in the Arab-Israeli conflict of 1973. Such evidence renders further research on the matter necessary.

The third period was marked by the break of the "Arab Bloc" perception. This break was initiated by the then Prime Minister Constantine Karamanlis, who correctly understood that what has left of the so called Arab order had crippled in the mid-1970s. Hence, Karamanlis followed a new policy in the region, based on bilateral relations with each of the Arab states. Greece also supported the Camp David Peace Agreement between Israel and Egypt. Karamanlis's policy seemed fruitful in the field of economic relations. Greek exports to the region managed to cover nearly 70% of the oil imports from the Middle East, while in 1978 it covered only 30%..

The ascent of Andreas Papandreou Socialist party in power in 1981, led to a different approach to Greece's Middle East policy. Papandreou used Middle East issues, mainly the Palestinian one for domestic reasons. His rhetoric for solidarity to the Palestinians and Yasser Arafat, his anti-imperialist association with leaders, such as Muammar Qaddafi and Hafez al-Assad, was more to appease his party's leftist, third-worldist flank rather than a strategy of Greece's realignment in the region. The change of

European states policy on the Middle East, marked by the Venice Declaration in 1980 and Mitterrand's French involvement in the Middle East helped Papandreou's tactics. On the other hand, Papandreou assisted the US plans in the Middle East by evacuating Yasser Arafat and his guerrilla troops from Lebanon in 1982, removing the only real danger for Israel's security at the time. Papandreou's government was ready, in 1987, to recognise Israel but the eruption of Intifada prevented him of doing so because of the fear of alienation his left wing supporters.

Finally, it was Constantine Mitsotakis, centre-right government that took, in 1991, the decision to establish full diplomatic relations with Israel, just a couple of years before being recognised by the PLO with the Oslo Accords. Greece participated in the Gulf war against Iraqi occupation of Kuwait and this policy gave Mitsotakis government the ability both to forge close relations with Saudi Arabia and the Gulf States and at the same time recognise Israel without major Arab grievances. The economic relations are skyrocketing in the decade after the establishment of full diplomatic relations. From 46,6 millions US dollars in 1991, the Greek exports to Israel reached 155,5 millions in 2003 making Israel Greece's biggest trade partner in the region.

However, Greece and Israel repeatedly failed to give their relationship a strategic impetus. The relations remained shallow, without real R&D, security and defence components. Suspicion between the two states, which reached its peak in mid-1990s, with Israel-Turkey defence cooperation has been considerably reduced if not vanished. Disputes over the Patriarchate of Jerusalem have also been settled. But there is a lot more work for giving Greek-Israeli relationship a more permanent, strategic character. ■



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