

**IDENTITY CRISIS:
ISRAEL AND ITS ARAB CITIZENS**

4 March 2004



TABLE OF CONTENTS

EXECUTIVE SUMMARY AND RECOMMENDATIONS	i
I. INTRODUCTION	1
A. THE ARAB-ISRAELIS	1
B. A SEGREGATED WORLD	2
II. HISTORICAL AND POLITICAL CONTEXT	3
A. POST-1967: BLURRING THE LINES, FINDING A VOICE	5
B. THE GOLDEN ERA: THE OSLO ACCORDS AND RABIN PREMIERSHIP	6
C. THE NETANYAHU AND BARAK YEARS	7
D. THE INTIFADA.....	9
III. DISCRIMINATION, ALIENATION AND DISCONTENT	11
A. RESOURCES.....	13
B. LAND AND PLANNING	14
C. EDUCATION	17
IV. MUTUAL PERCEPTIONS	18
A. JEWISH ISRAELI PERCEPTIONS.....	18
B. ARAB ISRAELI PERCEPTIONS	20
V. THE FACE OF TUMULT	23
A. ISLAMIST RADICALISM.....	23
B. THE THREAT OF VIOLENCE.....	25
C. MORE GENERALISED UNREST?	26
VI. THE PEACE PROCESS	28
VII. CONCLUSION	30
APPENDICES	
A. MAP OF ISRAEL	33



IDENTITY CRISIS: ISRAEL AND ITS ARAB CITIZENS

EXECUTIVE SUMMARY AND RECOMMENDATIONS

For much of its history, Israel has focused on the neighbouring Arab states and Palestinians living in the occupied territories. Too often overlooked has been the status of those Israeli citizens who are Arab.¹ They have attracted national attention only at times of heightened crisis, and even then in a highly reactive fashion. Unless systemic inequities facing Arab Israelis are addressed and an inclusive process is launched to define the state's long-term attitude towards this segment of its citizenry, prospects for internal strife and instability will remain high.

Israel's Palestinian Arab citizens -- almost 20 per cent of the population -- are largely cut off from the geographical, cultural, economic and political mainstream. They enjoy political rights unknown to many in the region but nonetheless are subject to various forms of discrimination, some direct and official, others less so. These affect the three most fundamental assets of democratic society: resources, rights and representation. Some of the more grievous cases involve the predominantly Bedouin population of the so-called unrecognised villages, which is deprived of rudimentary services and subjected to seemingly arbitrary home demolitions.

These longstanding tensions were largely concealed during the Oslo peace process, which ushered in an era of hope for Israel's Jews and Arabs alike, but they surfaced anew after the start of the Palestinian intifada in the West Bank and Gaza in September 2000. In the next month, Arab Israeli demonstrations motivated by solidarity with fellow Palestinians but powerfully fuelled by deeper community grievances led to the deaths of thirteen protesters. It would be wrong to see the October events as an accurate reflection of the general mood among Arab Israelis. But it would be equally misleading to view them as a one-time phenomenon. Triggered by developments in the occupied territories, they were made possible by a history of political, economic and social discrimination and neglect within Israel and had been preceded by smaller local clashes over land confiscations. October 2000 was a serious warning that integration of Israel's Arab minority has failed to date.

The problem is not easily resolved because it goes to the heart of Israel's self-definition as both a Jewish and a democratic state and because of the multi-layered nature of inter-communal relations -- an Arab minority living in a Jewish state in conflict with its far more populous Arab neighbours. Mutual perceptions are characterised at best by indifference, at worst by total misunderstanding, mistrust and hostility. Many Jewish Israelis question the willingness of their Arab fellow citizens to come to terms with the existence of the state. Arab Israelis often are perceived as a security threat and a political/demographic time bomb. With allegations of cooperation between Arab Israelis and Palestinian militant organisations since the intifada, such perceptions have further solidified. Conversely, Israel's Palestinian citizens perceive a state that for the most part is unwilling either to respect their individual rights or to recognise their collective identity and seeks instead to limit their political

¹ The issue of terminology relating to this subject is sensitive and at least partially a reflection of political preferences. Most Israeli official documents refer to the Israeli Arab community as "minorities". The Israeli National Security Council (NSC) has used the term "Arab citizens of Israel". Virtually all political parties, movements and non-governmental organisations from within the Arab community use the word "Palestinian" somewhere in their description -- at times failing to make any reference to Israel. For consistency of reference and without prejudice to the position of either side, ICG will use both Arab Israeli and terms the community commonly uses to describe itself, such as Palestinian citizens of Israel or Palestinian Arab citizens of Israel.

weight and demographic presence. Increased tolerance within the Israeli polity for extremist rhetoric, combined with hostile legislation and participation in the government of parties openly advocating the transfer of Arab citizens beyond Israel's borders has further heightened tensions.

It is little comfort that more generalised violence does not appear to be on the immediate horizon since greater political polarisation, accumulated frustration among Arab Israelis, deepening Arab alienation from the political system, and the deteriorating economic situation create a dangerous and volatile mix. Some believe that resolving Israel's external conflict with the Palestinians will de facto resolve its internal one as well. The situation of Arab Israelis would indeed be likely to improve significantly. But at the same time separation from the occupied territories would turn the spotlight on the Arab Israeli community and force Israel's two populations to address their longer-term relationship. If a process is not set in motion to integrate Israel's Palestinian citizens better and to think seriously about a new, more inclusive, non-discriminatory political contract, Israel faces the prospect of a growing community in its midst that will be increasingly hostile. The result would be a self-fulfilling prophecy: second-class citizens directly threatening its cohesion and stability.

RECOMMENDATIONS

To the government of Israel:

1. Take measures to abolish discriminatory laws and practices inter alia by:
 - (a) formally adopting and implementing the recommendations of the 2003 report by the Or Commission, established in response to the October 2000 clashes;
 - (b) revoking the Nationality and Entry into Israel Law (temporary order) of 31 July 2003, which prohibits Palestinians from the West Bank and Gaza married to Israeli citizens from acquiring Israeli residency permits;
 - (c) pursuing a multi-year plan to eliminate discrimination in allocation of state resources to the Arab community through legislative and budgetary means, including by implementing the existing NIS 4 billion (U.S.\$986 million) plan and abolishing the June 2002 amendment to the National Insurance Law, which cuts child allowances for families without relatives serving in the army;

- (d) categorising the poorest Arab areas as national priority zones and extending services accordingly;
 - (e) establishing for Arab citizens the option of performing either military or alternative community service and providing that fulfilment of either would generate the same status and benefits;
 - (f) increasing Arab representation at all levels in the public sector and planning bodies; and
 - (g) implementing racism awareness training in schools and in all branches of government, beginning with the police.
2. Enhance educational opportunities for Arab citizens by equalising proportional funding for Jewish and Arab public education and compensating for past deficits in education spending for the Arab community.
 3. Ensure more equitable land distribution and planning and zoning regulations, in particular by:
 - (a) ending the official roles assumed by statutory bodies, such as the Jewish National Fund, that fulfil government functions in a discriminatory fashion;
 - (b) providing for representation of Arab Israelis in all relevant state planning bodies;
 - (c) implementing a comprehensive plan for unrecognised Bedouin villages in the Negev to be developed in consultation with legitimate representatives of the affected community; and
 - (d) suspending destruction of illegal homes and structures until a more equitable land policy is in place.

To the Arab Israeli communal leadership:

4. Implement a broad outreach strategy to the Israeli public, articulating a clear vision of citizens' rights and responsibilities.
5. Use exclusively peaceful means to promote political objectives and avoid inflammatory language.
6. Seek at the local level to dismantle family-based and similar patronage and client networks that undermine effective, representative local governance.

Amman/Brussels, 4 March 2004

IDENTITY CRISIS: ISRAEL AND ITS ARAB CITIZENS

I. INTRODUCTION

A. THE ARAB-ISRAELIS

There are some 1.3 million Arab citizens of Israel today, 19.4 per cent of its 6.7 million population.² According to some hotly debated projections, this number could reach 23 per cent in 2020 and 31 per cent in 2050.³

The community is located in three main areas:

- the Galilee and the north, including the towns of Nazareth, Sakhnin and Shafa Amr;
- the "Little Triangle" in central Israel, which runs west of the Green Line separating Israel from the occupied territories, is home to approximately 30 per cent of the Arab Israeli population, and includes the towns of Umm al-Fahem, Taibeh, Tireh, Baqa al-Gharbiyeh and Kafr Qasem; and
- the Negev Desert in the south, where roughly 140,000 Bedouin live in seven settled

townships (including the town of Rahat) and in approximately 45 "unrecognised villages".

In addition, about 10 per cent of the community lives in six mixed Jewish-Arab cities: Tel Aviv/Jaffa, Haifa, Acre, Lydda, Ramle and Upper Nazareth (Natseret Ilit). In each, Arabs are a minority and reside in largely separate neighbourhoods.

Members of the Arab Israeli community share a common ethnicity and language, Arabic, which, although officially recognised as the country's second language, is rarely used in the public arena, including on street signs and in administrative and legal procedures. Approximately 82 per cent of Arab Israelis are Sunni Muslims, the rest (some 200,000) are divided equally between Christians and Druze.⁴ Christian Arabs live mainly in urban areas in the north and are split into denominations, principally Greek Orthodox, Greek Catholic and Roman Catholic. Limited economic opportunities and their relative mobility have encouraged emigration among Christian Arabs, whose numbers -- in absolute terms and as a percentage of the Arab community -- are declining.

The Druze, who are a separate religious community and are recognised as such by the state, reside mostly in sixteen villages in northern Israel.⁵ Although a minority within a minority, they enjoy a different and, in many respects, comparatively privileged status. Under Israel's citizenship law, they are classified as Druze, not Arabs. They also are

² This includes the population of East Jerusalem, where most Arabs do not have Israeli citizenship. Israel's population statistics are available from the Government Central Bureau of Statistics, at <http://www.cbs.gov.il>.

³ Sergio Della Pergola, "Israel's Population and Middle East Normalisation: Trends and Challenges", in *Lezione dale scuole estive sul processo di pace in Medio Oriente* (CIRP, Università degli Studi di Bari, 2000). For a critical review of Israeli demographical trends, see Youssef Courbage, "Israel et Palestine: combien d'hommes demain?", *Populations et Sociétés*, N°362 (November 2000). The fear of Arab demographic growth has been present in the minds of Israeli strategic planners for a long time. See Alouph Hareven, ed., *Every Sixth Israeli* (Jerusalem, 1983). However, some observers note that while the absolute number of Arabs living in Israel has grown substantially over the last 50 years, their proportion of the population has remained at between 15 and 20 per cent

⁴ Statistics are available from the Israeli Central Bureau of Statistics and the Israel Ministry of Foreign Affairs, <http://www.mfa.gov.il>. Israel also counts small numbers of Circassians and Armenians.

⁵ The Druze derive their religious beliefs and rites from Shiite Ismaili Islam and are not recognised as a separate religion in most Middle Eastern countries. Druze in the Israeli-occupied Golan Heights are not included in these numbers, as they remain citizens of Syria. Israel's annexation of the Golan Heights in 1981 has not been recognised by the international community.

governed by their own personal status law and possess their own representative communal institutions and greater access than most other Arabs to the formal and informal networks of the state's bureaucracy. Significantly, since 1956, the Druze are subject to compulsory military service -- and receive its attendant benefits -- in contrast to Muslim and Christian Arabs, who can apply on a voluntary basis. Ramzi Halabi, the former mayor of Dalyat Karmel, the largest Druze town in Israel, explains:

Compared to the rest of the Arabs, the Druze are better off -- but not that much better. The Druze have been better integrated [into Israeli society] through military service and financial assistance -- a result of their historic loyalty to the state. But although we fulfil the same duties as Jews, we are not granted the same rights or privileges. This is most apparent in financial allocations and infrastructure.⁶

The Bedouin community of the Negev was hit hard by the 1948 war, after which only some 13,000 of its estimated 70,000 to 90,000 pre-war members remained. (Bedouin activists cite different figures: 100,000-150,000 before 1948, only 11,000 afterwards.)⁷ The vast majority fled or were expelled to Jordan, the West Bank, the Gaza Strip or Egyptian Sinai.⁸ Some 85 per cent of the Negev, their traditional home, was declared off-limits, and many were confined to an enclosure zone east of Beersheba in communities that typically developed on the margins of new Israeli towns. Over time, as a result of land and planning policies and the actions of the Green Patrol, half the Negev Bedouin were settled into seven townships. The rest remain on their land illegally, in the so-called "unrecognised villages" that are cut off from infrastructure and basic services, and are mostly poor, dispersed and disenfranchised.⁹

B. A SEGREGATED WORLD

For the most part, Israeli Arabs and Jews inhabit ethnically homogenous towns and neighbourhoods, attend parallel school systems, speak different languages and celebrate separate holidays. While to a degree this is true of all Israeli sub-communities, the intensity of separation is far greater.¹⁰ The single most integrating cross-community experience in Israel -- national army service -- is not shared by most Arab Israelis.

For one travelling through Israel's major urban areas in and around Tel Aviv, Arabs are conspicuous chiefly by their absence. The same can be said of much of the central and coastal plains where the majority of Israel's population and its modern commercial, economic and business heartland are located. Further east, in the "Little Triangle" area that separates Israel from the central West Bank and further north toward the Galilee, Israeli society begins to take on the appearance of the West Bank.¹¹ A myriad of Arab towns and villages sit in the valleys, along with the occasional Jewish Israeli community.

Social attitudes mirror the invisible geographic lines that separate the two communities. Inter-marriage is highly unusual and frowned upon by vast majorities in both. For the Jewish majority, Israel's Arab population has been virtually invisible. Until the mid-1980s, it was largely absent from public discourse, cultural events and the mainstream media, in which even today Arabs rarely appear, be it as soap opera characters or news anchors.¹²

Interaction occurs principally at work and in the educational sphere. Arabs often provide cheap labour, though in areas such as the health sector, there is a certain level of cooperation and mutual

⁶ ICG interview, Dalyat Karmel, 9 July 2003.

⁷ ICG interviews, Negev, 11 July 2003.

⁸ ICG interviews, Negev, 11 July 2003.

⁹ The Negev covers roughly 12.6 million dunams. The seven recognised Bedouin townships have 60,000 dunams under their jurisdiction and the unrecognised villages 180,000. See Arab Association for Human Rights & Regional Council for Unrecognised Villages in the Negev, "The Unrecognised Villages in the Negev: Update 2003", available at: <http://www.arabhra.org>.

¹⁰ A poll conducted among Israeli Jews by Israel Radio and broadcast on 11 July 2002 asked whether they were "willing to have Arab Israeli families living in your neighbourhood". Some 56.6 per cent answered negatively, 33.2 per cent positively.

¹¹ The Little Triangle encompasses an area that is only roughly triangular, stretching from Kafr Qasem north to Um al-Fahem and west toward the coast.

¹² An Arab member of the Knesset, Muhammad Barakeh, leader of the Democratic Front for Peace and Equality (DFPE), noted that despite serving on the prestigious Finance Committee during the entire 15th session, he was not once invited to speak on socio-economic issues on the main television news channels. ICG interview, Nazareth, August 2003.

recognition. With the increase in the number of young Arabs enrolled in higher education and because of the absence of an Arabic-language university, the Hebrew universities have become another important field of social interaction, opening up not only areas of conflict but also channels for dialogue. Football is another area of community "cross-over." In the 2003/2004 season two teams representing Arab towns¹³ are competing for the first time in the Israeli Premier League. As a result, Palestinian citizens of Israel are appearing in the mainstream media (albeit the back-pages) as possible role models for society at large. That said, racially-charged chants and, at times, violence plague sports and emanate from both sides.

Inequality is seldom enshrined in law but often stems from de facto discriminatory policies or is an indirect consequence of non-discriminatory, generally-applicable policies.

II. HISTORICAL AND POLITICAL CONTEXT

The State of Israel was established on 14 May 1948. During the ensuing war, hundreds of thousands of Palestinians who had inhabited the area that ultimately became Israel according to the 1949 ceasefire lines either fled or were expelled, becoming refugees in the West Bank and Gaza Strip, neighbouring Arab states or further afield. The approximately 150,000 who remained became a minority in the Jewish state, in some cases remaining within their towns and villages, in others becoming internally displaced.

The war and its aftermath had a profound impact on Jewish-Arab relations inside Israel. For the nascent state, under threat and siege, ensuring survival was the priority. Israel actively encouraged and facilitated the emigration of Jews from displaced persons camps across Europe after World War II and the Holocaust and, subsequently, from Arab countries (where many were subjected to increased harassment, including acts of violence) and Iran, while preventing the return of Palestinian refugees. Hundreds of Arab villages were de-populated or destroyed during and after the 1948 conflict. Born of war, Israel's borders left Arab families, clans and communities divided. Places that formerly enjoyed close economic, social and other ties -- such as Taybeh and Tulkarm, Umm al-Fahm and Jenin -- were divided by fortified lines (the Green Line).¹⁴

Palestinians who remained in Israel -- today often referred to as the "1948 Arabs" -- did not become citizens out of choice but due to the hazards of history. The ensuing upheaval was profound. Arab Israelis were forced to deal with both the shock of defeat and massive exodus of most within their community at a time when the state viewed them with suspicion. Approximately a quarter were internally displaced from homes that were within the 400 villages that had either been or were in the process of being erased. Chafing under military rule, weak, disorganised and lacking political influence, the remnants of the Arab community focussed on survival.

The pre-war proto-statal structures of the Zionist movement -- with which the Arab community had

¹³ The two newly promoted sides are Sons of Sakhnin and Brothers Nazareth, from the Arab cities of Sakhnin and Nazareth respectively.

¹⁴ Israel's borders -- the so-called "Green Line" -- were drawn according to the 1949 armistices.

been in conflict -- had become the state and the law of the land. The most conspicuous measures they put in place were a "military government" in defined "defense areas" -- "security zones" encompassing virtually all Arab areas -- and courts with broad jurisdiction.¹⁵ It was in this context that in October 1956 43 inhabitants of the Arab town of Kafr Qasem were shot and killed by a military patrol when returning home from work after a curfew of which they had been unaware.¹⁶ Over time, the courts began to limit the worst abuses of this system, until in 1966 the Defense Emergency Regulations used to create the military government were revoked by the Israeli parliament (Knesset).

The state introduced other measures in the early post-war years that defined and often circumscribed the status of its Palestinian citizens. These included the 1952 Nationality Law, which barred return of Palestinians who, prior to 1947-1948, had resided in areas that were now Israel while also allowing deportation of those who had subsequently re-entered without formal permission. Some provisions granted the Muslim community broad juridical autonomy in religious and personal status matters.¹⁷ But those whose impact arguably is most profoundly felt to this day concern land and land ownership. Lands and buildings belonging to former Arab residents became state property and were often turned over to Jewish communities (mainly communal family settlements, Kibbutzim, and farming communities, Moshavim) and individuals, while the notion of "absentee owner" was defined broadly to include a category of "present absentees", thereby allowing the confiscation of land

owned by legal Palestinian residents of Israel and internally displaced persons.¹⁸

Palestinian citizens of Israel also experienced positive developments during the post-war period -- free education, freedom of speech and association and the formation of a new intelligentsia -- but they suffered greatly from land deprivation. As a result, and given modern technology and the economic structure, they tended to evolve from a predominantly agricultural society to one consisting primarily of blue-collar workers employed in Israeli agriculture, construction and basic services. This put in place a pattern and status that is largely unchanged.

Politically, the Arab Israeli community moved cautiously, disoriented and bereft of much of its traditional leadership. For the most part, it was incapable of translating demographic weight into political influence.¹⁹ During elections, the dominant Mapai party (later the Labour party) established local satellite lists in the Arab community based on family and clan affiliations and built around patronage networks.²⁰ This coincided with the community's own reliance on traditional structures in the face of radical change. Mapai became the main vehicle to deliver basic material assistance to Israel's Palestinian citizens, and it garnered most of their votes in early elections. The communist Maki party -- the only non-Zionist (albeit Jewish) option from its establishment in 1949 until it split in 1965 -- attracted many of the more politically active and assertive Arabs.²¹ It opposed land confiscations, military government and other state policies from

¹⁵ According to a prominent historian, "Individuals in the military areas could be detained or searched, limited in their movements or employment or deported....Road movements could be prohibited or limited, curfews established, mail, telephones or other public communications suspended". Howard M. Sachar, *A History of Israel – From the Rise of Zionism to Our Time*, vol. 1 (New York, 1996), p. 385.

¹⁶ Sachar, op. cit., p. 536. This event, on the opening day of the Sinai campaign, is a defining moment in the collective memory of Arab Israelis. Those responsible received long prison sentences from a military court, but these were later much reduced. In 1999, an Israeli government official for the first time attended the commemorative event.

¹⁷ The Nationality Law was restrictive in both definitively precluding the return of those who had left during the 1947-1949 fighting and allowing for the removal of those who had managed to re-enter; in addition the 1950 Law of Return gave Jews everywhere the right to immigrate to Israel. The religious autonomy enjoyed by the Muslim community was similar to that established with the Rabbinical authorities for Jews; the same provisions were later created for the Druze.

¹⁸ Suhad Bishara of Adalah, the Legal Centre for Arab Minority Rights in Israel, says that since the inception of these laws, "80 per cent of lands owned by Palestinians living in Israel was confiscated and placed at the exclusive disposal of Jewish citizens". ICG interview, Shafa 'Amr, March 2003.

¹⁹ Laurence Louër, "Une Intifada des Arabes d'Israël?", in Alain Dieckhoff et Rémy Leveau, eds., *Israéliens et Palestiniens: La Guerre en Partage* (Paris, 2003), p. 153.

²⁰ In its various guises, Mapai was the dominant party of government in Israel until 1977, and was the precursor of the Labour Alliance and, subsequently, of the Labour party. Typically, the Arab lists were divided along regional lines, headed by local family notables, and sought to balance Muslim, Christian and Druze interests.

²¹ The Histadrut Labour Federation (the Jewish Federation of Labour and mainstay Trade Union Movement in Israel) only opened its doors to Arab membership in 1959. From then on, Arab membership was significant, and the Histadrut eventually became an important outlet for Arab political activity and influence.

which the community suffered, and regularly polled roughly a quarter of Arab votes.²² More overtly Arab nationalist parties, such as Al-Ard (the Land), typically were barred.²³

A. POST-1967: BLURRING THE LINES, FINDING A VOICE

The 1967 war and ensuing occupation of the West Bank and Gaza was a second turning point for Palestinian citizens of Israel. Renewed interaction with fellow Palestinians after nineteen years -- particularly in the West Bank, where as a result of geographic and family proximity more ties existed -- led to a political reassessment.²⁴ The occupation, combined with the lifting of their own military rule and the extension of electricity to their villages, exposed them to the Arab media and literature, Palestinian nationalism and broader pan-Arab trends, such as communism. Residents of the occupied territories visited Arab Israeli towns, and a few Arab Israelis studied in West Bank universities and abroad. Regional events helped politicise the community, notably Israel's invasion of Lebanon in 1982 and the outbreak of the first Palestinian intifada in December 1987.

Political mobilisation manifested itself in various ways. Voter loyalty shifted from mainstream Israeli parties to more overtly Arab organisations. Maki split in 1965, and Rakah rapidly established itself as ostensibly the first Arab party,²⁵ with a dominant position among Palestinian citizens of Israel. After

polling 24 per cent of their vote in the first election it contested (1965), its share rose to 37 per cent in 1973 and reached a high of 50 per cent in 1977, when it joined ranks with smaller Jewish and Arab political groups to form the Hadash (the Democratic Front for Peace and Equality, DFPE).²⁶ Rakah thus became the first genuine, nationwide political structure representing the Arab community in Israel. It also helped create some of the first independent, autonomous national Arab Israeli communal institutions.²⁷ Many of these were front organisations for it and helped generate a new spirit of political activism while attracting a generation of young leaders²⁸ and providing them with more effective instruments for adversarial and, at times, violent opposition to government policies.²⁹ On 30 March 1976, Israel's expropriation of Arab land in the north, and notably in Sakhnin, sparked protests in the Arab community and led to a general strike spearheaded by Rakah activists. Seven Arab Israelis were killed during subsequent violent protests. This episode, later commemorated as Land Day, was a watershed in the politicisation of the Arab community and the move toward an increasingly confrontational inter-communal relationship.

In 1982, Rakah was instrumental in the formation of the Supreme Follow-Up Committee for the Affairs of the Arabs in Israel. Comprising all heads of Arab local authorities and representatives of all Arab political forces, the committee plays a central role in coordinating actions and projects in the community, such as strikes, petitions, commemorations or the formulation of the community's official position on

²² In 2003 the leader of the Democratic Front for Peace and Equality (DFPE/Hadash), the successor to the Maki party, Muhammed Barakeh, explained that Maki was the first genuinely Jewish-Arab party. According to Barakeh, it facilitated cooperation between Arabs and progressive Jewish forces and promoted a strategy of integration that neither overlooked the Arabs' distinct identity nor endorsed separatism. ICG interview, Nazareth, August 2003.

²³ Founded in 1961, the Al-Ard party was accused of incitement and banned from the 1965 Knesset elections.

²⁴ This was most famously expressed in Emile Habibi's 1974 novel, *The Strange Case of Said the Pessoptimist*, a scathing portrayal of Arab Israeli treatment at the hands of the state, and the passivity and ambivalence of the community's response.

²⁵ The split was triggered by the Soviet Union's strong opposition to Israel at the time. Whereas the original Maki party took issue with Moscow's stance, the break-away Rakah backed it. While formally advocating Jewish-Arab cooperation, Rakah enjoyed little support among Jewish Israelis. Maki soon faded away.

²⁶ Throughout this report, DFPE/Hadash is referred to as an Arab party, even though it defines itself as a Jewish-Arab party and has Jewish members, voters and Knesset representatives.

²⁷ These include the National Council of Chairs of Arab Local Authorities, the National Committee of Arab Secondary School Pupils and the Nationwide Committee for the Defence of Arab Lands. All were established in the 1970s. See Sachar, op. cit., vol. 2, p. 36.

²⁸ University campuses became a principal forum for both discussions and, at times, violent clashes between Arab Israeli and Jewish Israeli activists. Some involved went on to become political leaders in their communities, including (in 2003): Likud Police Minister Tzachi Hanegbi, National Union Transport Minister Avigdor Lieberman, National Democratic Assembly – Balad Knesset member Azmi Bishara, and DFPE Knesset member 'Isam Makhoul, as well as many present Arab NGO directors.

²⁹ See Elie Rekhess, "The Arabs of Israel After Oslo: Localisation of the National Struggle", *Journal of Israel Studies*, vol. 7, N°3 (Fall 2002), pp. 1-44.

major events in national politics or the Israeli-Palestinian conflict. During the October 2000 protests, it helped first to organise demonstrations and then to calm things down, demonstrating its role as a broker between the community and Israeli authorities.

Until the mid-1980s, Rakah's dominance was virtually undisputed. In 1984, a second Arab party entered Parliament. Although it included some Jews, the Progressive List for Peace (PLP) was headed by an Arab and projected an explicit Palestinian identity. Subsequent years witnessed the emergence of several other Arab Israeli parties, notably the Islamic Movement and the National Democratic Assembly-Balad (al-Tajammu' al-watani al-dimuqrati, NDA). This contributed to a noticeable shift in favour of Arab parties in local and parliamentary elections and a concomitant increase in Arab political representation.³⁰ Arab parties benefited from changes in Israel's political landscape. The once-dominant Labour party gradually lost ground to Likud, so that from 1977 to 1992 Likud-led coalitions and periodic uneasy national unity governments alternated. Simultaneously, Labour and Likud lost ground to smaller parties. The end result strengthened the leverage of such parties. Whereas Likud sought alliances with religious and rightist parties, Labour looked toward the left and Arab parties.

B. THE GOLDEN ERA: THE OSLO ACCORDS AND RABIN PREMIERSHIP

The formation in 1992 of the Rabin-led government coalition of Labour, left-wing Meretz and the religious/ultra-orthodox Shas and the launch of the Oslo peace process a year later were important turning points. Rabin's government put an end to fifteen years of national unity or Likud-led administrations during which Arab Israeli members of the Knesset had played a largely marginal role. While the new coalition did not include Arab representatives, support from the five Arab Israeli Knesset members was critical to its survival.³¹ In

addition, the government included a number of younger generation Labour and Meretz members with a different perspective regarding the treatment of Arab Israelis. For the first time in Israel's history, Arab parties entered into coalition agreements, and their backing was vital to the government's ability to maintain a working parliamentary majority.³² This gave them unprecedented legitimacy and leverage, which they translated into concrete political gains. Among measures the government implemented during this period were equal access to healthcare; 48 new family health clinics in Arab localities; equalisation of child benefit allowances (by removing the extra benefits for families of those who had served in the IDF; increase of Arabs in the civil service and more equality in municipal budgeting.

The 1990s also witnessed intensified efforts by Jewish citizens and non-governmental organisations (NGOs) to promote inter-communal equality and combat discrimination, and an NGO proliferation in the Arab community.³³ Following the establishment of Israel, Arab civil society had all but disappeared, and it only slowly resurfaced after repeal of martial law in 1966. The real resurgence came in the late 1980s and early 1990s, reflecting growing awareness of the importance of networking and cooperation at the local, national, and international levels to promote rights in areas such as planning, land, housing, education, health and culture.³⁴

The Oslo peace process and mutual recognition by Israel and the PLO also helped improve relations. The peace process, by sharpening policy differences between Labour and Likud, made national unity

agreement with the government that guaranteed parliamentary support in exchange for various policies designed to promote greater inter-communal equality and improve the situation of Israel's Arab citizens.

³² Ariel Sharon declared at the time: "During the 1992 elections, something completely new has occurred, something both worrisome and frightening. For the first time in the state's history, the Arab minority determined who would take power in the State of Israel and who would decide its fate". Cited in Louër, "Une Intifada des Arabes d'Israël?", *op. cit.*, p. 173.

³³ According to Ittijah, the Union of Arab Community-Based Organisations, 656 Arab NGOs were officially registered within ten years. See <http://www.ittijah.org/inside/ngos>.

³⁴ Examples of Arab Israeli NGOs include: Adalah (the Legal Centre for Arab Minority Rights in Israel), the Arab Centre for Alternative Planning, the Association of 40, the Regional Council for the Palestinian Bedouin of the Unrecognised Villages, the Galilee Society, and the Association of Women Against Violence.

³⁰ In 1984, 50 per cent of the Arab voters cast ballots for Arab parties; four years later this reached 59 per cent. It fell to 49 per cent in 1992, a drop attributed to Arab disappointment in Labour's refusal to include Arab parties in its governing coalition.

³¹ The formation of a narrow Labour-Meretz-Shas governing coalition was supported by Arab members of the Knesset. DFPE and the Arab Democratic Party (ADP) signed an

governments more difficult. Given Israel's electoral system, this benefited small parties -- ultra-orthodox but also Arab -- and made it all the more important for Labour to solidify its cooperation with the latter. Oslo generated optimism among Jewish and Arab citizens about their mutual relations. The accords, which did not mention them, signalled that the PLO no longer claimed to represent Palestinian citizens of Israel, thus implying that their destiny was to be settled within the framework of the state of Israel.³⁵ Arab Knesset members and activists of almost every political persuasion describe the Rabin years as a high-water mark in communal relations.³⁶

Not all other developments were positive. The Oslo accords polarised Jewish Israeli politics in a way that impacted negatively on inter-communal relations. Opponents accused the Rabin government of lacking a "Jewish mandate" because it depended in part upon Arab Knesset members. The prospect of a Palestinian state also exposed new rifts. The view that the country needed to preserve and strengthen its Jewishness gained strength, and sympathy for Palestinian minority rights eroded: if the occupied territories were to be for Palestinians, then Israel should be for Jews.³⁷ Among Palestinian citizens of Israel, the PLO's recognition that it would not represent their interests and the growing prospect of an end to the conflict led to greater focus on their own status and demands. Some complained that the government was more interested in coming to terms with its Palestinian neighbours than its Palestinian

citizens.³⁸ Most importantly, volatile issues left over from the 1948 war such as internal refugees and confiscated lands were raised increasingly. Simultaneously, there were more calls for Israel to become a "state of all its citizens" -- an implicit questioning of the Jewish character of the state -- and for it to recognise the community as a national minority.

C. THE NETANYAHU AND BARAK YEARS

The mood shift became more pronounced following Rabin's assassination in November 1995 and Benjamin Netanyahu's electoral victory in May 1996. Legislative initiatives were proposed to require qualified "Jewish" majorities in any future referendum on territorial issues. Some socio-economic improvements experienced by the Arab community were rolled back. Ja'far Farah, head of Musawa, an NGO that works to promote Arab Israeli rights, put it starkly: "The discriminatory policy of the Israeli government is consistent and decades old. The only step in the right direction was the inclusion of Arab villages on the list of national priorities under Rabin's government. But the first thing that Netanyahu's government did was to cancel this plan".³⁹

The electoral system introduced in 1996 also had repercussions. Rather than a single ballot, Israelis cast separate votes for prime minister and parliamentary party lists. This gave new power to small, sectarian parties, including Arab parties. In 1996 62.5 per cent and in 1999 78 per cent of Israel's Palestinian citizens voted for Arab lists. The trend held firm in 2003 (80 per cent), despite reversion to the one-ballot system. This marked a turning point in Arab politics. Competition for votes became fiercer, and the parties that contested the 1996 elections, especially DFPE, NDA, and the Islamists, struggled

³⁵ As Ja'far Farah, the director of Musawwa, pointed out, "in this way the PLO in 1993 once and for all decided to exclude the 1948 Arabs from their definition of "all the Palestinians" they represented. It would be up to the Palestinian Arab citizens of Israel to develop and lead a domestic national political agenda". ICG interview, Haifa, July 2003.

³⁶ Nazareth Mayor Ramez Jaraiseh and Nazareth Council opposition leader and Islamic list head Salman Abu Ahmad -- bitter foes on almost every other issue -- portray the Rabin years in virtually identical terms, as does Taleb al-Sane', a Knesset member from the Arab Democratic Party. Jaraiseh called "Rabin's time in office ... an example of achievement". ICG interview, Nazareth, 10 July 2003. Abu Ahmad said, "Rabin tried to bridge the gap and declared the need to provide certain privileges to the Arabs; as a result, NIS 400 million (U.S.\$89 million) were allocated". ICG interview, Nazareth, 9 July 2003. Al-Sane described the situation as "qualitatively different from the way we were used to being treated by Israeli prime ministers. We were consulted, listened to and made part of historic decisions". ICG interview, Be'ersheva/Bir Sab'a, July 2003.

³⁷ This position was articulated, among others, by a Shas member of Knesset. ICG interview, Jerusalem, August 2003.

³⁸ For example, Muhammad Abu al-Haija, chairman of the Association of 40 (an NGO striving for official recognition of 40 unrecognised Arab villages in Israel), said: "It is state policy to leave the issue of the 1948 Arabs for later. The plight of the 1948 Arabs should have been included in the Oslo Accords". He went on to warn that, "as long as the Palestinian question remains unresolved, and the 1948 Arabs continue to be excluded from the peace process, pressure on the Arab community inside Israel will persist. A solution to our problems must be found: land, unrecognised villages, the right of return and displacement inside Israel." ICG interview, outside Haifa, 13 July 2003.

³⁹ ICG interview, Haifa, July 2003.

to distinguish themselves with increasingly radical and belligerent messages. According to As'ad Ghanem, this "increased political pluralism was devastating in terms of the community's ability to stand behind a clear and unified political message. In practical terms, it paralysed the broad national communal institutions that had been built up over the previous decades".⁴⁰

Unhappy with the Netanyahu government, Arab Israelis mobilised massively behind Ehud Barak during the 1999 elections. His campaign theme for Palestinian citizens of Israel -- "a state for all" -- appeared to echo the community's demand for a "state of all its citizens". Some 95 per cent backed Barak, who won decisively.

Barak's tenure, begun with great hopes, ended in disappointment, resentment and violence. With his sights set on the peace process with both Syria and the Palestinians, he was loath to take politically risky steps domestically. Seeking to build a broad coalition that would enable him to sell peace agreements, he opted for a broad government of left, right and religious parties.⁴¹ The ten Knesset members from Arab parties (the largest number to date) had hoped to build on the 1992-1996 arrangements -- consultation mechanisms, exchange of parliamentary support for signed government commitments, and input into relevant policy decisions and resource allocation. It was not to be. According to Arab legislators and political leaders, Barak systematically excluded and sought to delegitimise forces that had contributed to his electoral victory. It was a significant setback in relations, which could not be compensated for by the fact that individual government ministers sought to address Arab community needs and, occasionally, work with its Knesset members.⁴²

Palestinian citizens of Israel reacted angrily to their treatment during Barak's short tenure (1999-2001). According to Knesset member Muhammed Barakeh, leader of the DFPE/Hadash, "in his dealings with Arab members of the Knesset, Barak acted more like

a military governor than like a prime minister. He pushed us towards marginalisation, aligning himself with the most negative trends in the Zionist camp and setting us all on a very problematic path".⁴³ Three former ministers in Barak's government expressed similar, if less pointed, opinions.⁴⁴ The Or Report published in September 2003 by a commission established in response to the October 2000 clashes concluded that Barak had made the mistake of "not devoting sufficient energy and thought to a subject of strategic importance to the State of Israel and its citizens' well-being".⁴⁵

Pushed to the political margins, Arab Knesset members responded with increasingly hostile attacks on state policies, particularly on land issues; the Or Report criticised the leaders of Israel's Palestinian citizens for a "strategy of threatening violence".⁴⁶ On 16 September 2000, roughly ten days before the outbreak of the Palestinian uprising, Sheikh Ra'ed Salah of the Northern Wing of the Islamic Movement said at a rally that, "We will not give up one stone of that sacred esplanade [the Haram al-Sharif, including the al-Aqsa mosque]...Whoever sells Al-Aqsa sells Al-Quds [Jerusalem]".⁴⁷ Abd-al-Malik Dehamsheh, a Knesset member, was summoned before the Or Commission in February 2001 and criticised for "the transmission of messages of support for violence".⁴⁸ On the eve of the intifada, he had threatened: "We will break the arms and legs of any policeman who destroys an Arab house. The Arab public is going through a difficult period. We are on the verge of a new, massive, and popular intifada of Israeli Arabs".⁴⁹

⁴⁰ ICG interview with Dr. As'ad Ghanem of the NGO Sikkuy and Haifa University, Tamra, July 2003.

⁴¹ Barak's coalition included Labour (then known as One Israel), the leftist Meretz party, the Centre party, the religious/haredi Shas, the hard-right National Religious Party (NRP) and the rightist Russian 'Yisrael B'Aliyah party.

⁴² The most notable in this regard were Education Minister Yossi Sarid and Director of the Prime Minister's Office Yossi Kucik.

⁴³ ICG interview, Nazareth, August 2003.

⁴⁴ ICG interviews with former ministers in Barak's government, Jerusalem and Tel Aviv, April, July and August 2003.

⁴⁵ The report of the Or Commission, discussed further below, is available in English at: <http://www.haaretzdaily.com> (2 September 2003 edition) and on the Adalah web site: <http://www.adalah.org/eng/commission.php>. It is in Hebrew at http://or.barak.net.il/inside_index.htm.

⁴⁶ The Or Report made specific reference to three Arab leaders: Knesset members Azmi Bishara, Abd-al-Malik Dehamsheh and Sheikh Ra'ed Salah.

⁴⁷ *Bahrain Tribune*, 16 September 2000.

⁴⁸ Or report, op. cit.

⁴⁹ *Ma'ariv*, 14 September 2000.

D. THE INTIFADA

Coming atop growing anger within the Arab community, then-opposition leader Ariel Sharon's visit to the Haram al-Sharif and the subsequent outbreak of the Palestinian intifada at the end of September 2000 triggered immediate protests. The Supreme Follow-up Committee called for a general strike and demonstrations inside Israel on 1 October. Arab Israelis engaged in widespread rioting and violence which an Or Commission member described as "unprecedented".⁵⁰ Clashes occurred between police and Arab Israelis in several Arab towns, including Jaffa, Arrabeh, Nazareth and Umm al-Fahem, with two fatalities. The funerals the next day sparked a new round of clashes, and violence spread across the Arab community. Six more Arab Israelis were killed in Nazareth, Sakhnin, Arrabeh and Jatt, as well as one Jewish Israeli.

The strikes and disturbances continued intermittently for more than a week; overall, thirteen Arabs (including a Palestinian from Gaza) were killed and many more injured, as police and snipers used live ammunition, rubber-coated steel bullets and tear gas to quell the demonstrations. Over 1,000 Arab demonstrators, several minors, were arrested.⁵¹ Members of the Or Commission concluded that, while the demonstrators proceeded relatively peacefully, the main disturbances occurred afterward, on the main Israeli roads, and no longer qualified as demonstrations. For his part, Ahmed Tibi, an Arab member of the Knesset, commented: "We were regarded not as demonstrators but as enemies and treated as such. Before seeing us as citizens, they saw us as Arabs. Jewish citizens demonstrate, but none of them [are] killed".⁵² Jewish and Arab citizens also clashed, particularly around Nazareth, leading to the death and injury of several of the latter.⁵³

Prime Minister Barak took several steps in response. His cabinet introduced a U.S.\$986 million multi-year plan for the Arab community.⁵⁴ Reversing an earlier decision, he also established of an official commission of inquiry, headed by Supreme Court Justice Theodor Or, with a mandate to investigate the violence and, in particular, the behaviour of the security forces, inciters, organisers and other participants in the clashes.⁵⁵

The Or Commission's report identified the following as the root causes of the events:

- **Government discrimination.** "... government handling of the Arab sector has been primarily neglectful and discriminatory....Evidence of the distress included poverty, unemployment, a shortage of land, serious problems in the education system and substantially defective infrastructure".
- **Police behaviour.** The commission criticised the police for using lethal riot control methods and for its overall attitude toward the Arab minority. "The police must learn to realise that the Arab sector in Israel is not the enemy and must not be treated as such".⁵⁶

⁵⁰ ICG interview, February 2004.

⁵¹ Ministry of Justice and Israel Police statistics say that between 28 September and 30 October 2000, 660 Arab Israelis were arrested, 203 were detained without bond and 23 minors were indicted and detained without bond.

⁵² ICG interview with Knesset member Ahmed Tibi, leader of the Tahal party, Jerusalem, November 2002.

⁵³ Jewish residents of Natsret Ilit attacked the eastern neighbourhood of the adjacent Arab town of Nazareth, damaging Arab property. In other cities, such as Tel Aviv, Tiberias and Hadera, mosques were damaged, and in Tiberias several Arab Israelis were beaten up by Jewish residents. See Adalah, the Legal Centre for Arab Minority Rights in Israel, "Chronology of Events", available at <http://www.adalah.org>.

⁵⁴ The plan had been drawn up and presented to the Ministerial Committee prior to the October events but had not yet been adopted. For more on the plan and its implementation, see below.

⁵⁵ The other two members of the Or Commission were Judge Hashem Khatib and Professor Shimon Shamir. The mandate was to "(a) examine the clashes with the security forces in the state that included the involvement of Israelis, Arabs and Jews, beginning from 29 September 2000; and (b) examine what happened in the above mentioned events and the factors that led to the occurrence of these events at that time". For the text of the report, see fn. 44 above. According to Adalah, the creation of the Commission itself was historic, "the first time a Commission has been established to investigate police violence against the Palestinian minority". See <http://www.adalah.org>. In the earlier stages of its work, the Commission sent letters of caution to fourteen government officials, including by that time former Prime Minister Barak and former Minister of Public Security Shlomo Ben-Ami. Concerning Barak, the Commission decided not to make "operative recommendations". For Ben-Ami the recommendation was that he never be reappointed Minister of Public Security.

⁵⁶ Echoing this view, Ahmed Tibi, an Arab member of the Knesset, commented: "We were regarded not as demonstrators but as enemies and treated as such. Before seeing us as citizens, they saw us as Arabs". ICG interview with Ahmed Tibi, leader of the Tahal party, Jerusalem, November 2002.

□ **Radicalisation of the Arab sector.** "Another cause was the ideological-political radicalisation of the Arab sector", which manifested itself in "expressions of identification with and even support of the Palestinian struggle against the state". The erosion of loyalty to the central state was further heightened by establishment of separate, parallel institutions -- such as social service networks and welfare systems or schools -- and by the continuing opposition of some political factions to Arabs running for the Knesset. The commission also blamed the Arab Israeli leadership for failing to "understand that the violent riots ... and identification with armed activity against the state ... constitute a threat against the state's Jewish citizens and substantially damaged the delicate fabric of Jewish-Arab relations in Israel".

Overall, members of the Arab community welcomed the report, while taking issue with its effort to strike a balance in criticism of the state and of Arab leadership.⁵⁷ Some, though, decried it as a whitewash, notably the families of the young men killed.

The impact of the October 2000 events and the overall deterioration in relations between the state and its Arab minority continues to be felt. A clear majority of Palestinian citizens of Israel boycotted the February 2001 prime-ministerial election won by Ariel Sharon in a landslide.⁵⁸ Participation shot back up (64 per cent) in the January 2003 parliamentary elections, although Arabs voted in lower numbers than in the past (as did Jewish Israelis). Roughly 80 per cent voted for Arab parties. For Ja'far Farah, director of Musawwa, "there is a dangerous situation whereby the avenues for venting popular communal frustration are gradually being discredited or blocked -- with the perceived lack of efficacy of Knesset

representation or voting, failures of local government and closure of Islamic movement institutions".⁵⁹ The events also were significant in Arab eyes because they took place under a Labour-led government:

The movement that is supposed to defend our rights was the one that was killing us. If the right had been in power, the peace movement would have been demonstrating with us against it....[The left] was blaming us not for taking to the streets, but for doing so while they were in power. Their line was "you are embarrassing us, you're threatening our interests". Their egocentrism is beyond description. And by the way, this is something you don't find among the right wing. The right at least sees things as they are.⁶⁰

In May 2002, the Knesset passed two laws restricting political expression. One prohibits the candidacy of any party or individual who "supports (in action or speech) the armed struggle of enemy states or terror organisations"; the second lays down severe punishments for support of "anti-Israel" violence.⁶¹ In the run up to the 2003 elections, there were failed attempts to ban Arab political parties and candidates including the NDA- Balad and its leader, Azmi Bishara. Both Sharon cabinets have included parties and ministers advocating a policy of population transfer. According to Showqi Khatib, who chairs the Supreme Follow-up Committee, "this is one of the toughest periods for our community".⁶²

The sense of alienation among Palestinian citizens of Israel is mirrored on the Jewish side by the feeling that Arab Israelis are increasingly disloyal. Indictments of Palestinian citizens of Israel for involvement in anti-Israeli operations and links with

⁵⁷ Islamic Movement founder Sheikh Darwish described the report as "impressive and enlightened, despite the annoying balance. The conclusions are important and the message should be listened to by the government and the Arab and Jewish communities". DFPE Knesset member 'Isam Makhoul argued that "the report was not courageous, but it is important and useful, despite its limitations.... It is not in our interest to shelve the report". ICG telephone interviews, September 2003.

⁵⁸ The voting rate among Arab Israelis was 23 per cent, less than half the traditional level. Not a single Arab party urged its members to vote, and family members of the thirteen individuals who had been killed held vigils near polling booths to discourage participation. Most Arabs who voted were reportedly Druze.

⁵⁹ ICG interview, Haifa, July 2003.

⁶⁰ ICG interview with Azmi Bishara, Jerusalem, January 2001. A young Arab Israeli from Beer Sheeva explained: "Voting habits have changed with the realisation that there isn't a Left and a Right in Israel, only a Right and a more Right". ICG interview, January 2004.

⁶¹ Oren Yiftachel, "The Shrinking Space of Citizenship: Ethnocratic Politics in Israel", *Middle East Report*, N°223 (2002) pp. 40-41. Yiftachel notes that these two laws make it "far easier to disqualify Palestinian Arab (and critical Jewish) politicians from running for the Israeli parliament, especially on the basis of supporting ... resistance against the Israeli occupation" of the West Bank and Gaza.

⁶² ICG interview with Showqi Khatib, who is also the Mayor of Yaffie, Haifa, July, 2003.

Hamas and Hizbollah, discussed below, clearly have played a significant part.

While it would be a mistake to see the October 2000 events as an accurate reflection of the general Arab mood, it would be equally misleading to view them as a one-time phenomenon. Triggered by events in the occupied territories, they were made possible by a history of political, economic and social discrimination and neglect, and had been preceded by smaller clashes over land confiscations that the security services viewed with concern. The concerns and the material issues remain. October 2000 was a serious warning that integration of Israel's Arab minority, to date, has failed.

III. DISCRIMINATION, ALIENATION AND DISCONTENT

Israel defines itself as a democracy and the state of the Jewish people; its Declaration of Independence announces:

the establishment of a Jewish State in Eretz-Israel . . . open for Jewish immigration and for the ingathering of the Exiles; it will foster the development of the country for the benefit of all its inhabitants; it will ensure complete equality of social and political rights to all its inhabitants irrespective of religion, race or sex.

From its inception Israel has faced the challenge of being both democratic and Jewish. Ultimately, the issue is one of practice more than of definition: not so much whether the state defines itself as Jewish (although many consider that problematic as well) as whether its citizens are treated with equal respect and dignity. There is a broad consensus among Palestinian citizens of Israel that their state has not delivered. Ahmed Tibi, an Arab Israeli member of the Knesset, quipped that "Israel is democratic for its Jewish citizens and Jewish for its Arab citizens".⁶³

Arabs enjoy greater political rights in Israel than in other states in the region but they suffer from an unequal allocation of three basic components of a democratic society: resources, rights and representation. Eyal Benvenisti, a professor of law at Hebrew University, observed: "The Arab minority suffers discrimination across numerous fronts. The Jewish religious and especially ultra-religious communities are discriminated favourably across many fronts. To any Israeli these two statements need little proof".⁶⁴ Over the years and based on the country's eleven Basic Laws that take precedence over other legislation, certain constitution-like protections for civil liberties and human rights have been established by the Israeli Supreme Court, an institution that, along with the court system in general, is among the few to enjoy

⁶³ ICG interview with Knesset member Ahmed Tibi, head of the Tahal Party, Jerusalem, November 2002.

⁶⁴ Eyal Benvenisti, "Why Inter-Group Equality Eludes Israel" (work in progress), available at: <http://www.tau.ac.il/law/members/benvenisti/articals/mishke-not-new.pdf>.

genuine credibility among Palestinian citizens.⁶⁵ The Court has issued groundbreaking rulings concerning land discrimination, budgetary inequity and lack of representation. However, these have only partially been translated into practice.

The situation has been further compounded by Israel's severe economic downturn, which has hit Arab Israelis, a community that has long lived on the margins, hardest. The sectors in which they typically have found employment, such as construction, menial labour and industrial manufacturing, have been downsized, relocated abroad, and become increasingly superfluous. Spurred by lower labour costs and generalised suspicion of Arabs born of the intifada, Israeli businesses also have found foreign workers more attractive, generating a structural, long-term unemployment crisis among Arab Israelis.

Statistics tell much of the story:

- ❑ in 2003, some 44.7 per cent of Arab Israeli families lived in poverty, as opposed to roughly 20 per cent of Israeli Jewish families;⁶⁶
- ❑ between 1975 and 2000, public housing units built for the Arab population were 0.3 per cent of the total;⁶⁷
- ❑ 27 of the 30 communities in Israel with the highest unemployment rates are Arab, including the top fourteen;⁶⁸
- ❑ the average gross hourly income of an Arab wage earner is 60 per cent that of a Jewish counterpart;⁶⁹

⁶⁵ "I believe in the Israeli legal system in matters unrelated to security", said one Arab Israeli observer. ICG interview with Fayez Shteivi, general director of the weekly *Kul al-'Arab*, Nazareth, 10 July 2003. Others were less generous, calling the judicial system a "rubber stamp for the Israeli government" that "fails to prevent the state from discriminating against us, confiscating our land and violating Moslem holy places". ICG interview with Salman Abu Ahmad, deputy mayor of Nazareth and member of the local Islamic Movement, Nazareth, 9 July 2003.

⁶⁶ Mosawwa Center, "Socio-Economic Report on Arab Citizens and Local Councils". A summary is available at: www.mosawwacenter.org/eng/reports/summaryeng.htm.

⁶⁷ National Security Council, "The Arab Citizens of Israel – Organising Ideas for Addressing the Issue" (document made available to ICG).

⁶⁸ Ibid.

⁶⁹ Taken from the Central Bureau of Statistics, op. cit.

- ❑ only 6.1 per cent of government employees were Arab; there are no Arabs in the Ministry of Communications, one in the Ministry of Public Security, and two in the Ministry of National Infrastructures;⁷⁰
- ❑ of 484 judges in the court system, 27 are Arab; and⁷¹
- ❑ roughly 26 per cent of Arab high school students go on with their education, compared to approximately 46 per cent of Jewish high school students,⁷² while only 9 per cent of university students are Arab.⁷³

Not all this results from discriminatory practices, of course. The larger average size of Arab families means more dependents per provider, and women's participation in the work force is comparatively low (27 per cent in 2001 as compared to 53.7 per cent for Jewish women).⁷⁴ But overall, discrimination is the primary factor and the disparities are a source of resentment, tension and potential conflict.

Arab Israelis point to other manifestations of inequality: the 1950 Law of Return, which gives Jews globally the world the right to migrate and acquire Israeli citizenship; its 1970 amendment, which allows non-Jewish spouses of Israeli Jews to obtain Israeli citizenship (a right not extended to the spouses of non-Jewish Israelis);⁷⁵ and the rights formally granted to Zionist institutions that are not state bodies (including the Jewish Agency, the World Zionist Organization and the Jewish National Fund) but fulfil governmental functions. The Jewish National Fund, for example, retains property ownership and administrative responsibility over some 10 per cent of Israel's land. In accordance with its objective of encouraging Jewish presence in Israel, it provides no direct services to Palestinian citizens of Israel.

⁷⁰ Sikkuy Report 2003, p. 37-38, www.sikkuy.org.il/2003/2003.html (Hebrew).

⁷¹ Ibid, p. 45.

⁷² Ibid.

⁷³ Statistical Abstract of Israel 2003 report, "Academic Colleges 1995/1996, 1999/2000, 2000/2001", Central Bureau of Statistics, <http://www.cbs.gov.il>.

⁷⁴ Sikkuy Report 2003, op. cit., p.17.

⁷⁵ The 2003 Nationality and Entry into Israel Law, currently under review by the Supreme Court, would further prevent Palestinian spouses of Israeli citizens from gaining citizenship or residency rights in Israel.

The question of military service is complex. Arabs are not prevented by law from serving. Whereas Druze males are subject to compulsory service, other Arabs can volunteer. In general, this is not contested by Muslim and Christian Arabs who, for political reasons, typically reject the prospect of serving in the IDF where they might have to fight fellow Arabs. As a result, few sign up. However, important benefits and services -- certain education grants, public administration jobs and child allowances -- are reserved for veterans. The June 2002 amendment to the National Insurance Law added to these disadvantages: besides an across-the-board 4 per cent cut on child allowances, it imposed a 20 per cent cut for families without relatives in the army, thereby disproportionately affecting Arabs.⁷⁶ Ultra-orthodox Jews, who also are exempted from compulsory service, are far less seriously affected because they receive allowances through other channels, such as the Ministry of Religious Affairs.

A. RESOURCES

There are stark disparities in resource allocation. For instance, only 4 per cent of the 2004 development budget is earmarked for the Arab community. Similar inequities affect the education sector, housing, cultural programs and sports.⁷⁷ Remedying this will require boosting the Arab community's ability to affect political decision-making and, in particular, actively recruiting Arab Israelis into the civil service and other public sectors.

Palestinian citizens of Israel, virtually unrepresented at the highest levels of the administration,⁷⁸ are mostly absent from the formal and informal networks of Israeli power and influence.⁷⁹ The informal

arrangements are perhaps the more critical, as the ultra-orthodox and settler communities have demonstrated by using these to promote their interests and influence budget decisions and resource allocation. In contrast, Arab Israelis often become aware too late of decisions affecting their community that are making their way through the bureaucracy. For the most part, they do not have "friends" in key civil service positions or ex-director-generals of ministries upon whom they can call for a favour; they are not part of the "army old boys network", or the well-connected business community. "Arab Israelis wouldn't know who to ask or what to ask; they couldn't work the system".⁸⁰

Palestinian citizens of Israel also suffer from more subtle discrimination on budgetary matters. This includes the provision of benefits to members of certain religious communities, residents of so-called "special development areas,"⁸¹ or, as discussed above, army veterans.

In an effort to redress some inequalities, Barak's government announced in June 2000, as noted above, a four-year, roughly U.S.\$986 million plan to boost investment in infrastructure in the Arab sector.⁸² It received high-level attention in the wake of the October 2000 events. While Arab-Israeli politicians and NGOs criticised it as insufficient and lacking meaningful Arab Israeli input, it generally was welcomed by Arab Israeli leaders. Its implementation, however, has been mishandled and the results discouraging. According to the Association for the Advancement of Civic Equality in Israel (Sikkuy), public funds allocated to the Arab population in various fields dropped significantly in

⁷⁶ Adalah press release of 6 June 2002, available at www.adalah.org/eng/pressreleases/02_06_hm. Petitioned by the Arab NGO Adalah, the Supreme Court has frozen implementation of the law until the end of the legal proceeding.

⁷⁷ Mossawa Socio-Economic Report, op. cit; Sikkuy Report, op. cit.

⁷⁸ Mossawa press release, available at www.mossawacenter.org/eng/pressreleases/2004_01_07.shtml. The figure is from the Civil Service Commission, which has been put in charge of implementing amendment eleven to the Civil Service Law adopted in December 2000. The amendment stipulates that suitable representation must be given to the Arab, Druze and Circassians citizens at all levels of the civil service.

⁷⁹ In February 2004, Prime Minister Sharon's government announced that Israeli public companies must have at least one Arab member of the board, *Arab Times*, 5 February 2004.

⁸⁰ ICG interview with Be'eri Holzmann, architect of a June 2000 plan aimed at the Arab sector, Tel Aviv, July 2003. He concluded that lack of access and insider knowledge undermined Arab attempts to promote their agenda.

⁸¹ Israel's national map identifies several priority development areas that are accorded certain tax breaks, investment incentives and access to discretionary budgets. Despite their disadvantaged socio-economic status, the Arab towns and villages are almost always excluded from these special designations, which often include "development towns" in the north and south, border towns and even Jewish settlements in the West Bank and Gaza. During the Rabin Administration, this was partly reversed. Nazareth, for example, was declared a tourist development area and given additional public subsidies.

⁸² The Sharon government has recommitted itself to the plan but has spread the allocation of resources over an additional two years, thereby further diluting its impact.

2002.⁸³ The net result is a serious lag in areas such as employment centres, housing projects, renovation of sewage systems and construction or repair of roads -- all matters that directly affect the well-being of Arab citizens and the extent to which they feel represented in and part of Israeli society. The plan's architect and chief promoter, Be'eri Holzmann, attributes most of the problems to:

... a culture of not keeping promises endemic to the Israeli system. It is not a conspiracy, but a series of points of broken implementation. The Finance Ministry dislikes multi-year plans so they don't cooperate; tenders are not published; contracts are unsigned and monies not disbursed. Frequently I was confronted with the question: "why waste your time with them? They don't accept us anyway".⁸⁴

Under-represented nationally, the Arab community has had to rely principally on its own municipalities as a venue for politics, exercise of power, and distribution of services. These municipalities have been plagued by inefficiency. Most have weak tax bases, largely stagnant economies, high commuter rates, no industrial zoning and a general lack of investment and land. But the Arab leadership also is to blame. Muhammad Abu al-Haija, chairman of the Association of Forty, complained that, "Arab politicians are failing the community. Arab mayors are only concerned about their own salaries and their re-election".⁸⁵ The former director-general of the Interior Ministry, Dooby Gazit, while making clear that there are notable exceptions, observed of Arab local governments: "Their starting base is weaker economically, there are no development, employment or industrial options, and the levels of municipal tax collection, bad management and nepotism are

appalling".⁸⁶ In the absence of strong local government, NGOs have often tried to fill the void.

B. LAND AND PLANNING

For Palestinian citizens of Israel, the discriminatory aspects of land policy, and in particular land confiscation and disparity in the allocation of state lands, are the most serious material concern and most frequent source of friction with the state.⁸⁷ Roughly 93 per cent of land is state owned, its use and development administered by the statutory Israel Lands Administration (ILA). The majority of this land has been expropriated from Arabs. As a result, Arabs, roughly 20 per cent of the population, own approximately 3.5 per cent of land in Israel; while their numbers have increased six-fold since 1948, land under their control has diminished, and they are barred from purchasing or leasing land in roughly 80 per cent of the country.⁸⁸

The prevalence of discriminatory policies and decision-making structures was recognized in a landmark Supreme Court ruling. In 1995, Kaadan, an Arab family, tried to purchase a plot in the moshav (cooperative settlement) of Katzir, which had been newly built by the Jewish National Fund (JNF) on state land. The Katzir Cooperative Association refused the sale because the family was not Jewish. The Kaadan family petitioned the Supreme Court, arguing that this was discriminatory, especially since the settlement had been established on land allocated to the JNF by the ILA, a state body mandated by law to treat all citizens equally. In March 2000, the Court ruled in favour of the family. To date, however, the Katzir Cooperative Association has refused to implement the decision.⁸⁹

⁸³ Sikkuy, "Monitoring Civic Equality between Arab and Jewish Citizens of Israel, Report 2001-2002", available at <http://www.sikkuy.org.il>. The Ministry of Construction and Housing's development budget allocated to Arab communities in 2002 was 40 per cent lower than in 2000. In the Ministry of Health, the budget for Arab communities dropped from NIS 9.2 million (roughly U.S.\$2.1 million) in 1999 to NIS 8.6 million (roughly U.S.\$2 million) in 2000 and is projected to fall to NIS 2.5 million (roughly U.S.\$570,000) per year from 2001-2005. The only ministry that increased its funding was the Interior Ministry, reflecting an effort to increase the number of police stations in Arab towns and villages.

⁸⁴ ICG interview, Tel Aviv, July 2003.

⁸⁵ ICG interview, outside Haifa, 13 July 2003.

⁸⁶ ICG interview, Tel Aviv, July 2003. A young Arab Israeli remarked: "The situation of Arab councils won't change if we keep voting for our relatives". ICG interview, Beer Sheeva, January 2004.

⁸⁷ "If you look at all the confrontations with the police in this community, then with the exception of October 2000, they are all over land issues. Many clashes have happened in the Galilee and the Triangle as well as in the Negev over the last four or five years, and all over the land issue. Land is not a privilege for people anymore. It is a necessity for them to hold onto it now". ICG interview with community activist, Nazareth, January 2004.

⁸⁸ www.adalah.org/features/commission/oct2000_eng.pdf.

⁸⁹ Not all Arab Israelis truly welcomed the Katzir ruling. Some stress that it addressed an individual case, not their collective interests as a minority and add that it is exceptional

In July 2002, the cabinet supported a bill by Knesset member Haim Druckman, a leader of the rightist National Religious Party, to circumvent the ruling by restricting access to state lands to Jews.

This case and its aftermath provide telling testimony to the reality not only that Palestinian citizens of Israel are unable to purchase land within Jewish areas but that no administrative body is charged with developing Arab towns and villages. The policy and decision making body of the ILA, known as its Council, consists of eighteen persons, half appointed by the JNF, an organ of the World Zionist Organisation/Jewish Agency for Israel. The agency's charter defines one of its goals as "to purchase and develop land as a national resource of the Jewish people, by the Jewish people and for the Jewish people".⁹⁰ Overall plans for land use and development broadly follow the recommendations and goals set by National Project Outlines (TAMA in Hebrew), which are periodically revised; more detailed planning and zoning arrangements are defined in Regional and Local Project Outlines (TAMAM). These include guidelines for infrastructure projects and residential, industrial and commercial land use. The Ministry of the Interior defines the jurisdiction of regional and local authorities, town municipalities and other rural communities⁹¹ such as moshavim, kibbutzim, mitzpim (smaller sized settlements), and yishuvim

since very few Arabs wish to move to Jewish towns. The vast majority prefer to stay in Arab areas and so would be better served by the allocation to existing Arab localities of additional land on which to build or by the creation of new Arab localities. As asserted by Adalah, "the Palestinian Arab minority has never expressed a desire to integrate into Jewish communities or schools, and has historically never placed this issue on its political agenda. On the contrary, the Palestinian minority has repeatedly pushed for collective rights and autonomy". Adalah Press Release, 2 April 2000, <http://www.adalah.org/eng/pressreleases2000.php>.

⁹⁰ Over the years, suggestions have been made either to disband or re-define the roles of the pre-state Zionist institutions. Former Ministers Yossi Beilin and Yuli Tamir have argued for closing the Jewish National Fund and the World Zionist Organisation, claiming the role they play in Israel is incompatible with an equal and democratic society. ICG interview with Labour Knesset member Yuli Tamir, Jerusalem, July 2003. A report entitled "After the Rift: Emergency Report on Government Policy Towards the Arabs in Israel" submitted to Prime Minister Barak in 2000 called on the government to "revise special governmental powers given to the JNF and JAFI".

⁹¹ All of which are exclusively Jewish as Arabs live only in towns, cities, and villages, both recognised and unrecognised.

bodedim (single family unit agricultural settlements).⁹² Several additional statutory bodies play roles in planning and zoning decisions, including the Development Authorities for the Negev and Galilee and the Nature and Parks Authority. Palestinian citizens are either unrepresented or under-represented in each. According to Suhad Bishara of the Adalah Centre, "out of eleven members of the Planning Board for the Governmental Plan for the Northern District (TAMAM 2), there was not a single Arab, although over half the region's population is Arab".⁹³

The government has several means to differentiate between Jews and Arabs in land and planning matters. It can categorise certain areas or towns as "national priority" zones and, as such, grant them higher budgets and economic advantages like tax exemptions for residents or tax breaks for industries. The vast majority of existing "national priority" zones are Jewish communities. Although the fourteen localities with highest unemployment are Arab, only four Arab villages are classified as "national priority" zones. In May 1998, Adalah petitioned the prime minister, claiming discrimination; the case is still pending.⁹⁴ Furthermore, land within Arab Israeli municipal boundaries is often expropriated and annexed to Jewish local authorities.

Generally speaking, land available for Arab municipal areas is limited both in scope and possible use. Predominantly Arab Nazareth, for example (60,000 residents), has municipal jurisdiction over only 16,000 dunams (approximately 5.6 sq. miles); its immediate neighbour, predominantly Jewish Nazaret Ilit (40,000 residents), controls 40,000 dunams (approximately 13.9 sq. miles). Land is categorised as "construction", "agricultural" or "industrial".⁹⁵ In Arab areas, little is categorised as

⁹² Most Arab commentators and planners believe that these last two arrangements, mitzpim and yishuvim bodedim, are designed to establish a Jewish presence in very small communities as a means of interfering with Arab contiguity and claims on the land. ICG interviews with Taleb A-Sa'ana, member of the Knesset and Dr. Rassem Khamaisi, Be'ersheva, July 2003, Nazareth, March 2003.

⁹³ ICG interview with Adv Suhad Bishara, Adalah – the Legal Center for Arab Minority Rights in Israel, Shafaram, March 2003.

⁹⁴ See <http://www.adalah.org/eng/legaladvocacycultural.php#2773>.

⁹⁵ Government officials acknowledge the lack of space zoned for industrial use in Arab localities and the fact that Arab municipalities do not enjoy benefits from the areas classified by the government as "industrial areas" in the

"construction". There also are no plans to build or allocate land for new Arab settlements, whether rural or urban.⁹⁶ The net result is overcrowding of Arab areas, poor living conditions, unlicensed building and under-development. Not all problems are externally-generated. Arab land ownership and inheritance traditions further complicate matters; buildings that are constructed tend to be low-rise and not maximize land-use; and Palestinian citizens of Israel also resort to unlicensed buildings because they circumvent taxes and other permit fees.

Indeed, illegal building is a principal bone of contention between Arab citizens and the government, which has tended to react by demolishing homes.⁹⁷ Yet until the land shortage is addressed, illegal building is likely to continue, as are demolitions and the smouldering anger of those who see their aspirations frustrated at every turn.

The phenomenon of unrecognized villages is remarkable in a modern state. The term applies principally to communities that existed prior to Israel's founding but have never been incorporated into designated planning provisions and so for planning and permit purposes remain "unrecognised". The overwhelming majority of such villages are inhabited by Bedouin, whom the state argues need to be moved to a planned urban locality. Seen as illegal and potentially subject to demolition, the villages are ineligible for basic services or infrastructure.⁹⁸

north. ICG interview with former Interior Ministry Director-General Dooby Gazit, Tel Aviv, July 2003.

⁹⁶ The only new Arab settlements have been the seven Bedouin townships built in the Negev. However, Arabs view their establishment as attempts to remove the Bedouin from their land, thus freeing it for Jewish use; moreover, they complain of lack of investment in the townships. The idea of building a new, modern Arab city has been suggested, though not yet adopted. For Ahmed Tibi, such a step would be a statement of positive intent by the state while promoting the modernisation and urbanisation of the Arab community. ICG interview, Jerusalem, November 2002.

⁹⁷ According to the 1965 Planning and Construction Law, a building constructed without the appropriate permit must be demolished unless the planning authority issues a permit retroactively at its discretion. Should the planning authority opt not to issue a permit, a demolition order must be issued. Implementation of this order, however, is also at planning authority discretion.

⁹⁸ A 1981 amendment of the Planning and Construction Law (article 157A) goes further and makes it illegal for the state electricity, water and telephone companies to connect houses from the unrecognised villages to the national networks.

Unrecognised villages also are denied representation in elected local government.

There are a number of settled communities in northern Israel whose existence pre-date the establishment of the state but which have never been granted formal recognition. For the most part, Bedouin possess registration documents, yet the state argues that they cannot build on the land. The Rabin government took some steps to extend formal recognition to several of these villages and allocate resources for service and infrastructure but successor governments did not expend most of the sums earmarked in budgets. In some cases approval of planning maps was delayed, as in al-Husaynia, which was recognised in 1995 but whose inhabitants are still being fined for unlicensed residential construction.⁹⁹

The most difficult cases are in the southern Negev where some 70,000 Bedouin live in approximately 45 unrecognised villages, mostly without land registration documents. Bedouin land rights in the Negev are not recognised, so their lands typically have been confiscated and registered as state possession then often subsequently re-zoned for the establishment of new, Jewish neighbourhoods. Since the mid-1960s, the state has sought to settle and "modernise" the Bedouin by concentrating them into what are now seven governmentally-designated urban localities in the Negev. Planned without consultation with representative Bedouin, the towns are a jarring contrast to the traditional Bedouin way of life and lack economic potential. Moreover, in exchange for a plot in one of these localities, Bedouin were required to settle their claims to expropriated lands. As a result, many the Negev Bedouin refused relocation to the townships. The phenomenon of unrecognised villages is essentially a response to the failure of these urbanisation efforts.

In 2000, the ministerial Sub-Committee on Bedouin Affairs briefly sought to generate a "comprehensive plan" that would have recognised sixteen to eighteen villages, based on a scheme drawn up in consultation with (and accepted by) the Regional Council for the Unrecognised Villages, a Negev-based advocacy group. However, it was shelved by the Sharon

Most of the unrecognised villages do get some forms of "temporary" service, such as water.

⁹⁹ Until the planning map of the village is approved by all the relevant authorities, building permits cannot be issued, so even after the announcement of recognition, all building in the village remains illegal and subject to demolition orders.

government which, in April 2003, adopted a five-year plan for the Negev Bedouins. The former minister with responsibility for Bedouin affairs, Haim Oron, decried this plan as "a declaration of war against the Bedouin community".¹⁰⁰ According to Bedouin planner Dr. Amar al-Huzayl, "It is no secret that the goal of Israeli planning in the Negev... is the concentration of the maximum number of Bedouin on a minimum amount of land, and the dispersion of the minimum number of Jews on a maximum amount of land".¹⁰¹

Additional expropriations and forced removals exacerbate social tensions and foster crime. The unrecognised villages -- which cannot be found on a map -- lack basic services, electricity, sewage, infrastructure, health clinics and schools, and generally can be accessed only by dirt roads.¹⁰² Children must walk long distances to reach points where they can board buses to school. Demolition orders against Bedouin homes are a constant menace.¹⁰³ These conditions, atop policing by the infamous "Green Patrol",¹⁰⁴ have helped create the

impression of direct military rule. Many Bedouin see no hope for improvement: "Those who are educated feel defeated while the uneducated tend to veer toward the Islamic movement. But the Islamic movement is seen as capitalising on public sentiments without having a real vision of how to improve things".¹⁰⁵ A number of young Bedouin have resorted to crime, not political protest, in response. The townships themselves, which have become "breeding grounds for drug abuse and crime", are hardly models of social or economic progress.¹⁰⁶

Government policy has neglected basic steps to improve living conditions.¹⁰⁷ As Knesset Bedouin Lobby Chair and opposition parliamentarian Colette Avital says, "the largest single budget item in the new government program for the Bedouin in the Negev is additional law enforcement".¹⁰⁸ A policy debate on settlement patterns is urgently needed; a key condition is for the authorities to hold genuine consultations with Bedouin representatives.

C. EDUCATION

Education statistics show wide disparities between Arab and Jewish Israelis. Generally, the Arab school system is under-resourced; only 7 per cent of the Ministry of Education's 2004 budget is allocated to it.¹⁰⁹ The average numbers of Palestinian and Jewish students per classroom are 32 and 27 respectively. Disparities also affect funding for auxiliary education services¹¹⁰ and are reflected in achievements: The

¹⁰⁰ *Ha'aretz*, 22 September 2003.

¹⁰¹ From a speech delivered by Dr. Amar Al-Huzayl, strategic planning manager for the Regional Council for the Unrecognised Villages in the Negev and Rahat, at a conference of the Arab Centre for Alternative Planning, Nazareth, March 2002.

¹⁰² According to an official State of Israel Report to the U.N. Human Rights Commission, "The Bedouin population, particularly in the Negev Desert area, is perhaps the most disadvantaged single community in Israel in terms of per capita income, unemployment and the level of infrastructure and services in their communities". United Nations Human Rights Committee, 9 April 1998, "Initial Report of States Parties, due in 1993: Israel", CCPR/C81/Add.13 (State Party Report).

¹⁰³ While an estimated 30,000 buildings have been the subject of demolition orders, just over 100 houses in the unrecognised villages in the Negev have been destroyed since 2001. Nevertheless, villagers live under a constant threat of demolition, which can be used for intimidation. Demolition orders tend to be issued by the Ministry of the Interior. Although court appeals are permitted, they rarely are successful. ICG interviews with civil rights activists, Negev, 11 July 2003. The practice of house demolition itself has stirred great anger within the Bedouin community; in one instance, Bedouins clashed with a surrounding Jewish community that aimed to expand at the expense of their village. ICG interviews with Ja'far Farah of Musawwa, Haifa, July 2003; Arab Knesset member Taleb al-Saane' of the Arab Democratic Party, Be'ersheva/Bir Sab'a, July 2003.

¹⁰⁴ Although the Green Patrol is formally attached to the National Parks Authority and thus under the remit of the Environment Ministry, its services are used by a number of ministries, including agriculture and infrastructure. In the

Negev its primary tasks include house demolitions, seizure of Bedouin flocks and destruction of Bedouin crops deemed to be outside of approved areas.

¹⁰⁵ ICG interview with Fares Abu Taleb, Be'ersheva/Bir Sab'a, 11 July 2003.

¹⁰⁶ *Ha'aretz*, 10 February 2004. Many Bedouin argue that economic conditions are better in the unrecognized villages.

¹⁰⁷ Meretz Knesset member Haim ('Jumus') Oron, a former minister and chair of the ministerial Sub-Committee on Bedouin Affairs, accused the second Sharon Government of having "brought a wave of home demolitions that is stirring up agitation in the Negev". Haim Oron, "The Government Has Declared War Against Them", *Ha'aretz*, 22 September 2003.

¹⁰⁸ ICG interview, August 2003.

¹⁰⁹ Mossawa, Socio-Economic Report, op. cit.

¹¹⁰ Inequalities affect areas such as the availability of libraries, educational and psychological counselling or after-school activities. These stem in part from the Ministry of Education's dual-track method for assessing the needs of Arab and Jewish schools. Arab schools also generally are not entitled to the extra funding allocated to schools in National

drop-out rate among sixteen-seventeen-year olds is 40 per cent for Palestinian citizens, 9 per cent for Jewish citizens. The matriculation success rate of Arab Israelis is 31.5 per cent, compared to 45 per cent for Jewish Israelis.¹¹¹

Inequalities also affect the institutional treatment of the Arab education system (attended by 92 per cent of Arab children) and of Israeli religious schools, even though the state funds and supervises both.¹¹² Unlike the religious schools, Arab public schools enjoy relatively little autonomy regarding planning, management, and defining goals and content.¹¹³ The Arab schools also suffer from the fact that the education system is partly run by municipalities, which are responsible for establishing and maintaining educational facilities. Aside from differential state funding, the problems at municipal level -- chronic under-funding, economic under-development, mismanagement and corruption -- are projected onto the Arab schools. Moreover, budgets allocated to the municipalities by the Ministry of Education are often used to fund other activities.

Some have considered the option of using the existing educational infrastructure to establish a separate administration for Arab education -- an Arab-run system within the framework of the Ministry of Education. The Shas faction leader in the Knesset, Yair Peretz, suggested that a model of autonomy for Arab education similar to Shas's could be acceptable to his party.¹¹⁴ However, this option is very controversial and is far from unanimously embraced within Arab Israeli circles. It would be viable only if the state allotted sufficient funds to the Arab system and required Arab municipalities to use the education budget exclusively for education. Another priority is to ensure that education appointments are made on the basis of professional competence, not patronage.

Priority Areas or to communities absorbing new immigrants. See Human Rights Watch, "Second Class: Discrimination Against Palestinian Arab Children in Israeli Schools", September 2001, New York.

¹¹¹ Statistics taken from Ittijah, the Union of Arab Community Based Organisations, available at <http://www.itijah.org>.

¹¹² In 1992, the Rabin government extended formal recognition to a third special education system, supervised by Shas, the Sephardic ultra-orthodox party. Although strictly speaking it is not a public school system, it benefits from large public subsidies, mostly channelled through the Ministry of Religious Affairs.

¹¹³ See Benvenisti, *op. cit.*

¹¹⁴ ICG interview, Jerusalem, July 2003.

IV. MUTUAL PERCEPTIONS

Because of the multi-layered nature of communal relations in Israel -- an Arab minority living in a Jewish state in conflict with its Arab neighbours -- mutual perceptions typically have been characterised at best by indifference, at worst by total misunderstanding and mistrust. As Dooby Gazit, the ex-director-general of the Interior Ministry, explained, "Israeli Jewish society has fears, whether justified or not. They exist, they are real and Arabs too often play into them. The Arab public, too, has its own traumas. For the most part, the two sides just don't understand each other".¹¹⁵

In the aftermath of the October 2000 events, with the overall worsening of Israeli-Palestinian relations and deepening concern among Jewish Israelis regarding demographic trends, deepening conflict between the two communities has come to be viewed as increasingly likely. The combination of what Jewish Israeli commentators term "Arab provocations" and Arab Israeli representatives label "state and rightist provocations" is perilous. Arrests of Arabs for suspected involvement in terrorism, legal proceedings against the Islamic Movement's Northern Wing, rising economic frustration and increasingly bellicose statements from members of both communities have further fuelled tension. In the words of Ja'far Farah of Musawwa, both communities are in the process of "losing their shock absorbers".¹¹⁶

A. JEWISH ISRAELI PERCEPTIONS

Many Jewish Israelis seriously question the willingness of their Arab counterparts to come to terms with the state of Israel.¹¹⁷ Palestinian citizens of Israel are often perceived either as a demographic or, worse, direct security threat -- an impression reinforced by the extremist rhetoric sometimes employed by Arab Israeli leaders. As the peace process collapsed in 2000-2001 into violence, increasing numbers of Jewish Israelis concluded that the Palestinians' ultimate objective was a single state west of the Jordan River, with

¹¹⁵ ICG interview, Tel Aviv, July 2003.

¹¹⁶ ICG interview, Haifa, July 2003.

¹¹⁷ Likud Knesset member Michael Eitan put it as follows: "They do not, and will not, recognise the Jewish State. I have no expectation of loyalty". ICG interview, Tel Aviv, August 2003.

the population of the occupied territories adding to that of Arab Israelis to form a majority.¹¹⁸ Demography is key: According to projections, by 2020 there will be 8.1 million Arabs and 6.7 million Jews within Israel and the occupied territories.¹¹⁹ Within Israel proper, the Arab community's recent growth rate has been 3.4 per cent, as compared to 1.4 per cent for Israeli Jews.¹²⁰ Some estimates suggest that Arabs could be 23 per cent by 2020 and 31 per cent by 2050; some Israelis warn that, by marrying and having children with women from the occupied territories, Palestinian citizens of Israel are implementing a "kind of 'creeping return'".¹²¹ Finance Minister Netanyahu warned that if Israel did not continue to attract Jewish immigrants, the Israeli Arabs might become 35-40 per cent of the population, turning Israel de facto into a bi-national country.¹²² References to the Arab demographic threat have become increasingly mainstream.

Ethnically, religiously and linguistically indistinguishable from the Palestinians of the occupied territories, Israel's Palestinian citizens often are viewed as potential -- in some cases, actual -- allies in the fight against the Jewish state. Accordingly, they often are treated with suspicion. The General Security Service (Shin Bet) plays a

determining role in appointments of Arab teachers at all levels and closely monitors Arab Israeli political parties; few Arab Israelis are in government ministries; most are barred from the security and defence industries, which are major employers in Israel. In practice, Arab Israelis are even barred from working for the Israel Electricity Corporation. In interviews with ICG, several former Shin Bet and National Security Council officials argued that this approach risked undermining Israel's longer term national security interests by exacerbating the feelings of alienation and disloyalty among Arabs that purportedly justify it.¹²³

The question of loyalty is one of the more sensitive ones as it involves the two communities' highly distinct, at times conflicting historical experiences. When Israel commemorates its independence -- the culmination of a week that includes memorial days marking the Holocaust and remembering fallen soldiers -- Palestinian citizens of Israel mourn, since they associate the state's establishment with their 1948 catastrophe (*al-Nakba*) in 1948.

Uri Borowski, Prime Minister Sharon's advisor on Arab affairs, suggested that "the state should invest only in those Arab municipalities where they fly the Israeli flag prominently and have a picture of the prime minister and president in the town hall".¹²⁴ Education Minister Limor Livnat argued that funding for Arab schooling should be conditioned on "loyalty".¹²⁵ In December 2003, Avi Dichter, the head of Israel's internal security service, suggested Iran had "marked the Israeli Arabs as a potential fifth column for them to exploit".¹²⁶ Michael Eitan, Likud

¹¹⁸ In an interview with historian Benny Morris, former Prime Minister Ehud Barak stated: "If the conflict with the Palestinians continues, Israel's Arabs will serve as [the Palestinians'] spearpoint in their struggle and this may necessitate changes in the rules of the democratic game ... in order to assure Israel's democratic character". Benny Morris, "Camp David and After: An Exchange (1. An interview with Ehud Barak)", *New York Review of Books*, vol. 49, N°10, 13 June 2002.

¹¹⁹ See Courbage, op. cit.

¹²⁰ *Ha'aretz*, 1 February 2004.

¹²¹ Dan Schueftan, "Good Fences for a Bad Neighborhood", *Middle East Insight*, April-May 2001, p. 22.

¹²² *Ha'aretz*, 17 December 2003. At the same conference at which Netanyahu spoke, Yitzhak Ravid, a senior researcher at Israel's Armament Development Authority, called for a strict policy of family planning for Israeli Muslims, complaining that "the delivery rooms in Soroka Hospital in Be'er Sheva have turned into a factory for the production of a backward population". Meretz leader Yossi Sarid expressed amazement at how "great leaders are exposed as small bigots", and accused Netanyahu of "pour[ing] a fuel tanker on the bonfire of relations between Jewish and Arab citizens in Israel", adding that "a thousand firemen won't be able to put out a fire that one light-hearted man ignited". *Ha'aretz*, 18 December 2003.

¹²³ ICG interviews, Tel Aviv, May and July 2003.

¹²⁴ ICG interview, Jerusalem, July 2003.

¹²⁵ Quoted in Sikkuy, Annual Report of 2001-2002, op. cit., p. 7. Although many Jewish Israelis believe in the need for loyalty tests, the National Security Council has opposed them, arguing that they are likely to further widen the gulf between the state and its Arab minority. ICG interview with NSC official, NSC HQ, July 2003. Doubts about loyalty generally do not extend to the Druze, who enjoy a special status and, unlike other Arabs, are subject to compulsory military service. A former Likud defence and foreign affairs minister who has been involved in Arab affairs, Moshe Arens, described the Druze as having "a sense of national belonging, responsibility and pride...largely due to their performing army service". Arens expressed his own sense of pride and achievement, having recently witnessed the swearing in of the first Druze Air Force pilot. ICG interview, Haifa, June 2003. The first Druze general was recently commissioned.

¹²⁶ Gavin Rabinowitz, "Israeli security chief: Iran is 'N°1 terror nation'", Associated Press, in *Daily Star*, 17 December 2003.

Knesset member and chairman of the Constitution, Law and Justice Committee, summed up: "Nobody has any hopes or expectations for Jewish-Arab relations in Israel. I don't see a positive scenario ... the clash [inside Israel] is unavoidable".¹²⁷

Some take distrust further. There have long been strains of thought among some Jewish Israelis that Arabs should not enjoy citizenship or equal rights,¹²⁸ though historically political leaders have sought to distance themselves from extremist elements. Yet support for the transfer of Arabs from Israel -- which dropped in the 1990s -- has regained a measure of acceptance, embodied in the participation of the pro-transfer Moledet Party in a Likud-Labour unity government. In a March 2002 poll, 31 per cent of Israel's Jewish population favoured transferring Palestinian citizens out of the country -- up from 24 per cent in 1991. Some 60 per cent said they favoured encouraging them to leave.¹²⁹ Avigdor Lieberman, the minister of transportation, explained:

If you ask me, Israel's number one problem ... is first of all Arab citizens of the State of Israel. Those who identify as Palestinians will have to move to Palestine. Do I consider them citizens of the State of Israel? No! Do we have to settle the score with them? Yes!¹³⁰

Effi Eitam, who leads the National Religious Party and is minister of national infrastructure, described Palestinian citizens of Israel as "a ticking bomb" and "a cancer".¹³¹ In 2002, Israel's highways and intersections were plastered with Moledet posters proclaiming: "Only Transfer Will Bring Peace" and "No Arabs, No Terrorist Attacks".¹³² Inclusion in the

No evidence of an Iranian link to Arab Israeli (including Islamist groups) has been presented to date.

¹²⁷ ICG interview, Tel Aviv, August 2003.

¹²⁸ Most notable in this respect was Rabbi Kahane's Kach movement. Kahane was a member of the Knesset in 1984 but, following changes in Israel's Basic Law, the movement was disqualified from running in 1988 on the grounds that it was racist and anti-democratic. Kahane's movement was later banned after it was declared a "terrorist" group by the government. Kahane himself was assassinated in New York in 1990.

¹²⁹ Cited in *Ha'aretz*, 12 March 2002.

¹³⁰ Channel Two's "Meet the Press" program in December 2001, quoted in Nimer Sultany, *Citizens Without Citizenship* (MADA, July 2003), p. 148.

¹³¹ See interview with Effi Eitam by Ari Shavit, "Dear God, it's Effi". *Ha'aretz*, 22 March 2002.

¹³² Even the renowned historian and author of the *Birth of the Palestinian Refugee Problem* (1987), Benny Morris

2001 National Unity Government of the National Union -- a coalition that includes advocates of forcible transfer -- was worrisome.¹³³

Legislation has been proposed that would encourage emigration, ban commemoration of *al-Nakba* and bar Arabs from voting on issues considered vital for Israel -- including Knesset votes or popular referenda on future peace deals. Shawqi Khatib, chairman of the Supreme Follow-up Committee, explained: "There is no one listening to us in the government. Put simply, it is one of the toughest periods for our community".¹³⁴

At the same time, prominent Israelis of various persuasions have voiced concern at the treatment of the Arab community and urged the government to redouble efforts at integration. Moshe Arens, the former defence and foreign minister, denounced what he called the government's "non-policy": "Israel's Arab citizens have been ignored, except at election time....It is pretty late, but not too late, for the government to give the integration of the Israeli Arab population in Israeli society the priority it deserves -- for their sake and for Israel's sake".¹³⁵ Former Likud minister Dan Meridor said, "The State must demand and give full equality and enfranchisement. All sides are in need of clarity, and there must be a re-organization of previous arrangements".¹³⁶

B. ARAB ISRAELI PERCEPTIONS

Palestinian citizens of Israel tend to hold radically different views of their position and role in Israeli society. For Majid al-Haj, a professor of Sociology at the University of Haifa, they belong to a "double periphery -- located on the margins of both Israeli

reflected in a recent interview: "I think he [Ben Gurion] made a serious historical mistake in 1948. Even though he understood the demographic issue and the need to establish a Jewish state without a large Arab minority, he got cold feet during the war. In the end, he faltered ... If he was already engaged in expulsion, maybe he should have done a complete job". See Ari Shavit, "Survival of the Fittest", *Ha'aretz Magazine*, 9 January 2004.

¹³³ The political platform of Moledet, a member of the National Union, includes a chapter entitled, "Separation of the Peoples and Population Transfer". Several senior Labour party figures opposed joining the government due to the extreme right's presence.

¹³⁴ ICG interview with Shawqi Khatib, who is also the mayor of Jaffa, Haifa, July 2003.

¹³⁵ *Ha'aretz*, 28 October 2003.

¹³⁶ ICG interview with Dan Meridor, Jerusalem, June 2003.

society and the Palestinian national movement".¹³⁷ As a result, they often combine strong Palestinian identity with an equally powerful desire for full and equal recognition as Israeli citizens. While Jewish Israelis see this as a contradiction, they do not. In the words of one observer, their "aspiration is to receive their rights in the state of Israel and, in parallel, to preserve and develop their affinity with the Palestinian people -- and they do not view this duality as an impossible act".¹³⁸

I have no doubt that in the event of the creation of a Palestinian state, the collective choice of the Palestinian community will be to remain in Israel. But remaining in Israel will not infringe on our Palestinian identity. And my identification with the Palestinian people should not be used as a pretext to question my loyalty to the Israeli state. It is the Israeli state that ought to question its loyalty to its citizens.¹³⁹

This dual identity -- Palestinian by culture, Israeli by citizenship -- became more prominent chiefly during the Oslo period.

As Arab Israelis see it, the state and people of Israel have been unwilling either to respect their rights as citizens or recognise their collective identity, perpetuating discrimination in religion, education, politics, security and employment.¹⁴⁰ "Our objection", said a local political leader, "is not to the state but to the state's discriminatory policy".¹⁴¹ They accuse the government of seeking to dilute the Arab character of certain regions, specifically by promoting relocation of Jewish Israelis to

predominantly Arab-inhabited areas of the Galilee and Negev. And they complain that the state views them as a fifth column, if not politically then certainly demographically: "They see our presence and population growth as endangering the Jewishness of the state", said one political activist.¹⁴²

While quick to blame the government for their predicament, Palestinian citizens of Israel also express widespread dissatisfaction with their community's inability to develop a coherent strategy and organise effectively against discrimination and what they describe as the government's "Judaisation" schemes, especially at the local level. The most common criticism is that the leadership has failed to form a unified front to press communal objectives and articulate a consistent approach. "There is a real sense of helplessness among the Palestinian population", said a local activist. "There is a widespread belief that Arab representatives cannot bring about any improvement of their problems".¹⁴³ Even the more moderate community leaders see themselves in a double bind -- considered disloyal by the state whose services they seek and ineffective by the constituents they are supposed to serve. Viewed as a permanent opposition by even mainstream Jewish Israelis, Arab politicians lack the ability to make deals or build coalitions within the Knesset. This limits their effectiveness, particularly when compared to representatives of the religious, settler or Russian communities. Few see a way out of this predicament in the absence of an overall settlement of the Israeli-Palestinian conflict.

Compelled to justify to their own electorate their participation in the parliamentary process and, arguably, to compensate for the lack of concrete deliverables, community leaders are tempted at times to resort to more inflammatory rhetoric -- a trend that further reduces their legitimacy in Jewish Israeli eyes. One manifestation has been a strengthening of organisations, such as the Northern Wing of the Islamic Movement, that advocate boycotting Israeli democratic structures and setting up parallel and independent communal ones. More generally, Arabs have questioned an electoral strategy that has largely consisted of a de facto alliance with a weakening Labour party. They have begun to search for

¹³⁷ See Majid al-Haj, "The Impact of the Intifada on Arabs in Israel: The Case of a Double Periphery", in Akiba A. Cohen and Gadi Wolfsfeld, eds., *Framing the Intifada. People and Media* (Norwood, N.J., 1993), pp. 64-75.

¹³⁸ Khawla Abu Baker and Dan Rabinowitz, *Upright Generation ("Hador Hazakoof")* (Jerusalem, 2002). The authors contrast the so-called "upright generation" to the post-1948 "survivor" and the subsequent 'washed-out' generations.

¹³⁹ ICG interview with Arab Israeli, Nazareth, January 2004.

¹⁴⁰ Hannah Sweid, the DFPE-affiliated mayor of 'Eilaboun and founding director of the Arab Centre for Alternative Planning, expressed this most plainly: "The Jewish public condones discrimination against Arabs". ICG interview, 'Eilaboun, July 2003. Muhammad Abu al-Haija, an activist, complained: "A person coming from Russia has more rights than a person who has been living here for thousands of years. They are living in my house". ICG interview, outside Haifa, 13 July 2003.

¹⁴¹ ICG interview with Siham Fahoum, member of the Nazareth local council, Nazareth, 9 July 2003.

¹⁴² ICG interview with Salman Abu Ahmad, the Islamist deputy mayor of Nazareth, Nazareth, 9 July 2003.

¹⁴³ ICG interview with Aida Tuma, director of the Association of Women Against Violence, Nazareth, 10 July 2003.

alternatives to ensure they no longer taken for granted by Labour leaders. But none appear readily available, leading many in the community to conclude that they face the choice of remaining hostage to Labour or even greater political marginalisation. Hostile political developments such as inclusion of far-right parties in the government coalition have further contributed to political alienation and bolstered the appeal of more radical options. Indeed, for increasing numbers of Arab Israelis, the goal of the more radical Jewish parties is to provoke a confrontation. Muhammad Barakeh, a DFPE Knesset member noted: "I don't want to sound like a conspiracy theorist but there are transferists in the government coalition. They want things to reach a boiling point to justify and push dramatic actions against the Arabs in Israel".¹⁴⁴

For the time being, Israel's Palestinian citizens appear unified in their demand for equality short of assimilation, for their rights as Israeli citizens without having to forsake identity, culture or traditions.¹⁴⁵ "Why should the Arabs be considered any different from the religious Jewish community"? asked one commentator. "They are granted equal rights as citizens without having to fulfil all duties, such as military service".¹⁴⁶ Hanna Sweid, a local political leader, likewise contended that "the association between rights and duties is one of the key impediments to equality. I can accept that as an Arab I cannot participate in matters relating to security -- why should I serve a flag that does not represent me? But I cannot accept being penalised for this by not receiving equal rights. This whole issue of military service is just the state's excuse for perpetuating discrimination". The solution, he suggested, was for

Palestinian citizens to be allowed to perform alternative community service.¹⁴⁷

¹⁴⁴ ICG interview, Nazareth, August 2003. Similar fears exist on a popular level, as one anonymous interviewee reflected to ICG in January 2004: "I envisage total war happening in the next ten years. It's a bit apocalyptic, though. There will be a war, and the Arabs will go to the streets to demonstrate, which will be a violation of martial law. We will be blocking the streets, and will become part of the enemy, and then we will be kicked out. It's not like it didn't happen before". ICG Interview, K, computer programmer, Nazareth, January 2004.

¹⁴⁵ One local leader said he was willing to countenance a scenario of full integration of Arab Israelis in Israeli society, but only if they were granted full rights as citizens: "If Israel becomes a state that is truly for all citizens and not only for Jews, I can accept integration. If complete equality is delivered, I do not see a problem undertaking military service". ICG interview with Sami al-Issa, mayor of Kafr Qasem, Kafr Qasem, 13 July 2003.

¹⁴⁶ ICG interview with Fayez Shteivi, general director of the weekly *Kul al-'Arab*, Nazareth, 10 July 2003.

¹⁴⁷ ICG interview with Hanna Sweid, 'Eilaboun, 10 July 2003. An Islamist leader put it more forcefully: "The Israeli state has to understand the following: that the Arabs are the original owners of the land, that the Arabs are not willing to migrate, and that Arabs will continue to live with an Islamic, Arab and Palestinian identity. We demand equality without having to undertake any task that will touch on our identity. The state must establish equality on the basis of international law, which does not distinguish between rights and duties. Arabs will never accept serving in the army". ICG interview with Hashem Abd-al-Rahman, spokesman of the Northern Wing of the Islamic Movement, Um al-Fahem, 13 July 2003. Another Islamist took a modified view: "I am willing to serve in the army if the following conditions are met: a comprehensive and just peace between Israel and all its Arab neighbours; the establishment of an independent Palestinian state; complete Israeli withdrawal from all Arab land [outside Israel]; full rights and equality to Arabs inside Israel, including the return of confiscated Islamic Waqf and Arab land to its owners; and the right of Palestinians to return". ICG interview with Salman Abu Ahmad, deputy mayor of Nazareth, Nazareth, 9 July 2003.

V. THE FACE OF TUMULT

A. ISLAMIST RADICALISM

As in much of the Arab world, Israel's Arab population has experienced the growing influence of political Islamism, as evidenced in the success of the Islamic Movement in parliamentary and local elections, but also as an increasingly influential provider of religious and social services. The Islamic Movement was founded in 1983 by Sheikh Abdallah Nimr Darwish after he completed a three-year prison sentence.¹⁴⁸ Apparently breaking with his militant past, he adopted a political strategy of non-violence aimed at promoting Islam among Israel's Moslem citizens. The Islamic Movement participated in the 1983 local elections, and one of its members was elected as head of a local council in Kafr Bara. Other victories followed in 1989, including in Umm al-Fahm, but the decision to participate in elections in the wake of the Oslo Agreement proved controversial. In 1996, the movement split into two factions -- the Southern Wing, which took part in the electoral process, and the Northern Wing, which did not.

The Southern Wing, which until 1998 was headed by Sheikh Abdallah Nimr Darwish, acted within the framework of Israel's political institutions. Since its first participation in the 1996 parliamentary elections, it has allied itself with the Arab Democratic Party, many of whose leaders previously belonged to Labour and which retains strong connections with that party. Together with other small Arab political factions, they form the United Arab List, which won a plurality (31 per cent) of Arab votes in the 1999 Knesset elections and five seats (two attributed to the Islamic Movement).¹⁴⁹ In the 2003 parliamentary elections, the Southern Wing suffered a significant setback, as did the United Arab List as a whole. Among the explanations offered are dissension, mishandling of regional sensibilities in forming the list, and, more generally, a growing sense of constituent frustration regarding efforts to secure rights via parliamentary action.

¹⁴⁸ The Sheikh had been the spiritual leader of *Usrat al-Jihad* (The Family of the Holy War), a clandestine para-military organisation founded in 1979.

¹⁴⁹ In an interview with ICG, Sheikh Abdallah Nimr Darwish reiterated his call for an approach based on responsiveness by the authorities and the Arab community, and for "the re-establishment of strong relations in Israel between Arabs and Jews". ICG telephone interview, September 2003.

The Northern Wing argued that such participation would be tantamount to recognizing Israel's legitimacy and require the movement to make partisan deals that risked compromising its moral authority, all without providing the Arab community an effective role in the Knesset.¹⁵⁰ Headed by Sheikh Ra'ed Salah (mayor of Umm al-Fahem between 1989 and 2000¹⁵¹), the Northern Wing focused on building autonomous institutions in areas such as health care, education, welfare, sports and religious services, and on preserving Islamic holy places. Such activities are denounced by the state as "separatist" but defended by Sheikh Ra'ed Salah as a reaction to the social vacuum resulting from discrimination in services and investment in the Arab sector.¹⁵² The sheikh also convened annual "Al-Aqsa is in danger" rallies, which the state regarded as particularly provocative. Most Israelis are highly suspicious of the Northern Wing's separatist-autonomous line.¹⁵³ In February 2002, the Israeli government barred Sheikh Ra'ed from leaving the country and, in December 2002 shut down the Northern Wing newspaper, *Sawt al-Haq*

¹⁵⁰ The Northern Movement contests local elections, and has, for instance, controlled the municipality of Umm al-Fahm for thirteen years.

¹⁵¹ His virtually unprecedented decision to step down as mayor significantly elevated his moral authority in the eyes of many in the community. ICG interviews, Nazareth, January 2004.

¹⁵² ICG interview just weeks prior to his arrest, Umm al-Fahem, March 2003. "The Islamic Movement does a lot of important things and services for the community that the state does not give. It gives the poor people money and takes care of orphans. This is important. It does it during the feasts and Ramadan. They really do help a lot of poor people. The Islamic Movement will get stronger as it does good things but it is not like Hamas. It is not fighting Israel, just helping people". ICG interview with young Arab Israeli teacher, Beer Sheva, January 2004. The view was echoed by a female Christian Arab community activist: "What the Islamic Movement does is provide a very positive civil society movement for people to support each other. The international community and the Arab countries left us alone, so we have to have a system of mutual support including things like a hospital and food". ICG Interview, Nazareth, January 2004.

¹⁵³ Islamist organizations are not alone in advocating a separatist-autonomy stance. A secular nationalist movement such as the Abnaa al-Balad (Sons of the Village), which has been active since 1973, advocates boycotting Knesset elections and at times has openly challenged Israel's right to exist. While it had some success in the 1970s in countering the influence of Rakah (which it condemned as "Israeli patriots"), it has become marginal, with political influence only among some university students.

wal-Hurriyeh.¹⁵⁴ Six months later, he and thirteen other Movement leaders and activists were arrested on charges that included channelling funds to Hamas and contacts with hostile foreign agents (Palestinian activists in the West Bank and Gaza but also in Syria and the U.S., and European-based Islamic foundations).¹⁵⁵ While many Israelis tend to view the Northern Wing as radical and the Southern Wing as pragmatic, the differences are not so clear. As one observer put it, "the Northern movement is more concerned with establishing NGOs, the Southern wing with getting elected, and on a local level the two are principally focused with building large numbers of mosques".¹⁵⁶

In the eyes of Arab Israelis, religious activists are victims of the worsening regional and wider international climate and of a post-11 September backlash, which has led the Israeli government to feel both more threatened by Islamist militantism and emboldened to clamp down on it. Others charged the government was seeking to maintain a political vacuum in the Arab community and felt threatened by the Islamic Movement's success in providing social services and maintaining religious symbols.¹⁵⁷ Islamists see additional evidence of state

persecution in the crackdown on the network of Islamic welfare charities and the unwarranted conflation between boycotting elections, building parallel social institutions and supporting violence. The Northern Wing's charitable institutions have been closed on several occasions since 1996, generally for channeling funds to Hamas. In discussions with ICG prior to his arrest, Sheikh Ra'ed was cautious, asserting acceptance of democratic rules and arguing that the onus was on Israeli democracy to demonstrate that it could deal with the legitimate concerns of its Arab citizens.¹⁵⁸

In the midst of growing radicalism among some Islamists and increasingly frequent Israeli accusations of cooperation in terrorism, the Southern Wing has held to its decision to participate in Knesset elections and Israeli political institutions. While some declarations by Abd-al-Malik Dehamsheh, Islamist Knesset members and the head of the United Arab List, can be viewed as condoning violence, the movement's pragmatic stance appears to reflect a strategic commitment.¹⁵⁹ In this it appears to have taken a leaf from the Sephardic, ultra-orthodox Shas party, with which it has joined on matters of common concern, such as the government's attempt to introduce compulsory military service for all Israeli citizens, including the ultra-orthodox and Arabs.¹⁶⁰ Still, there are signs of growing impatience among Arab Israelis regarding the effectiveness of institutional, political action, including the Southern Wing's electoral setback. As one Arab community worker remarked, "when the Islamic Movement provides services, it is better than when it is political. When it became political, people stopped believing in them, which is what happens to all politics".¹⁶¹

Why did the Islamic Movement drop in the elections? Many people said that Sharon was going to win, and so there was no point in voting. It didn't matter, and also why did we really want whoever to win anyway. The Arab

¹⁵⁴ The order closing the newspaper stated that it "endangered public safety".

¹⁵⁵ Palestine Media Center – Press Release, "5 Arab Israeli Indicted with Solidarity Intifada", 26 June 2003, available at: <http://www.palestine-pmc.com>. Hashem Abd-al-Rahman, the Northern Wing's spokesman, imputed five Israeli motives for the arrest of Sheikh Ra'ed and his colleagues: "First, the state wanted to punish the Islamic Movement for its position on Al-Aqsa. Second, the Islamist Movement's efforts to establish a self-reliant society (in terms of health, education and the economy) run counter to the state's plan to integrate the Arabs without treating them as equals. Third, the arrests were a form of political blackmail: to force the movement to end its boycott of elections, which the state, unlike us, sees as tantamount to separatism. (We simply do not see the benefits from participating in elections.) Fourth, the arrests were consistent with the general hostility directed toward Islamist movements worldwide. And finally, the arrests were aimed at weakening the Islamist Movement and reducing its public support". He pledged that while he saw it in the state's interest to push the Islamic Movement outside the margins of the law so as to be able to strike at it, the Islamists would "not go beyond the confines of the law, because this would not serve our interests". ICG interview, Um al-Fahem, 13 July 2003

¹⁵⁶ ICG interview, Beer Sheeva, January 2004.

¹⁵⁷ ICG interview with Muhammad Abu al-Haija, outside Haifa, 13 July 2003. "Sheikh Ra'ed was imprisoned because he became very strong. The Islamic Movement raises a lot of money. It has good connections abroad, and millions of dollars for projects like building mosques or saving al-Aqsa.

It saves old mosques and cemeteries, so that Moslem symbols can take their place in the country". ICG Interview with teacher in Beer Sheva, January 2004.

¹⁵⁸ ICG interview, Um al-Fahem, March 2003.

¹⁵⁹ Nachman Tal, "The Islamic Movement in Israel", *Strategic Assessment*, vol.2, N°4 (February 2000).

¹⁶⁰ Laurence Louër, *Les citoyens arabes d'Israël*, (Paris, 2003), p. 100.

¹⁶¹ ICG interview, Beer Sheva, January 2004.

[Knesset members] do nothing. In October 2000, the Arab [Knesset members] did nothing.¹⁶²

B. THE THREAT OF VIOLENCE

The second intifada has witnessed several incidents in which Palestinian citizens of Israel were apprehended on terror-related charges -- sheltering and transporting suicide bombers, providing financing and logistical information and, in some instances, kidnapping, murder or other attacks. According to a 1999 report, only two Arabs were found to be implicated in terrorist activity; in 2001 the number had increased to 30 and the next year to 77.¹⁶³ In an incident that shocked many Israelis, Lt. Colonel Omar al-Kheib, a highly regarded Bedouin army officer, was arrested in September 2002 on the allegation of heading a Hizbollah spy ring.¹⁶⁴ More serious allegations concern direct participation in or assistance to suicide attacks. For example, on 10 September 2001 Mahmoud Shaker Habishi became the first (and only) Arab Israeli suicide bomber, blowing himself up at the Nahariya train station.¹⁶⁵ On 3 August 2002, two Arab Israelis helped a Palestinian from Jenin who blew himself up, killing nine Israelis; they were convicted and sentenced to nine life terms in April 2003.¹⁶⁶ Other cases involve allegations that Arab Israelis worked with Iran and Hizbollah to perpetrate terrorist attacks inside Israel.¹⁶⁷

Even assuming accuracy, these allegations are unlikely to involve more than a few individuals but their impact is felt across Israeli society. Every violent attack, investigation, arrest or trial becomes the focus of public attention. "A year ago, a Bedouin

commander was arrested for trading drugs for weapons with Hizbollah. Immediately it was in the press as though this was something that the whole Bedouin sector was doing. When something happens in our community, it becomes a social phenomenon in the Bedouin sector, not the actions of an individual".¹⁶⁸ Arab Knesset member Muhammed Barakeh bemoaned: "The only time I am invited to TV studios is in the role of the accused whenever a Palestinian citizen of Israel is charged with involvement in terror".¹⁶⁹

The state clearly must take measures to limit and counter the threat of violence yet the risks of overreaction are no less evident. Already, the fear of involvement in violence has been invoked to justify the precedent-setting decision to revoke the citizenship of Arab Israelis accused of disloyalty, as well as the new Nationality and Entry into Israel Law, which denies citizenship and residency to Palestinians who marry Israelis.¹⁷⁰ The law caused an outcry, not only from the Arab community, but also from Israeli human rights organisations such as B'Tselem.¹⁷¹

Should this trend intensify, it may provoke the very radicalisation it purports to combat. As a June 2002 Israeli National Security Council assessment put it, tension between Jewish and Arab citizens of Israel is increasing against a backdrop of "a culture of legislative initiatives perceived as directed against the [Arab Israeli] sector and an increase in

¹⁶² ICG interview with restaurant owner, Nazareth, January 2004.

¹⁶³ Ori Nir, "Israel's Arab Minority", remarks given at the Carnegie Endowment for International Peace on 30 April 2003, available at <http://www.fmep.org>.

¹⁶⁴ *Daily Star*, 28 September 2002. Kheib is the most senior Israeli officer to be charged with spying and treason. He was the first Bedouin to complete the paratrooper course and served with distinction in south Lebanon.

¹⁶⁵ *Jerusalem Post*, 10 September 2001.

¹⁶⁶ David Ratner, "Riots as two Israeli Arabs get nine life terms for aiding bomber", *Ha'aretz*, 2 April 2003. According to the police, the two men picked a bus route, told the would-be suicide bomber how he should behave after boarding the bus, offered him a bed for the night and then drove him to the bus station the next day, where he blew himself up.

¹⁶⁷ See www.israel-mfa.gov.il/mfa/go.asp.

¹⁶⁸ ICG interview, Nazareth, January 2004.

¹⁶⁹ ICG interview, Nazareth, August 2003.

¹⁷⁰ The law effectively discriminates against Arab Israelis, as they are the ones most likely to marry Palestinians; their spouses are barred from entering Israel, unlike non-Jewish spouses from anywhere else. Then Interior Minister Yishai, citing the Nationality Law of 1952, revoked the residency and citizenship of Arab Israelis on grounds of alleged involvement in terror, with the attorney-general's backing. According to the Arab affairs adviser in the prime minister's office, Uri Borowski, "Anyone who is against the state as a Jewish state should sit in jail or leave". ICG interview, Jerusalem, July 2003.

¹⁷¹ B'Tselem decried the new law's contravention of the principle of equality enshrined in the country's Basic Laws and Declaration of Independence. An Israeli Bedouin married to a West bank Palestinian was quoted as asking, "What message does this send to me and other Arab citizens apart from that our government not only doesn't trust the Palestinians but it doesn't trust us either? What other country treats its citizens in this way"? *Al-Ahram Weekly Online*, N°650 (7-13 August 2003), available at <http://weekly.ahram.org.eg/2003/650/re6.htm>.

government enforcement measures regarding them, alongside an absence of actions to improve their situation".¹⁷²

C. MORE GENERALISED UNREST?

Whether the Arab community is on the verge of more broad-based unrest is a matter of debate. The relative quiet in the face of a worsening situation in the occupied territories would appear to suggest not. Moreover, the trend during the Oslo era as compared to the 1970s and early 1980s is toward less rather than more radical activism, certainly of a violent type. Fewer people seem willing to spend long stretches in detention, and there is less political coherence regarding what the community might be fighting for. An activist expressed a sentiment that appears common among Palestinian citizens of Israel:

Violence has never been our strategy. We know whom we are facing. That is to say, if we resort to violence, the establishment will crush us and no one will come to our aid. We are by ourselves facing the most powerful and sophisticated state and political system. The choice was made from the very beginning: We consider ourselves citizens of the state and we will not endanger our existence by undertaking violent acts.¹⁷³

Hashem Abd-al-Rahman, a prominent Islamist, predicted that the events of October 2000 would not be repeated because "the Arab public is in economic ruin and has already tasted the severity of the state's response. The Arab leadership will not permit a repetition of the events, not even a general strike,

because it knows this will only lead to confrontation with the police".¹⁷⁴ "The Arab Israelis know that citizenship is what gives them their rights. Israeli policy has taught us that if you go down this road [violent struggle] you lose everything".¹⁷⁵ Other factors, such as participation in mainstream politics and absence of a clear political alternative, serve to channel discontent toward cynicism and apathy rather than aggression and to economic rather than violent protest. "It is the same group of activists turning up at all demonstrations, and a very small group of people -- much smaller than fifteen years ago -- who are prepared to go to prison for a political cause".¹⁷⁶

On the other hand, the accumulated frustration, feeling of neglect and, most serious of all, deteriorating economic situation have led some to predict an outburst of violence. Increased urbanisation, combined with a lack of educational and employment opportunities, has created a large pool of disaffected youth at a time when traditional, rural- and tribal-based control mechanisms have weakened. Economically, the decision driven by the security-threat perception of Jewish Israelis not to frequent Arab service and food outlets has been devastating. As a consequence of the general deterioration of the community's socio-economic situation, 44.7 per cent of Arab families and 60 per cent of Arab children lived below the poverty line in 2003. The Public Health Bureau has noted a significant increase of infant mortality rate among the Arab population, in particular the Negev Bedouin, where it is 17 per 1000 as compared to 4 per 1000 among Jews.¹⁷⁷

For Ramez Jaraiseh, Nazareth's mayor, "there is a potential for explosion due to economic pressures".¹⁷⁸ Likewise, Hanna Sweid, mayor of 'Eilaboun, warned that, "If the underlying reason for the violence [in

¹⁷² National Security Council, "The Arab Citizens of Israel", op. cit., p. 3. The 2002-2003 situation report of the respected Sikkuy organisation observed, "The tough problems that characterise the framework of relations between the Arab-Palestinian minority and the State escalated in the last year....According to this Report's findings, the trend of a shrinking allocation of public resources to the Arab-Palestinian population in Israel continues in 2003....The hostile relations of the State and its governing authorities to the minority and its rights have escalated....This is the worst Government for the Arab public since 1948". Sikkuy, op. cit., pp. 7, 60.

¹⁷³ ICG interview with Aida Tuma, director of the Association of Women Against Violence, Nazareth, 10 July 2003. However, she also warned that violence could be repeated "if equality is not achieved. The steam and anger that exist today could turn into violence".

¹⁷⁴ ICG interview, Um al-Fahem, 13 July 2003. Similarly, Sami al-Issa, the mayor of Kafr Qasem, declared a repeat of October 2000 unlikely, "because both sides – the government and the citizen – lost out. The Arabs lost men, suffered economically and damaged what they had built in political influence inside Israel. Arabs do not support a repeat of these events because these do not benefit their cause. They are convinced that force should not be used in their struggle for equality". ICG interview, 13 July 2003.

¹⁷⁵ ICG interview with young Arab Israeli, Beer Sheeva, January 2004.

¹⁷⁶ ICG interview with academic, Beer Sheeva, January 2004.

¹⁷⁷ Mossawa, "Socio-Economic Report", op. cit.

¹⁷⁸ ICG interview, Nazareth, July 2003.

October 2000] was the discriminatory practices of the state, then the potential for renewed clashes exists, since discrimination remains unchanged". At the same time, he made clear that a key variable is the state response to peaceful protests.¹⁷⁹ Another observer said, "I feel that the state is waiting for us to do something illegal, so that it can implement its plans quickly. So we are wise. But you can't predict what will happen. They demolish; we build. They uproot; we replant. More than this is not clear".¹⁸⁰ Others saw violent potential in a more distant future "but on a much larger scale. This is unlikely to take place in the next five or six years, but is probable in ten years or so".¹⁸¹

In a difficult predicament, Israel's Palestinian citizens are pulled in contradictory directions. Some advocate the tried (but unproven) recipe of political activism through the Knesset, together with a campaign of public education, for example about citizenship, and tactical alliances with kindred Jewish political parties and NGOs to press for equality.¹⁸² As a member of the community put it:

In the long run, I think the strategy of citizenship is the one that will take hold, because it meets our needs. We're not in a position to fight the Jewish state. All we want is to stay here. 1948 is an example of what can happen when things get worse, and the only losers are the non-pragmatists. It is the

mentality of the defeated, but we know now the boundaries of our power, or our powerlessness.¹⁸³

Others, Islamists in particular, prefer to continue "public and popular work" -- the recruitment of members through services not offered by the state. Still others place hopes in the Arab community's demographic growth as a means of gradually broadening political power. Yet, most acknowledge that these are at best only partial solutions; unable to conceive of a true solution in the current context, they look outwards, to a final resolution of the Israeli-Palestinian conflict, as the safest way to settle the question of Israel's Arab minority. "The Arab community lacks a clear strategy to overcome the difficulties that we face. It is very hard to come up with a strategy, let alone achieve integration, as long as the Palestinian-Israeli struggle remains unresolved".¹⁸⁴

¹⁷⁹ "The manner in which the state and the security services handle demonstrations largely determines the outcome", ICG interview, 'Eilaboun, 10 July 2003.

¹⁸⁰ ICG interview with community worker in the Negev, Beer Sheva, January 2004.

¹⁸¹ ICG interview with Muhammad Abu al-Haija, outside Haifa, 13 July 2003.

¹⁸² Aida Tuma is an articulate proponent of this approach. She ruled out another component of this political strategy -- "popular mass struggle" via boycotts and strikes -- because following the events of October 2000, "people fear the repercussions" of such actions. ICG interview, Nazareth, 10 July 2003. Ramzi Halabi, the mayor of the predominantly Druze town of Dalyat Karmel, has called for rebuilding the alliance between the Israeli Left and Arab Israelis, destroyed in the aftermath of the outbreak of the second intifada: "The Palestinians have succeeded in creating fear in the Israeli Centre, which has now moved to the Right. The Israeli Centre is not convinced that the Palestinian leadership wants peace. To the contrary: it believes that the Palestinians want to 'throw the Jews into the sea' and support terrorism. This was a red line. We need a specific platform to rebuild the alliance that once existed between the Left and the Arabs of Israel". ICG interview, Dalyat Karmel, 9 July 2003.

¹⁸³ ICG interview: computer programmer, Nazareth, January 2004.

¹⁸⁴ ICG interview with Sami al-'Issa, mayor of Kafr Qasem, 13 July 2003. A community activist in Nazareth explained that in the existing situation, the strategy was defiantly passive: "There is no strategy for the community. But everyone will stay on their land and in their house. It is not easy to transfer Palestinians. We learned this the hard way. They can kill us, but they cannot transfer us. So this is the strategy". ICG interview, Nazareth, January 2004. Looking further down the road, another explained: "I can think of two scenarios for the future off the top of my head. First, that we continue to have governments like this one, in which discrimination is justified in the name of demography and security. The other scenario assumes a peace agreement between Israelis and Palestinians; Israel's governments become more leftist and provide greater rights to the Arab minority. There won't ever be equal rights, but there could be equal civil rights up to a point. If the Arab minority has its rights, then they will respect their Israeliness". ICG interview with Arab Israeli lawyer, Beer Sheva, January 2004.

VI. THE PEACE PROCESS

Although they possess their own distinct dynamics, relations between Israel's Jewish and Arab populations cannot be viewed separately from Israeli-Palestinian relations. Progress -- or the lack of it -- in the peace process typically has a powerful impact on inter-communal relations. The early years of Oslo coincided with promise on the domestic front, in terms of both political alliances and resource allocation; Palestinian citizens of Israel were perceived to be potential bridges to the wider Arab world, and some of their leaders visited Damascus, often with official encouragement. By contrast, the second intifada and the general worsening of the regional climate after 2000 were accompanied by a sharp deterioration in communal relations; by extension, Arab Israeli dealings with Palestinians from the occupied territories or other Arabs generally are viewed with suspicion.

It generally is assumed that a peace agreement would ease civil tensions within Israel and lessen security concerns. Arab Israelis from across the political spectrum echo this with few exceptions:

The Palestinian-Israeli problem affects us badly. The violence distances Arabs and Jews from each other, and this encourages those ready to discriminate to draw up laws that enforce discriminatory practices. In the past, the Israeli Left used to stand by us, but today there is no balance of power between the Left and the Right. If a solution to the wider conflict is found, the focus will shift to the issue of equality. Peace will make it easier to unify our popular struggle and channel our efforts into political work through the Knesset, the courts and civil society.¹⁸⁵

Partly it is a matter of perception. "The perception of us as a fifth column will change, and this will lessen the pressure on us, as well as the state's willingness to discriminate against us", the deputy mayor of Nazareth says.¹⁸⁶ Aida Tuma, the director of the Association of Women Against Violence, agrees:

From a tactical perspective, we cannot tackle the issue of the Jewishness of the Israeli state as long as the Israeli-Palestinian conflict remains unresolved....Peace would make our struggle easier. We are always perceived as part of the enemy, a fifth column. Such perceptions will become less prevalent if the conflict is resolved. Then, once the conception has changed -- that all citizens are entitled to equal rights -- discriminatory laws can be abolished, resources allocated, and new laws implemented....In that case, peace will allow us to shift our priorities to resolving our own problems.¹⁸⁷

And yet, conventional wisdom aside, there is reason to question this optimism. Resolution of the Israeli-Palestinian conflict and the establishment of a Palestinian state should lessen mutually fearful perceptions and, in the view of both communities, positively impact inter-communal relations and the status of the Arab minority. Still, unless steps are taken in advance to address Arab Israeli concerns directly, new tensions could well arise as Israeli Jews, having achieved separation from the Palestinians in the occupied territories but still concerned about long-term demographic trends, contemplate implications of a growing Arab population in their midst,¹⁸⁸ and Arab Israelis revisit old, unresolved grievances. In other words, while the end of the Israeli-Palestinian conflict likely would result in a significant improvement in the status and situation of Arab Israelis, it would not in itself resolve all problems and could bring to the fore fundamental questions about the long-term relationship between Israel and its Arab minority. "The Arab community fears that once the Palestinian-Israeli conflict is resolved, the struggle will shift to Israel, and since the Arab community does not view itself, and is not viewed by the state, as a partner, it is constantly living in fear".¹⁸⁹ Even more sceptical was Salameh Atrash, a Bedouin rights activist:

¹⁸⁵ ICG interview with Walid Hassan, editor of the weekly *Hadith al-Nas*, Nazareth, 9 July 2003.

¹⁸⁶ ICG interview with Salman Abu Ahmad, deputy mayor of Nazareth and member of the Islamic Movement, Nazareth, 9 July 2003.

¹⁸⁷ ICG interview, Nazareth, 10 July 2003.

¹⁸⁸ During the final status talks in 1999-2000, Prime Minister Barak argued strongly against conceding any right of return for Palestinian refugees to Israel on the ground that it could further exacerbate what he identified as an "irredentist" trend among Arab Israelis. ICG interview with former U.S. official, Washington, October 2003.

¹⁸⁹ ICG interview with all-Issa, supra. He lamented that the Israeli government has not made any effort to bring Arab Israelis into the peace process, a move, he claimed, that would help make the Arab community feel part of Israeli society.

While some of us believe that peace could have positive consequences, others fear that even if peace comes, the Arabs of Israel will never become full citizens of the state. There is a danger that a Palestinian state will be seen as an alternative solution for the Arabs of Israel, and that they will lose their legitimacy and become subject to pressures of transfer.¹⁹⁰

For their part, some Jewish Israelis are concerned that Arabs may reassert longstanding claims in the wake of a peace accord. Menachem Klein notes, "If we are not careful there will be a rude awakening. Just as Jewish Israelis will be breathing a sigh of relief for closing the chapter on 1948, their Palestinian-Arab neighbours will come knocking to say -- 'hey what about us, we are refugees, too, and our former homes are right here'".¹⁹¹ Israel's Arab community includes an estimated 250,000 internally displaced persons (IDPs) and their descendants, principally in northern Israel and the Galilee. Most were displaced during the 1947-1949 fighting, but some villages were evacuated shortly after the war for self-described security reasons.¹⁹² Today IDPs frequently live close to, and in some instances within sight of, the land of their original villages.¹⁹³ While the government largely ignores IDP issues, they have regained prominence among Palestinian citizens of Israel. Visits to the sites of destroyed communities have become more common, as has an emphasis by religious groups on preserving the remnants of mosques and cemeteries.¹⁹⁴ Ideas suggested to address the issue include a symbolic, limited return (for example to the villages of Ikrit and Biram),

territorial and monetary compensation, or an agreement to preserve key heritage sites.¹⁹⁵ In the event of peace, such demands may move higher up the Arab Israeli community's agenda.

More broadly, resolution of the Israeli-Palestinian question will leave intact the question of the state's identity. The demographic concern at the root of the Israeli desire to "separate" from the occupied territories exists, if in less pronounced form, within Israel itself. If Arabs beyond the Green Line are a demographic threat, some ask, are not the Arabs who live within it more so? "A peace deal with the Palestinians will not solve the problem of preserving the Jewish state", notes an Israeli commentator. "It just postpones it".¹⁹⁶

A peace agreement also may have a divisive impact on Arab Israelis if, as is likely, it calls for land swaps as part of a territorial compromise. While it is clear that Israel would in such a scenario annex land that houses some of the principal settlements adjacent to the 1967 lines, which areas Palestine would acquire in exchange is less evident. One proposal put forward with increasing frequency would have Israel turn over some heavily Arab-inhabited areas that abut the Green Line in the Little Triangle. Proponents argue this would address Israel's demographic concerns (limiting Arab citizens), satisfy the Palestinian desire for an equitable territorial trade-off, and place Arab Israelis under the jurisdiction of fellow Palestinians. Yet many Arab Israelis strongly oppose this idea, resenting that they would be "transferred" to Palestinian sovereignty and reluctant to live under what they see as the inefficient rule of the Palestinian Authority.¹⁹⁷ Palestinians in the occupied territories echo this, fearful of a rift with their Israeli brethren.¹⁹⁸ In the words of UAL parliamentarian

¹⁹⁰ ICG interview, Negev, 11 July 2003.

¹⁹¹ ICG interview, Jerusalem, June 2003.

¹⁹² The most notorious cases are those of Ikrit and Biram, two villages on the Lebanese border, whose residents, after hostilities had ended, were ordered to leave their homes for two weeks due to their proximity to Lebanon. The time was extended until eventually the Supreme Court ruled that they should be allowed to return, at which point the government destroyed their homes. (Ikrit was initially evacuated on 31 October 1948; a retroactive evacuation order was issued in 1951 and on 24 December 1951 the village was destroyed. Biram was also evacuated in October 1948 and destroyed in 1953.) In the 1990s there were renewed attempts by government committees to implement the Supreme Court ruling, but without success.

¹⁹³ Eli Rekhess, *op. cit.*, provides an informative account of the "re-opening of the 1948 files".

¹⁹⁴ A group known as the National Committee for the Rights of the Internally Displaced Palestinians in Israel was founded in 1995. It takes hard-line positions and is therefore not seen as a part of the Arab community's mainstream.

¹⁹⁵ Supreme Follow-Up Committee Chair Shawqi Khatib expressed his belief that a solution to the IDP problem that put a premium on compensation was attainable. ICG interview, Haifa, July 2003. Yuli Tamir, a minister in the Barak government, uttered her frustration at Barak's opposition to efforts to allow the return of the Ikrit and Biram communities. ICG interview, Jerusalem, 2003.

¹⁹⁶ *Ma'ariv*, 2 February 2004.

¹⁹⁷ "No Arab Israeli would prefer to live in a Palestinian state under the Palestinian Authority. Our lands and homes are inside Israel. We also have become accustomed to a certain standard of living and degree of democracy. Our loyalty is to Israel because we are citizens of this state". ICG interview with Arab Israeli, Nazareth, January 2004.

¹⁹⁸ In a poll conducted by the Nazareth-based Yaffa Institute of Arab Residents of the Triangle (the area most likely to be

Abd-al-Malik Dehamsheh, a prominent member of the Southern wing of the Islamic Movement, "The idea would negatively affect the Arab community in Israel. I am an Israeli citizen and I do not wish to leave this place. It is both humiliating and portrays a despising attitude towards us to even propose it".¹⁹⁹ Recently, Prime Minister Sharon has signalled his opposition to this idea.

VII. CONCLUSION

Israel retains the dilemma it has faced since birth: how to remain a Jewish state while respecting the rights of its non-Jewish minority. A peace agreement with the Palestinians would go a long way toward improving the situation but it would not resolve this tension fully. Absent advance planning and early steps to address current grievances, it might in some ways even exacerbate it. Separation from the Palestinians will put the spotlight on the Arab Israeli community and force Israel's Jewish and Arab populations to address their longer-term relationship.

There is no easy answer. The Arab community's demographic weight and dual identity as Israeli and Palestinian undoubtedly will continue to strain Israel's political and legal systems. Likewise, continued treatment of the Arab minority as second-class citizens presents a serious threat to Israel's long-term stability.

In the immediate term, the Israeli government should create a statutory body charged with overseeing implementation of policies targeting discrimination, inequality and structural obstacles faced by minority communities. As a semi-independent agency, it would monitor the situation and hold the government accountable for its actions.²⁰⁰

In the longer run, suggested models for re-shaping relations can be subsumed within two primary ones:

- An individual-based model in which Israeliness is emphasised over Jewishness. The point of departure would be shared citizenship and the goal an inclusive civic culture. Community affiliations and loyalties would be lessened in favour of a shared sense of belonging to a single Israeli nation.²⁰¹ In policy terms this would mean reaching an agreement between representatives of Israel's different communities

affected by a population swap) 68 per cent opposed the proposal to annex their areas to the Palestinian state, while 18 per cent were ready to accept it and thus give up their Israeli citizenship. Yaffa Institute poll, September 2002.

¹⁹⁹ ICG interview, January 2003.

²⁰⁰ During his tenure as minister of justice, Yossi Beilin initiated an effort to establish a Human Rights Commission in Israel, drawing on international experience and in consultation with Israeli, including Israeli Arab, NGOs. The initiative has been frozen.

²⁰¹ "The ideal solution is the creation of a normal democratic state in which rights are granted on the basis of citizenship and not on the basis of nationality, religion or race". ICG interview with Mohammad Zeidan, Director of Arab Association for Human Rights, Nazareth, January 2004.

(not only Jewish and Arab, but also religious, secular, and of Russian origin) on a set of core individual rights and obligations. As Israelis have periodically stressed, this could be achieved through adoption of a constitution.²⁰²

- A communitarian model in which Israel retained its Jewish nature and, in return, the Arabs were legally recognised as a national minority. In effect, this would largely be an accentuation of socio-political trends within society since the 1980s: the deepening of community ties that has reshaped a political landscape in which the ultra-orthodox, Russians and Arabs have succeeded, to varying degrees, in turning themselves into significant political forces. Various forms of community autonomy are imaginable, allowing groups to retain religious or cultural symbols, ways of life and internal rules. Some Arab leaders point to "soft autonomy" arrangements governing relations between the state and the ultra-orthodox (haredi) community as a model: the ultra-orthodox run their state-recognised and funded educational system and control their religious and cultural spheres. Similarly, semi-autonomous Arab educational, religious and cultural institutions could be recognised, empowered and funded by the state, and Arab local government strengthened.²⁰³

Whichever road ultimately is selected would be preferable to the current approach that is characterised by both culpable neglect and overly broad reaction to security concerns. At the minimum, the issue of Israel's Arab citizens needs serious and focused attention; one of ICG's most startling findings was the absence of any central, mandated and responsible official institution within

which policy debate on it is conducted and where decisions can be implemented. Theoretically, the Ministerial Committee on the Non-Jewish Sector is supposed to be such a venue, and expectations were raised when Prime Minister Sharon decided to chair it. However, it has convened only sparingly, an oversight that speaks volumes. Lacking a central decision-making body, government policies often appear contradictory, stemming from quite different political approaches.²⁰⁴

The result is confusion. The National Security Council considers that the issue requires urgent attention, a closing of social and economic gaps, broad and intensive consultation with genuinely representative community figures and creation of space for legitimate collective Arab expression in Israel.²⁰⁵ Simultaneously, the Adviser on Arab Affairs in the Prime Minister's office dismisses the very existence of inequalities or socio-economic gaps, expounded a strict "loyalty-tests" approach to the allocation of resources to the Arab sector, and argued that those who embrace collective forms of national expression have no place in the state.²⁰⁶ A third body subservient to the Prime Minister's office, the General Security Services, broadly favours a "tough on irredentism, tough on the causes of irredentism" approach that firmly places the Arab community and leadership on its threat-perception radar, while advocating a comprehensive policy to reduce inequalities significantly.²⁰⁷ Little progress can be expected until the government rationalises its approach, settles on one of these views and agrees, in the process, to engage seriously with popularly elected Arab leaders.

The Israeli political system faces a critical test: it must prove to the Arab minority that it is capable of delivering. In terms of effectiveness and fairness, the system has fallen short, at least as concerns a significant portion of the country's population. Further failure can only deepen irredentism and already volatile tensions. As Elie Rekhess, an

²⁰² The Israel Democracy Institute (IDI) is leading an attempt to draft and legislate a "Constitution by Consensus" during this parliamentary term. Much of the debate on the content of the proposed constitution surrounds state-religion issues but serious discussions reportedly are focusing on how to define equality and majority-minority relations. ICG interview with IDI personnel, Tel Aviv, August 2003.

²⁰³ The Mayor of Nazareth, Ramez Jaraiseh, has expressed support for such a solution. ICG interview, Nazareth, 10 July 2003. As Ja'far Farah, Director of Musawwa, put it: "The solution lies in a state allowing the Palestinian minority to retain its own space in terms of its historical, cultural and linguistic specificity. The idea of a state for all its citizens is not the answer to our problems for our concern is not only one of citizenship – I will not forego my Palestinian specificity and identity". ICG interview, Haifa, January 2004.

²⁰⁴ The Or Report suggested that the issue required the personal attention of the Prime Minister personally, while the National Security Council urged that the Ministerial Committee and Director-General's Committee on Arab Affairs convene at regular intervals.

²⁰⁵ ICG interview with NSC official Na'ama Ga'athon, NSC HQ, July 2003 and NSC policy documents.

²⁰⁶ ICG interview with Uri Borowski, PMO Jerusalem, July 2003.

²⁰⁷ ICG interview with former senior GSS official with responsibilities in Arab affairs, Tel Aviv, August 2003.

analyst at the Moshe Dayan Centre, remarks: "We must not be naive in thinking that the solution to the socio-economic distress of the Arab population will blunt the acuity of the nationalist message. However, a concrete integrated plan of action, showing observable achievements, will offer a palpable alternative to many Arab citizens who seek their place in the state of Israel without confrontation".²⁰⁸

Amman/Brussels, 4 March 2004

²⁰⁸ Rekhess, op. cit.

APPENDIX A

MAP OF ISRAEL

