Exploitation of Palestinian Labour in Contemporary Zionist Colonialism

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This essay, based on a paper presented at the 'Past is Present: Settler Colonialism in Palestine' conference at the School of Oriental and African Studies in London on the 5th of March, 2011, contains preliminary ideas for a future research, and does not represent a complete study. It contains ideas that need further development, and some of the facts presented here are based on interviews, personal experience and comments made off the record by officials who preferred not to be quoted by name. A future study will include a more comprehensive referencing for all the facts and arguments presented here.

The imperial powers of the eighteenth, nineteenth and twentieth centuries developed a colonial model built on exploiting local resources and cheap labor in the colonies. This model became an essential factor in the global economic systems which prevailed until the end of the Second World War, but has now been replaced by a different array of relations between Western powers and their former colonies. Israeli colonialism in Palestine has often been noted as an exception – a colonial movement which continued to expand while other colonial regimes were in remission.

When the Israeli government adopted the 'Separation' policies in the 1990s, it seemed to make a historic choice to favor segregation over exploitation. While the Zionist movement had contained an internal struggle between the proponents of segregation and 'demographic victory' and the proponents of expansionism and exploitation, the Israeli Prime Minister at the time, Yitzhak Rabin, clearly favored the former camp. The Israeli government allowed the Palestinian Authority to take over the management of the Palestinian

population not merely as part of its concessions in the Oslo negotiations, but also as part of a plan to minimise the friction between the Israeli military and the Palestinian population, and in order to lay the foundations for a segregation system that would minimise contact between the populations.

The imposition of blanket closures (and, subsequently, the erection of the Separation Wall and the siege of the Gaza Strip), preventing Palestinian workers from reaching Israeli employers, were the main manifestation of this strategy, and were an integral part of the same policy that allowed the establishment of the Palestinian Authority. The Israeli business sector, especially the construction and agriculture sectors, which had become accustomed to disempowered and underpaid workforce, took an active role in drawing the first stage of the Oslo negotiations ('Oslo A'). But when the government began severing their ties to the Palestinian workforce ('Oslo B'), they lobbied the government, and were appeased with permits to import large numbers of labor immigrants to replace the Palestinian workers.

Much has been written in recent years on Israel's changing economic policy, by authors such as Arie Arnon, Shlomo Swirski and Neve Gordon arguing that as Israel moves away from an exploitation-based policy, the occupation becomes less profitable, and eventually even a burden on the Israeli economy.[1] Instead, ethnic domination and 'purity' now play an increasing role in the Zionist colonisation of Palestine. So how does the Palestinian working class fit into the new economic system, which promotes separation over exploitation? Is it a system which Israel can sustain?

IS EXPLOITATION REALLY OVER?

One should not be too hasty to conclude that Israeli employers stopped exploiting Palestinian workers. Merely glancing at the regular reports by Kav Laoved, an Israeli workers-rights organisation that has been monitoring mistreatment of Palestinian workers and migrant workers by Israeli employers, paints a disturbing picture of workers being overworked for long hours, denied their basic rights and put in extreme physical danger by their Israeli employers. But the reports also show that Israeli employers in the colonies in the

West Bank have perfected sophisticated mechanisms over time in order to distance themselves from their workers and their responsibility towards them. Jewish colonists who run enterprises in the West Bank employ local Palestinian contractors who bring the workers, thus avoiding their responsibilities for the rights of these workers and avoiding the need to report on the actual numbers of workers employed by them. Such disavowal of responsibility was deemed illegal by the Israeli courts but is nevertheless still in practice.

Prior to the outbreak of the first Intifada, 32% of the West Bank workforce and 57% of the Gaza workforce were employed by Israeli employers, and work in Israel was the biggest source of income in the Palestinian economy. Currently 0% of the Gaza workforce is employed by Israeli employers, and 12.6% of the West Bank workforce is employed by Israeli employers (3.2% in the colonies). Out of the total Palestinian workforce, only 8.5% are employed by Israeli employers (2.2% in the colonies). All data on the number of Palestinians employed in the colonies is based on rough estimates. Approximately 53,000 Palestinian workers (8.5% of the Palestinian workforce, or 12.6% of the West Bank workforce) enter Israel to work for employers inside Israel (about half of them without permits), and about 28,000 work in the colonies. This makes a total of 81,000 Palestinian workers who work for Israeli employers, none of them are from Gaza, compared with 202,000 labor immigrants who are currently estimated to be working in the Israeli economy (in Israel and in the colonies in the West Bank, most of them without permits).[2] This means that the Israeli business sector now offers employment to a very limited proportion of the Palestinian public. Israeli businesses within Israel and in the colonies have grown to rely on labor immigrants instead.

The Gaza Strip seems to be the model of extreme separation which Israeli officials are considering for the West Bank as well – at the cost of evacuating the colonies in Gaza, the Israeli government achieved total separation of populations, and prevents Palestinian workers from entering Israel from Gaza.

Work for Israeli employers is no longer the biggest source of income to the Palestinian economy. International aid, mostly humanitarian aid in the form of food and emergency services, is now

the largest source of income. Thus, even though Israel remains the sovereign power in the Occupied Territory, it shirks its responsibility to the economic needs of the population, a responsibility which the international community has so far been willing to shoulder on Israel's behalf. The exploitation of labor still exists in the Occupied Territory, but has been declining since the early 1990s. It is no longer the major aspect of the occupation economy, and it was overtaken by security and military logic, by 'ethnic purity' considerations and by colonial politics.

PALESTINIAN CITIZENS OF ISRAEL

The dual nature of the Israeli economy vis-à-vis the Palestinians – a mix of exploitation and dispossession (mainly of land) – did not start with the 1967 occupation, but was entrenched in the complex way in which the Palestinian citizens of Israel were simultaneously included and excluded from the mainstream Israeli market, even before the establishment of the state of Israel in Palestine. On the one hand, many Palestinian citizens of Israel are employed in low-status jobs, and for low wages, especially in the service sector, in agriculture and in construction. These workers are testimony to the colonial methods embedded in the Israeli economy and the exploitation practices still utilised against non-Jews. On the other hand, a study by Amtanes Shehadeh demonstrated that decades of internal segregation within Israel pushed Palestinian citizens of Israel into forming a 'niche market', with its own small agricultural, commercial and service sectors (and a very small industrial sector) serving mainly the Palestinian community.[3]

Indeed, the concept of 'Hebrew Labor' was developed by the early Jewish colonists in Palestine at the beginning of the twentieth century as a call to employ only Jews and to buy only from Jews. This call was adopted by the mainstream of the colonist community as a strategy to entrench Jewish self-sufficiency and hegemony in Palestine. This internal tension in the Zionist movement between the desire for a tiered society in which Palestinian labor is sought as a tool to increase the profit of Jewish businesses, and those who seek a 'pure' Jewish economic sphere in which the working class is also predominantly Jewish, is far from being resolved. Recent years saw a

parallel increase in statements by senior policymakers about the need to 'close gaps' and bring the Palestinian citizens into all sectors of the economy (statements intended mostly for international ears), and of the 'Hebrew Labor' movement, with attempts to intimidate employers who employ Palestinians.[4] These statements by senior policymakers and right-wing movements are aimed at marginalising Palestinians and can be seen as direct results of international criticism of Israel's ethnic policies.

THE OLD INDUSTRIES

Shlomo Swirski noted that industries in the colonies tend to be slightly lower-tech and more labour-intensive compared to Israeli industries (although some notable exceptions do exist).[5] While the Israeli government boasts that Israel is a world technology leader, large sections of the Israeli economy are still quite traditional. Many of the traditional industries (such as packaging, plastics, furniture and food processing) are able to compete with cheap East-Asian imports by building factories and warehouses in the industrial zones in the colonies, where they receive substantial government subsidies, pay lower taxes, and have access to the exploitable Palestinian workforce.

The decision of the Palestinian Authority from 2010 to organise a boycott of products from the colonies in the Occupied Territory served to highlight the role that this industry plays in the Israeli economy. The chairman of the Manufacturer's Association of Israel, Israel's strongest lobby of employers, is Shraga Brosh. Brosh himself owns a factory in the colonies, and used his capacity as chairman of the Manufacturer's Association to lobby the government to protect businesses in the colonies, and to pressure the Palestinian Authority to refrain from boycotting products from the colonies or from preventing Palestinians from working in them.

Nonetheless, in the absence of statistics on the volume of production and economic activity in the colonies (the Israeli government uses different tools to obfuscate the distinction between colony industries and Israeli industries), the actual importance of the colony industries remains unclear.

FROM THE 'SLAVE MARKET' TO THE LABORATORY?

As Palestinian workers began to enter Israel in large numbers after the beginning of the 1967 occupation, certain areas (especially in the big cities) became gathering places for Palestinian workers, who would congregate in the early morning hours, and for Israeli contractors who would drive by and collect workers for the day.[6] Palestinian workers would wait in these areas for hours, hoping to be picked up for work. Those who were picked up (those judged by the contractors to be young, fit and hard-working), would be paid for a single day of work, with no guarantees for another day of employment and no social benefits whatsoever. Those who weren't picked up had to return home empty-handed, after wasting half a day. These areas were nicknamed by Israelis as the 'slave markets', perhaps an indication of the unease which they felt at the abuse of human beings happening under their noses.

Since the first Intifada, these 'slave markets' have been mostly dismantled, and with the enactment of new policies of closures and a restrictive permit policy (which made it very difficult for Palestinians to enter Israel if they don't already have an employer waiting on the other side), today Israelis cannot simply pick up a worker for gardening or cleaning jobs at will. Palestinian workers have no longer access to a safe place to gather. This particular form of exploitation, in which the workers are expected to wait all day in the hopes of finding an employer, has been nearly (though not entirely) eliminated.

Yet new forms of exploitation may be emerging which transform Palestinians from exploited workers to exploited 'guinea pigs'. In a 2007 article entitled 'Laboratory for a Fortress World', Naomi Klein first suggested the idea that Israel is turning the Palestinian Territories (especially Gaza) into laboratories for new Israeli-made weapons and control mechanisms, something which can be seen as a new form of exploitation.[7] This idea has been further developed in her book *The Shock Doctrine*.[8] The idea is that a powerful sector of the Israeli economy, the 'homeland security' sector, emerged to create technology for the Israeli government and army to control the occupied population and repress its resistance, and that companies such as Elbit, Magal and Nice have sought new

markets (other than the Israeli Ministry of Defense) for their products, and have come to rely on their equipment being tested on Palestinians in order to promote their sales. These companies and their practices were described and analyzed by Neve Gordon in an article entitled 'The Political Economy of Israel's Homeland Security/Surveillance Industry'.[9]

The new product which Israel is producing on the backs of Palestinians is therefore not a physical product but rather an accumulation of experience and technology designed to achieve what Jeff Halper calls 'warehousing', a form of mass-scale imprisonment and containment of impoverished people in controlled environments from which they cannot launch an effective resistance. This 'warehousing' is a product that is indeed greatly sought-after by many governments and corporations around the world, especially following the 9/11 attacks. However, it should be stressed that Israel's growing military and homeland security industry accounts for merely 10-15% of Israel's exports, 3-4% of its GDP and 1-3% of its workforce, so one cannot argue that the Israeli economy is primarily based on exploiting the Palestinian population.[10]

FROM SOCIAL GAPS TO POLITICS OF INCLUSION

The common element to both exploitation and dispossession is that they both serve to redistribute wealth from one group to another. While exploitation focuses on appropriating the value produced by the victim as it is being produced, dispossession focuses on appropriating value that has been previously produced or on the appropriation of natural resources. The exploitation and dispossession of Palestinians helped fund the military buildup of the Israeli state and to entrench the Zionist project, but, over time, the practices seeped inwards, creating vast gaps within Israeli society itself, and creating a growing group of impoverished Jews within Israel whose (economic) lot is no better than that of middle-class Palestinians in the West Bank.

Indeed, the mass protest movement that formed in Israel in the summer of 2011 demonstrates not only the impoverishment of the Israeli middle-class and the unbearable social inequalities that have come to plague Israeli society, but also the seemingly

insurmountable obstacles in the path of a social justice movement which grows out of an ethnically unjust society. The Israeli establishment saw an opportunity to repress the protest by hinting that the protestors are not patriotic enough, that 'social justice' might undermine Jewish superiority, and by reinforcing the notion that security needs come before economic needs.

These contradictions are not unique to Israel, but are common features of classical colonialist powers. Inequality, corruption and internal conflict flourish in societies which accumulate their wealth at the expense of occupied nations. The Palestinian resistance (in its many forms) to Israel's economic practices has an opportunity to use this turn of event to its advantage. Although it could follow a traditional route of state-building (the resistance path through military struggle or through diplomatic efforts), establishing a partially independent economy based on internal exploitation and strong local elites, this path is unlikely to successfully redress the economic injustice which has accumulated over many decades.

The alternative is to exploit the weakness which Zionist colonial practices brought upon Israeli society to seek a political path to inclusion. Such resistance is based on grassroots protest, international solidarity and non-violent action. This path is much more revolutionary and will doubtlessly be resisted by Palestinian elites, but it has the potential to recruit dissatisfied groups within Israeli society, as well as re-connecting with the Palestinian citizens of Israel, and beginning to redress not only political injustice, but also the economic injustice which plagues Palestine.

BIOGRAPHICAL NOTE

Shir Hever is a researcher at the Alternative Information Center, Jerusalem, and author of Political Economy of Israel's Occupation *(Pluto Press, 2010).*

NOTES

[1] Arie Arnon, 'Israeli Policy Towards the Occupied Palestinian Territories: The Economic Dimension, 1967-2007', *Middle East Journal* 61, 4 (2007), pp. 573-595; Shlomo Swirski, *The Cost of Occupation: The Burden of the Israeli-Palestinian Conflict*, 2008 Report (Tel-Aviv: Adva Center, 2008); Neve Gordon, *Israel's Occupation* (Berkley, Los Angeles: University of California Press, 2008).

[2] Bank of Israel, 'Chapter 5: The Labor Market', *Report 2010* (Jerusalem, 2010); Palestinian National Authority and Palestinian Central Bureau of Statistics (PNA & PCBS); *Labour Force Survey (January-March 2011), Round (Q1/2011)* (Ramallah 2011); Dolev Rahat, '2010 Increase in Palestinian Workers in the Settlements'. Available at: http://www.alternativenews.org/english/index.php/topics/economy-of-the-occupation/3557-2010-increase-in-palestinian-workers-in-settlements Accessed: 28/04/11.
[3] Amtanes Shehadeh, *Blocking the Development* (Haifa: Mada al-Carmel, 2006).
[4] As exemplified by various 'Hebrew Labour' websites, and different groups of right-wing activists who map businesses who employ Palestinians and call for their boycott.
[5] Swirski, *Cost of Occupation.*
[6] George T. Abed, *The Palestinian Economy: Studies in Development Under Prolonged Occupation* (New York: Routledge, 1988).
[7] Naomi Klein, 'Laboratory for a Fortress World', *The Nation*, 02/07/07.
[8] Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (New York: Metropolitan Books, 2007).
[9] Neve Gordon, 'Working Paper III: The Political Economy of Israel's Homeland Security/Surveillance Industry'. Available at: http://www.sscqueens.org/sites/default/files/The%20Political%20Economy%20of%20Israel%E2%80%99s%20Homeland%20Security.pdf Accessed: 02/01/12.
[10] Yossi Ackerman, 'Policy in Light of the Industry in Private-Public Ownership', *Security and the National Market in Israel: Challenges and Responses in Security Production Policy*, Yaffe Center for Strategic Studies, Memo 62, October 2002, pp. 127-31.