

Introduction

The Other Palestinian Problem

Israel is liable in the end to doom its Arab citizens to fulfill its fears of them. How long can a relatively large minority be assumed by the majority to be an enemy without in the end actually turning into one? How long can the state exist as a stable political framework if this is how it treats a sixth of its citizens? Slowly and steadily, as if slumbering, Israel is missing its chance to rescue itself from a horrible mistake. It is creating for itself the enemy it will run up against after its other enemies have made their peace with it.

David Grossman, Israeli writer¹

No conflict in the world today receives more attention, attracts more controversy, and elicits more emotion than the Israeli-Palestinian conflict. Yet, for all the diplomatic interest, news coverage, and political passion it generates, the conflict between Israel and the Palestinians is widely misunderstood. For some, the conflict is about the struggle of the Jewish state to survive in the Middle East and the unrelenting opposition it faces from Palestinians determined to prevent this. For others, the conflict is about the struggle of the Palestinians to end Israel's long-running occupation over them and achieve national self-determination. Both of these common and competing perspectives identify the two sides in the conflict as Jews in Israel and Palestinians in the West Bank, Gaza Strip, and East Jerusalem (territories seized by Israel in the 1967 Arab-Israeli war), and both ultimately lend themselves to the belief that the conflict between the two nations can be solved if Palestinians accept the existence of the State of Israel and Israel ends its occupation of Palestinian territories and

¹ David Grossman, *Sleeping on a Wire: Conversations with Palestinians in Israel* (New York: Picador, 2003), 308.

allows a Palestinian state to be established in them. In short, two states for two peoples is the key to Israeli-Palestinian peace.

The “two-state solution” to the Israeli-Palestinian conflict has long been advocated by the international community (ever since the United Nations [UN] General Assembly passed Resolution 181 partitioning Palestine into two states, one Jewish and one Arab, on November 29, 1947) and in recent years has been actively promoted by successive U.S. administrations. President Barack Obama has made achieving the two-state solution one of the top foreign policy goals of his administration. As he declared in his address to the UN General Assembly in September 2009: “The time has come – the time has come to re-launch negotiations without preconditions that address the permanent status issues: security for Israelis and Palestinians, borders, refugees, and Jerusalem. And the goal is clear: Two states living side by side in peace and security – a Jewish state of Israel, with true security for all Israelis; and a viable, independent Palestinian state with contiguous territory that ends the occupation that began in 1967, and realizes the potential of the Palestinian people.”² President Obama then followed up on this by encouraging and cajoling Israel’s government led by Prime Minister Benjamin Netanyahu and the Palestinian Authority under Mahmoud Abbas to engage peace talks (first indirectly and then face to face).

Whether or not this latest attempt to broker an Israeli-Palestinian peace agreement succeeds, it will not actually solve the conflict. It will be, at best, an incomplete solution rather than a comprehensive one. This is because a two-state solution, essential though it is, will only address the needs of Palestinians in the West Bank, Gaza Strip, and East Jerusalem, and possibly Palestinian refugees elsewhere if they emigrate to the new Palestinian state or receive sufficient compensation (there is little, if any, chance that they will be able to exercise a “right of return” to Israel).³ But Palestinians in the Occupied Territories and Palestinians in the Diaspora are not the only Palestinians. There are also Palestinians who live in Israel and are Israeli citizens. At present, there are approximately 1.3 million Palestinian citizens of Israel⁴ – about 20 percent of

² “Remarks by the President to the United Nations General Assembly,” Office of the Press Secretary, The White House, September 23, 2009.

³ There are roughly 4.6 million Palestinian refugees living outside the West Bank and Gaza Strip (3.9 million inside); approximately 3 million of them live in Lebanon, Syria, and Jordan. It is unlikely that most of these refugees will “return” to Palestine or Israel following a peace agreement.

⁴ We use the term “Palestinian citizens of Israel” to refer to members of Israel’s Arab minority, whom Israeli Jews generally call “Israeli Arabs.” We avoid using the label “Israeli

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Israel's total population⁵ and about 12 percent of Palestinians worldwide.⁶ This Palestinian population has been almost completely ignored by the international community. For decades, international discussion of what has become known as the "Palestinian problem" or "Palestinian question" has focused almost exclusively on the dire predicament of Palestinians living under Israeli occupation in the West Bank, Gaza Strip, and East Jerusalem. Whereas the situation of Palestinians in the Occupied Territories has received a great deal of international attention, the situation of the Palestinian minority in Israel has received little, if any, attention. Indeed, many international observers are barely even aware of the existence of such a minority. Nor is it just the international community that has ignored Israel's Palestinian minority; so too has the Arab world,⁷ and even the official leadership of the Palestinian national movement (the Palestinian Liberation Organization [PLO] and the Palestinian Authority [PA]).⁸

The widespread and longstanding tendency to disregard, to forget about, or to simply be unaware of the Palestinian minority in Israel has been reflected in all of the accords, initiatives, conferences, and summits aimed at achieving Israeli-Palestinian peace over the years. None of the peace plans, neither official nor unofficial, that have been proposed have ever dealt with the situation of the Palestinian minority in Israel, especially its future status in a two-state solution.⁹ The 1993 Oslo Agreement,

Arabs" in this book because it does not accurately convey the self-identity of Arabs in Israel. In numerous surveys conducted over many years, the majority of Arab citizens of Israel define themselves as Palestinian rather than as "Israeli Arab" (this will be discussed in more detail in Chapter 1). Throughout the book, therefore, we will use the terms "Arab citizens of Israel" and "Palestinian citizens of Israel" interchangeably, as well as the terms "Arab minority" and "Palestinian minority."

⁵ This figure excludes Arab permanent residents of Israel who do not hold Israeli citizenship; specifically, Palestinians living in East Jerusalem and Druze living in the Golan Heights.

⁶ Rhoda Ann Kanaaneh, *Surrounded: Palestinian Soldiers in the Israeli Military* (Stanford, CA: Stanford University Press, 2009), 2.

⁷ There is widespread ignorance in the Arab world about Palestinian citizens of Israel. See, for instance, Zvi Barel, "What are Israeli Arabs? Are they Jewish?" *Ha'aretz*, May 25, 2004.

⁸ The PA, like the PLO before it, has largely ignored Palestinian citizens of Israel, and the latter has no official representation in the PLO or the PA. Muhammad H. Amara, "Israeli Palestinians and the Palestinian Authority," *Middle East Review of International Affairs* 4, no. 1 (March 2000), 39.

⁹ The Obama administration in its new National Security Strategy released in May 2010 did at least obliquely acknowledge the importance of ensuring equal rights for Palestinian citizens of Israel in the framework of a two-state solution to the Israeli-Palestinian conflict. In affirming the U.S. desire for a two-state solution, the document called for "a Jewish state of Israel, with true security, acceptance, and *rights for all Israelis*; and a

the 2001 Clinton Parameters, the 2002 Arab Peace Initiative, the 2003 Road Map, and the 2003 Geneva Accord all failed to address the issue of the Palestinian minority in Israel. Not only has the Palestinian minority consistently been ignored in the various peace plans, it has also always been excluded from participating in the peace process itself.¹⁰ The specific interests and concerns of the Palestinian minority have therefore never been addressed in any of the numerous attempts at Israeli-Palestinian peace making.

The reason for this omission lies in the prevailing view of the “Palestinian problem” as one primarily concerning Palestinians in the Occupied Territories and, secondarily, those in the Diaspora. This view of the “Palestinian problem,” however, is too narrow. More than ever before, the “Palestinian problem” goes beyond the demand for statehood by Palestinians in the territories, and it cannot simply be solved by establishing a Palestinian state in the West Bank and Gaza. We believe that the basic conception of the Palestinian problem that has guided peacemaking efforts to date is too limited and hence flawed, and that it is necessary to have a broader understanding of the Palestinian problem, one that includes Palestinians in Israel. It is this belief that has led us to write this book. In it, we examine the status of the Palestinian minority in Israel and its relationship with the state and the Jewish majority. We argue that these relations have seriously deteriorated in recent years and that this poses a real threat to the stability of Israel, to the quality of Israeli democracy, and to the potential for peace in the Middle East.

The Internal Conflict and the External Conflict

Our fundamental claim in the book is that the growing ethno-national conflict within Israel today between Israeli Jews and Palestinian Arabs should be viewed as part of the larger conflict between Israel and the Palestinians. The Palestinian minority in Israel now poses a challenge to the future of the Jewish state that is as significant and urgent as that

viable, independent Palestine with contiguous territory that ends the occupation began in 1967 and realizes the potential of the Palestinian people” (*italics added*). This is the first time that an American administration has noted the need for Israel as a Jewish state to safeguard the rights of all its citizens. Aluf Benn, “Obama’s new vision of a Jewish state guarantees rights of Israeli Arabs,” *Ha’aretz*, June 8, 2010.

¹⁰ An Arab Knesset member, Mohammad Meiri, did attend the Madrid peace conference in 1991 in order to raise the concerns of the Palestinian minority in Israel, but he was completely ignored. “The Palestinian Arab Citizens of Israel: Status, Opportunities and Challenges for an Israeli-Palestinian Peace,” Mossawa Center, Haifa, Israel, June 2006, 59.

posed to it by Palestinians in the territories. After enduring decades of discrimination, marginalization, and neglect, Israel's Palestinian citizens have become increasingly alienated from the state and from Israeli-Jewish society and increasingly frustrated with the status quo in Israel.¹¹ They have also grown more politically assertive, embracing Palestinian nationalism, demanding their collective rights as a national minority, and calling for the abolition of the definition of Israel as a Jewish state. Hence, the issue of the status and future of the Palestinian minority in Israel can no longer be ignored. To do so not only jeopardizes stability, coexistence, and democracy within Israel, but also any possibility of truly comprehensive Israeli-Palestinian peace.

A comprehensive, lasting, and stable solution to the Israeli-Palestinian conflict is ultimately dependent on a resolution of the Jewish-Palestinian conflict within Israel as much as it is dependent on resolving the conflict between Israel and Palestinians in the Occupied Territories. There is little chance of reaching an Israeli-Palestinian peace agreement without addressing the issue of the Palestinian minority in Israel. This is because recent Israeli governments (specifically, the Netanyahu government since 2009 and its predecessor, Ehud Olmert's government between 2005 and 2009) have repeatedly insisted that the PA explicitly recognize Israel as a Jewish state in the framework of any Israeli-Palestinian "final status" agreement.¹² Prime Minister Netanyahu, for instance, in a major foreign policy speech at Bar Ilan University on June 14, 2009, stipulated that he would accept a Palestinian state only if the Palestinians "truly recognize Israel as the state of the Jewish people."¹³ By making Israel's acceptance of a Palestinian state conditional on Palestinian recognition of Israel as a Jewish state, Netanyahu has effectively established a direct linkage between the internal conflict involving Jewish and Palestinian citizens

¹¹ According to one survey of a representative cross-section of Palestinian citizens of Israel, the vast majority was opposed to a continuation of the status quo in Israel, with only 12 percent of respondents deeming this to be acceptable to them. Nadim N. Rouhana, ed., *Attitudes of Palestinians in Israel on Key Political and Social Issues: Survey Research Results* (Haifa, Israel: Mada al-Carmel, September 2007).

¹² The main reason for this Israeli demand seems to be that it is seen as a way of blocking a Palestinian demand for a "right of return" to Israel of millions of Palestinian refugees and their descendants.

¹³ "Full text of Netanyahu's foreign policy speech at Bar Ilan," *Ha'aretz*, June 14, 2009. Ehud Olmert, Netanyahu's predecessor as prime minister, made this demand prior to the Annapolis summit meeting with President George W. Bush and PA President Mahmoud Abbas in November 2007, describing Palestinian recognition of Israel "as a Jewish state" as a "precondition" for peace. Aluf Benn, "Israel to release up to 400 Palestinian prisoners ahead of Summit," *Ha'aretz*, November 12, 2007.

of Israel over the Jewish character of the State of Israel and the external Israeli-Palestinian conflict over the future of the West Bank and Gaza. Resolving the latter conflict now necessitates resolving, or at least ameliorating, the former conflict, because as long as the majority of Palestinians within Israel oppose its exclusive Jewish identity, it is highly unlikely that the PA leadership in Ramallah will agree to recognize Israel as a Jewish state, as this would not only go against the wishes of most Palestinians in Israel,¹⁴ but it would also be deeply unpopular among Palestinians in the territories.

Even if the PA leadership could somehow be persuaded to officially recognize Israel as a Jewish state in return for Palestinian statehood, this would not really end the Israeli-Palestinian conflict. Contrary to popular opinion in much of the world, this conflict cannot be resolved just by ending the Israeli occupation and establishing a Palestinian state. Although terminating the occupation is a necessary condition for settling the Israeli-Palestinian conflict, it is not a sufficient condition. While Palestinians in the territories might be satisfied with finally having their own state (and this is itself debatable), Palestinians in Israel will definitely not be satisfied with such an outcome if their own status inside Israel does not significantly improve (only a small number of them are likely to actually move to a Palestinian state¹⁵). Leaders of the Palestinian minority in Israel have already publicly stated this.¹⁶ Thus, as Hillel Halkin puts it: “The problem of Israel’s Arab citizens has been overshadowed by Israel’s prolonged conflict with the Palestinians living in the territories occupied in the 1967 war. And yet just as the problem existed before 1967, so it will continue to exist, only in a more acute form, if and when the Israeli-Palestinian conflict is settled. Or rather, the Israeli-Palestinian conflict cannot be settled as long as Israeli Arabs remain an angry, alienated, and growing minority, for they will simply become its new focus.”¹⁷

¹⁴ In a survey conducted before the Annapolis summit in November 2007, 65.6 percent of Palestinian citizens of Israel thought that the PA did not have the right to recognize Israel as a Jewish state. Nadim Rouhana, “Israel’s Palestinians Speak Out,” <http://www.mada-research.org>, December, 2007.

¹⁵ In an opinion poll, only a small minority of Palestinian citizens of Israel (11.9 percent) expressed a willingness to move to a future Palestinian state. Sammy Smooha, *Index of Arab-Jewish Relations in Israel 2004* (Haifa: The Jewish-Arab Center, University of Haifa, 2005), 49.

¹⁶ See Yoav Stern, “Israeli Arab leaders: A Palestinian state is not the solution for us,” *Ha’aretz*, December 4, 2007.

¹⁷ Hillel Halkin, “The Jewish State and Its Arabs,” *Commentary*, January 2009, 30–31.

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Under the best circumstances, an agreement between Israel and the PA over the future of the West Bank, Gaza Strip, and East Jerusalem will only be a first step toward an overall settlement of the Israeli-Palestinian conflict. The establishment of a Palestinian state must be accompanied by a transformation of the relationship between Israel's Jewish majority and Palestinian minority. Ultimately, the Israeli-Palestinian conflict will not be over until the status and conditions of Palestinians in Israel are addressed in a way that is more or less satisfactory to both the Jewish majority and the Palestinian minority in Israel.

One of the main goals of this book is to present detailed ideas on how to do this. On the whole, the proposals we make are designed to strike a balance between what we consider the reasonable demands of the Jewish majority and the reasonable demands of the Palestinian minority. In trying to find this middle ground, we recognize that our proposals are unlikely to appeal to everyone. Some will be objectionable to Jews, others to Palestinians. We believe, however, that it is possible to meet the basic needs, if not completely satisfy all the desires, of most Jews and Palestinians in Israel. Guided by this belief, we put forward ideas for improving the status and conditions of Palestinians in Israel that we think are just and viable. That is, in formulating our proposals, we have both normative and practical considerations in mind. Normatively, we are concerned to ensure the right of the Jewish people to a homeland of its own, and at the same time guarantee the rights of Palestinians in Israel, as individuals and as an indigenous national minority. Practically, we want to offer ideas that can realistically be adopted by Jewish and Palestinian leaders in Israel and gain popular support within both the Jewish majority and Palestinian minority.

Our key proposals involve officially recognizing Palestinians in Israel as a national minority; increasing their collective rights to allow them to enjoy greater cultural autonomy within Israel (including self-management of their own educational, cultural, and religious institutions); enhancing their political representation (by formally recognizing the Palestinian minority's representative institutions, especially the High Follow-up Committee for Arab Citizens, and ensuring the inclusion of the Arab minority in the state's decision-making processes); and significantly raising their socio-economic status (through affirmative action programs and long-term development plans specifically for the Palestinian community). In short, we believe that major political and economic changes need to occur within Israel in order to meet the needs of the Palestinian minority. At the same time, we believe that it would be desirable for members of

the Palestinian minority to render some kind of national service to the state (which does not involve serving in the Israeli army), because this could help to ease widespread Jewish concerns about their loyalty to the state and foster their identification with the state.

The status quo in Israel cannot continue. It is neither morally acceptable nor politically stable. We do not, however, think that it is realistic or justified for Israel to abandon its Jewish character and simply become “a state of all its citizens” as many Palestinians in Israel wish it to be.¹⁸ We are equally opposed to the idea that Israel ought to become a bi-national state as some commentators have suggested.¹⁹ Instead, we believe that Israel should redefine itself as both a “Jewish homeland and state of all its citizens.” We think that Israel’s primary mission should be to serve the interests of all its citizens (like all modern democracies) rather than the interests of the Jewish people, but that it should still serve as a place of refuge and cultural vitality for Jews worldwide because of its historic, religious, and contemporary significance for the Jewish people. We are in favor, therefore, of changing the definition of the State of Israel, but in a moderate and inclusive manner.

Israel stands to gain many benefits from making such changes. They will bolster Israeli democracy, social cohesion, political stability, national security, economic growth, and its international image and legitimacy. They will also move Israel nearer to achieving the lofty vision of its founders, as expressed most clearly in its May 1948 Declaration of Independence, which promised a state that would “foster the development of the country for the benefit of all its inhabitants [...]” and “ensure complete equality of social and political rights to all its inhabitants [...]”.²⁰ Israel has so far failed to live up to this promise. Although Palestinian citizens of Israel have benefited from rising living standards and have enjoyed more democratic freedoms than most Arabs elsewhere, they have always been and still are economically and politically inferior to Jewish citizens of Israel. In the words of one scholar, “they are formally citizens, but inferior ones,

¹⁸ In a survey taken in 2004, 88.6 percent of Palestinian citizens of Israel wanted Israel to become “a state of all its citizens.” Smooha, *Index of Arab-Jewish Relations*.

¹⁹ See, for instance, Tony Judt, “Israel: The Alternative,” *The New York Review of Books*, October 23, 2003; Ali Abunimah, *One Country: A Bold Proposal to End the Israeli-Palestinian Impasse* (New York: Metropolitan Books, 2006).

²⁰ “The Declaration of the Establishment of the State of Israel May 14, 1948,” Israel Ministry of Foreign Affairs, Jerusalem, Israel, <http://www.mfa.gov.il/MFA/Peace%20Process/Guide%20to%20the%20Peace%20Process/Declaration%20of%20Establishment%20of%20State%20of%20Israel>.

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struggling, marginalized, feared by the state yet largely Hebrew-speaking, passport-carrying, and bureaucracy-engaging.”²¹

Though the Palestinian minority is no longer the completely ghettoized community it was during Israel's formative era (1948–1967), it remains a distinct,²² separate, largely unassimilated community on the margins of Israeli society (this is not to say that Palestinians in Israel have not undergone acculturation – adopting aspects of Israeli-Jewish culture – but they have not assimilated and have no desire to²³). Moreover, the Palestinian minority continues to be widely perceived as a security threat, a potential “fifth column” in Israel's ongoing conflict with the Palestinian nation as a whole. Palestinians in Israel still have to live with the suspicion and at times outright hostility of members of the Jewish majority. As the Association for Civil Rights in Israel (ACRI), the country's leading civil rights organization, noted in its 2007 annual report: “Arab citizens are exposed to differential and humiliating treatment, and are often regarded with suspicion in Jewish towns, in the street, at the entrance to public recreation and commercial facilities, and at bus and train stations”²⁴; or as Ahmad Tibi, a leading Palestinian politician in Israel more bluntly put it: “The problem is that they [the Israeli government and Israeli Jews] are dealing with us like enemies and not as citizens.”²⁵

Abiding Israeli-Jewish suspicion toward them is only one of the many problems facing Palestinians in Israel. They also have to contend with persistent poverty, relatively high levels of unemployment, inadequate educational resources, land confiscations, home demolitions, municipal under-funding, and discriminatory legislation. All of this has left many Palestinians in Israel angry and resentful. They feel highly deprived

²¹ Kanaaneh, *Surrounded*, 3.

²² Israeli sociologist Sammy Smooha notes that: “Arabs and Jews [in Israel] diverge on all core elements of culture. They have different languages, religions, nationalities, family patterns, and ways of life. Each of these cultural components contains many values, norms, symbols, beliefs, preferences, feelings, heritages, and memories, turning the Arab and Jewish cultures into genuinely distinct and separate cultures and making the ethnic boundaries between the two communities clear, rigid, and hardly passable.” Sammy Smooha, “Arab-Jewish Relations in Israel: A Deeply Divided Society,” in Anita Shapira, ed., *Israeli Identity in Transition* (New York: Praeger, 2004), 40.

²³ Smooha, “Arab-Jewish Relations in Israel,” 43.

²⁴ The Association for Civil Rights in Israel, “The State of Human Rights in Israel and the Occupied Territories 2007 Report,” 16.

²⁵ Quoted in Philip Weiss and Adam Horowitz, “Loyalty and Democracy in Lieberman's Israel: Interviews with Israeli Knesset Members Alex Miller and Ahmad Tibi,” *TPM Café*, June 8, 2009, http://tpmcafe.talkingpointsmemo.com/2009/06/08/loyalty_and_democracy_in_liebermans_israel_intervi/.

compared to Israeli Jews, rejected by Israeli-Jewish society, and unfairly treated by the state.²⁶ Most have bitterly concluded that Israel is inherently biased against them, and that they will never be treated fairly and gain equality with Jewish citizens as long as Israel defines itself as a Jewish state.²⁷ Consequently, the re-definition of the state has become the central demand of the Palestinian minority. It is a demand that the Jewish majority adamantly and almost unanimously opposes.

A Dangerous Divide

The growing and increasingly outspoken opposition of the Palestinian minority to Israel's identity as a Jewish state has provoked an angry backlash among Israeli Jews. Feeling isolated internationally and threatened regionally (especially by the rising power of Iran), Israeli Jews have become more rightwing, hawkish, and illiberal in recent years. This has aggravated long-running tensions between the two communities. Fear and mistrust are now very high on both sides.²⁸ Palestinians in Israel fear severe infringements of their civil rights, violence by the state and by Jewish citizens, the revocation of their citizenship, and even expulsion from the state (whether in the context of a territorial exchange with the Palestinian Authority or because of nationalist pressure to strengthen the Jewish nature of the state).²⁹ Jews in Israel, by contrast, see "Israeli Arabs" as both security and demographic threats. They fear the spread of radicalism within the Arab minority – whether in the form of growing Palestinian nationalism or Islamism – and the perceived security risk this poses to Israel, especially in the event of another Palestinian intifada or Arab-Israeli war. Israeli Jews also fear that Arab demographic growth will eventually swamp Israel's Jewish population and nullify the Jewish

²⁶ In 2004, more than half of Palestinians in Israel (53.4 percent) felt alien and rejected in Israel. Smootha, *Index of Arab-Jewish Relations*.

²⁷ Rouhana, ed., *Attitudes of Palestinians in Israel*.

²⁸ In a survey conducted in 2007, 54 percent of Palestinian citizens of Israel polled felt that it was "impossible to trust the Jewish majority." Cited in Elie Rekhess, "Israel and Its Arab Citizens – Taking Stock," Tel Aviv Notes, October 16, 2007. A poll taken in 2004 among Israeli Jews found that a large majority of them (80.8 percent) believed that "an Arab citizen who defines oneself as a 'Palestinian Arab in Israel' cannot be loyal to the state and its laws." Smootha, *Index of Arab-Jewish Relations*, 38.

²⁹ In a survey taken in 2004, 81 percent of Palestinian citizens of Israel said they feared severe infringements of their rights, 71.9 percent feared state violence, 70.6 percent feared violence by Jewish citizens, and 63.5 percent feared expulsion from Israel. Smootha, *Index of Arab-Jewish Relations*.