

Israeli War Economy Implodes

The value of goods and services in the Israeli Gross National Product is approximately \$100 billion, so that a \$1 billion loss represents about 1%. Last year, Israel lost 41 billion shekels (\$8.5 billion) in these areas, meaning a loss of 8.5% in national product, according to the daily *Ma'ariv* on March 15. That loss is the equivalent to the entire education budget plus all transfer payments for the needy; six times greater than the state budget for public security. This is not just the result of the Intifada, which has added 4.9 billion shekels in security expenditures.

Ma'ariv journalist Yossi Greenstein reports that Israel has plunged, within months, "to depression, . . . thrown into the deepest recession in 50 years."

- In 2000, the Israeli economy grew by 6.4%. In 2001, the economy shrank by 0.5%.
- Production in the business sector shot up 8.5% in 2000. It dropped 2.2% in 2001. Industrial production grew by 11% in 2000. In 2001, it dropped 6%. High-tech production grew by 26% in 2000. In 2001, it dropped by 24%.
- In 2000, the per-capita national product rose 3.6%. In 2001 it dropped 3%.

- Investment in the Israeli economy in 2000 grew by 9.5%. In 2001 it dropped by 11%. Foreign investors withdrew \$1.2 billion from the Tel Aviv market in 2001. Direct investments in the economy (factories, businesses, and real estate) dropped in 2001 by 33%, to \$3 billion.

- Compared with 46,100 building starts in 2000, there were only 31,700 starts in 2001, a 31% drop. Building sector production overall, in 2001, dropped 11%. Investments in the building sector dropped 16%. Real estate transactions dropped by 12%.

- Israeli farmers suffer from a shortage of workers, due to the closure of the West Bank and Gaza to Palestinians. Foreign workers are being imported from Thailand and China, but are not as effective.

- The number of unemployed jumped from 40,000 to an all-time record of 260,000, and unemployment is expected to cross the 10% barrier, reaching 300,000 by the end of 2002.

- Purchases of new cars dropped 0.5% in 2001; sales of electrical appliances dropped 10%, after a rise of 17% in 2000.

The Finance Ministry had projected growth of 4.5% in 2001, but, as noted above, the economy contracted by 0.5%. Bank of Israel Governor David Klein said growth would be 0% in 2002. The expected loss of 8.5% of the national product will lead to a 14 billion shekel drop in tax revenue, and consequent increase in the budget deficit. 2002 is another lost year.

women can change the situation if we "teach ourselves to interfere and nag. . . . Let us interfere, let us tell him what to do." Brosh-Weitz relates how during her husband's last reserve duty, she went and stood guard with him at a roadblock. At that time, she did not have a sign, but "today I'd go with a megaphone and stand there with slogans like 'Muli, I'm worried about you. Service in the territories is corrupting your virtues;' or, 'At the checkpoint you're going to, soldiers have killed, babies and sick people have died, people have been humiliated. Does this suit you?'"

According to *Ha'aretz*, when Brosh-Weitz asked her husband how he would react if she were to make good her threat, he replied, "It would disturb my work as a commander, and my functioning and that of my soldiers, so I would have no choice but to come home with you."

Ha'aretz on March 15 also quoted another Israel activist, Tamara Rabinowitz, who lost her son in the military: "Zionism is about building, establishing, creating, defending, but the words we hear now are 'destroying,' 'encircling,' 'cleansing,' 'burning,' 'assassinating.' It is totally counter to Judaism, which to me means humanism and the sanctification of life. It's anti-Jewish to believe and act as if land can be more

important than human life. . . . The order that sends soldiers to serve in the territories means making them have no choice but to commit acts that are neither humanist or moral, because the sanctity of life doesn't mean the sanctity of our lives and no one else's."

Sharon's 'Consensus' Collapsed

In recent months, many groups like Re'ot have been formed. Another, called Profil Hadash, founded in 1998, is committed to "demilitarizing" Israeli society. Its charter declares, "While taught to believe that the country is faced by threats beyond its control, we now realize that the words 'national security' have often masked calculated decisions to choose military action for the achievement of political goals. We are no longer willing to take part in such choices."

Not all the women's groups support the reserve soldiers who refuse to serve in the territories. In fact the question of refusal continues to be controversial within the peace camp. The recently formed Seventh Day movement—which does not support the "Combatants' Letter" reservists—is expected to have a great impact on public opinion. The movement is an outgrowth of the Four Mothers movement which was