

Matrix in Bil'in

Capital, settlements and civil resistance to the separation fence, or: a story of colonial capitalism in present-day Israel¹

Gadi Algazi, Tel Aviv
(Gadi.Algazi@gmail.com)

One by one, awestruck reporters flock to witness the miracle and the newspapers are filling up with their stories. At last, we have high-tech for the religious, a remedy for unemployment, and respectable work for ultra-orthodox women. Software companies like Imagestore and CityBook are recruiting ultra-orthodox Jewish women to work. Leading the trend is the software services company Matrix, one of the largest in Israel, that has opened a development center called *Talpiot* – apparently named after the elite combat unit of the Israeli army – and is bringing in ultra-orthodox women. They already number 150 and are expected to reach 500 during this year. “This is a development center close to home, in a homogeneous environment, and sensitive to the women’s special needs,” writes the Matrix CEO on the company’s website.¹ The rules of *Kashruth* are observed there, and there are separate kitchens for women and men. There is also a “pumping room” for women to nurse their babies, provoking curiosity among the journalists and embarrassment among the “girls,” as they are called there. The Ministry of Industry, Trade, and Labor has also approved a professional course for 35 of the women, and the finance ministry subsidizes the project to the tune of 1,000 shekels [215\$] per month for each worker.² “If you are used to thinking of high-tech workers as secular yuppies who make at least twice the minimum wage, you should see the technological employment projects in the ultra-orthodox city”, wrote one orthodox reporter: here they “employ ultra-orthodox women in technological occupations, some quite ‘high-tech’, such as programming and code development,”³ – clearly under the spell of high-tech aura, forgetting to mention how much the women actually earn.

Modi'in Illit versus Bil'in

Where is this wonderful place where, as if this were not enough, two of the entrepreneurs are also trying to establish on-site daycare centers, with special government assistance, in order to better serve the workers?⁴ Most Israeli workers can only dream of an on-site daycare center at their workplace. In Modi'in Illit these dreams have come true.

All of this is taking place in the occupied territories. The articles praising the projects promoted by public relations agencies throughout the recent months invariably ignore this one simple fact: Modi'in Illit is a settlement that lies in the occupied West Bank, on the land of five Palestinian villages: Ni'lin, Kharbata, Saffa, Bil'in, and Dir Qadis.⁵ In fact, Modi'in Illit is the fastest-growing settlement in the West Bank at the moment, and is soon to be granted the status of a city. Today its population numbers more than 30,000 and the housing ministry projects 150,000 residents by the year 2020. The expansion of Modi'in Illit has been the ruin of the Palestinian farmers of the village of Bil'in. The separation fence that is being built between Modi'in Illit and Bil'in swallows up about half of the village’s lands, about 2000 dunums (445 acres), in addition to those that had been robbed in the past. The peasants of Bil'in are dispossessed for the sake of the future expansion of the colony.

Since February, 2005, the inhabitants of Bil'in have been leading a popular, nonviolent

struggle against the separation fence robbing them of their lands. Together with Israeli peace activists and international volunteers, they have demonstrated each week, hand in hand, in front of the bulldozers and the soldiers. They have joined a series of Palestinian villages directly affected by the building of the separation fence – Jayyous, Biddu, Dir Ballut, Budrus, to name but a few – who for the past three years have led arduous campaigns of nonviolent resistance against the wall. Almost unknown outside Palestine, these campaigns, often coordinated by the local Popular Committees against the Fence, have had modest, but significant gains – from impeding or slowing down the advancement of the fences eating up their lands and condemning them to a life in small and middle-sized enclaves, through changing its course and regaining some of their lost vineyards and fields, to making popular, nonviolent resistance and joint Israeli-Palestinian struggle a viable political option under deteriorating conditions.

More than one hundred and fifty people have been injured in the violent dispersal of the joint Israeli-Palestinian demonstrations in Bil'in, and many have been arrested under various pretexts. Forces of the Israeli Army, the Border Guard, Israeli police, and private security firms have been used against the protesters. Clubs, teargas, rubber bullets and live fire have taken a heavy toll on them. With late night sweeps and arrests, Israeli forces have tried to deter the members of the popular committee of Bil'in, who, even in these times of hatred and fear, steadfastly adhered to the principles of nonviolent resistance and open cooperation with Israeli opponents of the occupation.⁵ The prison service even sent in its special forces (the *Masada* unit) – infiltrators disguised as Arabs who participated in the demonstrations and tried to whip up the crowd and incite demonstrators to use force against the soldiers.⁷ Only the determination of the members of the popular committee of Bil'in prevented these provocations from causing an uncontrolled escalation, which may have ended with the loss of life. The fence needs indeed heavy protection – from the nonviolent protest of Palestinian villagers and their allies. And the fence is there to protect the colonial project – Modi'in Illit.

In fact, the fence is being built on the lands of Bil'in in order to safeguard the *future* expansion of the settlement, for the construction of new neighborhoods, most of which do not even have an approved plan. Here, on Israel's wild frontier, it is possible to build thousands of housing units without building permits or approved master plan. But no less important is the fact that the settlement of Modi'in Illit is not a project of the nationalist-messianic settlers and their political representatives: It is the product of a heterogeneous social-political alliance that links real estate developers interested in land, capitalists seizing the opportunity to profit from land confiscation and government subsidies, politicians driving forward the colonization project under the umbrella of Sharon's 'Disengagement Plan' – and captive labor.

Settlements and Real Estate

The partners in the expansion of Modi'in Illit merit closer scrutiny. The main entrepreneurs are Danya Cebus firm (a subsidiary of Africa-Israel Corporation owned by one of Israel's most powerful businessmen, Lev Leviev, also involved in building many other settlements);⁸ the businessman and former head of the Contractors Association, Mordechai Yona, the orthodox businessman Pinchas Salzman, and Tzifcha International. Serious financial interests are hence involved in the struggle over the lands of Bil'in. There is profit in the fence; the investors insisted on this particular route of the fence, which separates the

villagers of Bil'in from their land, in order to ensure their investments.

Modi'in Illit was founded in 1996 at the initiative of private entrepreneurs, originally as Kiryat Sefer; the various neighborhoods were later consolidated as Modi'in Illit (in Hebrew: Upper Modi'in). As with other settlements, the name is misleading, suggesting that it is located not in the West Bank, but like the city Modi'in, within Israel's pre-1967 borders. Many Israelis have discovered only recently – as a result of the sustained protest of the inhabitants of Bil'in and the scandal over the investors' methods of seizing their land – that Modi'in Illit was in fact a settlement.⁹ Its founders were two entrepreneurs, adherents of the rabbi Shach, who were looking for cheap housing for ultra-orthodox families. The close cooperation between the Modi'in Illit Council and powerful private entrepreneurs, who were granted special benefits and no-bid contracts, is well-documented in the state comptroller's report: again and again the council sought to justify its close cooperation with the investors, arguing that the private contractor “has already built housing units and other projects in the area,” and that there is “an urgent need to complete the project.” In Israel's Wild East, the need to establish facts on the ground gives developers a free hand; the political urgency of the colonization process works in tandem with investors' attempts to secure quick profits.

The state comptroller determined that the Modi'in Illit Council collected 10% of the taxes that the developers owed on the lands and that the Council “offset the debts it was owed” from the two main developers of the settlement “by means of shady bookkeeping involving future building projects, even before receiving the required permits for their construction.” Thousands of housing units were in effect built in Modi'in Illit in violation of the law – and with the *ex post facto* approval of the local council.¹⁰ In one area, the council whitewashed the illegal construction by making retroactive adjustments to the zoning plan. According to a 1998 investigation, the entire “Brachfeld Estate” – built on the lands of Bil'in – was built without construction permits. Is there any need to mention that not one of these houses was demolished?¹¹ During the appeal by Bil'in's residents to Israel's High Court of Justice Much of the sewage from the neighborhoods of Modi'in Illit flows into the Modi'in stream and pollutes the area's water resources. All this is not a matter of mere corruption or mismanagement, but a structural feature of the colonial frontier: unregulated settlement activity creates possibilities for making vast profits at the expense of the human and natural environment. The settlement itself, however, is kept clean. As a well-tended city, Modi'in Illit won the “Beauty Star” award from The Council for a Beautiful Israel. Officials in one of its main neighborhoods claimed that “on principle and for the sake of security,” they did not hire Arabs.¹²

The residents of Bil'in evidently face a powerful alliance of political and economic interests. The two neighborhoods to be built on their robbed lands comprise together some 5,500 housing units. The “Green Park” project is being constructed by the Dania Cebus company, controlled by Lev Leviev and his business partner, the American real-estate investor and Lubavitch-adherent Shaya Boymelgreen. It is a massive project, with 5,800 apartments planned, a 230 million dollar enterprise.¹³ The revenues of Africa-Israel, the real-estate investment firm owned by Leviev, recorded a sharp increase in 2005; its operating profits grew by 129% and stand at 1.1 billion Israeli shekels [2391 million dollar] for the first three quarters of the year.¹⁴

But it is also worth paying attention to the identity of the strange developers, who claim to be the legal owners of the lands on which one of the new neighborhoods is being built. These

developers are none other than Israel's Custodian of Absentee Property¹⁵ and the hardly known Land Redemption Fund. The settlers' Land Redemption Fund (LRF), established some twenty years ago, coordinates the takeover of Palestinian land in several key areas earmarked for the expansion of the settlements. The fund was established by some of the ideological leaders of the radical settlers: Zvi Slonim, former secretary general of Gush Emunim, the settler's movement; Avraham Mintz, former aide to Ariel Sharon when he was housing minister, and Era Rapaport. Rapaport, a settler from Brooklyn, was one of the founders of the Jewish terror network that operated in the occupied territories in the early 1980s; Rapaport served several years in prison for his personal involvement in the assassination attempt on Bassam a-Shak'a, mayor of Nablus, who lost both legs in the attack.¹⁶ The Fund's acquisition methods are described in a detailed investigation carried out by two Israeli journalists: "The Fund's intelligence network is made up of former [Palestinian] collaborators who were burned [=i.e., unveiled] and returned to their villages, retired Israeli General Security Services operatives who are information contractors for pay (they can find out, for example, who owns the land in practice and who works it), and former military governors, such as the late Yehoshua Bar-Tikva, who had been the military governor of Tulkarm, and after he retired the LRF used him and his connections in the villages." Arab straw-men act as mediators in the land deals; they usually pose as buyers, while the lands are purchased "funded by money from right wing Jewish millionaires such as Lev Leviev, the Swiss tycoon Nissan Khakshouri."¹⁷ Similar methods were also used in order to take possession of the lands of Bil'in.¹⁸

The project is thus inextricably economic and political: Promoting annexation and colonization brings fat profits. Among the Fund's donors can be found the same capitalists who appear in other settings as settlement builders and real estate investors. They donate considerable sums to the radical settlers' Fund not out of political conviction alone, for there is a profit to be made. The same alliance can be encountered elsewhere in the West Bank. The Land Redemption Fund, for instance, is also the investor behind the expansion of Tzufin settlement on lands robbed from Jayyous – another Palestinian village to lose most of its resources with the construction of the separation fence. Here, the eleven fold expansion of the settlement is under way. The developer in this case as well is a real-estate company controlled by the same Lev Leviev.¹⁹

The areas on which the Fund has chosen to focus – Nirit, Alfei Menashe, Tzufin, and Modi'in Illit – are also significant: "Its main project is to blur the Green Line [Israel's pre-1967 border] by linking the settlements to communities inside the Green Line and expanding communities inside the Green Line in the direction of the territories" in order "to create facts on the ground."²⁰ These settlements are part of a larger project begun in the 1980's, to dissolve the Green Line by creating upper-class settlements for non-ideological settlers. The project was resumed around 2003 after the completion of parts of the separation fence, leading to the *de facto* annexation of parts of the West Bank lying between the fence and Israel. In these areas, one could now promise higher living standards, in an area made safe for investors and settlers as Palestinian communities were made to disappear behind the wall.²¹

Israel's settlements near the Green Line and adjacent to the separation fence hence have a strategic significance. They complement the project of establishing a system of fences by effectively annexing parts of the West Bank to Israel. But they are also the strategic location where a powerful political and economic alliance between capital, settlers and government politicians takes shape.

The Fence Coalition Moves Forward

The pro-fence coalition is currently crystallizing around Sharon and his heirs – a political alliance of devotees of gradual annexation (“Israel should keep the settlement blocs”) and “reasonable” colonial expansion (who can only look reasonable and nice when compared to their friends-and-rivals, the “bad”, uninhibited ideological settlers), all united under the banner of ethnic separation and economic privatization. It promises Israelis peace through unilateral pacification and partial annexation by dismembering the West Bank and breaking it up into fenced-in enclaves. It took some time for the Fence Coalition to take shape in the political arena – and its adherents can be found well beyond the party formed around Sharon’s legacy, *Kadima* (“Forward”, or in ancient Hebrew: “Eastward”), but in Modi’in Illit and elsewhere in the West Bank, one could see its social and economic counterpart at work for some time: Its core is formed by an unholy alliance between settlers and state agencies subsidizing and advancing the fences, real-estate companies and high-tech entrepreneurs, the old economy and the new. The settlements which are currently being built and expanded in the vicinity of the separation fence are the place where these important alliances are forged. Precisely because they are not based solely on the messianic fervor of hardliner settlers, but also offer answers to real social needs – quality of life for the upper middle class, or jobs and subsidized housing for those who the underprivileged who badly need them, these settlements are able to broaden the power base of the settlement movement and link additional constituencies to it: first and foremost, the real fence profiteers, contractors, capitalists and upper-class non-ideological settlers seeking quality of life in new gated communities, far from the poor and shielded from the Palestinians. Yet in addition, they also tie to the colonization project those who seek a way out of hardship, large families looking for cheap housing or new immigrants depending on government subsidies and seeking social acceptance. It is they who are pay the price – the hostility and hatred that the fence generates, and the complete dependence on capitalists and politicians.

In Modi’in Illit, the old economy of contractors and developers meets the new economy of high-tech. Both are closely tied to the state: last June, Mordechai Gutman, CEO of Matrix, in a discussion in the science and technology committee of the Knesset with finance minister Binyamin Netanyahu, requested state assistance in order to deal with competition from cheap programmers in India.²² State subsidies indeed sustain Matrix’s project in Modi’in Illit.²³ “Like the finance minister,” said the chair of the Knesset committee, to representatives of high-tech firms, “I also think that the range of interests you represent here, around the table, is also the interest of the state.” The contractors and the high-tech firms are sustained by the colonial project, which puts at their disposal cheap, stolen land, as well as state subsidies and public resources, policemen and soldiers securing their investments – and captive and disciplined labor force. For it is in these nearby colonies such as Modi’in Illit, 25 minutes from Tel Aviv, that Matrix has found an alternative to cheap Indian labor. The solution is called “off-shoring at home”; it takes place nearby, in Israel’s backyard, on its colonial frontier. Israeli capitalism does not float in a digital world. As it is increasingly integrated into the global market, it renews itself through its involvement in the colonial project, from which it draws resources and support.

It is sometimes suggested that with the modernization of Israeli capitalism, it would be able – and perhaps even required – to abandon its attachment to old-style colonialism. The case of Matrix in Bil'in demonstrates that Israeli capitalism can be both colonial and digital, to move back and forth between global markets and colonial settlements, campaigns for

unbridled privatization and heavy government subsidies. Left to itself, it is not capable, nor predisposed to extricate itself of the colonial swamp – or to exert enough pressure on the state that sustains it to do so – that is, as long Israel's colonial project does not become irrevocably a net liability and resistance by the colonized and their allies forces a change of course.

Global, Digital and Colonial

How much do they pay the women that work for Matrix's development center in Modi'in Illit? They are described as diligent and efficient, exceptionally productive workers: "What an assembler elsewhere can do in a crazy week of pressure and sleeping at work, the girls here can easily accomplish in three days," said the head of the Matrix center in Modi'in Illit to a journalist.²⁴ But their wages are less than half the wage of a programmer in Israel's center. Matrix offers its customers the labor of its employees for 18-20 dollars an hour. A starting worker in Matrix's development center receives minimum wage – about four dollars – for an hour's work. An Israeli journalist, Yoni Shadmi, did the math:

The girls in Matrix's development center specialize in the programming languages Java and dot.net. For the sake of comparison, a starting programmer with the same specialties can earn 10,000 Israeli shekels [2,175\$] a month in Israel. A slightly more experienced programmer, who is not ashamed to negotiate his salary, can get 15,000 shekels [3,260\$]. And an excellent and experienced programmer, of which there is surely more than one in the modest offices in Modi'in Illit, should receive, without too much effort, more than 20,000 shekel [4,350\$] a month. An American high-tech worker earns an average of 26,000 shekels [5,650\$] per month. In Matrix's development center in Modi'in Illit, by comparison, which enjoys workers that adhere to almost Japanese standards of punctuality, industriousness, and effort, pays its women less than 5,000 shekels [1,085\$].

Over the first half-year of their work, which includes a comprehensive course that prepares them for the job of programmer, the girls earn 2,000 shekels [435\$] per month. Afterwards they receive the minimum wage, which for October 2005 stood at 3,335 shekels [725\$] plus expenses. Beginning in their second year the girls receive 4,800 shekels [1,045\$] per month. The state pays the company 1,000 shekels [215\$] per month for each worker [...] and thus finances part of the girls' wages. Beyond that, they are tied to the company for at least two years. You want to quit? You have to pay a fine equal to two months' salary. There are no bonuses.²⁵

One of the heads of the ultra-orthodox sector explained to another Israeli reporter: "The ultra-orthodox community is used to living on nothing, so making a little is a lot for them."²⁶

The company's spokespersons are careful to explain to journalists that this has nothing to do with the exploitation of cheap labor. The wages paid to the ultra-orthodox women of Modi'in Illit, they argue, do not reflect their relative productivity or the worth of the product that they produce in the international market, but rather, "their low cost of living" (a remarkable, though not wholly unfamiliar, theory of value!).²⁷ Life is cheap in the colonies; this is the Israeli answer to globalization. But when addressing customers or boasting of their achievements to foreign businessmen, Matrix managers speak clearly and describe the

ultra-orthodox women as “a cheap, local labor force”.²⁸ They represent the entire project as their answer to the rapid globalization of high-tech industry, an ingenious answer to competition from cheap labor in India or Romania, for example: ‘offshore outsourcing at home’, is their formula. Hiring distant programmers to carry out assignments for customers across the sea in order to reduce production costs is becoming a prevalent solution in the new global economy. But it also brings special difficulties, they argue, “due to both geographical and cultural distance” between the customers, the employers, and the employees: different work days, different language, and a different “work culture.” Here, Matrix managers claim, we are not only saving travel costs. The company offers services at a “similar cost to those available from Asian countries, but with the advantages of working with a local development center, enjoying geographical and cultural proximity.” This is not completely accurate. “Geographical proximity” disguises the specific advantages of locating the project in a colonial setting, and it is precisely the “cultural differences” that are exploited here in order to get the most out of labor.

Plunder and Discipline

“The Lord will bring this charge against the elders and officers of His people: ‘It is you who have ravaged the vineyard; That which was robbed from the poor (*gzelat he-Ani*) is in your houses’.” (*Isaiah* 3:14).

The Matrix development center is strictly *kosher*. Two local rabbis – one of married the Matrix employee who initiated the project – supervise the site. The rabbi’s seal is important: “We painstakingly uphold every *kosher* rule,” say the company’s directors, “so as not to lose rabbinical approval.” Beside the legitimate and vital consideration of the workers’ way of life and their values, rabbinical support plays a crucial role in this capitalist enterprise: the working women “live according to a complex religious and professional code;” this rigorous code, workers report, is ‘in the air’.²⁹

“Although many are mothers of six, they miss fewer days of work than a mother of two in Tel Aviv,” said an Imagestore project director in Modi’in Illit to a journalist: “These women have no issues. They just work. No smoking or coffee breaks, chatting on the phone, or looking for vacation deals in Turkey. Breaks are only for eating, or pumping breast milk in special room. Some women can pop home, breast-feed and come back.”³⁰ Visiting journalists were struck by the silence at the workplace:

“Personal conversations in the work room of Matrix’s development center are forbidden, not only between men and women, but among the women. They pay you for eight hours of work,” says Esti [one of the workers], “so they expect you to work. If someone is talking too much or surfing the web, someone else will tell her ‘hey, that’s theft [*gezel*],’ as though we are taking from the company. Once we asked if we could take a break of five minutes for prayer, but the rabbi said that the ancient Sages didn’t take a break but would call out the *Shma*’ [the essential daily prayer] while working, and thus we can put off the prayer until after the working day.”

All in all, the girls are every human resource manager’s dream. As Hila Tal relates: “They came to me and asked ‘are we allowed to speak to each other? Are we allowed to talk on the telephone?’” The management replied that they were allowed, but within limits. The punctilious adherence to the rules is

maintained even when the bosses are not present. Esti's group supervisor is usually in Petach Tikva. But even so, with the ecology of mutual pressure among the girls, the rules are upheld. "We are accustomed to rigor and obedience," she says with half a smile, "we have gotten used to not doing forbidden things even when no one is looking, because there is someone watching from above."³¹

In exchange for the rabbinical seal, the investors get disciplined, kosher girls. The rabbi is there to instill obedience to capitalist time discipline. The ominous term *gezel* – a loaded moral term in Jewish religious tradition, meaning taking by force and robbery, is not applied to the lands of Bil'in, but to 'stealing' employer's time through idle talk. The conquest of Palestinian lands for the establishment of Modi'in Illit was accomplished by a partnership of private capital and Hassidic land-redeeming entrepreneurs; similarly, one encounters here a no less fascinating alliance between the new economy and traditional authority. Like the rabbis that gave their seal of approval to the theft of land, there is no doubt that the Matrix rabbis are establishing important religious rulings: to converse with one another during work hours is theft, since time is money, and time belongs to the company. At Matrix, one is experimenting with new combinations – a mix of reciprocal social control among workers (mutual censorship is an efficiency-minded manager's wet dream), of surveillance and discipline, with rabbinical authority.

Reading the words of the reporters who have covered Matrix's development center gives one the impression of an encounter with a remote and exotic tribe. The women of the tribe are pleasant, but their customs are strange; they keep a strict ritual code of rituals and have many children. Despite their strange ways, the writers emphasize, they can be trained for productive labor. They are content with just a little. They are disciplined and obedient, thanks to the priests of the tribe, among other things, who have added their authority to the employers' command. There is no doubt: great is the fortune of Israeli capitalists. Facing the challenges of globalization, they have no need to search for such tribes in distant colonies. Their scouts have found them in the nearby, colonial backyard.

These descriptions are clearly reminiscent of debates about workers' religious ethos and labor discipline at the beginning of the twentieth century. Should one cite Max Weber's short invocation of pious female workers in his *Protestant Ethic and the Spirit of Capitalism*? Yet one should not take these idealized representations – manufactured at the junction of public relations experts, interested self-descriptions by workers, and journalists' exoticised depictions – for everyday reality. The ultra-orthodox women working for Matrix and its equivalent would surely find ways to circumvent both interested rabbis' injunctions and shop-floor control. Moreover, one must not forget that there are also material reasons for the worker's great motivation and the labor discipline that seems to prevail. Where else can they work? One of the female managers of the project openly states: "There is no work in Modi'in Illit, and women do not have cars to travel anywhere else. Most of them have no driver's license, making it crucial that there is a place of employment close to home." The rate of car ownership in Modi'in Illit is indeed among the lowest in the country – 60 vehicles per thousand population, and there are no industrial areas.³²

Let us ignore the aura of high-tech that has already faded with the transformation of the high-tech industry, and focus on the oppressive work conditions, the subordination to a close alliance between contractors and employers (one of the contracting firms boasts of having initiated the link between real-estate developers and high-tech companies),³³ the lack of

alternate sources of employment and the use of “traditional” social control – is all of this not reminiscent of the work conditions in the development towns of the fifties, the factories that claimed to bring salvation to new immigrants? In both cases, integration in Israel’s colonial project, populating its frontier, was precondition to access to fundamental social rights; then, new immigrants from the Arab world were portrayed as unskilled workers lacking any competence, just as ultra-orthodox women are now depicted as emerging from darkness to light, from consignment to family household to the benefits of the modern capitalist enterprise (ignoring both their actual level of education and the fact that ultra-orthodox women have traditionally been working and earning a living in addition to caring for their families).³⁴ In present day Israel, a high price has been exacted from the new settlers *malgré eux*. Frontier colonialism reinforces the relations of dependence and subordination to the contractors, the state, and the capitalists.

Cannon fodder for the Colonial Project

Most of the residents of Modi'in Illit are ultra-orthodox and have many children; two years ago, speaking to a reporter from *Haaretz*, some emphasized that they did not consider think of themselves as settlers. It is the housing shortage that pushed large ultra-orthodox families to the settlement project. There they find the government assistance and public housing that do not exist within Israel. In the settlement of Betar Illit (which is likely to be the site of the next struggle around construction of the separation fence) and in Modi'in Illit a two-bedroom apartment costs less than \$100,000. “And what would they do anyway? Go to Tel Aviv, move to [upper-class] Afeka?” said Professor Menachem Friedman, an expert on the ultra-orthodox population, to *Haaretz* reporter: “Their situation was so desperate, that they were prepared to move anywhere.” This is precisely what the settler leaders are counting on. “But even if they didn't come here for ideological reasons,” said the spokesman for the Settlers' Council with confidence – “they won't give up their homes so easily.”³⁵ Thus, at certain stages of the process, the mechanism which incorporates people in the colonial process and makes them settlers despite themselves is openly talked about. In 2003, the mayor of Betar Illit, Yitzhak Pindrus, went so far as to tell the reporter that the ultra-orthodox were sent to the occupied territories against their will to serve as “cannon fodder.” Their importance should not be underestimated: By now, these two ultra-orthodox settlements – Betar Illit and Modi'in Illit comprise together more than a quarter of the Jewish settlers' population in the West Bank – and remain the fastest growing colonies – and at the same time, in comparison to Jewish communities within Israel and its settlements in the West Bank – they are the poorest of all.

Matrix in Modi'in Illit

Matrix is one of the largest software firms in Israel; it is traded on the Tel Aviv Stock Exchange with a value of half a billion shekels and employs about 2,300 workers. According to reports, its profits in the first quarter of 2005 rose by 61%, and in the third quarter by 76% compared to the same quarter of the previous year.³⁶ Among its clients in Israel are banks, public institutions, the security services, and private clients. Matrix IT is controlled by Formula Systems, of the Formula Group, with worldwide sales of 500 million dollars.³⁷

Matrix is hence quite vulnerable to public criticism and boycott. Global entrepreneurs have a soft spot. Matrix is, for instance, the primary distributor of one of the most popular commercial version of the Linux operating system – Red Hat. What will it do if Linux users

boycott Matrix, demanding that it withdraws its investments from the occupied territories, or put pressure on the public institutions that are among its clients (among others, the Hebrew University, the Weitzman Institute of Science, Ben Gurion University, and Tel Aviv University, where I work, have all purchased Red Hat licenses from Matrix)?³⁸ What will happen if users threaten to boycott the companies – like Oracle³⁹ – who use the services of the development center at the settlement of Modi'in Illit? This does not apply to Israel alone: Matrix represents some of the most important international companies;⁴⁰ all are vulnerable to public pressure from opponents of the settlements. And what about Formula Systems, which owns Matrix? Formula Systems is very sensitive to its public image. It takes pains to present itself as a company that contributes to society and technological education, and also supports the center for the advancement of social and environmental responsibility of businesses in Israel. Its customers too can demand that Formula stop supporting the building and expanding of settlements in the occupied West Bank.

The Stick and the Carrot

And what about the women of Modi'in Illit? Only a few years ago, the ultra-orthodox settlers *malgré eux* in Betar Illit still saw themselves as “cannon fodder,” but now, with the approaching fence, they are more likely to set their hopes on the wall – to seek security in its shadow and identify with the dispossession project.⁴¹ Similarly, some of the women of Modi'in Illit are likely to see Matrix as their savior which provides their livelihood. This is the law of the stick and the carrot (and the stick is the same stick – unemployment and poverty – that also drives Arab workers, in Israel and the occupied territories, to participate as day laborers in building the settlements and the separation fences). But, nonetheless, they are victims of colonial capitalism, like many others who are being incorporated into the colonial process through the exploitation of their social distress. But what future awaits them and their children, as long as their existence is based on theft of land and serving as a human wall, a target for the hatred of the dispossessed Palestinians? What kind of dignity is there in their subordination to the software giants who exploit their situation, given that these corporations would not hesitate to relocate their investments the moment they find cheaper alternatives?

The case of Matrix in Bil'in hence not only reveals the social alliance profiteering from the separation fence and the expansion of the colonies, but also should give opponents of the Israeli occupation pause for thought. Should they fight for the work conditions of the women of Modi'in Illit? They are, after all, settlers who are living on the lands of Bil'in and the adjacent villages. They are usurpers – but also victims. It would seem that there are no simple solutions to this quandary. But it is one of the most glaring cases of the link between capital and settlements or between the two of them and the political establishment, and also the link between the anti-colonial struggle – against the dispossession of the Palestinians and expansion of settlements – and the struggle for social justice within Israel's borders. The renewal of subsidized construction of public housing for low-income families within Israel – religious and secular, without distinction – will bring a drastic decline in the willingness to move to settlements such as Modi'in Illit.

There are also alternatives to the compulsory professional courses that the company offers – in public education. If the state provides professional courses and a general education for all who need it, unconditionally – without having to join the settlement project, and without going through Wisconsin-plan humiliation, without being necessarily from the right ethnic background and the right gender and born to the right parents – the social mechanism that

ties workers to their employers and places them at the mercy of the company's management would be seriously undermined. Then those who have already sought housing solutions in the settlements will also be able to find work within Israel. Raising the minimum wage, enforcing labor laws, restoring the national insurance benefits, ending the organized importation of cheap labor from abroad that is indentured to manpower companies, ending the employment of workers through those exploitative companies, in other words setting up a real welfare state – that grants social rights unconditioned by ethnic identity or participation in the colonial project – will empty major settlements, such as Modi'in Illit and Betar Illit and parts of Ma'ale Adumim and Ariel. No one will want to build one's house on stolen lands and become part of a living human wall. Then, Palestinian citizens of Israel will also no longer have to work on the bulldozers building the fence or serve as subcontractors in settlement expansion.

At the moment the ultra-orthodox workers begin to demand even part of what they deserve, you will see the lords of Matrix turn pale. With in all their social concern and national responsibility they will move their projects in the blink of an eye to India or wherever they will find cheap labor force. Only a consistent demand for social justice can break the political-social alliance between capital and settlements, between the new oligarchs and the old territory-craving nationalists, and create an opening for all the dispossessed of Israeli society to extricate themselves from the grip of Matrix, real estate tycoons and the nationalist knights of "land redemption."

Globalized capital transforms not only the landscape of the occupied West Bank but also Israel's social landscape, and the two processes are intimately linked. Take Lev Leviev – one of the main investors in Modi'in Illit – as a concrete example: a powerful capitalist, presenting himself as an ultra-orthodox adherent of a modern, globalized Jewish religious sect (*Chabad*), he built his fortune on the exploitation of the diamond treasures of Africa and the suffering of its residents.⁴² Think of the million persons who live in the Lundas province of Angola, digging diamonds by hand, in areas ruled by the private armies of the diamond companies, as is described in the detailed report of human rights worker Rafael Marques.⁴³ Leviev has now also gained complete control of the political representation of Jewish communities in Russia.⁴⁴ His company, Africa-Israel prizes itself as "pioneered the establishment of gated communities" in Israel, upper-class enclaves fragmenting public space and intended to meet "the needs for high quality living with security and peace of mind."⁴⁵ Leviev is directly involved in the establishment of settlements, in financing radical settler's associations in the occupied territories, but also operates shopping malls, has recently won the contract for operating the first private prison in Israel.⁴⁶ In Israel, separation fences and privatization campaigns go hand in hand. Social resistance to both is weakened by both the deep imprint of the colonial past on Israeli society – and the colonial process under way in the West Bank. Hence the importance of the current moment, as the pro-fence coalition and the privatization lobby are converging. Here's a challenge for Israel's social activists – not only to expose those whose fortunes are built on the production of suffering and its exploitation, but to target the alliance between the managers of the state and capital in order to de-legitimize the lords of unemployment and privatization.

It is all too easy for opponents of the occupation and peace activists in Israel to imagine that they are facing fanatic, nationalist settlers, while they themselves are exemplars of enlightenment and progress. But in fact they are up against an elaborate coalition, of hard and soft, wild and civil colonialists. It extends from the messianic nationalist right to the

defense industries and reasonable capitalists, from the radical ideological settlers the “quality of life settlers”, living in their isolated and clean towns on both sides of the Green Line. Here the struggle is harder precisely because the social origins and class position of those on both sides are not very different.

But the challenge is yet more complex. The colonization process is built on social misery and poor people's pressing needs, just as the separation fence is built on fears, real and imagined, amplified by daily propaganda. It draws in young couples from the slums of Jerusalem and it enrolls new immigrants from the Russian Federation, who found themselves in the heart of the West Bank, in Ariel, for example, sent to settle the frontier like the new immigrants to Israel during the fifties; and the large ultra-orthodox families too, gaining access to appropriate subsidized housing only by joining the project of settlement and conquest of the West Bank. All of these can find themselves defending the occupation in order to defend themselves, in the short term – the fragile social existence that they have built for themselves under the guidance of government authorities, the settler movement, and private capital. But they are not the enemy of the opponents of Israeli occupation, but themselves victims of the colonial process who have been dragged into the project and caught in it, instruments in the process of organized dispossession, endangering their own future. Hence the real political challenge for the opponents of occupation: how to build bridges among all of its victims, Palestinian and Israeli, Jews and Arabs, in order to halt colonialism and to build a different future for all.

* First Hebrew version published on *HaOkets* website (www.haokets.org) and translated into English by Daniel Breslau, to whom I wish to thank warmly. This is a modified and corrected version.

1 Mordechai Gutman, “Off Shore in Israel – The New Direction in Developing Software for Organizations at High Quality and Low Cost”, Matrix Website: <http://www.matrix.co.il/Matrix/he-IL/Contents/Articles/OffShore.htm>.

2 Galit Yemini, “Indian Labor? Matrix is hiring Orthodox Women,” *Haaretz*, 17.1.2005.

3 Eli Shim'oni, “Who can Find an Orthodox Java Wife?,” *YNet*, 23.9.2005.

4 Ruth Sinai, “Will Day-Care Centers Solve the Problems of Working Women?,” *Haaretz*, 25.9.2005.

5 Nir Shalev, “The Wall in Bil'in and the Eastward Expansion of Modi'in Illit,” *Indymedia/HaGada HaSmalit*, 11.9.2005; http://www.kibush.co.il/show_file.asp?num=8767.

6 Meron Rapaport, “Symbol of Struggle,” *Haaretz*, 10.9.2005.

7 Meron Rapaport, “Bil'in residents: Undercover troops provoked stone-throwing,” *Haaretz*, 14.10.2005; David Ratner, “Bil'in Protesters say bean bags are latest riot-control weapon,” *Haaretz*, 7.11.2005.

8 In their websites, Africa-Israel Corporation and Danya Cebus ignore their involvement in building settlements in the occupied territories and only mention building “throughout the State of Israel”:

http://www.standardpoor.co.il/standardpoor/dao_iis.dll/Serve/item/English/1.1.1.1.html; http://www.danya-cebus.co.il/Eng/B_E.asp.

9 Akiva Eldar, “Official: Mofaz approves construction in West Bank Settlements,” *Haaretz*, 14.12.2005.

10 See *Israel's State Comptroller's Report*, No. 51a (2000), pp. 201-218.

- 11In December 2005, Bil'in activists also built a small house on a Palestinian plot of land lying behind the separation fence, arguing that as long as not a single of the illegal building projects in the settlement is demolished, they have a right to build on their land. The little house was named a Center for Joint Struggle for Peace, and has enabled farmers to reach the lands that they are about to lose with the completion of the fence. Meron Rapaport, "IDF completes evacuation of Bil'in 'outpost'," *Haaretz*, 23.12.2005.
- 12Tamar Rotem, "The Price is right," *Haaretz*, 23.9.2003.
- 13Sharon Kedmi, "Dania Cebus is to build in Modi'in Illit," *Globes*, 15.8.2004.
- 14Recent data: http://maariv.bizportal.co.il/bizportalnew/bizcomparticle.shtml?c_id=611&mid=108302&IdDB=1&svr=http://www.honline.co.il.
- 15A governmental body officially entrusted with the management of 'absentee land', this agency has played a key-role in taking possession of Palestinian land, especially belonging to refugees within Israel and recently, in the Occupied Territories as well. During the discussion of Bil'in residents appeal to Israel's High Court of Justice to change the route of the separation fence, it was revealed that this governmental body served as a straw-man for the settlers' fund, disguising their identity. In a special report, two Israeli human rights organizations uncovered these 'revolving transactions': the settlers "transfer the land they purchased to the Custodian, who declares it state land. This enables the planning process to start. The Custodian allocates the land to the purchaser in the framework of the planning-authorization agreement, and then for development, for no consideration." See Bimkom/B'Tselem, *Under the Guise of Security: Routing the Separation Barrier to enable the Expansion of Israeli Settlements in the West Bank*, December 2005: http://www.btselem.org/Download/200512_Under_the_Guise_of_Security_Eng.doc.
- 16 Shalom Yerushalmi, "Every Prime-Minister who gave away Eretz Yisrael – was hurt (an Interview with Era Rapaport)," *Ma'ariv*, 5.4.2002.
- 17 Shosh Mula and Ofer Petersburg, "The Settler National Fund", *Yedioth Achronoth*, 27.1.2005; English translation: <http://www.peacenow.org/hot.asp?cid=247>.
- 18Akiva Eldar, "Documents reveal West Bank settlement Modi'in Illit built illegally," *Haaretz*, 3.1.2006; Eldar, "State mulls criminal probe into illegal settlement construction," *Haaretz*, 8.1.2006.
- 19 Ada Ushpiz, "Fenced out," *Haaretz*, 16.9.2005.
- 20 Mula and Petersburg, *Yedioth Achronoth*, 27.1.2005.
- 21 Gadi Algazi, "The Upper-Class Fence," *HaOkets Website*, 15.6.2005; English translation: http://www.kibush.co.il/show_file.asp?num=5086.
- 22 Protocols of the Knesset's Parliamentary Commission on Science and Technology, 29.6.2004.
- 23Israel's government subsidizes the salaries for five years: <http://www.tamas.gov.il/NR/exeres/1BEE7B98-AC24-46E7-83C6-DF7FDEC4CD25.htm>.
- 24 Yoni Shadmi, "Globalization Killed the High-Tech Star", *Ma'ariv*, 11.11.2005.
- 25Shadmi, *Ma'ariv*, 11.11.2005.
- 26Yemini, *Haaretz*, 17.1.2005.
- 27 Gutman, "Off Shore in Israel".
- 28 Efrat Neuman, "Begorra, it's the hora," *Haaretz Online*, 6.9.2005.
- 29 Shadmi, *Ma'ariv*, 11.11.2005.

[30](#)Ruth Sinai, "Modi'in Illit: The Zionist Response to Off-shoring," *Haaretz*, 19.9.2005.

[31](#)Shadmi, *Ma'ariv*, 11.11.2005.

[32](#)Shim'oni, *Ynet*, 23.9.2005.

[33](#)See their website: <http://www.ahuzatbrachfeld.com/he/ahuzat-brachfeld.php>.

[34](#)They have recently been described as 'agents of social change', entering new professions and undermining traditional hierarchies. See Menahem Friedman, "The Ultra-Orthodox Woman," in: *A View into the Lives of Women in Jewish Societies*, Yael Atzmon ed. (Jerusalem: Zalman Shazar Center for Jewish History, 1995), pp. 273-290; Yossef Shalhav, "Ultra-Orthodox Women between Two Worlds," *Mifne* no. 46-47 (May 2005), pp. 53-55.

[35](#) Tamar Rotem, *Haaretz*, 23.9.2003.

[36](#)Data according to <http://web.bizportal.co.il/web/biznews02.shtml?mid=103203>.

[37](#)<http://www.formulasystems.com/>.

[38](#)Source: <http://www.johnbryce.co.il/newsletters/mabatJan05.htm>.

[39](#)"Oracle Invests in Talpiot Development Center," 14.11.2005: http://www.johnbryce.co.il/shuld_know.asp?query=press&id=196.

[40](#)A partial list on Matrix's website includes PeopleSoft, BMC Software, Red Hat, Compuware, Business Objects, Verity, Vignette, IONA, WebMethods, BindView, among others: <http://www.matrix.co.il/Matrix/he-IL/CompanyProfile.htm>.

[41](#)Tamar Avraham and Efrat Ben-Ze'ev, "Batir, Hussan, Wadi Fukin and Nahalin: Four Palestinian villages soon to be encircled by fences," Ta'ayush website: <http://taayush.tripod.com/new/batir-texts/duaj-batir.htm>.

[42](#)Boaz Gaon, "Black Diamonds," *Maariv* 24.10.2005; Yossi Melman and Assaf Carmel, "Diamonds in the Rough," *Haaretz* 24.3.2005.

[43](#)Rafael Marques, "Lundas – The Stones of Death: Angola's Deadly Diamonds," 9.3.2005: <http://www.niza.nl/docs/200503141357095990.pdf>.

[44](#) On Leviev's patronage of the Federation of Jewish Communities in Russia, see Yossi Melman, "No Love Lost," *Haaretz* 12.8.2005.

[45](#) "Real Estate in Israel – Residential Properties," Africa-Israel Website, accessed 23.1.2006: <http://www.africa-israel.com/megurim/eng/index.asp>.

[46](#)Aryeh Dayan, "Leviev Promises to treat his Prisoners nicely," *Haaretz*, 28.11.2005.