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Image and Reality



# Palestine's Economic Hallucination

By Sam Bahour

It's the end of the year and time to turn the page after a bit of reflecting. What better way to reflect than to contrast image and reality, and even more so when the topic is Palestine's economy? For starters, I ask, Do we have an economy, real or imagined? For a long time, many would just sweep this question under the rug of the Israeli military occupation and say No. How could we when every aspect of our livelihood is ultimately micromanaged by the Israeli government?

But such a knee-jerk answer did not make sense after the Oslo Agreement and the advent of the Palestinian Authority. From that point on, the economic reality under occupation was spiced up with heavy doses of self-made artificial images. The starting image, if my memory serves me well, was that we would "build a Singapore." May God rest that imager's soul. I hope the real Singapore never asks Palestinians to compensate them for the damage done to its good name.

These now infamous Palestinian negotiators who signed the agreement in Paris back on April 29, 1994, termed the *Protocol on Economic Relations between Israel and the PLO* (better known as the "Paris Protocol"), agreed to what our economy could and couldn't do. The Paris Protocol was, with only minor modifications, incorporated as Annex V in the Interim Agreement – the equally infamous Oslo Agreement – signed in Washington on September 28, 1995.

So with the Oslo Agreement, which descended like a parachute from above, emerged the agreement's spectacular brainchild, the Palestinian Authority. The Palestinian Authority, which is its accurate name in the Oslo Agreement, wasted no time in producing all the trappings of a real economy. Before one could say "the Authority is an Orwellian double-speak Authority," economic ministries, ministers, laws, policies, regulations, and even a few



Photo by Omar Shala.

"strategic" plans started to pop up here and there.

From the outset, the powers that be even squeezed the word "National" in between "Palestinian" and "Authority," which seemed to give many people patriotic goose bumps. Anyone engaged in trying to build a real economy got little more than a permanent rash.

A decade later, the Palestinian economy was in our face. The image of an economy had taken form. The superheroes were not the negotiators who signed the Paris

occupied territory was no more than a prison where the prisoners seemingly have space, but zero voluntary ability of movement and access, was an eye-opener to many. When one added the fact that 60 percent of the West Bank was classified in Oslo as “Area C” – off limits to Palestinian economic development – many started to see a prison as a step up from the reality that was called the Palestinian economy.

Then came political infighting on the heels of long overdue elections. A convenient new chapter was born to rebrand the past economic failure.

For so many years, if you read the reports, listened to all the speeches, read the billboards, scanned the newspaper advertisements, noted all the prizes being offered by the banking system, you would never believe that a real economy never existed here. And just in case you started to feel that this may be an artificial economy after all, the banking system jumped out of its conservative straightjacket and started begging for customers to take out loans. Not one loan, not two, but as many as possible. Why not? – since the mighty all-knowing donors were quietly hiding behind the bank vaults, guaranteeing every move and cheering on the structural change that was taking place with full Palestinian government acceptance.

Indebtedness! Good ol’ American indebtedness. Need a student loan? No problem. Need a car loan? Simple. Want to get married – how much do you need? A home? Why rent when you can own? Don’t have the latest iPhone? Don’t sweat it, just sign here and pay NIS 5 for the next 200 years. While you’re at it, every home needs a computer, what’s the difference between a NIS 5 and NIS 7 payment? And the list goes on.

OK. I’m being a little too sarcastic, but not much. Let me try to bring this hallucination into focus.

Back to basics! What the hell is an economy anyway? Well, the dictionary says an economy is “the system of production and distribution and consumption.” OK, that’s a decent starting point, but it reflects



Photo by Majidi Al Shareef.

a normal condition. Palestine, the occupied part, is far from normal. The phase of our development is not just producing, distributing, and consuming. We are supposed to be removing the boot of an entrenched military occupation from our necks while simultaneously building a state that needs an economic foundation to serve it. Yes, we must eat, sleep, and be clothed in the meantime, but that is surely not going to be enough.

So, what does an economic foundation to serve a forthcoming sovereign state need? A few more cafés? A larger supermarket? KFC? Another hotel? A bowling alley? Bars?

BEEP! Wrong answer. All of those are



Photo by Mohammad Harb.

they belong, then they should kindly be asked, by their own people before us, to stop wasting their citizens' tax dollars by feeding us an illusion of building a Palestinian economy, which has now been exposed as the fragile house of cards it is. If our water resources continue to be diverted, if our frequencies continue to be commercially abused by unlicensed Israeli telecom operators, if our movement is going to remain hostage to an ID, a magnetic card, a businessman's card, and a permit, if a Gazan student can't study in a West Bank university, and if illegally annexed Jerusalem is going to remain so difficult an issue for donors to address, well then why are we all wasting our time?

It seems the Palestinian "leadership" purchased its first mirror this past September and is starting to see the reflection of what it has created and thus beginning to make some slight adjustments. I would hope that not only legacy-building is in the reflection, but an honest approach to where we have reached, on all fronts. The times do not call for more resounding speeches or cosmetic changes to a warped reality.

Palestine's economic hallucination has the power to maintain an image of a reality that is growing at more than 9 percent a year. It used to take us 20 minutes to travel from Ramallah to Bethlehem. Now, we are forced to circumvent Jerusalem, around cement walls and through multiple Israeli checkpoints. Today it takes us over

60 minutes, at best. For GDP growth, this is great news. During those extra 40 or more minutes we burn more gasoline, require more lighting on the longer roads, eat more sandwiches on the way, spend more time driving, hit more potholes, which causes more work for the road engineers in the morning, etc., etc. All of this extra spending is great for a higher GDP but catastrophic for our livelihood and state-building exercise.

It's time for a new economic model, one built on economic justice, social welfare, solidarity, and sustainability. We should all have one goal in mind: lowering the cost of living under occupation so more people can remain steadfast during these troubling times. If you don't believe me, no hard feelings – feel free to transfer your salary to that other bank down the street, they are giving away the best prize yet: one-way airline tickets for your entire family to anywhere, but Palestine. Bon Voyage!

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