

A New Palestinian Political Economy: Surviving Israeli Occupation, Settler Colonialism, and Ethnic Cleansing

KEY MESSAGES 2 - Palestinian economics and politics on the eve of 2023

Development denied. The Palestinian economy has been shaped and dominated by over a century of Zionist settler colonialism. This constrains any prospects for development.

Israel has seized and diverted Palestinian natural resources, especially water, land, and mineral wealth for its colonial expansion. It controls all resources between the Jordan River and the Mediterranean Sea.

Israel controls Palestine's trade borders with the world, it also monopolizes Palestinian markets to sell Israeli goods.

Israel exploits Palestinian labor to build Israeli cities, roads, and settlements.

The Oslo-Paris matrix of control. The Oslo Accords and the Paris Protocol on Economic Relations locked-in Israel's economic dominance by limiting Palestinian policy autonomy and spatial control. Israel continued to rule the oPt and economy much as it did before.

Extremely limited policy toolbox. The Palestinian National Authority (PNA) cannot reshape the Palestinian economy in line with development needs and available



resources because it has no control over the movement of goods and labor, the natural resources or land of Palestine, or over its finances.

A peace process without an end. The Middle East peace process has been an extended theatre with no clear goals, leading to a focus on state-building and good governance without achieving sovereign statehood.

Dependency on international aid. Palestine has received over US \$40 billion of international assistance from donors since 2000. This has created yet another level of control.

Limited power, no security. The PNA has created the machinery of the Palestinian state and has maintained stability and governance despite limited resources and enforcement powers. But it has not provided security for Palestinians from Israeli military or settler attacks.

No partnerships, just pure dependency. Economic relations between Palestinian and Israeli businesses are marked by dependencies and monopolies which are unequal and exploitative.

A route out of economic dependency on Israel can only be achieved by public capital supported by international finance to support private investment in vital economic sectors. External partners will need to block Israeli interference to provide space for Palestinians to develop a strategy for greater economic self-reliance to withstand Israeli apartheid and colonial economic policies.

Disenfranchised citizenry. Palestinians lack mechanisms of accountability. The PLO, once a central representative body of the Palestinian people, is now seen as marginal and ineffective. Palestinians are now ruled by two authorities: one is dedicated to suppressing them (Israel) and the other (the PLO/PNA) is unable to protect them. This amounts to the “de-self-determination” of the Palestinian people.

