



DEFEATING DENORMALIZATION

SHARED PALESTINIAN AND ISRAELI
PERSPECTIVES ON A NEW PATH TO PEACE

Professor Mohammed S. Dajani Daoudi

Professor Ali Qleibo | Khaled Abu Toameh

Nabil Basherat | Nadia Aloush | Rami Levy

Daniel Birnbaum | Dan Diker

Col. (res.) Dr. Danny Tirza | Pinhas Inbari

Editor: Dan Diker



Jerusalem Center for Public Affairs

DEFEATING DENORMALIZATION:

**Shared Palestinian and
Israeli Perspectives
on a New Path to Peace**

Professor Mohammed S. Dajani Daoudi

Professor Ali Qleibo

Khaled Abu Toameh

Nabil Basherat

Nadia Aloush

Rami Levy

Daniel Birnbaum

Dan Diker

Col. (res.) Dr. Danny Tirza

Pinhas Inbari

Editor: Dan Diker

Senior Research Scholar: Jamie Berk



Jerusalem Center for Public Affairs

Director of Production: Ahuva Ben-Dor

Production and Research Coordinator: Tamara Elashvili

Jerusalem Center for Public Affairs

Beit Milken, 13 Tel Hai St., Jerusalem, 92107, Israel

Email: jcpa@netvision.net.il

www.jcpa.org

Tel: 972-2-561-9281

Fax: 972-2-561-9112

© 2018 Jerusalem Center for Public Affairs

Cover photo: Palestinian and Israeli employees at SodaStream's Negev factory. David Abitbol, November 2017.

ISBN 978-965-218-137-4

Acknowledgments

This research and policy book was made possible by the extraordinary vision and support of the following friends of the Jerusalem Center and leaders of the Jewish world: James S. Tisch, Morris Offit, Sarah Biser, David Keidan, Eugene and Emily Grant, Joseph M. Cohen, Peter J. and Susan Solomon, Roy H. and Judy Stern, Steven Stern, Kenneth and Nira Abramowitz, Valerie and Charles Diker, Mark N. Diker, Howard G. Sands, Laurence Leeds, Andrew Scott Kligerman, Mark Levenson, Julio Messer, Gerald Platt, Irwin Hochberg, Patty Stark, and several other anonymous donors.

Contents

1.	Executive Summary	7
2.	Introduction	13
	<i>Dan Diker</i>	
3.	The Palestinian Authority’s Policy of Denormalization	17
	<i>Khaled Abu Toameh</i>	
4.	The Effects of BDS and Denormalization on West Bank Industrial Zones	35
	<i>Col. (res.) Dr. Danny Tirza</i>	
5.	The Desire for Defined Status in Multicultural Jerusalem	47
	<i>Prof. Ali Qleibo</i>	
6.	SodaStream as a Model of “Economic Peace”	57
	<i>Daniel Birnbaum</i>	
7.	Palestinian-Israeli Normalization in the Workplace: A Manager’s View	79
	<i>Nabil Basherat</i>	
8.	Palestinian-Israeli Equality and Normalization: The Case of Rami Levy Supermarkets	95
	<i>Rami Levy</i>	
9.	A Palestinian Woman’s Perspective on Working for an Israeli Company	107
	<i>Nadia Aloush</i>	
10.	EU-PA Cooperation and Risks to the Palestinian Future	117
	<i>Pinhas Inbari</i>	
11.	Wasatia: The Straight Path from Denormalization to Reconciliation	127
	<i>Prof. Mohammed S. Dajani Daoudi</i>	
12.	About the Authors	147
13.	About the Jerusalem Center for Public Affairs	150

Executive Summary

The Palestinian Authority's Policy of Denormalization

Khaled Abu Toameh

- The current Palestinian political economy, influenced far too greatly by the BDS and anti-normalization campaigns, amounts to a corrupt, unsustainable, terror-supporting regime that is disinterested in the economic well-being of its own people and the development of a new state.
- Denormalization's first objective is to intimidate and threaten Palestinians and Israelis who seek peace and a "two states for two peoples" solution. Denormalization's second objective is to delegitimize and isolate Israel in the international community. In this regard, denormalization parallels Hamas and other terror groups that are working to destroy any chance of peace between Israel and the Palestinians.
- Under the pretext of refusing to bolster Israel's "occupation economy," the Palestinian leadership has publicly declined to cooperate on joint projects with the Israeli government or the Israeli private sector that would benefit both economies and both peoples.

The Effects of BDS and Denormalization on West Bank Industrial Zones

Col. (res.) Dr. Danny Tirza

- What will be the impact of an economic boycott of the products of the West Bank settlements and the Israeli industrial zones? Already in 2010, the PA announced a boycott of the settlement products, aimed at preventing their use in the Palestinian market. Except for the huge housing project in Rawabi, which is making use of engineers, planners, advisers, raw materials, and professionals from Israel, but not from the settlements, the boycott has been a failure.
- Clearly, the direct outcome of the Palestinian boycott of settlement products and industrial zones will be a mortal blow to Palestinian employment, which will also damage cycles of consumption and commerce. The PA offers no productive alternative to such employment, and the decreased standard of living will lead to violence and the strengthening of the radical Muslim elements that seek to destroy Israel and undermine Palestinian governance.
- Various models and initiatives to establish Palestinian industrial zones have failed to take hold, despite years of investment and interest from donors across globe, including Japan, Turkey, and European countries.

The Desire for Defined Status in Multicultural Jerusalem

Prof. Ali Qleibo

- Fifty years after the annexation of Jerusalem, the innumerable employment opportunities provided by the Israeli system have fostered a de facto upgraded standard of living. Despite appeals by some Jordanians and Palestinians to boycott the Israelis (the concept of *sumud*), the integration of greater Jerusalem Arab residents into the Israeli sector has continued unabated.
- Former cave-dwelling Bedouin shepherds and peasants living in penury, have now moved from the kerosene-lamp-lit caves with outhouses, to comfortable villas and spacious apartments with full amenities including air-conditioning and at least two cars per household. As white and blue collar workers, they are beneficiaries of the flourishing Israeli labor market.
- However, despite advantageous economic conditions, Jerusalem's Arab residents are still in an untenable political situation. Since the signing of the 1995 Oslo II Agreement, Arab Jerusalemites have been stateless. They cannot claim sovereign status in either Jordan or the Palestinian Authority.

SodaStream as a Model of “Economic Peace”

Daniel Birnbaum

- SodaStream chose to employ Palestinians and Israelis at the Mishor Adumim facility in the West Bank out of business necessity, not ideological conviction. Some of my colleagues were skeptical about employing Israelis and Palestinians side by side, especially so shortly after the bloody Second Intifada that ended in 2004. However, we discovered peace “by accident,” just as Alexander Fleming discovered penicillin by accident.
- On the factory floor, I witnessed far more than simply “experiments” or “exercises” in coexistence and tolerance, but actual peaceful and harmonious relations between Israeli and Palestinian employees. Israelis worked under Palestinian managers and vice versa; Palestinians and Israeli SodaStream employees were exposed to one another five days a week, at least eight hours a day. As a result, interpersonal ties were also formed between SodaStream employees outside of the workplace.
- SodaStream employees in the Mishor Adumim factory became family. Our employees also represented broad diversity: Israelis, Palestinians, Bedouins, Sunni Muslims, Christians, Jews from the former Soviet Union, Ethiopian, Ashkenazi, Sephardi, and Mizrahi Jews, and Darfuri refugees.

Palestinian-Israeli Normalization in the Workplace: A Manager's View

Nabil Basherat

- Simply put, the global BDS movement has caused damage to the Palestinian public. The BDS movement has threatened my job security and livelihood. It damaged the livelihoods of hundreds of SodaStream factory workers, who were laid off as SodaStream left its Mishor Adumim factory in the West Bank.
- Even though the BDS movement portrayed SodaStream's Palestinian workers as "slaves" who were abused by management, this is not the case. SodaStream's Palestinian workers are very satisfied. I understand that the PLO, the PA, and the Fatah Party have long opposed Palestinians and Israelis working together.
- However, we also need to ensure that our own leadership and the international community know what moderate Palestinians want. It is important that they do not fall under the influence of pro-BDS extremists and instead listen to the average Palestinian worker. They have to understand that if they continue labeling Israeli products and boycotting Israel, they are hurting Palestinian workers and not the Israeli government or military.

Palestinian-Israeli Equality and Normalization: The Case of Rami Levy Supermarkets

Rami Levy

- Employment at Rami Levy is in high demand among Palestinians for various reasons. In the Palestinian Authority-controlled parts of the West Bank, a Palestinian manager or teacher earns on average 2,000 shekels (570 U.S. dollars) a month, well below the Israeli minimum wage.
- Palestinian businesses regulated by the PA are not required to provide employees with social benefits such as pension-fund contributions. Palestinian business owners are also not required to pay property, excise, or sales taxes. Nor are businesses required to reimburse employees' transportation costs or to provide compensation or insurance for work-related injuries. At Rami Levy, however, a full-time Palestinian employee earns 4,000 to 7,000 Israeli shekels a month (1,142 to 2,000 U.S. dollars) plus full medical and social benefits as guaranteed by Israeli law. Palestinian managers earn more.
- The denormalization extremists have attempted to delegitimize our efforts at harmonious coexistence between Palestinian and Israeli employees. BDS and denormalization activists have also portrayed us as a source of tension and conflict. Rami Levy stores in the West Bank uphold the model of good-neighborly relations and peaceful normalization as envisioned and specified in the Oslo Accords.

- We are one of the few businesses that promote close cooperation between Israeli and Palestinian employees. In addition to being a model for economic growth and job creation in the region, Rami Levy stores also provide an important example of peaceful coexistence and cooperation in an otherwise chaotic and violent Middle East.

A Palestinian Woman's Perspective on Working for an Israeli Company

Nadia Aloush

- I want people from all over the world to read and to understand the real Palestinian story. Palestinians simply want to support our families, and live a life of dignity and well-being in our neighborhoods and in good relations with Israelis. It is important to me that people should know that there is also coexistence in workplaces between people and that we fear that sanctions and international pressure could harm these ties and cause us great damage.
- At the end of 1997, an Israeli law was passed that determined that Palestinians working in Israeli factories or in the Civil Administration would receive worker's protections according to Israeli law. Under this law, Israeli and Palestinian Rami Levy employees are truly equal. Along with our regular salary, the Israelis also give us health and social insurance. Rami Levy also grants a yearly bonus.
- Most Palestinian Authority employees do not receive a salary slip, and there is nothing like social rights, a pension, or an education fund. I receive at least 4,000 shekels a month. In the PA, perhaps a famous doctor will receive 3,000 shekels a month, without insurance or rights.

EU-PA Cooperation and Risks to the Palestinian Future

Pinhas Inbari

- Although the European Union repeatedly emphasizes its opposition to the Boycott, Divestment, and Sanctions (BDS) movement, its policy of labeling products manufactured in territories east of the 1949 Armistice Lines has reinforced the Palestinian BDS strategy to assault Israel, isolate it, and cause its economic collapse.
- However, the EU claims that its product-labeling policy – which seeks to differentiate between Israel within the pre-1967 lines, which Europe recognizes, and the territories located to the east of those lines, which Europe does not recognize as belonging to Israel – is only intended to pressure Israel to withdraw to the 1967 lines, thus enabling the creation of a Palestinian state.

- The EU labeling policy actually undermines the West Bank industrial zones that provide excellent employment to some 35,000 Palestinians. These zones come under the jurisdiction of Israeli local authorities but have no connection to “settlements.” Business and commercial enterprises in these 15 zones provide employment for Palestinian workers who cannot find alternative work in the PA-controlled territories.
- Europe, for its part, in cooperating with only the highest levels of the PA leadership, has willfully ignored the voices of thousands of Palestinian workers who welcome Israeli commercial enterprises in the West Bank and depend on West Bank industrial zones to support their families.

Wasatia: The Straight Path from Denormalization to Reconciliation

Prof. Mohammed S. Dajani Daoudi

- *Wasatia* strives to foster a culture of religious, social, and political moderation and reconciliation to help lay the groundwork for Palestinian and Israeli children to grow up in peace, security, prosperity, and harmony.
- In March 2014, I took 27 students to Poland for an educational experience about the Holocaust. We also brought 30 Israeli students to the Dheisheh refugee camp in Bethlehem for an educational experience about the *Nakba*, the Palestinian “catastrophe” stemming from the 1948 war.
- My initiative was portrayed as Zionist propaganda, and I was labeled as a “collaborator” and “traitor,” two highly emotional terms in Palestinian lexicon. Nine political student organizations on campus issued a public statement against me titled “Normalization = Treason.” Students demonstrated against me on campus and delivered a letter to my secretary threatening to kill me if I returned to teach at the university. The social networks buzzed against me. My car was torched. The only possession of mine to survive the torching was my personal copy of the Koran.
- I opted to exercise my freedom to dissent from the collective narrative and stand by the ideals of truth, righteousness, justice, compassion, and freedom; I took the risk by making that choice to alienate myself from the society in which I was born and bred. In wanting to break this taboo, I was aspiring to leave the door wide open for social change, reconciliation, democracy, and peace.

Introduction

Dan Diker

The Palestinian leadership's strategy of "denormalization of relations" with Israel is one of the central, if lesser understood, components of the international Boycott, Divestment, and Sanctions (BDS) campaign against Israel. Denormalization may be an unfamiliar term to Western observers of the Palestinian-Israeli conflict. Conceptually, it is modeled after the international anti-normalization campaign that brought about the collapse of the former South African apartheid regime in 1994.

The Palestinian leadership in Ramallah and their global BDS advocates co-opted South Africa's apartheid history by casting Israel as the world's new apartheid regime that, as in the South African case, must be made to suffer global isolation and denormalized relations with the Palestinian Authority leadership, the Palestinian public, and the international community. The incomparability of the two situations is overwhelming.¹ Many forget that in the 1990s the Palestine Liberation Organization and the democratic state of Israel signed the internationally sanctioned Oslo Accords, which acknowledged mutual recognition, included reconciliation, and the normalization of relations between the sides.

Despite internationally witnessed peace agreements between the sides, the PA leadership has adopted apartheid accusations, denormalization, and BDS as political weapons. Jerusalem Fatah Leader Ahmad al-Ghoul claimed that normalization "equates the victim and the executioner." He added, "It shows the world a picture of Palestinians and Israelis living in peace and love."² Jibril Rajoub, Palestinian minister of sport, further clarified the PA's denormalization policy in 2014, declaring, "Any activity of normalization in sports with the Zionist enemy is a crime against humanity."³

Herein lies the deception of BDS and denormalization. While the PA leadership has positioned BDS and its denormalization corollary as a grassroots campaign to pressure Israel to concede to Palestinian political demands, this campaign does not represent the attitudes or interests of the average Palestinian. In fact, some 150,000 Palestinians who are employed either in the Palestinian-Israeli West Bank industrial zones or in Israel are generally unaware of and uninterested in the international BDS and denormalization campaign.

The articles in this collection reveal the demand among a growing number of Palestinians for engagement and opportunity together with their Israeli neighbors. Many Palestinians and virtually all Israelis prefer cooperation over denormalization, whether in commerce and trade, high tech, health care, or in sports, academia, and cultural activities.⁴ Palestinian leaders of towns and villages in Area C of the West Bank have told this author that they seek

cooperation and good-neighborly relations with Jewish residents of Jerusalem or of cities and towns in Area C. This desire for mutual cooperation also pertains to Israeli utilities and infrastructure, electricity, water, and sewage systems.

This policy book gives voice to Palestinians who call for reconciliation with Israelis even in the absence of a final political agreement between the Palestinian and Israeli governments. The shared perspectives in this anthology have not been reflected in the declarations and actions of the Palestinian leadership or of political and “human rights” nongovernmental organizations that have trumpeted the international BDS and apartheid-denormalization discourses.

In this book, journalist and Palestinian affairs expert Khaled Abu Toameh describes the Palestinian leadership’s policy of denormalization and BDS, which does not represent the concerns of the Palestinian public, and instead has penalized, intimidated, and harassed Palestinian residents of the PA who seek engagement and cooperation with Israel and Israeli citizens. Abu Toameh also reveals the PA’s unsuccessful attempts to promote economic initiatives that have caused mistrust and suspicion of the PA leadership among the Palestinian public.

Some of Toameh’s findings are shared by Dr. Danny Tirza who has been deeply involved in the development of the West Bank industrial zones. In his article, Tirza assesses that continued denormalization and boycotts against Jewish settlements and neighboring industrial zones employing Israelis and Palestinians will drive company and factory owners to relocate to areas within Israel. This will likely result in mass unemployment of Palestinians currently earning monthly salaries that are 350 percent higher (excluding benefits) than what they could earn in the PA-controlled areas. Tirza, a former strategic planning official in the IDF’s Central Command, demonstrates why shared Israeli-Palestinian and Israeli industrial zones in the West Bank are critical to growing the Palestinian economy, maintaining employment, and encouraging entrepreneurship.

Professor Ali Qleibo paints a far more optimistic picture of growing economic prosperity among east Jerusalem’s 300,000 Arab residents. However, he provides a challenging assessment of the desire of Jerusalem’s Arab residents for a defined and finalized political status after remaining in political limbo since the 1967 war.

Daniel Birnbaum, CEO of SodaStream, presents the challenges of establishing SodaStream as an anchor of economic stability, prosperity, peace, and normalization between Palestinian and Israeli employees.

One of SodaStream’s best managers, Nabil Basherat, a Palestinian Muslim, reveals the importance of a positive workplace culture that fosters stability and reflects equality at

SodaStream, which, he maintains, could be a model for companies across the West Bank and a harbinger of growth and prosperity for Palestinians and Israelis.

In addition to SodaStream's creation of a Palestinian-Israeli work culture, Rami Levy, founder and CEO of Rami Levy supermarkets and marketing, offers a manager's perspective on facing the threat of terror and BDS assaults on Rami Levy stores across the West Bank. Similar to Birnbaum, Levy has provided a model of good-neighborly relations, equality, and opportunity for employees of all backgrounds. Levy also considers the challenges of expanding Rami Levy markets in PA-controlled territory, which raises a host of security issues.

Nadia Aloush, a longtime employee at Rami Levy and a contributor to this volume, provides a perspective as a Palestinian Muslim woman working for an Israeli company, an experience that she compares to her former employment in a Palestinian Authority ministry.

Palestinian affairs expert Pinhas Inbari paints a troubling picture of the EU's controversial policy of labeling Israeli products that are produced in the Jewish settlements or the West Bank industrial zones. Inbari assesses that EU-PA cooperation and mutual support on labeling Israeli products encourages BDS and extreme denormalization activism. This policy threatens Palestinian economic viability and induces widespread Palestinian desperation, which threatens the rule of the PA.

Finally, Mohammed S. Dajani Daoudi, a former tenured professor at Al-Quds University, provides insight into the principle of *wasatia* – Islamic moderation – and discusses why he opposes denormalization and rejects the Israel-apartheid accusation. Dajani explains how he defied death threats by Palestinian extremists to lead a group of Palestinian students on a field trip to the Auschwitz death camp in former Nazi-occupied Poland, for which he lost his employment at Al-Quds University. Dajani continues to advocate for moderation and reconciliation between Palestinians and Israelis even in the absence of a political agreement between the sides.

Israeli-Palestinian economic cooperation and the building of interpersonal relationships and understanding between the sides are mischaracterized by the Palestinian leadership, and by BDS and denormalization activists, as reflecting a “master-slave” relationship, thereby reinforcing Palestinian claims of “deepening” the occupation.

However, the Palestinian and Israeli contributors to this book provide shared assessments that suggest a sharply different reality on the ground. They also offer a vision for both peoples based on principles of equality, mutual respect, and goodwill. Both Palestinian and Israeli authors have illustrated how companies like SodaStream and Rami Levy have

established models for Israeli-Palestinian cooperation that can be applied to governmental and private enterprises alike.

The BDS and denormalization movements have inundated the international Palestinian-Israeli discourse with misconceptions and distortions that negatively affect both peoples. This volume demonstrates that Israeli-Palestinian economic cooperation can overcome the propaganda of BDS and Palestinian denormalization. Economic reconciliation, cooperation, and as Professor Dajani elucidates, *wasatia* – the middle way – are keys to economic, political, and social harmony between Palestinians and Israelis.

Notes

- 1 <http://jcpa.org/cape-town-jerusalem>
- 2 <http://www.jpost.com/Opinion/Success-and-pitfalls-of-Palestinian-anti-normalization-404641>
- 3 <https://www.timesofisrael.com/pa-official-calls-soccer-match-with-israel-crime-against-humanity>
- 4 <http://edition.cnn.com/2017/10/23/middleeast/palestinian-film-festival-bds/index.html>

The Palestinian Authority's Policy of Denormalization

Khaled Abu Toameh

The Palestinian leadership's rejection of normalized relations with Israel that were established in 1993 with the Oslo Exchange of Letters between PLO Chairman Yasser Arafat and Israeli Prime Minister Yitzhak Rabin, and the PLO's subsequent support for the global Boycott, Divestment and Sanctions (BDS) campaign have created an economic void. The Palestinian and BDS leadership's boycotts of Israeli employers of thousands of Palestinians, such as the internationally traded company SodaStream and Rami Levy, a leading

In addition to encouraging corruption, the foreign aid dependence of the Palestinian economy has retarded incentive for local economic development, and the establishment of an advanced infrastructure and rule of law.

Israeli supermarket chain, are hurting the Palestinian public. The Palestinian leadership has failed to fill the economic void by neglecting to meet promises to match the income, benefits, and other compensations for Palestinian employees once BDS causes their termination from Israeli owned businesses.

Major Palestinian commercial ventures that were established under the sanction of the Palestinian Authority, such as Austrian Mogul Martin Shlaff's Oasis Casino in the Palestinian city of Jericho became

centers for international money laundering for terror groups. They did little to benefit the Palestinian public. Some of the foreign-financed Palestinian industrial zones have also been tainted by local corruption, and have failed to provide adequate employment and services for large numbers of Palestinian workers.

In addition to encouraging corruption, the foreign aid dependence of the Palestinian economy has also retarded incentive for local economic development and independence and to establish an advanced infrastructure and rule of law. European aid agencies, EU member states, and organizations such as UNRWA have often stepped in to provide crucial economic assistance and employment in unsustainable cottage industries for Palestinians.

Because many of these Palestinian and European NGOs themselves support the BDS movement against Israel or are staffed by people who support Israel's demise, these NGOs also encourage unsustainable and isolationist Palestinian economic policies while stealing or sabotaging private commercial initiatives.¹ Overall, the current Palestinian political economy, influenced far too greatly by the BDS and anti-normalization campaigns amounts to a corrupt, unsustainable, terror-supporting regime that is disinterested in the economic well-being of its own people and the development of a new state.

Economic development is one of the greatest challenges facing newly formed nation-states. Some states that were established in the last half century such as South Korea,² the Czech Republic,³ as well as the autonomous region of Iraqi Kurdistan⁴ developed into strong, independent economies due to their willingness to adapt to global markets, join international institutions and treaties with neighbors, tackle corruption, and encourage good governance.⁵



Downtown Erbil, capital of Kurdistan.

The Intentions of Oslo

The provisions of the 1993 Oslo Accords, which created the Palestinian Authority proto government in the West Bank and Gaza, encouraged an open Palestinian economy mirroring the development models of the aforementioned nascent states and autonomous regions. The Accords encouraged economic cooperation between Israelis and Palestinians via the establishment of trade treaties, free trade zones, and cooperation in Israeli-Palestinian industrial research, energy, water, media, and other development programs.⁶

In addition to these joint programs, the Oslo Accords were also intended to develop an independent Palestinian economy, emphasizing business development. However, nearly

two and a half decades since the Oslo Exchange of Letters was signed, the Oslo vision has been undermined, largely because of measures by the Palestinian leadership to publicly shun Israeli-Palestinian economic cooperation and stifle domestic Palestinian business initiatives and innovation.

Post-Oslo Palestinian Denormalization of Relations with Israel

The Palestinian leadership has held these joint projects hostage under their undeclared policy of denormalization of relations with Israel.⁷ Denormalization's first objective is to intimidate and threaten Palestinians and Israelis who seek peace and a two states for two peoples solution. Denormalization's second objective is to delegitimize and isolate Israel in the international community. In this regard, denormalization parallels Hamas and other terror groups that are working to destroy any chance of peace between Israel and the Palestinians.⁸

Without the existence of a viable independent Palestinian economy, many Palestinians in the West Bank have become largely dependent on Israel and private Israeli business and industry for their economic livelihoods.

The Oslo Accords called for the establishment of a Palestinian development bank to independently fund Palestinian economic development. The bank was never established, and most Palestinian development subsidies, grants, and loans, including for infrastructural projects that were slated to be implemented by the Palestinian Authority, are provided by foreign development agencies and NGOs. However, many of these funds earmarked for economic development in the Palestinian Authority have ended up in

the pockets of Hamas and Fatah leaders. Palestinian government corruption has been well-documented since the 1990s.

Therefore, without the existence of a viable independent economy, or government encouragement of the joint initiatives laid out in the Oslo Accords, many Palestinians in the West Bank have become largely dependent on Israel and private Israeli business and industry for their economic livelihoods. The linkages between Israel's supply of goods for Palestinian consumers and Israel as a market for Palestinian labor that began after 1967 have continued post-Oslo. Palestinian public demand to buy Israeli products and work both in Israel and for Israeli businesses in the industrial zones in Area C of the West Bank can be attributed to the PA's failed policies and corruption, poor quality of Palestinian goods, and the limited Palestinian labor market.

The Palestinian public faces a two-headed economic challenge. While the Palestinian leadership has discouraged local economic innovation and development, and instead has “locked in” monopolistic control of the Palestinian economy, Palestinian leaders have also called for denormalization of relations with Israel. They have frequently advanced boycotts to prevent cooperation with Israelis. Economically, this has trapped the Palestinian professional and working classes. In short, the Palestinian leadership has quashed any major joint initiatives between Israelis and Palestinians intended to benefit both publics. This unfriendly business environment has also discouraged foreign investors.



Former PLO Chairman Yasser Arafat, former Israeli Foreign Minister Shimon Peres, and former Israeli Prime Minister Yitzhak Rabin receiving the Nobel Peace Prize in 1994 following the signing of the 1993 Oslo Declaration of Principles.

The Palestinian leadership has been playing a double game regarding its BDS campaign against Israel. PA Chairman Mahmoud Abbas has sent mixed signals to the Palestinian public, Israel, and the international community, which has generated international confusion over the PA's BDS policy. The PA cooperates with Israel on issues Palestinians see as vital to their national security such as anti-Hamas, anti-ISIS and anti-Al Qaeda counter-terror actions as well as coordination on water, oil, and gas supplies.

At the same time, the PA has sanctioned and trumpeted anti-Israel incitement, in clear violation of its Oslo obligations. These appeals have included BDS in the form of boycotts as well as social, cultural, and sport cooperation with Israel. This is a concerted attempt to denormalize formal and informal relations between Israelis and Palestinians and derail any progress toward peace and reconciliation. This duplicitous message has sowed confusion among the Palestinian public as to the identity of the enemy: are they the Jewish settlers

living in the West Bank or Israeli citizens in Tel Aviv? When Palestinian representatives, activists and most Palestinian Islamic leaders place all Israelis and Jews in one “basket,” the

Indoctrination by Palestinian political and religious leaders and BDS NGOs comes from the same leaders who insist they are building bridges of cooperation with Israel.

Palestinian public is misled that not merely settler products need to be boycotted, but all products from Israel.

This indoctrination by Palestinian political and religious leaders and BDS NGOs comes from the same leaders who insist they are building bridges of cooperation with Israel. Ironically, perhaps in tandem with these “moderating” statements by the PA leadership, every locality in the West Bank has its own voluntary popular

committee for boycotting Israel. These groups are manned by NGO “activists,” who are essentially local paid “thugs” who impose and enforce their will on the local communities. They raid grocery stores, intimidate and threaten shop owners, and confiscate Israeli products such as Thuva and Osem food products, which Palestinian shoppers far prefer over Palestinian dairy and other commodities.

The BDS Movement and the Palestinian Political Economy

The BDS movement exemplifies this attempt by the Palestinian leadership to destroy the peace process and associated joint initiatives while simultaneously hurting the Palestinian people. The frequently asked questions (FAQ) section of the webpage of the BDS movement asks; “Doesn’t BDS Hurt Palestinians?” The response to this question by the BDS movement, which claims to speak for the 2.9 million Palestinians in the West Bank⁹ says, “Palestinians have made the decision to call for BDS believing that any economic damage they may face is a small price to pay to realize freedom, justice and equality.”¹⁰ This is an inaccurate statement intended to mislead the international community to conclude that the Palestinian public supports the boycott movement.

This inaccurate BDS claim stands in sharp contrast to the reality of Palestinian employment in Israel. For example, Palestinians dominate the service industry in Jerusalem and feature prominently in the health care, hospital and hotel industries, as well as contracting, transport, and construction. According to a 2015 European Union-funded survey, the average daily wage for a Palestinian working in Israeli-controlled areas is 194.2 Israeli shekels a day (53.23 USD), as opposed to 91.4 shekels a day (25.06 USD) for Palestinians employed by Palestinian employers in the West Bank. Over 100,000 Palestinian workers



AP Photo/Nasser Ishtayeh

Former Palestinian Prime Minister Salam Fayyad throws a package into a fire set to burn products from Jewish settlements in the West Bank municipality of Salfit, January 2010.

currently work in Israel and the West Bank industrial zones in Area C. This is still far off the 1986 number of 270,000 Palestinians working in Israel, but still far more than in recent years.¹¹

In contrast, the 2014 GDP per capita for Palestinians in the West Bank was \$4,300, ranking it as the 175th poorest economy in the world by the CIA for that year.¹² According to these statistics, 18 percent of Palestinians in the West Bank live under the poverty line, and 17.7 percent are unemployed. The industrial growth rate in 2015 for the West Bank and Gaza was 1.7 percent.¹³

The BDS movement writes that boycotting Israeli employers, including settlements is a “small price to pay.”¹⁴ Yet, due to the Palestinian Authority’s failure to supply jobs, combined with the high inequality and high rates of poverty in the West Bank, refusing work from an Israeli employer, or any employer for that matter, even at an Israeli settlement, is not a “small price to pay.” Finding a job with an Israeli employer could be the difference between an economic livelihood and abject poverty.

The BDS movement and its anti-normalization agenda also places blame for Palestinian economic hardship solely on the Israelis. Its webpage states, “Palestinians face high unemployment and are often forced to work for Israeli companies including in illegal



SodaStream/YouTube

Palestinian SodaStream employees saying goodbye after their work permits were revoked in 2016. Their permits were reinstated a year later by the Israeli government, and SodaStream's Palestinian employees returned to work.

Israeli settlements because of Israel's deliberate, decades-long destruction of the Palestinian economy."¹⁵ This is inaccurate.

On the contrary, it has always been in Israel's national interest to strengthen the Palestinian economy, to help foster stability and prosperity across the West Bank and in Gaza, until 2005 when Israel withdrew, followed by the 2007 Hamas bloody takeover. Israel has

The BDS movement writes that boycotting Israeli employers, including settlements is a “small price to pay.” Yet, finding a job with an Israeli employer could be the difference between an economic livelihood and abject poverty.

cooperated in massive construction projects in the West Bank such as facilitating the new city of Rawabi, in allowing hundreds of thousands of Israeli Arab tourists to visit and shop in Palestinian-controlled cities in Area A such as Bethlehem, Nablus, Tulkarem, and Jericho.

These statements fail to mention that the Palestinian leadership also bears responsibility, perhaps more than the Israelis, because of its official denormalization policies. The

Palestinian leadership is also responsible to fulfill the promises of the Oslo Accords, on both joint initiatives and projects that would benefit the Palestinian economy. These ventures, such as the proposed Palestinian development bank, fall within the realm of “acceptable” economic activity according to the BDS movement, because they do not normalize relations with Israelis. However, these Palestinian projects were never carried out.



Rawabi, a planned Palestinian city funded by billionaire Bashar al-Masri and Gulf nations.

Palestinians Prefer to Work for Israeli Employers

According to Arab-Israeli labor lawyer Khaled Dukhi, many Palestinians prefer to work for Israelis over Palestinians.¹⁶ Unlike in the PA-controlled areas, Israeli law protects workers from racial, gender, and age discrimination, and provides paid leave for holidays and sick days. In fact, according to Dukhi, the biggest threat to Palestinian workers is not Israeli employers, but Palestinian middlemen who arrange jobs for these workers, and who are known to pilfer 50-70 percent of Palestinian workers' salaries. Most Palestinians prefer to work for Israelis directly, and not via Palestinian intermediaries.¹⁷

For example, a mall currently under construction by Rami Levy in the northeastern Jerusalem neighborhood of Atarot, when completed, will serve roughly 190,000 Arab and 90,000 Jewish Jerusalemites, and thousands of Palestinians who enter Israel daily via the Qalandia checkpoint, which is only 500 meters from the mall.¹⁸ The 60-70 proposed stores in the mall would provide 1,500 new jobs.¹⁹

According to Levy, although many Palestinian business owners were interested in renting space in the mall, they backed out because of pressure from Palestinian leaders like Saleh



Products from Israeli food companies Strauss and Osem advertised in a Gaza supermarket.

Haniyeh, head of the Palestinian Society for Consumer Protection. When interviewed about Levy's planned mall, Haniyeh threatened Levy, stating he was "ready to reveal the names of any partners of 'the settler' businessman Rami Levy, put them on the blacklist and boycott

Mahmoud Nawajaa, BDS Coordinator for Ramallah, said the layoffs at SodaStream were "part of the price that should be paid in the process of ending the occupation." However, he did not propose any employment alternatives.

their commercial interests."²⁰ However, many Palestinians interviewed by the *Times of Israel* at the Qalandia checkpoint said they looked forward to the new mall and Rami Levy's cheaper wholesale prices. The interviewees noted that they were not bothered by the prospect of shopping in the same stores as Jewish Israelis, or in a mall owned by a Jewish Israeli.²¹

Similarly, shortly after the SodaStream factory in the Mishor Adumim Industrial Zone was moved to the Negev desert in February 2016, 74 Palestinians lost their work permits, and could no longer work at

the factory. In 2014, 500 Palestinians worked for Sodastream, side by side with Israelis and earned equal wages and benefits, or even oversaw Israeli laborers. Only two years later, no Palestinians worked there.²²

Instead of expressing concern over their own people losing employment, Palestinian leaders celebrated the move as a BDS victory. Mahmoud Nawajaa, BDS Coordinator for Ramallah, said the layoffs at SodaStream were "part of the price that should be paid in the process of ending the occupation." However, he did not propose any employment alternatives at comparable salaries and benefits.²³

Palestinian Authority Attempts at Employment Initiatives

The Palestinian leadership has also ignored the high unemployment rates of Palestinians, estimated at 22.2 percent in the West Bank in 1998 when the Palestinian Authority and Casino Austria opened the Jericho Oasis Casino.²⁴ Israelis constituted an estimated 95 percent of visitors during the casino's two years of operation. The casino was intended to help the struggling Palestinian economy, providing tax revenue to the Palestinian Authority. However, even the Palestinians could not guarantee employee safety in Jericho. Croupiers and table staff, the staff members who interacted the most with Israeli visitors, were Europeans. Housing was arranged for European staff by PLO officials in the neighboring Israeli settlement of Maale Adumim, and not Jericho, due to terror and crime-related security concerns.²⁵



The former Oasis Casino in Jericho, now the Intercontinental Hotel.

It is also known that the Oasis also served the purpose of laundering money for Arafat to help fund the Second Intifada.²⁶ During the Second Intifada, Palestinian militants also reportedly used the casino to fire at Israeli soldiers. In addition to funding terror and providing limited jobs for Palestinians, the profits generated from Jericho's Oasis Casino, the biggest tourism project implemented by Palestinian leadership, were also not reinvested to serve the Palestinian population. After the Oasis Casino was closed after only two years of operation, the PA made no efforts to replace any lost jobs or compensate for lost income.²⁷

The Interdependence of the Israeli and Palestinian Economies

It has been widely proven that BDS actually hurts the Palestinian economy more than the Israeli economy, as seen in the aforementioned examples of Rami Levy and SodaStream, and has the potential of devastating the livelihoods of the over 100,000 Palestinians who work in Israel. The Palestinian and Israeli economies are highly interdependent, with both sides benefitting from bilateral trade. Roughly, 4.37 billion dollars in Israeli exports entered the West Bank in 2012, and 800 million dollars in Palestinian exports entered Israel in the same year. This trade imbalance was offset by an estimated 1.5 billion dollars paid by Israelis to Palestinians employees.²⁸

BDS activists have falsely charged that Israelis purposely “flood” Palestinian markets with Israeli goods, creating a trade dependency. The Palestinians have not developed advanced industries and manufacturing. Instead of using these industrial parks to develop manufactured goods created by Palestinians for Palestinian markets, the Palestinian Authority has instead given rights to or sold many of its industrial parks to foreign companies. A Turkish firm has full control of the Jenin industrial zone, and a Japanese firm controls the Jericho industrial park. In the Jenin industrial zone in particular, Palestinian officials are banned from entering or carrying out official duties, and all security is provided by the foreign firms.²⁹

The BDS Movement and Palestinian Development NGOs

The international NGO community, under the false premise of “humanitarianism” and even “development” has also prevented Palestinian economic liberalization and domestic innovation. Palestinian NGOs that receive international funding such as the Arab Center for Agricultural Development, the Ramallah-Al-Bireh District Chamber of Commerce and Industry, and the Nablus Association for Social and Community Development signed the 2005 “Call for BDS.” It is unclear how boycotting Israel will improve Palestinian development, or how isolating Palestinians from Israeli labor and goods markets will improve their economic status and quality of life.



H.E. Takeshi Okubo, Ambassador for Palestinian Affairs and the Representative of Japan to Palestine inaugurates hangars at the Jericho Industrial Park, which were donated by the Japanese government and UN Development Programme, August 2017.

Furthermore, Palestinian NGOs are often not representative of the populations they are supposed to serve. Tariq Dana, political science professor at Hebron University writes that in the post-Oslo period, Palestinian NGO are led by two elites, “former leaders and activists, generally middle-class and politically affiliated with leftist factions,” and “a younger generation of career-oriented professionals who mostly gained their knowledge

Palestinian NGOs are often not representative of the populations they are supposed to serve. According to a 2011 poll by the Norwegian Fafo Institute, 59 percent of Palestinian respondents said that they distrusted Palestinian NGOs.

and skills from Western universities or professional experience overseas.” Dana adds “another aspect of NGO elitism is the upward concentration of power in the hands of a few individuals.”³⁰

According to a 2011 poll by the Norwegian Fafo Institute for Applied International Studies, 59 percent of Palestinian respondents said that they distrusted Palestinian NGOs.³¹ However, the international community has been misled that the 2005 NGO call for BDS is somehow representative of all Palestinians, as opposed to a small elite minority.

The Palestine Economy Policy Research Institute (MAS), which supports the BDS movement, writes that “The institute is dedicated to producing sound, innovative policy research aimed at fostering economic and social development in Palestine.”³² However, with three PA ministers who sit on its board and a BDS coordinator as a researcher, MAS’s reports on the Palestinian economy are tainted by a distinct bias against Israel.³³ MAS publications are widely cited, particularly by foreign funded NGOs. In particular, the MAS paper “Towards a New Vision for the Revival of the Palestinian Economy,” dedicates four chapters incorrectly attributing nearly all current economic hardship to the “Israeli occupation.” The Palestinian leadership is never held to the same standards as Israel throughout the report, nor is the PA deemed even partially culpable for Palestinian economic stagnation.³⁴

In addition to hindering the Palestinian economy, the BDS movement and its policy of anti-normalization also distort economic reports and recommendations for the Palestinian economy. Economic institutes like MAS recommend banning economic cooperation with Israel, in violation of the Oslo Accords. In place of economic cooperation, Palestinian and international bodies that support BDS will continue to demonize Israel, Israeli-Palestinian trade, commerce, and even security cooperation.

Pro-BDS International Development Organizations

International NGOs from countries that have relations with Israel and which operate in the West Bank have also supported BDS. When BDS dogma becomes a component of the activities of international development organizations, these organizations also ignore the potential of peaceful development and shared actions with Israel, and instead focus on demonizing and condemning Israel for Palestinian economic hardship.

These Western NGOs that support BDS are predominately European, church-affiliated organizations like Diakonia, Ecumenical Accompaniment Programme in Palestine and Israel (EAPPI), IKV Pax Christi, and War on Want. All of these organizations receive EU funding.³⁵ These groups have spearheaded the delegitimization of Israel. They have exploited Palestinian, Arab, and European media platforms to create the impression that they represent the authentic voice of the Palestinian street. However, they represent narrow political interests and are detached from public opinion and the day-to-day lives of the Palestinian public.

The British charity Christian Aid, which has been involved in BDS events and encourages boycotts of settlements, reports on the three objectives of its “Palestinian Rights for All”



Volunteers from the Ecumenical Accompaniment Programme in Palestine and Israel (EAPPI), a BDS-supporting organization, visit the European Commission delegation in Jerusalem, October 2013.

program, a cornerstone of its 2013-2017 organizational strategy. Many of these objectives are devoted to addressing Arab citizens of Israel, and aim to incite and radicalize the Israeli Arab community. Christian Aid's list of objectives for improving Palestinian civil society fail to provide even one specific suggestion for improving the Palestinian economy. Instead, it primarily denounces Israel for Palestinian economic stagnation.³⁶

Similarly, Trócaire, the overseas development agency of the Irish Catholic Church, actively supports BDS. Like Christian Aid, its economic solutions for the Palestinian Authority are devoted largely to demonizing Israel and falsely portraying Israeli settlements as an economic threat to Palestinian development, while doing little for actual, sustainable development of the Palestinian economy.³⁷

Conclusion

The Palestinian leadership and its NGO partners and supporters have distracted the international focus from addressing Palestinian economic development, liberalization, and infrastructural development. Instead, they have focused international attention on boycott and denormalization campaigns against Israel. Unlike much of the developing world, which has sought stronger economic relations in an age of technology, globalization, and economic integration, the Palestinian leadership has refused to develop its economy in conjunction with its economically thriving Israeli neighbor, who is potentially the prospective Palestinian state's strongest trading partner.

Following the Oslo Accords, the Palestinians had the unique advantage of receiving aid from Israel, unlike other newly formed states. However, under the pretext of refusing to bolster Israel's "occupation economy," the Palestinian leadership has publicly declined to



Palestinian supporters of Mahmoud Abbas and the Fatah party in Ramallah rally in support of boycotts of Israeli goods and U.S. pressure on Israel. January 2015.

ABBAS MOMANI/AFP/Getty Images

cooperate on joint projects with the Israeli government or the Israeli private sector that would benefit both economies.

Instead, the Palestinian leadership has been complicit in its own economic stagnation, due to questionable business ventures and investments that have largely failed to benefit the Palestinian people, and instead have denormalized relations with Israel.

The BDS movement and the Palestinian and foreign NGOs that subscribe to its destructive doctrine have also worsened the economic situation for Palestinian workers, by limiting access to Israel, the largest labor market for Palestinians. Instead of allowing its own people to find well-paying jobs, including salaries that could be taxed by the Palestinian Authority, and encouraging disposable incomes that could be reinvested in Palestinian services, the Palestinian leadership has operated not as a developing state, but a corrupt and even failing regime. This fact has long been evident to large sectors of Palestinian society. They recognize that the Palestinian leadership's failure on the economic and political fronts has

The Palestinian leadership has been complicit in its own economic stagnation, due to questionable business ventures and investments that have largely failed to benefit the Palestinian people, and instead have denormalized relations with Israel.

resulted in their attempts to refocus the debate on attacking Israel as an illegitimate, apartheid, colonial implant that is the source of all Palestinian ills.

There is little doubt that the Palestinian public seeks greater cooperation with Israel in all fields that characterized the pre-Oslo period from 1967 to 1993. The Palestinian public's demand for employment and economic growth appear to trump their leadership's unrelenting anti-Israel propaganda.

The Palestinian leadership would be well advised to follow the lead of its citizenry and cooperate closely with its Israeli neighbor. This would result in hundreds of thousands of Palestinians working for good wages and benefits with Israeli neighbors, while learning from and adapting to the Start-up Nation culture that Israeli entrepreneurs have attempted to share with Palestinian colleagues in an effort to forge a better common future.

Khaled Abu Toameh is an award winning Israeli-Arab journalist and a distinguished senior fellow at the Gatestone Institute in New York. He previously served as the Palestinian Affairs reporter for the Jerusalem Post.

Notes

- 1 Arafat's Opposition in New York, <http://www.haaretz.com/print-edition/features/arafat-s-opposition-in-new-york-1.40525>, see also: David Samuels, In a Ruined Country; How Yasir Arafat destroyed Palestine, September, 2005, <https://www.theatlantic.com/magazine/archive/2005/09/in-a-ruined-country/304167/>
- 2 <http://www.heritage.org/index/country/southkorea>
- 3 <http://www.bbc.com/news/world-europe-17220219>
- 4 <http://www.worldbank.org/en/news/press-release/2016/05/30/economic-reforms-will-help-achieve-sustainable-and-inclusive-growth-in-the-kurdistan-region-of-iraq>
- 5 Neoliberal and neo-Gramscian models of economic development, which encourage export-oriented globalized economies, have proven successful in some nations established in the last seventy years. This model of economic integration has proven particularly successful for the Czech Republic, which declared independence after the "Velvet Divorce" from Slovakia in 1993. Czech independence occurred the same year as the Oslo Exchange of Letters.
- 6 <http://www.mfa.gov.il/mfa/foreignpolicy/peace/guide/pages/the%20israeli-palestinian%20interim%20agreement.aspx>
- 7 The Palestinian Authority maintains an "undeclared policy of denormalization" because PA Chairman Abbas cooperates quietly with Israel on Security and anti terror and more recently, water cooperation. However, the PA has refused to cooperate publicly on joint cultural academic, sports and other economic, industrial initiatives and has even publicly supported boycotts against Israel. Also we use the term denormalization and not anti-normalization as the Oslo Accords had introduced the normalization of relations as a normative part of the agreements that the Palestinian leadership and its supporters have cancelled or abrogated. Anti normalization refers to the Arab states whose policies have been to reject any normalization with Israel. However, in fact this is now changing to include some recent indications of normalization in the areas of defense, gas, water desalination, and health care.
- 8 Khaled Abu Toameh, "Palestinians' Anti-Peace Campaign," Gatestone Institute, 14 May 2015.
- 9 <http://forward.com/news/breaking-news/328404/palestinian-population-to-pass-jews-by-2017-in-israel-and-territories/>
- 10 <https://bdsmovement.net/faqs>
- 11 <http://www.timesofisrael.com/for-sodastream-chief-frustration-with-netanyahus-politics-of-hate-bubbles-over/>
- 12 <https://www.cia.gov/library/publications/the-world-factbook/geos/we.html> see also; <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2004rank.html#we>
- 13 <https://www.cia.gov/library/publications/the-world-factbook/geos/we.html>
- 14 <https://bdsmovement.net/faqs>
- 15 <https://bdsmovement.net/faqs>
- 16 http://palwatch.org/main.aspx?fi=157&doc_id=18436
- 17 http://palwatch.org/main.aspx?fi=157&doc_id=18436
- 18 https://www.youtube.com/watch?v=iqQ4yTe3_Jk
- 19 <http://www.timesofisrael.com/israeli-mogul-erecting-first-israeli-palestinian-mall-near-ramalla>
- 20 <http://www.timesofisrael.com/businesses-joining-first-palestinian-israeli-mall-face-boycott/>
- 21 https://www.youtube.com/watch?v=iqQ4yTe3_Jk
- 22 <http://www.timesofisrael.com/victory-for-bds-as-sodastreams-last-palestinian-workers-lose-their-jobs/>

- 23 <http://www.telegraph.co.uk/news/worldnews/middleeast/israel/12178844/Last-Palestinians-lose-SodaStream-jobs-after-West-Bank-factory-closes.html>
- 24 "A U.N. Report: Economic Conditions in the West Bank and the Gaza Strip," Palestine-Israel Journal, Vol 6. No 2. 1999.
- 25 <http://www.nytimes.com/1998/09/15/world/jericho-journal-arafat-s-gamble-a-casino-for-an-israeli-clientele.html>
- 26 <http://www.cfhu.org/news/winnipeg-jewish-review-when-yassir-arafat-gambled-a-trip-to-the-intercontinental-hotel-in>
- 27 Rhonda Spivack, "Why Arafat Gambled: A Trip to the Intercontinental Hotel in Jericho," *Winnipeg Jewish Review*, 3 March 2013.
- 28 "Trade links between Israel and the Palestinian Authority," Bank of Israel, 2013. <http://www.boi.org.il/he/NewsAndPublications/PressReleases/Documents/Israel-Palestinian%20trade.pdf>
- 29 <http://www.al-monitor.com/pulse/originals/2013/06/palestine-industrial-parks-development-illusion.html>
- 30 Tariq Dana, "Palestinian Civil Society: What Went Wrong?" *Al-Shabaka*, April 2013. <https://al-shabaka.org/briefs/palestinian-civil-society-what-went-wrong/>
- 31 Åge A. Tiltnes, Jon Pedersen, Silje Sønsterudbråten and Jing Liu, "Palestinian Opinions about Governance, Institutions and Political Leaders Synthesis of Results of Fafo's Opinion Polls in the West Bank and Gaza Strip, 2005–2011," Fafo, 2011.
- 32 <http://www.mas.ps/page.php?id=644dy25677Y644d>
- 33 <http://www.stopthewall.org/ar/node/7850>
- 34 "Towards a New Vision for the Revival of the Palestinian Economy," MAS Palestine Economic Policy Research Institute, 2016. <http://www.mas.ps/files/server/20160409133619-1.pdf>
- 35 "Government Funding for NGOs involved in BDS," NGO Monitor, March 2014. http://www.ngo-monitor.org.il/data/images/File/BDS_Table.pdf
- 36 <http://www.christianaid.org.uk/whatwedo/middle-east/iopt.aspx>
- 37 <https://www.trocaire.org/whatwedo/wherewework/opt-israel>

The Effects of BDS and Denormalization on West Bank Industrial Zones

Col. (res.) Dr. Danny Tirza

When Mahmoud Abbas, Chairman of the Palestinian Authority, understood that blatant terror and military warfare against Israel damage the Palestinian cause in the eyes of the world, he decided to shift to “political resistance.” Using this term allowed him to lead the struggle against Israel, represent the Arab world, and wave the flag of jihad, while presenting himself as a promoter of freedom and peace who is leading his people toward liberation from the Israeli “occupation.”

The Palestinian leadership is afraid to make the inevitable transition from leading the struggle to governing a sovereign state and having to provide services to its citizens. It is easier to blame Israel for whatever goes wrong.

BDS serves Abbas’ goals well. It is nonviolent, but one can say that BDS is a form of jihad, in the sense that it is not military, and can mobilize public opinion and generate pressure on the Jews – who, in its view, are motivated solely by money and political considerations. Palestinian Authority Chairman Abbas, like his predecessor Yasser Arafat, could already have brought about a Palestinian state through an agreement with Israel many years ago. The Palestinian leadership, however, is afraid to make the inevitable transition from leading the “struggle” to governing a sovereign state and having to provide services to its citizens. It is easier to blame Israel for whatever goes wrong.

The Palestinian economy is still based on agriculture, commerce, and light industry. The largest economic sector is the stone industry – mining, sawing, and supplying stone for construction in Israel, the Palestinian Authority, and Jordan. The average monthly wage in the PA is 1,500 shekels, without social benefits. However, about 80,000 Palestinians daily go to work legally in Israel, along with about 25,000 Palestinians who work in Israeli industrial

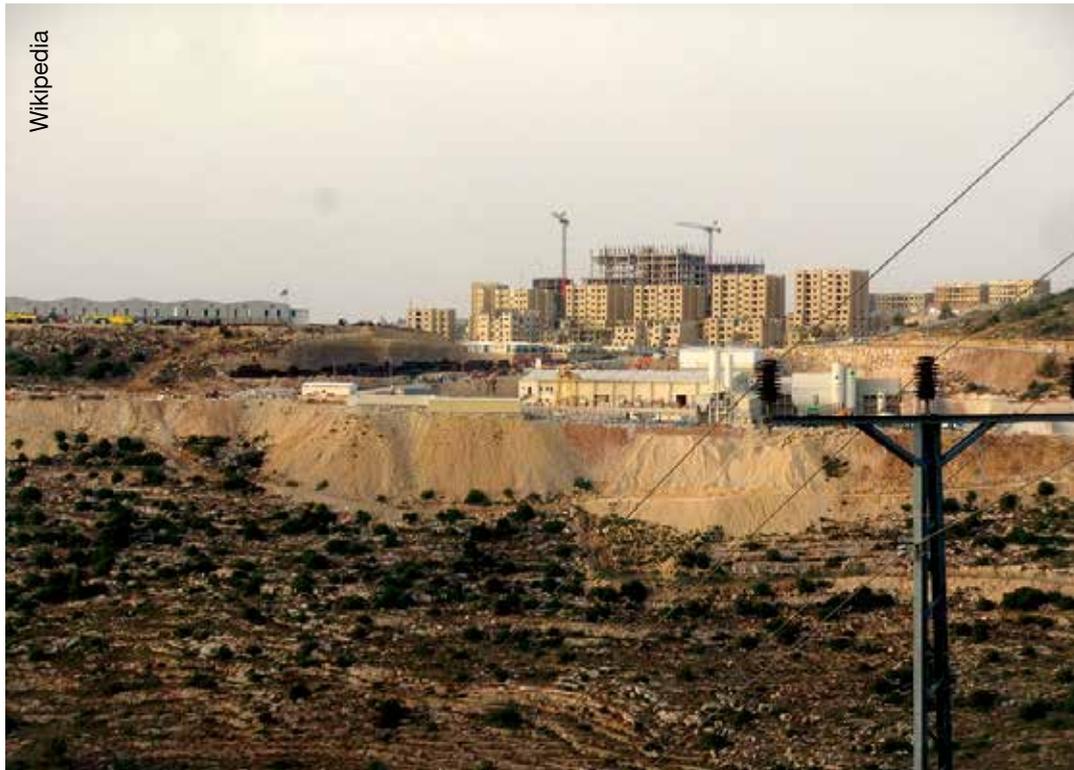
zones in Area C of the West Bank. They earn an average of 5,700 shekels per month and receive social benefits and health insurance as required under Israeli law. Whereas the funds contributed by the world are funneled to the PA, the income from work in Israel supports a second and third circle of the Palestinian economy and provides the money that is needed to conduct commercial and economic life. In 2014, trade between Israel, the West Bank and Gaza amounted to 3.9 billion shekels, a sum that constituted 68 percent of Palestinian imports and 5 percent of Israeli exports.

The traveler on the roads of the West Bank, the visitor to the Palestinian cities of Ramallah, Bethlehem, Nablus, the Palestinian Authority-controlled part of Hebron, and even the refugee camps, notices many late model vehicles and a surge of new construction. Where does the money come from? It turns out that Palestinian banks provide residents with generous credit, on the tab of international aid monies, as long as they do not work in Israel or in the settlements. It is not clear, though, where they will find the money to pay back these loans once that employment ends.



What will be the impact of an economic boycott of the products of the West Bank settlements and the Israeli industrial zones? Already in 2010, the PA announced a boycott of the settlement products, aimed at preventing their use in the Palestinian market. Except for the huge housing project in Rawabi, which is making use of engineers, planners,

advisers, raw materials, and professionals from Israel but not from the settlements, the boycott has been a failure. Most of the Israeli products have no worthy substitute in the Palestinian market, and many Palestinians prefer Israeli products, whose quality accords with international standards, over cheap, poor-quality Palestinian substitutes. Numerous Palestinians prefer to shop for household items in the large shopping centers in the Israeli industrial and commercial zones in the West Bank, though the last five years have also seen the opening of upscale shops in the Palestinian cities.



The Palestinian city of Rawabi under construction in 2013.

The economic advantage of Israeli manufacturers in the West Bank industrial zones stems mainly from Palestinian manpower, the relatively low price of land, and the rapid rate of exportation via Israeli seaports and airports. The Palestinians who are employed in these zones, some of them for more than 20 years, enjoy the following benefits:

- Quick access to the workplace from their homes in the towns and villages
- Possibilities for professional development and advancement, the right to employment according to the Israeli labor laws
- Arrangements for their special needs such as prayers during the workday and vacations for the Muslim holidays
- Fewer hours of work during the month of Ramadan, and even vacations during the olive harvest

Boycotting the settlement products will likely cause the Israeli export-based factories to move from the industrial zones in the West Bank to other development zones in the Israeli periphery. There the factory owners receive economic benefits from the government, but instead of employing Palestinians, they will employ Israelis or other labor migrants at the same wage, while thousands of Palestinian workers will be left without suitable employment. According to estimates, out of the 25,000 Palestinians employed in the

The unemployment that will result in the Palestinian labor market will foster bitterness, which, along with social and economic pressures, could bolster opposition factions.

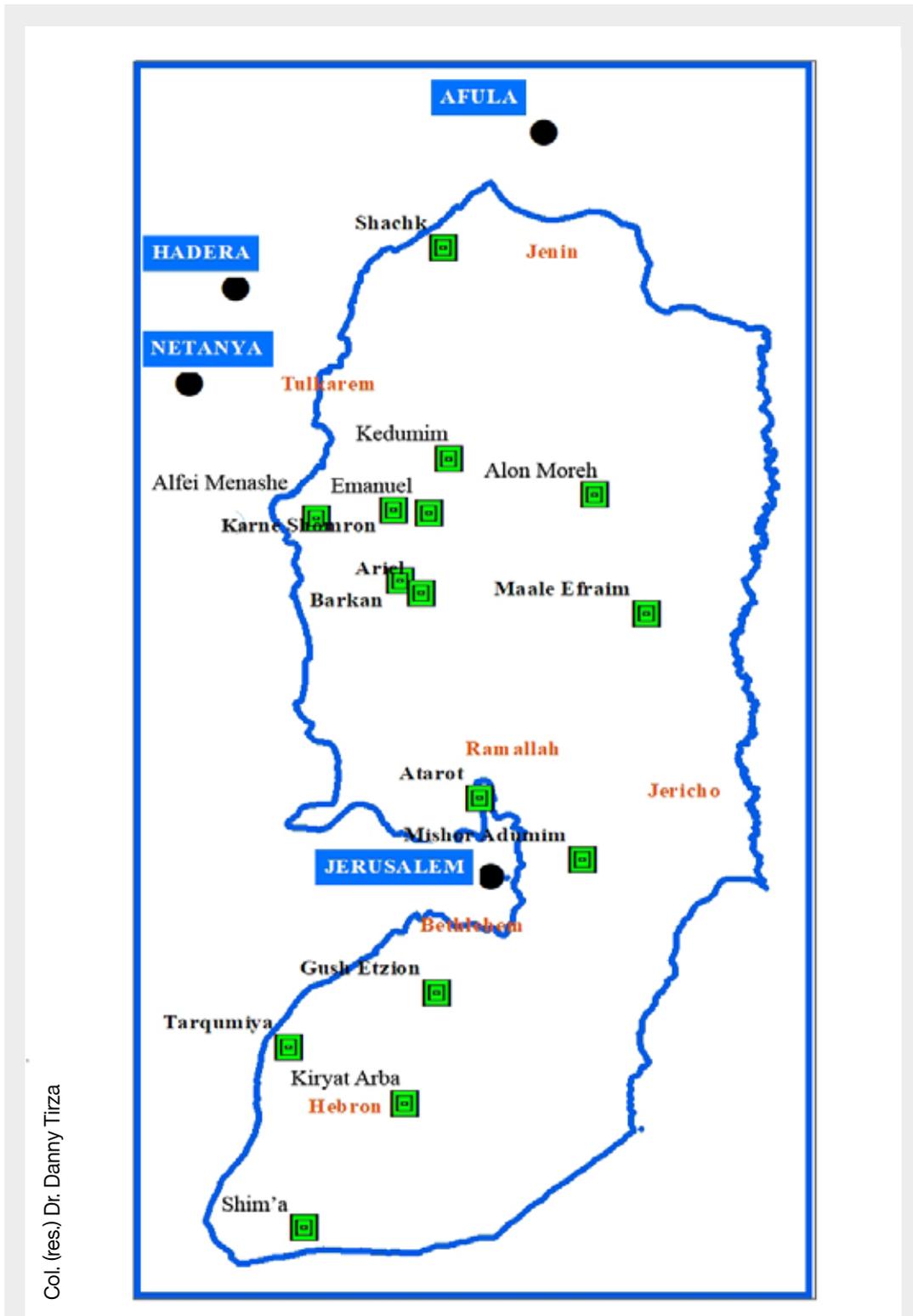
settlements, fewer than 500 work in agriculture, about 2,500 work in construction within the settlements, and about 21,500 work in the Israeli industrial zones. It is mainly these workers who will be harmed by an international boycott. The unemployment that will result in the Palestinian labor market will foster bitterness, which, along with social and economic pressures, could bolster opposition factions led by Hamas, which represents the Palestinian Muslim Brotherhood. The PA, which has no alternative plans or employment possibilities for the workers who will stream

into the labor market, will as usual direct the anger at the Israeli occupation authorities, and this anger will ensue in violence.

Another phenomenon, not well known, is the growing number of industrial plants run by Israeli Arabs, Palestinian residents of east Jerusalem, as well as West Bank Palestinians who purchase or lease these plants within Israeli industrial zones in the West Bank and east Jerusalem. Will BDS harm them, or will it simply make a racist distinction between plants owned by Jews and Arabs?

Clearly, the direct outcome of the Palestinian boycott of settlement products will be a mortal blow to Palestinian employment, which will also damage cycles of consumption and commerce. The PA offers no productive alternative to such employment, and the decreased standard of living will lead to violence and the strengthening of the radical Muslim elements that seek to destroy Israel and are not interested in any peaceful solution. Hence, it will turn out that any boycott the BDS movement instigates will primarily harm Palestinians, and, instead of goading Israel to cease building in the settlements and reach a diplomatic solution with the Palestinians, will foment violence and terror and push the Palestinians further from an independent state.

The West Bank Industrial Zones



Col. (res.) Dr. Danny Tirza

Israeli industrial zones in the West Bank.

The Israeli industrial zones in the West Bank constitute a model of economic cooperation that serves the interests of Palestinians and Israelis. Despite the extensive international aid to the PA, the Palestinians are not developing industrial and employment zones in the territories they control. Notwithstanding the Palestinian charges Israel is preventing such initiatives, the Israeli government, through coordination of activities in the territories and through the Regional Cooperation Ministry, is making every effort to overcome the bureaucracy and enable the rapid transfer of raw materials and goods to the industrial zones and, from them, to the export destinations.



An architectural rendering of the proposed Palestinian Jalma industrial zone north of Jenin. The zone was proposed in the late 1990s, but was never built.

An especially notable example is the Jalma industrial zone north of Jenin. The mid-1990s already saw a Palestinian business initiative to build a Palestinian industrial park between Jenin, in the northern West Bank, and the West Bank border that would be accessible to Palestinians and Israelis and especially Israeli Arabs from the Galilee, who maintain abundant trade ties with Jenin residents. The various steps taken to enable Palestinian entrepreneurship included the following provisions:

- The Civil Administration funded the planning of the park for Israeli-Palestinian work groups to pursue projects
- The IDF constructed a special security system for the site to reduce risks as well as security checks
- The United States helped upgrade the Jalma crossing so that goods could pass through it
- Israel gave the Palestinians civil responsibility for the area so that the planning and building authorities, as well as the employment and work-arbitration authorities, could be adapted to the PA
- Donor states Germany and Turkey expressed interest and invested funds in the detailed planning of the zone

Yet, to this day, the industrial zone has not been built.

In the Bethlehem area, the French government has invested a considerable sum, and helped establish an industrial zone south of the city in an area under full PA control. France offered tax breaks for goods to be produced in the zone and exported to France, and through it

Despite the extensive international aid to the PA, the Palestinians are not developing industrial and employment zones in the territories they control.

to the European Union. In practice, however, despite the fact that infrastructure has been built in the zone with Israeli assistance, only four factories operate in it that employ only a few hundred workers. In the Jordan Valley, near the town of Jericho, the Japanese government has invested a considerable sum to develop an industrial zone in Palestinian-controlled territory. Intended to be the flagship project of the “corridor for peace and prosperity” between the PA and Jordan, the zone is supposed to process Palestinian agricultural products and

thereby encourage agriculture. The goal was to employ about 7,000 workers. The Israeli Civil Administration dealt with planning the roads and the infrastructure network. So far, though, the zone includes only five factories employing fewer than 1,000 Palestinians.



French Foreign Ministry

French President Emmanuel Macron, then Minister of Finance, attends a 2015 ribbon cutting ceremony at the Bethlehem Industrial Park. This park was funded thanks to a donation by the French government to the Palestinian Authority.

The second type of industrial zone is situated on land under Israeli civil and security control, close to the Palestinian crossings with Israel, like the Erez and Karni industrial zones in the Gaza Strip. Israeli and foreign investors operated those zones, employing thousands of Palestinians. Security arrangements enabled the rapid conveyance of raw materials and goods to these zones and the marketing of the products to ports and to Israel. But with the onset of the terror campaign in 2000, the Palestinians destroyed the factories, looted the machines and inventories, and eliminated a source of employment for thousands of Palestinians. Whereas the owners of the factories were at least partially compensated by insurance, the Palestinian workers were left unemployed. Today, there is only one Palestinian industrial zone of this type, located west of the city of Tulkarem.

The third model comprises the Israeli industrial zones that were built in central West Bank locations. The then Israeli minister of industry and trade, Natan Sharansky, saw these as an opportunity for Israeli-Palestinian economic cooperation and promoted the planning and development of the zones in state lands under Israeli control. The aim was both to bolster the settlements economically and to provide employment to Palestinians in lieu of work in Israel, which was liable to fluctuations because of the sensitive security situation. The Ministry of Economy invested in planning and building the infrastructure for these industrial zones and encouraged private entrepreneurs to build factories in them that could employ Palestinians. To encourage Palestinians to work in them, the Israeli laws of employment, minimum wage, and national insurance were applied, and transportation to the sites was arranged for residents of the towns and villages in the area. At present, more than 20,000 Palestinians have regular jobs in these zones. This model, which avoided giving veto power to the PA, is the most successful.



The Israel-controlled Shaar Binyamin Industrial park, found in the Binyamin region of the West Bank.

Palestinian employment is an Israeli security interest, not just a humanitarian need. According to Israel's security concept, Palestinians who are gainfully employed will refrain from terror activity that could jeopardize their own economic security. The Palestinian interest in having Palestinians work inside pre '67 Israel creates, on the one hand, dependence of the Palestinian economy on Israel; on the other, it discourages and even prevents Palestinian enterprise and employment within the West Bank. This can be seen as reflecting the ideology that associates Palestinian economic distress with willingness to take part in the national struggle for liberation from the Israeli occupation.

Moreover, the PA does not encourage Palestinians to work in the Israeli industrial zones in the West Bank because it cannot collect taxes from these workers. Hence, it cloaks its opposition in ideological terms of "the occupier's economic exploitation of the subjects in the occupied territories." This is despite the fact that such West Bank employment, along with the Palestinian employment in Israel, drive the Palestinian economy.

At the start of the Oslo process toward the end of 1993, it was clear to Israel that promoting Palestinian economic prosperity would influence Palestinian public opinion toward economic and civil cooperation with Israel. Shimon Peres, Nobel Prize winner and visionary of the Middle East peace process, wrote about the "new Middle East." He believed that diplomatic peace between Israel and its neighbors could bring technological progress, knowledge, and modernization to the Arab world. Many Arabs perceived this vision, which won great support in the Western countries, as an attempt at a Western takeover of the Arab countries and their resources, particularly their oil.



The Israeli Barkan Industrial Zone, located in the Shomron region of the West Bank.

In 1994, Israel and the PLO signed the Paris Protocol. This economic pact created a common tax structure for Israel and the PA for the interim period leading to the establishment of an independent Palestinian entity. The agreement was intended to give the Palestinians access to international markets while providing a stable currency, trade relations, and international standardization and preventing the smuggling of goods between Israel and the PA. Nevertheless, the Palestinians perceived the agreement as a means to curtail the PA's economic development and boost Israeli control over Palestinian trade policy and customs duties.

The Oslo vision of peace also fostered the initiative to establish a series of joint industrial zones along the future border between Israel and a future Palestinian sovereign entity. In the early stages, the idea of economic cooperation sparked strong interest on both sides. It was implemented, however, only in the Gaza vicinity, where the borders were not subject

The problem is that, at present, the Palestinian economic policy is primarily driven by the desire to damage the Israeli economy.

to dispute. It was not implemented in the West Bank. The Palestinians feared that creating these zones would establish facts on the ground that would give Israel possession of West Bank lands and a pretext to reduce Palestinian labor quotas within Israel.

Israel and the PA occupy a small space, and economic interactions between them are a necessity. If there is to be an orderly relationship and even economic cooperation

between the two entities, their respective economies must be kept separate. As soon as the PA attains full responsibility for its economy and can conduct its economic policy independently, it will understand its own needs and economic affinities and will be able to choose the areas in which it wants economic ties with Arab countries, with countries outside the region, and with Israel. Only in a situation where the Palestinian leadership can make choices, based on economic considerations, can the PA determine which economic relations with other countries and with Israel specifically are advantageous to it. The problem is that, currently, Palestinian economic policy is driven primarily by the desire to damage the Israeli economy, whether in the West Bank or in Israel itself.

Israel fears disengaging from the Palestinian economy, both specifically with regard to employment and more generally with regard to the PA forming economic, and diplomatic ties with hostile elements in Arab countries. Israel also fears an economic collapse and humanitarian catastrophe in territories that the international community still perceives as occupied by Israel and under its responsibility. The Palestinians understand the Israeli trepidation and leverage it to directly blame Israel for the Palestinians' relative economic distress.

Economics, however, has its own laws. The demand of Israeli employers in the Israeli industrial zones in the West Bank for Palestinian workers, and the supply of Palestinian workers for these zones, strengthens relations between Israeli entrepreneurs, and Palestinian workers, whether in the West Bank or within Israel's pre-1967 "Green Line." Employing Palestinians fosters positive daily interactions between Israeli and Palestinian workers, mutual familiarity and understanding, and sometimes, even friendship. The Palestinians who work in the Israeli industrial zones and honorably provide for their families are aware of their personal and economic success compared to their neighbors and friends who are employed in the PA or unemployed. The attempt by Palestinian radical elements to portray the workers as "collaborators" has not succeeded. The contact with the Israelis leads the Palestinian workers to make a social comparison with Israelis, not with Arabs in Arab countries and in Gaza. This social comparison has two contradictory effects: on the one hand, enhanced motivation for personal economic advancement; on the other, frustration over the diplomatic state of affairs and over the PA's conduct.

Many Palestinian entrepreneurs are now concerned that, both because of the labyrinthine Palestinian bureaucracy and because of the corruption and extortion practiced by elements that are under PA protection, they are not afforded the opportunity to build factories in the PA. They have two alternatives: to emigrate from the region or to take refuge in the Israeli industrial zones, whether by leasing land for independent factories or collaborating with Israeli industrialists. Unfortunately, a Palestinian industrialist who does business in an Israeli industrial zone is exposed to the Palestinian boycott of Israeli products, or BDS, which sees him as a collaborator with Israel; and to the high operative costs of paying for



A BDS sticker found on Sabra brand hummus which is owned by the Israeli company Strauss, in a Toronto store, August 2016.

wages, social benefits, workers' health insurance, property tax, and security as in any Israeli factory. Nevertheless, demand for establishing and operating Palestinian businesses in the Israeli industrial zones is increasing.

The countries that contribute to the PA continue to attempt to strengthen its economy, even though the PA itself does not show much enthusiasm to do so. According to the donor states' naïve Western outlook, the professed Palestinian interest matches the actual Palestinian national interest of building the economy and infrastructure for an independent state that is not dependent on Israel. Hence, the donors have channeled funds to the PA for numerous planned projects that have never been implemented, and the purported reasons always involve pointing an accusatory finger at Israel. It is hard for Westerners to comprehend the tacit Palestinian leadership's need to handle the planning and the funding as it sees fit – with money channeled to serve the Palestinians' own interests, such as paying salaries to PA employees, and to convicted terrorists and their families. Palestinian leaders claim

Donors have channeled funds to the PA for numerous planned projects that have never been implemented, and the purported reasons always involve pointing an accusatory finger at Israel.

to favor promoting the development of the Israeli industrial zones in the West Bank so that, when Israel withdraws from the area, they can be transferred to Palestinian ownership. Anyone who believed that these zones could become a model for the Palestinians and for economic development in the region has been disappointed.

Both the PA and Palestinian businesspeople view with envy the successful economic cooperation between the Palestinian labor market and Israeli industry. This envy intensifies hatred and the desire to damage Israeli industry through the international-boycott weapon led by the BDS

movement, instead of striving for the good of the Palestinian people and the flourishing of their economy, focuses its efforts on vilifying Israel and thereby inflicts harm first of all on the Palestinian workers, their family members, and the Palestinian economy as a whole.

Even if and when a Palestinian state is established, the Palestinian economy will require Israeli sources of employment. Hence, it is fitting and proper to encourage the economic and human cooperation between the sides on the way to establishing independence and a historic reconciliation. The Israeli-Palestinian sphere can then become an oasis in the heart of the Middle East.

Col. (res.) Dr. Danny Tirza is a former Head of Strategic Planning for IDF's central command. He was also a senior point of contact with the Palestinian Authority with regard to security and commercial issues in the West Bank.

The Desire for Defined Status in Multicultural Jerusalem

Professor Ali Qleibo

Jerusalem is a richly evocative city. The discourses deployed reflect the different images through the ages. In the Judeo-Christian-Muslim theological discourse, Jerusalem is the holy city par excellence. It is one; it is eternal; it is whole and continuous, both in time and in space; it is immovable and immutable; it is limited, but limited only by itself; it is evenly extended in every direction; it is celestial and, as believed in Islam, it is a piece of heaven on earth.



Jamie Berk

The Old City of Jerusalem, July 2017.

Jerusalem is also a politically contested city. The official Palestinian discourse addresses the political condition of Jerusalem and the abuses Arab Jerusalemites suffer under Israeli occupation. However, de facto, Jerusalem has undergone a radical demographic transformation that parallels both the expansion of the municipal boundaries of east Jerusalem and an unprecedented rise in the economic standard of living of its Palestinian residents.

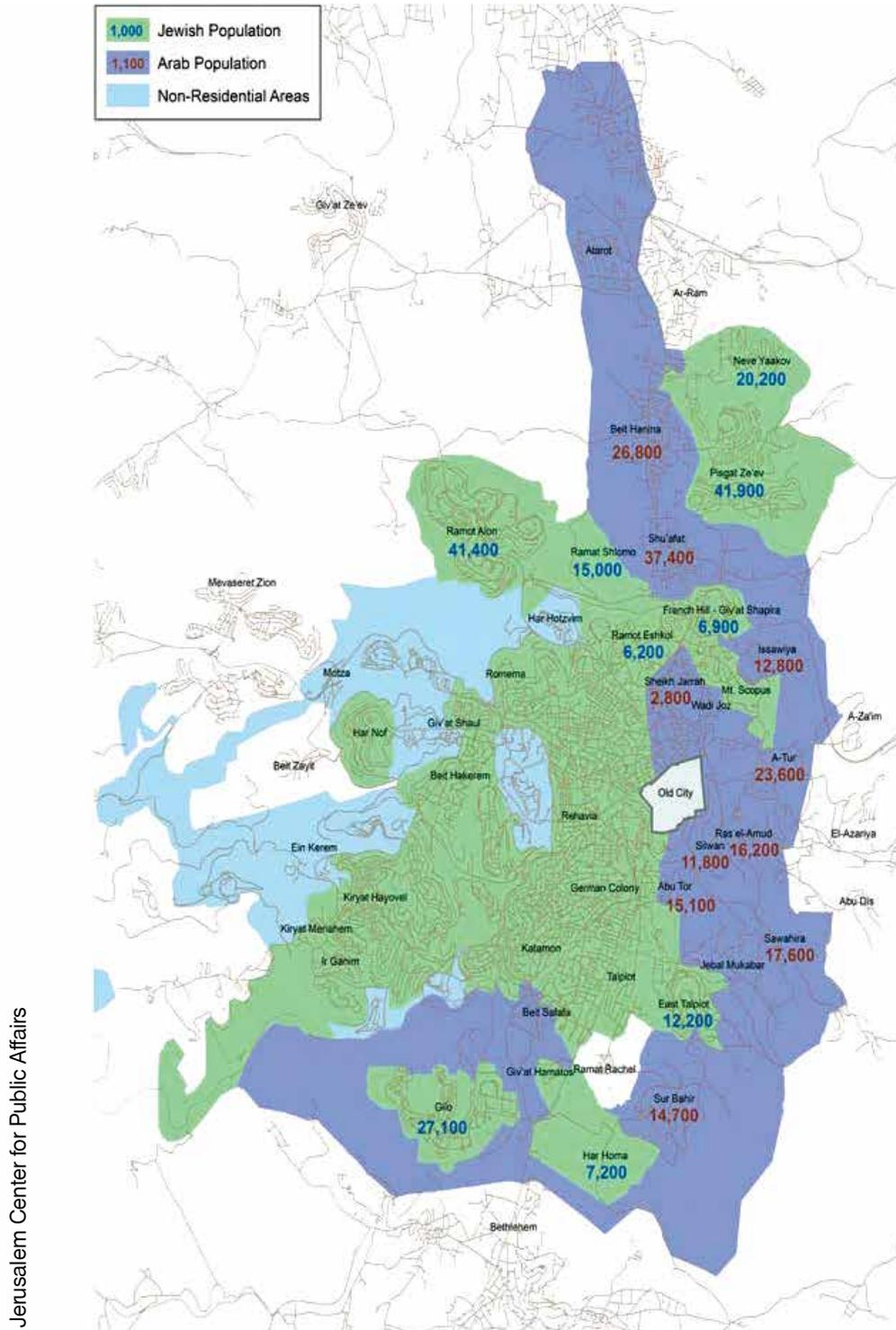
After the Six Day War, the municipal boundaries of Jerusalem expanded southward and northward. De facto, greater Jerusalem has been extended to include 28 villages from

In the Israeli economic context, extensive work opportunities have leveled the socioeconomic and cultural barriers between the traditional Palestinian aristocracy, and the impoverished Arab peasants and Bedouins.

Isawiyeh in the north to the villages of Silwan, Abu Tor, Jabal al-Mukaber, and Sur Baher in the south, to name a few. Correspondingly, the demography of Jerusalem changed drastically. In the Israeli economic context, extensive employment opportunities have leveled the socioeconomic and cultural barriers between the traditional Palestinian aristocracy and, some say, haughty bourgeois population on the one hand, and the impoverished Arab peasants and Bedouins in the adjacent villages, on the other. Notably, both white and blue collar workers are beneficiaries of the Israeli labor market.

The combination of a heterogeneous, multicultural ethnic identity, a socioeconomically mobile middle class composed of migrants from Mount Hebron, and the Bedouin and peasant communities from the 23 Palestinian villages composing greater Jerusalem, has emerged and dissolved the once closed, homogeneous Jerusalem Arab bourgeois society. Fifty years after *al-Nakseh*, or the 1967 Six Day War, Jerusalem has become a multicultural city.

Jerusalem - Population Distribution



Jerusalem Center for Public Affairs

A 2011 map illustrating the distribution of Jerusalem's Jewish and Arab populations.

Before the de facto annexation of east Jerusalem to Israel and for centuries before the 1967 War, the social structure of Jerusalem was hierarchical. Throughout the Mamluk and Ottoman periods, the local Palestinian community was alienated from the power structure. The religious leadership was at the top of the pyramid followed by the class of wealthy merchants. Invariably, merchants accrued status and prestige by having a member of the family educated at Al-Azhar University in Cairo, thereby becoming affiliated with the juridical, theological structure of Sharia law.

One of the most distinguishing social characteristics of Jerusalem's Arab sector, differentiating it from West Bank Palestinian cities, is its local aristocracy, the "sheriffs." Historically, Jerusalem's Arab aristocracy is composed of three classes: those descending from the family of the Prophet Muhammad and from the comrades of the Prophet, the *sahabeh*, such as the Nusseibeh and Ansari families; those descending from the *ulama* (theologians), such as the Alami and al-Khalili families; and the leading Sufis such as the Jarallah, Qutob, Dajani and Qleibo families. It should be kept in mind that most Palestinian families have fragmented into smaller branches, and that many of these branches acquired nicknames that were adopted as family names in the nineteenth century.

Until the end of the Ottoman period, both Christians and Jews were considered ethnic minorities. Over the centuries, the Greek Orthodox Christian Arab population maintained its own class structure and social position. The Christian population lived within the Christian Quarter in and around the various monasteries, and most were provided with food and lodging by the church to which they belonged, whether Assyrian, Armenian, Coptic, Greek Orthodox, Russian, or Catholic.



A bazaar in the Old City's Christian Quarter. Historically, Jerusalem's Christian population was provided with food and lodging by the church to which they belonged.

The prosperity that accompanied the booming British Mandate economy provided great opportunities for building contractors, high rents for British officials, and high salaries for government employees. All this helped finance the emerging cosmopolitan consumer lifestyle, which nineteenth century Western educations in missionary schools helped foster for certain Christian and Muslim classes to enjoy. Within the overall context of the Crimean War and the Ottoman concessions to the western European allies, the Christian community – in coordination with the respective churches its members belonged to – further developed its own prestige and social hierarchy as either “*les bonnes Catholiques*,” the “good Catholics” close to the Latin Patriarchate and the French and/or Italian consulates, the Anglicans attached to British consulate, or the traditional Greek Orthodox local elite attached to the Greek Patriarchate and the Greek consulate.

Aristocratic Arab Muslim Jerusalemites tend to be exclusive and elitist when it comes to the pedigree of fellow Jerusalemites. A discriminatory distinction is made between “authentic”(high-bred and of noble lineage) and “inauthentic” (euphemism for plebeian) Jerusalemites. An “inauthentic” Jerusalemite is considered an outsider (socially invisible) even if his or her forebears have lived for generations within the walls of the city. One major category of differentiation between genuine Jerusalemites (the socially visible) and “outsiders” is that an authentic Jerusalemite is a beneficiary of traditionally inherited property, or waqf.



Jerusalem's Orient House, an example of waqf, or traditionally inherited property. This east Jerusalem property served as the Jerusalem headquarters for the PLO in the 1980s and 1990s. It has been owned by the Husseini family since it was built in 1897.

In this respect it should be noted that the majority of the houses, cafés, hammams (hot steam baths), and shops of the Old City are ancient family endowments that are inherited and privately administered, or entrusted to awqaf (religious endowments) for their administration, maintenance, rent, and the distribution of the revenues among the heirs. Since endowed properties cannot be sold, exchanged, or altered, they become concrete, objective archives of Jerusalem's social history, providing the city's social registry.

El-niswan shabakeh (“Women form the network of social relationships”) is a common saying in Jerusalem. Most Jerusalemites inherit shares, even if the inheritance barely comes to 10 square meters, in each other’s family endowments and consequently are beneficiaries of the revenue, even if a negligible sum. This is because most Jerusalemites are related to each other through centuries of intermarriage. The degree of kinship and its details are firmly established in the archival *haser irth* (certificate of inheritance). These documents specify the family interconnections, establishing the history of the Jerusalem families in conjunction with the more rarefied, male-centered patriarchal family trees.

The success stories of the Muslim Arab Hebronites in Jerusalem illustrate the multiethnic, cosmopolitan character of the city and the Muslim work ethic.

Jerusalem has always welcomed immigrants of various ethnic origins. International pilgrims and refugees from Armenia, Syria, Ethiopia, North Africa, Greece, Nigeria, Central Asia, India, and Jews from everywhere have settled among us throughout the ages. Christian communities of various sects, Ashkenazi and Sephardic Jews, and Arab and non-Arab Muslims have enriched the mosaic

of the Holy City. Local migrants from Mount Hebron have settled in Jerusalem in several waves beginning as early as the late nineteenth century.

The success stories of the Muslim Arab Hebronites in Jerusalem illustrate the multiethnic, cosmopolitan character of the city and the Muslim work ethic. Because of the great religious esteem in which they held Jerusalem, the first Hebronites settled in the city out of piety. Only after the 1930s, impelled by Hajj Amin al-Husseini’s political rhetoric of “Al-Aqsa is in danger,” and in the context of the economic possibilities in Jerusalem as it prospered during the Mandate period and after the Six Day War, did the steady flow of migrant workers increase. Nowadays Hebronites are patently visible and run most of the business enterprises



East Jerusalem's Salah al-Din Street. Most businesses in this busy commercial district are run by Palestinian migrants from Hebron.

and shops on Salah al-Din Street and in the Old City. Intensely religious, they animate Al-Aqsa Mosque from sunrise to sunset.

Fifty years after the annexation of Jerusalem, the innumerable employment opportunities provided by the Israeli system have fostered a de facto upgraded standard of living. Despite appeals by some Jordanians and Palestinians to resist and boycott the Israelis (the concept of *sumud*), the integration of greater Jerusalem Arab residents into the Israeli sector has continued unabated.

Integration has also triggered other dramatic processes. The aforementioned corollary socioeconomic and demographic developments have ruptured the traditional social and historical character of Jerusalem. The traditional elite families' – descendants of early patrician founders of Arab Jerusalem – monopoly of wealth, power, and education has declined. As *ulama* (theologians,) *sheikhs*, *muftis*, *imams*, and *khatibs* (prayer leaders) affiliated with the Dome of the Rock, they once formed Jerusalem's and Palestine's traditional aristocracy and have now lost hold of their hereditary positions. The Jerusalemite Palestinian Christian community – with regard to the various Christian sects and their respective relations to the Church of the Holy Sepulchre – has, though for different reasons, suffered the same demise. Their privileged statuses have sustained the biggest blow. Although they retain their class-linked status, both communities have been undermined economically by the onslaught of new money. A new socioeconomic and demographic reality has emerged.



The Church of the Holy Sepulchre in Jerusalem's Old City.

In the Israeli economic context, extensive work opportunities have leveled the socioeconomic and cultural barriers between the once-urban Palestinian middle class population and the adjacent Arab villages. Former cave-dwelling Bedouin shepherds and peasants living in penury have now moved from the kerosene-lamp-lit caves with outhouses to comfortable villas and spacious apartments with full amenities including air-conditioning and at least two cars per household. As white and blue collar workers they are beneficiaries of the flourishing Israeli labor market. Palestinian Arabs from greater Jerusalem are ubiquitous in Israel, working in government offices, hospitals, medical centers, commercial centers, hotels, restaurants, and garages. They are heads of surgery units in Hadassah hospitals, store managers, salesmen, janitors, and laborers.



Daily commuting on the Jerusalem light rail by Arab and Jewish residents of the Holy City.

Today, fifty years after Israel's de facto annexation, Jerusalem has become a melting pot of the various Palestinian Arab ethnic groups. The term "melting pot," describes a process of economic homogeneity. However, more recently the progress in Jerusalem has been reversed as the previously more homogeneous Muslim and Christian socio-economic structure has eroded and been replaced by a more heterogeneous society composed of diverse ethnic groups from different backgrounds.

Since the relations and mode of production within the Israeli capital are extraneous to the Palestinian economy and are not an organic historical development, neither the Palestinian

social structure nor the consciousness of self and other has changed. Both remain alienated from the modernist underpinnings of Israeli society. In this perspective, the Israeli labor market is simply perceived as a propitious, lucrative resource to maintain the respective ethnic identities and communities of Bedouin, peasant, and urban employees.

Greater Jerusalem emerges as a multicultural city having numerous cultural traditions within its boundaries under de facto Israeli jurisdiction. The application of Israeli law to the city includes the employment of the Palestinian Arab workforce in Israeli labor markets in accordance with legally guaranteed labor rights.

Far from languishing under Israeli occupation, even with the politically problematic status of permanent alien residents, the excellent working conditions, social and medical benefits, and average per capita income cannot be paralleled in any country in the southern Mediterranean Basin.

The minimum wage in Jerusalem is six times higher than in the West Bank city of Ramallah and much higher than in Jordan, Syria, Lebanon, or Egypt. More important is that the sense of individual dignity is upheld by a humanist-based democratic system that provides rights and services beyond what is provided in neighboring countries.



Arabs and Jews enjoy a natural spring in the Jerusalem area.

However, despite advantageous economic conditions, Jerusalem's Arab residents are still in an untenable political situation. Since the signing of the 1995 Oslo Interim Agreement, Arab Jerusalemites have been stateless. They cannot claim sovereign status in either Jordan or the Palestinian Authority.

Jerusalemites are ineligible for Palestinian passports and barred from participating in Palestinian elections. Applying for Israeli nationality and an Israeli passport, a complicated procedure in itself, is considered an act of Palestinian treason.

Blockaded by checkpoints, greater Jerusalem has been separated from the Ramallah-based Palestinian Authority. Jerusalemites are ineligible for Palestinian passports and barred from participating in Palestinian elections. Applying for Israeli nationality and an Israeli passport, a complicated procedure in itself, is considered an act of Palestinian treason. Although Jordan's Hashemite Kingdom provides courtesy passports, Arab Jerusalemites are prevented from attaining rights of residence in Jordan.

Today Jerusalem's Arab residents are caught between the "hammer and the anvil." Their political statelessness reflects the unresolved relations between the Palestinian Authority, Jordan, and Israel. Fifty years after the 1967 War, Arab Jerusalemites continue to live with the deep-seated fear that their status and rights to live and work in their historical city could be revoked at any time.

Dr. Ali Qleibo is a Professor Emeritus at Al-Quds University in Jerusalem, as well as an artist, author, and anthropologist. He held a fellowship at Shalom Hartman Institute and was a visiting professor at Tokyo University for Foreign Studies, Japan.

SodaStream as a Model of “Economic Peace”

Daniel Birnbaum



The SodaStream factory in Idan Hanegiv, October 2017.

SodaStream’s recent history has been characterized by growth and opportunity in the face of government bureaucracy and boycotts of our products by various international BDS organizations. I was appointed chief executive of SodaStream in 2007, when the company was teetering on the verge of bankruptcy. Although SodaStream products were popular in the 1970s and 1980s in Israel, England, and Germany, by 2007, the company had limited growth and resources to support product innovation, marketing, investment, or international expansion. In addition to inheriting an ailing company, I also inherited SodaStream’s primary production facility: a former Israeli bomb-making factory in the Mishor Adumim Industrial Zone in the West Bank.

In early 2007, the company was not employing Palestinians in the West Bank facility. We employed only 230 workers, primarily Jewish Israelis from Jerusalem, including immigrants from the former Soviet Union. In 2007, the Mishor Adumim factory was utilizing only 30 percent of its capacity.

I came to SodaStream with an ambitious expansion plan to relaunch our brand and compete in the global beverage market. As we grew over the next few years, we began to employ Israeli Arabs and Palestinians. They worked together with the Israeli Jewish workers. SodaStream employed Palestinian Arabs in this facility as a business necessity, not due to ideological conviction.

Our new business plan led to a dramatic company transformation. From 2007 to 2010, SodaStream's revenues rose substantially from \$90 million to \$213 million. This growth was sustainable during my first decade with the company, and exceeded \$500 million in sales annually by 2017. SodaStream is currently the world's largest carbonated water brand by volume and the largest producer of home carbonation machines.¹



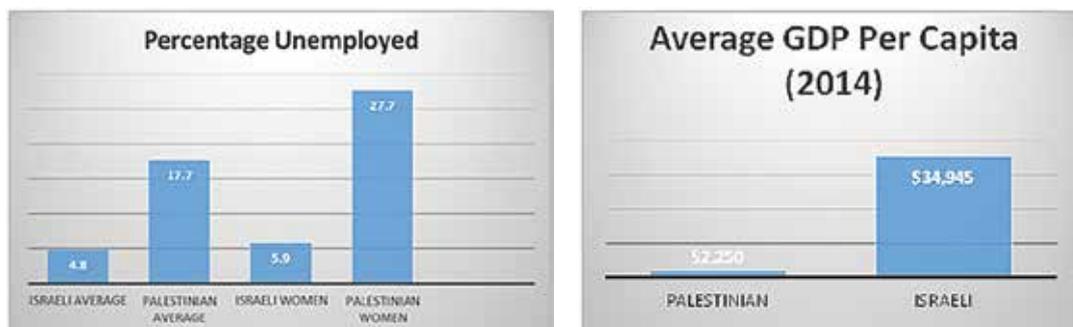
A SodaStream home carbonation machine.

Establishing SodaStream's Palestinian and Israeli Employee Team

Our unprecedented growth created a labor shortage, which we solved by hiring both Israeli and Palestinian employees. In just a few years, our workforce requirement for the Mishor Adumim factory had increased from 230 to 1,300 employees.

Our decision to hire Palestinian workers also stemmed from Israel's relatively low unemployment rate of 4.8 percent, according to 2016 OECD data.² Unlike Israel, the Palestinian economy suffers from high levels of unemployment. According to 2014 statistics from the International Labor Organization (ILO), the unemployment rate in the West Bank stood at 17.7 percent, while unemployment among Palestinian women reached 27.7 percent.³ Palestinian women have reported difficulty obtaining work with Palestinian employers due to gender discrimination.⁴

Similarly, according to the same ILO report, in 2014 the average Palestinian GDP per capita in the West Bank stood at a mere \$2,250.⁵ In contrast, Israel's average 2014 GDP per capita was \$34,945.⁶ These statistics have remained relatively constant over the past 10 years and demonstrate that the Palestinian economy continues to suffer high unemployment and low domestic wages. SodaStream's equal opportunity and compensation policies have addressed these inequalities and other employment challenges Palestinian men and women face in Palestinian society.



Some of my colleagues were skeptical about employing Israelis and Palestinians side-by-side, especially so shortly after the deadly Second Intifada terror campaign that ended in 2004. However, our experience was a very positive one in many ways. SodaStream's Palestinian employees turned out to be excellent personnel: fast learners, diligent, responsible, and loyal. Some Palestinian employees exhibited strong managerial capabilities and proved to be good team leaders, shift managers, and department heads, despite having no prior experience or training for leadership positions. Most importantly, our Palestinian employees became an integral part of our social tapestry at the factory, and it became completely natural to see Israelis and Palestinians working side-by-side in harmony.

This harmonious daily work environment seemed surreal at times, considering political hostilities and tensions outside the factory. I describe the evolution of our coexistence and discovery of peace as “by accident,” just like how Alexander Fleming discovered penicillin by accident in 1928.

“Economic Peace” in the SodaStream Factory

NGO peace activities and coexistence programs that bring Israelis and Palestinians together are important. However, unlike sporting events, dialogue activities, or people-to-people activities, SodaStream is a real-time professional barometer of Palestinian-Israeli workplace cooperation. Our Israeli and Palestinian workers depend on SodaStream to provide livelihoods for them and – in many cases – their large families.

SodaStream’s equal opportunity and compensation policies have addressed these inequalities and other employment challenges Palestinian men and women face in Palestinian society.

Our management team worked to ensure the highest possible level of employee cooperation and productivity. Israeli and Palestinian SodaStream employees work as a team to ensure production quotas are fulfilled and quality control maintained. They know that co-worker tensions, prejudices, cultural differences, and insubordination toward managers from “the other side” could prevent them from performing their roles effectively.

Since we hired our first Palestinians in 2008, we witnessed more than “experiments”

or “exercises” in coexistence and tolerance on the factory floor. We saw peaceful and harmonious professional and personal relations between Israeli and Palestinian employees. There was no pre-established employee pyramid based on ethnicity or race. Israelis worked under Palestinian managers just as Israeli managers supervised teams of Palestinian workers.

SodaStream employees in the Mishor Adumim factory also became family. Our employees also represented broad diversity: Bedouins, Palestinian Sunni Muslims, Christians, Jewish Israelis from the former Soviet Union, Ethiopians, Ashkenazi, Sephardi and Mizrahi Jews, and even African refugees from Darfur.

SodaStream honors both Muslim and Jewish holidays. For example, at the end of the month of Ramadan we hold a festive dinner and dance event for our employees, regardless of faith. During these festivities I’d invariably find myself on someone’s shoulders dancing with the crowd. Muslim employees also join their Jewish coworkers in our candle-lighting

ceremony each Chanukah. During the broadcast of the annual sirens marking Israel's memorial days for the Holocaust and for fallen Israeli soldiers and victims of terror, our Palestinian employees cease regular activity and remain silent out of respect for their Jewish co-workers.

Palestinian and Israeli Equality at SodaStream

At SodaStream we emphasize that all workers are equal regardless of nationality, ethnicity, and culture. This equality was reflected in salaries, benefits, and opportunities. Salaries are determined exclusively by a worker's position and achievements at SodaStream. Regarding benefits, while every Israeli citizen automatically receives national health insurance at birth or time of immigration, this benefit is not afforded to Palestinians in Palestinian factories and companies in the West Bank.

There was no pre-established employee pyramid based on ethnicity or race. Israelis worked under Palestinian managers and vice versa.

SodaStream addressed this inequality by exceeding its legal requirement and purchasing private health insurance for its Palestinian employees and their immediate families. Senior management accepted the substantial financial responsibility to provide health insurance, workers' compensation, and other benefits to all Palestinian workers. I believe this is SodaStream's responsibility, since the PA does not provide the Palestinians an equivalent of Israeli national insurance, particularly health insurance.

As part of the SodaStream benefit policy to its 600 Palestinian employees, the company also provided benefits to their immediate families. Palestinian families are large, with an average of 10 people. This meant supporting some 6,000 Palestinians.

SodaStream became the largest private employer in the West Bank and one of its largest private providers of health insurance and social services. As an equal opportunity employer, we promoted our Palestinian employees when opportunities arose, according to the performance and capabilities they demonstrated. Outstanding Palestinian employees were promoted to managerial ranks.

For a brief period the Mishor Adumim factory, branded the "Island of Peace," also employed Darfuri refugees from Sudan through an employment agency. For this short time, they too integrated into the SodaStream family and were excellent workers. We would have liked to continue employing Darfuri refugees, however, after we broke off ties with the employment contractor, we lost touch with them. We always regretted losing these good people in our workforce and we hope to maintain these ties in the future.

Employee Harmony Beyond the Factory

Israeli and Palestinian workers developed personal bonds beyond the factory floor. SodaStream organized trips and activities for workers to socialize outside of the workplace, enabling families to meet and enjoy a day away from the factory. One of our first trips was to the Dead Sea. We chose to visit a beach that was within the West Bank, so that our Palestinian employees would not need to request permits and avoid the Civil Administration bureaucracy.

The day after the trip to the Dead Sea, I asked a group of our Palestinian employees where they would like their next trip to be. One of the prominent employees, Fhadi, requested

We emphasized that workers are equal at SodaStream regardless of nationality, ethnicity, and culture. This equality was reflected in salaries, benefits and opportunities. Salaries are determined exclusively by a worker's position and achievements at SodaStream.

a company visit to the Mediterranean coastal city of Haifa. Of all places to visit in Israel, this seemed a bit bizarre so I asked “why Haifa?” That is when I learned from Fhadi that many Palestinian employees had never been to the sea, and simply wanted to see it for the first time. I had never considered that since the first Intifada in 1987, most of our Palestinian workers and their children had never visited the Israeli seacoast. This saddened me, and I decided their next trip would be to the seashore but this time – with their children.

My team and I submitted requests to the Civil Administration for our Palestinian employees and their families to go to the beach for a day with their Israeli co-workers and their families. After five months, our requests were approved for Palestinian SodaStream employees and their

children. Although we did not make it to Haifa, we planned a beach day in Bat Yam, just south of Tel Aviv. We cleared the beach and hired additional lifeguards for the day, six of whom were in the water on paddleboats. This was a necessity since most of our Palestinian workers did not have access to pools and could not swim. Additionally, many of them did not own bathing suits, so they swam in their clothes, weighing them down and making movement difficult in the water.

Yousef Basherat, the brother of Nabil (a contributor to this book), joined us on the trip. Swimming was so new to him that he did not know to lift up his head to breathe while underwater. Thankfully, I was there and lifted him up from the back of his blue shirt, as he coughed up foamy water. Although most would view this near drowning experience as traumatic, Yousef was so elated that the next day he added “swimming” as one of his

The day after the trip to the Dead Sea, I asked a group of our Palestinian employees where they would like their next trip to be. Many of them requested a company visit to the Mediterranean coastal city of Haifa. I had never considered that since the first Intifada in 1987, most of our Palestinian workers and their children had never visited the Israeli seacoast.

favorite activities on his personal Facebook page.

The beach day was otherwise an overwhelming success. Many of the children of Israeli and Palestinian employees bonded on the trip and added each other as Facebook friends so that they could continue communicating. I was especially happy to see my own children make Palestinian friends that day.

The interest that many of my employees had in swimming inspired me to take action. One-third of the Palestinian employees at SodaStream, including the Basherat family, lived in the village of Jaba' in the Ramallah district. Our Jaba' employees and their families were eager to enter the water. For most of them, the SodaStream beach day was the first time they had ever gone swimming. Therefore, I contacted the mayor of Jaba' about building a pool that I would privately donate to the village. Unfortunately, I failed to secure a meeting or even receive a response from Jaba's mayor or any PA official to advance my idea.

“Island of Peace”

My other interactions with politicians mirrored my experience in Jaba'. When I reached out to both Israeli and Palestinian business and political leaders, I received virtually no response. As SodaStream became the largest private employer of Palestinians in the West Bank, with 600 Palestinian workers, I thought I would gain some leverage with the Palestinian Authority (PA), the de facto political representative of my Palestinian employees.

I was proven wrong by both the PA and international community. When I hosted a group of 15 senior diplomats and professionals from the European Union, including their ambassador to Israel, they could not get beyond their criticism of Israel and their hostility toward the checkpoints, to understand and embrace our model of coexistence, even when seeing it with their own eyes.

One idea I proposed to the PA was to encourage technological innovation. I was confident that for the PA, as a developing economy trying to end dependence on Israel, fostering innovation was a key to success. I wanted to encourage Palestinian entrepreneurship and innovation by establishing a Palestinian technology campus or hub, so that Israel's startup culture and technology could be shared with Palestinians. I was inspired by Israel's Technion University, where about 20 percent of students in its rigorous science and engineering programs are Arab.⁷ However, similar to my experience in Jaba', not a single Palestinian leader responded to my request for a meeting or project proposal.

As SodaStream became the largest private employer of Palestinians in the West Bank, with 600 Palestinian workers, I thought I would have some leverage with the PA, the de facto political representative of my Palestinian employees. I was fundamentally mistaken.

Trying to reach PA Chairman Mahmoud Abbas also proved difficult. His associates suggested I write a letter to the PA headquarters, known as the *Muqata*, and wait for a response. I wanted to discuss paying Palestinian taxes on the Mishor Adumim factory, which was not required of SodaStream, and potentially turning it into a joint Israeli-Palestinian factory and possibly even place it under Palestinian ownership. I never received a response.

I thought that even if PA and Fatah officials refused to speak with me, Palestinian business leaders would share an interest in forging Israeli-Palestinian economic cooperation – or “economic

peace.” I was also mistaken. When I attempted to arrange a meeting with Bashar Masri, the Palestinian billionaire real estate developer, he would not take my call. Although Masri is very forward thinking, I was given a message that he saw SodaStream as part of the “occupation economy” and would have nothing to do with me.

The PA's policy to denormalize all relations with Israel and Israeli companies overpowered any chance for SodaStream's model to be implemented by the PA. Although I was willing to rescind Israeli ownership of the Mishor Adumim factory (and sell the facility to a Palestinian who would become our sub-contractor), our attempts at a dialogue with Palestinian business and political leaders failed.

Some Israeli politicians proved equally uncooperative with SodaStream's economic-peace approach. Palestinian-Israeli coexistence presents an obstacle to the political aspirations of some Israeli politicians. Thus, I was unable to secure a meeting with many of them. Only two Israeli Ministers were willing to meet with me, Naftali Bennett, then the Minister of Economy, and Ayelet Shaked, the Minister of Justice. Opposition leader Tzipi Livni also

supported and encouraged me to pursue SodaStream’s coexistence model. However, the concept of peaceful coexistence largely fell upon deaf ears. Indeed, the SodaStream “Island of Peace” remained just that –an island – isolated in an ocean of hate, separatism, and growing distrust and violence. Yet, we persisted.

The BDS Threat to Palestinian-Israeli Reconciliation and Normalization: The Case of the EcoStream Store in Brighton

I assessed that SodaStream’s green technology could become a significant thrust to our international business growth. The fact that each of our bottles is reusable and that a single bottle can replace thousands of disposable PET bottles was a compelling idea that we began promoting in 2008.

We were enthusiastic to embrace another “greater cause,” in addition to our coexistence model, by offering a solution to the increasing hazard of plastic waste. We quickly gained international credentials and support as an “Active Green” company. SodaStream support from The Carbon Trust and created partnerships with various environmental organizations including *Legambiente* in Italy, and Good Green Design Award in the United States. Sharing of our messaging were NGOs such as The Plastic Pollution Coalition, Whales and Dolphins, 5 Gyres, and most recently, Green Peace.



BDS protesters outside of the EcoStream store in May 2014.

However, the BDS movement branded us as a source of evil to be protested and boycotted. This didn't deter us or slow us down in any way. But, the more successful we became and the more visible we were on the international public stage, the more the global BDS movement marked us as a primary target. Our affiliation with celebrity producer and designers such as the renowned advertising creative director, Alex Bogusky and designer, Yves Behar, attracted threats and attacks by the BDS movement. Our feature on premier advertising stages, such as the Super Bowl in 2013 and 2014 drew BDS attention and attacks. However, the most violent attacks were in Brighton, UK, at the site of our environmental pilot store – EcoStream.

The idea of an EcoStream store was to offer eco-conscious consumers the opportunity to purchase consumer products by volume or weight by refilling their existing packaging. This “refill store” would sell anything from olive oil, balsamic vinegar, laundry, detergent, shampoo, or SodaStream flavors – all by weight and without plastic packaging.

The problem is that, at present, Palestinian economic policy is primarily driven by the desire to damage the Israeli economy.

After months of market research, we decided to launch our first EcoStream store in the city of Brighton, United Kingdom, in the summer of 2012. EcoStream was a concept store designed to be our first pilot store that, if successful, we might later roll out in other markets. We chose Brighton as our first retail location because it is an ecological and liberal city. In fact, Brighton's MP Caroline Lucas, the first British MP elected from the Green Party, successfully campaigned on an environmental platform in 2010. We

gauged that it was in the best interest of the people of Brighton to be environmentally friendly and support an innovative concept like EcoStream. We expected Ms. Lucas, a celebrated environmentalist, to fully embrace our concept and welcome us enthusiastically to her constituency.

The BDS movement organized protests of the EcoStream store twice every week. Sometimes protesters even chained themselves to the store's door, preventing customers from entering or exiting. MP Lucas also abandoned her “green” principles and released the statement, “[I] support the right of my constituents and others to do the same by peacefully demonstrating against companies, which operate out of illegal Israeli settlements.” She clarified in a later statement that she did not support calls for the EcoStream store to close, but also denounced SodaStream as “implicated in the widely condemned occupation of Palestine.” The statement added “furthermore” – there was a “particular irony in SodaStream's manufacturing of a water carbonating product in light of reports that Israel routinely denies Palestinians access to clean drinking water.”⁸ This is a fabrication. SodaStream does

not deny Palestinians access to clean drinking water. It's a widely debunked claim made by anti-Israel activists against the Israeli government.⁹ Moreover, MP Lucas mischaracterized SodaStream without first educating herself about our commitments to the environment and human rights.¹⁰

Had Caroline Lucas been committed to Palestinian rights, she would have accepted one of my numerous invitations to meet or my invitations to visit Israel and witness SodaStream's Mishor Adumim facility, for herself. I was even prepared to offer her that SodaStream's Mishor Adumim facility would be transferred to Palestinian owners if a final peace settlement were to be reached with Israel and if the factory were to be located in a future Palestinian state.

This singling out of Israel and the demonization of an Israeli enterprise simply because it is representative of a Jewish state appeared to be a classic form of anti-Semitism. Regrettably, these tactics by MP Lucas, the BDS movement, and its supporters proved disruptive to the EcoStream store, and we shut down this experiment in late 2013, after 18 months of operation.

After shutting down the EcoStream store in Brighton, we never opened another EcoStream store, in the UK or elsewhere. Ms. Lucas lost for her constituency a pinnacle sustainability jewel, which could have been a source of pride to her town and a model for other communities in the UK and around the world. She could have embraced a practical vehicle to reduce or eliminate plastic packaging, which is the greatest source of waste on Planet Earth. It seemed clear that Ms. Lucas was blinded by hatred.

Scarlett Johansson, the Super Bowl, and Oxfam

While SodaStream's revenues and production continued to increase from 2012 to 2014, we outgrew our Mishor Adumim factory and sought to open a larger production facility. We also chose to expand our marketing and advertising output in the United States.

Our marketing strategy involved retaining the American actress Scarlett Johansson to star in a commercial to be shown at the 2014 Super Bowl, probably the most coveted TV time slot for advertisers in the world. Although we had submitted a commercial to air at the Super Bowl the previous year, this particular one with Ms. Johansson fell under the scrutiny of BDS activists, solely because of her celebrity status.

Before Scarlett signed an agreement with us, I advised her that certain BDS pressure groups would likely attack her because our factory was located in the disputed West Bank. At the same time, I explained our "building bridges" model and showed her video footage of our "Island of Peace." Scarlett immediately saw the potential of promoting peace by bringing people together in productive work while treating everybody equally – with equal pay,



equal benefits, and equal opportunities. Scarlett accepted the challenge with confidence and conviction that we are doing the right thing for our employees and their families.

Just days after the announcement that Scarlett would appear in our Super Bowl advertisement, in January 2014, the BDS movement pressured her to end her relationship with the company. BDS leaders likewise pressured the international “antipoverty” NGO Oxfam.¹¹ Scarlett had been a humanitarian ambassador for Oxfam for nine years and had traveled to India, Sri Lanka, and Kenya on the organization’s behalf.

Fortunately, Newsnight’s host Jeremy Paxman recognized the hypocrisy of Oxfam’s criticism of Scarlett Johansson and rebuke of SodaStream.

Regardless of Scarlett’s advocacy for the organization, Oxfam released a letter in January 2014 condemning her partnership with SodaStream. According to their statement:

Oxfam respects the independence of our ambassadors. However, Oxfam believes that businesses that operate in settlements further the ongoing poverty and denial of rights of the Palestinian communities that we work to support. Oxfam is opposed to all trade with Israeli settlements, which are illegal under international law.¹²

Scarlett responded to the letter by stepping down as Oxfam's ambassador, ending their nine-year partnership. In a January 2014 *Huffington Post* article clarifying her decision, she explained:

SodaStream is a company that is not only committed to the environment, but to building a bridge to peace between Israel and Palestine, supporting neighbors working alongside each other, receiving equal pay, equal benefits and equal rights. That is what is happening in their Maale Adumim factory every working day.¹³

In 2015, together with the mayor of the Negev town of Rahat, located close to the New SodaStream factory, I announced an offer to absorb 200 Syrian refugee families. I offered to provide jobs at SodaStream for all accepted Syrian refugees, as I had offered a few years earlier for my contracted Darfuri employees.

I also addressed this controversy. Appearing on the BBC program *Newsnight* in 2014, I was joined by Oxfam's Campaigns and Policy Director Ben Phillips for a debate. Fortunately, *Newsnight's* host Jeremy Paxman recognized the hypocrisy of Oxfam's criticism of Scarlett Johansson and rebuke of SodaStream. Paxman asked Phillips directly if there was anything SodaStream could do to meet Oxfam's standards, other than shutting down the Mishor Adumim facility. The Oxfam representative did not have a concrete explanation for why it was justified for our 600 Palestinian employees to lose their jobs, simply because of where our factory was located.¹⁴

Oxfam further ignored SodaStream's employment of Darfuri refugees. Oxfam had taken an active role in helping Darfuri refugees and trying to end the Darfuri genocide for over a decade. Oxfam advocates for social and employment services for these refugees.¹⁵

Oxfam also provides services in Europe in response to the current Syrian refugee crisis, encouraging Western nations to absorb and resettle refugees, with efforts that include finding employment for them.¹⁶

In 2015, together with the mayor of the Negev Bedouin town of Rahat, located close to the new SodaStream factory within pre-1967 Israel, I announced an offer to absorb 1,000 Syrian refugees, or 200 families. I offered to provide jobs at SodaStream for the refugees, as I had offered a few years earlier for my contracted Darfuri employees.¹⁷ The mayor of Rahat committed to assist in housing and absorption these refugees. Together, we were to help them begin a new life in the safe and tolerant environs within Israel. Of course, our joint proposal recognized that each family would need to be approved by the Israeli security

authorities, as the entire program would need to be endorsed by the Israeli government. In my naiveté, I believed that the assurance of employment and housing assistance would make this decision easy for the government, and could happen very quickly. My motivation here was not only to save 1,000 people, but also to show the humanitarian soul of the Jewish people.

Unfortunately, the Israeli government did not approve the endeavor, and Oxfam never responded to it. In practice, we went beyond Oxfam's recommendations for assisting refugees. Yet, despite our intensive outreach to help Syrian refugees, we received only reprimands from Oxfam, simply because of the West Bank location of the Mishor Adumim facility.

Although SodaStream had planned for years to move our primary SodaStream production facility from Mishor Adumim in the West Bank to the Idan Hanegev Industrial Park in Israel's Negev Desert in order to expand our business, many international media outlets falsely attributed our move to BDS pressures.

One would have expected the Oxfam controversy and the recent closure of the Brighton EcoStream store to negatively affect SodaStream's growth and international reputation, especially in the UK where Oxfam is headquartered. Yet the opposite has occurred; our growth has continued despite these criticisms. Additionally, in December 2016, Oxfam Chief Executive Mark Goldring admitted that Oxfam lost many donors, largely due to the SodaStream controversy. He acknowledged that because of the mishandling of the Johansson and SodaStream situation, Oxfam had created "something of a PR disaster."¹⁸

In response to the 2014 Oxfam debacle, the *Christian Science Monitor's* Christa Case Bryant visited the SodaStream Mishor Adumim facility to interview Palestinian employees. All Palestinian SodaStream employees expressed

great satisfaction that SodaStream employed them. They also expressed fear that the BDS movement could end their employment there. One employee spoke of his previous job, in which he earned 20 shekels (\$6) a day plucking and cleaning chickens. At SodaStream, he noted, he earned nearly 10 times that, and his job included transportation, breakfast, lunch, and health insurance for himself and his family. He told Case Bryant, "Before boycotting, they should think of the workers who are going to suffer."¹⁹ Another Palestinian employee added, "If SodaStream closes, we will be sitting in the streets doing nothing."²⁰

SodaStream's Move to the Negev

Although for years SodaStream had planned to relocate our primary SodaStream production facility from Mishor Adumim in the West Bank to the Idan Hanegv Industrial Park in Israel's Negev Desert in order to expand our business, many international media outlets falsely attributed our move to BDS pressures. Media outlets like Bloomberg and *Financial Times* inaccurately credited the move to a slump in sales because of the negative publicity we had received in 2014, from Oxfam and the BDS movement.²¹ Although our sales had declined that year, it was due to the dramatic weakening of the euro against the dollar (while 75 percent of our sales are euro-based and converted to U.S. dollars) as well as changing consumer preferences from sugary sodas to healthy alternatives. We therefore announced our new growth plan, on October 28, 2014, which primarily changed our focus from a soda company to a healthy sparkling water company.²² This approach worked, and in 2015, 2016, and 2017 we saw a steady increase in revenues.²³

Part of our growth plan of October 2014, included the optimization of our operating infrastructure and the folding of our five factories in Israel into our new state-of-the-art factory in Rahat in the Negev. This meant that we would close the Mishor Adumim factory in the West Bank, along with our factories in Alon Tavor in the Galilee, and several other factories in Israel. The concentration of our manufacturing and logistics operation in one modern site was to be a major source of cost reduction, which would fuel investments in marketing and deliver profits to our shareholders. In hindsight, the move to Rahat was an excellent business decision. We chose the Rahat location in order to enable as many of our Palestinian and Israel employees as we could to retain employment with us. Rahat is only a one-hour drive from Jerusalem and only 30 minutes from Hebron.

However, as expected, the BDS movement celebrated the announcement of our move as if it were a victory for their boycott campaign. In a statement they made the day following our announcement, BDS leaders said, "The SodaStream boycott must continue because while they are leaving the occupied West Bank, they are moving to the occupied Negev, (*"Naqeb"* in Arabic) where at least 40,000 of our Bedouin brothers are being displaced into townships."²⁴ The BDS-supporting *Electronic Intifada* site declared that the, "new SodaStream factory could help destroy Bedouin agriculture."²⁵

This statement has absolutely no factual or historic basis because the Negev has always been part of Israel, since 1948, and was never "occupied" or included in any proposal or plan as part of a Palestinian entity. Therefore, the BDS movement's statement in October 2014, demonstrates that it is disinterested in establishing a Palestinian state next to Israel. Rather the global BDS campaign is committed to destroying the State of Israel. The BDS movement has pursued a two-staged approach. First, it focuses world attention on the "occupied territories" in the post-1967 territories, and only later emphasizes the elimination of the Jewish state in any territory.



The global BDS movement's boycotts of SodaStream continue to this day. In the view of BDS activists, SodaStream did not suddenly become a "kosher" company because it relocated from the West Bank to the Israeli Negev. Indeed BDS activists constantly attempt new attacks against us.

In short, the BDS movement continued to fabricate reasons to boycott us simply because we are a high-profile Israeli company dedicated to coexistence. At this time, they do not even try to hide the fact that their agenda has shifted from rejecting Israel's "occupation" of the West Bank to Israel's very existence.

BDS activists continued to spread rumors internationally that BDS pressure had forced us to leave our West Bank factory. This is simply untrue; the company's substantial growth required a far larger factory, and with our growth, we needed to structure our operations more efficiently – in a single site, rather than scattered all over Israel, as well as in China and Turkey. Ideally, we would obtain work permits for all 600 of our Palestinian employees to work in the new Negev factory and guarantee permits for new Palestinian hires. However, there are low quotas for permits issued each month, so instead we aimed for a more realistic 350 permits.

Although the commute from the homes of some of our West Bank-based employees to SodaStream's Negev factory can take at least two hours, most Palestinian employees were eager to continue working for SodaStream regardless of the new factory's location. We were

Economic peace is a model that should be praised, and replicated, not scorned and boycotted. The path to Israeli-Palestinian peace is one of economic equality, cooperation, and mutual respect and not one of intimidation, threats, and boycotts. This important dynamic has prevailed at SodaStream. It is not just a fact of history; it should be emulated in the future by Israeli and Palestinian business, political, and civil society leaders.

committed to doing our best to bring all of our workers to the new Negev factory.

Despite our requests, The Israeli government only provided 74 temporary permits, which were issued for one year. The government argued that we should employ Israeli workers, especially Bedouins, who needed employment, especially since the government contributed to the construction of our new factory through an economic incentive program aimed at Bedouin communities.

I argued that we owe it to our longtime workers to retain them and that we needed their expertise to continue operations smoothly. Furthermore, I contended to senior officials in the Israeli government that our “Island of Peace” model provides hope and inspiration to our people, especially younger generations of Israelis and Palestinians.

Our dispute with the government and the lack of available permanent work permits for Palestinians to work in the industrial sector, resulted in our losing 74 Palestinian employees on February 29, 2015. The next 15 months were

a “dark period” at SodaStream, during which I dedicated most of my time and energy to reinstating the work permits of our Palestinian workers. During this period, we stayed in touch with them; activated media in Israel and overseas, spoke in the U.S. Congress and the United Nations, and relentlessly worked with Israeli bureaucrats to regain these permits.

Fortunately, in May 2017, following 15 months of struggle with the Israeli government, we were awarded 80 permits for Palestinian workers from the former Mishor Adumim factory to return to work at SodaStream in the Rahat facility. Soon after, all 80 Palestinian employees, including Nabil Basherat, returned to their positions in the new Negev factory. Our employees describe the return of their Palestinian colleagues as “reuniting the family.”

Prospects for Continued Reconciliation, Normalization, and Peace

The struggle to build reconciliation and economic peace between Palestinians and Israelis is very much alive. It is reasonable to anticipate that as Israel's economy continues to expand, labor shortages will become more acute. SodaStream's new Rahat facility now employs 600 Israeli Bedouins from surrounding communities and 80 Palestinians from the West Bank. However, as our production needs continue to grow, we anticipate hiring additional Bedouin workers, as well as additional Israeli Jews and Palestinians. SodaStream needs to fill new positions at the Negev factory, and there are not enough Israeli applicants to meet this labor demand. Hence, there is an opportunity for well-paying and well-protected employment for thousands of Israel's Palestinian neighbors.

The SodaStream case proves that Palestinian and Israelis are important partners in economic reconciliation and good-neighborly relations. There is a need for thousands of professional Palestinian employees in a number of Israeli economic sectors. Israel's agricultural and construction sectors are also desperate for good workers and managers. Israel's housing crisis is twofold; it is a result of both land and labor shortages in the face of the country's ever-increasing housing demand.

Palestinians can meet the Israeli demand for construction professionals. However, Israeli decision-makers will need to change priorities. It was reported that in April 2017, the Israeli and Chinese governments signed a bilateral labor agreement authorizing 6,000 Chinese construction workers to enter Israel. This deal was signed with the condition that no building sites would be in settlements.

Additionally, Israel will need to find suitable housing for these workers, who will likely spend their earnings upon their return to China and not in Israel itself.²⁶ It is reported that currently there are thousands of Chinese construction workers, Thai agriculture workers, and Filipino service workers in Israel.

The Israeli government would be well advised to employ Palestinians instead of foreign workers. The unemployment rate in the PA is hovering at 19 percent. Israel can and should help provide economic stability to our neighbors. The Israeli government and the private sector should use economic relations as a vehicle for mutual prosperity and normalization. Let us build bridges and establish a foundation for trust and hope for a peaceful future.

Rather than importing labor from far away countries such as China, Israel should instead be issuing permits for Palestinian laborers in the housing, manufacturing, agriculture, and service sectors. Such permits would also enable Palestinian employees to spend or reinvest their earnings in Israel and in the fledgling Palestinian economy. Many economists

maintain that economic development and free markets for goods and labor are inextricable parts of modernization, state formation, stability, and democratization.²⁷ Expanding job opportunities for Palestinians and lowering the Palestinian unemployment rate, especially for women, would contribute directly to economic development and modernization for all in the region.

The economic peace that SodaStream fostered in its Mishor Adumim factory from 2007 to 2015 is being replicated in the Negev factory. The Israeli government's agreement to renew the working permits for 80 Palestinian SodaStream employees is enabling Israelis and Palestinians to work side-by-side and form lasting friendships both in and outside the company.

The recreation of the "Island of Peace" is contingent on the Israeli government continuing to issue work permits both for SodaStream's Palestinian workers and for Palestinians who want to work for other Israeli companies that replicate our model. It also relies on ending the practices of intimidation and arrests by PA security forces, and relies on ending de-normalization activities that stop economic and social progress between Israelis and Palestinians via propaganda campaigns and the intimidation of Palestinian SodaStream employees.

Finally, the success of SodaStream's "Island of Peace" model requires confronting the destructive BDS movement, which threatens SodaStream and assaults Palestinian livelihoods. Economic peace is a model that should be praised and replicated, not scorned and boycotted. The path to Israeli-Palestinian peace is one of economic equality, cooperation, and mutual respect and not one of intimidation, threats, and boycotts. The important workplace dynamic that prevailed at SodaStream's Mishor Adumim from 2007 to 2015 and currently takes place in its Negev factory should be emulated in the future by Israeli and Palestinian business, political, and civil society leaders.

Daniel Birnbaum has served as chief executive officer of SodaStream International Ltd. and of the Soda Club Group at Soda-Club Enterprises NV since 2007.

Notes

- 1 <http://www.globes.co.il/en/article-1000627175>; see also <http://www.globes.co.il/en/article-sodastream-profit-triples-1001177222>
- 2 <https://data.oecd.org/israel.htm>
- 3 "The Situation of Workers of the Occupied Arab Territories," International Labour Organization, Geneva, 2015.
- 4 <http://www.passia.org/images/meetings/2015/dec/Women2015.pdf>
- 5 "The Situation of Workers of the Occupied Arab Territories," International Labour Organization, Geneva, 2015.
- 6 <https://data.oecd.org/gdp/gross-domestic-product-gdp.htm>
- 7 <http://forward.com/fast-forward/357361/israeli-mit-triples-arab-enrollment-in-decade>
- 8 <https://www.carolinelucas.com/latest/protest-against-sodastream-plant-in-israeli-settlement>
- 9 Alan Baker, "Debunking 11 More False Assumptions Regarding Israel," Jerusalem Center for Public Affairs, January 10, 2017.
- 10 Ms. Lucas' antipathy for Israel is clear. So deep that, like Oxfam that followed her, she is willing to sacrifice 600 Palestinian jobs in order to demonize Israel. Ms. Lucas claimed in a letter to me that she was well-informed of the conflict because she had "visited Israel and Palestine," and she claimed that companies like SodaStream only served to "perpetuate the occupation." This charge, central to the BDS rhetoric, has now proven to be baseless, because although we have been out of the West Bank for three years and there are no significant Israeli factories remaining in the West Bank, the "occupation" continues. The only real change has been the increase in Palestinian unemployment and the worsening of living conditions in this area. It appears that Ms. Lucas was less informed about the conflict and the importance of providing jobs in the West Bank than she had represented. Incidentally, according to international law (including the Hague Regulations of 1907 and the Fourth Geneva Convention of 1949), an occupying power is obligated to provide infrastructure and employment to an "occupied population." Is the existence of a McDonald's fast food branch in any of the approximately 100 disputed areas of the world a violation of international law? Why aren't Ms. Lucas and her BDS friends screaming for boycott of McDonalds? Is the existence of an Apple store in Ukrainian Crimea, Western Sahara, Tibet, or Nepal a violation of international law? And most astonishingly, is a Nike store, in Turkish-occupied northern Cyprus a violation of international law? How can Ms. Lucas explain her obsession with Israel, joining hands with the BDS and their misguided and hateful followers, in singling out Israel in an attempt to boycott, defame, and delegitimize it in the name of international law?
- 11 <https://www.oxfam.org/en/explore/how-oxfam-fights-poverty>
- 12 <http://www.oxfam.org.uk/media-centre/scarlett-johansson-statement>
- 13 http://www.huffingtonpost.com/2014/01/24/scarlett-johansson-sodastream-statement_n_4661945.html
- 14 <https://www.youtube.com/watch?v=cd9ioQrTqoY>
- 15 https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp184-we-no-longer-share-land-darfur-210414-en_0.pdf
- 16 <https://www.oxfamamerica.org/static/media/files/fairer-deal-syrians-oxfam.pdf>
- 17 <http://www.globes.co.il/en/article-sodastream-offers-to-absorb-syrian-refugees-1001069331>
- 18 <https://www.theguardian.com/voluntary-sector-network/2016/dec/15/oxfam-pr-disaster-scarlett-johansson-perfect-storm-tweet>

- 19 <http://www.csmonitor.com/World/Security-Watch/2014/0130/Palestinian-workers-back-Scarlett-Johansson-s-opposition-to-SodaStream-boycott-video>
- 20 <http://www.csmonitor.com/World/Security-Watch/2014/0130/Palestinian-workers-back-Scarlett-Johansson-s-opposition-to-SodaStream-boycott-video>
- 21 <https://www.bloomberg.com/news/articles/2014-10-29/sodastream-to-close-factory-at-center-of-israel-palestinian-spat>; see also <https://www.ft.com/content/f1b0ab5c-56d1-11e5-a28b-50226830d644>
- 22 <https://www.wsj.com/articles/sodastream-to-close-controversial-west-bank-factory-by-mid-2015-1414599238>
- 23 <http://www.globes.co.il/en/article-sodastream-profit-triples-1001177222>
- 24 <https://bdsmovement.net/news/freedom-and-justice-gaza-boycott-action-against-7-complicit-companies>
- 25 <https://electronicintifada.net/content/new-sodastream-factory-could-help-destroy-bedouin-agriculture/13182>; see also <http://www.aljazeera.com/news/2015/09/sodastream-factory-shows-palestinian-bedouins-plight-150910100606371.html>
- 26 <http://www.timesofisrael.com/israel-signs-deal-to-bring-chinese-construction-workers-but-they-wont-work-in-west-bank>
- 27 Margaret L. Andersen and Howard F. Taylor, *Sociology: Understanding a Diverse Society* (Boston: Cengage Learning, 2007), 252-253.

Palestinian-Israeli Normalization in the Workplace: A Manager's View

Nabil Basherat



David Abitbol

Nabil Basherat overseeing two SodaStream workers in his department, October 2017.

I have worked in a variety of positions at SodaStream, first as a worker and then a manager at SodaStream's Mishor Adumim facility, where I was employed for six years. Currently, I am a manager and team leader, in charge of 20 employees at SodaStream's new Idan Hanegev factory. My employees have diverse backgrounds and include Palestinian Arabs, Israeli Jews, Russian immigrants, Ethiopian immigrants, and Bedouin Arabs from the Negev Desert. We work in engraving, rinsing, spray, inventory, and valves at SodaStream. My position carries a lot of responsibility, since I am in charge of many components of SodaStream's home-carbonation machines.

SodaStream has long been targeted by the BDS movement. Ironically, the global BDS campaign has caused damage to the Palestinian public. The BDS movement has threatened my job security and livelihood. It damaged the livelihoods of hundreds of SodaStream factory workers, who were laid off as SodaStream left its Mishor Adumim facility in the West Bank. BDS compounded the difficulties that Daniel Birnbaum, the company's CEO, faced while trying to obtain permits for SodaStream's Palestinian workers for the new Negev facility. If not for the BDS movement, we could have expanded the Mishor Adumim facility, or moved swiftly to resume our former jobs at the new SodaStream factory in the Negev, instead of losing our work permits for 18 months before returning to SodaStream.



A team of three SodaStream workers, October 2017.

Teamwork and Diversity at SodaStream

I am 40 years old and a resident of the Palestinian village of Jaba', which is located southeast of Ramallah. I started working at SodaStream's factory in the Israeli-controlled Mishor Adumim industrial zone in 2009. My first job was as a factory worker. My managers admired my work ethic and I was promoted several times. By the time the Mishor Adumim facility closed in 2016, I was manager of SodaStream's assembly and valve department. In my department in Mishor Adumim, Palestinians, Jews, and Arabs from east Jerusalem all worked together. Even though the BDS movement portrayed SodaStream's Palestinian workers as "slaves" who were abused by management, this is not the case. SodaStream's Palestinian workers are very satisfied. We work under favorable conditions and for good salaries.

SodaStream has provided an excellent work environment. People have been excited to work there. I supervise employees with higher educations, many with bachelor's and master's degrees from Palestinian universities. One coworker has a master's degree in electronic engineering, another a master's degree in history. SodaStream's Mishor Adumim facility employed about 50 Palestinians with higher educations, and the new Negev facility employs many more.



David Abitbol

SodaStream worker from Hebron, October 2017.

Regardless of our diverse backgrounds, staff members coexist at SodaStream like family. We talk together, eat together, and speak candidly about our lives and even the political climate.

We have also faced difficult times together. Unlike others who could choose not to face “the other side” during times of political strife, at SodaStream, Israelis and Palestinians worked together every day. We worked together through the first Gaza war, the second Gaza war, and terror attacks during the terror wave that began in the fall of 2015. We did not ignore the political realities; instead we talked about them quietly.

Four months after I began working at SodaStream, my coworkers threw me a surprise party. It was their idea, not a suggestion from management. Israeli and Palestinian coworkers joined together in planning the surprise, and people talked about it quietly. Israeli workers also wept when their Palestinian coworkers had to leave the factory after their permits were revoked in 2016.

I value the harmonious group dynamic and positive atmosphere at SodaStream. Our managers treat us with respect, and this in turn makes us feel that the factory is our second home. We also receive an Israeli salary, which is more than three times the salary I would

We worked together through the first Gaza war, the second Gaza war, and terror attacks during the terror wave that began in the fall of 2015. We did not ignore the political realities; instead we talked about them quietly.

be making in Ramallah. We have access to social benefits including paid vacation, annual leave, sick leave, pension plans, a fund for continuing education, and medical insurance. SodaStream provides us private insurance with the Phoenix agency, because the Palestinian Authority does not provide national insurance as the Israeli government does.

This insurance covers not only the workers but our families as well. I have not seen or heard of this benefit in any other factory in the West Bank. Some workers have large families, sometimes as many as

15 people, yet SodaStream still gave health insurance to everyone. Some workers had the option to receive extended coverage, such as supplementary dental insurance, for only 12 extra shekels a month.



SodaStream workers working at the assembly line, October 2017.

Misconceptions about How SodaStream Treats Its Palestinian Employees

I have read European claims that SodaStream exploits its workers and that we are being treated like “slaves.” These Europeans falsely argue that companies like SodaStream are deepening the occupation, simply because tens of thousands of Palestinians work for Israelis. I do not know how they came to this conclusion; many of us have good wages and maintain good relations with Israeli employers and coworkers. Jews and Arabs have worked side by side since long before 1948, even long before the Ottoman period.

SodaStream can serve as an example of economic collaboration and shared industry between Arabs and Jews.

I understand that the PLO, the PA, and the Fatah Party have long opposed Palestinians and Israelis working together. Before the PLO adopted a diplomatic and political strategy against Israel, they were undertaking military operations such as hijacking planes and blowing up buses.

Yet Europeans support the PLO’s position against the normalization of Israeli-Palestinian relations. I do not understand their logic, their view that factories are “obstacles to peace” and therefore only shutting them down or burning them to the ground will bring peace.

The opposite is true: SodaStream can serve as an example of economic collaboration and shared industry between Arabs and Jews.



David Abitbol

Three SodaStream workers arranging parts, October 2017.

When you have a regular workplace, job security, and benefits for your entire family, you can provide for them and you gain confidence. This confidence will flow into your domestic life and help produce a happy, proud, and financially secure family. It also allows children to dream for the future, and parents to save for their higher education or job training. Hence, my leaving SodaStream in 2016 for more than one year felt like losing something precious. It not only took away my personal self-confidence, but also my family cohesion and security.

BDS, Permits, and the Layoffs of SodaStream's Palestinian Employees

There are security quotas for Palestinian workers entering Israel from the West Bank. Permits are granted based on one's profession, with quotas issued for workers in agriculture, nursing, construction, and manufacturing. The maximum limit for manufacturing had already been reached when SodaStream moved to the Negev early in 2016, and because SodaStream employs so many Palestinians, the Israeli Civil Administration initially refused to extend its security allocation even for this exceptional circumstance. Therefore, unfortunately, in 2016 my coworkers and I were not granted approval by the Israeli government to work at the new facility in the Negev. One of the hardest things I've ever had to do was to fire my own employees, members of my team, who were like my workplace family. However, after the Israeli Civil Administration initially denied them permits to work

We were not firing employees because they were inferior workers, or because SodaStream had abandoned them; it was BDS. European and U.S. demonstrations against the Mishor Adumim facility claimed a price.

at SodaStream's Idan Hanegev facility in 2016, I had no choice; it would have been illegal for all of us to continue working at SodaStream without these permits.

I had heard about factory closings, but I did not understand the true implications, the feelings of guilt and sadness you experience when you lay off a close friend, until I had to do it myself. The worst part was knowing that if CEO Daniel Birnbaum and the rest of the company's management had had their way, these firings would not have occurred. We

were not firing employees because they were inferior workers, or because SodaStream had abandoned them; it was BDS. European and U.S. demonstrations against the Mishor Adumim facility claimed a price.

When the layoffs from SodaStream were announced, we did everything in our power to call international attention to this injustice, so that the BDS movement would not succeed and subvert the positive narrative of SodaStream's Palestinian workers. I know many journalists,

and I contacted all of them. I told them to come and report on how the BDS movement was hurting SodaStream's Palestinian employees. These journalists included three or four Europeans. One of them, from Channel 24 in France, spoke to me in English, and I responded in Arabic. Suddenly he called me an "agent," meaning a foreign agent and often interpreted to mean "Israeli informant." This word is particularly insulting to a Palestinian and has many negative connotations in Arabic, where it directly translates to "traitor." In essence, he was calling me a traitor to my own people for working at SodaStream. I was shocked that a French reporter, presumably representing a democratic state, would say such a thing.

The first terminations took place when 200 workers were laid off from SodaStream, after the Israeli Civil Administration denied requests for all Palestinian SodaStream employees to move to the Negev factory. I contacted all of the European journalists I knew. I sent them text messages saying, "Review the situation here. Speak to the workers, and explore why they were fired and why the factory is being shut down." One journalist did visit, but he took little interest in this story and never reported on our perspective as promised.



SodaStream workers assembling parts, October 2017.

Many of the SodaStream workers are interested only in providing income for their families and prefer not to be involved in politics. Against whom would they demonstrate? They felt that their voices were not heard, and that it would be futile to challenge the BDS movement and explain that although they work for Israelis, the income they receive enables them to provide bread for their families. They also could not express the fact that the Palestinian discourse demonizing Israel and Israelis is false. They restrained themselves from expressing their anger to the PA, fearing reactions by the Palestinian leadership.

Palestinian Authority Corruption and Intimidation

Although it is not illegal according to Palestinian law to work for an Israeli company operating in an Israeli-owned industrial zone in the West Bank, Palestinian police and politicians have made our lives very difficult. Many SodaStream employees have been questioned by PA police multiple times, although they have broken no laws. We cannot

SodaStream employees have been questioned by PA police multiple times, although they have broken no laws. We cannot protest or express our anger to the PA; there could be ramifications that would hurt our families and ourselves.

protest or express our anger to the PA; there could be ramifications that would hurt our families and ourselves.

Unsurprisingly, nobody from the PA came to help us or even listen to our stories following our termination and unemployment in 2016. Unlike SodaStream's Palestinian employees, PA bureaucrats and BDS leaders were interviewed constantly by the foreign media. Some PA officials even told the international media that they would replace the jobs lost at SodaStream.

However, nobody reached out to me or any of my Palestinian coworkers for the 18 months we were not working for SodaStream; nobody in the Palestinian leadership made an effort to replace our jobs or provide any safety net now that we were no longer receiving private insurance from SodaStream. All the Palestinian workers and their families were residents



Nabil Basherat at work in his department, October 2017.

of the PA, and they should have been representing us and our interests. But this did not interest them, simply because the PA opposes Arabs and Jews working together.

When SodaStream called us in May 2017, to tell us that our permits had been renewed and we could begin working at the Idan Hanegev facility in the coming weeks, every single person quit his or her current job in order to return to SodaStream.

However, the PA was eager to collect the taxes of Palestinian SodaStream employees. Palestinian workers in an Israeli industrial zone must pay taxes to the PA, as per an arrangement between Israel and the PA. I had to pay taxes far higher than Israeli taxes. At least Israeli taxes are used for services like healthcare, education, and infrastructure, unlike PA taxes, which line the pockets of bureaucrats.

As a Palestinian working in an Israeli industrial zone, I paid these taxes, almost 1,000 NIS a month, in light of the

arrangement between Israel and the PA. The PA takes this tax money while supporting the BDS movement domestically and abroad. Logically speaking, they should be supporting a company like SodaStream for employing Palestinians who pay local taxes, but instead they just tried to punish us, allowing us to lose our jobs without understanding how the ramifications of their actions also hurt PA economic interests.

18 Months in Limbo

From February 2016 to May 2017, former SodaStream workers were desperate for work. Daniel Birnbaum did his best to help us find new, comparable employment. He contacted other Israeli factory owners and wrote personal recommendations for many Palestinian employees. He did succeed in finding work for some of us, including me. I worked in a warehouse, where I checked inventory. However, this job had a much lower salary, far less responsibility, and no benefits like those provided by my former job.

While I was working in the warehouse, I found myself thinking constantly about my future. I dreamed of starting a small family business. Yet every week I see that many small businesses in the PA have closed. I researched the possibilities for people like me with knowledge, experience, business connections, and a good reputation to start a business in the PA; it turned out my prospects were limited. There are too many powerful Palestinian “tycoons” who restrict competition. Some Palestinian business leaders act like mafia bosses. This business environment also does not reflect the preferences of Palestinian consumers. Although the PA is now boycotting products from Israeli settlements, most Palestinian consumers prefer Israeli produce and goods over Palestinian products.

Other Palestinian SodaStream employees found new employment after they were laid off early in 2016, but nothing was comparable to the salary, benefits, environment, and camaraderie at SodaStream. When SodaStream called us in May 2017 to tell us that our permits had been renewed and we could begin working at the Idan Hanegev facility in the coming weeks, every single person quit his or her current job in order to return to SodaStream.

Whereas SodaStream's former Mishor Adumim factory was slightly less than 30 kilometers from my village, Jaba', the Idan Hanegev facility is about 115 kilometers from it. However, this long distance made no difference to me if it meant I could return to my old job, benefits, friends and coworkers, and responsibilities. Other Palestinian employees at SodaStream come from Nablus and Jenin, cities in the northern West Bank that are over 200 kilometers from the Idan Hanegev industrial park.



A Jewish SodaStream worker in Nabil Basherat's department, October 2017.

Regardless of the long distance to the Negev facility, Palestinians prefer to work at SodaStream. Palestinian factory owners seem far less interested in helping their employees. The owners themselves earn high salaries, yet many do not pay their employees fairly. Often payments do not come on time each month, are lower than promised, or do not come at all. Many former SodaStream employees who earned 5,500 shekels a month at the Mishor Adumim plant had earned 1,500 shekels a month under Palestinian employers, working in unsafe conditions and without any social benefits.

Some critics of Israel argue that because Israeli industrial zones exist in the West Bank, there are no Palestinian industrial zones that provide comparable opportunities or conditions. The Oslo Accords, however, included a provision for the creation of joint

Various attempts by international governments and entrepreneurs to build Palestinian industrial zones have failed. The PA has been interested in receiving money from foreign actors to bring in industry. However without bribes, PA officials would likely be uninterested in these industrial zones.

industrial zones comanaged by Israel and the PA, as well as independent Palestinian-controlled zones in the West Bank. Yet none of these zones have been created.

Instead, foreign powers are being brought in to manage these zones. In Jenin, a Turkish firm tried to build an industrial zone, but the plan was halted because of a disagreement with the PA over payments. In Bethlehem, an industrial zone built by the French is nearly devoid of businesses; hardly anyone works there. Many additional attempts to build Palestinian industrial zones by various international governments and entrepreneurs have failed because of the PA's corruption

and ineptitude. The PA is only interested in receiving money from others for bringing in industry, and without these bribes, PA officials would likely be uninterested in these industrial zones.

Hopes and Fears for the Future

There are people in Europe, in other countries in the West, and in the Palestinian leadership who support boycotts. These extremists believe that pressuring Israel economically will expedite the creation of a Palestinian state. They claim that any economic downturn that may result from the BDS efforts is worth the sacrifice for their political cause. I believe it is better for there to be a strong Palestinian state with a stable economy that emerges and gains strength slowly and gradually, through negotiated means. I do not want to see a new Palestinian state that is founded overnight with a weak and struggling economy.

If Palestinian leaders truly want to establish a state, they should first learn how to set up factories and create secure industries. If you want to construct a stable, long-lasting building, you must first make a strong foundation out of stone. I think it is better to have a strong country with a good economy that is created over time than to accept a devastated state without an economy that is created overnight.



SodaStream workers in the Idan HaNegev plant, October 2017.

Everyone wants to live with self-confidence, health, physical security, and optimism about their children's future. I have seven children, and I recently became a grandfather. After being laid off from SodaStream in 2016, I was considering emigrating with my family to the United States. My brother lives in Virginia and my sister lives in Philadelphia; I also have an uncle in New York. Because of the difficult situation in the PA, there is a strong inclination to leave our village and emigrate. This inclination was heightened when I temporarily lost

Entire families who were not lucky enough to find work at SodaStream or a comparable business have already sold or abandoned their houses and left. Some have joined the recent wave of migrants from the Middle East to Europe.

my livelihood and social safety net with my job at SodaStream in 2016. Entire families who were not lucky enough to find work at SodaStream or a comparable business have already sold or abandoned their houses and left. Some have joined the recent wave of migrants from the Middle East to Europe.

The closure of the Israeli industrial zones will increase emigration, diminishing the population and the tax base of a future Palestinian state. The BDS movement is causing Palestinians to leave

Palestine. There are Palestinian SodaStream workers who have relatives in Europe and North America. However, they never thought to move away while they were employed at SodaStream. For many, when they were laid off in 2016 and deprived of a stable job and

hope of economic advancement, the prospect of emigration became much more appealing. Palestinians who choose to emigrate are exactly the people who could make a difference. They are the ones who could develop the Palestinian economy. Those who studied at universities, but have nowhere to work are always the first to leave.

The Europeans are launching a campaign to mark all the products sold in Europe that are produced by factories beyond the Green Line. They seem to be marking the products manufactured in all 15 industrial zones in the West Bank as a first step in order to boycott them. They think that this will put pressure on Israel to withdraw from all these areas, and somehow compel the formation of two states for two peoples.



SodaStream workers in the bottle department, October 2017.

But Europe ignores the voices of Palestinian workers, who depend the most on these industrial zones for their livelihoods. If Israeli business owners needed to move their factories, they could transfer them to China or India at minimal cost. Some could even save money by hiring cheap foreign laborers. They may welcome an excuse like the EU labeling of settlement products, or BDS pressures, to move their factories overseas. The BDS movement and European lawmakers simply do not consider Palestinian workers. When SodaStream closed its Mishor Adumim facility, 600 Palestinian families temporarily lost their ability to earn a living. This is not the way to create a middle-class base for a Palestinian state.

I want there to be a strong, independent Palestinian state. I want Palestine to be a country with a flourishing economy and a high gross domestic product fueled by local entrepreneurs.



Some members of the SodaStream family, October 2017.

But boycotts will only hurt Palestinian workers, and the BDS movement does nothing to address the need for an independent Palestinian economy; it only demonizes Israel. Boycotts and Palestinian incitement against Israel harm only ourselves, not the Israelis. The burden falls on me to keep my children busy, to make sure that they do not hear political and religious leaders inciting to terror on TV or the internet, and that they do not participate in gang activity on the streets. I believe that there are dozens of Palestinian

The reality is that most Palestinians want to get an education and build a life of hope and stability for ourselves and our children, to feel we have security and dignity, to work and earn money honestly, and to live in peace with the Israelis.

organizations that prey on Palestinian youth and adults, especially those who are unemployed and without any economic prospects outside of terror or illegal activity.

It is relatively easy for Palestinians to fall into this trap of terror recruitment and incitement. For example, I pay lots of money to my son's private kindergarten. There are kindergartens very close to Jaba' that not only provide free education but sometimes even pay families to send their children to them. But they educate the children to become shaheeds, or terrorist martyrs. It gets more difficult for me every day to ensure that my children grow up to be educated and moderate.

The reality is that most Palestinians want to get an education and build a life of hope and stability for ourselves and our children, to feel we have security and dignity, to work and earn money honestly, and to live in peace with the Israelis. I know that many Israelis,

including our CEO Daniel Birnbaum and my Israeli coworkers at SodaStream, care about Palestinians and know what we desire politically and economically. However, we also need to ensure that our own leadership and the international community know what moderate Palestinians want. It is important that they do not fall under the influence of pro-BDS extremists and instead listen to the average Palestinian worker. They have to understand that if they continuing labeling Israeli products and boycotting Israel, they are really hurting Palestinian workers and not the Israeli government or military. The Israelis are strong, they will manage, and have proved that they can successfully fight both terror and political warfare. Palestinians are a different story; if there are not more employers and leaders who will treat us with dignity, we will begin to lose hope for our future.

Nabil Basherat is a manager at the SodaStream factory in Idan Hanegev, Israel, where he oversees a diverse team responsible for engraving, rinsing, spray, inventory, and valves. Basherat has worked at SodaStream since 2009.

Palestinian–Israeli Equality and Normalization: The Case of Rami Levy Supermarkets

Rami Levy

In 1976, I founded Rami Levy HaShikma, a wholesale supermarket chain. Our company's philosophy and operative policy to employ Israelis and Palestinians and treat them equally reflects our principles and ideals.



The first Rami Levy supermarket location, founded in 1976 in Jerusalem's Mahane Yehuda market.

Rami Levy's high quality and attractively priced products draw Palestinians and Israelis to shop at our supermarkets. Rami Levy stores sell products that are difficult to find in Palestinian stores. Palestinians have indicated that they prefer Israeli goods like snacks, chocolate, and dairy products to their Palestinian competitors.¹

Others say they specifically prefer Israeli produce from settlements, such as Medjool dates and watermelons grown in the Jordan Valley, and ginger root from the Jewish community of Tekoa in the West Bank. Palestinians have been undeterred by the higher prices of the settlement produce compared to similar produce from Palestinian competitors.²

One Palestinian storeowner in Bethlehem told the Israeli Ynet news site in 2012:

People love and buy Israeli products. While there are local dairies that sell their products in the Palestinian Authority, lots of people prefer to buy Tnuva products simply because there is better supervision and they want to feel safe in what they buy. It has nothing to do with politics. When we buy a product from you [Israelis] we know it is under supervision and only made with fresh ingredients.³

A Palestinian wholesaler added, "If my clients see that the product has Hebrew letters on it or if it says the product is from Israel, they are sure that it is better."⁴

At Rami Levy locations in the West Bank, Palestinians constitute approximately 30 percent of our customers, and Israelis constitute about 70 percent of shoppers. Palestinian shoppers are attracted to Rami Levy supermarkets for the same reasons that Israelis prefer to shop there – low wholesale prices; variety; clean, organized stores; and friendly staff. We also cater to Muslim shoppers by having large displays and discounts on dates during the fasting month of Ramadan, because many traditionally break their fast with dates each evening. Furthermore, unlike other Israeli supermarkets, Rami Levy's policy of employing Palestinian workers alongside Israelis attracts a diverse customer base.

Rami Levy as a Preferred Employer

I began employing Palestinian and Israeli Arab workers at the first Rami Levy location, a stall in Jerusalem's Mahane Yehuda market that opened in 1976. Arabs were among my first employees. Those employees continue to work for Rami Levy Hashikma – our supermarket outlets – and many have seen their careers flourish with the company. The first employee I hired 35 years ago was a man named Ibrahim, an Arab from east Jerusalem who has remained at Rami Levy and currently works as our director of logistics. One of our warehouse workers is from the east Jerusalem neighborhood of Azaria and has been part of the Rami Levy team for 34 years.



Rami Levy workers in the Gush Etzion branch, October 2017.

Other Arab Israeli and Palestinian employees who have since joined the Rami Levy team have also been promoted to upper management positions. Rami Levy does not discriminate on the basis of ethnicity, gender, or religion when hiring and promoting employees. All employees, Palestinians and Israelis, are treated equally and receive equal benefits. Salaries are based solely on one's position and performance. My goal for all Rami Levy employees is to have the same opportunity to succeed. This goal that can only be realized if the principle of equality is implemented in all aspects of the company.

Rami Levy supermarkets employ some 4,000 workers. Of these workers, 2,000 are Jewish Israelis and 2,000 are a combination of Palestinians, Arab residents of east Jerusalem, and Israeli Arab citizens. In addition to ensuring that all Rami Levy employees receive equal wages and benefits for equal work, regardless of ethnicity, I insist that our employees work as a team. As the owner and CEO of Rami Levy, I maintain that all workers are equal in terms of rights and opportunity. This includes me, the CEO of Rami Levy. Here, the most senior manager is equal to the lowest-level employee. This approach prevents conflict and promotes mutual respect.

This policy and philosophy have created a “melting pot” of employees at Rami Levy stores. Former Israeli diplomat Lenny Ben-David noted of his shopping experience at Rami Levy,

My checkout cashier was a Jewish woman from Kiryat Arba of Moroccan descent; a blue-eyed Muslim woman from Halul, near Hebron, worked at the cash register next to her; while a member of the Bnei Menashe tribe from India who had formalized her conversion to Judaism operated the cash register behind me.⁵

Employment at Rami Levy is in high demand among Palestinians for various reasons. In the Palestinian Authority-controlled parts of the West Bank, a Palestinian manager or teacher earns on average 2,000 shekels (570 U.S. dollars) a month, far below the Israeli minimum wage. In a job at a Palestinian supermarket, monthly salaries are even lower. Moreover, Palestinian businesses regulated by the PA are not required to provide employees with social benefits such as pension-fund contributions. Palestinian business owners are

Employment at Rami Levy is in high demand among Palestinians for various reasons. In the Palestinian Authority-controlled parts of the West Bank, a Palestinian manager or teacher earns on average 2,000 shekels (570 U.S. dollars) a month, far below the Israeli minimum wage.

not required to pay property, excise, or sales taxes. Nor are businesses required to reimburse employees' transportation costs or to provide compensation or insurance for work-related injuries.

At Rami Levy, however, a full-time Palestinian employee earns 4,000 to 7,000 Israeli shekels a month (1,142 to 2,000 U.S. dollars) plus full medical and social benefits as stipulated by Israeli law. Palestinian managers earn more.

At face value, salaries should be high in the Palestinian areas. First, Palestinian employees working for Palestinian companies do not pay income taxes to the PA. Second, Palestinian salaries

do not deduct for health insurance, taxes, or pensions, and do not require any sort of reimbursement for transportation. Although the PA has the right to tax, as per the Oslo Accords and domestic legislation, it chooses not to exercise that right.⁶

Ironically, however, Palestinian nongovernment salaries amount to a mere 25 percent of Israeli salaries. It would appear to be in the interest of Palestinian business owners to provide higher salaries to their employees, thereby replacing the safety net that the PA does not provide. Yet Palestinian society remains highly stratified with little chance for career advancement or a rise in income for the average Palestinian worker. This is due in large part to the mismanagement, corruption, and stagnation that characterize the Palestinian economy.

Furthermore, the PA has failed to support its lower-income workers. In 2012, the PA (not including UNRWA and other NGOs) received \$775 million in foreign aid.⁷ This money could be used to ease the burden of the Palestinian worker, provide benefits, or supplement low domestic salaries. However, the PA does not take these actions.



Rami Levy in Gush Etzion, October 2017.

Instead, recent reports and studies in Israel have revealed that the PA provides monthly salaries to the families of Palestinians who have been killed or captured, while carrying out terror attacks.⁸ These government stipends can reach 12,000 shekels per month, nearly

One of the unofficial incentives or benefits that Rami Levy Hashikma provides Palestinian workers is a better alternative to participating in the “terror business.”

eight times the monthly Palestinian average salary. These government “terror subsidies” vary according to the severity of the attack, the length of the prison term, and whether the terrorist was killed in the attack.

Such monthly subsidies from the PA range from 1,200 to 11,000 shekels, not including other supplementary stipends. In 2016, the PA paid more than \$300 million (1.1 billion shekels)

to incarcerated and released terrorists and their families, as well as to families of terrorists killed during an attack.⁹ The PA has the capability to provide stipends and benefits to its regular working residents, as opposed to rewarding and incentivizing Palestinians for engaging in violent actions against Israel.

Therefore, one of the unofficial incentives or benefits that Rami Levy Hashikma provides Palestinian workers is a better alternative to participating in the “terror business.”

Supermarkets and the Risk of Terror

Although Rami Levy stores were not targeted by terror attacks during the First and Second Intifadas, which broke out in 1987 and 2000 respectively, terrorists perpetrated stabbings

Many media outlets asked me if I would stop hiring Palestinian workers following these attacks, I reassured them that employing Palestinians at Rami Levy is a policy intended to prevent, not encourage Palestinian terror.

at our Gush Etzion and Shaar Binyamin locations in the West Bank during the 2015-2016 terror wave.¹⁰ Rami Levy's Arab workers condemned the attacks. They have expressed to me that terror damages and destroys the peaceful coexistence that we have collectively strived to maintain at our stores. Although many media outlets asked me if I would stop hiring Palestinian workers following these attacks, I reassured them that employing Palestinians at Rami Levy is a policy intended to prevent, not encourage Palestinian terror.¹¹ Overall, Palestinian employees have reported positive

experiences working at Rami Levy. Hanadi Elias, a cashier from Bethlehem working at Rami Levy's Gush Etzion location, spoke positively about her job when interviewed by Dutch journalists in 2013. She described how working at Rami Levy gave her an opportunity to learn Hebrew and make Israeli friends. She added that it had been her dream to have a career at Rami Levy.¹²

Palestinian Denormalization as an Obstacle to Employee Harmony

Attempts by the PA leadership and some NGOs in Ramallah to promote the denormalization of Palestinian-Israeli relations threaten the peaceful dynamic at Rami Levy. Palestinian leaders, many Ramallah-based political NGO groups, and their Western supporters argue that the coexistence found at Rami Levy stores is only the result of Israeli economic and military control of the Palestinian territories. This is false.

A number of years ago, I tried to expand Rami Levy stores with an Arab partner into areas controlled by the PA. Nevertheless, I was told that the moment I put up the name Rami Levy, the store would be burned down, because I was Israeli and Jewish. True, the current reality is complex. Palestinians are welcomed at any Rami Levy store on either side of the Green Line, but Israelis cannot enter the Palestinian-controlled areas without risking their lives. For now, the PA is not accepting us with love, though we are welcoming them with open arms.¹³



Rami Levy employee on the job, October 2017.

However, despite the warning that Rami Levy stores would be “burned down” if opened in the West Bank, the opposite has occurred in all of our West Bank stores in areas under Israeli security control. Rami Levy supermarkets have become the most popular supermarket for Palestinian consumers. We know this from the data we receive from our stores in the Barkan, Maale Adumim, and Gush Etzion areas.

Unfortunately, in 2010, PA Chairman Mahmoud Abbas enacted a law making it illegal for PA residents to buy products from Israeli settlements. In practice, the PA has extended this prohibition to any Israeli store in Israeli-protected parts of the West Bank or within Israel’s 1949 armistice lines.

Rami Levy sells products sourced all over Israel and internationally. Rami Levy is also headquartered in the Talpiot neighborhood of Jerusalem. Nevertheless, Palestinians have been arrested or fined for shopping at Rami Levy because the PA views our products as “settlement” products and all branches of Rami Levy as “settlement” enterprises. Therefore, many Palestinian shoppers at Rami Levy stores have reported that they have hidden or camouflaged Rami Levy’s signature pink bags when they shop there, replacing them with plain white shopping bags.

Similarly, BDS and denormalization activists have protested at Rami Levy stores, intimidating and even threatening our Palestinian and Israeli workers and shoppers. For example, in October 2012, about 80 Palestinian activists and about 20 foreigners forcibly entered the Shaar Binyamin branch of Rami Levy, chanting slogans like “Out, out, settlers” and “Five, six, seven, eight, Israel is a fascist state,” and holding signs that said, “Boycott the occupation and its products.”¹⁴

There have been similar, smaller-scale protests throughout Rami Levy stores over the past decade. However, my staff and I have remained undeterred and unintimidated by these isolated occurrences. For example, when one Palestinian official in charge of

BDS and denormalization activists have protested at Rami Levy stores, intimidating and even threatening our Palestinian and Israeli workers and shoppers.

boycotting economic cooperation with Israelis visited a Rami Levy location in the West Bank in 2010, to investigate the “enemy” and plan future protests, she was surprised to find relatives, neighbors, and acquaintances shopping there.¹⁵

I faced opposition from the Palestinian leadership in 2016, when I announced the construction of a mall in the Atarot industrial zone in northeast Jerusalem.

This mall will serve a critical need for the approximately 210,000 residents of the Jewish and Arab neighborhoods in the area. The mall will also be meters away from the Qalandia checkpoint, where tens of thousands of Palestinians cross into Jerusalem daily. When I announced the mall’s construction, I set forth a vision whereby Israelis and Palestinians could work and shop together, much like the dynamic that existed in Israeli and Palestinian stores before the First Intifada. I also encouraged Palestinian business

owners to rent space in the mall. Before construction was completed, Palestinian businesses agreed to lease space in the mall. A. Sbitany and Sons, a Nablus-based chain of electronics stores with 85 percent of the Palestinian market share, also initially planned to open a 1,500 square-meter outlet at the mall.

When one Palestinian official in charge of boycotting economic cooperation with Israelis visited a Rami Levy location in the West Bank in 2010, to investigate the “enemy” and plan future protests, she was surprised to find relatives, neighbors, and acquaintances shopping there.

Palestinians interviewed at the Qalandia checkpoint expressed positive sentiments about the proposed mall. One Palestinian woman from Ramallah commented on its convenient location; the closest alternative mall for her was in central Jerusalem, over an hour away. Another woman said that Palestinians would

come to the mall because of the higher quality of Rami Levy products. She said that, for her and for many people she knew, there was no problem with Jews and Arabs shopping together.¹⁶



Rami Levy shoppers in its Gush Etzion supermarket, October 2017.

The PA leadership expressed a more extreme position than that of its residents. The Palestinian Consumer Protection Society and National Committee for Boycott, Divestment, and Sanctions issued a boycott of the Atarot mall soon after construction was announced. Palestinian People's Party political bureau member Khaled Mansour objected to the proposed mall because:

The new mall is an example of public economic normalization using Palestinians to cover up the crimes committed by settlers and give the world a false image of coexistence. All of this is part of the fight against the boycott campaign. Israelis are trying to promote economic cooperation and implement joint projects, which is unacceptable as it overshadows our people's right to self-determination and the establishment of an independent state.¹⁷

Boycott efforts by Mansour, the BDS movement, the Palestinian Consumer Protection Society, and others directly contravene the Oslo Interim Agreement, signed between the Israeli government and Palestine Liberation Organization (PLO) in 1995. In addition to establishing relations between Israel and the PLO, the Oslo Accords created the PA and paved a pathway to Palestinian statehood. Annex VI, Objective 1 of the Oslo Accords states, "In striving to live in peaceful coexistence, the two sides will seek to design and implement various programs which will facilitate the efforts leading to full reconciliation."¹⁸

Palestinian leaders, to further their goal of denormalizing Palestinian relations with Israel, have undermined the Oslo Accords. In practice, a company like Rami Levy that encourages Palestinian employment, shared economic activity, and coexistence between Israelis and Palestinians should be celebrated by the PA, as it is in Israel.

Salah Haniya, the head of the Palestinian Consumer Protection Society, admitted to pressuring five Palestinian businesses planning to open shops in the mall to pull out of the project. He threatened legal action against the business owners, referencing the PA's 2010 anti-settlement law. Unfortunately, A. Sbitany and Sons bowed to these pressures and pulled out of the project. Before the First Intifada, A. Sbitany and Sons had been popular among Israeli and Palestinian shoppers alike. Over the past 30 years, they have not had the opportunity to market to Israeli shoppers because of security issues, and the proposed store in the Atarot mall could have attracted their Israeli customer base once again.¹⁹



Rami Levy supermarket in Gush Etzion, October 2017.

Conclusion

Since their founding in 1976, Rami Levy stores have grown substantially. In the 10 years since the company has gone public, our shares have given investors a 600 percent return.²⁰ Although we are not a high-tech startup like other Israeli business success stories, much of Rami Levy's growth can also be attributed to innovative business practices, much like many of the companies representing Israel's pioneering startup scene. We have other factors contributing to our success, namely our policies of equality, and the diversity of Rami Levy staff and customers.

Both Israelis and Palestinians live in areas such as Jerusalem, Gush Etzion, Maale Adumim, and Shaar Binyamin. It is only logical that they should work and shop together in these areas. Although many external forces, such as the BDS and denormalization movements,

BDS and denormalization movements, terror, and protests, have attempted to threaten the “islands of peace” and coexistence at Rami Levy stores in the West Bank.

terror, and protests, have attempted to threaten the “islands of peace” and coexistence at Rami Levy stores in the West Bank, our growth continues. This is normalization in the classic sense of the word.

The denormalization extremists have attempted to delegitimize our efforts at harmonious coexistence between Palestinian and Israeli employees. BDS and denormalization activists have also portrayed us as a source of tension and

conflict. Rami Levy stores in the West Bank uphold the model of good-neighborly relations and peaceful normalization as envisioned and specified in the Oslo Accords. We are one of the few businesses that promote close cooperation between Israeli and Palestinian employees. In addition to being a model for economic growth and job creation in the region, Rami Levy stores also provide an important example of peaceful coexistence and cooperation in an otherwise chaotic and violent Middle East.

Rami Levy is the founder of Rami Levy Shivuk Hashikma Ltd. and Israco International Food Brands Marketing Ltd. at Tiv Taam Holdings 1 Ltd.

Notes

- 1 <http://www.newsweek.com/why-hard-west-bank-palestinians-boycott-israeli-goods-539953>
- 2 <http://www.haaretz.com/weekend/week-s-end/not-settlements-and-not-watermelons-1.360180>
- 3 "Boycott Israeli products? Not in the PA," Ynet, May 25, 2012, <http://www.ynetnews.com/articles/0,7340,L-4234083,00.html>
- 4 Ibid.
- 5 <https://pjmedia.com/blog/middle-east-coexistence-on-aisle-two-next-to-the-cornflakes/?print=1>
- 6 <http://www.oecd.org/regional/regional-policy/profile-Palestinian-Territories.pdf>
- 7 <https://www.wsj.com/articles/where-does-all-that-aid-for-palestinians-go-1453669813>
- 8 <http://jcpa.org/paying-salaries-terrorists-contradicts-palestinian-vows-peaceful-intentions>
- 9 Yossi Kuperwasser, "Incentivizing Terrorism: Palestinian Authority Allocations to Terrorists and Their Families," Jerusalem Center for Public Affairs, 2016.
- 10 <http://mfa.gov.il/MFA/ForeignPolicy/Terrorism/Palestinian/Pages/Wave-of-terror-October-2015.aspx>
- 11 <http://www.jpost.com/printarticle.aspx?id=432284>
- 12 <https://www.youtube.com/watch?v=HoQEFybrGj4>
- 13 <https://www.youtube.com/watch?v=oSBVOM8Yea4>
- 14 <http://www.jpost.com/Features/In-The-spotlight/Palestinian-activists-raise-their-flags-in-Rami-Levy>
- 15 <http://jcpa.org/stabbing-at-a-west-bank-supermarket-a-blow-to-coexistence>
- 16 <http://www.timesofisrael.com/israeli-mogul-erecting-first-israeli-palestinian-mall-near-ramallah>
- 17 <http://www.al-monitor.com/pulse/ru/contents/articles/originals/2016/07/west-bank-israel-mall-palestinian-companies.html>
- 18 <http://www.mfa.gov.il/mfa/foreignpolicy/peace/guide/pages/the%20israelipalestinian%20interim%20agreement.aspx>
- 19 <http://www.jewishpress.com/news/supermarket-magnate-rami-levy-building-50-million-mall-near-ramallah/2016/01/16>
- 20 <http://www.globes.co.il/en/article-rami-levy-marks-10-years-on-tase-with-600-returns-1001188308>

A Palestinian Woman's Perspective on Working for an Israeli Company

Nadia Aloush



Customers at a Rami Levy location.

I was born in east Jerusalem before the 1967 Six Day War, when Israel took control of the eastern part of Jerusalem. When I was very young, we moved to the town of al-Azariya, which is near Jerusalem. Because we had Israeli identification cards, like the residents of east Jerusalem, the Israeli government told my father that if he gave up his Israeli ID and replaced it with a Palestinian one, he would no longer be required to pay Israeli taxes. Therefore, he decided to give up his Israeli ID and received a Palestinian one. Now I am married to an Israeli Arab from Be'er Sheva. We applied for a family-reunification permit at the Israeli Interior Ministry, and my Israeli identification was restored. Arabs of 1948 (Israeli Arabs) receive Israeli citizenship, while Arabs in east Jerusalem are only residents.

I attended a good school in east Jerusalem, and I then completed a BA in business management. In the years before the 1995 Oslo Accords, I worked for 10 years in the Israeli Civil Administration's branch of the Interior Ministry in Ramallah. Our team was a mixed one of Israelis and Palestinians, and we worked well together. We provided the Palestinians public services and handled legal requests and certificates. I would prepare passports, ID cards, birth certificates, and marriage certificates. The Palestinian public and the Israeli government depended on us. We felt that we were all equal. If one of us was sick or on vacation, we would fill our coworker's shifts; it didn't matter if they were Israeli or Palestinian. Despite the Israeli salaries being higher than the Palestinian salaries, our salaries were good compared to those in the private sector in Ramallah. I love to work with people of all different backgrounds, and we were a diverse group of Jews, Christians, Muslims, and Druze. We were like a family there. I had fun working in the Civil Administration, and found my work rewarding and exciting.



Shoppers at the Rami Levy branch in Gush Etzion, October 2017.

In 1995, the year that the Palestinian Authority (PA) was established, I was transferred from Ramallah to work in the Israeli Civil Administration in Beit El. Shortly thereafter, they transferred the population registry to the Palestinians, and I was also transferred to work at the PA Interior Ministry in Ramallah. Although I was doing similar work to my previous job at the Israeli Civil Administration in Ramallah, the conditions of the new job were far worse. I never received a single penny of salary for the two years I worked there. Two decades have passed, I have still not received my severance pay from the Palestinian Authority. I have recently hired a lawyer to fight for my severance and salary for the years that I worked there. He fights for my salary and severance all the time, but it is very difficult to obtain it.

My husband and I own a house in al-Azariya, very close to the Israeli settlement of Maale Adumim. For centuries, Muslims and Christians have lived together in al-Azariya. In recent years, however, the majority of al-Azariya's Christians have moved to Jerusalem. A Saudi caliph built a mosque next to my house. In al-Azariya there were few religious Muslims. However, recently Caliph Ben Zair, the caliph of Ibn Dabi in Saudi Arabia, sent the Muslim community money. He told the community that the caliph would donate everything al-Azariya needed, like a community center, kindergartens, a hospital, and schools. However, so far only a magnificent mosque has been built that cost millions of shekels, and many believe that half of the money went to the PA. We are still waiting for the rest of the municipal buildings promised by the emir.



The Khalifa bin Zayed Mosque in al-Azariya, built in 2014 with money donated by Saudi Caliph Ben Zair, as a result of Saudi Wahhabi *dawa* (proselytization) activity.

I started to work at Rami Levy in December 2005. I remember how I found this job. My husband and I went to shop at Rami Levy. He knew the manager of the store, Yaakov, and I asked him if they were looking for workers. So he told me to come the next day and begin working. Yaakov is a wonderful man and one of the people I respect the most.

When I was first hired, Yaakov prepared all of my necessary employment documents for me and told me, “Don’t worry, we will help you out.” He sent an associate to my house, and we then went to the Israeli police to get a certificate of integrity and a work permit. We went to the police on Thursday, and by Sunday I was already working.

Yaakov has always stressed Israeli-Arab coexistence. He treats all his staff, including myself, with dignity and without any discrimination. Even when there are problems or mistakes, he does not judge a person based on their ethnicity; he is fair to everyone. When I began working at Rami Levy, I was a cashier, because I know Hebrew and I am a diligent worker.

Initially, I was the only Arab employee at my Rami Levy branch. Then another Arab worker was hired. Today there are more than 140 Arab workers at this Rami Levy branch. I have found that the Jewish workers are more spoiled; they don’t love to work hard and are not satisfied with the salary. However, Arab workers are happy to receive what they are given. We have families, we have children, just like our Jewish coworkers, but we are ready to settle for less. I worked so hard at my new job that I was promoted to division manager. However, I love the people and therefore requested to return to the cash register, where there is more interaction with customers.



Rami Levy's Mishor Adumim location.

At the end of 1997, an Israeli law was passed that determined that Palestinians working in Israeli factories or in the Civil Administration would receive labor protections according to Israeli law. Under this law, Israeli and Palestinian Rami Levy employees are truly equal. Along with our regular salary, the Israelis also give us health and social benefits. Rami Levy also grants a yearly bonus.

I also have an education fund distributed once a year through an account set up by Rami Levy. Next year, if I choose, I can use this fund and go to university. In the PA, there are no such provisions. Most Palestinian Authority employees do not receive a salary slip, and there is nothing like social rights, a pension, or an education fund. I receive at least 4,000 shekels a month. In the PA, perhaps a famous doctor will receive 3,000 shekels a month, without insurance or rights.



Three of Nadia Aloush's coworkers on break at Rami Levy's Mishor Adumim branch.

I have worked at Rami Levy for 11 years. I truly love my work. For Muslims, working is a form of prayer. I go to work because it flows through my blood, like religion. It is a rare blessing for a Muslim woman to leave the house, see the world, speak with people, and to go out to work. It is unusual for a woman not to be with her husband and children all the time. My husband works in Be'er Sheva, and thankfully I'm not alone at home every day waiting for him.

Therefore, I am a workaholic. There are always things for me to do at work. Customers always come to me, speak with me, and laugh with me. I love to talk to people about Rami Levy's products and the food we sell, and about their shopping experience, even if it was not enjoyable. I like to help solve problems, and I explain to them that it brings me joy to help solve problems and see satisfied customers. I feel that customers also love me and treat me accordingly. I have always advocated for coexistence. I am most happy interacting with both Israelis and Palestinians. But extremists, particularly Hamas leaders, try to stop these interactions. They threaten Palestinians who interact with Israelis all the time, and even kill people. This really frightens me.



Both Jews and Muslims shop together at Rami Levy's Gush Etzion location, Oct 2017.

Presently the BDS movement poses a new danger to Palestinians who work with Israelis. The BDS movement uses the same intimidation tactics as Hamas. Many Palestinian workers

My cousin Namir, who worked at SodaStream for six years, was one of the lucky ones. He received a good salary from SodaStream and used his savings and compensation to open a supermarket in al-Azariya.

lost their jobs in 2016 after SodaStream's branch in the Mishor Adumim industrial zone was closed, in part due to BDS pressures. Many Palestinians who were former SodaStream employees sat at home for a year and could not find comparable work, if any. My cousin Namir, who worked at SodaStream for six years, was one of the lucky ones. He received a good salary from SodaStream and used his savings and compensation to open a supermarket in al-Azariya. He now has more time to spend with his children, who are happy to have their father present every day. Had he instead taken a job in

the PA, he would likely be making only 1,000 or 2,000 shekels a month and would have received no compensation. Instead, he reinvested money that he earned working for Israelis in the local economy, and his family thanks him for it.

Nonetheless, BDS activists across the world don't hear stories like Namir's. BDS activists in Europe and the United States are against coexistence. They are especially against Israelis having businesses in West Bank industrial zones, even if they employ Palestinians. They argue that businesses like Rami Levy are part of a dangerous and illegal occupation and should be boycotted, as should all products from Israeli settlements. BDS activists say that people like Rami Levy and my manager Yaakov are exploiting their Palestinian workers, and that we are abused like slaves. Therefore, they argue that Rami Levy should close its West Bank branches because it will "benefit" Palestinians.

I do not believe that this is better for us. Nobody can answer me directly when I ask where Palestinian workers will go if Israeli factories and businesses in the West Bank are closed. The PA has failed to find jobs to replace those lost at SodaStream. Instead SodaStream itself found jobs for some of its unemployed Palestinian workers in May 2017, when they were issued work permits for the new factory in the Negev. Meanwhile the PA has never stepped in to provide local jobs for SodaStream's Palestinian employees.

BDS activists in Europe and the United States are against coexistence. They are especially against Israelis having businesses in West Bank industrial zones, even if they employ Palestinians.

I do not understand how the entire world can donate aid money to the PA when its bureaucrats refuse to create jobs for their own people. Do they not care that their own residents have nothing to eat? Their corruption is destroying any chance for Palestinians to have financial security. I have heard of one restaurateur in Jericho who has to feed PA police officers and bureaucrats every day for free. He is not allowed to ask them to pay for their meals. How is this helping the local economy?

My father died a few years ago, and my mother is now a widow. She is old and cannot work. She doesn't have Israeli residency or citizenship, and therefore cannot access Israeli health insurance or social security. The PA is supposed to give her 70 shekels each month in social security. But she does not receive even this minuscule sum from them. I have to tell her that we don't need their money, it is meaningless to us.

There is a general feeling of fear among PA residents. People are afraid to talk about their frustration with our leadership. People are afraid to talk about the political situation, about corruption, and about the fact that the PA is leading a campaign against our sources of income.

We see people from Europe and America arguing on TV that Israel exploits the Palestinians in the territories and enslaves them, and that the IDF commits crimes against humanity. I don't know where these ideas come from. Those of us who work for Israelis live very

I know there are many people in the world who support BDS. BDS activists think they are helping Palestinians, but in the end, they are hurting the Palestinian economy and our livelihoods.

well, and reinvest our salaries in the local economy. I am frightened that one day Israel will give the Palestinians a state and unilaterally pull out in only 24 hours. The Palestinians do not know how to govern, and Hamas and Fatah will fight each other, likely hurting the local economy and civilians in the process.

Many Palestinians come to shop at Rami Levi supermarkets. Rami Levi sells better and cheaper produce. We also offer a better shopping experience, a friendly environment, and helpful, well-trained

staff. Anyone who wants to see coexistence in action should come to shop at Rami Levi. They will see the friendship that blossoms between Rami Levi workers and the positive relationship between us and the customers. I see and hear the conversations between customers who wait in line for the cashier every day.



Two Arab employees at Rami Levy's Gush Etzion location, October 2017.

Settlers and Palestinians chat together; they feel that they are in a comfortable, friendly environment that allows for these positive interactions. Nobody sees these interactions on TV, but this is our reality. In 2015, when there was a terrorist attack at our store in Mishor Adumim, the Palestinian workers were shocked that this would happen in our store and tried to calm our shoppers.

The PA and Hamas try to prevent Palestinians from using Israeli products. Although Palestinians were afraid to buy settlement products at Rami Levy, they had no choice because our local equivalents are expensive and of poor quality.

I know there are many people in the world who support BDS. BDS activists think they are helping Palestinians, but in the end, they are hurting the Palestinian economy and our livelihoods. If not at a shared place like Rami Levy, when will ordinary Palestinians have the opportunity to meet Jews? How would we build friendships with our Jewish coworkers and not have our ignorance of the “other side” turn to hatred? But maybe, that’s what the BDS movement really wants. I only want to tell them about my life here in the West Bank, so they can understand how positive my experience with Israelis has been. If the Palestinian leadership and the BDS movement cannot help us economically, they should at least leave us alone to earn a livelihood.

Nadia Aloush has worked in a variety of positions, including managerial roles at Rami Levy’s supermarket branch in the Mishor Adumim industrial zone in the West Bank since 2005.

EU-PA Cooperation and Risks to the Palestinian Future

Pinhas Inbari

Although the European Union repeatedly emphasizes its opposition to the Boycott, Divestment, and Sanctions (BDS) movement, its policy of labeling products manufactured in territories east of the 1949 Armistice Lines has reinforced the Palestinian BDS strategy to assault Israel, isolate it, and cause its economic collapse.

Clearly, Europe does not seek Israel's economic demise. Israel is an important trading partner for the EU in the Mediterranean area, and EU-Israel trade amounted to €34.3 billion in 2016.¹ Italy, Germany, France, and the United Kingdom have voiced opposition to the BDS campaign, some describing it as anti-Semitic.²

However, the EU claims that its product-labeling policy – which seeks to differentiate between Israel within the pre-1967 lines, which Europe recognizes, and the territories located to the east of those lines, which Europe does not recognize as belonging to Israel –

The ever-increasing economic frustration and desperation of the Palestinian population has resulted in violent clashes in Palestinian cities such as Nablus, Ramallah, and Hebron, and undermine the PA's stability.

is only intended to pressure Israel to withdraw to the 1967 lines, thus enabling the creation of a Palestinian state.

However, the EU definition is misleading and even factually inaccurate. The Israeli economic presence in the West Bank east of the 1967 lines is centered in joint Palestinian-Israeli employment areas.

The EU labeling policy actually undermines the West Bank industrial zones that provide excellent employment to some 35,000 Palestinians. These

zones come under the jurisdiction of Israeli local authorities, but have no connection to “settlements.” Business and commercial enterprises in these 15 zones provide employment for Palestinian workers who cannot find alternative work in the PA-controlled territories.



SodaStream workers assembling home carbonation machines, October 2017.

Europe, for its part, in cooperating with only the highest levels of the PA leadership, has willfully ignored the voices of thousands of Palestinian workers who welcome Israeli commercial enterprises in the West Bank and depend on West Bank industrial zones to support their families.

The 15 West Bank industrial zones provide a path to a viable Palestinian economic future that the EU and the PA currently ignore. Israeli entrepreneurs and industrialists such as Rami Levy and SodaStream's Daniel Birnbaum do not need the industrial zones to grow their businesses. In fact, SodaStream left the West Bank and expanded its operations in its new home in the Idan Hanegv facility.

Nabil Basherat, Palestinian manager at SodaStream, has noted, "The BDS movement and European lawmakers simply do not consider Palestinian workers. When SodaStream closed its Mishor Adumim facility, 600 Palestinian families were left unemployed and without means of supporting their families. This is not the way to create a middle-class base for a Palestinian state."³

The very fact of such Palestinians' employment is a stabilizing factor for the PA. Without it, 35,000 Palestinian breadwinners – each with an average of six family members, equaling some 200,000 people – would be added to the Palestinian unemployment statistics. The ever-increasing economic frustration and even desperation of the Palestinian population has resulted in violent clashes in Palestinian cities such as Nablus, Ramallah, and Hebron, and undermines the PA's stability. Thus the EU's product-labeling policy does not promote Palestinian statehood; it has had the opposite effect.

Moreover, EU product labeling has already backfired. It not only has failed to further distinguish between Israel and the disputed territories. De facto, the EU labeling policy has erased the perceived distinction between West Bank products and Israeli products produced in Israel. PA-based Palestinian NGOs such as PACBI and Sabeel, and global BDS calls to boycott all of Israel, provide ample evidence.



Ralph Tarraf, EU Representative to the West Bank, Gaza, and UNWRA delivers a speech in Jerusalem, May 2017.

Palestinian economic challenges also reflect regional realities. Since 2011, when a Tunisian street vendor set himself on fire because he was refused a street-cart permit to sell his goods, Arab economic desperation has continued to claim a high price across the Middle East. Tunisian authorities are still reeling from the government's inability to stabilize the country's failing economy.⁴ Stability has been undermined by economic failure in other Arab countries including Egypt, Libya, and Algeria to name a few. The inability of

governments, in Arab countries that are not oil superpowers, to stabilize their economies has also created a problem for Europe, resulting in waves of immigration, an influx of Arab refugees into its cities, and increased exposure to Islamist terrorism.

The Palestinian case is similar to the Arab Spring; the PA's inability to provide the population with livelihoods is the main stumbling block on the Palestinian road to viable and secure statehood.

The PA is no different in this respect than those collapsing Arab regimes; in fact in many ways it is even worse. Europe sees the Jewish settlements as the primary impediment to the creation

of a Palestinian state. However, the Palestinian case is similar to the Arab Spring; the PA's inability to provide the population with livelihoods is the main stumbling block on the Palestinian road to viable and secure statehood.

The Israeli industrial areas in the West Bank have been an important part of PA economic stability. But Europe has fundamentally misunderstood their significance and has even undermined their importance. Established prior to the outbreak of the Second Intifada in 2000,⁵ West Bank industrial zones stood empty until 2002, when the deadly Second Intifada was in full swing, in part because Palestinians were still employed within Israel's 1949 Armistice Lines.⁶ Yet as Palestinian terror spread across Israeli towns and cities and it became impossible to employ Palestinians within Israel, the West Bank industrial areas enabled Palestinians to work closer to their homes and provided a security solution for Israel.



EU officials visit Shuafat Refugee Camp, July 2017.

Despite the wave of terror that swept Israel at that time, thousands of West Bank Palestinians maintained their employment in well-paying Israeli companies in the West Bank industrial zones.

These zones, similar to other industrial zones in Israel, were established through private investment, not funds from “settlers.” Investors included Arabs from East Jerusalem and Israeli Arab businesspeople.

This model of economic cooperation has emphasized equality between Arab and Jewish workers, all of whom are protected by Israeli labor laws. The principal architect of the concept of West Bank industrial zones, then Minister of Industry and Trade, Natan Sharansky, promoted this phenomenon as a model for peace.⁷

Ironically, perhaps, the PA's cooperation with Europe compounds the PA's negligence regarding the economic danger in which it finds itself.

The PA has neglected the economic wellbeing of its public in favor of the political and ideological struggle against Israel. The EU, for its part, has not focused on Palestinian financial prosperity as a crucial aspect of their prospective statehood. The EU has preferred to fund the PA, while simultaneously advocating Israel's full withdrawal from Area C of the West Bank.



EU officials visiting a playground in Area C of the West Bank, December 2016.

Europe has even advocated dismantling existing Israeli industrial zones across the West Bank, which provide employment to tens of thousands of Palestinians, who earn monthly compensation that is 350 percent greater than in PA-controlled areas.

The EU and the PA have pursued policies that have endangered the Palestinians' political and economic future. For example, in 2015, when former U.S. Secretary of State John Kerry renewed his peace initiative, he proposed a \$4 billion investment to the PA, based on the assumption that the Palestinians were aware of how important their financial stability was for achieving statehood. Yet, the PA leadership rejected the initiative, despite a U.S.-led offer to invest deeply in Area C. In fact, Kerry wanted the U.S. initiative to play an important role in U.S. mediated talks between the PA and Israel. In contrast, Europe pushed to diminish Israel's presence in Area C without a diplomatic pathway to an Israeli-Palestinian agreement.

The EU product-labeling directive has also energized the PA's larger goal of a total boycott of Israel, designed to "penalize" the Jewish state and cause its economic collapse.⁸

For example, Israeli companies designated for the Palestinian boycott include agricultural giant Tnuva and the Strauss dairy conglomerate, neither of which has any link whatsoever to "settlements." These companies are not even located in industrial zones in the territories,

but are still considered “connected to settlements.” Palestinian bank executives reported to this author that these BDS claims are baseless. Instead, Palestinian corruption underlies the BDS charges.⁹ However, from an international standpoint the BDS charge that Israeli industrial food giants are somehow “connected to settlements,” and hence a target for boycott and labeling, means that the EU’s labeling policy in effect supports a Palestinian boycott of all Israeli products.

The Europeans could claim that this position is Palestinian rather than European. But just as they follow the Palestinian lead in product labeling and pressuring Israel to withdraw without a final agreement, they are just as likely to follow them in extending labeling from “products of the settlements” to labeling Israeli financial entities as “connected to the settlements,” in other words, targeting the entire Israeli economy.

Such a move was made in a January 2016 Human Rights Watch report on Israeli banks that were supposedly “connected to the settlements.”¹⁰

Attorney Sari Bashi, editor of the Human Rights Watch report, confirmed to the Voice of Israel¹¹ that the report addresses all five of Israel’s large banks. Hence, it does not refer to pressure on West Bank settlements, but on the Israeli economy within pre-1967 Israel, to the point of paralyzing the nation’s banking system. Bashi explained that the banks have branches in the settlements and grant mortgages only to Israelis and not to Palestinians. By the same logic, Palestinian banks that do not give mortgages to Israelis are also contravening international law. The link between the report and the Palestinian position is clear from the fact that Bashi submitted the report to PA Chairman Mahmoud Abbas.



Human Rights Watch encouraging denormalization with Israel, May 2017.

This is an example of an international human rights organization adopting the PA position, which now calls for a blanket boycott of Israel, and reflects Human Rights Watch's intention to incorporate this demand into its official report.

The PA is convinced that the EU will ultimately adopt its position. Senior Palestinian official Nabil Shaath, responsible for contact with Europe, said on Radio Palestine on April 21, 2014:

Since the U.S. Congress fully backs Israel and protects it from paying the price for its crimes, we have no choice but to deal with it by means of a boycott like the one that took place against the apartheid state of South Africa. I have just returned from Norway and I can tell you that within a few months the whole world will adopt this position. This is BDS. It makes internal Palestinian dynamism and a boycott of Israel a necessity. It is already underway in Europe and also in the United States. The number of American universities boycotting Israel is on the increase. We in the government, which is still obligated by the Oslo Accords, cannot adopt this struggle. It is a struggle of the people, by popular organizations, but Fatah has taken this position on board and within a few months government and party struggles will merge.¹²

The PA still sees no link between the risk of economic collapse and the closure of places of employment in the industrial zones. It has failed to internalize the danger to its own stability in the event that its policies leave tens of thousands of people unemployed. Surprisingly, however, West Bank union leader Shaher Saad, based in Nablus, noted the economic danger posed by EU product labeling and BDS to the Palestinian economy.¹³ As he told Radio Palestine:

We asked both the present government and the previous government to create alternative jobs. We cannot overlook the 35,000 workers employed in the settlements [in the industrial zones]. It is not possible to discuss this matter [a boycott of the settlements] without finding a solution or an alternative for those workers employed in the settlements. It is not we but the government that should be addressing this, but it is our clear opinion that all parties should accept full responsibility and first and foremost find work for all of these people, not simply introduce a boycott program. It makes no sense to say that 35,000 workers should just go home. It would be a disaster. It will swell the ranks of the poor and exacerbate poverty and the social problems of the Palestinian Authority.

The head of the West Bank unions is not alone in opposing the closure of the industrial zones. Former Mayor of Nablus Ghassan Shakaa, who also serves on the PLO Executive Committee, said,

We are making a laughing stock of ourselves when we say that we are capable of imposing a boycott on Israel or ending our relations with Israel, especially with regard

to security and economy, which are the two components of life for Palestinians and civilians in the West Bank. We cannot boycott Israel. How will we obtain fuel or flour? How do we expect to have electricity – and so on and so forth...? If we were to decide to cut off economic relations with Israel and cancel cooperation under the Paris Economic Agreement, would we be able to live without them?¹⁴

Why then is Europe ignoring Palestinian union leaders and mayors who warn against the economically devastating effects of closing the West Bank industrial zones? It appears that Europe's relationship with Ramallah's network of elitist, leftist, anti-American and anti-Israeli nongovernmental organizations is a Gordian knot. Representing those NGOs is Mustafa Barghouti of Ramallah, head of several nongovernmental organizations that have expressed animosity towards the United States and Israel.

Without European support of these BDS-promoting NGOs, all of them would cease to exist. However, since Europe does give them massive support, it also listens to their platforms as they preach an extremist anti-Israel attitude favoring boycott and isolation.

Without European support of these BDS-promoting NGOs, all of them would cease to exist. In elections to the Palestinian Legislative Council, they barely managed to gain representation. However, Europe provides them massive economic support and a platform to preach extremist anti-Israel positions advocating boycotts and isolation. These NGOs also prevent Europe from hearing what the Palestinian public is saying about their socioeconomic situation, and their desire for positive relations with Israel.

Europe should be engaging in responsible conduct, in contrast to the problematic behavior of the PA. But Europe, instead of exploiting its influence with the Palestinians to promote good-neighborly relations with Israel and positive diplomatic interactions, has pursued negative measures, such as its product-labeling policy.¹⁵ Such measures generate tensions with Israel and reflect previous European missteps in the Middle East.

The most important question must be emphasized. Will current EU policy prevent the establishment of a Palestinian state and lead to ongoing economic, political, and security crises for Palestinians, Israelis, and neighboring countries?

Pinhas Inbari is a fellow and Middle East analyst at the Jerusalem Center for Public Affairs and a leading expert on the Arab world and Islam.

Notes

- 1 <http://ec.europa.eu/trade/policy/countries-and-regions/countries/israel>
- 2 <http://www.jpost.com/printarticle.aspx?id=490710>
- 3 Nabil Basherat, interview, SodaStream factory, Idan Hanegev, October 30, 2017.
- 4 <http://www.almayadeen.net/news/maghreb-qhGXBRPww0,8dqWVATzE3w/> - السبسي يدعو الحكومة إلى اتخاذ إجراءات للتخفيف من البطالة
- 5 <http://www.globes.co.il/news/article.aspx?did=100977>
- 6 <http://www.themarket.com/markets/1.128927>
- 7 <http://www.themarket.com/markets/1.128927>
- 8 http://jcpa.org/pdf/Unmasking_.pdf
- 9 Interview with a senior Palestinian Banking executive, Bethlehem, March 19, 2017 In this case, one Palestinian agent from a Palestinian company sought to oust a competing Tnuva distributor from the West Bank town of Bethlehem and used the BDS libel to delegitimize his competitor, in favor of prominent individuals close to the Fatah's PA headquarters – the Muqata in Ramallah
- 10 <https://www.hrw.org/news/2016/01/19/israel-businesses-should-end-settlement-activity>
- 11 January 1, 2016.
- 12 Radio Palestine, November 8, 2014.
- 13 Ibid.
- 14 Interview on Nablus Live TV, <http://www.nabluslive.net/غسان-الشكعة-يدلي-بتصريحات-كبيرة/#ixzz4CYq9W99O>
- 15 Similar statements were made by Israeli opposition leader Isaac Herzog on Voice of Israel radio, January 24, 2016.

***Wasatia*: The Straight Path from Denormalization to Reconciliation**

Professor Mohammed S. Dajani Daoudi



Courtesy Prof. Dajani

Professor Dajani at the Auschwitz concentration camp in March 2014.

Introduction / Dan Diker

In this article, Professor Mohammed Dajani Daoudi explores the importance of reconciliation and normalization between Palestinians and Israelis.

Dajani also elucidates his rejection of the common accusation by Palestinian leaders who brand Israel an apartheid state demanding the severing of all ties with Israel. Dajani notes, “The Israeli policies in general are not similar to those practiced by the white regime that prevailed in South Africa during the Apartheid period, and thus the claim that Israel is an apartheid state does not hold. Israel does not claim ‘superiority of race,’ and does not practice ‘denial’ of basic human rights to a group of people because of their alleged racial and ethnic inferiority.” Rather, as Dajani has reiterated in public forums, “The problem is not apartheid, but occupation as part of a political conflict. Palestinians are not struggling to gain equality under the Israeli law. However, they are in pursuit of an elusive freedom, liberty, identity, statehood, and independence.”

In the following essay, Dajani lays out the theory of *Wasatia*, the Arabic word for the middle path of moderation and dialogue, which Dajani insists are requirements to achieve peaceful, and good neighborly relations between Palestinians and Israelis.



Pro-BDS protestors in a 2017 Paris demonstration holding up signs describing Israel as an “apartheid” state and denying Israel’s right to exist.

* * *

In the absence of an active peace process and without a sense of collective hope on the diplomatic horizon, the BDS and denormalization movements have sprouted and flourished among Palestinians. The Palestinian Human Rights Organizations Council (PHROC), which represents organizations such as The Palestinian Center for Human Rights (based in Gaza) and Al-Haq (based in the West Bank) issued a statement explicitly supporting BDS.

Palestinian supporters of the global boycott campaign and denormalization of relations with Israel do not encourage peace, reconciliation, and dialogue between Israelis and Palestinians. Rather, they have deepened the current political and diplomatic stalemate on both sides and have further entrenched Palestinian and Israeli negative conceptions of the “other.”

Denormalization undermines the peace process and blocks the possibility of reconciliation and normalization. The better option is the path of *wasatia*, a religious term in Islam for the middle path of temperance and reconciliation.

Ironically, the Palestinian denormalization of relations with Israel has served as an obstacle to the establishment of a free and democratic Palestinian state next to Israel. The signing of the Oslo Exchange of Letters in 1993 and the Oslo Interim Accords in 1995 was meant to usher in a new era of mutual acceptance, understanding, and cooperation in a broad array of sectors; from security and agriculture to trade and commercial joint ventures. However, the current Palestinian policies of BDS and denormalization contradict the 1995 Oslo Interim Agreement. The Oslo Accords called for the end of incitement and encouraged the process of normalization between Israelis and Palestinians.

Today, denormalization activists demand the severing all contact between Israelis and Palestinians, even though they realize that this is neither practical nor realistic. Denormalization undermines the peace process and blocks the possibility of reconciliation and normalization. The better option is the path of *wasatia*, a religious term in Islam for the middle path of temperance and reconciliation. *Wasatia* is the only straight path forward for Palestinians to achieve state sovereignty and for Israelis and Palestinians to achieve peace, coexistence, prosperity, and good neighborly relations.

Palestinian students who joined me on a trip to the Auschwitz Nazi death camp in March 2014 were overwhelmed by the enormity of that catastrophe. Yet, when back in Palestine, those who never had that experience started to plant doubts in the minds of those who had just visited. Our students who had visited Auschwitz were pressured to believe that what they witnessed was not real, but staged just to gain support for the Zionist cause and the Jewish State.



Wikimedia Commons

Israeli Prime Minister Yitzhak Rabin, U.S. President Bill Clinton and PLO chairman Yasser Arafat at the signing ceremony for the Oslo Exchange of Letters, September 13, 1993.

Religious Sources of Moderation

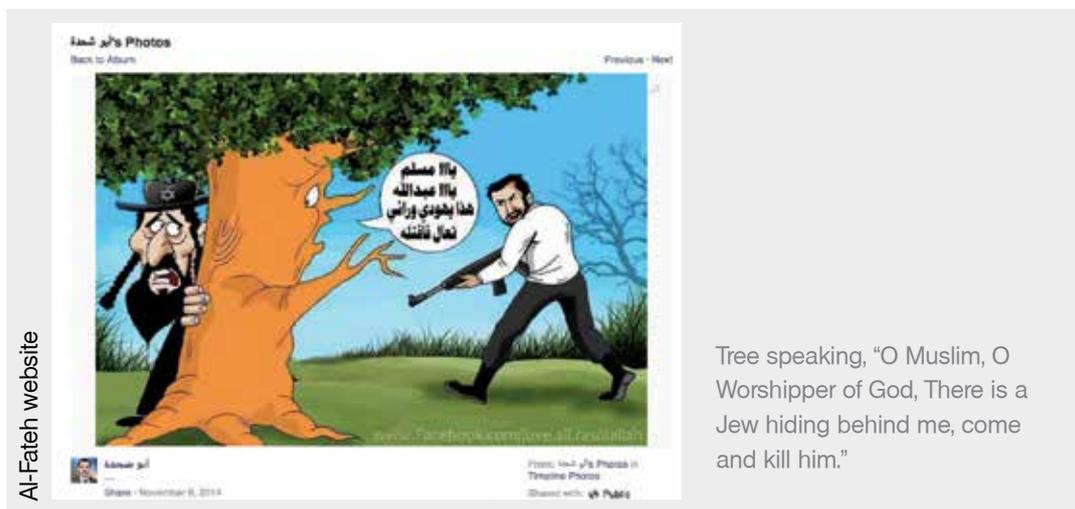
As a Palestinian Muslim, professor and peace activist, I believe that according to the concept of *wasatia*, or middle ground, balance and moderation provide a path to peace and prosperity for both Palestinians and Israelis. The Middle East region has suffered tremendously in the last decade from violent extremism that I believe is a result of an “empathy deficiency” for the “other,” improperly characterized as the “enemy.” I am disturbed by political and religious violence in general, and specifically the present extremist discourse that exists among Muslims, which is fueled by the Israeli-Palestinian conflict.

To justify violence against Jews and Israelis, Palestinian extremists have misinterpreted the text and terms of the Koran. Likewise, some extremist Israelis have also misinterpreted the words of the Jewish Torah to commit violent acts against Palestinian civilians and to justify the continued occupation and confiscation of Palestinian lands. Yet, if you look at both texts, the Torah and Koran, it is evident that our respective religions have preached messages of love, mercy, kindness, cooperation, tolerance, and moderation.

One of the most important verses in the Koran that is misinterpreted as a call for enmity reads, “And thus we have willed you to be a nation of the middle way [Koran 2:143].” This verse is explained and preached linguistically by extremists to mean that Muslims stand in the middle between the Jews who killed prophets and Christians who declared Jesus to be God. Rather, Muslim moderates interpret it religiously in accordance to the Koranic

message of peace and mercy as a call for Muslims to be just, tolerant, compassionate, forgiving, and moderate – *wasatia*. In addition to its linguistic meaning in Arabic of centrism, middle ground, and balance, *wasatia* in its religious context means tolerance, justice, and religious moderation. Therefore, extremists apply the linguistic meaning while moderates apply its religious meaning.

There are also those who have misapplied the *Hadith* (sayings of the Prophet) to justify anti-Semitism. These claims are false, including statements, the *Hadith* falsely attributed to Prophet Muhammad such as, “The Day of Judgment will not arrive until the Muslims fight the Jews and the Muslims will kill them. Even when a Jew hides behind a rock or a tree, the rock and the tree will speak saying, ‘O Muslim, O worshipper of God! There is a Jew behind me, come and kill him, except the salt bush [*Gharqad*], for it is one of the Jews’ trees.”



In this fabricated *Hadith*, Prophet Muhammad purportedly tells the believers of the battle between Muslims and Jews. These gross distortions of Islam stand in clear contradiction of many Koranic verses, particularly the passages revering the sanctity of life, “Nor take life - which God has made sacred - except for just cause [*Sûra al Isra*, 17.33].” As well as those passages asserting equality and harmony between the three heavenly religions, “Those who believe in God and His apostles are the truthful ones [*Hadid Sura*; 19].”

In addition, a number of verses describes Jews warmly such as:

- “Children of Israel, remember the blessing I have bestowed on you, and that I have exalted you above the nations.” [*Cow Sura*; verse 47]
- “Children of Israel, remember that I have bestowed favors upon you, and exalted you above the nations.” [*Cow Sura*; verse 122]
- “O you Children of Israel! We delivered you from your enemy, and We made a Covenant with you on the right side of Mount (Sinai), and We sent to you *mann* (sweets) and *salwa* (quails).” [*Ta-Ha Sura*; verse 80]

- “We did aforetime grant to the Children of Israel the Book, the Power of Command, and Prophethood. We gave them, for sustenance, things good and pure, and We favored them above the nations.” [*Bowing Knee Sura*, verse 16]

I hold that it is a solemn duty of the followers of Islam to correct these flaws and provide a religious, political, and social vision, one of compassion, justice, temperance and moderation.

Wasatia is the name of the movement I established in January 2007, to work toward intra and interreligious reconciliation. The focus of our work also extends to the political realm. The problem of extremism has carried into the Israeli-Palestinian conflict, which has created political and religious discord and disengagement for both sides and the region for over half a century.

Our aspiration is not only to create a moderate Palestinian Islamic movement that calls for peace, mutual understanding and good relations among Muslims, but also set the climate for a peaceful resolution of the conflict with Israel. *Wasatia* also calls for the establishment of an independent Palestinian state that is democratic, secular, and committed to social justice, economic welfare, and the liberal values of human rights, equality, soft dialogue, pluralism, and free speech – values I believe are anchored in Islam. In short, *Wasatia* is rooted in the Islamic principles of charity, justice, volunteerism, cooperation, balance, and temperance.

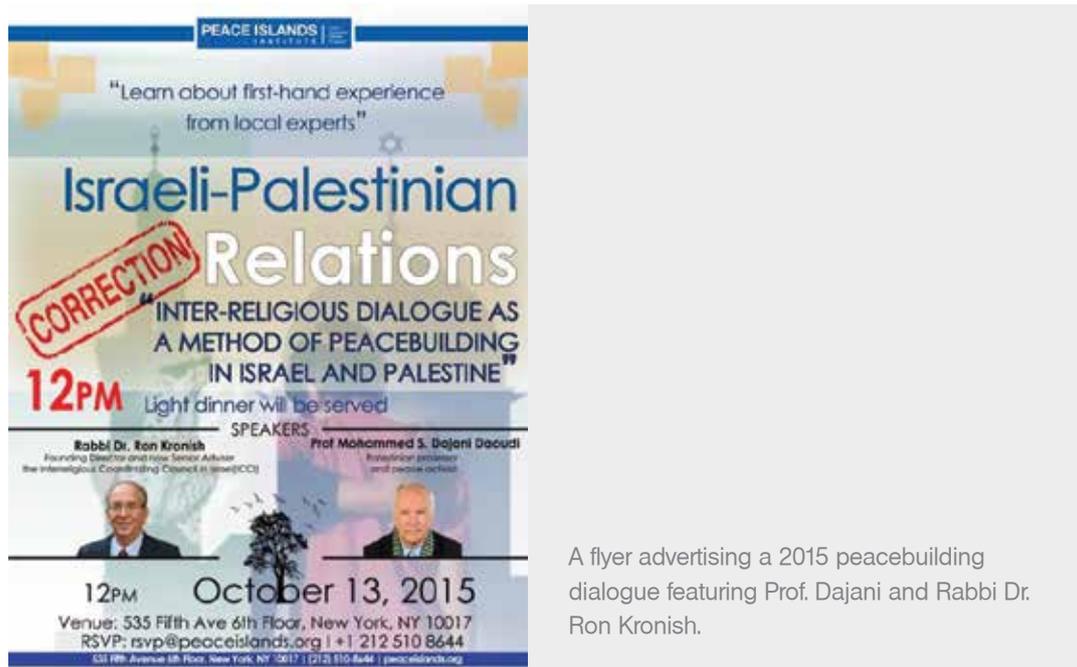
Wasatia strives to foster a culture of religious, social, and political moderation and reconciliation to help lay the groundwork for Palestinian and Israeli children to grow up in peace, security, prosperity, and harmony.



Dajani's personal Koran is the only remnant of an arson attack on his car. The assault was orchestrated by denormalization activists who rejected a visit by Dajani and a group of Palestinian students to the Auschwitz death camp in Poland in March 2014.

BDS and Palestinian Denormalization

The coexistence, reconciliation and ultimately “normalization” of relations between Israelis and Palestinians on individual, community, organizational, and state levels are key steps in shaping our shared future. Although the 1995 Oslo Accords established a framework for sustainable peaceful relations between Israel and the Palestine Liberation Organization (PLO), there emerged extremist activists, political actors, and groups on both sides who worked intensely to undermine the Oslo process.



A flyer advertising a 2015 peacebuilding dialogue featuring Prof. Dajani and Rabbi Dr. Ron Kronish.

Prior to 1993, the main protagonists of the Israeli-Palestinian conflict were divided into two distinct camps; Jews, Israelis, and their supporters in one camp versus Arabs, Palestinians, and their supporters in the opposing camp. In the post-Oslo era, the nature of the two camps was transformed between those Israelis and Palestinians who believed in reconciliation, peace and sharing the land, and those Israelis and Palestinians opposed to it. To overcome these challenges, I believe even more strongly that the forces of moderation and reconciliation need to unify their resources and capabilities to overcome the heritage of hatred and enmity that have blocked the road for conflict resolution, peace, security, and prosperity.

There are those who argue that Islam and Judaism clash with each other to justify the brutality of the conflict. Yet, for the most part, this brutality does not target the “other” but ends up claiming a high price from one’s own people. This has been the case with the Palestinian leadership, civil society, and the body politic.



Laura Kelly

Participants in a 2014 activity hosted by the organization Tiyul-Rihla, which sponsors dual-narrative tours and reconciliation activities for Israeli and Palestinian participants.

Regrettably, Palestinians lack a charismatic visionary leader with the status and embrace of political inclusiveness of South Africa's Nelson Mandela. This was one of my primary

The 1995 Oslo Accords laid out a very different approach to the conflict – one of acknowledgment, recognition, reconciliation, and joint ventures. This approach has been replaced today by new leadership, now propagating walls and denormalization.

motivations in launching the *Wasatia* movement in Palestine, so restraint and balance can enter our wider religious, social, and political discourse. In the Palestinian context, the adoption of the concept of reconciliation would require Palestinians to stop believing that violence and armed struggle could lead them to achieve their goals. On the other hand, Israel would similarly be advised to respect human rights parameters and to acknowledge the Palestinian right to self-determination, statehood, and freedom. After building trust, we can resolve our differences and then head to the

negotiations table to establish the foundations of a two-state solution, and finally resolve the Israeli-Palestinian conflict.

Oslo's Framework of Normalized Relations

The 1993 Oslo Exchange of Letters and the Interim Agreement of 1995 laid out a very different approach to the conflict – one of acknowledgment, recognition, reconciliation, normalization, and joint ventures. This approach has been replaced today by new leadership, now advocating walls and denormalization.

The first BDS “call” in 2005 demanded both the denormalization of relations with Israel and ending joint Israeli Palestinian-Israeli projects that do not “explicitly aim to expose and resist the occupation and all forms of discrimination and oppression against the Palestinian people.”¹

Nonetheless, these efforts have failed to recognize that the Palestinian cause must be won inside of Israel and that dialogue, reconciliation and normalization are essential tools in the process to end the conflict. Israelis may have unfounded prejudices and misperceptions about Palestinians that cannot be corrected unless they meet and interact with them face-to-face. While boycotts and walls would intensify the conflict, diplomacy, dialogue and building bridges of understanding embody the solution.

The main hurdle for Palestinians to overcome is the false moral equivalence between the reconciliation of relations with Israel and the idea that those who espouse reconciliation and normalization are acquiescing and even collaborating with the Israeli military occupation in the Palestinian territories in Gaza, the West Bank, and east Jerusalem. By



Courtesy Prof. Dajani

Wasatia workshop in Ramallah, 2008.

meeting Israelis face-to-face, Palestinians will have the opportunity to be acquainted with average Israelis and realize that though they may have served in the army, even in the occupied territories, they are not interested in destroying the livelihood, health, or safety of Palestinians. Israelis who may fear Palestinians and falsely characterize all of us as terrorists will no doubt have their misperceptions and misconceptions shatter. Thus, it is essential for both sides to break down these human and psychological barriers.

In addition to the BDS movement, another obstacle to reconciliation between Israelis and Palestinians, and eventually peace, stems from our own governments. Neither the Palestinian Authority, its Fatah ruling party, nor the Israeli government have invested seriously in sufficient “top-down” peacebuilding efforts. During the period of 1990-2000, fewer than 30 million USD was spent on peacebuilding efforts by the Israeli government, while the cost of building the Separation Wall cost more than 4 billion USD. However, it is true that the Israel government and the Palestinian Authority have maintained security cooperation against extremists for the benefit of their own peoples, and some coordination on water and employment is taking place. For instance, more than 100,000 Palestinians work in Israel and in West Bank industrial zones. However, though increased Palestinian employment in Israel may help build trust, it does not sufficiently advance the cause of Palestinian independence or mutual political and economic normalization.

During the 1990s, particularly in the years following the Oslo Accords, the international community invested heavily in peacebuilding and people-to-people projects, events, and activities. As the Israeli and PA's Fatah leadership addressed differences via negotiations,



Israeli and Palestinian teenagers participating in a peacebuilding activity at a U.S. based “Kids4Peace” camp.

United States Institute of Peace

they implemented more informal measures for their citizenry, such as joint sports events, children’s activities, and mediation workshops. However, following the Second Intifada from 2000 to 2004, these funds were diverted to security. Some non-government organizations such as Yalla Young Leaders, Seeds of Peace, *Tiyul-Rihla*, and of course *Wasatia* have tried to fill this void, but they do not have the resources or capacity of a government-funded effort nor the authority to implement a national educational curriculum that encourages peace building among Israeli and Palestinian school children. While security is a fundamental concern and need, it will not solve these problems of hatred, enmity, and negative stereotyping that Israelis and Palestinians feel and practice towards one another.

Violent Intimidation Tactics “Impose” Denormalization

In the last few years, Palestinians who have met face-to-face with Israelis and Palestinian scholars cooperating in joint academic and educational projects have encountered threats, intimidation, and outright violence at the hands of BDS and denormalization activists.

My personal experience with Palestinian efforts to denormalize relations with Israelis demonstrates how this movement is ideologically bankrupt, bellicose, antagonistic, and even anti-Semitic in nature. In March 2014, I took 27 students to Poland for an educational experience about the Holocaust. We also brought 30 Israeli students to the Dheisheh refugee camp in Bethlehem for an educational experience about the *Nakba*, the Palestinian “catastrophe” stemming from the 1948 war. Both trips, co-sponsored by *Wasatia*, a German



The Third Annual *Wasatia* Conference held in al-Bireh, West Bank, March 2009.



Dajani with Palestinian students at Auschwitz, March 2014.

university, and two other Israeli universities, entirely funded by a German research institution DFG. The objective was to study the impact of empathy when one encounters the suffering of the other in efforts at reconciliation in midst of conflict.

The feedback from our participants and supporters about the trip to the concentration camps in Poland was tremendously positive. Significantly, my students developed an understanding of Zionism and the necessity for a Jewish state. Prior to the trip, many of my students believed the Holocaust was grossly exaggerated to justify the creation of the State of Israel and Jewish colonization in Palestine. One student told me that he thought the concentration camps only existed so Hitler could gather Jews and ship them to Palestine. Another told me that the concentration camps were death camps, but that they were justified because the Jews were dominating the German economy and therefore had to be stopped. Other students of mine were misinformed about the Holocaust simply because it is a taboo subject that is not studied or even mentioned in Palestinian public discourse.

When we do discuss the Holocaust, it is only examined as a parallel historical event to the Palestinian *Nakba*. As referenced above, *Nakba*, meaning “disaster” or “catastrophe” in Arabic, represents the suffering Palestinians experienced during Israel’s 1948 War of Independence, resulting in the displacement of hundreds of thousands of refugees from their homes to neighboring countries. One of the Palestinian students remarked, “visiting Auschwitz and learning about the Holocaust did not make us less nationalistic, but more humanistic.” Another student wrote on his Facebook page, “visiting the concentration camps was an awakening educational experience for me. It changed my views about the



Courtesy Prof. Dajani

Professor Mohammed Dajani guides Palestinian students on an educational tour of the Auschwitz death camp, March 2014.

Holocaust, especially the concentration camp Auschwitz. Prior to going to Auschwitz, I didn't really know what the Nazi concentration camps were all about." One female student who had spent nine years in Israeli jails started to impose her experience as a prisoner to that of those imprisoned in the camp. Upon entering the camp, she noticed the sign above the gate: "*Arbeit Macht Frei*/Work Sets You Free." She inquired about it and I advised her to do some research on its goal.

She came back to me with a book, which quoted the commander of the camp as welcoming new prisoners by suggesting that they lose hope since the only way out was through the chimney of the crematorium. This helped her comprehend the depth of Jewish sentiments to the Holocaust in viewing it as the Final Solution to them as a people, a civilization, a culture, and a religion. One student wrote an article in *The Atlantic* in English defending the trip. Another wrote a passionate plea in defense of the trip in the local *al-Quds* daily newspaper.

As an educator, the Holocaust-Nakba parallels are difficult for me to overcome. Many of my students argue, "Why should we learn about the Holocaust when it is illegal for Israelis to learn about the *Nakba*?" In reality, Israeli schools opted not to teach about the *Nakba* because this loss for Palestinians diminishes the gains Israel made in the War of Independence. Furthermore, Palestinians try to equate their own tragedy with that of the Jews.

Although it is tempting to draw this moral equivalence, it is preferable to view both tragedies separately, and not equate the two. At school, Palestinian students learn from their teachers the slogan, “the enemy of my enemy is my friend.” However, at Auschwitz, they learned, “the enemy of my enemy is not necessarily my friend.”

One important lesson learned by both Israeli and Palestinian students is the significance of the Jewish Holocaust and Palestinian *Nakba* to each community and the deep impact these two tragic events have left on the other’s psyche. Both Israeli and Palestinian students realized they have nothing to fear from opening their eyes to these chapters of human history.

Significantly, the students learned that the Nazi cruelties and atrocities were not committed by psychopaths and criminal minds, but by nice ordinary people against colleagues, neighbors, and foreigners. The perpetrators were just ordinary people who celebrated Christmas and Easter with their families, loved their children and played with their dogs. The Palestinian participants left with unforgettable sad memories. The visit taught them that the impact of the Holocaust continued after liberation; that it is still part of the fabric of Jewish society, history, thought, and psychology.

However, not all the student participants felt similarly and one who was a BDS and anti-normalization activist insisted on spreading the “conspiracy theory” that the trip was a Zionist plot to undermine the Palestinian collective narrative that aimed at promoting normalization with Israel while under occupation.



Courtesy Prof. Dajani

Professor Mohammed Dajani in front of the ruins of a crematorium at Auschwitz, March 2014.



No Good Deed Goes Unpunished

Unfortunately, the positive reaction to the trip from my students, friends, and colleagues was overwhelmingly overshadowed by the influence of the BDS and denormalization activists and movements. Shortly after we returned from the trip to Poland, a Palestinian website reported in Arabic that our trip was funded by Zionist organizations and sponsored by Israeli universities. My initiative was portrayed as Zionist propaganda, and I was labeled as a “collaborator” and “traitor,” two highly emotional terms in the Palestinian lexicon.

Instead of correcting this mistake or declaring public support for my initiatives, the workers, staff, and faculty syndicate at Al-Quds University responded by issuing a public statement firing me from their membership, even though I was not a member. Nine political student organizations on campus issued a public statement against me titled “Normalization = Treason.” Students demonstrated against me on campus and delivered a letter to my secretary threatening to kill me if I returned to teach at the university. The social networks buzzed against me. My car was torched. The only possession of mine to survive the torching was my personal copy of the Koran.

I felt that I could not continue to work under these conditions and submitted my resignation to the university president, in the hope that he would reject it. This would have created a powerful message to the public that I organized the trip within the jurisdiction of my academic freedom. Sadly enough, a few days later I received his response accepting my resignation.

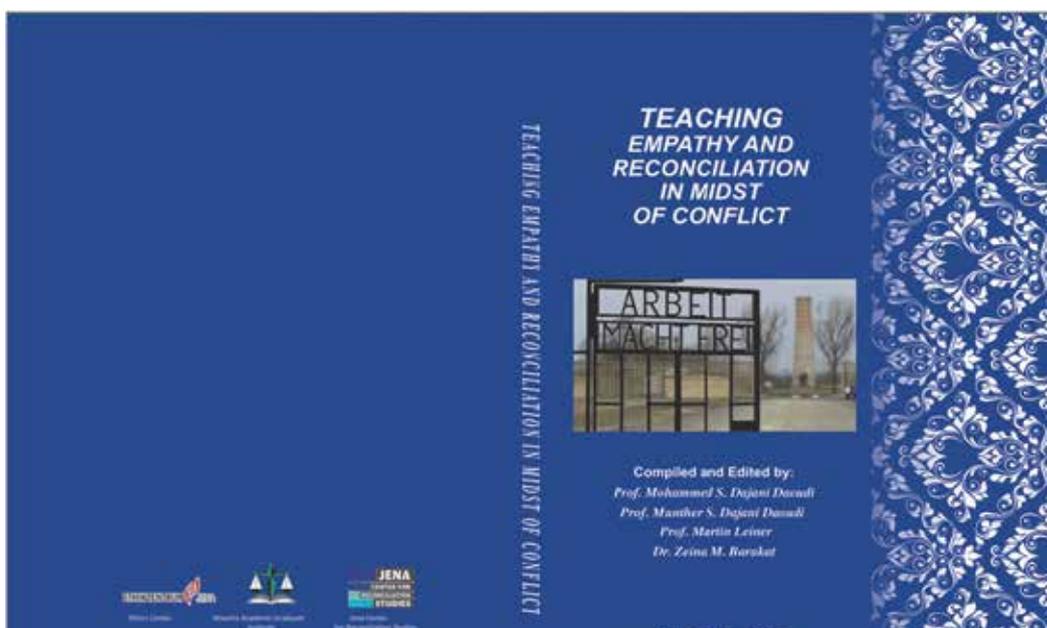


Dajani's Citroen after it was torched by denormalization activists in retribution for leading a group of 27 students to Nazi death camps in Poland in March 2014.

The violent reaction at home in Palestine to our educational trip to Poland stood in stark contrast to the trip's transformative effect on my students. The preconceptions and prejudices that had characterized my students' views about Jews and the Holocaust were shattered. The trip transformed the previously anti-Semitic views of some participants who had been influenced by the anti-Semitic book "The Protocols of the Elders of Zion," which enjoys popularity in the Arab world. They came to understand the harmful effects of anti-Semitic propaganda and how it can produce genocidal actions.

The Importance of Palestinian Holocaust Education

There are many reasons to impel Palestinians to learn about the Holocaust. To start, it is the right thing to do. Being criticized for it should not discourage us from doing it. Holocaust denial and distortion are morally unacceptable, historically incorrect, factually wrong, and constitute a major threat to ethics and human dignity, as well as to the prospect



of reconciliation and peace between Palestinians and Israelis. Holocaust education is a sign of respect for the truth; when truth is denied or ignored, it destroys those values one cherishes. Moreover, the need to learn the tragic lessons of the past is essential to avoid their recurrence in the present and future.

Holocaust denial and distortion are morally unacceptable, historically incorrect, factually wrong, and constitute a major threat to ethics and human dignity, as well as to the prospect of reconciliation and peace between Palestinians and Israelis.

Showing empathy and compassion for the suffering of others, even if relations, friendship or love doesn't bond you, would make this world a better place to live in. As a Muslim, the Koran as well as the Prophet encourage us to seek knowledge and learning, "My Lord, advance me in knowledge (*Taha Surah*, verse 20)." The Prophet is also quoted, "Seek knowledge from cradle to grave. Seek knowledge even

in China." This impels us to seek knowledge. The Prophet also says, "I do not know but I want to know." As the wise have argued, without knowing about evil, we cannot understand the meaning of good.

Another incident attacking those calling for reconciliation took place in May 2015, when participants in the "Jerusalem Hug," an event between Jewish and Arab Jerusalemites, were beaten by Palestinian denormalization activists. The violent extremists were hailed



Seth Frantzman/ The Jerusalem Post

A video still of a Palestinian denormalization activist pushing a participant in the "Jerusalem Hug" event, attended by Jewish and Arab Jerusalemites. The violent activists were celebrated in the Arab media.

by the Arab media for trying to “prevent the establishment of effective normalization near Damascus Gate and the Aqsa Mosque in Jerusalem.”²

In June 2016, Israeli members of the group “Two States, One Homeland,” which calls for a confederation between Israel and Palestine, had their car set on fire in Ramallah. They were also pelted with rocks by denormalization activists as retribution for joining Palestinian partners for an iftar meal there.³ Likewise, in October 2016, four Palestinians from the village of Wadi an Nis were arrested and detained by Palestinian police. Their “crime” was visiting the “Sukkah of Peace” in the Jewish settlement of Efrat at the invitation of mayor Oded Ravivi.⁴

In early March 2017, I was invited to deliver a lecture titled “*Wasatia*/Moderation in the Islamic Tradition” at the Abrahamic Reunion conference held in Jericho’s Touristic Village. The conference aimed at building bridges of understanding between various faiths and its motto was “Religion as a Force for Peace.”



Mayor Oded Ravivi and Palestinians from the neighboring village of Wadi an Nis at a joint Sukkot meal in Efrat in October 2016. The Palestinian participants were later arrested by Palestinian Authority police for participating in the “Sukkah of Peace” celebration. Efrat’s Palestinian neighbors still returned to the 2017 Sukkot celebration.

The university union brought a busload of students to the hotel in Jericho where the conference was held. The students forced conference organizers to shut down the meeting. The union issued a statement saying they disrupted the conference, forcing it to shut down because it was a “normalization conference” attended by the “deposed” Dr. Mohammed Dajani. I do not know what they meant by “deposed,” since I resigned



Palestinian denormalization activists disrupting an interfaith conference in Jericho in early 2017.

My resignation was in protest of the lack of respect for academic freedom by the university administration, and not because they incited the community and the students against me. Three years have passed and still the fire of hatred and envy is still burning in them.

would indicate a setback, I believe that we are progressing toward peace. We are working on having the Holocaust be introduced into the Palestinian educational curriculum, so Palestinians may understand the severity of the world's worst genocide. We must not compare, diminish, obscure, or deny heinous crimes, such as the Holocaust, to serve political agendas.

my posts as Director of the Graduate American Studies Program and the Director of Libraries at al-Quds University. My resignation was in protest of the lack of respect for academic freedom by the university administration, and not because they incited the community and the students against me. Three years have passed and still the fire of hatred and envy is still burning in them.

Although the actions of the anti-normalization and BDS movements and the backlash I personally faced after I took Palestinian students to Auschwitz

Conclusion

Wasatia (moderation) is critical not only as a fresh interpretation of the Koran, but also as a new course for Palestinian political leadership and civil society. *Wasatia* is the best road for Palestinians to create peace with Israel, and not denormalization and boycotts. Pursuing this path would result in a moderate Palestinian state and a thriving civil society that would accept Israel as a good neighbor and partner in economic, social, and civic development.

Professor Mohammed S. Dajani Daoudi is the founding executive director of the *Wasatia* moderate Islamic movement in Palestine, a professor emeritus of political science, and founding director of the American Studies Institute at Al-Quds University.

Notes

- 1 <http://www.washingtoninstitute.org/fikraforum/view/why-palestinians-should-support-normalization-with-israel>
- 2 <http://www.jpost.com/Opinion/Success-and-pitfalls-of-Palestinian-anti-normalization-404641>
- 3 <http://www.timesofisrael.com/israeli-activists-evacuated-from-ramallah-after-car-is-set-on-fire/>
- 4 <http://www.jta.org/2016/10/25/news-opinion/israel-middle-east/palestinians-arrested-for-visiting-sukkah-of-west-bank-mayor-released>

About the Authors:

Dan Diker is a fellow and senior project director at the Jerusalem Center for Public Affairs. He is the author of *BDS Unmasked* and *SJP Unmasked*, and has edited several other policy books including *Defensible Borders for Israel* and *Iran's Race for Regional Supremacy*. Diker is a former secretary-general of the World Jewish Congress, and is a research fellow at the International Institute for Counter-Terrorism at IDC Herzliya.

Khaled Abu Toameh is an Israeli Arab journalist, analyst, lecturer, and documentary filmmaker. He is a senior distinguished fellow at the New York-based Gatestone Institute. From 1992 to 2016, he served as the Palestinian affairs reporter and analyst for the *Jerusalem Post*. Abu Toameh has been a producer and consultant for *NBC News* since 1989. He began his journalism career as a reporter for the PLO newspaper *Al Fajr*.

Col. (res.) Dr. Danny Tirza is the former head of the Strategic Planning Unit of the Judea and Samaria Division, IDF Central Command (1994-2009). He was a senior security adviser and negotiator in diplomatic talks with the Palestinian leadership. He has served as an adviser to prime ministers, the president of Israel, defense ministers, the National Security Council, the Counter-Terrorism Bureau, the IDF Planning Branch, and senior IDF commanders. He currently serves as chairman of the Local Council of Kfar Adumim, in close proximity to the Mishor Adumim industrial zone.

Professor Ali Qleibo is a professor emeritus at Al-Quds University and a fellow at the Shalom Hartman Institute in Jerusalem. He has been a visiting professor at Tokyo University for Foreign Studies. Professor Qleibo has developed the Palestinian Social and Muslim Tourism Itinerary as a specialist in Palestinian social history, and through his work at the Jerusalem Research Center.

Daniel Birnbaum has served as chief executive officer of SodaStream International Ltd. and of the Soda Club Group at Soda-Club Enterprises NV since 2007. From 2003 to 2006, he served as general manager of Nike Israel. Previously he served as a founding member of Nuvisio Corporation and of Pillsbury Israel. A graduate of Hebrew University and Harvard Business School, Birnbaum held senior positions at Pillsbury International and at Procter & Gamble.

Nabil Basherat is a manager at the SodaStream factory in Idan Hanegev, Israel, where he oversees a diverse team responsible for engraving, rinsing, spray, inventory, and valves. Basherat has worked at SodaStream in various positions since 2009. At 41, he is a father of seven children, a grandfather, and a resident of the village of Jaba', located near Ramallah.

Rami Levy is the founder of Rami Levy Shivuk Hashikma Ltd. and Israco International Food Brands Marketing Ltd. at Tiv Taam Holdings 1 Ltd. In 1976, at the age of 21, he opened his first Rami Levy wholesale supermarket in Jerusalem's Mahane Yehuda Market. Levy has since built a multimillion-dollar chain of discount supermarkets, and has diversified his business to include cellular communications, real estate development, and shopping malls.

Nadia Aloush has worked in a variety of positions, including managerial roles at Rami Levy's supermarket branch in the Mishor Adumim industrial zone in the West Bank since 2005. After completing a BA in business management, Aloush worked at the Israeli Civil Administration's Interior Ministry branch in Ramallah from 1985 to 1995, before moving to the Palestinian Authority's Interior Ministry, where she worked for two years.

Pinhas Inbari is a fellow and Middle East analyst at the Jerusalem Center for Public Affairs and a leading expert on the Arab world and Islam. He has authored 12 books on the Arab world. He has served as a veteran Arab affairs correspondent and analyst for several European media outlets and has reported on Palestinian affairs for Israel Radio and *Al Hamishmar* newspaper.

Professor Mohammed S. Dajani Daoudi has decades of experience in reconciliation, conflict resolution, and interfaith dialogue. He received PhDs from the University of South Carolina and from the University of Texas, and has authored numerous academic books and articles. Dajani is the founding executive director of the *Wasatia* moderate Islamic movement in Palestine, a professor emeritus of political science, and founding director of the American Studies Institute at Al-Quds University. Dajani is also the Weston Fellow at the Washington Institute for Near East Policy.



Jerusalem Center for Public Affairs



The Jerusalem Center for Public Affairs is a leading independent research institute specializing in public diplomacy and foreign policy. Founded in 1976, the Center has produced hundreds of studies and initiatives by leading experts on a wide range of strategic topics. Amb. Dore Gold headed the Jerusalem Center since 2000.

Jerusalem Center Programs:

Defensible Borders for Israel – A major security and public diplomacy initiative that analyzes current terror threats and Israel's corresponding territorial requirements, particularly in the strategically vital West Bank, that Israel must maintain to fulfill its existential security and defense needs.

Jerusalem in International Diplomacy – Amb. Dore Gold analyzes the legal and historic rights of Israel in Jerusalem and exposes the dangers of compromise that will unleash a new *jihadi* momentum in his book *The Fight for Jerusalem: Radical Islam, the West, and the Future of the Holy City* (Regnery, 2007). Veteran Israeli journalist Nadav Shragai documents nearly a century of Arab violence triggered by the myth that the Jews are seeking to destroy the Al-Aksa Mosque in Jerusalem in *The "Al-Aksa is in Danger" Libel: The History of a Lie*. Shragai is also the author of *Jerusalem: Delusions of Division* (2015).

Combating Delegitimization and BDS – Senior JCPA Project Director Dan Diker leads a major public diplomacy program exposing the radical forces that assault Israel's legitimacy. The program exposes the connections between BDS, anti-Semitism, and Palestinian terror groups. The program also provides resources for commentators and educates students to effectively communicate these messages to promote attitude change in targeted populations. Publications include *BDS Unmasked: Radical Roots, Extremist Ends* (2016), *Students for Justice in Palestine Unmasked* (2017), and *Defeating Denormalization: Shared Palestinian and Israeli Perspectives on a New Path to Peace* (2018).

Global Law Forum – A ground-breaking program that undertakes studies and advances policy initiatives to protect Israel's legal rights in its conflict with the Palestinians, the Arab world and radical Islam.

Institute for Contemporary Affairs (ICA) – A diplomacy program, founded in 2002 jointly with the Wechsler Family Foundation, that presents Israel's case on current issues through high-level briefings by government and military leaders to the foreign diplomatic corps and foreign press, as well as production and dissemination of information materials.

Jerusalem Center Serial Publications:

Jerusalem Issue Brief – Insider briefings by top-level Israeli government officials, military experts, and academics, as part of the Center's Institute for Contemporary Affairs.

Daily Alert – A daily digest of hyperlinked news and commentary on Israel and the Middle East from the world and Israeli press.

Jewish Political Studies Review – A scholarly journal founded in 1989.

Jerusalem Center Websites:

www.jcpa.org (English)

www.jcpa.org.il (Hebrew)

www.jcpa-lecape.org (French)

www.jer-zentrum.org (German)

www.facebook.com/jerusalemcenter

www.twitter.com/JerusalemCenter

www.youtube.com/TheJerusalemCenter

Director General – Chaya Herskovic

Chairman of the Steering Committee – Prof. Arthur Eidelman

Steering Committee:

Maj. Gen. (ret.) Uzi Dayan

Prof. Rela Geffen

Zvi R. Marom

Prof. Shmuel Sandler

Howard M. Weisband

From Defeating Denormalization

In the last few years, Palestinians who have met face-to-face with Israelis and Palestinian scholars cooperating in joint academic and educational projects have encountered threats, intimidation, and outright violence at the hands of BDS and denormalization activists. My personal experience with Palestinian efforts to denormalize relations with Israelis demonstrates how this movement is ideologically bankrupted, bellicose, antagonistic, and even anti-Semitic in nature.

Professor Mohammed S. Dajani Daoudi

Founding Director, American Studies Institute, Al-Quds University.

To encourage Palestinians to work in the industrial zones, Israeli labor laws governing employment, minimum wage, and national insurance were applied equally and transportation to the sites was arranged for Palestinian residents of local towns and villages. At present, more than 20,000 Palestinians have regular jobs in these zones. This model, which avoided giving veto power to the PA, is the most successful.

Col. (res.) Dr. Danny Tirza

Former head of the Strategic Planning Unit of the Judea and Samaria Division, IDF Central Command

I value the harmonious group dynamic and positive atmosphere at SodaStream. Our managers treat us with respect, and this in turn makes us feel that the factory is our second home. We also receive an Israeli salary, which is more than three times the salary I would be making in Ramallah. We have access to social benefits including paid vacation, annual leave, sick leave, pension plans, a fund for continuing education, and medical insurance.

Nabil Basherat

Manager, SodaStream

The Palestinian leadership would be well advised to follow the lead of its citizenry and cooperate closely with its Israeli neighbor. This would result in hundreds of thousands of Palestinians working for good wages and benefits while learning from and adapting to the Start-up Nation culture that Israeli entrepreneurs have attempted to share with Palestinian colleagues in an effort to forge a better common future.

Khaled Abu Toameh

Senior Distinguished Fellow, Gatestone Institute



13 Tel Hai St., Jerusalem, 92107 Israel

Email: info@jcpa.org | Tel: 972-2-561-9281 | Fax: 972-2-561-9112

Jerusalem Center Websites

www.jcpa.org (English) | www.jcpa.org.il (Hebrew)

www.jcpa-lecape.org (French) | www.jer-zentrum.org (German)

The Jerusalem Center for Public Affairs is a non-partisan, not-for-profit organization.