

## Industrial Estates Along the Wall

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The farmers of Irtah, a village on the outskirts of Tul-Karem, can see their lands from their houses on the top of the hill, but they cannot reach them. The trenches and barbed-wire fences of the "Separation Barrier" prevent them from doing so in the year that have passed since those fences had been erected. Now the farmers are facing a new and tough choice. The Israeli army threatens to confiscate their 500 dunams while Palestinian businessmen are offering to buy these practically lost lands from them. But whatever the farmers will do, one thing is almost certain: the fate of these lands has already been decided. An industrial park will be built on them with the help of the Israeli authorities on one side and Palestinian businessmen on the other, and Palestinian farmers - who have lost their lands due to the building of the separation wall like the people of Irtah - will have little choice other than to work for Israeli and Palestinian factories for one third of the minimum wage in nearby Israel.

The building of the separation fence is far from over, only 200 kilometers out of the planned 700 kilometers are built, yet it seems that Israel is already thinking about the next step. Ehud Olmert, minister for Industry, Trade and Employment (ITE), is pushing now for building of a chain of industrial zones along the new separation fence. Some branches in the Israeli Army, especially those that deal with running of the everyday lives of the Palestinians, see it almost as a continuation of the wall. "You will see, it will be nice," the commander of the Israeli Coordination Command in Tul Karem told some visitors while inspecting the gate in the wall which is situated about 3 kilometers inside the Palestinian territory. "We will build here an industrial zone and everything will be all right "There is a need to build industrial zones in the Palestinian Authority," says Gabi Bar, Deputy Director General for Middle East Affairs in the ITE ministry. "But as lack of trust prevent us from building of such zones in Nablus, for example, they should be built along the fence."

The idea in itself is not new. After the Oslo agreements in 1993 Israeli and Palestinian officials have reached understandings about the creation of 9 industrial parks along the "seam line" in the West Bank and Gaza, from Jenin in the north to Rafah in the south, hopefully providing jobs for 100,000 Palestinian. The Intifada has wiped out these plans. The small Israeli-owned industrial park near Tul Karem, with the promising name of "Buds of Peace", was burnt down in the first days of the Intifada by huge crowd of angry Palestinians. The Erez industrial zone, just near the Erez checkpoint on the border between the Gaza Strip and Israel, came under continuous attacks by Palestinian military groups. Just less than a month ago two Palestinian militants have dug a 40-meter tunnel into this industrial park of Erez, killing one soldier who has been guarding the factories there. The industrial parks in Erez and in Tul Karem continued to work throughout the Intifada (about 4,500 Palestinian are working in Erez, 500 are working in "Buds of Peace" near Tul Karem), but no one dreamt about building new industrial zone along the burning Green Line.

Now things are changing, and it seems that the separation wall has a lot to do with the revival of this old idea. The wall has sharpened the problem of Palestinian unemployment, already acute enough in its own sake (about 45% unemployment in the West Bank, 60% in Gaza). 120,000 Palestinians used to work in Israel, legally and illegally. Now they cannot go there. Thousands of farmers (or maybe tens of thousands, it is difficult to calculate) are barred from reaching their lands on the "Israeli" side of the fence and therefore might find themselves unemployed. At the same time the separation barrier, with all its concrete walls and barbed fences, makes the Israelis feel more secure when thinking about working with Palestinians or even getting close to the Green Line. Cynically it might be said that the wall embodies two elements necessary for the success of joint Israeli-Palestinian industrial parks - security (for the Israeli businessmen) and unemployment (for the Palestinian workers).

Olmert is probably not cynical when he is saying (Maariv, 22.9. 2003) that the industrial parks "will solve the problems of Palestinian unemployment and the high cost of work for Israeli industrialists -- who are currently transferring work to the Far East -- without creating a security problem because the Palestinians will not enter the Green Line". In a conference in Jerusalem in December last year, in which participated Saeb Bameiri, a senior official from the Palestinian National Economy Ministry, Olmert sounded almost like Shimon Peres' now almost forgotten vision about "A New Middle East". "I will not allow politics to interfere with developing economic ties with our Palestinian neighbours" he told the audience, forgetting that it was the Israeli government who has cut all official ties with the Palestinian Authority in mid-2001. (Jerusalem Post, 16/12/2003). In January Olmert was a guest of a conference organized by Stef Wertheimer, a famous Israeli industrialist who had launched an initiative to build 100(!) industrial parks in the Middle East declaring that "it is better to keep people busy at work than in terror". Avigdor Itzhaki, Director General of the Prime Minister Office, said in this occasion that the plans on this project are proceeding fast, and George Mitchell, majority leader in the US senate, pledged American support for the idea.

But Israel's intentions are not based on pure altruism or love of peace. "Why do you think the Erez industrial zone is still attractive for the 200 factories which have stayed there despite the terrorist attacks," asks Gabi Bar from the Industry ministry. "The most important reason is the low salary: about 1500 shekel (270 euro) in Erez compared to about 4500 shekels (810 euro) minimum wage in Israel. The employers in Erez are not subjected to the work legislation in Israel. From the moment a Palestinian enters Israel, even illegally, you have to pay him the minimum wage. In Erez – no." Mr. Bar reveals that there was a plan to create "Palestinian enclaves" on Israeli territory, in which the Israeli work laws will not be applied, but the Israeli Workers Union (Histadrut) objected, saying it will not accept an apartheid between Israeli and Palestinian workers.

There might be another reason to invest in these industrial zones. The biggest factory in the existing industrial zone near Tul Karem is Geshuri, which specialized in pesticides and other chemical products. Till 1985 the factory was working near the Israeli seashore city of Netanya, but the neighbours complained about the bad smell coming out of the factory and the owners decided to move to an area where the laws are more flexible and neighbours are less vocal – the West Bank. The Israeli Environment Ministry closed the factory for a short period, the Palestinian Authority demanded that Geshuri will be moved away from Tul Karem, but nothing helped. Raanan Geshuri, the General Manager of the factory, is "inviting anyone to come and see for themselves that the factory is safe", but if he had failed to convince his Israeli neighbours in Netanya, there is little chance that he will convince many in Tul Karem. Israeli industrialists might be tempted to move some of their polluting factories to industrial zones where the stricter environmental Israeli laws will not be applied.

Mr Bar is claiming that despite everything, the Palestinians will gain from these industrial parks. "Anyhow, in Erez a Palestinian earns more in Erez than he earns in Gaza," he concludes. He is certainly right. According to the UN Food and Agricultural Organization report from March 2004, about 40% of the Palestinians can be described as "food insecure" (euphemism for hungry) and 60% are living beneath the international poverty line of 2.1\$ a day. The Palestinians surely need a place where to work and feed their families.

Abdel-Malek Jaber is a Palestinian businessman and the head of PIEDCO (Palestinian Estate Development Management Company) which is a key player in the industrial zones initiative. He declares himself close to the Palestinian Industry Minister Maher al-Masri. Jaber is raising now money for the first two industrial parks he intends to build. The Israeli and Palestinian economies are so linked together (according to his figures, 86% of the Palestinian import in 2001 came from Israel, while 64% of the export went to Israel and the Palestinian Authority is the third largest trade partner of Israel, after the EU and the US) that he is sure that the industrial parks on the seam zone are the only solution to save the Palestinian economy. "In order that the Palestinian unemployment rate will stay at its high current level, the Palestinian economy will have to grow at a pace of 7-8% per year. It's impossible. We need to leap forwards and this is why I come to the idea of industrial parks on the border. Israel is an advanced country, part of the global economy and we can only benefit from that. We are now driving at a speed of 100 kilometers per hour to hell. I want to give people hope."

The first two parks will be built in Jalama, north of Jenin, and near Tul Karem, just opposite to the village of Irtah. Jaber is saying that he "is buying private lands from Palestinians" and that he has identified another area near Bethlehem, and he is planning to build another two parks, one in Rafah, at the south of the Gaza Strip, and another in Tarkumia, not far from Hebron, on the south side of the West Bank. Each park will provide at least 15,000 jobs, and the overall project is expected to create 100,000 jobs. (The work force in the West Bank is 560,000). Investors are already showing interest ("I wouldn't spend 40 million dollars if I had no clients") and he hopes that within 18 months the first industrial park will be active. He has calculated and found that the costs of production in these parks will be 70% lower than in Israel, due to the low wages and low rent. Jaber takes great pains to make the Israelis feel safe. "I'm not naïve. In order for these parks to work, we know that the security arrangements (for the Israelis – m.r.) must be different. We have understandings".

Gabi Bar is more specific on how these "security arrangements" will look like. "The fundamental condition is that there will be full Israeli security responsibility on these parks. If a factory is located in an area secured by Israel, then we could say that this factory is situated in Israel, and its goods will be liable to less security checking than a factory in Nablus." This point, the security responsibility, is the one biggest change in respect to the plans that existed before the Intifada. Prof. Raveen Horesh, ex-Director General of the Industry Ministry under the Barak government, explains that the idea was that the Palestinians will be fully responsible for these parks and that technology will move from Israel to Palestine. Full security responsibility means full Israeli control, even if the land remains under Palestinian ownership and the management is Palestinian and Jaber, knowing the Palestinian sensitivity, understands it very well. "Such statements (about full Israeli control- m.r.) do not help," comments Jaber with some anger in his voice.

But this goes into the heart of the matter: whether these industrial parks will be part of the unilateral moves imposed on the Palestinians, like the separation wall, or will it be done out of cooperation. There are strong signs that the first option is more probable. On the 29th of February, the farmers of few villages to the north-west of Jenin were notified, through an announcement in an Arab newspaper, that within 15 days some 6000 dunams (600

acres) of their lands will be taken “in order to correct the regional planning of the Shahak industrial zone”. In other words, thousands of dunams will be confiscated from their owners in order to enlarge this industrial zone which is located on the “Israeli” side of the separation fence, on territory occupied in 1967. Gabi Bar is not aware of the confiscation orders but he does admit that there is “a great interest” to enlarge this industrial zone and that there “reconnaissance contacts” were held with the palestinians. The farmers in the villages of Silat Al-Harithia and Tura A-Sharkia swear that nobody spoke with them and that Palestinian officials told them that they know nothing about the matter.

Similar things are happening near Tul Karem. Faiz A-Tanib from the Farmers Union in the area says that about two weeks ago farmers from Irtah and Far’un received letters from the military authorities saying that the army is going to seize the 500 dunams they have on the “Israeli” side of the fence. Before the building of the wall, some 50 families lived out of these lands, but since the wall has cut the farmers from their lands, the lands have been layed barren. Now on these very 500 dunams, which are located on the feet of the hill on which Irtah stands, the industrial zone of Tul Karem is probably bound to be built. This what the army official are saying, this is what the farmers have been told. A-Tanib is saying that Palestinian businessmen have offered to buy o hire some of the lands from the farmers. The name PIEDCO, Jaber company has been mentioned. “What will an industrial zone help us,” A-Tanib is asking. “50 families will lose their lands in order that 50 other families will work in the factories there. What’s the use?”

So is the industrial parks plan is going to be another unilateral step? Gabi Bar is saying that if such a park will be built unilaterally “it will be attacked,” but according to him agreements could be reached on a local level, without involving the Palestinian Authority. Jaber also thinks that you don’t need to have a political agreement between the Palestinian Authority and Israel in order for these industrial parks to work, although he hopes that such an agreement will be achieved soon and anyway “everybody in the Palestinian Authority supports it.” According to Jaber, the PA has even amended the law on foreign investments so that there will no limit on foreign ownership in these industrial zone.

Dr. Mustafa Barghouti, the head of the Palestine National Initiative, is much more skeptical: “These things didn’t work during the Oslo years, they will not work now. Its just cosmetics to cover the ugly face of reality. Those palestinian businessmen do not care about the unemployment of the Palestinian workers. They care about their own unemployment. This plan makes sense only from an Israeli point of view because it will consolidate the apartheid in which the palestinian will be a people of slaves. It will not work.”

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The article was written a year ago and its publication embarrassed the Palestinian businessmen so now they took some distance from the project.

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