

For Economic Development, We Need Freedom

By Xavier Abu Eid



When Senator Mitt Romney, in a cheap attempt to gather Zionist support for his presidential bid, stated that the economic differences between Israel and Palestine have nothing to do with politics but arise from “culture,” he was met with a harsh response, including by Israelis. Former US president Bill Clinton responded by saying that he never saw a “poor Palestinian in the United States.” The message

Pro-Palestinian demonstration outside La Moneda presidential palace in Santiago, Chile



From businesspeople to professionals, and bank owners to ministers, Palestinians who live in Chile are all over the spectrum. The most well-known malls, textile factories, sausage factories, and even Coca Cola plants have been in Palestinian hands for decades.

was clear: Wherever Palestinians were given the freedom to be, to create, and to grow, you would find countless success stories. Sadly enough, this has happened almost everywhere in the world except in our own country.

It is important to note that before 1948, Palestinians had developed a significant economic capacity. The services sector was a pillar of Palestinian development, and while Palestinian Jaffa oranges were being exported all over the world, and the Haifa port was used as the main exporting place for Iraqi oil, the tourism sector grew at a rate of 25 percent before the partition of Palestine in 1947. As the *Palestine Encyclopaedia* states, only between 1944 and 1945 did the Arab Bank pay a dividend of 24 percent on its shares, something that very few other banks in the region could have done. Most of this capacity could be seen in various enterprises started by Palestinians in Lebanon, Jordan, Egypt, Syria, and Arab Gulf countries, and later on expanded to the United States, Canada, Australia, and even Greece, among others.

More than 66 years after the 1948 *Nakba* (catastrophe) that forced our people into exile, we are familiar with and proud of what thousands of Palestinians have been able to build in various parts of the world. The

question is how the same success can be brought to the homeland. This requires a political solution that would end the Israeli occupation and allow the Palestinian people to exercise their full rights over their land.

I was raised in Chile, the largest Palestinian community outside the Arab world, where it is possible for Palestinians to attain their full potential: From businesspeople to professionals, and bank owners to ministers, Palestinians are all over the spectrum. The most well-known malls, textile factories, sausage factories, and even Coca Cola plants have been in Palestinian hands for decades. The PLO has attempted to attract sources of income from Chile since the seventies, and many provided financial support to the PLO during one of its most difficult economic periods (1982–1993). However, the lack of a long-term policy and



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disrupted channels of communication made the efforts fail. This is one of the main issues that the government of Palestine needs to solve in order to attract diaspora investments, and it is part of an overall policy towards our communities abroad.

The lack of such policies ended up by disrupting the strong relations between the Palestinian communities in Chile and in the homeland. The Chilean community went from being an important source of support for the PLO during the eighties to its role today of providing support to charitable organisations in Palestine. The few exceptions to the rule – meaning real investments – are being channelled mainly through the private sector, and particularly through the efforts made by the Bank of Palestine.

Since 2005 international players have proposed several plans to develop the Palestinian economy, but many of them leave out the biggest obstacle: the Israeli occupation. Recently, the Office of the Quartet Representative released a study on how to lower the price of housing in Palestine. While reading it, I could see many different

formulas and analyses, including conditions given by banks and individual income, but the main point was missing: As much as 61 percent of the West Bank remains off limits for most Palestinians. The price of the land will continue to increase, making it more difficult for Palestinians abroad to invest and for those in the homeland to stay. Nothing was mentioned about occupied East Jerusalem and the barriers imposed by the occupation on Palestinian construction there. As long as the paradigms for Palestinian economic development are led by this type of analysis, the enablers of real Palestinian economic development will continue to be blocked, thus creating more obstacles for diaspora participation in the building of a prosperous and free State of Palestine.

In addition, we need to do away with some mental obstacles: Palestine is for all Palestinians. The mentality that distinguishes “those abroad” from “those inside” is not going to help build our country. Overall the question of whether there is a potential for Palestinian diaspora economic involvement in Palestine must be linked with elections for the Palestine National

Council and opening a real political horizon for a free Palestine. I’m not trying to discourage investment in Palestine, which is indeed needed. Rather, I’m providing a realistic perspective on how no economic development is possible within the current situation.

There are legal issues that have to be solved and political decisions that have to be made in order to allow real Palestinian economic development, including some very simple enablers such as freedom for Palestinians to be in Palestine; in other words, the end of the Israeli occupation. The mere fact that Israel controls all border crossings discourages many diaspora members from returning to Palestine, not to mention the fact that the majority of them would simply not be allowed to enter.

A few weeks ago I went into my municipality, Beit Jala, to ask who is responsible for the diaspora file. Given that the city of Beit Jala has approximately 10,000 residents and that more than 100,000 people from Beit Jala live abroad, I thought it was a natural question to ask. The answer? Nobody. Municipalities with large diaspora communities, such as those of Beit Jala, Bethlehem, Ramallah, Nablus, or Gaza, should have someone in charge of the diaspora, which would include providing support and encouragement for business opportunities in Palestine.

Other initiatives should be taken into consideration in order to continue building capacity for Palestine, including relying on technical capacity coming from the diaspora, which has been largely dismissed over the past 20 years. It is important to remember that Palestinians in general are willing to make sacrifices to invest in their own country rather than invest somewhere else. As one of the wealthiest diaspora Palestinians I know once told an envoy from an Arab country who asked him for investments, “I’m a businessman. I invest where I know that I can make money. The only exception I make is Palestine because it’s my country.” People like him are willing to invest, but in order to reach their full potential they need clear guidelines, policies, and most importantly, freedom.

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The first Palestinian film festival in Chile.

