COMMENTARY | ECONOMICS

Oslo: Replacing Liberation with Economic Neo-Colonialism

By: Khalil Nakhleh · April, 2014

This is not an assessment of the impact of the Oslo Accords that began to be signed in 1993. It was never the kind of "process" that could lend itself to a balance sheet type of analysis that would show the positives and negatives of what transpired. The accords were destructive from the start. As the late Edward Said brilliantly put it, "The fashion-show vulgarities of the White House ceremony […] only temporarily obscure the truly astonishing proportions of the Palestinian capitulation. So […] let us call the agreement by its real name: an instrument of Palestinian surrender, a Palestinian Versailles."[1]

Instead, what must be analyzed is how the Oslo Accords systematically undermined the Palestinian struggle for liberation and self-determination and replaced it with a dangerous form of economic neo-colonialism. The political and economic leadership of the Palestine Liberation Organization (PLO)/Palestinian Authority (PA) has been a willing and indeed a profiting partner, facilitating the creation of new "predatory classes."

The Economic Neo-Colonization of Palestine

Palestine, in its entirety, has of course been subjected to a unique form of colonialism, i.e. settler colonialism, since the early nineteenth century. Under the cover of the British Mandate, the Zionist settler-colonialists and later the state of Israel dispossessed and uprooted the indigenous population and stole their lands and natural resources.

This ongoing process intensified with the occupation of the West Bank and Gaza in 1967 and especially since the start of the "peace process" 20 years ago. However, it was marked by a new form of colonization grounded in the neo-liberalism that the US-led international finance institutions peddled to (and imposed on) the global South in the late 1970s and 1980s. It is this dual process of colonization and neo-liberalism that I term economic neo-colonialism.

It is worth reflecting for a moment on the outcomes of the social and economic re-colonization of the South, which began in Latin America and moved on to Africa and the Middle East, given that it has been and continues to be applied to Palestine (the term is used for the sake of brevity). In the neoliberal process of re-colonizing the South, occupying armies, destroyers, and missiles were replaced by invading systems and agents that:

- De-regulated public sectors
- Privatized indispensable services, such as education, health care, and welfare
- Mortgaged people through easily accessible credit schemes in collusion with locally-created financial institutions and locally-invented monopolies, thus loading citizens with heavy debts and financial commitments that they could not pay
- Generated high levels of unemployment along with reduced chances of employability

The result has been the pauperization of entire generations and the political and economic submissiveness of the bulk of the population to new elites who control political and economic resources. At the same time, this process has entrenched an overarching self-delusion – that these changes would lead to the people's liberation and ensure their economic well being. Palestine is no different; it has not been immune from what Chris Hedges aptly characterized as a "collective capacity of self-delusion."

Neo-colonial Palestine, having received about $23 billion since 1994, currently carries the weight of at least $4.3 billion in external and internal debt. It is often unable to pay the salaries of its 170,000 public employees at the end of each month. The ever-escalating rate of unemployment reaches, for example, in excess of 45 percent among university graduates and people below 30 years of age. Its economy is totally dependent on that of its occupier and on external "aid." Developmentally, Palestinian society is splitting at the seams.

Non-Sovereignty and New Predatory Classes

Further, the Oslo process has entrenched the non-sovereignty of Palestine. The concept of sovereignty is used here in a holistic sense, i.e., it not only refers to political sovereignty but also encompasses the economy, nutrition, education, health, water, and other resources crucial to sustained human development. Having been subjected to various forms of occupation, Palestine has never experienced true sovereignty. Today, however – under the illusion of self-rule introduced by the Oslo process – Palestine experiences an unprecedented absence of sovereignty in all of the spheres cited above.

Consider just these few facts. The Occupied Palestinian Territory (OPT) is under the absolute control of the Israeli military occupation in collaboration with the well-trained and well-funded security forces of the PA. Furthermore, the Palestinian people have been fragmented into five population clusters: the West Bank, Gaza, East Jerusalem, the

Palestinian citizens of Israel, and the Palestinians of the Diaspora (*al-shatat*). Each of these clusters experiences – or rather endures – a different administrative and governance status: occupation, refugee-hood, minority citizenship, and exile. They are further fragmented at the micro-level, e.g. through the classifications of Areas A, B, and C, each with its own juridical status. The Palestinians' ability to move freely between and within these clusters depends entirely upon the approval of the Israeli occupation forces.

And, of course, there is the formal and absolute dependence of the Palestinian economy on Israel, for which it serves as a captive market. As Sam Bahour succinctly puts it, "Strategic state-building economic resources [which] are land, water, roads, borders, electromagnetic spectrum, airspace, movement, access, electricity, free trade relations, and the most important resource of all, the human resource […] are 100 percent micromanaged by the Israeli military occupation."

Beyond the entrenchment of non-sovereignty, the Oslo process has incubated new "predatory classes" that have fed upon vulnerable groups, accessed political privilege and donor funds, and given a veneer of legitimacy to normalization with the structures of Israel's occupation while serving as sub-agents for the occupation. (See also Lineages of Revolt: *Issues of Contemporary Capitalism in the Middle East* as well as "The Palestinian Capitalists That Have Gone Too Far.")

What used to be done reluctantly and secretively in the past, given the risk of exclusion and abandonment by the society at large and sometimes the loss of one's life, has, since Oslo, been done openly, flagrantly, and even with audacious pride in, for example, securing so-called innovative economic deals for the development of Palestine.

These predatory classes include the following – and this is by no means a comprehensive list:

- Political brokers, who normalize contacts between the PA and the Israeli occupation administration
- Land brokers, who manufacture commercial real estate ventures to sell off indigenous lands to wealthy Palestinians, Arabs, or Jews living outside of Palestine
- Finance brokers, who act as intermediaries between transnational aid agencies, foreign government agencies, and commercial companies, on the one hand, and local NGOs and companies, on the other
- Capitalist brokers, who link Palestinians in the OPT with Palestinian, Arab, Israeli Jewish, Western Jewish, and other Western capitalists who seek profitable investments in Palestine
- Security brokers, who connect Israeli and Western security companies with local companies and enterprises with emerging security needs.

Liberating Ourselves from this Predicament

Overall, the social and economic development of Palestine since the 1978 Camp David Accords and particularly since the 1993 Oslo Accords has been fragmented and non-cumulative. It has been impeded primarily by the Israeli occupation's colonization of land and siphoning of resources but also by an informal coalition of Palestinian capitalists and political elites, development NGOs, and transnational aid agencies. This coalition has depended on the flow of transnational money and collaboration with Jewish-Israeli corporations within Israel, in the region, and globally. Many – including the current Israeli prime minister, Benjamin Netanyahu – hoped that this would generate a permanent state of "economic peace." (For further analysis, see my book *Globalized Palestine: The National Sell-out of a Homeland*.)[2]

The aid advanced to Palestine in the context of the Oslo Accords' agenda under prolonged occupation and colonization is political aid *par excellence*. It has been advanced specifically to force and entice the Palestinian people to acquiesce and submit to an imposed political and economic agenda that is determined, shaped, and dictated by the global neo-liberal strategy of Palestine's occupier. Such aid focuses on non-production and on brazen conspicuous consumption by relying on readily available credit from financial institutions, thus mortgaging and holding hostage the entire current society and future generations to political and economic debt. It is this aid that directs Palestinians to consume what they don't produce; and eat only what and when their occupier allows.

There is an alternative: a different approach to development that I call People-Centered Liberationist Development. This would involve re-engineering our mental constructs and social, economic, and educational institutions to lead cumulatively towards social, economic, and political self-determination and liberation. Such a re-engineering process would target the entire society in order to strengthen and enhance its indigenous resources and is aimed primarily at resisting and ending foreign occupation, political and economic re-colonization, and the predatory classes. (See also "Farming Palestine for Freedom" and "Defeating Dependency, Creating a Resistance Economy.")

The challenge is how to re-engineer this artificially imposed environment in order to render it people-centered and liberation promoting. First, Palestinians need to avoid those who insist impatiently on immediate solutions within the existing framework, a status quo that they accept, support, and from which they benefit. Rather, our approach has to be strategic and long term. The process must begin with self-liberation of the kind that Frantz Fanon advocated in his book, *The Wretched of the Earth*, grounded in an indigenously-generated and -nurtured consciousness that is embedded in people's history, strengths, and value systems.

A key step toward this goal is a revision of the educational curricula in order to redefine what it means to be a Palestinian in the context of prolonged occupation and re-integrating this understanding of Palestinian-hood with that of the rest of the Palestinian people. A related step is re-instilling positive cultural values in our society, particularly volunteerism.

Concurrently, efforts should be focused on re-establishing "popular sovereignty" by

reclaiming the agricultural means of production – our lands and natural resources, especially water. Agricultural cooperatives should be the way forward for the foreseeable future. Imitating capitalism and its so-called open markets is not the way to consolidate our societal fabric under oppression and occupation. We must work on production rather than conspicuous consumption and promote the aim of consuming what we produce.

Such strategic approaches would eventually lead to Palestinians' collective emancipation and liberation. They would take time, but the Palestinian people can draw from the experience of their many struggles in the past century. There is really no other way: liberation, independence, self-sufficiency, and sovereignty cannot be achieved within the framework created by the Oslo process.

1. *Al-Shabaka publishes all its content in both English and Arabic (see Arabic text here.) To read this piece in French, please click here. Al-Shabaka is grateful for the efforts by human rights advocates to translate its pieces into French, but is not responsible for any change in meaning.*
2. *Trenton, N.J. and London: The Red Sea Press, 2011, available at www.africaworldpressbooks.com and at www.amazon.com. The book is based on nearly 30 years of experience in a variety of institutions through which I had hoped to contribute to the development of my homeland, Palestine – historical Palestine.*

Al-Shabaka: The Palestinian Policy Network, is an independent, non-profit organization. Al-Shabaka convenes a multidisciplinary, global network of Palestinian analysts to produce critical policy analysis and collectively imagine a new policymaking paradigm for Palestine and Palestinians worldwide.

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