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The Atkin Paper Series

# Economic Growth and Business Collaboration: A Tool for Peace Building in Israel-Palestine

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# About the Atkin Paper Series

Thanks to the generosity of the *Atkin Foundation*, the *International Centre for the Study of Radicalisation and Political Violence (ICSR)* offers young leaders from Israel and the Arab world the opportunity to come to London for a period of four months. The purpose of the fellowship is to provide young leaders from Israel and the Arab world with an opportunity to develop their ideas on how to further peace and understanding in the Middle East through research, debate and constructive dialogue in a neutral political environment. The end result is a policy paper that will provide a deeper understanding and a new perspective on a specific topic or event.

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*The views expressed here are solely those of the author and do not reflect those of the International Centre for the Study of Radicalisation or the Atkin Foundation.*

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# Introduction

**T**hree years ago I took the role of Head of Arab Sector at the Manufacturers' Association of Israel (MAI), the representative body of all industrial sectors in Israel, where I represented, consulted and helped develop the Arab industry in Israel. My role was centred on supporting Arab manufacturers through their ongoing challenges and promoting the integration of the Arab sector within the Israeli economy. I initiated business collaborations between Arab and Jewish businesses, and established connections between Arab academics starved for work and Jewish manufacturers looking for workers.

What caught my attention when I headed the Arab sector division, was the effect business collaborations between Jewish and Arab businessmen – both Israeli – had on their daily relations. It was there that I realized that strengthening the connections and promoting the ties between Arab manufacturers and Jewish manufacturers, in addition to having great economic benefits on both sides, would create a positive long lasting impact on coexistence in the region. As an Arab Israeli citizen, I have always had this dream.

Growing up as a minority in Israel, I have not only overcome the associated difficulties but was determined to use the resulting skills to facilitate communication and collaboration between Israel's Jewish and Arab students, industrial representatives, and businessmen. Observing concrete results of these efforts, together with my beliefs and vision of the region, I have been encouraged to play a wider and deeper role in improving the political situation between Israel and Palestine, not just Arabs and Jews in Israel.

My experience has led me to realize the importance of exploring the idea of promoting peace between Israel and Palestine through economic growth and business ties. As President Harry S. Truman said, "If we do not want to die together in war, we must learn to live together in peace."<sup>1</sup>

The Israeli Palestinian conflict has a long history. Groups on both sides hold perceptions of the other side that are characterized by stereotypes and suspicion, making almost any kind of inter-group contacts extremely challenging. But then I started questioning; why are so many focusing on the political negotiations and trying to get the two sides to agree, while just a few are focusing on the economic drivers of peace? This is combined with the fact that Palestinians are much worse off than the Israelis.

As long as we have the huge economic gaps between Israelis and Palestinians there will be no hope on the Palestinian side and people will not have a stake in either their present situation, or their future.

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1 President Truman, Harry "Address to the UN General Assembly." *White House by direct wire, Washington D.C.*, 25 Apr. 1945, Speech.

Believing that it is people, not politicians who make peace, I will examine in this paper cooperation and economic development as a critical factor in bringing long desired peace between Israel and Palestine a step closer, and explore how the private sector of business can provide an opportunity for such a structure to form. I have a vision of stability for the region that avoids the language of boycotts and sanctions, preferring instead to focus on investment and cooperation. People on both sides should start focusing on the future, not the past; hope, not history.

In the long run, it is economics that determines the fate of nations and it is economics that determines the way in which nations interact.

# Economics, a tool for moderation, not a weapon

**W**hat should come first? Is it peace or cooperation? Instead of arguing about that, people from both sides need to start working on any kind of progress that could contribute to resolving the conflict between Israel and Palestine.

Any sort of activity that connects people and fosters understanding is nutritious; in fact, in many cases the extent to which intercommunication is promoted is probably more important than what precisely the intercommunication is about.

Palestinians and Israelis must learn to live together in peace or accept the grim alternative that would destroy both nations. While issues of security, borders, settlements, and refugees have a rightful and necessary place in the debate of resolving the Palestinian-Israeli conflict, I believe that it is time, while politicians are trying to tackle these issues, that people from both sides start taking an active part in reshaping their, and their children's, future. They should also start considering the economic case for peace. Business relations between the two nations will contribute to economic growth and prosperity on both sides, help ease tensions, and hopefully smooth the path for politicians to resolve other disagreements.

Cooperation between Israeli and Palestinian businessmen will also lead to a valuable arrangement where both societies begin interacting together in a mutually beneficial ways that implies receptivity and respect. This kind of cooperation will give rise to a situation where the economy and people shape a new reality, and not the opposite. I believe that there are a lot of ways to affect politics without the need to be directly involved in it. Business cooperation offers such an opportunity that good people must grab.

While at the MAI, I had the privilege of meeting Stef Wertheimer, an Israeli billionaire who has spent millions on building industrial parks in Israel, one of which is located in Nazareth, Israel's largest Arab city. His seven industrial parks are a great example of a situation in which Arabs and Jews work peacefully together. Stef is seeking to reconcile Jews and Arabs in Israel by fostering industry and creating jobs, believing that it is the only way to achieve peace. He is determined that when people are too busy working and earning money they would not have time to fight. We need more people like Stef on both sides.

Unfortunately, one of the major obstacles that we face in this conflict is that people and governments tend to use economics as a weapon. They try by putting pressure on the people to put pressure on the leadership. If there is a terrorist attack, Israel squeezes on the economic drivers, withholding tax revenues, and even blocking aid or goods to Palestine.

At the same time, on the Palestinian side there is a common belief that if someone is going to improve his life, especially by doing business with Israeli

businessmen, as a Palestinian he is going to be considered unfaithful to the “goals” of the resistance.

I can definitely understand this strong pressure against “normalizing” with Israel, but it is a mistaken approach. The more we cooperate the higher the chances are for peace to be achieved – which is the real goal of the resistance.

Neither Palestinians nor Israelis have to forgo or waive any kind of political demands in order to do business together. To the contrary, more interaction will lead to more understanding and more receptivity of the other side’s opinions, beliefs, and thoughts.

In spite of being the first and only Arab to work at the Manufacturers Association of Israel, the organization and its 95 employees became my second family. Working and cooperating with my colleagues enriched my knowledge of the language, culture and values of the Jewish community and their knowledge of the Arab community. This fostered our relations and deepened our understanding of each other.

At Alpha Omega in Nazareth, one of the largest Arab-Israeli Hi-tech companies, we can find employees from different religions in Israel – Muslims, Christian, and Jews. Meeting Reem Younis, the co-founder of the firm, I was told that she believes, and is proving, that employing people from different backgrounds and cultures is not only a perfect way to connect people in achieving common goals to promote the firm, but also a great tool to initiate and encourage different way of thinking that leads to more inventiveness and creativeness at the company. We need such more companies like this to employ Israelis and Palestinians.

Both sides, Palestinians and Israelis, have regularly used economics as a weapon; however, history has shown that this approach is unsuccessful. Increasing poverty, on the Palestinian side, helps the recruitment of desperate hopeless Palestinians into extremist organizations. Apparently, as the level of poverty rises, the level of extremism escalates. People who have jobs, homes, future prospects, have more to lose, and are less likely to resort to violence, seeking instead a peaceful settlement.

If we come to realize and use economic drivers as a tool for improving people’s lives, we will promote building a moderate opinion that has a stake in the future and is keen to protect that stake, a moderate opinion that believes that improving their lives is not unfaithful to the aims of the conflict.

We should not forget that the main aim of the conflict for Palestinians is to arrive at the Palestinian state, and for Israelis is to arrive at a secure peace. Through economics we can influence the political situation; we just need to make sure that leaders on both sides use it as a tool for moderation to support and build moderate minds rather than as a weapon. The idea is to foster relations between Israel and Palestine through economy, industry, trade, and infrastructure, creating a better future for the two states.

In addition to economic benefits, working together will provide a platform for people from both sides to meet, exchange ideas, and develop the very much needed interaction for building a peaceful future. As Nelson Mandela said, “If you want to

make peace with your enemy, you have to work with your enemy. Then he becomes your partner.”<sup>2</sup> Business will help people put themselves in each other’s shoes, trying to understand the thinking of the other side.

A perfect example for such an approach is the formative social role of the Fur Trade between the Aboriginal people and Europeans, which started in the early 17th century and lasted for more than 250 years. Trade played a great role in improving relations between the two sides. As Sarah Carter writes in her book *Aboriginal People and Colonizers of Western Canada to 1900*, the Fur Trade was much more than a business enterprise. It was a ‘social-cultural complex’, characterized by social interactions between the two nations. The success of the Fur Trade business required the cooperation of both parties and, eventually, it was through this business that a relationship based on friendship and reciprocity was built between the Aboriginal people and the Europeans. A similar Israeli-Palestinian trade business collaboration, exporting to the larger Arab world and European countries without any kind of sanctions or boycotts, could lead to a situation in which people start communicating and respecting each other to keep gaining the expected ‘fruits’.

The resultant economic growth, business collaborations and integration in the region will also ensure that peace, once attained, will survive. Successful mutually beneficial business collaborations will be essential for the wounds of war to heal, and will help in overcoming deep political hostilities and significant mutual distrust among the people.

Some, arguably, assume that first peace should be achieved, and only then people would be able to start cooperating. I, however, believe that incentives must be created to help reach peace and that business and economic collaboration could perfectly play that role. They have historically served as an agent of constructive change in the world.

In Europe, civilized citizens slaughtered one another for centuries. Faced with the failure of direct attempts to form a full political union, supporters of European integration pursued an alternative path of gradual and partial integration. The process took place mostly in economic areas with the expectation that this would later lead to more political integration.

The strategy was based on the assumption that in the long-term, politicians, voters and most Europeans would learn about the benefits of integration, and would therefore demand wider and deeper integration.

It started in 1950, when the European Coal and Steel Community (ECSC) began to unite European countries economically in order to secure lifelong stability and peace. This was followed by creating the European Economic Community (EEC), in 1957, which aimed to bring about economic integration between its member states and to lay the foundations of an ever-closer union among the people of Europe.

The belief was that integration between countries in economic sectors would create strong incentives for deeper integration in other fields, in order to fully

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2 “Mandela in His Own Words – CNN.com,” <http://edition.cnn.com/2008/WORLD/africa/06/24/mandela.quotes/>.

capture the advantages arising from the economic integration in which it started. The economic benefits of increased trade, job creation, active collaboration and mutual assistance on matters of common interest, by time, led to the formation of multilateral alliances. Consequently, ending hostility and full peace was reached through the creation of what is today the European Union that has shifted political priorities of its member states.

Similarly to the European Union, the SAARC – South Asian Association for Regional Cooperation – was created in 1983 with the aim of providing a platform for the people of South Asia to work together. This has established a spirit of friendship, trust and understanding. Moreover, co-operation between the SAARC members has helped in fighting terrorism in the region.

For similar reasons, in 1967, The Association of Southeast Asian Nations (ASEAN), a political and economic organization of ten Southeast Asian countries, was established with the aim of accelerating economic growth, together with social progress and sociocultural evolution, among its members. The ASEAN helps in protecting regional peace and stability, and in creating opportunities for member countries to resolve differences peacefully.

A similar process could happen in the Middle East. I hold the idea that people on both sides, by learning to interact and cooperate in economic matters would gradually start to understand and respect each other's opinions, and over time this kind of interaction would lead to a convergence in values, norms, and preferences, facilitating further integration in more sensitive and political areas.

In reality, what I realized about the conflict is that the extremists on both sides are united in trying to prevent any kind of resolution. The Oslo Accords, in 1993, was signed and supposed to enable direct negotiations between Israel and the Palestine Liberation Organization, yet the peace process was dramatically slowed down due to the assassination of Prime Minister Rabin by an Israeli terrorist. Similarly, in 2000, Israel initiated a critical move to end the conflict at Camp David. This summit had the same format and was at the same place where a peace agreement was successfully reached between Israel and Egypt in 1978. Yet the outcome was the exact opposite – it was an enormous failure, followed by terrorist bombing attacks, which incited the second “intifada”.

Extremists on both sides do not just act to prevent any resolution, but also make announcements designed to indicate that there is no partner on the other side.

# Big Change starts Small

**B**usiness collaborations, particularly at this time, should be even more tempting given the challenging economic environment both the Israelis and Palestinians are facing.

Some Israelis argue that their economy is in good shape. But we should not forget that this is partly because the Israeli economy is still under the status of “the world is waiting” for the peace process. If the status quo continues it will dramatically affect the Israeli economy negatively. To some extent, Israel’s economy is still collecting the fruits of the Oslo agreement which opened the doors for Israel to trade with a large part of the world that it could not trade with before the agreement.

When it comes to economics we should not just look for the last decade, we should anticipate a turning point. A turning point in the Israeli economy will inevitably come if nothing is to be done about the current status quo. The patience of the world waiting for peace is going to end at some point.

In addition, and in contrast to the macroeconomics’ success in Israel, on the ground, the average middle class family with two providers still struggles to pay its bills and faces constant rises in the price of goods. Therefore, the claims that Israel doesn’t need and wouldn’t benefit from cooperating with Palestine and that the risks outnumber the benefits are totally wrong. On the contrary, Israel should not see Palestine as a threat but as an opportunity to flourish.

For a long time now, the Palestinians and Israelis have fought major wars, they both have suffered countless loss of precious human lives, they have been angry with each other, and they have envy and bitterness towards each other. On the Palestinian side, people have not known a single day of justice, and on the Israeli side, people have not known a single day of peace.

It is time that we start looking for alternative approaches to resolve the conflict, rather than finding ways to manage it. We need to work on changing the spirit and the mind of the people on both sides. That is not easy, and it would definitely take a good deal of time. But people on the ground should be convinced that peace and cooperation are the way forward and that boycotting each other is a dead end.

I was told once that political progress and economic progress are like a person’s two legs walking forward. You can give a person the right leg of the world’s greatest sprinter but he will not be able to run if his left leg is that of an old man.

With economic motivation and time, there are enough Israelis and Palestinians with resourceful minds and creativity to form trading ties and initiate business collaborations of mutual benefits that will deliver economic progress so that people on the ground can see and feel that progress.

New Generation Technology (NGT) is a great project that was established in Israel and built on a true partnership between Jewish and Arab businessmen in Israel with the aim of initiating and funding early-stage companies and encouraging Arab and Jewish partnership. Having been active for ten years, the NGT incubator in

Nazareth is thriving with twenty start-up companies. It is providing Arab and Jewish entrepreneurs with a platform to turn their ideas into a real business, proving that such opportunities exist and are beneficial to the two sides.

Another joint venture is Olives of Peace, a joint Israeli-Palestinian business venture that sells olive oil. Through this project, Israelis and Palestinians have carried out joint training sessions and planning. It has led to Palestinian oil production being enriched by Israeli components. The produced olive oil has been sold under the brand name "Olives of Peace".

Sometimes it might be easier to get into discussions of anger and accusation but we should aim to bring some ideas and thoughts for the new generation of young people, so they will have the belief that there is something better on the horizon.

MEJDI Tours organization, an Israeli-Palestinian partnership, provides an innovative approach for learning about the Middle East that highlights the different narratives of Israelis and Palestinians from a variety of cultural, political, and religious backgrounds. It creates custom group tours to Israel and Palestine through its flagship project, the 'Dual Narrative' tour that is led by Israeli and Palestinian peacebuilders. We need more projects like these ones.

We should put on the table concrete projects that people on the ground can understand, touch, and feel because the Israeli and Palestinian public are distrustful of politicians' promises and are distrustful of visions of change, but when they see projects working on a cooperation level people can believe it. And just then people will believe that more cooperation can occur. People need to see something real, not just an idea.

Another ground-breaking initiative is the Israeli-Palestinian Chamber of Commerce that was established in 2008 by leading Israeli business people, seeking to enhance bilateral trade and investments between Israel and the Palestinian Authority. This initiative has not only promoted business opportunities and commerce, but also succeeded in creating strong social networks as well as mutual trust between the two sides.

I have no doubt, even though sometimes the situation in the region looks desperate, that in a few years from now, with young open-minded leaders and more projects like the ones mentioned above, there will be an agreement. There will be a region where Israel and Palestine could play a role in a very constructive way. For sure, we will face obstacles during the journey to peace, but I am sure that we are heading there.

People with goodwill should aim for Israelis and Palestinians to work together, think together, and come up with more and more concrete and constructive ideas on how to live together with peace, development, and cooperation.

These kinds of activities won't make the political issue disappear unfortunately. However, I do believe that they can help create the condition that will make a political settlement more likely. They will make a difference in the way people throughout the region live, work, and understand each other. These kinds of activities will help reduce condemnation on both sides and will be very eye-opening. To some extent, seeing people working and cooperating from both sides will help to refute

the argument that there is no partner on the other side. Even if we succeeded in changing just a few people's minds about the other party that in itself would be a huge benefit. Big change needs to start small.



# Focusing on the peace dividends

**T**he end of hostilities in itself would be definitely a supreme benefit for both sides. Nonetheless, I believe that focusing on the economic dividends will help people realize how great the economic benefits that peace will bring will be, provoking them to put pressure on their leaders to make the necessary compromises for peace.

The impact on economics basically stems from current unexploited opportunities and unproductive expenditures. On the Israeli side, the expenditures of building settlements, accompanied by the expenses of maintaining and defending them, are increasingly imposing an enormous burden on the Israeli economy. Moreover, the allocation to military expenditure which is 7.4% of Israeli's GDP, and still growing in real terms, making Israel one of the world's largest military budgets in terms of GDP, will be significantly reduced once peace with Palestine is achieved. Even with the given situation, a survey published in August 2015 by the Israel Democracy Institute revealed that 41% of Jewish-Israeli citizens believe the Israel Defence Force's budget is too high. Once peace is achieved, the budget could be cut.

The Israeli government, like in any other country, has limited resources to allocate across multiple projects. These kinds of unproductive expenditures are restricting the allocations to health, social, education, and infrastructure projects. Peace will permit the government to relocate these resources to other projects that will further foster economic growth and prosperity.

From a business aspect, ending the Palestinian conflict will provide Israeli businesses and the private sector with invaluable opportunities, especially in the Arab world. Although Israel today is arguably doing a lot of business with the Arab countries under the table, resolving the conflict will leverage the full potential and save a lot of money, especially now that the Middle East has become a market for technology in which Israel excels. The Israeli-Palestinian business collaborations could bring Israel's technology to the Arab world. Today, Israeli business people have to conceal their identity and export their products through third parties, which is usually accompanied with huge costs and the threat of boycott at any given time. In addition, the business relations today between Israel and all the Arab countries are extremely small. It amounted for less than \$2 billion in 2011, whereas trade with Turkey alone, in the same year, totalled \$3 billion.

Another aspect is tourism. Israel today hardly attracts any visitors regardless of its various historical and religious sites, beaches and attractions. A peace agreement will open the door to visitors from all countries of all religions; Jerusalem should be the exciting city of the Middle East. It is a centre of excellence for the Jewish, Muslim, Christian, and international community.

Lastly, the Arab countries' economic boycott, accompanied with the talk of European Union sanctions, will come to an end, bringing with it indispensable economic benefits to Israel. This enhancement to the Israeli economy will encourage many talented academics and businessmen who moved to the United States and Europe, to return back, furthering the contribution to the economy. All of these will be followed by an influx of foreign private investments, some of which had been dissuaded by fear of the Arab countries' boycott.

On the Palestinian side, the Israeli restrictions on the economic activity and the movement of people and goods are having a disastrous impact on the Palestinian economy.

The Palestinian unemployment rate has dramatically increased, up to 25% in the West Bank, and the figure is worse in Gaza, causing a serious slowdown in the GDP growth and making the economy heavily reliant on foreign aid, many of which are pledges that fall to materialize. Israeli businesses, however, can provide tens of thousands of job opportunities to Palestinian workers.

The uncertainties and the threats of the status quo have led to a very limited foreign investment in Palestinian companies and start-ups. Once peace is achieved, Israel can provide what the Palestinian technology ecosystem is lacking. This includes access to multinational companies and investors of which at least hundreds have operations currently in Israel. This will fuel the Palestinian industrial and technology sectors, creating jobs and raising income levels.

Many talented entrepreneurs in Palestine, who graduated from universities, have no opportunities to work in the tech sector locally. They either leave technology or leave the area, which is a loss to the Palestinian economy in either case. Palestinian entrepreneurs would find experienced partners in Israel, with its highly developed technological industry and its venture capital funds, that could provide the support to these kinds of joint ventures.

Cisco's Palestinian Investment Commitment helped build a stronger ecosystem for a local Information and Communication Technology industry in Palestine. It initiated a project in which Cisco Israel became an outsourcing customer of three firms in the Palestinian Territories, helping them to expand their access to global markets and creating job opportunities for Palestinians. By being connected through business, participants were able to bridge long-standing cultural divides. Moreover, and as it was expected, the project has brought valuable benefits to Cisco Israel. More and more hi-tech companies should be encouraged by Cisco's success.

Business in Palestine, in addition to its direct contribution to the economy, will help create jobs in other different "unrelated" fields. Having business partners who will come to visit Palestine, staying in hotels, eating at restaurants and spending money, will promote other fields.

Finally, increased economic growth and prosperity in Palestine, as the case in Israel, will encourage many talented expatriates who left Palestine, to return and take part in building the economy of the new state.

The finding of a new study, conducted by US-based research organization RAND Corp, has re-affirmed my belief that peace between Israel and Palestine

could lead to enormous financial benefits. It asserted that with a two-state solution Israel would stand to gain \$123 billion over the course of a decade, and Palestine would gain \$50 billion, whereas violence would lead to losses of \$250 billion in foregone economic opportunities and \$46 billion, respectively.<sup>3</sup> The hope is that by providing this kind of analysis leaders will start working on making better decisions leading us towards peace.

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3 C. Ross Anthony et al., "The Costs of the Israeli-Palestinian Conflict," 2015, [http://www.rand.org/pubs/research\\_reports/RR740z1-1.html](http://www.rand.org/pubs/research_reports/RR740z1-1.html).



# Recommendations

1. The private sector from both sides should aim to deliver concrete results that people on the ground will see and feel. They should look for more tangible mutual projects, such as joint industrial parks, and multicultural organizations that aim to accelerate economic growth and social progress and that would bridge the border. This kind of cooperation will help bring back hope and faith in peace and provide better utilisation of the industry and trade, raising the living standards of the people on both sides. People from one side may not agree with people from the other side, but they should learn to respect the people they're dealing with. More interaction will lead to more understanding and more receptivity of the other side's opinions, beliefs, and thoughts.
2. The free movement of goods and people, together with free capital flows, should not be restricted on the Palestinian side. The private sector must have the right to the freedom of free trade. With free trade and free movement of goods, the Palestinian private sector will be contributing to the economy and improving people's lives. This in turn will promote building a moderate opinion that has a stake in the future and is keen to protect that stake.
3. To create an employment bridge between Israel's manufacturers and companies and Palestinians who are starved for work. Working together, in addition to contributing to people's well-being, will provide a platform for people from both sides to meet, exchange ideas, and develop the very much needed interaction for building a peaceful future. This could be promoted by creating governmental incentives for companies that hire workers from both sides. Even if we succeeded in changing just a few people's minds about the other party that in itself would be a huge benefit. Big change needs to start small.
4. We should draw people's attention to the peace dividends. People don't have a clear and direct sense of what they can gain and how peace could affect their well-being and lives. Increased attention to the enormous benefits both sides stand to gain will provoke people to put pressure on their leaders to resolve the conflict. We should work on organizing mutual conferences, seminars, and workshops, focusing on these benefits and a better future, especially for young Israelis and Palestinians. Any platform that connects young people in Israel with young Arabs and fosters relations is presumptively good. One successful initiative is the School for Peace, which works with Jewish and Palestinian professional groups, women and youth, in creating a genuine egalitarian dialogue between the two sides. We need more conferences that develop participants' awareness of the conflict and their role in it, encouraging

them to take responsibility to change the present relations between Israelis and Palestinians.

5. A respectable amount of the European Union's budget should be allocated to provide support to the Palestinian private sector and businesses. This will help create more sustainable job opportunities, foster the economy, and, eventually, help the Palestinian's economy to be less reliant on foreign aid. The support should be given to businesses with a great potential of job creation such as the agricultural sector, which according to the Council for European Palestinian Relations informally employs 90% of the population.<sup>4</sup> In 2014, EU funding through the European Neighbourhood Instrument (ENI) amounted to €309.5 million, out of which just €10.5 million was allocated as a support for investment, trade and vocational training; EU member states are today much more aware than before that their aid has not made possible the creation of an independent Palestinian state so something should be done to change this.<sup>5</sup>
6. The Qualifying Industrial Zone agreement, currently allows Egyptian and Jordanian factories owned by Israelis or using Israeli products and technologies to directly access US markets without tariff or quota restrictions, as an incentive to improve their relations with Israel. Since the agreement was signed (with Jordan in 2004 and with Egypt in 2005), the volume of trade between Israel and its two neighbours has grown by thousands of percentage points. A similar agreement should be signed between Israel and the PA.
7. Governments and people should aim to promote collaboration and mutual assistance on matters of common interest and working on tackling common global challenges. Friends of the Earth Middle East is a good example of an organization that brings together environmental activists from Israel, Jordan and the Palestinian territories, to work on common issues, such as promoting discussion and sharing of water resources.
8. Establishing a joint language centre, where Israelis and Palestinians would teach each other Arabic and Hebrew, as well as aspects of their cultural heritage, would help connect people and provide them with the opportunity to learn more about each other and deepen their relations.
9. Leaders, not just the private sector, should keep looking for novel ways to utilize economics links between Arabs and Jews in Israel and Palestine. They should

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4 "CEPR – Agriculture in Palestine: A Post-Oslo Analysis," [http://www.thecepr.org/index.php?option=com\\_content&view=article&id=667:agriculture-in-palestine-a-post-oslo-analysis&catid=6:memos&Itemid=34&lang=en](http://www.thecepr.org/index.php?option=com_content&view=article&id=667:agriculture-in-palestine-a-post-oslo-analysis&catid=6:memos&Itemid=34&lang=en).

5 "European Neighbourhood Policy and Enlargement Negotiations – Palestine" – European Commission," [http://ec.europa.eu/enlargement/neighbourhood/countries/palestine/index\\_en.htm](http://ec.europa.eu/enlargement/neighbourhood/countries/palestine/index_en.htm).

also inspire people to manage through their fears, heading them towards peace, instead of exploiting their fears for political gain.

Both Israelis and Palestinians, without any doubt, will benefit from ending the conflict and turning more resources to building their economies. Business collaborations, connecting people, and increased attention to the peace dividends will have a huge positive impact on resolving the conflict. However, we should not expect results overnight. Good things do take some time.

President Kennedy used to tell a story about a French Marshal who asked his gardener to plant a seed for a tree and the gardener objected saying “but sir, it is a slow-growing tree and will take 100 years before this seed grows into any kind of a tree that is large, beautiful, or that you could see”, the Marshal said. “Really! It will be 100 years?” replied Kennedy, “then please plant it this morning rather than this afternoon.”<sup>6</sup> This is the kind of attitude necessary in building a better future for Israel and Palestine.

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6 President Kennedy, John “Address at the University of California, Berkeley.”, March 23, 1962, Speech.



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### **About ICSR**

ICSR is a unique partnership of King's College London, Georgetown University, the University of Pennsylvania, the Interdisciplinary Center Herzliya (Israel), and the Regional Centre for Conflict Prevention Amman (Jordan). Its aim is to counter the growth of radicalisation and political violence by bringing together knowledge and leadership. For more information, see [\*\*www.icsr.info\*\*](http://www.icsr.info)

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