

Arab-Israelis Conflict: Economic Implications on the Palestine's Nation

EYINA, Nkatomba, Nkatomba (PhD, Candidate)

Department of Political Science, Ignatius Ajuru University of Education, Port Harcourt, Nigeria

ANYALEBECH, Shammah Mahakwe, PhD

Lecturer, Dept. of Political Science, Rivers State University

HART, Akie Opuene, PhD

Department of Environmental Health, School of Public Health, University of Port Harcourt

DUMLE, Callistus Nekabari

Lecturer, Department of History & International Diplomacy, Rivers State University

ABSTRACT: Israeli State has been confronted with intended and unintended series of historical conflict since its creation in 1948. The Palestinian economy was not spared from these protracted conflicts that have claimed thousands of lives concerning the agitations for a sovereign state and home land for Palestinians on one hand and the recognition of a sovereign state for Israelis and its sustainable security on the other hand. Therefore, this paper is geared towards analysing major factors responsible for Israeli-Palestinians conflicts, the economic implications on the Palestinians as well as sourcing for alternative measures in order to ameliorate the Palestinian economy. This paper was guided by Classical Realist theory. This paper utilised historical design. Data were obtained from published books, magazines and journals, newspapers, published or unpublished dissertations, manuscripts, internet, dairies and other personal papers. These data were subjected to content analysis. The findings of the study revealed that Israeli-Palestinian conflicts have been a long aged conflict since 1948 when the state of Israel was created. Till now, the conflict has taken political, economic and social cultural dimensions. Secondly, the Israeli-Palestinian conflicts have impacted negatively on the economy of Palestine and the Israelis in the occupied zone and soft targets of guerilla activities both in trade, investment, manpower capacity, and natural resources thereby retarding developmental process. Since Israel's occupation of the West Bank, including East Jerusalem, and Gaza Strip, it has imposed numerous military and economic measures that have affected all sectors of the Palestinian economy, resulting in long-term economic disequilibrium and, in some cases, irreversible developmental paralyses. Finally, it is recommended that a new paradigm shift should be explored as all alternative strategies applied by the peace brokers to ameliorate Israeli-Palestinians conflicts, has not achieved its objective. Therefore, America should take the lead to galvanize the Western World with active support of Saudi Arabia and other moderate Arab Countries towards a peaceful settlement of the Arab-Israeli protracted conflict.

KEYWORD: Economy, Conflict, Implications.

Introduction

Israelis have been involved in a series of fight to preserve it from concerted Palestinian attacks since its creation in 1948. In World War 1, the area that is now called Palestine was ruled by the Turks and the Ottoman Empire which aligned with Germany. After the defeat of Turkey, its empire was dismembered and its Arab territories were put under the mandate of the League of Nations. Britain called the area it controlled between the Jordan River and the Mediterranean “Palestine” (it was a British creation) and the area it governed across the Jordan River ‘Trans-Jordan’ (Nye & Welch 2013, p. 223)

In 1920s, Jewish immigration to Palestine greatly increased, but in the 1930s, after the rise of Hitler and intensified Anti-Semitism in Europe, Jewish population began to increase rapidly such that by 1939, nearly 40 percent of Palestine was Jewish and the influx led the Arab residents to riot. Then, the British established a royal commission that recommended partition of Palestine into two states. This was not acceptable by the Palestinians who wish to prevent any attempt by the Jews from becoming a sovereign state. Though, the Jews with their intrinsic characteristics of cunning, intelligence, astuteness, knavery, dissimulation etc rooted in the character of its folkdom (Taylor 1961, p. 212). The Jews tried to preserve the new state for they are as many stratagems in their war of survival as those of other people in combat.

Thereafter, there had been series of conflicts over the people thereby causing lack of recognition for the state of Israel by the Palestinians and other Arab states, and thus, has resulted to serious human and material lost as thousands of people had lost their lives. For instance, after a lethal suicide attack in the Park Hotel in Netanya which happened on March 27, 2002, 30 Jews were murdered. On June 2006, 1,200 Palestinians and 128 Israelis were killed. On January 3, 2009, the Israeli ground invasion began (Zoabi, 2011, pp, 90-94). The operation resulted in the deaths of more than 1,300 Palestinians. The IDF released a report stating that the vast majority of the dead were Hamas militants. The Palestinian Centre for Human Rights (PCHR) reported that 926 of the 1,417 dead on January 3rd 2009 had been civilians and non-combatants. And thousands of Palestinians were chased into exile as refugees who demands right for return. From 2009, land confiscation has resulted in 40 per cent of Palestinian land in the West Bank lost to settlements and related infrastructure. The construction of the 709-km separation barrier by the state of Israel reinforced this, as about 85 per cent of its projected path cuts deep into the West Bank, limiting Palestinian farmers’ access to their land. This has had a negative impact on the Palestinian economic system. Series of attempts had been made to resolve the conflicts such as Camp David Accords, Geneva Accords amongst others.

Base on the above highlighted challenges and issues regarding Israeli-Palestinians conflicts, the study therefore is geared towards analyzing major factors responsible for Israeli-Palestinians conflicts, the economic implications on the Palestinians as well as sourcing for alternative measures in order to ameliorate the Palestinian economy. This study is aimed at achieving the following underlisted objectives:

1. To identify the factor responsible for Israeli- Palestinian conflicts.
2. To examine the economic implications on Palestine.
3. To examine the measures to improve Palestinian economy.

LITERATURE REVIEW**Conceptualising Conflict**

It is impossible for individuals, groups, parties or countries to always agree on every issue. According to Irikana & Orisa (2007, p. 122) conflict is seen in any social institution as an instrument to test or measure the ability of the leadership and the followership. Their ability to resolve any conflict bring out the qualities in them. Conflict is never the best option for any leadership or followership as it retards and destabilizes development. The major objectives of global interaction is to obtain resources which lie outside a territorial

208	<p align="center">ISSN 2690-9626 (online), Published by “Global Research Network LLC” under Volume: 3 Issue: 11 in Nov-2022 https://grnjournals.us/index.php/AJSHR</p>
	<p align="center">Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/</p>

border, in order to achieve this aim, whenever diplomatic means fail, conflict becomes inevitable and the guiding principle (Elemanya 2018. P 76). Conflict is the last resort to those interest nations, states or groups pursue which they cannot reconcile with peaceful means.

According to Coser (1969) in Elemanya (2018.p 78) assert that “conflict occurs where two or more people engage in a struggle over values and claims to status, power and resources in which the aim to the opponents is to neutralize, injure or eliminate their rivals”. Hornby (2000) cited in Elemanya (2018.p 78) defines conflict as a situation in which people, groups or countries are involved in a serious disagreement. According to Akpuru-Aja (2007. p 15) conflict has been defined in several ways. In spite of the differing views, a number of common themes underline most definitions of conflict whether one is aware of it or not, conflict exists either by perception or real. Conflict involves two or more parties in opposition to interests, principles, practice or strategies.

In other words, conflict reflects a clash of interest or goal between parties, which may be individuals or group of individuals, or ethnic groups or states. Another is that conflict reflects a determined action or struggle over a goal, which may be over or subtle; manifest or imaginary. Base on this, it shows that there is a real conflict situation (war) as well as psychological conflict. Either way, conflict is a function of the mindset of parties in a relation. A working definition of conflict according to Akpuru-Aja (2007 p 15), conflict is an attitude, a behaviour or an action or a process that introduces strains and stresses in the relationship between two or more parties on say, the attainment of a set of interests or goals.

Types of Conflict

According to Simmed (1955) cited in Irikana andOrisa (2007, p 114) conflict can take one or more combination of the four types such as follows.

- 1) War between groups or nation: This is a highly escalated conflict between different groups or nations. For instance Israeli-Palestinian conflict, Iraq annexation of Kuwait. Cold war between American and Russia. World War 1
- 2) Intra or inter group strife: This can be seen as conflict between groups of persons fighting amongst themselves. For instance Palestinian Liberation Organization (PLO) versus Israeli forces.
- 3) Litigation: A conflict which can be dispensed off legally in courts.
- 4) Clash of personal focus: Conflict between two persons for a set of interest.

Functions of Conflict

1. It may strengthen the relationship between or among parties in conflict such that they may be integrated, bonded into a group again. This is to say that, Israeli-Palestinian conflict will never remain forever, one day they shall surely reconcile and strengthen their relationship ones more.
2. It may open up a cordial communication link between the parties in conflict. This role was also played by the United States and the United Nations for Israelis- and Palestinians to negotiate together and reach an agreement.
3. Conflict may help clarify certain issues or tension packed situations.
4. In the face of common enemy or threat, it may increase social cohesion among group members.
5. It may unveil covert social injustice perpetrated against individuals or groups.
6. In conflict situations which have to do with wars, it may stimulate technology and scientific research, based on this, conflict stimulate social cultural creativity change.

7. Conflict may help to create awareness of people's problems and social, political and economic defects.
8. Conflict may directly be instrumental to the accomplishment of a social system's goal for a dynamic society, conflict is inevitable situation.

Israel: A State Born in Strife.

Since the late 1800s, The Jewish nationalist movement known as Zionism had been growing and Jews had been calling for an independent Jewish state in their ancient home land. After the Second World War, the dream of independent state of Israel came into existence (Ramirez, Stearns and Wineburg 2008:950).

At 4 o' clock in the afternoon on Friday May 14th 1948, shortly before onset of Sabbath, 200 leaders of Palestine Jewish community gathered in the Tel Aviv Museum. After the Palestine Symphony Orchestra had played a Zionist anthem "Hatikvah" (the hope), David Ben Gurion rose and read the short declaration announcing the establishment of an independent State of Israel (Alexandria 1954). Twelve hours later as the sun rose over the new born nation, the armies of Syria, Iraq Transjordan and Egypt invaded. Egyptian spitfire's road over rooftop of Tel Aviv. Radio audiences listening to life Independence Day broadcast from Ben Gurion could hear the thunder of bombs exploding over the outskirts of the city as he spoke. Perceiving this ugly incidence, from Cairo, Azzam Pasha, and the Secretary General of the Arab League warned that this will be a war of extermination and a momentous massacre which will be spoken of like the Mongolian massacre and the crusades Ramirez, (Stearns &Wineburg, 2008).

Although people outside the shore of Israel doubted him. The opposing forces were roughly equal in number, the Arab armies were well equipped with modern artillery and armor, supplied by Britain and France, while the Israeli were relying on 3-inch British and American mortars left over from the second world war, old French 65- mm, howitzer of the type used in the 1870 Franco-Prussian War and kibbutz made armored cars (Stearns &Wineburg, 2008).

The Syrians advanced into upper Galilee, the Iraqis crossed the coastal plain to the point less than 10 miles from the sea, threatening to split Israel into two, and the Trans-Jordanian Arab region led siege to Jerusalem, capturing the old city, including the Jewish quarter. On May 25th, in the south, one Egyptian thrust came within 20miles of Tel Aviv while another approach Jerusalem from the south.

The Israelis, who were better trained than their enemies and fighting for their existence, examined the initial attacks. Took the offensive position, recapturing all the capture territories except for the old city of Jerusalem. As the conflict continued, the Israelis took new territories in Galilee, Judea and the Negev, where only the Gaza strip, bordering the Sinai Peninsula remained in the Arab hands. The war was interrupted by truces and cease fires continued until July 1949 when Syria signed an armistice agreement with Israel. Altogether the war cost 600,000 strong Jewish populations some 6,000 lives; the Egyptian forces lost 1,500 men while the casualties of other Arabs were not yet recorded (Stearns &Wineburg, 2008).

Both sides believed their cost was just. The Jews were fighting to establish a sovereign state of Israel in Palestine, the narrow strip of the eastern Mediterranean coast that had been the home of their ancestors in the biblical times. For nearly 2000 years, the Jews had been a scattered, persecuted people who kept the memory of their homeland and history alive in their prayers and psalms: if I forget thee, o Jerusalem: let my right hand forget her cunning (Stearns &Wineburg, 2008).

Theoretical Perspective

This study was guided by the theory of Classical Realism. The scholars of classical realism are writers such as Thucydides (460-404 BC) in his work titled "History of the Peloponnesian War", Niccolo Machiavelli (1469-1527) in his work written in (1512) titled "The Prince", Thomas Hobbes (1588-1679) in his work titled

210	<p>ISSN 2690-9626 (online), Published by "Global Research Network LLC" under Volume: 3 Issue: 11 in Nov-2022 https://grnjournals.us/index.php/AJSHR</p>
	<p>Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/</p>

“Leviathan”, Otto von Bismack; a German Chancellor who coined the term “balance of power” and Sun Tzu; an ancient Chinese war marshal who wrote “The Art of War”.

The realist theory is an approach in international relations that holds the view that sovereign states are primarily motivated by the struggle and pursuit of power (Nte, 2019, p. 56). The major tenet of realism is that man is naturally evil, egocentric and always ready to dominate others. Therefore, when two persons demands the same thing which both cannot enjoy at the same time, each will seek to eliminate the other which shall result to conflict. The theory states that people are naturally greedy, insecure and aggressive and they also compete for scarce resources, this makes them to attack one another for gain. The lust for power and selfishness of individuals are considered to be the causes or bases of conflicts that emanates amongst the individuals. In addition to that, Hobbes identified three principal causes of conflicts which are fundamental to human nature; competition, diffidence and glory (Kaplan, 1979). Due to the desire to maximize gain, human beings are likely to act irrationally as they are naïve, gullible and can be easily manipulated. People want to achieve their own interest and so, they are prone to irrational behaviour as they become simple minded and likely to be controlled and used (Murray, 1996).

Classical realists also argues that the basic structure of international politics is anarchical in nature. That is, there is no supranational power regulating the affairs of sovereign states internationally. Base of this, states consider themselves to be their own highest authority and do not recognize any higher authority above them (Waltz, 1979). As nations gain power, they strive for more power which end up causing war. Therefore, hegemonic power begat countervailing powers. The realist theory is sometimes referred to as realpolitik, power politics and is the antithesis of idealism. It puts more emphasis on the role of human nature in international politics (Brown, 1981). It argues that power lies in human nature, as the laws that govern politics are made by men and also believed that international politics is a struggle for power which emanates from human nature (Peter, 2015).

This is a state level theory that argues that all states seek power, driven by the desire to achieve national interests. Power is the key concept for the realists and they argue that to survive, states must increase their power by internal development such as in the economic, political, technological, diplomatic and military means (Freyberg-Inan, 2003). Any state with preponderance of power is considered threatening and becomes an enemy to others, for there to be long lasting peace internationally, states should balance their power lubricated by fluid alliance systems (Murray, 1996).

This theory states that conflict is inevitable as states are eager to maximize their interests and also strengthen their security system. In order to achieve self-defense, states ramp their own military to protect themselves hence leading to arms race which leads to insecurity dilemma’ thus spiral of insecurity, causing war (Viotti & Kauppi, 2012).

Nte (2019, p. 56) opine that classical realism, realpolitik, power politics, is the oldest and most frequent adopted theory of international relations. According to Obi (2006, p. 123), the realists believed that the pursuit of national power is a natural development in the international system. They also posited that those states which neglect to strive for power actually invited war. Therefore, the logical corollary is that if all states search for power, peace and stability will result through the operation of a balance of power system propelled by self-interest and lubricated by fluid alliance systems. To better understand the realist theory, the work of Hans (1978) in his book “Politics Among Nations: the struggle for power and peace” conceived realism based on power pursuit propensity of states which is derived from the nature of human beings as power mongers or power maximizers. He also states that international politics is the struggle for power that is universal in time and space. Ethical consideration must give way to reasons of state’ (raison d’ etat) and universal moral principles cannot be applied to the actions of states. (Obi 2006, p. 124) & (Nte 2019, p. 57)

Power is the ability to get what you want either through the threat of force. Power is the decisive factor in determining the country that will prevail in the conflict. Peace will be adequately achieved by the distribution of power among states. The game of international politics revolves around the pursuit of power: acquiring it, increasing it, projecting it, and using it to bend others to ones' will. Realism claims to give account of international politics that is 'realistic' and predicated on the hard-headed and devoid of wishful thinking or deluded moralizing (Nte 2019, p. 58). From the realist view, international politics revolves around power and self-interest. State centrism and rationality are usually identified as core interest.

The crux of the realist theory is that states are the main power players in the international system. The quest for more power is hinged on the defective nature of humanity and this manifest in the political world, thereby making states to relentlessly struggle to increase their power. The possession of some offensive military capability by states makes them potentially dangerous to one another.

Applying this theory to the study, both Israelis and the Palestinians believed in the acquisition of enough military power to enable them to gain control of the Gaza Strip and West Bank against one another hence both plays a zero-sum game on each other to enrich ones economy to the detriment of another. Both sees conflict as an inevitable part of human society and thus should not be eliminated as a last resort that will see to their struggle for survival which will guarantee recognition, self-determination, independence, right to return and effective border maintenance.

Since 1948 at Israel's declaration of independence, war has always been the order of the day. Israel been surrounded with her Arab enemies had to fight concertedly for her security while Palestinian had to fight to deny Israel her claim of land ownership and recognition as a sovereign state. As the realists sees the dominant goal of actors as military security, both Israelis and the Palestinians based their ultimate form of security militarily to subdue, destroy and to rub each other off from the land border with the interest defined as in their national interest in other to develop ones economy against another.

Methodology

This paper utilised historical design. Data were obtained from published books, magazines and journals, newspapers, printed materials published or unpublished, manuscripts of letters, internet, dairies and other personal papers. These data were subjected to content analysis.

Thematic Analysis

Factors Responsible for Israeli-Palestinian Conflicts

(a) Territorial Border: This is the cause of the major issue in Israeli-Palestinian conflict. Both parties believe they have the God given right to own land and can determine their border by themselves because it was promised by God to them by reason of covenant God had with Abraham. Rather than to maintain the border created by the international community, both Israelis and the Palestinians aimed at playing a zero-sum game on each other, to the extent that the Partition Plan, Resolution 242, as well as the Geneva Accord, Camp David Accords are to no avail. (Nye and Welch 2013.p, 224).

(b) Sharon's Visit to the Temple Mount: On September 28, 2000, Ariel Sharon, Israel's minister of foreign affairs who later became Israel's prime minister visited the Temple Mount in Jerusalem, a holy site to both Jews and Muslims. Sharon's visit ignited a violent revolt from the Palestinians, which started the second intifada, also dubbed the Al-Aksa intifada. The next day, riots around the Al-Aksa mosque left seven people dead. More unrest followed, including the lynching of Israeli soldiers in Ramallah

(c) Balfour Declaration of 1917.

This was a statement issued by Lord Balfour, the then British foreign secretary to Walter Rothschild, a leader of the Jewish community in a letter dated 22nd November 1917 confirming the British desire and support for a home land for the Jews in Palestine. Balfour Declaration on 2nd November 1917 states that

His majesty government viewed with favour the establishment in Palestine of a national home for the Jewish people, and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which will prejudice the civil and religious rights of existing, non-Jewish communities in Palestine, or the right and political status enjoyed by the Jews in any other country (Nye and Welch 2013).

This declaration was the straw that broke the Camel's back in Israeli-Palestinian relations. It has been seen by scholars that the Balfour declaration laid a serious foundation for modern day Israeli-Palestinian strife, which poses a major issue in world peace in general and then Middle East in particular. While the declaration was regarded as a major diplomatic triumph by the Jews and goals in the Middle East, it woefully failed to take into cognizance the reality on ground in the region as it was already occupied. This declaration also unjustly supported the Jewish cause and ruin any hope of cordiality between Israelis and Palestinians as it encourages large mass of emigrant Jews to the detriment of disposed Palestinians whom are now refugees having no place to lay their heads, thus forever changing the social, economic and political makeup of the region to what it is today. Britain has been criticized of having a Sykes-Picot Agreement with France to split and occupy parts of promised Arab countries. This issue only led to Arab resentment of the western world.

(d) The Partition Plan.

This was a proposal developed by the United Nations which recommended the partitioning of the Middle East land following the termination of the British mandate. The UN partition plan divided Palestine into two states: a Jewish state with 55 percent of Palestine, and an Arab state with 42 percent and 3 percent forming an international zone including Jerusalem. On 29th November, 1947, a year before Israeli independent, which precipitated the first war of 1948, the UN general assembly adopted the resolution and recommended the adoption and implementation of the plan as Resolution 181 (11). As of this time, there was a foul play in the sense that, the Jews comprised of 37 percent of Palestinian population while the Arabs are 63 percent yet the plan allotted the majority land share to the minority occupants. The Jews favorably accepted the plan but fawn at the border UN laid down for the Israel while as the Palestinians out rightly rejected the plan on the ground of unfairness of the partition plan that awarded 63 percent of the land to Jews and went ahead to question the Israeli right to statehood in Palestinian territory.

Economic Implications on the Palestinians

(a) Denial of Access to Natural Resources

It is estimated that over the last four decades, Israel has confiscated more than half of the land in the West Bank, with the number of Israeli settlements reaching 134 (West Bank, including East Jerusalem), and the number of settlers, 500,000 (Office for the Coordination of Humanitarian Affairs (OCHA), 2009). This has substantially reduced the area available for Palestinian rain-fed and cereal farming. Furthermore, Palestinians in the West Bank use only about 15–20 percent of the water available annually in the area; the rest is used by the Israeli settlements and within Israel itself.

In 2002, Israel started building the separation barrier in the West Bank creating numerous, isolated Bantustans, disintegrating the West Bank even further. More Palestinian farmland and water resources were confiscated for the construction of new settlements, military outposts and bypass roads; further, agricultural production infrastructure, including water wells, irrigation networks, agricultural roads, greenhouses and

farms, was destroyed. This has dealt a further blow to the geography and economy of the West Bank. From 2009, land confiscation has resulted in 40 per cent of Palestinian land in the West Bank lost to settlements and related infrastructure. The construction of the 709-km *separation barrier* reinforced this, as around 85 per cent of its projected path cuts deep into the West Bank, limiting farmers' access to their land (OCHA, 2009). The need for "difficult-to-obtain permit" to pass through gates to access their lands, has discouraged many farmers from even applying, in some cases forcing them to abandon their land to the west of the barrier (UNCTAD,

2010). The construction of the barrier implies a permanent loss of 8 per cent of Palestinian agriculture products. In Gaza, farmers are denied access to agricultural lands within the 300–1,000 meter-wide "buffer" zone along the 45 km of Gaza's borders with Israel. After June 2009, 46 per cent of the farmland in Gaza was inaccessible or out of production. Similarly, Palestinian fishermen are not allowed to fish beyond three nautical miles from the Gaza shore instead of the internationally recognized 20 miles (UNCTAD, 2010).

(b) Closure and Blockade: inhibiting Transaction Costs:

Palestinian livelihood and development have been curtailed in the face of Israeli settlement activities, land confiscations, recurrent border closures and, since 2002, the construction of the separation barrier. These have not only produced immediate effects on the development of the occupied Palestinian territory, but have also diminished the prospects for a territorially contiguous, viable Palestinian economy. The closures, which have intensified since 2009, have seriously weakened the Palestinian export sector and has either reduced or pushed many firms out of business.

(c) Deepened Palestinian Economic Dependence on Israel: With the share of Israel in Palestinian trade rising from 63 per cent in 1999 to 79 percent in 2008. The subsequent trade deficit with Israel as a percentage of GDP is estimated to have increased from 38 percent in 1999 to 56 percent in 2008. The latter is equivalent to more than 140 percent of the total donor support received by the Palestinian Authority in 2008, and to 71 per cent of the overall Palestinian trade deficit (UNCTAD, 2009). The prohibitive transaction costs at major commercial crossing points in the form of damaged goods and long waiting times have severely affected trading activities. The Israeli closure measures have been further aggravated by the almost complete blockade of Gaza since June 2007, which has brought to a halt most forms of economic activity and trade.

The direct physical damage and indirect cost to the occupied Palestinian territory of the December 2008 war on Gaza adds up to \$3.1 billion; it was estimated that it would increase to \$3.9 billion by 2021 if Israel continued to impose the blockade and closures (UNCTAD, 2010). This is more than 80 per cent of GDP generated by the occupied Palestinian territory in 2008. Lifting the closure policies is a prerequisite for any improvements in the Palestinian economy, widespread unemployment and deepening poverty.

(d) Eroded Productive Base:

The above trends have resulted in the erosion of the Palestinian productive base, particularly since the second Intifada in year 2000 and the tightening of the closures and extensive restrictions on Palestinian access to their land and natural resources. According to conservative estimates, the occupied Palestinian territory is now operating with much less than two thirds of its 1998 capital stock (productive base) (UNCTAD, 2008). Figure 1 demonstrates the erosion of the economy's productive capacity: between 1995 and 2008. The share of agriculture in GDP declined from 12 per cent to a mere 5 percent, while the share of industry fell from 21 per cent to 12 per cent. At the same time, the combined share of the non-tradable goods sector, services and construction rose from 67–83 per cent, with services accounting for all the increase (UNCTAD, 2010). In addition to the impact of the above mentioned measures, the destruction of physical infrastructure and private and public property is estimated to have cost the economy around \$3.5 billion, equivalent to 30 per cent of pre-2000 capital stock (UNCTAD, 2006a). In addition to capital stock losses, it is estimated that the

cumulative economic opportunity cost of potential income (GDP) over the period 2000–2004 alone was about \$6.4 billion in 1997 dollars (UNCTAD, 2006). This is equivalent to 140 per cent of Palestinian pre-crisis GDP.

In such circumstances, there has been no space for private investment recovery to revitalize the eroded productive base. At the same time, government investment in 2008 stood at only around \$250 million, a mere 5 per cent of GDP, while industry continued to shrink and construction stagnated (UNCTAD, 2009a). The devastation of Gaza has strongly reinforced the already existing de-development momentum through a further marginalization of agriculture and industry. The systematic erosion of the Palestinian productive base, particularly in Gaza, deprives the Palestinian people of their ability to produce and feed themselves and turns them into poor consumers of essential goods imported mainly from Israel and financed chiefly by donors.

(e) Regulatory Constraints: Prior to the Oslo Accords, the Israeli Administration controlled the affairs of the occupied Palestinian territory through its direct military rule. Following the Oslo Accords, this was institutionalized under the terms of the Paris Protocol. Plans by Palestinian businessmen to start new ventures, or to expand old ones, have been often frustrated by delays in granting permits, which are required for all activities related to the acquisition of land, the construction of buildings, the transportation of goods, all financial transactions, and export and import. Investment has been further discouraged by the underdevelopment of effective Palestinian financial intermediation. This reflects the closure of all Arab banks at the beginning of the occupation in 1967 and their reopening on a small scale in the mid-1980s. Other regulations affected the state and pace of technological change and modernization in various economic sectors, with the Israeli authorities regulating imports of advanced machinery and technology to the occupied Palestinian territory, while imposing strict regulations on the type of agricultural products and exports.

(f) Labour Market Distortions: In 1992, one third of all employed Palestinians – around 120,000 – worked inside Israel. They were often employed in low-skilled jobs, mainly in construction, agriculture and services, at relatively higher wages than in the occupied Palestinian territory. This not only reduced the competitiveness of local Palestinian employers by distorting the wage structure of the local Palestinian economy; it also increased dependence on the Israeli economy as a major source of employment and endeared the eruption of the second Intifada in 2000, the strict enforcement of the Israeli Permit policy concerning Palestinian workers, and the commencement of the construction of the separation barrier in the West Bank in 2002, the number of Palestinians working in Israel plummeted from some 135,000 in 1999 to 75,000 in 2008. This not only led to a drop in the remittance transfers to the occupied Palestinian territory, but also to higher unemployment and poverty rates, especially in the absence of a viable Palestinian private sector as an alternative source of employment.

According to the Palestinian Central Bureau of Statistics (PCBS), Palestinian unemployment reached a high of more than 31 per cent in 2002. By 2008, this had declined to 26 per cent. As shown in figure 2, these trends have been far more pronounced in the Gaza Strip, with unemployment standing at 38 per cent in 2002 and 40.6 per cent in 2008 (PCBS, 2009).

(g) Structural Changes in the Palestinian Economy: Agriculture has traditionally been a leading economic sector and source of employment in the occupied Palestinian territory, with food and agricultural products often constituting at least around 17 percent of all Palestinian exports (Bouzerger, 2007). However, since 1967 and more so after the signing of the Oslo Accords, the Palestinian agricultural sector's contribution to the economy has declined sharply. This is due to a host of factors, including the confiscation of land and water resources, labour movement restrictions leading to a general shift to the service sector as an alternative source of employment, the unavailability of inputs, restrictions on agricultural exports due to closures, increased production costs and donors' treatment of the agricultural sector as a vulnerable, and therefore weaker, candidate for donor funding – something which has also been reflected in the policies of the

Palestinian Authority. This policy bias against the agricultural sector has persisted, despite its emergence as a critical sector in cushioning the high levels of unemployment in the territories following the second Intifada and the massive Palestinian job losses inside Israel.

Production and exports from the agricultural sector are not only vital for providing a strong input base for Palestinian industrial expansion, but they would also reduce Palestinian dependence on the Israeli economy for various agricultural and food products, while generating employment. Agriculture's contribution to Palestinian GDP has almost halved since the early 1990s, constituting only around 4–6 percent of GDP in recent years.

Table 1. Sectorial share of Gross Domestic Product: Remaining West Bank and Gaza

Sectors	2002	2003	2004	2005	2006	2007	2008
Agriculture and fishing.	9.9	7.9	7.1	5.2	5.6	5.6	4.8
Mining, manufacturing, electricity and water	15.2	17.0	17.1	17.0	15.0	13.8	13.6
Construction	2.3	5.0	5.7	6.8	7.2	6.2	4.9
Wholesale and retail trade	10.9	9.8	9.8	9.4	9.6	9.2	10.8
Public administration and defence	13.6	14.3	14.1	14.1	15.7	13.9	13.9
Transport	9.9	4.6	6.1	5.8	6.6	7.5	8.9
Other services	22.8	22.8	22.8	23	19.6	22.2	25.2

Source: Palestine Economic Policy Research Institute (2007, 2009).

Notes: West Bank excludes East Jerusalem in this table.

Figures for 2008 are estimates.

(h) High Rate of Unemployment:

The second Intifada, which began in late 2000, and the massive number of Palestinian job losses in Israel, were followed by the 2006 elections of the Palestinian Legislative Council, which put Hamas at the helm of the Palestinian Authority and led to the subsequent withdrawal of donor funding and the Israeli blockade of the Gaza Strip. This was in addition to the continued strict closure policy in the West Bank. The direct consequence was the shutting down of many agricultural and industrial businesses, with unemployment rising to unprecedented levels. It reached nearly 30 per cent in 2007 and more than 40 per cent in 2008 (PCBS, 2009). According to OCHA (2007), more than 75,000 workers out of approximately 110,000 employed by the private sector were temporarily laid off because of the impact of the closures, and the majority of private businesses have shut down.

The industrial sector did not fare better than agriculture. In 2007, manufacturing constituted only around 9.4 percent of Palestinian GDP (PCBS, 2009). This small and declining share was associated with a deteriorating pattern in capital intensity that has prevailed since the early 1990s.¹ In addition, the lack of access to inputs and markets brought about by the Israeli closure policy, as well as the destruction of numerous plants and the productive base, led to a further decline in Palestinian industrial activity. The Israeli measures have also subjected Palestinian exports and imports to Capital–output and capital–labour ratios in the Palestinian

economy have increased steadily since the 1970s. Complicated certification procedures, while limiting the development of industry by specifying the types and quantities of raw materials that can enter the territories for use in the manufacturing industries. The dumping of low-priced, poor-quality Israeli industrial goods in Palestinian markets has prevented the establishment of any Palestinian industry that could compete with similar Israeli enterprises. In the meantime, most donor support was focused on emergency and relief assistance with very little attention paid to infrastructure and the industrial and agricultural sectors (UNCTAD, 2006).

(i) **Trade:** The decline in Palestinian trade have been a result of the uncertainties and restrictions facing exporters, in terms of timely delivery of their inputs as well as their products. Already flagging, Palestinian trade received a further blow following the second Intifada, when the growth of exports declined from 2.3 per cent in 1999 to -34.8 per cent in 2002, with imports dropping from 5.4 per cent to -17.3 percent during the same period (Missaglia and de Boer, 2004). The sudden intensification of movement restrictions, Israel's withholding of tax revenues due to the Palestinian Authority, the lack of imported inputs and the closure of borders with the outside world, led to a sudden decline in trade activities inside the territories. With exports declining much faster than imports, the Palestinian trade deficit has grown substantially.

The main problem with Palestinian trade is that Israel is by far its largest trading partner. From 1967 until the signing of the Oslo Accords, 80–85 per cent of Palestinian exports and 80–90 per cent of its imports were to and from Israel. This pattern persisted well after the Oslo Accords and the signing of the Paris Protocol, which reaffirmed Israel's control over Palestinian borders and trade regulations. From 1999 to 2004, Palestinian trade with Israel represented around 64 per cent of total Palestinian trade, reaching 79 percent in 2008. This implies that the trade deficit with Israel as a percentage of Palestinian GDP rose sharply from 38 per cent in 1999 to 56 per cent in 2008, equivalent to more than 140 percent of total donor support received by the Palestinian Authority in 2008 (UNCTAD, 2009).

Table 3. Total value of imports, exports, net balance and transaction trade with Israel for remaining West Bank and Gaza Strip, 2000–2006

(Millions of dollars)

Imports Exports Trade balance

Year	Import	Export	Trade balance
2000	2,383	401	-2,784
2001	2,034	290	-2,324
2002	1,516	241	-1,756
2003	1,800	280	-2,080
2004	2,373	313	-2,686
2005	2,668	335	-3,003
2006	2,759	367	-3,125

Source: Adapted from Palestinian Central Bureau of Statistics (PCBS), (2008)

(j) Weakened Palestinian Institutions:

After the establishment of the Palestinian Authority in 1994, the new Palestinian institutions had limited capacity to cope with the restrictions and the conditions placed upon them by the Israeli policies. During the period of limited self-rule (1994–2000), the Palestinian Authority was not able to articulate a comprehensive national programme of reconstruction and development. This was due in part to Israeli policies that did not live up to the commitments made under the Oslo Accords and to the Palestinian Authority's structural weaknesses and lack of coherent vision, reflecting, to a large extent, the inherent shortcomings of the Oslo

Accords. Furthermore, the vision, agenda and conditionalities of the donor community overburdened the already weakened Palestinian institutional and economic capacity and, hence, limited the scope for development of a national development strategy and policy.

Furthermore, the Palestinian Authority's rent management strategies on sensitive imports such as cement, iron and petroleum products, led to higher production costs. The absence of a clear development-driven objective, wide-ranging donor demands and conditions, and the pressure of Israeli repressive policies and measures have led to a curious mix of Palestinian Authority policies, which often lack sustainability and coherence.

In addition, donors' involvement in Palestinian reform and in the institution-building process, together with their aid conditionality and the existing policy framework of the Paris Protocol, have resulted in a shrinking Palestinian policy space, whereby Palestinian Authority policies are on the one hand made within a framework offered and approved by donors, and on the other hand, are mere responses to the numerous and sometimes contradictory donor aid conditionalities. These limitations have not only reduced the capacity of Palestinian institutions to respond to the needs of the Palestinian economy, but have also created fragmentations within Palestinian institutions and ministries.

(k) Poverty in the Occupied Palestinian Territory:

Poverty levels in the occupied Palestinian territory have remained high and on the increase for many years. This has been a result of the erratic and declining rate of economic activity, low wages, loss of employment opportunities due to the Israeli closure policy, reduced employment generation capacities of the public and private sectors, and restricted access to natural resources, as well as declining and unstable employment opportunities in Israel. The rate and intensity of poverty have also varied between the West Bank and the Gaza Strip. The harsh reality of livelihoods in the occupied Palestinian territory implies that income levels are not a sufficient indicator of poverty. Consumption levels should be taken into account as further indicators of poverty rates. Despite expectations of economic prosperity and generous donor support, poverty is still ruin in Palestine.

However, following the outbreak of the second Intifada and the sudden decline in economic activity, poverty rates jumped to 51 per cent in 2002 (PCBS, 2009). With the relative calm that prevailed after 2003, poverty did not worsen, but remained high. This was mainly due to the negative effect of the expanding separation barrier and to the continued restrictions on economic activity and labour movement. As a result of the international boycott of the Palestinian Authority following the 2006 parliamentary elections and the subsequent suspension of aid to the occupied Palestinian territory, the number of people living in deep poverty that is, living on less than 50 percent a day, doubled from 500,000 to over 1 million (Palestine Monitor, 2009). According to PCBS, by 2008 over half of all Palestinians were living in poverty: 46 percent in the West Bank and 79 percent in the Gaza Strip.

The risks and uncertainties associated with conflict and occupation have debilitated the Palestinian economy and, therefore, dampened private sector activity and reduced its employment generation capacity. As a result, the public sector became the largest employer with a relatively large wage bill, mainly financed by donor budget support. This implies that the donor assistance and Palestinian Authority revenues have a direct bearing on poverty, as occurred following the 2006 elections. This experience reminds the donor community of its international obligations in the poverty reduction and development efforts in the occupied Palestinian territory.

(l) High Level of emigration: The estimated one million Palestinians who have emigrated since 1948 (as well as their children) serve as a vital lifeline for Palestinians who remain in the West Bank and Gaza Strip. As a percentage of its GDP, the Palestinian territories are one of the most dependent economies in the world

on remittances. The latest data from IMF in 2010 shows US\$ 431m being transferred by workers employed abroad.

Measures Applied to Improve the Palestinian Economy

(a) Saudi Peace Plan:

Hence bilateral talks failed to achieve peace between Palestinians and Israeli conflict, the Saudi Peace Plan was presented at an Arab Summit in Beirut in March 2002. This peace plan reverted to a multilateral perspective and in a particular signal a prompting desire by the Arab states in general to put an end to the long standing conflict. Base on this plan, it was agreed that Israel would withdraw to the border of June 1967, a Palestinian state will be set up in the West Bank and Gaza Strip. Following this, there will be a just solution of the refugee issue of return to their home land and in return, all the Arab countries would recognize Israel as a sovereign state in the Middle East. In 2007, the plan was re-endorsed by another Arab summit held in Riyadh (extracted from Saudi Initiative/Beirut Declaration).

This plan is important to showcase the maximum support given by Arab States to a two state-solution. But despite the significance of this peace plan, its short fall is that there was no new agreement reached by these Arab countries other than the old agreement of which they had not supported abnitio.

(b) Road Map to Peace 2003

This was a plan developed to resolve the Israeli-Palestinian conflict. This plan was proposed by the United States of America, Britain, European Union, Russia, and the United Nations. It was also referred to as Quartet on the Middle East. The principles of the plan was originally prepared/ drafted by the U.S Foreign Service Officer Donald Blome, outlined by the U.S President George W Bush who became the very first U.S president to call for a Palestinian state in his speech on June 24th 2002, which he suggested for a sovereign Palestinian state existing side by side with a sovereign state of Israel in peace and harmony. (Extracted from the White House, June 2002). It is worthy to note that this draft version from Bush administration was published as early as 14th of November 2002 and the final text was released on 30th April 2003.

The roadmap proposed a phased time table, putting the establishment of security before a final settlement. The roadmap was also made to create confidence, leading to final resolution. The phases are as follows:

Phase one: Both sides will issue statement supporting the two-state solution, the Palestinians would end violence, act against all engaged in terror, draw up a constitution, hold election and the Israeli would stop settlement activities and act with military restraint.

Phase two: would see the creation, at an international conference, of a Palestinian state with provisional borders.

Phase three: Final agreement talks.

Surprisingly, this peace plan got to a deadlock early in phase 1 leading to non-implementation of the plan (<http://www.cfr.org>, 2013).

(c) Geneva Accords of 2003: This is an initiative with a drafted permanent status agreement to resolve the Palestinian-Israeli conflict based on previous official negotiations. Such as the Roadmap, Resolution 242, Arab peace plan etc. this document was prepared in secret more than two years before the 50-page document was officially launched on December 1st 2003 at a ceremony in Geneva, Switzerland, (Geneva Accord: A Model Israel-Palestinian Agreement 2003).

The actors in this peace process are Israeli-Palestinian negotiators like Israel Prime minister Yossi Beilin and former Palestinian authority minister, Yasser Abed Rabbo. Though, this accord did not in any way obligate

the contending two parties, neither imposed sanctions on them their respective governments. Nevertheless, the initiative got international support but was heavily criticized by Israeli prime minister Ariel Sharon (Haaretz 2003).

The basic principles of the Geneva Accord includes

- (a) A mutual declaration by Israel and Palestine of an end to the conflict and future claims.
- (b) A mutual recognition of both nations as sovereign independent states.
- (c) Israel withdrawal from the 1967 borders, with a limited number of settlement blocs on the basis of 1:1 land swap.
- (d) A comprehensive solution to the issue of Palestinian refugee's base on the Clinton parameters of 2000; of which the main component will be compensation and a return to an independent Palestinian state.
- (e) Jewish Jerusalem as Israel's capital and Arab Jerusalem as Palestine's capital with Jewish areas under Israeli sovereignty and Arab areas under Palestinian sovereignty.
- (f) A non-militarized Palestinian state and detailed security arrangements.

Geneva Accord was seen by many actors as a right step to follow. Surprisingly, Yasser Arafat acknowledged and praised the 'brave initiative that will open the door to an enduring peace' (Hauser, The New York Times 5 December 2003). It was also reported by Palestinian sources that Yasser Arafat and Ahmed Qurei had approved the Geneva Accord principally but not in details as well as sent representatives to the launching ceremony (Palestine media center 2nd December 2003, apoll conducted on June 2012)

(d) Washington 2010: After the assumption of office, President Barack Obama of the United States immediately tried to restart the peace process. Base on this decision, Obama re-established contact between Israel and Palestinians in the month of May 2009 through US Middle East envoy George Mitchell.

President Obama also persuaded Netanyahu on November 2009 to agree to a ten-month partial freeze on settlement construction in the West Bank, which Netanyahu consented to but Abbas, his Palestinian counterpart did not agree to this because the freeze did not include East Jerusalem and to crown it all, Abbas wanted a guarantee of a Palestinian state based on 1967 lines. After several months of no result, the US secretary of state Hillary Clinton announced that Mr. Netanyahu and Mr. Abbas had agreed to re-launch direct negotiations to resolve all final status issues and with the belief that the talks could be completed within a year (Nye & Welch 2013:229).

(e) United Nations Resolution 242 of 1967 : The Yom Kippur war which lasted for only six days has its significance on the Israeli-Palestinian conflict. In the aftermath of the conflict, there arose an urgent need for a meaningful and long lasting peace resolution to the Arab-Israeli conflict. This very need gave birth to United Nations Security Council Resolution 242 Of 1967. This was a proposed peace formula by the United Nations for the perfect resolution of the conflicts between the Israeli and the Arab states such as Egypt, Syria, Jordan, Lebanon and Palestinian economy).

The resolution has five basic significant principles, thus:

- i. The withdrawal of Israel forces.
- ii. Peace within secure and recognized boundaries.
- iii. Freedom of navigation.
- iv. A just settlement of refugee issue.
- v. Security measures including demilitarized zones.

220	ISSN 2690-9626 (online), Published by "Global Research Network LLC" under Volume: 3 Issue: 11 in Nov-2022 https://grnjournals.us/index.php/AJSHR
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

This resolution 242 was proposed by Lord Caradon, the British representative to the United Nations and the principal actor of the resolution. This resolution is most basically important for the resolution of the Israeli-Palestinian conflict as other subsequent peace negotiations references this resolution 242.

In practical terms, this resolution is yet to be objectively interpreted and executed due to the ambiguities of resolution 242, which precipitated more conflict in the interpretation (Akpuru-Aja 2009, p. 211). There arose a controversy over the use or non-use of a simple article 'THE.' The UN resolution drafted in both English and French languages omits the article 'THE' in the English version but is present in French version of the resolution. The Arab countries and Palestinian Authority are of the view that the resolution calls for Israel's total withdrawal from the territories acquired during the six days war (Yom Kippur war) of 1967. This implies that that Israel will withdraw from all the seized territories in 1967; a demand which the Israelis would hardly accept.

After three futile attempts by the Arabs to have the article 'THE' enshrined into the English version, but was to no avail. Rather than adding the article 'THE,' Lord Caradon, tries to justifying the omission of the article as an intended ambiguous working document. This was made clearer when he stated before the vote in the Security Council on the resolution 242 that the draft resolution is a balanced whole. To add to it or to subtract from it would destroy the balance as well as the wide range of agreement achieved. It must be considered as a whole as it stands. The resolution has over the years been interpreted in different ways and mutually unacceptable means. In the preamble of resolution 242 referred to yet another international legal principle to be fulfilled. These principles are principles of peaceful co-existence which includes; the principle of state's right to exist in a secure and non-threatening neighborhood, free from acts and threats of force and within a secured and well recognized boundaries. This is to say that the achievement of the principle of co-existence is determined by the implementation ability of resolution 242, if the two parties will maintain their borders. Though, the principle could not work effectively. In Palestinian-Israeli relations, the boundaries and territories concerned are believed to have been occupied through war which the Palestinians believed directly contravened the United Nations Charter on land acquisition; "inadmissibility of territorial occupation through war" (United Nations Research Guide 2012).

For years, the Palestinian Authority rejected resolution 242. To them, it does not recognize their right to self-determination or to return to their home land. This is based on the phrase 'just settlement' of refugee problem without a thorough specification of the context which the phrase is used. To crown it all, the Palestinian Liberation Organization (PLO), formed in 1964, strongly criticized resolution 242 on the ground that it reduced the question of Palestine to refugee problem and by calling for recognition of every Arab State. To the PLO, resolution 242 entails unilateral Palestinian recognition of Israel without reciprocal recognition of Palestinian national rights. (United Nation Resolution 242 Retrieved 29 September 2014).

(f) Soviet Union Contribution to Peace on Israeli-Palestinian conflicts: According to Akpuru-Aja (2009: 209) the soviet contribution to the Middle East peace process has been ambivalent. It has shifted from strong support of the Arab world against Israelis to one of balanced relationship with both the Jews and the Arabs. The global peace pattern of politics has continued to influence and shape the soviet ideological and strategic interest. Ideology, as one of the forces that shape actions and results in international relations, had since 1948 stalled peace process between the Jews and the Palestinians in the Middle East. Although, it has been obvious that extreme form of Nationalism worked against mutual co-existence of the Israeli and Palestinians ideological and strategic rivalry between the Communist Soviet and the Capitalist US complicated peace process. This made the oil rich region a hot bed for bloodshed. It was the introduction of Perestroika and Glasnost in the Soviet Union in 1985 by Gorbachev that the ideological rivalry between the two super powers got relaxed. The philosophy of Perestroika and Glasnost has since 1990 encouraged the peace process in the Middle East. The soviet (Russian) contribution takes three basic forms.

- (i) Extreme reduction: In the ideological opposition of the US support of Israel against Palestinians
- (ii) The Russian rediscovery of and acknowledgement of the deep historical and cultural link with Israel.
- (iii) The lifting of ban on the Soviets immigration to Israel has help to create a new climate of option in Israel about Russia among others.

The Soviet role on the Israeli-Palestinian conflict was majorly motivated by the idea of opposing the US imperialism and military hegemony in the Middle East. From the perspective of Soviet, support to the Arab cause was a strong support against imperialism. The Soviet diplomacy was in part, aimed at maintaining a stronger foothold in conservative, moderate and radical Arab states. The power game played between the US and USSR in the Palestinian-Israeli conflict was more of a zero-sum game; in which the gain for one will be the loss for the other. And the soviet will make sure that Palestinians bargain in the position of strength rather than weakness so as US is always committed that the Israelis bargain from the area of strength than weakness in any peace initiative towards peaceful resolution of Israeli-Palestinian conflict. Nevertheless, the Israelis saw Soviets as enemy for supporting the Arabs to exterminate the state of Israel.

The intractable nature of the Palestinian question resulted in four major wars between the Arabs and the Jews in 1948, 1956, 1967 and 1973. Each of the wars saw the US and Soviet Union providing diplomatic, financial and military assistance to Israel and the Arabs respectively (Akpuru-Aja 2009, p. 211). Instead of the mutual commitment of the two super powers in bringing the disputing parties to an understanding of resolving the enduring conflicts, they complicated the process by the commitment to contain each other ideologically and strategically. Because of this, while the Palestinians view the US as dishonest broker, the Israelis on its part also views the Soviet Union in a similar lens. The Soviet recognized the Palestinian Liberation Organization (PLO) as a legitimate voice of the Palestinians and admonished the United Nations General Assembly (UNGA) to approve the participation of the PLO at least as an observer in the deliberation in the Middle East situation. This very attitude angered the state of Israel that it would be an insult on the integrity of Israel to be drawn into negotiation with a non-state actor as well as an organized terrorist organization. Since 1967, the Soviet Union has cut off its diplomatic relations with Israel, after the Arab-Israeli conflict of 1973, Israel rather than retreat, has gained more Arab's territories. The Palestinians with the support of Soviet Union got the UN Security Council to adopt resolution 338 which like 242, in part, called for unconditional withdrawal of Israel from the occupied Arab territories. (Akpuru-Aja 2009, p. 212).

The introduction of Glasnost and Perestroika by Mikhail Gorbachev in the Soviet Union in 1985 significantly altered the attitudes, thinking and decisions within and abroad. The Soviet Union became more liberal and open in the realm of politics, economics and external military engagement. Glasnost is a policy of political openness, accommodation and tolerance. And this did much to change the Soviet roles in the Middle East conflict.

According to Shlomo Avineri, a Professor at the University of Jerusalem, as noted in Akpuru-Aja (2009) the changes had been gradual and incremental, sometimes even looking like "two steps forward, one step backward. This notwithstanding, over the years has amounted to soviet new thinking about the nature and pattern of the conflict in the Middle East region. Despite these changes in orientations and new thinking, the Soviet Union had not succeeded in creating an enduring peace in Israeli- Palestinian conflict till date (p.213).

(g) The Roles of Britain on Israeli- Palestinian Conflicts: Britain is a major factor that precipitated on Israeli-Palestinian conflict. Britain had involved in double dealings and reneging on its promises made to the Arabs during the First World War with Sharif of Mecca, Husayn Bin Ali and Sir Henry McMahon, British high commissioner in Egypt concerning the political status of the Ottoman Empire. The letter declared that Arabs will revolt in alliance with the United Kingdom and in return, UK will recognize Arabs independence.

Rather, Britain bargained with France in 1916 Sykes-picot agreement to split and occupy part of the Arab promised territory.

The Balfour declaration is another document that bedeviled the peace relation in Israeli-Palestinians relations as bias as this declaration prompted the Arabs to see the British as future enemy to their independence and would apply any means within their powers to annihilate the state of Israel from the Middle East.

(h) The Role of United States of America on Israeli-Palestine Conflicts: The extent to which the United States, once the principal champion of a rule-bound international order, has followed Israel in replacing legal principles with expediency as the central regulator of its interaction with foreign peoples. The expediently amoral doctrine of preemptive war is such an Israeli transplant in the American neo-conservative psyche. Neither it nor other deliberate assaults on the rule of law have been met with concerted resistance from Palestinians, Arabs, or anyone else, including the American bar association. the steady displacement of traditional American values — indeed, the core doctrines of western civilization — with ideas designed to free the state of inconvenient moral constraints has debased the honor and prestige of the U.S. as well as Israel.

American determination to protect Israel from the political and legal consequences of any and all of its actions has also taken its toll, not just on the willingness of others to credit and follow the United States, but also on the authority of international organizations and the integrity of international law. The United Nations Security Council was conceived as the ultimate arbiter and enforcer of an international order in which law could protect the weak and vulnerable from the depredations of the strong. The world has occasionally allowed its sympathy for Palestinians, as underdogs, to override its legal judgment, but the U.S. has routinely exercised its veto to prevent the application of well-established principles of international law to Israel. The Security Council has been transformed from the champion of the global rule of law into the enemy of legality as the standard of global governance. Repeated American vetoes on behalf of Israel have reduced the United Nations and other international fora to impotence on fundamental questions of justice and human dignity. Confidence in these institutions has largely disappeared. Thus, the Israel-Palestine dispute has shaped a world in which both the rule of law and the means by which it might be realized have been deliberately degraded (Akpuru-Aja 2009, p. 212).

Israel's strength and prosperity depend on American government and private subsidies as well as Washington's political and legal protection. For Israelis, the moral hazard created by such irresponsible indulgence and unsparing American support has been a tragedy. It has enabled Israel to follow its most self-destructive inclinations by relieving it from the requirement to weigh their consequences. It has bred hubris that encourages the Jewish state to pursue short-term advantages without consideration of the resulting risks to its long-term viability. For the Palestinians, America's slavish support of Israel has meant an unending nightmare, trapping them in a limbo in which the protections of both law and human decency are at best capriciously applied. For the United States, deference to Israel's counterproductive policies and actions has become a debilitating drain on American power to shape events by measures short of war. The United States is now so closely identified with the Jewish state that Americans cannot escape perceived complicity with any and all of its actions, whether we agree or disagree with them. In the eyes of the world, Israel's behaviour is a reproach to the American reputation as well as its own.

Perceived American double standards and hypocrisy on matters related to the Israel-Palestine conflict account for much of the recent decline in international admiration and deference to U.S. leadership in the Middle East and elsewhere. In 2006, when free and fair elections in Palestine produced a government that Israel detested and feared, the United States joined Israel in seeking to isolate and overthrow that government, thus setting aside and discrediting America's long-professed dedication to the spread of democracy in the Middle East and elsewhere. However, the U.S. government continued to supply Israel with

gifts of ammunition, including cluster bombs and white phosphorus, as the IDF expended its stocks of them on Lebanese and Palestinian civilian population centers, facilities, and infrastructure.

U.S. sponsorship of the late, lamented "peace process" began as a demonstration of American diplomatic power, the indispensable role of the United States in Middle Eastern affairs, and the necessity of all interested in peace to defer to America. The "peace process" has ended by discrediting American power and diplomacy. It has failed to deliver either the self-determination for Palestinians or the acceptance of Israel by its neighbours envisaged in the Camp David accords. Instead, Israel's deepening commitment to "settler Zionism" has uprooted ever greater numbers of Palestinians while alarming and affronting other Arabs and Muslims. Four decades of American diplomacy are now seen in the region as having been an elaborate diplomatic deception, yielding nothing but the continual enlargement of the Jewish state at Palestinian expense.

This failure of the American-led "peace process" is all the more telling because it occurred despite the existence of a compelling, existential interest in the achievement of a formula for cohabitation on the part of both Israelis and Palestinians. This interest is clearly reflected in the eagerness of Palestinian officials to negotiate a basis for peaceful coexistence with Israel that is revealed in the official record of the Israel-Palestine negotiations recently leaked to and by Al-Jazeera. The abject pleading of Palestine's negotiators for peace, to which these documents attest, contrasts with the callous determination of their Israeli counterparts not to take "yes" for an answer. Yet the security and prosperity of Israelis and Palestinians alike is dependent on each accepting the other. Without Palestinian agreement, Israel could not define its borders or enjoy acceptance by any of its neighbors. Without Israel's agreement, Palestinians cannot achieve self-determination within a defined territory. Without mutual respect and tolerance, neither Israel nor Palestine can hope to live in peace for long. Animosity breeds threats, and no military hegemony is forever.

The inability of the United States to build on the obvious shared interests of Palestinians and Israelis is, at best, damning testimony to the incompetence of those Americans who have made a career of processing peace without ever delivering it. At worst, it is compelling evidence of the extent to which they have functioned as "Israel's lawyers," rather than as mediators sincerely attempting to produce a mutually respectful and therefore durable *modus vivendi* between Israelis, Palestinians, and other Arabs. As such, it is a reflection of the inordinate influence of right-wing Israelis on American policies and the people chosen to implement them.

Discussion of Findings

The findings of the study revealed that Israeli-Palestinian conflicts had been a long aged conflict since 1948 when the state of Israel was created. Till now, the conflict has taken different forms. Even from year 2000, till date when the second intifada (uprising) took place, it has claimed thousands of lives of both the Israelis and the Palestinians (Nye and Welch, 2013, p. 225). Series of issues had precipitated these conflicts such as the Balfour declaration of 1917 which favoured the Israeli's State establishment in Palestine but failed to enforce at the same time a workable recognized boundary which would separate Israel as a sovereign state from the Palestinian people in the region. Even the partition plan, which allotted 55% of Palestine to Israel and bequeathed 42% to the Palestinians while 3% forming international zone was not effectively enforced thereby leading to boundary dispute which still continuous in subsequent shift of minor territory till date.

The economic implications on Palestine are so numerous; such as the denial of access to natural resources. This is due to Israel has confiscated more than half of the land in the West Bank thereby, averting the Palestinians access to natural resources found in such area. The building of separation barrier by the Israelis has its bad effect on Palestinian economic development as it blocked and inhibits them from exporting their limited goods to outside world, thereby pushing firms out of business and this has deepened Palestine

dependence on Israel since Palestine shares most of its trading activities with the state of Israel despite their conflicting interest (UNCTAD, 2010). The unemployment rate in Palestine is very high, this is because, and most Palestinians working in Israel where they are given a well skilled job were dropped due to the conflict.

The international communities like the United Nations and other recognized bodies have played their part in trying to resolve the Israeli-Palestinian problem but could not achieve it, this is because of some bias intermediaries/mediators by some state actors and bodies who are directly or indirectly one sided; like America taken side with the Israelis while the Soviet Union took side with Palestinians and some times, the articles they use in delivering resolution may be ambiguous to understand (Akpuru-Aja 2009, p. 211).

According Rai (2014:1) “the middle east region has probably suffered more rivalry and conflicts than any other part of the world. The 1948 Arab Israeli war was the first instance of a bloody and hostile battle triggered by the declaration of the creation of Israel” the Arab Israeli war of 1948, 1967, 1973 and 1982 did not produce sustainable victory and durable peace for either side necessitating the need for an all-inclusive security guaranty for the state of Israel and Palestine.

Conclusion

The paper revealed that the deep causes of the Israeli-Palestinian conflict was as a result of territorial border, Ariel Sharon visit to the Temple Mount in Jerusalem, the Partition plan and the Balfour Declaration. Secondly, the Israeli-Palestinian conflict have impacted negatively on the economy of Palestine both in trade, investment, manpower capacity, natural resources thereby retarding development. Since Israel’s occupation of the West Bank, including East Jerusalem, and Gaza Strip, it has imposed numerous military and economic measures that have affected all sectors of the Palestinian economy, resulting in long-term economic disequilibrium and, in some cases, irreversible de-development. Thirdly, upon all the wonderful alternative strategies applied by the peace brokers to ameliorate Israeli-Palestinians conflicts, peace have not been restored to the land. This is due to illegal occupation of Palestinians land despite series of United Security Council Resolutions which repudiated such illegitimate action such building of new settlements in the occupied West Bank. These recent actions by Israeli State has made it difficult for the conflict to be resolve.

Recommendations

After a careful study of the Israeli-Palestinian conflict and its implications on Palestinian economy, the researchers recommends as follows:

- (a) A two state solution should be adopted, a situation where Palestine would be accorded a sovereign state side by side with the state of Israel, both recognizing the right of each other to exist.
- (b) For the sake of peace, the Israelis should return to the internationally recognized border
- (c) The displaced Palestinian refugees should be allowed to return to their home land.
- (d) Both the Israelis and Palestinians should desist from concerted attacks and guerilla warfare on each other.
- (e) The Israelis should desist from building separation barriers deterring Palestinians easy passage of economic resources.
- (f) The international bodies should be providing the most appropriate alternative conflict resolution mechanism considering the environment of the Middle East in order to return sustainable peace between the state of Israel and the Palestinian state which will impact positively on the Palestinian economy and Israelies in the occupied and border territories.
- (g) The international bodies should assist the Palestinians by given them grant and aids to help and improve the Palestinian economy.

- (h) The industrialized nations that control multilateral organizations should take a lead by compelling both Israel and Palestine to maintain peace with options of sanctions if not implemented. America should not allow its special relationship with Israel to prevent it from being the leader of a free world particularly its pioneering role in guarantying the non-interference of a state in the internal affairs and security of another state which was propounded through the Monroe Doctrine of 1823 that prev America from interfering in existing European colonies and western Hemisphere. A similar doctrine of Israel and Palestine not interfering in the affairs of each other and the guarantying of each other's territorial integrity and security should be pursued and also guaranteed by the world powers.

References

1. Akpuru-Aja, A. (1998). *The Fundamental of Political Economy and International Economic Relations*. Owerri: Data Globe Nigeria
2. Akpuru-Aja, A. (2001). *Selected Themes in International Economic Relations: Understanding Trend of Globalization and Regionalization*. Enugu: RhyceKerex Publisher.
3. Akpuru-Aja, A. (2007). *Basic Concepts, Issues and Strategies of Peace and Conflict Resolution. Nigerian African Conflict Case Studies*. Enugu: Keny and Brothers Ent.
4. Akpuru-Aja, A. (2009). *Policy and Strategic Studies: Uncharted Waters of War and Peace in International Relations*. Abakaliki: Willy Rose and Appleseed Publishing Coy.
5. Amadi, R. (2014). *Research Methodology and Statistics*. Port Harcourt: Amass.
6. Andrew, G. (2011). *Damning the Peace Process: Water Politics and its Impact on the Israeli-Palestinian Conflict*. New York: Routledge.
7. Baruch, K. (2003). *The politicide: Ariel sharon's war against the Palestinians*, London: Verso.
8. Baylis, John & Steve Smith. (2001). *The Globalization of World Politics: An Introduction to International Relations*. New York; Oxford University Press.
9. Brown, C. (1981). International Theory: New Directions". *Review of international studies* (7).
10. Clinton, B. (2005). *My Life*. Vintage Books.
11. *Coordination of Humanitarian Affairs*. East Jerusalem.
12. Dennis, R. (2004). *The Missing Peace*. Farrar: Straus and Giroux.
13. Elemanya, V. (2018). *Introduction to Security and strategic Studies*. Port Harcourt: Emmanest venture.
14. Erikson M & Wallenstein, P. Armed Conflict 1989-2003. *Journal of peace research*. 41:5 Sept 2004.
15. Fasulo, L. (2004). *An Insider Guide to the UN*. New Haven: Yale University Press.
16. Freyberg-Inan, A. (2003). *What Moves Man: The Realist Theory of Human Nature and its Judgement on Human Nature*. Albany: Suny Press.
17. Ghosh, P. (2009). *International Relations*. New Delhi: PHI Learning Private ltd.
18. Gilbert, D. L. & Thom-Otuya, B. (2005). *Themes in Western European Foreign Policy*. Port Harcourt: Nissi Books.
19. Gorard, R. (2013). *Research Design: Rubust Approaches for the Social Sciences*. London: Sage
20. Heywood, A. (2011). *Global Politics*. New York: Palgrave and Macmillan.

21. Hoeckman, B. & Zarouk, J. (2009). Changing in Cross-Border Trade Costs in the Pan-Arab Free Trade Area 2001–2008. *Policy Research Working Paper 5031*. Washington, D.C. The World Bank. Israeli Central Bureau of Statistics (1994). *Statistical Abstract of Israel*.
22. Idoniboye-Obu, S.A. (2006) *Introduction to Political Science Research*. Port Harcourt: Nissi Publishing Company.
23. *International Commission and Intervention and State Sovereignty, the Responsibility to protect: Report of the International on Intervention and State Sovereignty*. (2001) Oowa. International Research Centre.
24. Irikana, G. & Orisa, A. (2007). *Themes in Social Studies Education in Nigeria*. FCT Abuja: Lukozims Nig. Ltd.
25. Kanafani, N. (1996). Trade Relations between Palestine and Israel – Customs Union or Free Trade Area? *Palestine Economic Policy Research Institute*. Ramallah.
26. Kaplan, M. A. (1979). *Towards Professionalism in International Theory*. New York: Collier Macmillan.
27. Kaufman, S. (2000). *Modern Hatred*. New York: Cornell University Press.
28. Mahajan, V.D. (2013). *Political Theory: Principle of Political Science*. New Delhi: S Chand and Company P.V.T Ltd.
29. Mazi M.C. (2006). *Political Theory and Methodology*. Owka: Rex Charles and Patrick Ltd.
30. Missaglia, M and de-Boer, P. (2004). Food-For-Work Versus Cash-For-Work: Emergency Assistance in Palestine. *Economic Systems Research*. 16(4):367–390.
31. Morgenthau, H. (1978). *Politics Among Nations. The Struggle for Power and Peace*. New York: Knopff.
32. Mueller, J. (2000). *The Banality of Ethnic War*. New York: Basic books. .
33. Murray, M. (1996). The Moral Politics of Hans Morgenthau. *The Review of Politics* (58). Edinburgh: University of Keele Press
34. Nte, T.U (2015): *Power Tussle and Collective Security: Sources and Responses to International Conflicts*. Port Harcourt: Shapea Publisher.
35. Nte, T.U. (2019). *International Relations: Fundamental Theories and Laws of Nations*. Port Harcourt: Ken Nami Publishers.
36. Nwaorgu, O.C. (2002): *Dimensions of Political Analysis*. Port Harcourt: Amajov & coy
37. Nye, J.S and Welch, D.A. (2013): *Understanding Global Conflict and Co-operation: An Introduction to Theory and History*. New Jersey: Pearson.
38. Obi, E. A. (2006). *Basic Concepts and Theories of International Relations*. Onitsha: Book Point Ltd
39. Office for the Coordination of Humanitarian Affairs (OCHA) (2007). Special Focus: The Closure of the Gaza Strip: the Economic and Humanitarian Consequences. *December. Office for the*
40. Oye, K. A. (1986): *Cooperation under Anarchy*. Princeton: N.J. Princeton University Press.
41. Palmer, N. & Perkins, H. (2010). *International Relations*. Delhi: AITBS publishers
42. Peter, E. M. (2015). Classical Realism and International Relations. Retrieved on 7th June 2020 from <https://www.grin.com/document/310216>.
43. Robert, R. (1961). *Contemporary International Politics*. New York: Crowell Company.

44. Robert, R. B. (1974). *Suez*. New York: Oxford University Press
45. Sander, R. (1983) *The High Walls of Jerusalem: A History of the Balfour Declaration and the Birth of the British Mandate for Palestine*. New York: Holt Rine Hart & Winston.
46. Selltitz, C. Wrightsman, L.S. & Cook, S.W (1976) *Research Methods in Social Relations*. New York: Holt, Rinehart & Winston.
47. Simmd, G. (1985). *Conflict and the Web of Group Affiliations*. New York: Free Press.
48. Selina Kaur Rai (2014). *What were the causes and Consequences of 1948 Arab Israeli War*.
49. E-International Relations.
50. Vsquez, j. A. (1998). *The Power of Power Politics: From Classical Realism to Neo-traditionalism*. New York: Cambridge University Press
51. Wallensteen, P. & Sollenberg, M. (2001). *Armed conflict 1989-2000*: Uppsala: University Press.
52. Wendt, A. (1999). *Social Theory of International Politics*. Cambridge: Cambridge University Press.
53. Swisher, C. (2004). *The Truth About Camp David*. New York: Nations books.
54. Tomis, K. (2011). *Violence and Self Determination in the Israel-Palestine Conflict*. New York: Holt, Rinehart & Winston