



# *The EU As Payer Not Player: Subsidising Occupation?*

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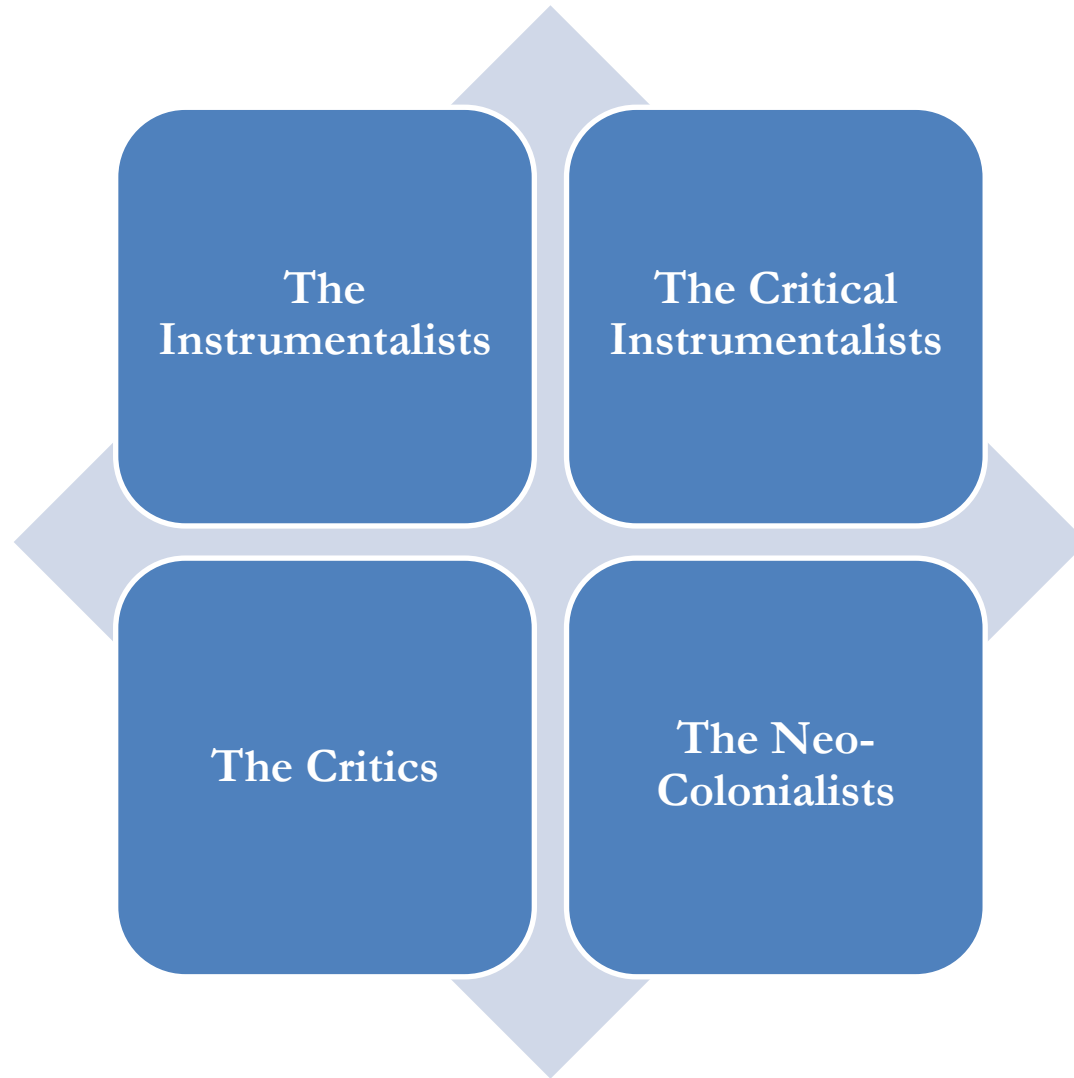
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# Lines of Argumentation

- After 20 years of aid intervention, failing aid patterns remain unchanged.
- Donors remain transfixed on a failed 1993 World Bank's 'Investment in Peace' framework.
- Donors are not ready to alter a framework dominated by policy instrumentalists who emphasise pre-determined normative values, trading financial inducements to Palestinians to forego political rights within a 'peace dividends' approach.
- Critics of the existing aid framework remain largely ignored with little influence over aid policy.

# Aid has failed the Palestinian people. Why? 4 Schools of thought



Source: Wildeman, Jeremy and Alaa Tartir. 2013. "Can Oslo's Failed Aid Model Be Laid to Rest?" Al-Shabaka Policy Brief, September. [http://al-shabaka.org/sites/default/files/TartirWildeman\\_PolicyBrief\\_En\\_Sep\\_2013.pdf](http://al-shabaka.org/sites/default/files/TartirWildeman_PolicyBrief_En_Sep_2013.pdf)

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Blame on the PA for  
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The  
Instrumentalists



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graph TD; A[Sanitize the Israeli occupation and the settler colonial nature of the Israeli state] --> D((The Instrumentalists)); B[The World Bank's "An Investment in Peace" is a sound model: should be maintained but better applied] --> D; C[Blame on the PA for the failure of aid] --> D;
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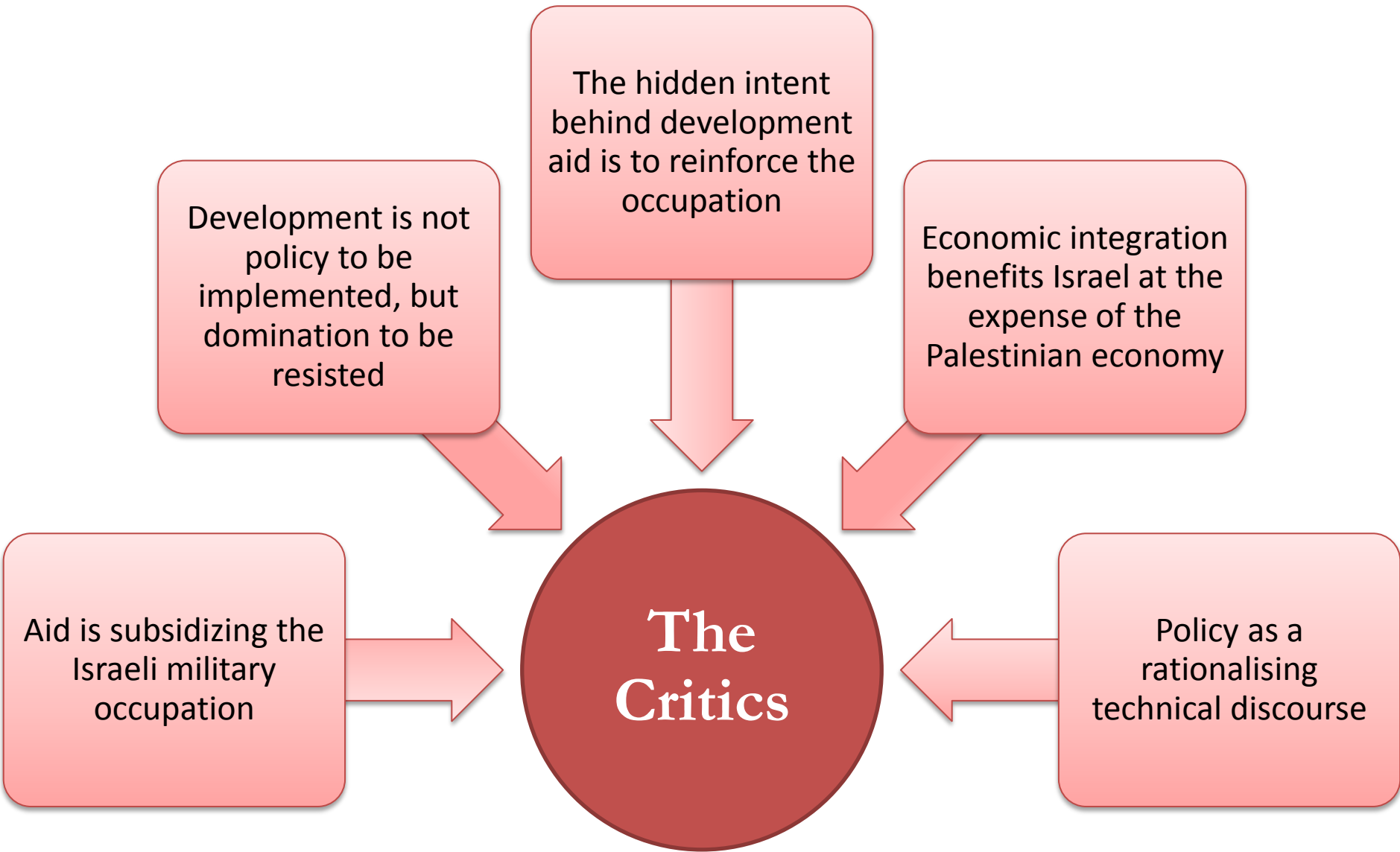
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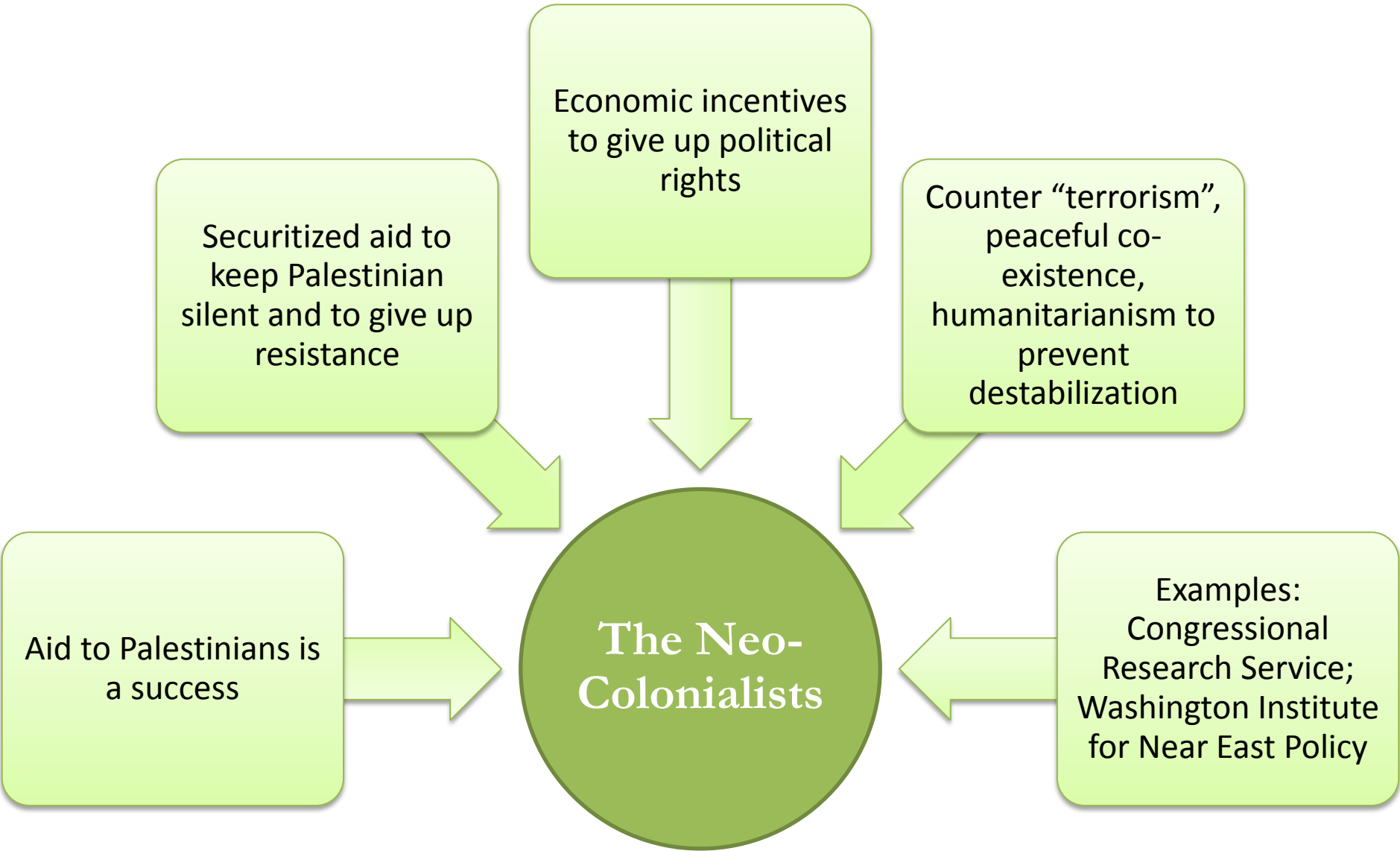
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**The Critical  
Instrumentalists**

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graph TD; A[Not critical of the neoliberal normative values that define Palestinian aid] --> D((The Critical Instrumentalists)); B[They share the instrumentalist faith in policy prescriptions and the ability of policy to bring about positive change] --> D; C[The Israeli military occupation is the main obstacle to peace and development] --> D;
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# Consequences of EU Aid

- The Palestinian leadership became financially and politically dependent on aid.
- EU Aid was used to cover diplomatic failure and subsidize the occupation.
- EU Aid had entrenched the Palestinian fragmentation and fuel it directly.
- By rejecting the Palestinian people political will, the EU and its aid reversed the very governance reform they have created.
- The EU aid is supporting a securitized development process in the OPT.
- Is the EU supporting the emergence of an authoritarian regime on the OPT? Police state? Conducting reform in an authoritarian context?



# Points to be considered by the EU policy makers

- The EU and its aid are still manoeuvring around the problem, failing to address the root causes - the political will is lacking.
- Aid will never buy peace, as economy will never buy politics.
- Security sector reform under occupation will not lead to justice.
- Political will to challenge the US and take hard core measures to pressure Israel to end its military occupation first.
- Total measurable cost of the Israeli occupation on the Palestinian economy was \$6.897 billion, a staggering 84.9% of the total Palestinian GDP in 2010?
- The imports produced in a third country and re-exported to the territories as if they were produced in Israel (indirect imports) cause losses of \$480 million per year -almost 25% of public revenues, 10% in lost gross domestic product and 30,000 jobs per year?
- 60% of the West Bank, classified as Area C, is completely off limits to Palestinian development?
- 30-45% of that aid return back directly or indirectly to the donor's countries or to the Israeli economy?

# Messages to the EU policy makers

- Palestinians do not need aid to keep their economy on life-support. They need full control over their own natural resources in the Jordan valley; sovereignty over holy sites and tourist attractions in Jerusalem and other areas; control over their own territorial waters in Gaza for fishing and gas exploration; and the ability to build houses, schools, roads, electricity plants, telecommunications networks, sewage treatment facilities, factories, and water wells without Israeli permits.
- Countless critical voices within Palestinian civil society have been offering such viable solutions, while calling for an entire rethinking of the Oslo model.
- No amount of aid can bring about a just, positive, and lasting peace, until the fundamental injustices of occupation and dispossession are seen for what they are.

Source: [Wildeman and Marshall](#) (2013)

# Messages to the EU policy makers

- Development is not a technocratic, apolitical and neutral process.
- It is the time to shift towards an alternative development model that recognizes structures of power, relations of colonial dominance and rearticulates processes of development as linked to the struggle for rights and resistance.
- ...and to make a shift towards a people-centered participatory democratic approaches and steadfastness/*Al-Summud* strategies.
- ...Shift the framework of the humanitarian assistants from a 'destroying agency' toward 'promoting solidarity
- ...Respect the Palestinians decision that aims to create a bureaucracy around a democratic people-driven development agenda.

# Five Rules of Thumb



- The EU has to reform its politics, before it reforms aid.
- The EU has to be a player NOT a payer in the peace process.
- The EU intervention has to be reformed regardless of Kerry's failure or end of Fayyadism.
- Honesty to overcome hypocrisy and contradictions is the key. Let the "off-the-records" discussions and opinions lead the action.
- Change this equation:  
"the US decides, the World Bank leads, the EU pays, the UN feeds, and Israel destroys"