

EIR Feature

The economics of social justice for the Palestinians

by Muriel Mirak Weissbach

In the complex unfolding of the Middle East peace process, the most intricate, and painful problem to be solved is that of the Palestinian refugees. Here are persons who were driven off their land in 1948, and housed in refugee camps under the auspices of the United Nations Relief and Works Agency (UNRWA) in Jordan, Gaza, the West Bank, Syria, and Lebanon. They, their children, and now their grandchildren, still live as refugees, whether in camps or not, in these countries, joined by the refugees of the 1967 war as well as the Palestinian workers expelled by many Persian Gulf countries in the war against Iraq in 1991. Whereas refugees from 1967 and later have been granted the formal right to return to the occupied territories, now being handed over to the Palestinian National Authority, the refugees of 1948 have not. As a member of the Jordanian Parliament, Hon. Salih Shawaateh, writes in an article in this *Feature*, "There have been no signs of reference to the issue of the return of these refugees to their land in the Oslo 1 agreement, the Washington agreement, or in the Oslo 2." What is their fate to be?

The most striking feature of public response to the Palestinian refugee problem is the apparent lack of concern with it. No one wants to address it. Government and other bodies pretend not to know about it. Many are not informed, mainly because they do not wish to be informed. When Libya's Muammar Qaddafi expelled numerous Palestinian refugees, casting them into the no man's land between Libya and Egypt, he claimed that the reason for his wild gesture, was to embarrass Palestine Liberation Organization Chairman Yasser Arafat, and to force the issue. But even Qaddafi's vicious toying with human lives did not provoke the public outcry one might have expected, about the underlying drama of the Palestinian refugees. People do not want to look at the problem for a simple, very straightforward reason: To face the facts means to face the moral responsibility to devise a solution.

Therefore, putting out the facts is of primary importance. Persons in positions of responsibility, whether in the United States government departments directly



Palestinian refugees in Jordan stand in line to receive water. The supply of water is the most vital parameter for economic development among the Palestinians.

involved with the Middle East peace process, or in governments of the regional partners, or in the public more broadly, must be forced to face the reality. *EIR* is pleased to publish an article on the subject by Mr. Shaawateh. A Palestinian who won his seat in Parliament in the 1993 election, as a candidate from the northern city of Irbid, he is known for his commitment to be the voice of these refugees. "Today," he writes, "we look with deep concern to the rise of the state of frustration among the '48 refugees. . . . I consider it as my duty to make known the bitter and painful preoccupations of those refugees, particularly those of them who live in Jordan."

The table accompanying Mr. Shaawateh's article gives statistics taken from official sources, on how many Palestinian refugees there are and where they are currently located. The data show that there are over 3 million Palestinian refugees in Jordan, the West Bank, Gaza, Lebanon, and Syria, 31.7% of whom are living in refugee camps. In addition, there are refugees living in Egypt, Iraq, Australia, Germany, Canada, and the United States.

The policy issue

Telling the truth about the situation of these refugees is a necessary, moral act, but it is not enough. There is a policy question which must be addressed: How can these persons, whether from 1948, currently excluded from the peace accords, or from successive waves of refugees, be provided hope for the future?

The right to return has been solemnly guaranteed in a

series of United Nations resolutions. Resolution 194 of 1948, to which Mr. Shawaateh refers, establishes "that the refugees wishing to return to their homes and live in peace with their neighbors should be permitted to do so at the earliest practicable date, and that compensation should be paid for the property of those choosing not to return" by the "governments or authorities responsible." History has shown that resolutions passed by the U.N. (with the exception of those drafted to lend legitimacy to acts of aggression, as in the war against Iraq) are more often than not transformed into political footballs, to be tossed back and forth as the occasion dictates. Although the principles embodied in the resolutions on Palestinian refugees must be upheld, it is not appeal to the resolutions alone which will solve the problem.

The policy issue is straightforward: For the "right to return" to acquire actual meaning, it is necessary to introduce changes into the region, which will enable returning refugees to start a new life, better than the one they have been forced to endure thus far. To organize the transfer of refugees from camps in Jordan, for example, to similar camps in Gaza or the West Bank, is no solution. Returnees require houses, clean neighborhoods, schools for their children, hospitals, and productive jobs. It is only through this radical change in living standards that the attitude of many 1948 refugees, described by Mr. Shawaateh as frustration and rage, can be transformed into hope. This way, the fear that such frustrations in people might be exploited by political extremists, can be dispelled, by eliminating the causes of frustration.

The key to development: water

The key parameter for effective economic development, such as to provide an improved standard of living for the Palestinian population, is water. As Lyndon LaRouche, the author of the Oasis Plan for development of the Middle East, has never tired of repeating since he first addressed the issue in 1975, the entire Jordan River water system, including rivers and underground aquifers, is not sufficient to support the existing population there, much less, an increased number of people. Any discussion of “equitable sharing” of existing water resources is futile by definition, as there can be nothing equitable about dividing up a pie that is too small. The only rational solution lies in the creation of new sources of water, for industrial, agricultural, and domestic use, in massive quantities, such as to support not only the existing population, and that of returning refugees, but also the population of the future. This does not apply only for Jordan, Israel, and Palestine; even the Nile River system will not be able to provide the water required by growing populations there after the year 2007.

Such projects for creating new water resources have been on the drawing boards for decades. Specifically, the blueprint for regional development drawn up by LaRouche, has been circulating in the region for that amount of time. The summary version by Marcia Merry Baker included in this report, is a slightly edited reprint of an article which *EIR* published in September 1993, right after the news of the Oslo agreement between Israel and the Palestinians had been made public. It, and similar versions, have been the subject of intensive study among Palestinian, Jordanian, and Israeli circles, increasingly since Oslo I and the 1994 treaty between Jordan and Israel.

In both treaties, the economic foundations of peace are addressed, quite explicitly. The economic annexes to the PLO-Israel agreement highlight “cooperation in the field of water, including a Water Development Program,” as well as joint work for development energy, electricity, transport, communications, industry, etc. Specific mention is made in the annex, to the Mediterranean Sea (Gaza)-Dead Sea Canal, and to regional desalination programs. In the Jordanian-Israeli agreement, analogous, though less ambitious, plans for economic development are detailed, and mention was made of the Dead Sea-Red Sea canal project. Plans are defined for Israel to provide water to Jordan, in compensation for what it had appropriated in the past. One annex of the agreement outlines the allocation of water from the Yarmouk and Jordan rivers, in an “equitable sharing” arrangement, and a commitment is made for joint cooperation to find ways to supply Jordan with 50 million cubic meters per year more of drinkable water.

IMF policy stands in the way

Yet, two years after Oslo I and one year after the Jordanians made peace with Israel, precious little of this kind of economic development has taken hold. The Achilles’ heel of the entire process has been financing. Although generous

offers for funding were forthcoming from the international donors gathered in Paris or Washington, for Palestinian development, the World Bank succeeded in intervening to take control over their allocation and delivery (see *EIR*, April 7, 1995, “Is the World Bank Plotting Civil War in Palestine?”). In the absence of substantial funding, in the form of development credits or outright grants, the protagonists of the accords shifted their gaze increasingly to private sources of financing. In this process, roughly at the beginning of 1994, the International Monetary Fund mafia, which includes not only the institution per se, but the plethora of private banking interests, investment houses, and think-tanks huddling under its wings, succeeded in hijacking economic policy control over the process. By the time the agreement with Jordan was signed in late 1994, in fact, the IMF, together with the World Bank, had, for all practical purposes, taken over the economics of the peace process, and was handling it like a racket.

Nothing could illustrate the gangland-style takeover better than a review, which we include in this feature, of the major international conferences that have been dedicated to the theme of Middle East economic development. The first, hosted in Casablanca, Morocco by King Hassan, laid out a lavish display of regional infrastructure projects, which might have contributed to effective development, at least of Israel and Jordan, which were the leading players there.

One year later, in Amman, Jordan’s King Hussein played host to a second such conference, in which vast infrastructure projects, though still on the books, had been shoved onto the back shelves, while glittery tourist projects were thrust on display. The large infrastructure projects which had been presented in Morocco, had been whittled down to nearly nothing, in consideration of their costs, clearly “excessive” for any private investor. And, in lieu of public financing or development grants, the cry in Amman was private sector financing.

Finally, at the end of November 1995, the first conference took place of the countries of the European Union and of the Middle East and North Africa: the Euro-Mediterranean conference. Although not formally linked to the peace process, nor organized by the protagonist governments, as Casablanca and Amman had been, the gathering in Barcelona raised the expectations of many in the region, particularly among the Palestinians. It, too, was to prove disappointing, in that the same private sector bias prevailed, and the dogma of the “free market” reigned supreme. If in Amman the showpiece was supposed to be the Middle East Development Bank (a real misnomer: It is actually a merchant bank lending out at international market rates), the great achievement of the Barcelona meeting was the establishment, by 2010, of a free trade zone for the entire Mediterranean area.

It should come as no surprise, that the failure to deliver a peace dividend to the people, would backfire politically. Although Israel reportedly experienced a threefold increase in foreign investment, up to \$1.35 billion from January to November 1995, compared to \$441 million in the compara-

ble period of 1994, and \$304 million in 1993, the same was not true for Jordan or the Palestinian Authority. Jordan has increased its export earnings as well as tourism revenue, but none of this has been felt as beneficial by the average citizen, who has experienced inflation and lower living standards.

It has been in Jordan, in fact, that the opposition to the peace process has gained most ground. Up until the Amman conference, it might have been said, that the opposition to peace with Israel, or to “normalization,” though widespread, was essentially ideological in nature. It was led by political forces, like the Islamists, the Arab nationalists, and Hamas, who rejected the peace treaty on essentially dogmatic grounds. Their political rhetoric would not permit an arrangement with “the Zionist entity.” Following the Amman conference, however, the bone of contention between government and opposition became the economy and economic policy. It came to a dramatic head, when on Dec. 9, 1995, Laith Shubeilat, a former member of Parliament, was arrested on charges of *lèse majesté*, and undermining the national economy and currency. Regarding the latter, curious charge, Shubeilat had evidently rubbed salt into the wound, in public statements which challenged the government’s acquiescence to IMF and World Bank dictates, as part of the peace arrangements. A severe crackdown on Jordan’s professional associations and on the press, which had echoed such criticisms, signaled a dangerous escalation of tensions in the country toward outright confrontation. The entire conflict was being fueled as well from abroad, specifically from London, which was orchestrating psychological warfare campaigns against Jordan, accusing its leadership of plotting against Iraq, while fomenting a myriad of crises in Saudi Arabia, Yemen, Qatar, and so forth.

Although it was certainly not the intention of the prosecution, the arrest of Shubeilat has brought the entire issue of the “economic justice” of the peace process into the foreground. If a public figure is jailed because he has questioned the wisdom of the policies of the IMF, policies which have produced misery, famine, and devastation in literally every country in which they have been successfully imposed, then that means the question must be raised: Who is right? The IMF or those who reject the IMF? The massive support being expressed for Shubeilat inside Jordan as well as abroad, particularly from IMF victim nations, demonstrates the passion with which this issue—IMF free-market liberal economics and its consequences on the real economy—is becoming the enemy image of forces seeking development.

It is tragic that the economic policy fight should take on such forms, threatening the freedom and well-being of a public figure and the freedom of the press. That fight should be fought, and openly. For, to solve the urgent problems facing the Middle East in its quest for peace, it is more than ever necessary now to thrash out differences over the crucial issue of which economic policy is correct. Only through such a policy debate, can the means be found to provide justice for the Palestinian refugees.

Toward the return of the refugees of 1948

by Hon. Salih Shaawateh

The author is a member of the Jordanian Parliament.

Each stage in history has its distinct ideological, political, and economic elements, which become embedded in peoples who witness a period of special historical shift.

This is what was registered in the historical records following the surrender of Nazi Germany. We saw East Germany being forced, politically and militarily, into the socialist camp headed by the former Soviet Union, while West Germany came to be subjected to military occupation by the Western allies, and was denied the right to build any military force. These developments coincided with implementation of the Marshall Plan for economic reconstruction of Western Europe, in addition to the creation of the NATO alliance in 1945.

With the collapse of the Soviet Union in 1992, East and West Germany were reunited, and “Germany” regained its integrity after a period in which West Germany had become an industrial power from the 1960s and joined the Group of Seven.

Looking into the Arab world, we observe a different phenomenon. The Arab regimes remained ideologically and physically intact, despite all the defeats many of the leading Arab powers suffered. For example, the defeat in the 1967 war did not cause the collapse of Gamal Abdel Nasser’s regime, which had lost that war and with it Sinai and the Gaza Strip, which had been administered by that Egyptian regime since 1948. This could provide an explanation for the emergence of extremist movements in opposition to these (Arab) regimes in the Mideast region, since these movements believed that they were a better alternative to these regimes, and that their political programs could replace the ideologies of the regimes defeated in the ’67 war.

I do not wish to go into the details of this otherwise very important issue, since it is not the subject matter of this article. However, I referred briefly to the impacts which major historical changes can have on the nations of the region. This leads to the question: What is the future of those Palestinians who became refugees in other Arab countries since 1948? The fact is that many young people who belong to the second generation of the ’48 refugees have been asking me, and others on all different levels, this highly political question.