

# Dan Diker on 'The Israeli-Palestinian Path to Peace through Economic Prosperity'

By [Jerry Gordon](#) and Rod Bryant (September 2018)



Israel Minister for Public Security Gilad Erdan with Dan Diker of Jerusalem Center for Public Affairs

In late June 2018, Special Envoy for Middle East Peace, Jason Greenblatt and Assistant to the President, Jared Kushner made a trip to Israel and several Middle Arab Monarchies, Emirates and States endeavoring to discuss a working version of a Trump Middle East Peace Plan between the Palestinian Authority and Israel. That was in the face of implacable opposition by the autocratic PA leader Mahmoud Abbas to President Trump's move of the US Embassy to Jerusalem that opened on May 14th, the

70th anniversary of the Jewish nation. Israel's attention was riveted to the weekly violent protests on its Southern frontier with thousands gathered by Hamas and the Palestinian Islamic Jihad for what was called the Great Return March. The protests feature new threats: fire kites, exploding balloons causing extensive fires in the Eshkol region agricultural fields and nature preserves setting blaze to more than 6,300 acres. There were mortars and precision rockets fired by Hamas and the PIJ some of which landed dangerously in kindergartens in south Israel communities. Israel's air force and IDF ground forces made selected retaliatory attacks and pushed back those attempting to penetrate the frontier. The casualties to civilians in Gaza were in the hundreds killed and thousands injured. Yet, throughout the more than four months of provocations, Israel delivered humanitarian and commercial supplies and even reached out to discuss establishment of an external port on the Island of Cyprus to deliver supplies under Israeli security monitoring. The Israeli government had its attention on its northern Golan frontier with Syria as the Assad regime with Russian air support and Iranian proxy Shiite militias ranged across the Southwest Syrian frontier with Israel and Jordan retaking Daraa province from rebel militias and ISIS pockets creating another humanitarian crisis with tens of thousands of civilians fleeing to the Israeli and Jordanian frontier. For its part Israel launched a covert emergency humanitarian and medical assistance effort to Syrians huddle on its border under its Good Neighbor program. All while the IDF employed artillery and tank units to address any Syrian and Iranian proxy threats.

In early July, the Trump White House Middle East Peace team returned from its diplomatic discussions to rethink and retool their Middle East Peace proposals communicating that they had lowered expectations and thought that concentrating on Gaza first might enable unification with the Palestinian Authority.

Yet, the Palestinian Authority was at the center of the problems, given clashes with its citizens demanding lifting of sanctions against Gazans, as well as continuing violations of human and civil rights in the territories administered in the West Bank. Moreover, there were complaints from Palestinian entrepreneurs and business owners about corruption and the lack of incentives for economic development and employment opportunities with over 40 percent of the labor force unemployed.

At the same time that the Trump Middle East team were attempting to obtain “buy-in” for their peace proposals, another successful initiative begun by Israel in Area C with 16 industrial zones and 30,000 employees of both Jewish and Arab owned enterprises was unveiled at seminars sponsored by the Jerusalem Center for Public Affairs with the launch of a book with several Israeli and Arab authors, edited by Dan Diker, Director of the Program to Counter Political Warfare.

*Defeating Denormalization—Shared Palestinian and Israeli Perspectives on a New Path to Peace.* The English translation of the Hebrew version underlined what the ‘experiment’ in Area C revealed in the JCPA seminars—*The Israeli Palestinian Path to Economic Prosperity*. It was about the opposition of Denormalization – Normalization of relations between Arabs and Israelis using what Diker called a ‘bottom up’ approach.

In an April 2018, *New English Review* interview with Diker, [Defeating Denormalization of Israel](#), we asked him about the Area C experiment. He said:

The book presents a path-breaking approach to Palestinian-Israeli relations for the following reasons: It is the first policy book that has ever been authored by both Palestinian and Israeli authors who present a perspective which is on the shared economy. All ten authors, yours truly included, believe that the way to get the path to peace is paved through shared economic goodwill and shared economic profitability and benefits. The book's articles are authored by several Palestinian professors, Arab Israelis, Palestinian managers of companies such as the International Soda Stream Company and the path-breaking Rami Levy Supermarket chain in Israel. They have built established branches throughout Judea and Samaria on the West Bank, especially in areas where Palestinians and Israelis live in close proximity. These Israeli companies are hiring both Palestinians and Israelis on the bases of pure meritocracy without any bias on racial, ethnic or religious grounds. These companies located in industrial zones throughout the disputed territories were established about twenty years ago by then Commerce and Trade Minister Natan Sharansky. 30,000 thirty Palestinians work close to their homes in these industrial zones protected by Israeli labor law equally applicable to their Israeli Jewish counterparts. This book documents the excellent results of this experimental economic situation for Palestinians and Israelis in Area C of Judea and Samaria on the West Bank, as well as, in parts of Jerusalem.

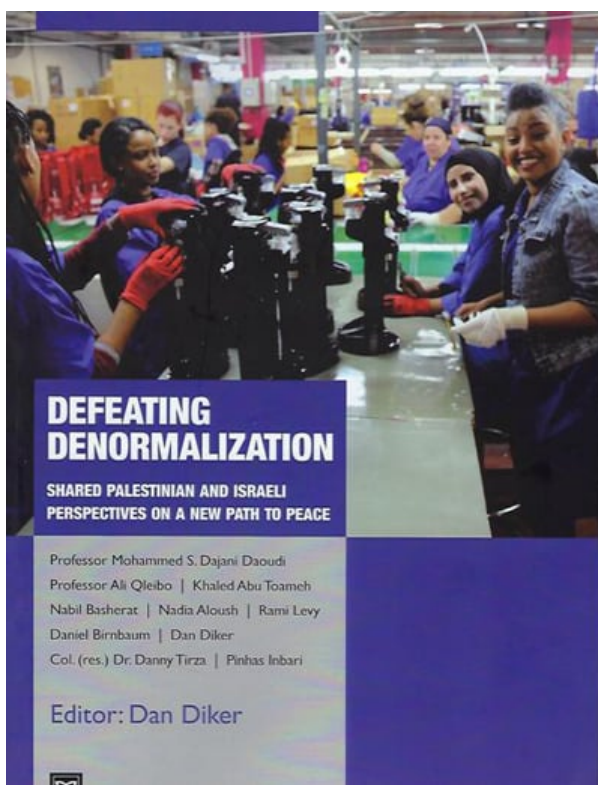
In a *Jerusalem Post* [article](#) concerning PA corruption and deprivation of Arab workers and owners, two of the Arab authors of *Denormalization* cited the problems thwarting normalization.

For Nabila Basher at, a factory manager for the Israeli

company SodaStream, the BDS movement caused hundreds of factory workers to be laid off.

“The BDS movement has threatened my job security and livelihood,” Basher at wrote in his chapter of the book. “It damaged the livelihoods of hundreds of SodaStream factory workers, who were laid off as SodaStream left its Mishor Adumim facility in the West Bank.”

According to Basher at, the factory closed due to BDS protests in the US and Europe.



Workers then had to find new jobs or emigrate. Some workers chose to commute to a different SodaStream factory that was farther away, choosing it over working for Palestinian companies that were closer.

Nadia Aloes, a Palestinian employed for 13 years at the Israeli supermarket chain Rami Levi and another contributor to the book, lamented that BDS has done

nothing for her.

“I am against the BDS,” Aloes said. “What are they doing for us? They have a lot of money for themselves . . . we have not seen one penny. All that money that they have, they spend it on themselves.”

In her chapter, Aloes wrote how people worldwide donate aid money to the Palestinian Authority (PA).

“I do not understand how the entire world can donate aid money to the PA when its bureaucrats refuse to create jobs for their own people,” she said.

The PA also gets money from taxes. Palestinian workers in an Israeli industrial zone must pay 1,000 NIS a month to the PA, Basher at said.

“The PA takes this tax money while supporting the BDS movement domestically and abroad,” Basher at wrote. “Logically speaking, they should be supporting a company like SodaStream for employing Palestinians who pay local taxes—but instead they just tried to punish us, allowing us to lose our jobs without understand how the ramifications of their actions also hurt PA economic interests.”

The industrial zones in Area C operate under Israeli law and work standards providing a salutary work environment. Note

these comments from other Arab and Jewish authors of Denormalization in the *Jerusalem Post* article:

According to the Palestinian workers in the book, Israeli companies provide better insurance and benefits than most Palestinian companies. They also provide economic stability, which, while not a complete solution to the conflict, is believed to be part of the path to peace.

“The industrial zones were made for everyone,” Col. (res.) Dr. Danny Tisza said. “They are in the hands of the Israeli authorities, but they are giving workplaces for everyone. More and more Palestinians are coming these days to open a business in the industrial zones.”

The diversely-staffed factories provide an environment for Palestinians and Israelis to build relationships with each other and start breaking down stereotypes.

“It helps Palestinians to work with Israelis on an equal level and it gets them to know one another,” Professor and peace activist Mohammed S. Dajani Daoudi said. “It also helps start a dialogue on the human level,” he said.

SodaStream CEO Daniel Birnbaum agreed.

“I witnessed far more than simply ‘experiments’ or ‘exercises’ in coexistence and tolerance, but actual peaceful and harmonious relations between Israeli and

Palestinian employees,” Birnbaum wrote.

Diker in early July 2018 was afforded the opportunity to brief Middle East Special Envoy Jason Greenblatt and others on the Trump White House team on the success of the bottom up approach to peace making through prosperity in Area C. Further, it presents an alternative future should the Palestine Authority collapse because of the lack of succession to obdurate autocrat, President Mahmoud Abbas.

On August 20, 2018 PepsiCo announced the acquisition of the SodaStream International, Ltd. According to the announcement, “the deal gives PepsiCo a new line through which it can reach customers in their homes.” SodaStream is the iconic Israeli company with respect to the JCPA Normalization proposals. Will PepsiCo continue the Normalization effort in Israel and Area C after consummation of the Soda SodaStream acquisition? If it does, it would be a significant endorsement by a world class marketing company. Then it could claim that “PepsiCo brings Peace.”

The PepsiCo acquisition of SodaStream coincided with an announcement by the White House that President Trump will announce the long-promised Middle East Peace plan during his speech at the UN General Assembly Sessions in New York that begins on September 18, 2018. It is being touted by President Trump as “The Deal of The Century”. We await the President’s UN General Assembly address to see if it reflects the discussions about “Israeli – Palestinian peace through prosperity” and JCPA research demonstrating the pathway to Normalization.



Against this background, Jerry Gordon and Rod Bryant of *Israel News Talk Radio—Beyond the Matrix* discussed these promising experiments towards normalization of relations between Palestinians and Israel building prosperity and a path to real peace in Area C of the West Bank.

What follows is an excerpt from the interview with Dan Diker of the JCPA.

Jerry: Dan, what about the Middle East Peace Plan that US Special Envoys Jason Greenblatt and Jared Kushner discussed with these US Arab allies. How are the Palestinians going to handle that?

Dan: We are witnessing for the first time in the 25 years since Oslo in 1993, even 1967, a complete reversal of fortunes for the Palestinians with regard to their Sunni fellow travelers in the Middle East. Your listeners should check out the English translations of Arab media at sites like Palestinian Media Watch and MEMRI to actually experience the frustration, the anger, as well as, the cynicism that the Arab establishment in the Arab League has for the Palestinians. When we looked on twitter, we did a double-take because the Iranian people were saying "Death to Palestine" not "Death to Israel," not "Death to the Jews." The Iranian protesters were also saying "Death to the Hezbollah" and "Death to the Hamas." We asked ourselves, "Is this a typo on Twitter or is this real?" In fact, it was real. It reflects Iranian people saying what we want are Iranian jobs. We don't need to be giving Iranian money to these terror organizations. The Arab establishment is saying listen; we are giving up on the Palestinian leadership because they have basically been killjoys for the last twenty-five years. We have bigger fish to fry say the Sunni establishment. It is called the Islamic Republic of Iran and its nuclear race for regional supremacy. Both the Iranian public and

the Sunni establishment leadership have basically cornered the Palestinians. Today they are isolated; they are persona non grata in the Arab world. They really have very little room to do anything.

Rod: The question that I have is how could the Arab states along with Israel and the United States actually force the PA to do anything? Either we have to seek the removal of Abbas and at some level the dismantling of the Palestinian Authority. Until now it seemed like it would be an impossible thing to force something on the Palestinians. Abbas has refused every agreement that has been placed before him. Can the Arab states develop some type of agreement that they can force on the Palestinians?

Dan: We saw the leading Arab countries, such as Saudi Arabia and Egypt prevent the Palestinians from signing an agreement back in 2000 when Ehud Barack was the Prime Minister and Yasser Arafat the former Chairman of the Palestinian Authority and the Fatah, head of the PLO. Arafat said in Arabic, and I believe in English, that the Arab world would have killed him if he accepted the proposal from President Clinton and Ehud Barack to compromise on the territorial question in the West Bank. As to your question can the Arab world force the Palestinians to accept a compromise which is the reverse situation, my sense is that they can't force the hand of the Palestinians to accept a deal that would probably give them about 70 percent of the West Bank, not including the Jordan Valley. That's a no-go. That's a red line for Israel. The Judea/Samaria mountain ridge which gives Israel the critical topographical superiority that it needs to defend itself from any invading forces from the East. The point is that what we are going to continue to see is the status quo. The status quo if you ask Arabs who work for companies in Judea and Samaria in the West Bank, they will say the situation is pretty good.

They don't need to have a final deal. People in the West Bank who work every day who are gainfully employed, 30,000 of them in Israeli companies, are protected by Israeli labor law. They are saying I don't know what all this talk is right now about a Palestinian state. We are earning good salaries. The Israeli Army is protecting us in Area C which is sixty percent of the West Bank. They say, the Palestinian leadership is corrupt, there are no human rights. The Palestinian leadership in the minds of many Palestinians are a bunch of losers, to use a common American expression. Therefore, you have a very wide gap between what you hear on *CNN* from the Palestinian leadership such as Saeb Erekat barking his curses at American Ambassador to Israel David Friedman calling him a dog which is what his boss Mahmoud Abbas did. What the Palestinian people want is essentially a continuation of the status quo which is fairly stable in the West Bank.

Jerry: Given the prospect of how dangerous would be the collapse of the PA if Abu Mazen left or was sidelined completely, what will Israel and these new Arab partners do to assure what you just talked about becomes the reality of normalization with the Palestinians?

Dan: Normalization is the key word here and that is exactly what is happening on the ground across the West Bank. Normalization especially in Area C is under full administrative and security protective control of the Israelis. You have an unprecedented demand by the Palestinian professional middle class and the working class who have normal relations with Israel. They have come off this political treaty calling for have a Palestinian state to be established on the pre-1967 June War 1949 Armistice lines which their own leadership actually refuses to sign on a deal. Because, and this is the key point that your listeners must

understand the Palestinian political leadership is motivated to destroy any possibility of having a deal because they make too much money by preventing a deal as opposed to accepting a deal. They are getting millions and millions of dollars every year, much of it goes into their own pockets in order to continue their status as a non-state state, crying poverty and crying weak to the international community and media. In my estimation it is highly unlikely that in our lifetimes we will see a bilateral deal between some Palestinian Authority leadership and any Israeli government. Because the interest of the Palestinian political leadership is in preventing this peace deal not in promoting a peace deal. Israel has exactly the opposite approach. I can tell you authoritatively that Prime Minister Netanyahu is willing to go very far in signing and carrying out a deal with the Palestinian people. I have been in meetings with Mr. Netanyahu when he was head of the opposition with very distinguished Palestinian Jordanian leaders and he said I want to see the West Bank, the Judea and Samaria growing GDP at nine percent a year like Ireland and Netanyahu could do that. He is you know he is a very accomplished economic expert. I know that there is a deep appreciation for him among the Palestinian professional classes. The problem is the Palestinian political leadership has backed them into a corner and essentially they are going to go off into the sunset having accomplished nothing.

Rod: In essence what you are saying is the opportunity for anything too really change, the status quo is going to remain the same until somehow the Palestinian people can revolt, remove their government in a grassroots movement against the PA. That nothing much is going to change.

Dan: The only thing that can really change is the type of normalization with Israel. This is how it can work. There is a

way of really going over the heads of the corrupt Palestinian government, what they call their national government. The Arab Muslim world is really constituted of tribes, families and clans. If you go to the Emirates in the Gulf, to Syria, to Iraq, you look at these Arab states, they define themselves by families, tribes and clans, not by the Westphalia notion of a nation state, which is the way we in the West have organized our thinking about national sovereignty. Now, taking that as a fact it is a very practical idea to begin in the West Bank for Jewish community heads such as mayors and heads of municipalities and local government to begin to work directly with local Palestinian Arab governments, their Mukhtars of villages and heads of local councils. We need to use Area C which is the area comprising 60% of the West Bank Judea and Samaria under the full control of the Israeli government and Army in order to help the Palestinian economy take off. The Jerusalem Center for Public Affairs unveiled a plan to do that. The key point is that the 1,450,000 Palestinians, can come to Area C, develop, get a good education through partnerships with international universities, and work at international companies which is under full Israeli control. There, they would have the backing of an Israel democracy and its Army protecting international organizations, associations, businesses and their interests. Then things start to work well. Therefore, we can help the Palestinians help themselves by using Area C as an enabling area not as an area to control Palestinians, God willing, to create a viable, prosperous, independent Palestinian economic life.

Rod: Brilliant.

Jerry: Dan, do you think that Messrs. Greenblatt and Kushner understand what you are talking about and would buy into this?

Dan: Absolutely. I believe strongly that they do. We have seen Jason Greenblatt, President Trump's Special Representative for International Negotiations and U.S. Ambassador to Israel David Friedman use the language of economic freedom. I think that Jared Kushner is a very astute young man and has actually done behind the scenes a tremendous job in basically recalibrating this rather different, regional approach to Middle East peacemaking using some of these principles that we have talked about. I think if there ever was an opportunity it's now in order to build a bottom up approach to peacemaking as opposed to forcing a top down strictly political approach.

Rod: This is really encouraging because we see a similar strategy that President Trump has used with North Korea dangling the carrot of prosperity for the whole nation, the people of North Korea and its dictator in classic political warfare that you were talking about earlier. Is that what the new JCPA book, *Defeating Denormalization* aims for? Dan, take a moment and introduce our listeners to what is meant by the concept of denormalization?

Dan: We have seen in the poisonous BDS Movement, Boycott, Divestment and Sanctions, a Palestinian led movement that grew ominously since the South African Durban Conference on Human Rights in 2001. One key aspect of this BDS economic and political warfare movement is something called, "anti-normalization" or "denormalization," when the Palestinians and Israel had more normal relations. Since the beginning of the Oslo process in 1993 you have had this rabid demonization, deligitimization of Israel and the Jewish people calling for renormalizing relations with Israel. It was the way the world denormalized or promoted anti-normalization with former

apartheid South Africa. It was apartheid South Africa that became the model. The Palestinians hoped that Israel would be cast as the international outlaw in the same way former apartheid South Africa was. Anti-normalization by the international community towards South Africa was the idea to copy casting Israel in this new role as international criminal, international illegitimate state, hopefully causing Israel's collapse. That is what the Palestinians had in mind. With denormalization being a key part of this apartheid South Africa-driven model, those of us who knew Palestinians on the ground and studied this issue over the past twenty-five years. In recent years Palestinians who work and who deal with Israelis want to continue doing that. They don't want denormalization, as it actually hurts the Palestinians. It hurts employment, compensation and prospects for a future independent entity or state. Therefore, we at the JCPA completed a book together with Palestinians from across Judea, Samaria and the West Bank who now have publicly said for the first time no more denormalization, no more BDS; we want to work with Israel. That is the best way to move forward and reach any sort of a political solution to this conflict by starting from the bottom up with a socioeconomic solution. That is the book's message. People who want to read the book online can go to [www.jcpa.org](http://www.jcpa.org) and then put in, "defeating denormalization." You can download the full pdf for free.

Jerry: Dan, can you give us some examples, drawn from of a recent JCPA seminar with the co-authors of this book, citing examples of normalization but also ways in which the existing PA has sought to prevent it from happening?

Dan: In late June 2018, we held a strategic round table with the official launch of the Hebrew and English versions of *Defeating Denormalization—Shared Perspectives on a New Path to*

Peace. You can Google "Jerusalem Center Round Table on Denormalization" and watch videos of these discussions. We had in the public space four or five different Palestinians going on record on favoring normalization. We were all over Israeli TV, international television, *Jerusalem Post* and other media so this has now placed normalization on the public record.

Jerry: Dan, there were also huge protests in the PA at the same time as the publication of *Defeating Denormalization*. How bad are the human rights there?

Dan: Human rights are a real challenge in the Palestinian Authority. That is one of the issues that the public is concerned about. The number one issue is economics. There is upwards of 18% unemployment in the West Bank, Judea and Samaria and well in excess of 40% in Gaza. Among young people it is even higher. The outcry on the Palestinian street towards the PA leadership is about jobs and the economy. That was a major part of the truth behind the Gaza Return March that the Palestinians were crying out blaming their own leadership, not Israel. Hamas very skillfully, with Iranian help, turned that outrage towards Israel and made it seem to International media that Israel was just shooting unarmed protestors. In the West Bank you have a less critical situation, but still you have people demonstrating for their own rights protesting anti-corruption and the economy of their own government. Because the Palestinian Authority is not a democracy, people are arrested and mistreated by the Palestinian Security Forces for these types of civil actions.



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