

# Kerry's Plan: Palestinians to be cast as Fall Guys - Again

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Under heavy pressure from the US, the Israeli prime minister, Benjamin Netanyahu, has paid grudging lip service over the past four years to the goal of Palestinian statehood. But his real agenda was always transparent: not statehood, but what he termed “economic peace”.

Ordinary Palestinians, in Netanyahu's view, can be pacified with crumbs from the master's table: fewer checkpoints, extra jobs and trading opportunities, and a gradual, if limited, improvement in living standards. All of this buys time for Israel to expand the settlements, cementing its hold over the West Bank and East Jerusalem.

After 20 years of pursuing Palestinian statehood implied in the Oslo Accords, the US indicated last week it was switching horses. It appears to be adopting Netanyahu's model of “economic peace”.

The US secretary of state, John Kerry, flanked by the Israeli president, Shimon Peres, and the Palestinian Authority chairman, Mahmoud Abbas, at the World Economic Forum in Jordan, revealed an economic programme for getting peace talks on track.

Some 300 Israeli and Palestinian business people were on board, he said, and would invest heavily in the Palestinian economy in a venture that was “bigger, bolder and more ambitious than anything since the Oslo accords”.

No more details were forthcoming, except that it will be overseen by Tony Blair, Britain's former prime minister who has been the Quartet representative, the international community's “man in Jerusalem”, since 2007.

He is a strange choice indeed, given that the Palestinian leadership has publicly dismissed him as “Israel's defence attorney” and privately argued — as revealed in the Palestine Papers leaked in 2011 — that he advocates “an apartheid-like approach to dealing with the occupied West Bank”.

Kerry's claims for his programme were grand yet vague. Some \$4 billion in private investment over three years would boost the Palestinian economy by 50 per cent; agricultural production and tourism would triple; unemployment fall by two-thirds; wages rise by 40 per cent; and 100,000 homes would be built.

But the proposal left few impressed, and for good reason.

Kerry is simply repackaging the task Blair was entrusted with six years ago. His job has been to develop the Palestinian economy and build up Palestinian institutions in preparation for eventual statehood, so far to little effect.

As David Horowitz, editor of the right wing Times of Israel newspaper, scoffed: "If there was \$4 billion to be had in private investment in the Palestinian economy, you can rest assured that Tony Blair would have found it."

Or seen another way, the Palestinian economy's problem is not a lack of investment; it is a lack of viable opportunities for investment. Palestinians have no control over their borders, airspace, radio frequencies, water and other natural resources, not even over the currency or internal movement of goods and people. Everything depends on Israel's good will. And few investors will be prepared to bet on that. Israel has repeatedly shown itself more than ready to crush the PA's finances by, for example, withholding Palestinian tax revenues it collects and is mandated to pass on.

Blair's role has been heavily criticised because his narrow focus on economic development has not only failed to foster a climate conducive to talks but has served as cover for Israel and Washington's inaction on Palestinian statehood. Instead of rethinking Blair's failed mandate, Kerry appears set on perpetuating and expanding it.

Abdallah Abdallah, a senior Fatah official, summed up the Palestinian response: "We are not animals that only want food. We are a people struggling for freedom".

Israel, meanwhile, is only too ready to push Kerry down this hopeless path.

From Israel's perspective, the US plan usefully distracts attention from the Arab Peace Initiative, the Arab states' renewed offer last month of full diplomatic relations with Israel in return for its withdrawal from most of the occupied territories.

Netanyahu, worried the offer might corner him into serious talks, has responded with stony silence. At the same time, Yair Lapid, the supposedly centrist finance minister who was originally promoted by the West as a peacemaker, has squashed the idea of a deal with the Palestinians as unrealistic. He told the New York Times last month that he supported expanding the settlements.

Israel, it seems, hopes that the Palestinian Authority, now permanently mired in financial crisis, can be arm-twisted with promises of billions of dollars in sweeteners. According to Palestinian sources, Abbas is facing intense pressure from the US, with the Kerry plan intended to leverage him into dropping his condition that Israel freeze settlement growth before negotiations restart.

Israel is keen to win that concession. Despite reports that Netanyahu has quietly promised the Americans he will avoid embarrassing them for the next few weeks with announcements of settlement building, a rash of projects is in the pipeline.

At the weekend, media reports disclosed a plan for 300 new homes in East Jerusalem, while nearly 800 more are to be released for sale. Several settlement outposts established without authorisation from the Israeli government are expected to be made legal retrospectively, including hundreds of homes in Eli, near Ramallah.

Reuters reported yesterday that Kerry expects a decision on restarting peace talks within two weeks - or, his officials say, he will walk away from the peace process. He told a meeting of the American Jewish Committee the same day: "If we do not succeed now, we may not get another chance."

For Netanyahu, such threats are hollow. If the US absents itself from the conflict, Israel will simply be left with a freer hand to intensify its subjugation of the Palestinians and the theft of their land.

Even though much more is at stake for the Palestinians, the PA has so far been quietly dismissive of the Kerry plan. It has stated it will not make “political concessions in exchange for economic benefits” - a diplomatic way of saying it will not be bribed to sell out on statehood.

But the real danger for the Palestinians, as they remember only too well from the 2000 Camp David talks, is that they are being set up as the fall guy. Should they refuse to sign up to the latest version of economic peace, Israel and the US will be only too ready to blame them for their intransigence.

This is win-win for Netanyahu, and another moment of disastrous slippage in the diplomatic process for the Palestinians.

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