

# A Resistance Economy: What is it and can it provide an alternative?

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## Introduction: Defining Resistance Economy

For the purposes of this paper, we are defining the Resistance Economy (RE) as an institutionalized form of economic struggle that envisages a transitional reorganization of the economy and social relations to be in harmony with the political requirements and objectives of the Palestinian national liberation process. In other words, RE is a politically driven economic development strategy underpinned by a set of social values and norms. Therefore, by its very nature, RE is a multifunctional and multidimensional strategy that aims to lay the foundation for the emergence of an emancipatory social order and solid political base in order to assist Palestinians in their struggle to achieve liberation and self-determination. Thus, the use of the term “resistance” in this paper refers to its economic and social dimensions and not its military ones.

RE is also a counterhegemonic strategy that challenges the status quo, which is framed by Israel’s colonial subjugation of Palestinian land and resources and the Palestinian Authority’s (PA) neoliberal approach to economic development. Hence, RE is not a reformist approach that relies on an elitist, apolitical, and technocratic intervention to artificially treat the multitude of economic ills within the existing paradigm. Rather, it is predicated on a revolutionary vision that makes visible the root cause of the ongoing economic devastation taking place in the Occupied Palestinian Territory (OPT) and seeks to construct a conscious counterhegemonic movement to the current dynamic in the OPT.

The functionality and effectiveness of RE depends largely on the extent of its inclusiveness, democratic nature, and participatory dynamic. It requires broad representation and the active

involvement of a wide range of social sectors and diverse political, economic, and civil society actors. On the one hand, it is *popular* in the sense that it is based on an organic relationship between local communities and their ability to determine their future. On the other hand, it is *institutional* since it necessitates a comprehensive institutional base comprised of political structures, civil society organizations, the private sector, universities, research centers, and so on.

Contrary to the conventional and mainstream economic models that characterize states’ economic governance and the top-down direction of economies, RE relies on bottom-up local initiatives as a major driver for its advancement and success. Therefore, common economic measurement tools and standards that assess economic growth in a vertical manner are irrelevant in the context of RE.

Instead, RE measures levels of community interdependence and self-sufficiency by measuring horizontal growth and fair redistribution of income across the grassroots using local capital and resources.

Although the proposed RE has no equivalent in contemporary economic systems, it acknowledges the significance of past and present experiences of economic resistance, both that which existed under direct colonialism as well as grassroots resistance to neoliberalism around the world. In addition, RE relies on the wealth of economic resistance practices that were integral features of the pre-Oslo Palestinian anti-colonial resistance.

## Local and global experience

Our understanding of RE in the OPT should be placed within broader resistant economic practices at both the local and global levels. Given the subjugation of the Palestinian context to two exploitive regimes – the Israeli colonial system and the PA’s neoliberal approach – a meaningful vision for RE should expand its objectives to counter both. Such a complex mission requires not the current low-key and unorganized “everyday popular resistance” but a combination of new forms of socio-economic organization as well as political strategies for collective struggle. While resistance should be tailored to the regime that it targets, resistance to one poses a threat to the other; therefore, all types of economic and social resistance are inseparable.

The following three sections provide some insights into relevant experiences of economic resistance practices. The first highlights economic resistance in a colonial setting with a particular focus on India. The second considers contemporary forms of economic resistance to neoliberal policies, focusing on Brazil. And the third highlights dimensions of economic resistance during the First Palestinian Intifada. Subsequent sections look at the different approaches needed to develop a resistance economy.

## *Economic resistance under colonialism: the case of India*

Historical experience of economic resistance against colonialism shows that it emerges when the majority of society, usually the peasantry, declares non-compliance with the colonial system. Economic resistance is generally triggered by the imposition of harsh colonial conditions such as confiscating fertile lands for colonies, heavy taxation by colonial authorities, and the overexploitation of farmers and workers.<sup>1</sup> When resistance aimed at reclaiming economic rights is triggered, it becomes politicized and takes forms of political resistance – ranging from violent actions to non-violent maneuvering. Even in the absence of guided mass revolutions, “everyday resistance” in colonized communities becomes internalized and normalized, which, while helping to frustrate the implementation of colonial measures (e.g. land confiscation), cannot stop the colonization process in the long term.<sup>2</sup>

Existing literature on the colonial era has gone to extensive lengths to document the economic dimension of resistance in terms of peasantry and labor political organization, protests, and violent and non-violent acts. Much less attention has been paid to the ways in which the colonized established and administered internal socio-economic systems to challenge the colonial order.

One of the better-documented cases of economic organization in a colonial setting comes from India. The movement for political independence under the leadership of Mahatma Gandhi advanced a resistant economic model as a defense mechanism against British industries, which dominated India’s economy at the time. This model involved two distinct sectors and geographical areas: agricultural activity and agro-industries in rural areas and traditional industries in cities.

Agro-industries are productive activities

<sup>1</sup> Mukherjee, Mridula. “Peasant resistance and peasant consciousness in colonial India: ‘subalterns’ and beyond.” *Economic and Political Weekly* (1988): 2109-2120.

<sup>2</sup> Ibid

that add value to agricultural raw materials through the transformation, preservation, and preparation of agricultural production for intermediary or final consumption.<sup>3</sup> In India, they served as a safety net to absorb surplus labor and provide relief to the problem of large-scale unemployment, engage rural residents in local development, reduce dependence on the British colonial economy, and support the independence movement.<sup>4</sup>

In urban areas, the Indian political leadership identified itself with artisans and craftsmen whose industry had been especially weakened by the British. In order to institutionalize economic resistance, the political leadership encouraged the strategy of *Swadeshi* (self-sufficiency), which became a powerful assertion against foreign products and whose adherents led national campaigns to boycott foreign goods and protect employment for millions of non-agricultural workers. The *Swadeshi* movement sabotaged the economic interests of the British and also helped mobilize mass support for the national struggle for independence.<sup>5</sup> The economic strategy of the Indian anti-colonial movement fueled political resistance, which culminated in India gaining independence in 1947.

### *Economic resistance to neoliberalism: the Landless Rural Workers Movement in Brazil*

In a collective search for better socioeconomic standards and working conditions, a number of grassroots movements have surfaced all over the world to challenge the dominant neoliberal paradigm and its destructive impacts on local economies and indigenous livelihoods. Despite tremendous difficulty, many of these movements have succeeded in establishing new forms of socio-economic organization. Created along the lines of self-management and just economic modes of production and redistribution, these

new forms have become central to the social reorganization of local communities. This success is embodied in new social economic models and practices that have been applied in various sectors and regions as a main source of income and employment.<sup>6</sup> These models and practices are based on principles that are contrary to neoliberalism: solidarity, cooperation, self-determination, collective authority, reciprocity, and democratic participation.

The Landless Rural Workers Movement (MST) in Brazil constitutes a success story in this genre. It has managed to build an alternative socio-economic order based on a model of Solidarity Economy.<sup>7</sup> MST is now seen as the largest and most effective social movement in Latin America. It emerged in the 1980s in response to the misery created by neoliberalism and in a context where 3% of the population owned and controlled two-thirds of all arable lands.<sup>8</sup> The movement initially began with 400 members and has since expanded to include over 1.5 million people across Brazil.<sup>9</sup> Interestingly, MST members represent diverse social backgrounds: farmers, workers, professionals, and academics, among others who believe in creating a just order that secures socio-economic equality for all people.

The founding principle of MST is to “occupy, resist, produce.” This motivated landless people and families to occupy unproductive lands and build “encampments” as a way to live collectively on the land in an effort to build productive agrarian communities in which the means of production and redistribution are based on a participatory approach.<sup>10</sup> Centered on the concept of “agrarian citizenship,” decisions are made in de-centralized assemblies and smaller committees in charge of every aspect of each community’s shared

<sup>3</sup> Da Silva, Carlos A. *Agro-industries for development*. CABI, 2009.

<sup>4</sup> Gandhi, Vasant, Gauri Kumar, and Robin Marsh. “Agroindustry for rural and small farmer development: issues and lessons from India.” *The International Food and Agribusiness Management Review* 2, no. 3 (2000): 331-344.

<sup>5</sup> Goyal, S. K. “Policies towards Development of Agro-industries in India.” *Economic liberalization and Indian agriculture* (1994): 241-286.

<sup>6</sup> Gibson-Graham, Julie Katherine. *A post-capitalist politics*. University of Minnesota Press, (2006).

<sup>7</sup> Allard, Jenna, and Carl Davidson, eds. *Solidarity economy: Building alternatives for people and planet*. Lulu. com, 2008.

<sup>8</sup> Wittman, Hannah. “Reframing agrarian citizenship: Land, life and power in Brazil.” *Journal of Rural Studies* 25, no. 1 (2009): 120-130.

<sup>9</sup> Dangel, Benjamin. *The price of fire: resource wars and social movements in Bolivia*. AK Press, (2007). P.97.

<sup>10</sup> Acts of occupation of infertile lands left by their owners is backed by the Brazilian constitution, which specifies that unproductive land should be put to use for a “larger social function”. The Supreme Court ruled in favor of MST and granted it a legal status. (Doc.visualab, 2004).

life.<sup>11</sup> The highly politicized character of MST helped to re-politicize the economic sphere and transform it into a platform for political training and leadership formation. MST was successful in instigating a public discussion on how the constitution would define the social function of land, resulting in its inclusion in the 1988 constitution as one of the fundamental rights and guarantees of citizenship.<sup>12</sup>

The reach of MST has gone beyond agrarian activity to provide healthcare, education, infrastructure, security, and other social services. Such services are self-financed through an optional membership contribution amounting to 3% of a person's income. Mid-size cooperatives are the main productive enterprise, in which members engage in producing, selling, marketing, and exchanging products. It is estimated that these cooperatives generate around \$50 million per year, in addition to unconditional donations from a global solidarity network called Friends of the MST.<sup>13</sup> Norms of solidarity, resistance, mutual help, collective struggle, and cooperation have all helped to build this deep sense of community. We must replicate this global solidarity organization approach.

### *Pre-Oslo Palestinian economic resistance*

The history of Palestinian anti-colonial struggle is enriched with forms of economic resistance that emerged throughout the subsequent phases of colonization. Some notable forms of economic resistance even emerged in the pre-Israeli state era, when Palestinians launched a prolonged commercial strike (April-October 1936) as part of a popular revolt against the British colonial authorities and the Zionist project. Later, with the rise of the Palestinian National Movement in exile, the PLO established multiple economic projects in those countries hosting large Palestinian communities. In particular, the Palestinian Martyr's Works Society (SAMED)

exemplified an essential source of employment for Palestinians and served to supply material necessities at affordable prices and empower solidarity links between Palestinians and the nationals of those countries hosting them.<sup>14</sup> SAMED's prominence at the time was a result of its innovative approaches that combined industrial and agricultural production with other forms of art and cultural production, such as the Cinema Production Center.

Given the specificity of the proposed RE, the following subsections highlight examples of prominent forms of ER defined by the experience of Palestinians in the OPT. These experiences had to a considerable degree become institutionalized and integrated into the Palestinian daily life, most notably sumud politics, and the first intifada.

#### 1. Sumud politics (1970s-1980s)

As a key concept rooted in the Palestinian experience under the Israeli occupation during the 1970s and 1980s, sumud (steadfastness) was a political strategy that signified adherence to the social, economic, and cultural components of Palestinian national identity as a source of society's empowerment, collective presence on the land, and resistance. Scholars distinguish between two types of sumud. 1) *Static sumud*, which characterized the 1970s and aimed only to sustain the peoples' presence on the land. 2) *Resistance sumud*, which marked a shift toward active resistance through two mechanisms: building and developing institutional infrastructure, which saw a rapid increase in the number of trade unions and agricultural, medical, professional, and voluntary committees; and introducing new forms of socioeconomic struggle based on production, self-sufficiency, self-reliance, and a boycott of Israeli products.<sup>15</sup>

<sup>11</sup> Wittman, Hannah. "Reframing agrarian citizenship: Land, life and power in Brazil." *Journal of Rural Studies* 25, no. 1 (2009): 120-130.

<sup>12</sup> Ibid.

<sup>13</sup> Landertinger, Laura. "Brazil's Landless Workers Movement (MST)." *Centre for Research on Latin America and the Caribbean* 1 (2009): 1-21.

<sup>14</sup> Mattar, Philip, ed. *Encyclopedia of the Palestinians*. Infobase Publishing, (2005): 437.

<sup>15</sup> For further reading, see: Barghouthi, Mustafa, and Rita Giacaman. "The emergence of an infrastructure of resistance: the case of health." *Intifada. Palestine at the crossroads*. New York: Praeger (1990): 73-87. Tamari, Salim. "The Palestinian movement in transition: Historical reversals and the uprising." *Journal of Palestine Studies* (1991): 57-70. Schioccochet, Leonardo. Palestinian sumud: steadfastness, ritual and time among Palestinian refugees. *Palestinian Refugees* (2012): 67.



## 2. The First Intifada (1987-1993)

The First Palestinian Intifada marks one of the most enlightening phases of organized economic resistance in the history of the Palestinian anti-colonial struggle. The strategic prominence of economic resistance at the time was a result of the existing infrastructure of resistance and progressive interactions among many political structures and civil society organizations. The emergence of a variety of committees and networks of women's movements helped facilitate the "routinization" of daily practices of economic resistance. The cross-class character of the First Intifada had a considerable contribution in feeding the effectiveness of economic resistance.<sup>16</sup>

In order to advance their political goals, Palestinians focused on increasing the occupation's expenditures to unbearable levels, with the aim of striking a significant blow to Israel's economy. To do this, Palestinian communities carried out various forms of economic resistance practices that increasingly took on the form of "economic warfare."<sup>17</sup> While the tactics that they embraced (general strikes, boycott of Israeli products and other forms of civil disobedience, such as withholding tax payments and resigning from jobs in Israel and its settlements in large numbers) are well known, the way in which these communities innovated local economic models to ensure economic survival and self-sufficiency are less well known.

The sort of RE that emerged during the First Intifada was primarily based on reviving household economies.<sup>18</sup> The return to the traditional form of domestic production and consumption, though not easily adaptable by all social classes, enhanced economic boycott and unleashed innovative capacities; it also helped to transfer skills and training among communities and enabled Palestinians to reach considerable levels of self-reliance and self-sufficiency.

"Victory gardens" were important grassroots initiatives based on household economies and neighborhood solidarity. Victory gardens entailed different forms of agricultural production and animal rearing and relied on small-scale agro-industries run by neighborhood cooperatives. In the first two years of the uprising, Palestinians succeeded in planting over 500,000 trees throughout the OPT.<sup>19</sup> In some areas, most prominently in Beit Sahour, victory gardens achieved full self-sufficiency and became major sources of employment and income. Meanwhile, local shops were mostly empty of Israeli products.

Moreover, victory gardens implied essential political, economic, and social dimensions.<sup>20</sup> Politically, these initiatives were anti-status quo and reflected a symbolic expression of self-determination. Economically, although they were not-for-profit, they were effective in achieving self-sufficiency and ensuring economic survival, particularly in periods of curfews and closures. Socially, such initiatives brought people together and enhanced solidarity and self-esteem and widened popular participation in productive activities. At the same time, victory gardens offered new spaces for women who, through their committees, played a prominent role in transforming homes into centers of industrial production of food, clothing, and handicrafts.<sup>21</sup> Agricultural committees also played an integral role in the process through launching widespread public education campaigns to help families utilize land for the growth of vegetables and they distributed huge quantities of vegetable plants and seeds.<sup>22</sup>

## The need for a new Palestinian consciousness

Consciousness determines peoples' attitudes towards their socio-economic and political reality whether they accept an oppressive

<sup>16</sup> Hiltermann, Joost R. *Behind the intifada: Labor and women's movements in the occupied territories*. Princeton University Press, (1993).

<sup>17</sup> Gabriel, Judith. *The Economic Side of the Intifadah*. *Journal of Palestine Studies*, Vol. 18, No. 1. (1988).

<sup>18</sup> Gabriel, Judith. *The Economic Side of the Intifadah*, p.202.

<sup>19</sup> King, Mary, E. "A quiet revolution: the first Palestinian Intifada and nonviolent resistance". Nation Books, (2007): 231

<sup>20</sup> King, Mary, E. *A quiet revolution*

<sup>21</sup> See for example: Judith (1988). Hunter, F. Robert. "The Palestinian Uprising" Berkeley, Cal. (1991):135.

<sup>22</sup> Gabriel, Judith. *The Economic Side of the Intifadah*, 202.

political status quo and its associated socioeconomic order or reject it through embarking on various forms of resistance to create a more just order. Contemporary human consciousness, however, is often manipulated by powerful actors (corporations, media, the state, mainstream knowledge production, etc.), which seek to: 1) manufacture consent and create a false consciousness in favor of the status quo and 2) ensure the unchallenged continuation and expansion of the accompanying economic system regardless of how oppressive it is. With this in mind, meaningful resistance to oppression must begin with a new consciousness.

Neoliberalism, the new economic paradigm engineered by the Oslo process, has prevented the promising course advanced by RE in First Intifada from developing further. Since Oslo, international donors have played a crucial role in transforming the Palestinian collective consciousness into one that is subordinate to the neocolonial values of individualism, consumerism, and self-interest. International aid, which is invested in designing and controlling the Palestinian economy, has inflicted upon Palestinian society a passive worldview that is based on society's dependency on politically conditioned aid for economic survival.

In the process, the PA has embraced neoliberalism and is today a thoroughly corrupt institution that is dominated by political-economic elites who rely on nepotism to control the wider population. In the years following Oslo, the PA developed a network of interest groups and managed to tie a large segment of Palestinian society to a dysfunctional and unproductive public sector, with monthly salaries wholly dependent on the political objectives of international donors and Israeli domestic politics. This has produced passive social sectors on the receiving end of international aid, distorting the Palestinian consciousness even further.

Actors within the Palestinian private sector bear considerable responsibility in this regard. For example, economic normalization projects with the Israeli occupation are marketed under deceptive banners like "development" and "national project." Such divergent discourses

and practices for pure profit attempt to redefine Palestinian consciousness so that it accepts that economic normalization is a national interest and that economic success can be achieved through the pursuit of that path.

In order to stop and reverse these developments, RE must be rooted in a solid foundation. Above all, this should begin with decolonizing Palestinian consciousness and defying attempts to impose economic compromises that manipulate Palestinians' understanding of their reality. It is imperative to reclaim the lost values of resistance and solidarity, to reassess and widely communicate the actual needs of Palestinian society in the current colonial context, and to reassert the collective nature and voluntary spirit of economic struggle. Addressing the harms suffered through the colonization of Palestinian consciousness over the past two decades of Oslo is a crucial step toward forming the basis of RE.

## Resistance Economy: dimensions and objectives

RE rejects the artificial separation between economics and the political and social spheres as projected by the dominant free market economics. RE, therefore, cannot be effective without considering a range of economic, social, and political objectives that are central to strengthening the Palestinian liberation course and fulfilling Palestinian aspirations.

### *Political objectives*

The overall political objective of RE is to create a solid political base to sustain the Palestinian anti-colonial struggle. This can be achieved through the following political dimensions:

- Challenging Israel's colonial objectives of dispossession especially in agricultural areas that are under the threat of settlement expansion, such as the Jordan Valley
- Reviving the politics of sumud to support the steadfastness of Palestinians on their land

- Supporting local alternatives to Israeli products that will serve the political objectives of international boycott campaigns
- Reducing dependency on conditional international aid in an effort to reclaim independent political decision-making with immunity from donors' political blackmailing
- Seeking actors who have the will and capability to work together to develop new political structures in an effort to surpass the highly restrictive Oslo political framework

### *Social objectives*

The economic base upon which society rests shapes social structures and relations. RE tends to produce progressive social change by altering people's attitudes and behaviors and the way in which they relate to society through the promotion of unified principles and goals, such as:

- Promoting solidarity and social cohesion among the different societal sectors
- Fostering voluntary work and collective social organizations and actions
- Building a social justice system and eradicating class tensions and practices of exploitation
- Enhancing a sense of responsibility, commitment, and concern for the public good
- Strengthening relations among Palestinians inside and outside the OPT
- Engaging women and youth in the process of building RE and empowering them socially. Youth in particular can be a leading force in the process and a principal driver of innovation in RE.

### *Economic objectives*

RE aims to achieve a wide range of economic objectives in an effort to reduce Palestinians' economic dependency on Israel's economy and to achieve desirable levels of socioeconomic wellbeing. These objectives include:

- Creating a substantial level of self-sufficiency particularly in terms of long-term food security
- Promoting productive economic activity based on self-reliance reciprocity and fair redistribution
- Focusing on productive activities that prioritize the needs of the local market
- Creating employment opportunities based on merit and qualifications rather than nepotism based on family or political affiliation
- Reducing the increasing levels of luxury consumption, encouraging the consumption of national products, and improving the capacity and quality of local production
- Involving Palestinian Diaspora in the process of building RE. This may include investments, donations, and providing expertise
- Engaging the working and middle-classes in the leading sectors of RE and generating sufficient income for economic survival
- Reducing the gaps between Palestinians of different classes, which have been significantly widening since Oslo
- Fostering principles of transparency and accountability and counteracting corruption

### **Agriculture: the core of a resistance economy**

For centuries, the agricultural sector formed the main Palestinian productive economic base. The significance of agriculture goes beyond

being a strategic source of economic survival; it also symbolizes Palestinians' relationship to their land, their identity, their culture, and their history. Thus, any attempt to build an alternative economy that embraces principles of resistance and steadfastness should prioritize agriculture. In fact, scholars and observers in the field of development who are concerned with alternative economic models in the OPT have placed great emphasis on the role of agriculture as the backbone of RE.<sup>23</sup>

From the time that Israel occupied the West Bank and Gaza Strip in 1967 through the Oslo years, however, Israel's colonial policies and the PA's neoliberal policies have contributed to the disintegration of the agricultural sector at multiple levels. This has resulted in a severely weakened sector that is literally on its last legs. For example, in 1967, the Palestinian agricultural sector accounted for 53% of the overall GDP (in the West Bank and Gaza Strip), and its productivity was almost equal to that of Israel's, with some products such as olives, dates, and almonds even higher.<sup>24</sup> But between 1967 and the establishment of the PA in 1994, the share of agriculture in the Palestinian GDP declined to less than 13%. During the Oslo years, the sector has experienced further deterioration, falling to 7% by 2000<sup>25</sup> and 5.5% by 2011.<sup>26</sup> This has had devastating effects on employment in this sector, which has decreased from 32% in the 1980s, to less than 12% by the 2012.<sup>27</sup>

Furthermore, such low agricultural productivity means that Palestinians are unable to provide for themselves. According to MAS, 52% of Palestinians relied on food distributed by the World Food Programme and UNRWA in 2009.<sup>28</sup>

A 2013 UNRWA assessment found that 33% of Palestinian households—approximately 1.6 million individuals—were “food insecure.” The assessment also shows that an additional 16% of Palestinian households were found to be vulnerable to food insecurity and 26% were marginally food secure.<sup>29</sup> Achieving long-term food security is crucial: it enhances long-term productivity and leads to self-sufficiency and self-reliance, and it undermines the “food power” of Israel and its threats of cutting food supplies.

In fact, the above-mentioned figures clearly indicate that the agricultural sector is being deliberately and systemically pushed into the very margins of economic life in Palestine. This deteriorating situation should alarm policy-makers and all those concerned about the precarious consequence of such great agricultural losses on multiple political, economic and social levels. Our proposed resistance economy asserts the significance of reviving and expanding agricultural sector as a strategic economic option that would undoubtedly, if managed properly, yield tangible outcomes.

Against this backdrop, agriculture would constitute a major source of self-reliant local production that depends on local resources and efforts to ensure its continuity. Agriculture also has a great potential of employing a considerable segment of Palestinian labor force as well as creating indirect jobs for firms and individuals. Furthermore, agriculture production to be dedicated primarily for the local consumption would secure desirable levels of food security in Palestine. Most importantly, agriculture as a component of Palestinian identity and cultural heritage would advance Palestinian struggle for preserving their lands and tying people to the value of land in their struggle against Israeli dispossession.

While acknowledging the tremendous challenges and obstacles that impede the development of agricultural sector in Palestine, it would be unreasonable and ineffective to embark on resistance economic models that

<sup>23</sup> Al-Shabaka policy briefs include various contributions emphasizing the vitality of agriculture. See contributions by Alaa Tartir, Samer Abdelnour, Khalil Nakhleh, Sam Bahour, Muna Dajani, among others: [www.al-shabaka.org](http://www.al-shabaka.org)

<sup>24</sup> Butterfield, David, Jad Isaac, Atif Kubursi, and Steven Spencer. “Impacts of water and export market restrictions on Palestinian agriculture.” *Applied Research Institute of Jerusalem (ARIJ)* (2000), available at <http://socserv.mcmaster.ca/kubursi/ebooks/water.htm>.

<sup>25</sup> Abugamea, Gaber Hussain. “A Dynamic Analysis for Agricultural Production Determinants in Palestine: 1980-2003.” In *Proceedings of International Conference on Applied Economics*, ICOAE, pp. 3-10. (2008).

<sup>26</sup> Khalidi, R. and Taghdisi-Rad, S., *The Economic Dimensions of Prolonged Occupation: Continuity and Change in Israeli Policy towards the Palestinian Economy*, UNCTAD, Geneva, (2009).

<sup>27</sup> World Bank Data, Employment in Agriculture (% of total employment): <http://data.worldbank.org/indicator/SL.AGR.EMPL.ZS>

<sup>28</sup> MAS Food Security Bulletin, (2012), available at: <http://www.mas.ps/2012/sites/default/files/BULLETIN%207%20eng.pdf>.

<sup>29</sup> UNRWA, Socio-Economic and Food Security Survey. (2012): <http://www.unrwa.org/sites/default/files/Socio-Economic%20%26%20Food%20Security%20Survey.pdf>



tend to exclude the vitality of agriculture as a base. Accordingly, the following section proposes agricultural models that would enhance agricultural productivity in the OPT.

## Implementing a resistance economy

### *Cooperatives*

Agricultural cooperatives are considered one of the most important bottom-up grassroots initiatives that engage farmers and their families in productive multi-functional networks. The popular revival of cooperatives in many advanced and developing countries have made significant achievements. According to the UN Food and Agriculture Organization, cooperatives provide over 100 million jobs worldwide and count more than 1 billion members. This is reflected in the 272-member organizations from 91 countries that make up the International Cooperative Alliance (ICA).<sup>30</sup>

The presence of agricultural cooperatives in the OPT can be traced back to 1924, when a number of villages began joint agricultural production and established a cooperative society with around 250 members.<sup>31</sup> The pre-Oslo period witnessed the emergence of agricultural cooperatives in many parts of the OPT. Despite Israeli restrictions, cooperatives increased in number and membership in response to the politics of sumud. By 1991, there were 378 active cooperatives with 22,660 members.<sup>32</sup>

Although agricultural cooperatives continued to function in the Oslo era, they began to lose their original value and stopped being able to achieve their goals as a result of the difficulties imposed by the occupation coupled with the PA's neoliberal policies and the requirements of international donors. These requirements made

donor assistance conditional on cooperatives' adherence to the principles of export-oriented agricultural development while systemically neglecting the needs of the local market.

Given that the cooperative model is the most effective method to support the nascent stages of agricultural development, it is necessary to replace the existing forms of donor-funded cooperatives with a bottom-up-based movement that begins with redefining the concept of the cooperative according to the requirements of the Palestinian context.

**Internal structure:** Cooperatives should be designed according to participatory democratic principles based on horizontal networking rather than vertical hierarchies. This includes setting up administrative, financial, and technical committees within cooperatives that operate closely with farmers and members. Members have equal vote to determine strategies based on community needs. Cooperatives could be structured on three levels: one village or a group of villages, a cooperative union at the regional level, and a cooperative coalition at the national level.

**Small to medium cooperatives:** Given the OPT's geographical fragmentation and Israeli restrictions, cooperatives may only be able to function effectively if they are small to medium in size. Rural areas located in areas B and C should be a major target of agricultural cooperative activities.

**Cooperation among cooperatives:** Local cooperatives are neither competitive nor for-profit. Their complementary role should be based on constant cooperation and joint planning among cooperatives across the OPT. This would secure efficient productivity and diversity of products corresponding to the needs of the market as a whole.

**Training and outreach:** Cooperatives should include specialized training units that provide up-to-date information and technical expertise. An essential task of this unit should be to organize national campaigns to spread awareness of cooperatives and their role in developing RE.

<sup>30</sup> According to ICA, a cooperative is defined as "an autonomous association of women and men, who unite voluntarily to meet their economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise".

<sup>31</sup> Adwan, Yousif. *Agricultural cooperatives in the Palestinian Territory : current status and perspectives*. Palestine Economic Policy Institute-MAS, Ramallah, (2010).

<sup>32</sup> Dana, Tariq. *Productive Alternatives to the Agor-Industrial zone in Jericho and the Jordan Valley*. Bisan Center for Research and Development, (2013).

**International links:** Local cooperatives should link up with international bodies that have emerged as part of the global economic struggle against capitalism and neoliberalism, such as the ICA. Exchanging experiences and expertise and developing relationships outside the OPT would be a source of empowerment at home. It would also give Palestinian voices a global audience.

**Multi-functional cooperatives:** Beyond farming, cooperatives may include the following activities:

**Agro-Industries:** There are significant inter-linkages between cooperatives and agro-industries. As an integral branch of agricultural-based manufacturing, the process implies processing, marketing, and diversifying food supply to the market with a wide range of edible outputs.

Agro-industries in the OPT should be designed to challenge the neoliberal logic behind foreign funded agro-industrial zones and reorient the processing, production, and marketing for the benefit of local markets and engaged stakeholders. Through a significantly lower capital, agro-industries can create job opportunities, boost the income of farmers, and create food surpluses. The manufacturing of food products in the Palestinian context, therefore, should involve the use of a relatively limited range of technologies through traditional and semi-automation means of production. This would require the development of small to medium size firms that primarily rely on farmers, manual workers with diverse skills in food processing, packaging, grading, and distribution. Agro-industrial outputs could play an important role in satisfying substantial local needs and helping to achieve satisfactory levels of food security and autonomy.

**Livestock:** Livestock production constitutes a very important aspect of cooperatives and agricultural development. It ensures local access to affordable, safe, nutritious

supplies of meat, milk, and dairy and helps in achieving food security and autonomy. It provides income, employment, and many other direct and indirect benefits to producers, feedlot operators, processors, input suppliers, equipment manufacturers, distributors, and retailers. Livestock provides a major additional contribution to agriculture through draft power, manure, fuel, and fertilizer.<sup>33</sup>

### *Sustainable Local Enterprise Networks (SLENs)*

Sustainable Local Enterprise Networks (SLENs) are seen as a promising new model of development. It promotes inclusive, local, market-based approaches to development that are founded on social economy.<sup>34</sup> The SLENs model places emphasis on the smaller indigenous business networks to produce jobs and maintain the livelihood of local communities. The superiority of the local over the global protects the former from the negative effects of global markets and builds on indigenous knowledge of production rather than the hegemonic western market values of consumption. This helps "self-reliant, sustainable enterprise to emerge in the developing world with or without the involvement of external actors and large domestic firms."<sup>35</sup>

Case studies from around the world suggest that the SLENs model has proved successful in various areas. Apparently, part of this success stems from SLENs socially inclusive networks that involve multiple actors ranging from for-profit businesses and local communities to not-for-profit organizations and other actors that work in a self-organized way to create value in economic, social, human, and ecological

<sup>33</sup> For further information on the benefits of livestock, see: Sugiyama, Michio, Arunasiri Iddamalgoda, Katsuyuki Oguri, and Nobuaki Kamiya. "Development of livestock sector in Asia: an analysis of present situation of livestock sector and its importance for future development." *Gifu City Women's College, Gifu, Japan* 52 (2003).

<sup>34</sup> Abdelnour, Samer. *A New Model for Palestinian Development. Al-Shabaka*, (2010), available: <http://al-shabaka.org/policy-brief/economic-issues/new-model-palestinian-development?page=show>

<sup>35</sup> Wheeler, David, Kevin McKague, Jane Thomson, Rachel Davies, Jacqueline Medalye, and Marina Prada. "Creating sustainable local enterprise networks." *MIT Sloan Management Review* 47, no. 1 (2005): 35.

terms.<sup>36</sup> SLENs offer an alternative to traditional development activities that often have a narrow focus and undermine local creativity, capabilities, and self-reliance.<sup>37</sup> The SLENs model can be applied in diverse sectors.

Al-Shabaka published a policy brief highlighting the promise of SLENs in the Palestinian context. It drew on the case studies of a number of successful community activities in the OPT that follow the SLENs model. Among these activities, for example, is the launching of experimental community permaculture projects such as Bustan Qaraaqa in Beit Sahour and the Marda Permaculture Centre in Nablus. These projects are innovative models in terms of the sustainable cultivation of diverse local produce and training of farmers in villages that are threatened with land confiscation. They have extended their reach to support deprived communities in Area C, which lack basic infrastructure and services, such as promoting sustainable livelihoods to Bedouin communities. Moreover, permaculture activities have shown success on multiple levels, including in waste reduction and management, water management, and soil stabilization and enrichment.

Furthermore, the SLENs model could be applied to the OPT's industrial sector in an effort to increase its efficiency, productivity, and employment schemes. Expanding the industrial sector through SLENs does not require large industries but small to medium industries that are complementary to one another. This can happen by linking industries across the OPT through specialized committees that provide advice based on the needs of local markets. This would also help avoid duplication and ensure sufficient distribution of products. Furthermore, these committees could provide a national strategic industrial plan to improve the quality of local products, improve working conditions of industrial workers, and ensure that local products are adequately marketed and distributed in all areas and localities.

Based on Al-Shabaka's case studies and recommendations, the SLENs model can

constitute an important component of RE due to 1) its potential to connect between communities, civil society, commercial enterprises, and international solidarity groups; 2) its flexibility, which can be applied in different areas and sectors and address urgent issues such as food security, clean water and sanitation, construction, health, and energy; and 3) its ability to explore simple construction techniques using locally-sourced materials such as mud and stone, and small-scale, off-the-grid energy and water purification systems to minimize vulnerability, maximize self-sufficiency, and support local small-scale industry in manufacturing, agriculture, and other sectors.

## Knowledge and resistance economy

Knowledge is essential to the development of RE, especially given that the proposed model of RE has no equivalent in contemporary economic systems. Without knowledge, skilled labor, and innovative and intellectual minds, RE cannot be sustained in the long term, unable, as it would be, to stay ahead of changing circumstances on the ground. Fortunately, the OPT has rich human capital and institutions that can play varying roles in enhancing the role of knowledge in building a RE.

Knowledge is an investment activity and is subject to all the economic calculations one would apply to any other type of investment.<sup>38</sup> It is important to consider emerging trends that recognize knowledge as a structural component of the economy. For example, knowledge-based economy (KBE) is an emerging field in post-industrial economic development paradigms that emerged in the 1980s with an emphasis on the role of knowledge creation and distribution as the primary driver in the economy.<sup>39</sup>

While KBE generally functions in advanced societies where technological innovation and the IT sector exemplify key pillars of the

<sup>36</sup> Ibid.

<sup>37</sup> Abdelnour, *A New Model For Palestinian Development*.

<sup>38</sup> Harris, Richard G. "The knowledge-based economy: intellectual origins and new economic perspectives." *International Journal of Management Reviews* 3, no. 1 (2001): 21-40.

<sup>39</sup> Ibid.

economy, there is strong potential in the OPT to adopt certain aspects of KBE and develop a new understanding of how the dynamics of knowledge, technology, and skilled labor can serve the peculiarity of the Palestinian context. Of course, for KBE to take an appropriate and useful form of RE, it cannot be based on the sole pursuit of commercialization and profit. Nor should it include a strict application of intellectual property rights, which transforms knowledge into a commodity that corporations and a few wealthy individuals can control and withhold from the rest of society. Adapting KBE to RE requires innovative approaches to support and supply other sectors with technology, facilities, and technical assistance.

In Gaza, Palestinians have shown considerable capacity for innovation even under the harsh conditions resulting from Israel's ongoing siege. This suggests that Palestinians are capable of reaching sophisticated levels of innovation with few resources despite Israeli policies that aim to undermine Palestinian progress. Their skills can surely be deployed for civil and economically productive purposes to serve sectors of RE. In many instances, talented Palestinian students have succeeded in producing a number of inventions for civil use. Unfortunately, however, without encouragement, these students are left without support to develop their skills further; many also end up leaving the OPT for better opportunities elsewhere.<sup>40</sup>

Various local actors may play important roles in fostering KBE and establishing links between knowledge and production as part of the broader RE framework. The scientific and business departments within local universities, technical and scientific colleges, the private sector, research centers, and specialized civil society organizations can jointly produce a strategic plan and operationalize it on the ground. Instead of working for Israeli IT companies, Palestinian IT graduates and experts should be employed in local projects

and be provided with equipment, facilities, and a stimulating environment. Palestinian higher education institutions have the duty to prepare and equip future generations with the necessary qualifications to join the specialized labor force to develop KBE to its greatest potential under the current circumstances.

## Conclusion

The reality of the Palestinian economy today is one that has been continuously subjected to countless colonial restrictions and harmful governmental policies over many years. In addition to destructive Israeli policies, the implementation of Oslo's economic paradigm across the OPT has largely distorted Palestinian consciousness amongst considerable segments of society to the extent that many Palestinians have accepted the oppressive status quo. In the absence of even the most basic components of organized resistance against these developments, the Palestinian economy has become further exposed to systemic and long-term damage targeting its productive base, particularly agriculture, and other sectors. Continuing this course will not only put all economic, social, and political structures in the OPT at serious risk but will also push the Palestinians further away from achieving self-determination.

Therefore, RE comes as an urgent response to the economic reality and its far-reaching implications on the Palestinian National Movement and Palestinian society at large. It attempts to incorporate political and social dimensions in the process of building an alternative economic paradigm based on the requirements of the local context and the need to resist Israeli colonial measures along with the PA's neoliberal assault. Thus, RE could be adopted and developed as a vital instrument to advance the Palestinian quest for rights and self-determination.

We acknowledge that RE cannot materialize within the existing political framework and its associated institutions and agreements. It necessarily requires the formation of alternative structures such as social movement, trade

<sup>40</sup> See for example: Wafa, Palestinian Student Invent System Improving Computer Sitting: <http://english.wafa.ps/index.php?action=detail&id=24509>

RT, Palestinians Design Solar Car Not To Buy Petrol From Israel: <http://rt.com/news/electric-car-palestine-israel-349/>

CBCNews, Palestinian Girls Invent Laser Cane:

<http://www.cbc.ca/news/technology/palestinian-girls-invent-laser-cane-1.897696>



unions, women's societies, and professional committees, as well as the reform of the Palestinian National Movement so that it is unified and representative. Given that RE is essentially based on collectivism, this paper is meant as an initial attempt to explore new ideas, stimulate critical thinking, and attract further contributions and engagement by all concerned actors to help advance this alternative vision.

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