

## THE EFFECTIVENESS OF THE POPULAR BOYCOTT TO THE ISRAELI GOODS

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### ABSTRACT

*The occupation Boycott is a tactic of resistance, which lead cumulatively to attack the occupation economy, considering that the occupation seeks to economic dominance, since the boycott leads to pressure on the occupation, restricting it and exposing it globally, by inviting international organizations to boycott and not to deal with it, to become an international outcast occupation, and thus force it - and complementary with all forms of resistance - to ending its occupation. This study came to highlight the effectiveness of Boycott and its role in achieving economic independence, and to compare between the nature of Boycott before the establishment of the Palestinian Authority - especially during the first Intifada – and after its establishment. The importance of this study is that it addresses a very vital issue, linked with all components of the Palestinian society, and with all levels; whether individual or collective, formal or popular. Since it is a national decision stems from the beliefs and attitudes of every Palestinian citizen, this study also seeks to identify the extent to which Boycott affect the Palestinian economic reality. The most important findings was that the boycott of occupation goods expands the demand for domestic products and support the domestic industry and strengthen it, and at the same time the occupation's economy incurred a lot of losses. The researcher also concludes that the Paris Protocol gave Israel almost total control and unfettered access to the Palestinian economy while severely limiting Palestinian imports and exports otherwise, and it restricted commercial activity for the Palestinians. So the Palestinian Authority needs to get rid of these restrictions, and to formulate laws that support the independence of the Palestinian economy.*

Key words: The Palestinian economy, the Israeli occupation, the popular boycott.

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### 1. INTRODUCTION

During the successive years of occupation over Palestine, Palestinians turned to the boycott option as a way to resist the occupation. The occupation Boycott is a tactic of resistance, which lead cumulatively to attack the occupation economy, considering that the occupation seeks to economic dominance, since the boycott leads to pressure on the occupation, restricting it and exposing it globally, by inviting international organizations to boycott and not to deal with it, to become an international outcast occupation, and thus force it - and complementary with all forms of resistance - to ending its occupation.

The boycott has been used in several countries which was suffering from the occupation, such as India, where Mahatma Gandhi has said (Gandhi, 1939): “Machinery in the past has made us dependent on England, and the only way we can rid ourselves of the dependence is to boycott all goods made by machinery. This is why we have made it the patriotic duty of every Indian to spin his own cotton and weave his own cloth”.

The boycott has successfully proven -over the past decades- its ability to influence the occupation economy and weaken it, where the boycott dropped the import from the occupation, which leads to improving the Palestinian economic situation. The World Bank report in 2015 says that the “During the first quarter of 2015 the Palestinian trade deficit declined by 6 percent relative to the same period in 2014” (WB, 2015). This shows how the importing from the occupation pushing the Palestinian trade balance toward the deficit.

Despite this, but the popular Boycott of occupation products was expected to be more successful and more effective. Since, after the signing of the Oslo agreement between the Palestine Liberation Organization (PLO) and the occupation in 1994, the boycott severity declined on both Arab and international levels; where several countries, like Tunisia, Morocco, and Jordan, announced the suspension of the boycott, also Saudi Arabia and the Arab Gulf states announced the cancellation of boycott for foreign companies dealing with the occupation, then much more foreign companies opened new branches in the occupied territories (Wafa, 2015a).

This study came to highlight the effectiveness of the boycott and its role in achieving economic independence, and to view the Palestinian community experience in the boycott of Israeli goods during the first Intifada.

## 2. OVERVIEW OF THE POPULAR BOYCOTT

According to world presses (2014), The popular boycott represents the boycott of Israeli products and companies supporting Israel, it aims to put the international pressure on apartheid Israel, following the footsteps of the successful boycott against South African apartheid, that contains different types of persecution practices, mobility restriction and internment (AbuZahra & Kay, 2012). The meaning of the boycott is to refrain from buying all goods and services, which is wholly or partly produced in the settlements, whether it is an industrial product, agricultural, food or transformative. Or stored or loaded inside any settlement (WAFA, 2015b).

The boycott relies on monitoring products of the settlements and destructs it, and prevent the traders from trading these illegal goods, which support the settlement and prolong its life, and allow the settlers to continue their attacks against the Palestinians and their property. As boycott includes punish the promoters of these products, and replacing Palestinian goods instead of Israeli ones.

After the start of the first Intifada in 1987, which constituted a national rejection to the occupation that continued settlement in Palestine in various fields and levels, the popular classes began to boycott the work sites in the Zionist entity, and boycott its goods and products, in addition to the formation of popular committees to struggle against the occupation forces (Samara, 2005).

This led to the formation of cooperatives to produce the basic nutritional needs from the local agricultural products, and getting back to the land, as much of the rural labour force returned to exploit the land. In addition to establishing local plants to manufacture some essentials, and these plants found an exclusive market away from competing with occupation products. But several factors have played a role in the elimination of this experience such as imposing taxes on these projects, and the arrest of many of the activists (Samara, 2012). This was not a surprising or stranger act from the occupation, whose always strive to follow the Palestinian economy to his local economy.

After that the Madrid negotiations came, resulted in signing Oslo Accords and Paris Protocol that leads to end the Intifada. Then, with the establishment of the Palestinian Authority in 1994, the declaration of normalization happened, particularly in the economic part, that ends boycott of the enemy's products, which in turn enforce the protection of its economy against the competitive Palestinian agricultural products, as well as it puts limitations on the Palestinian agricultural and business traffic, and gives its economy the chance to enter the Palestinian market at competitive prices and high quality (Shunnar, 2012).

On 9 July 2005, the Palestinian Civil Society Campaign for boycott, divestment, and sanctions movement (BDS) against Israel was launched, leads to a new phase of resistance to Israeli occupation, dispossession and apartheid against the indigenous people of Palestine (Ibid). This movement is composed of 107 of Palestinians and international civil institutions, which calls for Israel boycott, divestment and sanctions until abide by international law and principles of human rights (Ibid). The boycott, divestment and sanctions have already been proven to be one of the most powerful means of the Palestinian popular resistance at all.

## 3. THE EFFECTIVENESS OF THE POPULAR BOYCOTT

After each attack by Israel on the Palestinian territories, some louder voices arguing for the need to boycott Israeli products to practice a kind of economic pressure on the occupation. According to the experts in BDS, it's expected that the loss of Israeli occupation will excess eight billion dollars annually due to the European boycott of the settlements products. For example, The European Union, who absorbs 32% of the Israeli-exports, since the beginning of the year 2014 started to boycott settlement products (Aljazeera, 2014).

Table 3.1: The external trade of Palestine (1995 - 2010)

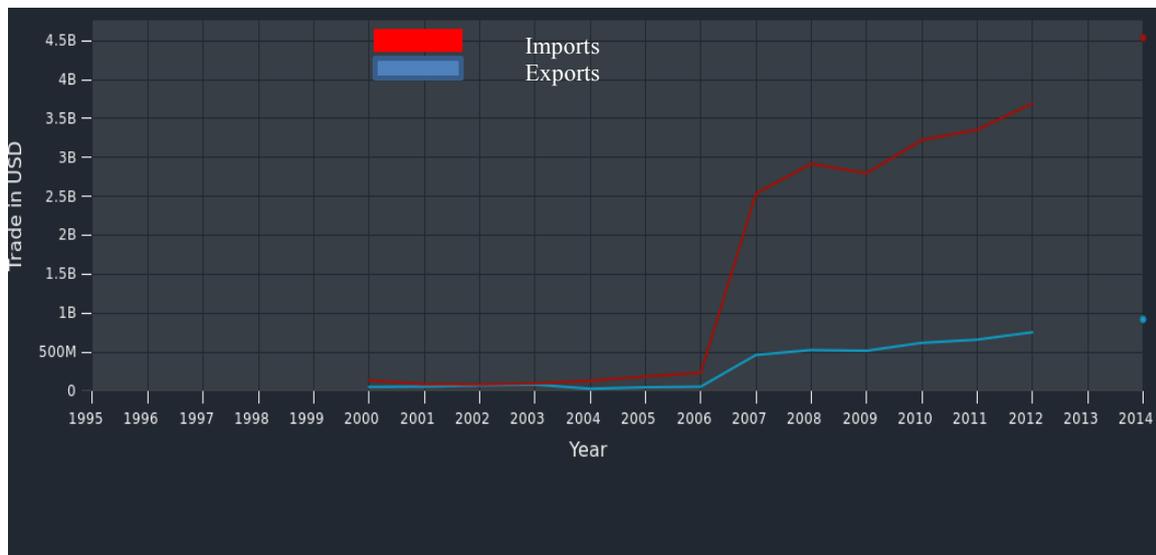
	1995	1999	2002	2004	2006	2008	2009	2010
Net current transfers (\$ mil.)	400	399	1,096	734	1,491	3,230	3,219	2,697
Exports of goods and services (\$ mil.)	499	684	380	484	678	960	919	992
Imports of goods and services (\$ mil.)	2,176	3,353	2,519	2,909	3,202	4,086	4,363	4,954
Trade balance (% of GDP)	-52.1	-63.9	-62.3	-57.8	-54.6	-50.0	-50.9	-52.3
Trade balance with Israel (\$ mil.)	-922	-1,598	-886	-1,500	-1,887	-2,888	-2,558	-2,840
Trade balance with Israel (% of GDP)	-28.6	-38.2	-25.8	-35.7	-40.9	-46.2	-37.8	-37.5
PA trade with Israel/total PA trade (%) <sup>c</sup>	92.3	69.7	56.3	72.1	74.1	89.7	74.4	73.6
PA trade with Israel/total Israeli trade (%) <sup>c</sup>	4.3	3.9	2.1	2.4	2.4	2.8	3.0	2.8

Source: Palestinian Central Bureau of Statistics (PCBS), World Bank, IMF, International Labour Organization (ILO), and Israel Central Bureau of Statistics.

Table 3.1 shows that the exports fell from \$960 million in 2008, to \$919 million in 2009. And then mildly, the exports improved to \$992 million in 2010. But the constrained Palestinian exports were incapable for narrowing the continuing trade deficit, which was expanded from \$3,126 million in 2008 to \$3,962 million in 2010.

Also, we can observe from Table 3.1 that the Palestinian economy is depending heavily on the Israeli economy, since the Palestinian trade with Israel 74% of total Palestinian trade in 2010, while the Israeli trade with Palestine is just 2.8% in the same year. These results proving the fact that the Palestinian boycott certainly affects the Israeli economy, and causing a lot of losses.

Figure 3.1: The trade balance for Palestine (2000-2012)



Source: <http://atlas.media.mit.edu>

Figure 3.1 illustrates the trade balance in Palestine, and it shows the deficit that increases during the successive years, the main reason is Paris protocol, which compels the Palestinians to abide by their policies even if they did not fit with their circumstances and business interests. It also placed restrictions on the Authority of Palestine for the trading with countries that do not recognize the occupation as a state. Thus, the inequitable Israeli policies against the goods exported or imported and the delay in the Israeli ports lead to damage and reduce the quality or delay their arrival at the right time. This inevitably will increase the cost of production also the cost of imports and exports on the Palestinian economy and reduces the rate of profit. Thereby reducing the Palestinian product capacity to compete locally and internationally. Furthermore, the specifications and standards that were imposed by the occupation on the Palestinian product, which had been formulated to serve the development goals of the economy of the occupation, without taking into account the low level of development of the Palestinian economy compared to the economy of the occupation.

According to UNCTAD (2011), One of the unjust policies practiced by the occupation forces against the Palestinian economy is the import of goods manufactured in other countries and export it to the Palestinians as if it is manufactured in Israel, without allowing the Palestinians to import it directly from the manufacturer country, which increases the cost of imports and increases the tax burden on the Palestinian Authority. These costs called the indirect imports, in 2002 the World Bank had estimated these indirect imports from the whole amount of imports from Israel, and found that it's about one third of what is officially reported as Palestinian imports from Israel (WB 2002). Then a recent study indicates that the indirect imports exported to the Palestinian market represent at least 58% of official Palestinian imports from Israel 2008 (WB 2011).

Palestinian Authority can avoid these losses by supporting the boycott of Israeli goods and punish those who deal with the occupation products, as these funds are enough to cover the government deficit, as well as to control the trade deficit, and increase the popularity of local products, thus increasing the productivity and raise their profits compared to its situation now of unfair competition with Israeli products.

**CONCLUSION**

The boycott is considered as one of the most important forms of Palestinian resistance against the Israeli occupation, which has been struggling to stifle the Palestinian economy and undermine it in various ways, and make it dependent to the economy of the occupation. Hence, it is important to crystallize the role of the popular boycott in getting the economic independence. Moreover, opening up to the global economy after getting rid of the occupation restrictions. Therefore, it is necessary to intensify the boycott and stimulate investment, restructure the productive infrastructure, and rearrange production sectors, so that the local market can provide alternatives to imported goods from the occupation.

This requires a cooperation from all Palestinian and international parties to influence the occupation and force him to withdraw from the Palestinian market, and stop drowning it buy Israeli goods. In addition to the importance of an awareness of the Palestinian consumer about his role in supporting local product and fighting the occupation Products.

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