

## Who profits?

### The settlement industry and corporate involvement in the occupation

*Dalit Baum*

*Dr Baum is Project Coordinator of 'Who Profits from the Occupation', and an activist in the Coalition of Women for Peace in Tel Aviv. She presented this paper to the London Session of the Russell Tribunal on Palestine in November 2010.*

Who Profits from the Occupation focuses on exposing corporate interests in the Israeli occupation in order to provide accurate, reliable and well-documented information for corporate accountability campaigns. All of our information is public, derived from the companies' own publications, site visits and official documents. We have set up a database, [www.whoprofits.org](http://www.whoprofits.org), listing hundreds of corporations and describing their specific involvement. Additionally, as an information centre, we provide on-going information support to dozens of campaigns, both internationally and locally.

Early on in our research, we set out to analyse the main areas of corporate involvement in the occupation. Our resulting three categories – 'Settlement Industry', 'Control of Population', and 'Exploitation' – have since become a useful tool to researchers and activists.

Israeli Industrial zones within the occupied territories host hundreds of companies, ranging from small businesses serving local Israeli settlers to large factories that export their products worldwide. The main factories are located in the three main industrial zones of Barkan, Atarot and Mishor Adumim. About two dozen settlements, especially in the Jordan Valley and the Golan Heights, produce agricultural goods, such as fruits and flowers, and sell them in Israel and abroad.

Settlement production benefits from low rent, special tax incentives, lax enforcement of environmental and labour protection laws and other governmental support. For example, all industrial zones in the

settlements enjoy a special tax status usually offered as a special incentive to develop areas in remote areas of Israel. But the main settlement industrial zones are all very close to Israel's urban centers, and this gives them a competitive advantage over other industrial areas near the centre. Environmental regulations are hardly enforced in these industrial zones and tend to attract highly polluting factories that would otherwise find it difficult to operate inside Israel.

Palestinians employed in these industrial zones work under severe restrictions of movement and organization. All workers have to obtain special permits and gain clearance from the Israeli General Security Service ('*Shabak*') just to be able to enter these factories. And their dependency on these permits limits the workers' employment choices and makes organizing almost impossible. Israeli labour laws have been extended to Palestinian workers in the settlements, but not in full. With hardly any governmental enforcement or protection, especially given that Palestinian workers are effectively prevented from demanding their rights, employment under occupation is always exploitative, resulting in routine violations of labour rights.

Settlement production constitutes just a small fraction of what we consider to be corporate involvement in settlements. The intense focus on settlement production may obscure the fact that settlement industries are few, the revenues from them are very limited and, for all but a handful of agricultural settlements, they do not contribute substantially to the settlements' economic sustainability. Consequently, under the heading 'the settlement industry' we include the entire economic sustenance of the settlements. In addition to settlements' agricultural and industrial production, we investigate real estate and construction in the settlements, infrastructure and the provision of all vital services and utilities to the settlements. Israeli and international corporations build roads and housing units, provide services such as public transportation, waste management, water, security and telecommunication, provide loans, and market goods. The settlements' continued existence depends on services provided by these companies.

This wider settlement industry includes most large Israeli retailers and service providers. These companies claim to employ a policy of 'non-discrimination', meaning that they provide equal services inside the official borders of Israel and in the occupied territory – to the Jewish-Israeli settlers. Their intended services map does not include the Palestinian residents of the West Bank.

In other words, their policy is not only a policy of systematic

discrimination; it is a facet of the ethnic segregation between Palestinians and Jews in the occupied West Bank. The settlement industry does not exhaust the different ways in which corporations benefit from Israeli control over occupied land; our mapping adds two more categories of corporate involvement. The second category studies corporations involved in Israeli control over the Palestinian population in the occupied territory. This includes the construction and operation of the Separation Wall and the checkpoints and, in general, the supply and operation of means of surveillance and control of Palestinian movement inside the occupied territory and between the occupied territory and the State of Israel. The growing global market of the homeland security industry has contributed significantly to the growth of the Israeli high-tech market. Often, the Israeli-controlled area is perceived as a testing ground or a laboratory for innovations to be 'tested on Palestinians'. We have seen this used by sales representatives of Israeli homeland security products as a blunt marketing strategy.

The third category of involvement points to corporations that directly benefit from the systemic advantages of Israeli control over Palestinian land, people and markets. This category includes the companies that plunder natural resources such as gravel or water in the occupied area, use it as a dumping ground for Israeli waste, profit from the exploitation of Palestinian labour, and benefit from access to the captive Palestinian consumer market.

For example, many Israeli food manufacturers and distributors benefit from selling low-grade products in the West Bank, while Palestinian competitors are stopped at Israeli military checkpoints. Similarly, telecommunication service providers exploit Israeli control of airwaves in the occupied land to illegally penetrate the Palestinian market.<sup>1</sup>

### **A word from the audience**

'For many, the second session of the Russell Tribunal on Palestine represents an unprecedented and historic event in the history of international civil society's involvement in the Palestinian struggle against occupation, dispossession and repression.'

*Teodora Todorova, ceasefiremagazine.co.uk*

### **Reference**

1 See our study of the Cellular Companies and the Occupation, in <http://whoprofits.org/Newsletter.php?nlid=46>