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DYNAMICS OF FOOD SUPPLY POLICIES IN THE MIDDLE OF ISRAELI-PALESTINIAN CONFLICT

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Abstract:-

The long-lasting conflict between Israel and the Palestinians led to many consequences, unwanted by both sides. Both intentional and unintentional policy decisions brought about extreme security measures taken by Israel which heavily influence Israeli and Palestinian economics and welfare, especially the food market and trade. Right now, it is very hard to trade from both sides since there are too many restrictions, regulations and rules.

Public policies in the issues called controlling hurt not only the markets, but the country system itself as public policies have made a very hard criteria to match while trading, especially in the food market, and it led to major losses in welfare on both sides. Moreover, policies that are intended to deal with supply and demand are constantly in a danger zone because of the everlasting conflict, which have major impacts on economy as a whole, and particularly food markets. Examples of such disasters are the following: leaking of nuclear energy and natural disasters and significant changes in the geopolitical arena which leaves both sides uncertain about their future.

INTRODUCTION

The implementation of new policies that encourage more security measures have caused a major side effect on the civilians of both Israel and Palestine, as it aims to control the movement of the residents between the two sides and restricts it to such extremes, which in turn affect the food market and put it under stress .

In this paper, the author tries to examine the side effects of exaggerated security measures between the two countries, which coexist next to each other, and each side has its own security measures and certain prohibitions towards the other side. Although the United Nations general assembly has considered Palestine as "non-member state", Israel does not treat it as a foreign county and still considers it as its own part, which may be because the many agreements between them that indirectly make Israel into the side responsible for Palestine. Recently, an attention was paid to the effects of the political conflict in the food markets: Blattman and Miguel (2010) have addressed the economic issues that follow up the conflict providing a comprehensive account research on the civil conflict that results in lots of economic dimensions. However, very few studies show the relationship between this violent conflict and the prices, which have a very strong bond, but often are neglected. The literature focuses largely on this relation and on macro data and analysis or cross-country comparisons and have considered yearly data which may be related to national level. Blattman and Miguel (2010) emphasize the need for micro-level analysis and case studies concerning the relationship between the conflict and market prices.

Intended and unintended policies

We have to make it very distinct that there are policies which are unintentionally leave side effects on economics markets in general and food markets in particular. These policies are originally made to achieve some specific goals, but indirectly have a considerable impact over other fields. Intended policies are policies that have clear goals and seek to achieve them, unlike the unintended ones, which are policies that have poor targeting and could have many side effects due to the lack of vision. There are many possible examples of unintended food policies, like: gender policies that have major effect on food security, the influence of minimum wage on fast food industries, economic recovery plan and food prices and unintended ones such as security measures which go to many extremes restricting many movements of food and significantly increasing prices, thus economy in general and food market in particular is in a danger zone because it has no consistency and could be damaged or affected by many policies, both intentional and unintentional ones, like civil wars and other environmental changes, so it is in constant threat and one who works or invests in this industry really can't be reassured that nothing wrong will happen (Croser and Anderson, 2011).

Agriculture

When we are talking and analyzing economies of Israel and Palestine, agriculture is one of the most important subjects to distinguish: in Palestine in total 21% of population work in agriculture, unlike Israel where only 2% percent work in agriculture. Although Israel and Palestine are very close and have the same weather conditions, their agriculture conditions are different, since for Palestine it is available and inexpensive versus Israel, where labor force is very expensive and a larger focus is put on the quality of production. Although Israel suffers from unskilled labor which forces it to employ Palestinian workers, even though Palestine is known for its agriculture, this employment is restricted by Israeli government. Palestinian companies may only export or import under Israeli authority which holds them back. As a result, Palestine has the working hands and agriculture while Israel has the authority over them, thus any uprising or geopolitical change may harm Israel and Palestine at the same time: it will affect Israel because their lack of working hands and Palestine due its lack of stable economy, which would also increase the conflict between them involving weapons (Finkelshtain, 2003).

There is a major difference in incomes for Israel and Palestine, as Israeli citizens have much more income than the Palestinian ones, who are left to suffer from poverty, especially those who depend on agriculture revenues, which indicate the fact that food prices' changes are truly affecting citizens. Generally, in Israel there are three major wholesale markets that buy agriculture products straight from farmers which are located in the biggest Israeli cities of Tel Aviv, Jerusalem and Rehovot, and in Palestine there are also three largest wholesale markets located in Hebron, Nablus and Ramallah. Each of the six abovementioned cities holds a large wholesale market of fruits and vegetables. In Palestine, unlike Israel, there is a large number of fruits and vegetables and small number of shops to sell them, so the conditions are not equal (WFP 2009). The trade of agriculture products between the Palestinian West Bank and Israel is conducted through West Bank Barrier, which is controlled and authorized by Israel. Products from the West Bank have to be unloaded from the Palestinian trucks, checked and loaded again into Israeli trucks on the other side, which is called back-to-back system. On the other hand, shipping from Israel to the West Bank does not go through any of those processes - it ships directly to its location in West Bank. Prices vary from West Bank and Israel to some extremes – the Israeli prices are much higher, it may be because of quality issues, but this also demonstrates the difference in economy between the two sides. Israeli farmers can export to West Bank and compete with the local supply raising the prices in Israeli markets, but the opposite cannot happen. Israeli products are "trusted" while on the other hand Palestinian products are not, and they are not considered worthy of entering Israel. At the times of world crisis of 2007-2008, Palestinian producers striving to avoid bankruptcy sometimes get to smuggling their agriculture products into the Israeli markets (Williams, 2010).

The security measures taken in Israel largely affect both sides of the conflict, because in areas of political conflict and lands that may be subjected to violence often have strict measures of security, which ends up in loss for both sides: as for Palestinians, it generally raises the price for all agricultural products, because they only allow products from Israel to enter the West Bank most of the times, and this also may affect the Israeli population. For poor citizens, this is a problem,

because they have to spend a respectable amount of their income on vegetables and fruits, especially ones living in Tel-Aviv, as it is considered the tourist area as well as being considered the vegetarian capital of the world, which only increases the size of the problem of prices.

Considering the fact that 1.1 millions of Palestinians are considered below the line of poverty (PCBS, 2013) and 1.5 million in Israel also considered poor (OECD, 2013) considering the income of their respective country, the agriculture products' prices are very important for a big percentage of population.

The main starter for the current situation was the Paris protocol 1994 (Annex IV, 1994), which enlisted many terms for both the Palestinian and the Israeli sides, and one of the many terms is that Israeli products can pass freely to the Palestinian side with no restrictions and boundaries which can't happen the opposite way at all. The Palestinian products are prohibited to enter Israel at all. Importing goods and products to Palestine from Jordan and other countries has to go through taxes from Jordan, Israel and Palestinian authority to enter that Palestinian areas which is very costly and complicated.

Conclusions

Food marketing is affected by many factors, which include political decisions, extreme security measures and agreements terms that affect the Palestinian –Israeli trade. Often, economic decisions about the agriculture production trading are actually political ones, both intentional and indirect, namely, unintentional.

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