

CHAPTER 5

Apartheid, Israel and Palestinian Statehood

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Hegel remarks somewhere that all facts and personages of great importance in world history, occur as it were, twice. He forgot to add: the first time as a tragedy, the second as farce.

K. Marx, 'The Eighteenth Brumaire of Louis Bonaparte', 1852, p. 1

INTRODUCTION

The comparison between Apartheid South Africa and the Israeli–Palestinian conflict has often been made, but it has gained a particular vigour since the eruption of Al-Aqsa Intifada in 2000. Israeli policy of checkpoints, closure and permits, its construction of the separation barrier in the West Bank since 2002, and its latest siege and war against Gaza in December 2008 have made many activists and academics argue that Israel is to all intents and purposes an apartheid state. The call by the World Conference against Racism in Durban, South Africa, in 2001 to end the Israeli brand of apartheid, the mushrooming of anti-Israel apartheid weeks on numerous American and European university campuses since 2004, and the Palestinian civil society call for boycott, divestment and sanctions (BDS) against Israel since 2003 are just a few examples of the most vocal and visible forms of political activism that seek to emphasise the apartheid nature of Israel's policy towards the Palestinians.¹

On the other hand, many continue to contest the validity and usefulness of the apartheid analogy in Israel. Those who abhor the comparison argue that Israel is different to Apartheid South Africa insofar as it is a democracy that was created to be a safe haven for the Jewish people after the horror of the Holocaust. It is a state that provides its Arab minority with citizenship rights, which, while incomplete, are more than what the indigenous population in South Africa was ever given before or during apartheid. Opponents of the apartheid analogy have also long argued that Israel and Apartheid South Africa are economically and demographically different. Israel has not been demographically dominated by the natives nor labour-dependent on the indigenous population in the way that white South Africa was. Just as importantly, Israel is a state whose creation was supported internationally ever since United Nations (UN) Resolution 181 was adopted in 1947, and which was officially recognised by the Palestinian leadership itself as having a right to exist, as confirmed by the Palestine Liberation Organization (PLO) declarations in 1988 and again in 1993 with the Oslo peace accords.

The aim of this chapter is to provide a more in-depth examination of the apartheid analogy. It seeks to understand the utility of using the term 'apartheid' to describe the Israeli colonisation project in Palestine. It argues that the answer lies in understanding the notion of 'separate development' that was so central to apartheid, just as it was to Israel, and the way it played itself out in each case. As has been explained elsewhere by numerous authors, what has made the comparison between Apartheid South Africa and Israel attractive is the colonial foundation of both states.² Both Apartheid South Africa and the Zionist project in Palestine were concerned with land expropriation and exclusive territorial control. Both were based on European settlers appropriating already inhabited land, expelling the indigenous population, and depriving them of equal political rights within their polity. During the 1948 war, Israel expelled two-thirds of the Palestinian

population from their homes; ever since, they have kept 93 per cent of the land under official state control. In 1913, the white South African government displaced and confined the indigenous black population to only 7.6 per cent of the land. However, many have argued that the comparison between Apartheid South Africa and Israel also stops at the point of this colonial history because of the different economic and demographic strategies that each state adopted.

In this chapter, I beg to differ. I build on the work of Uri Davis and Oren Yiftachel, among others, who have argued that Israel is an apartheid state, even if it did not spell it out as clearly and vocally as the National Party did in South Africa. Uri Davis has maintained that Israel's legal discrimination against Palestinians inside Israel in land, economic and citizenship rights makes it an apartheid state. Oren Yiftachel talks about Israeli 'creeping apartheid', showing how Israeli politics of land distribution, urban planning and economic development in the Negev and southern Israel have dis-appropriated Palestinian land and segregated the Palestinian citizens into impoverished and de facto politically excluded areas. He, as much as Davis, refuses to distinguish Israeli policy towards Palestinian citizens from those directed towards people in the West Bank and Gaza. They see it as part and parcel of Israeli colonialism and its aim to absorb Palestinian land while excluding Palestinians from any meaningful equal political rights.³

Here, however, I focus on Israeli politics towards the Palestinian project of statehood in the West Bank and Gaza. I argue that, although Israel never intended to be an apartheid state in the way that South Africa officially was, it established a de facto apartheid, and specifically a Bantustan, reality in the West Bank and Gaza. By focusing in particular on the response of settler states to indigenous people's struggle for political rights, I show how both Apartheid South Africa and Israel created, paradoxically, similar political structures that sought to 'resolve' the question of the indigenous population's political rights without compromising the settlers' political and economic supremacy.

This is best illustrated in the way in which the Oslo peace process fragmented the Palestinian quest for an independent state by providing them with an autonomy that is not much different from what the Bantustans offered the black South Africans during the apartheid era. Understanding the fundamental Bantustan character of the Palestinian autonomy is necessary in any attempt to explain the evolution of the Israeli–Palestinian conflict and its prospects.

The first part of the chapter explains the specificity of the apartheid regime and its applicability to Israeli policy towards the Palestinians. It focuses on a key construct of the apartheid era, the Bantustans; these were political constructs providing the indigenous population with self-rule under the colonial power's supervision. The second part analyses the Oslo peace process and the extent to which the autonomy it provided to the Palestinians in the West Bank and Gaza is a revised version of a Bantustan construct. The third part focuses on the economic predicaments of the Bantustans and their implication for the future of the conflict.

APARTHEID AND BANTUSTANS

'Apartheid' is an Afrikaans word for 'separateness'. It was a legally sanctioned system of segregation installed by the South African National Party government in 1948 as a means to preserve white supremacy in South Africa. It institutionalised and strengthened economic, social and political segregation between the white settlers and the native black population imposed since colonial times, and which many considered under threat as a result of economic and political development taking place in South Africa from the 1940s onwards.⁴ White economic growth and supremacy since the establishment of the modern South African Union in 1911 rested on the domination of less than 18 per cent of the population, which was white, over the native Africans and Indians, who represented 82 per cent of the population. It relied on the supply of

cheap black labour to the mines, cities and white agricultural land, and the fact that black workers were not allowed to compete economically with white labour. This was made possible by restricting the Africans to the native reserves, which, by 1936, comprised 13.8 per cent of South Africa's land, and by regulating their mobility through pass laws. The South African National Party believed that the system of segregation installed since 1911 was coming under threat in the 1940s as a result of South Africa's growing industrialisation and growing demands for workers in the cities and mines. This meant that many employers were turning a blind eye to illegal African workers and more Africans were being illegally urbanised and taking up semi-skilled jobs in white areas.⁵ The supporters of the National Party were also concerned about increasingly vocal and organised African opposition to segregation and the demand for equal political rights in the 1940s.⁶

The ideological premise of apartheid was based on the concept of 'separate development'. It rested on the idea that races are and must remain separate, since each had and needs to maintain its own political, economic, social and cultural institutions. It relied on three key institutional pillars. The first was the rationalisation and institution-alisation of racial segregation. The Group Area Act of 1950 and other legislation classified South Africans into racial groups (black, white, coloured and Indian) and enforced residential segregation by means of forced removals to the reserves, which were redefined as Bantustans or native 'homelands'. Between 1960 and 1980, the white government forcibly displaced over 2 million people from urban areas and into the reserves. The proportion of the African population living in white areas dropped from 60 per cent in 1960 to 46 per cent in 1980 as a result of forced displacement.⁷ White state legislation also categorised the indigenous population into various Bantu, or tribal, groups. It refused to treat them as a single ethnic or cultural, let alone political, entity, as African political activists of the African National Congress (ANC) and Pan Africanist Congress (PAC) insisted.⁸

The second pillar of apartheid was the implementation of more stringent control measures on African labour and mobility. The Native Act of 1952, among other laws, scrapped local varieties of passes and introduced a single standard document called a reference book; for the first time, women had to carry this document, as well as all men above sixteen years of age. This new system of control helped the state manage more directly African labour flows to urban workplaces.

The Bantustans

Third and perhaps most importantly, apartheid was based on the idea of *separate political* development for whites and for the indigenous population. The 1951 Bantu Authorities Act and the Promotion of Bantu Self-Government Act in 1959 institutionalised the residential and political separation of the natives from the whites. They sought to resolve the question of Africans' political rights by disenfranchising them from any voting rights⁹ in white South Africa and by giving them self-rule in ten Bantustans or homelands. These were demarcated within the 13.8 per cent of the land area that had been allocated to the reserves since 1936. The apartheid architects argued that the indigenous people were ten separate 'nations', with their own languages, cultures and traditions and their own political territorial space. In 1960, Prime Minister Verwoerd stated that the government's intention was 'for the natives people [to have] in their areas the same benefits in every way as for the whites in their areas – including eventual sovereign independence'.¹⁰ The Transkei was chosen to be the first homeland to exercise self-rule and eventual independence, as it was considered the most ethnically homogeneous and economically better endowed.¹¹

Within the Bantustans, the white government defined self-rule for the indigenous population by reviving and reformulating tribal institutions, which it maintained were the main vehicle for African political representation. A tribal chief was also appointed to each Bantustan by the white government and made accountable to it. The

chief was given more executive and financial power than traditional tribal leaders had, thereby eroding the tradition of having the tribal leader be the first among equals. The nominated tribal chief ruled with an elected local legislative assembly, with whom he shared civilian and functional jurisdiction over the native population in his specific Bantustan. The Bantu local government was able to levy taxes and manage the local economy. It was also allowed to have a local police force, whose activities were coordinated and supervised by the white security apparatus. However, Bantu legislative assembly bills had to be approved by the government of Pretoria. The source of authority and scope of jurisdiction of the Bantustan's parliament did not emanate simply from the indigenous population; rather, it depended on decrees and acts passed by the South African government or parliament.

Economically, the apartheid regime sought to enhance the ability of the Bantustans to regulate and subsidise the cost of reproduction of the African labour supply to the white areas. In this respect, it did not seek to eliminate labour migration to white areas but rather to improve the ability of the reserves to absorb the unemployed and poor population that had no place in the white capitalist system.¹² This was to be done by improving agricultural production along capitalist lines and away from subsistence farming, through the introduction of border industrial zones that would attract white capital while employing indigenous labour, and through financial aid supplied by the white government.¹³

In 1974, after over fifteen years of self-rule in the Bantustans, the white South African legislature proclaimed Bantu homeland citizenship. In 1976, it declared four out of the ten Bantustans sovereign independent states, including the Transkei.¹⁴ The ANC, however, never accepted this 'independence', nor the notion of the separateness of African nationhood. It declared the Bantustans to be puppets in the hands of the apartheid regime. The international community, moreover, never recognised the South African Bantustans as sovereign entities.¹⁵

ISRAEL'S 'CREEPING APARTHEID'

In order to understand the extent to which Israel is an apartheid state, the key point is to analyse the Israeli notion of 'separateness' and the extent to which it has succeeded in legitimising it in a way that South Africa never could.

Like the Afrikaners and most other settler colonial projects, Israel was also attached to the notion of its separateness from the indigenous population. It was particularly obsessed with territorial appropriation and separateness in the same way as the Afrikaners were, claiming a right to a pure ethnic state. Unlike the Afrikaners, though, Israel framed this quest in nationalist rather than racial terms. Moreover, it endeavoured to ensure a Jewish demographic majority that whites never obtained in South Africa. During the Nakba that led to Israel's creation in 1948, Israel ethnically cleansed two-thirds of the Palestinians from their land, allowing only 160,000 to remain.¹⁶ It kept the latter under military control until 1966, after which it gave them Israeli citizenship, but these Palestinian citizens of Israel never represented more than 20 per cent of the total Israeli population. After the 1967 war and Israel's territorial conquest of more Palestinian and Arab land, it decided not to annex the West Bank and Gaza Strip in order not to endanger the Jewish character of the Zionist state.¹⁷ Palestinians in the West Bank and Gaza were treated as a stateless occupied population whose destiny was to be resolved through diplomatic negotiations with Israel's Arab neighbours.¹⁸

The economic structure of the Israeli–Palestinian conflict has also protected the notion of Israeli 'separateness' and mitigated against its comparability with the apartheid structure of domination. As argued already by Shafir, among others, what has prevented Israel from becoming an apartheid state has been its ability to avoid an economic dependence on the indigenous population. Zionist settlers before the creation of the State of Israel advanced the notion of Jewish labour, which sought to protect it from competition from cheaper Arab

workers. Indeed, before 1948, less than 35 per cent of the labour force in the Jewish economy of Mandate Palestine was Arab. After 1948, Arab labour in the Israeli economy did not represent more than 20 per cent of the total workforce. After 1967, when Israel occupied the West Bank and Gaza, Palestinian labour from the Occupied Territories was absorbed within the construction and agricultural sectors. However, Palestinians did not represent more than between 7 and 9 per cent of the total labour force working inside Israel.¹⁹ In other words, Israel's strategy of control and domination over the land and people differed from that used by Apartheid South Africa.

Another factor that has made the apartheid analogy difficult in the case of Israel has been the Palestinian response to its claim of separateness. The indigenous people's response to the colonial settler project in South Africa and Palestine were different. In the case of Israel–Palestine, they framed it in nationalist terms, whereas in South Africa it was defined in terms of a struggle for equal political rights. The Palestinian National Movement emphasised the national Arab character of Palestine. It claimed the right of return and the destruction of Israel as a colonial entity, while calling for the creation of a secular democratic state for all Christians, Muslims and Jews in Palestine. However, by 1974, the PLO called for the creation of a separate Palestinian state on any piece of liberated land of Palestine. In 1988, the Palestinian leadership acknowledged Israel's right to exist and by 1993 initiated the Oslo peace process with Israel to end the occupation of the West Bank and Gaza. With the Oslo peace process, the PLO gave up any claim to 78 per cent of historical Palestine and to any thought of citizenship rights within Israel. In other words, the Palestinian leadership *de facto* accepted, rather than challenged, Israel's colonial reality and claim to separateness. By contrast, the ANC in South Africa, which became the main political voice of the natives, refused the Afrikaners' notion of separate development and the concept of distinct African nations within South Africa.²⁰ Although the leaders of the Bantustans and many of

their followers maintained that separation from the white regime was the only way to achieve African social, economic and political mobility and independence, the ANC insisted on the abolition of apartheid and the achievement of equal citizenship rights – not national rights – within the whole of South Africa.

Moreover, it has been difficult to define Israel historically as an apartheid state because of the way in which the international community has responded to its claim of separateness. Unlike in South Africa, where the international community opposed apartheid and the concept of territorial separation through the creation of Bantustans, in the case of the Arab–Israeli conflict it supported Israel's creation in 1947, with UN Resolution 181. This resolution enshrined the notion of territorial partition as a solution to the conflict, as it called for a two-state solution as the only peaceful outcome. UN Security Council Resolution 242, following the 1967 war, which became the basis for all peace negotiations between Israel and its neighbours, protected Jewish Zionist nationalist claims and called for the return of land in exchange for peace. The 2003 Quartet Roadmap clearly stated that the creation of a Palestinian state in the West Bank and Gaza is the only solution that will end the Israeli–Palestinian conflict.

However, the particularity of the Israeli apartheid model lies in Israel's attempt to legitimise its notion of 'separateness' in the eyes of the population it colonised and expelled as much as in the opinion of the international community. It is most evident in Israel's refusal to allow the Palestinians to achieve a viable state on 22 per cent, let alone 43 per cent, of their historical land, as the partition plan in UN Resolution 181 stipulated. Although Israel strived and succeeded, until 1993, in following a colonial trajectory that was different economically and demographically from the one followed by Apartheid South Africa, it ultimately adopted tools and mechanisms used by the South African apartheid regime. Since 1993 in particular, beginning with the Oslo process, Israel has sought to resolve the question of the

indigenous population's political and economic rights by confining them in territorially fragmented areas that are unviable economically and politically. They are not different in structure from the native self-ruled Bantustans during the era of Apartheid South Africa.

PALESTINIAN BANTUSTANS: OSLO AND PALESTINIAN SELF-DETERMINATION

The Oslo peace agreements, signed in 1993 and 1995, ushered in a new era in Israeli–Palestinian relations. They provided the first official Israeli recognition of the existence of a Palestinian question and of the PLO as the representative of the Palestinian people. Their aim was to devolve Israeli rule over the West Bank and Gaza to an elected Palestinian authority. The PLO had hoped that the Oslo peace process would lay the groundwork for establishing a state on part of historical Palestine – namely in the West Bank and Gaza – in return for its recognition of Israel's right to exist. In principle, the Oslo agreements were supposed to be temporary peace agreements until a final status agreement was signed by Israel and the PLO. They were also meant to provide Palestinians with more than simply autonomy. At least, this was the point of view of the international community and the Palestinian negotiators.

However, whatever the declared intentions of the Oslo peace agreements might have been, they did not prepare the Palestinians for independence from Israel. Rather, they set the stage for a new form of Israeli domination over the Palestinians that endured long after the suspension of the peace negotiations in 2000, with the eruption of Al-Aqsa Intifada. The Oslo peace agreements created an apartheid regime of control and emptied the concept of a Palestinian state of any content by de facto containing those living in the West Bank and Gaza in unviable Bantustans. The 'Bantustanisation' of the West Bank and Gaza Strip over the past twenty years has been the outcome of the way in which the Oslo process dealt with the question of the transfer

of authority from Israel to the Palestinians, the issue of territorial separation and the question of population and labour movements.

Transfer of authority

The Oslo Accords give the Palestinians political autonomy, as manifested in the establishment of an elected Palestinian authority, the devolution of Israeli rule over Palestinian civilian affairs and the establishment of Palestinian security forces. However, they do not guarantee the creation of an independent sovereign Palestinian state. The accords' legal structure puts the Palestinian entity in a similar position to South African Bantustans under the apartheid regime, in four main ways.

First, Oslo failed to guarantee the end of Israel's occupation and its withdrawal from the West Bank and the Gaza Strip. As in the South African Bantustans, Oslo emphasised a gradual approach to self-rule, dealing first with Gaza-Jericho and then transferring functional and civilian jurisdiction to the rest of the West Bank. It separated the final status issues from the interim issues, without committing to a clear aim for the negotiations or to Palestinian unilateral claims to the West Bank and Gaza.

Second, the Oslo process did not make the native electorate the *only* source of authority for the Palestinian entity. Although the Oslo agreements called for the establishment of a Palestinian national council and presidency, elected democratically by the Palestinian people, the jurisdiction of these elected institutions did not stem only from the national electorate. Rather, it remained dependent on the Israeli military authority in the West Bank and Gaza Strip together with the Israeli civil administration, neither of which were dismantled. The military government, like the commissioner general in the case of South Africa, delegated to the newly elected Palestinian/native council the jurisdiction that the latter was supposed to have.²¹ This included a series of territorial, civilian and legal jurisdictions that were defined by Israel. The elected Palestinian council and the Palestinian National

Authority (PNA) were given mainly civilian, or functional, jurisdiction over 93 per cent of the Palestinian population living in the West Bank and the Gaza Strip. They were not given full territorial jurisdiction, nor bestowed with any sovereign identity, a fact facilitated by the exclusion of the issues of borders, Israeli settlements, Jerusalem and sovereignty from the prerogatives of the Oslo agreement.²²

Third, Oslo did not affirm the superiority of international law over the Israeli law that has been governing the occupied Palestinian territories since 1967. There was no mention of UN General Assembly Resolution 181, which provides the international legitimacy for an Arab state in historical Palestine, nor of the Geneva Conventions, nor of the other UN resolutions affirming Palestinian rights to self-determination.²³ UN Security Council Resolutions 242 and 336 were the only UN resolutions referred to in the accords, but these have been typically silent on the subject of Palestinian rights to statehood, or on the size and boundaries of the Occupied Territories. They refer to the Palestinians as refugees needing a humanitarian solution. Their silence with regard to Palestinian national rights has made it easy for Israel to impose its own interpretation of these rights, especially as there was no role for the international community to supervise or monitor the process. In the case of South Africa, the international community never accepted the 'sovereign status' of the Bantustans nor of apartheid. Rather, in 1973, the UN General Assembly adopted Resolution 3068, which defined the International Convention on the Suppression and Punishment of the Crime of Apartheid.

Fourth, the Oslo agreements focused on establishing an infrastructure of close cooperation between the Israeli and Palestinian parties for the transfer of civilian and security responsibilities, as was the case with the transfer of authority from the white South African government to the Bantustans. While the Palestinians were given the upper hand in running their civilian and security affairs in areas under their control, they still had to coordinate with the Israeli authorities via joint Israeli–Palestinian

committees. These committees were created in every field, from water to economic affairs and health, and, most importantly, to security matters. One of the first things that the Declaration of Principles (DOP or Oslo I) and the Interim Agreement (Oslo II) called for was the establishment of a Palestinian police force that would ensure public order and would cooperate closely with the Israeli side on security issues.²⁴ However, Israel continued to have the upper hand in security matters. This type of security cooperation was also fostered between the white government and South Africa's Bantustans.²⁵

'Bantustanisation' of Palestinian land

Territorially, the Oslo agreements facilitated the 'Bantustanisation' of the West Bank and the Gaza Strip by institutionalising the fragmentation of the area and consolidating Israel's claim to it. Before 1993, Israel had already expropriated and enclosed militarily about 36 to 39 per cent of the West Bank land, and it kept direct control over the whole of the Occupied Territories. Although Oslo promised to maintain the territorial integrity of the West Bank and the Gaza Strip (DOP article VI), it did not specify how this integrity could be maintained. As is well known, the Oslo Accords divided the West Bank and the Gaza Strip into three zones – A, B and C. Although in principle the PNA was supposed to control most of the West Bank and the Gaza Strip by 1996, the reality was that it had only territorial and civilian jurisdiction over less than 19 per cent of the West Bank by July 2000 (area A). Palestinian jurisdiction remained fragmented and excluded from 59 per cent of the West Bank (excluding East Jerusalem) and 30 per cent of the Gaza Strip (area C).

The fragmentation of the West Bank and the Gaza Strip was consolidated by the presence of Israeli settlements, a phenomenon that was not central to the South African apartheid system but was fundamental to the process of Palestinian 'Bantustanisation'. In 1993, a total of 196,000 settlers lived in 145 settlements dispersed all over

the West Bank, including East Jerusalem, and Gaza. The Oslo Accords did not reverse this fragmentation but rather institutionalised it. They explicitly recognised sole Israeli jurisdiction over Israeli settlements and settlers, from both a territorial and a functional point of view.²⁶ Furthermore, Oslo did not ensure that settlements would not expand in the interim period. Between 1993 and 2000, over seventy-two settlement outposts were built and the settler population (including in East Jerusalem) increased by two-thirds, reaching a total of 375,000.²⁷ Israel built over 250 miles of bypass roads and an average of 2,500 new houses per year in the settlements over the same period.²⁸ This expansion shattered the Palestinian territorial contiguity in the West Bank and the Gaza Strip. After the eruption of Al-Aqsa Intifada, settlement construction continued unabated, growing by over 5 per cent per annum in East Jerusalem and the West Bank. Another 130,000 settlers moved to the Occupied Territories between 2000 and 2013, increasing the settler population to a total of 560,000 by the end of 2013.

The ‘Bantustanisation’ was also consolidated by the way in which the Oslo agreement legitimised Israel’s claim over the lands of the West Bank and Gaza Strip. Article XI.c of Oslo II states that only Israel territorially controls area C. Article 16.3 of Protocol III clearly states: ‘The Palestinian Council shall respect the legal rights of Israelis (including corporations owned by Israelis) relating to Government and absentee land located in areas under the territorial jurisdiction of the Council’. Articles 12, 22 and 27 from Protocol III confirm this right with regard to all other lands (including bypass roads). In other words, the PNA accepted Israel’s claim over Palestinian land, even over land that lies in area A.

Just as importantly, the Oslo process set the stage for separating the West Bank from the Gaza Strip and for treating territorial claims in each differently. The Oslo Accords talk about Israeli *withdrawal* from the Gaza Strip and Jericho but only about *redeployment* from the rest of the West Bank.²⁹ The difference in terms is important, since withdrawal

implies an end to the occupation while redeployment entitles Israel to reinstall itself in any area whenever it deems it necessary. Since 1990, Israel has demarcated borders with the Gaza Strip more clearly than with the West Bank,³⁰ facilitating the transformation of the former into a de facto demarcated Bantustan. Israel's disengagement from Gaza in 2004 has simply confirmed this transformation. It pointed out the economic and political instability of Gaza and its complete dependence on Israel's mercy. Since 2006, Gaza has been under siege from Israel and the international community for its election of the Hamas government.

Last but not least, Israel consolidated its fragmentation of Palestinian land with its construction of the separation barrier inside the West Bank from June 2002 onwards. This wall, which is not being built along the 1948 armistice Green Line, will be 703 kilometres long, and 20 per cent of the wall will be 8 metres high. It will incorporate 11.8 per cent of West Bank land inside Israel and displace an estimated 110,000 Palestinians who live in the area between the wall and the armistice Green Line. By 2012, 62 per cent of the wall had been built.³¹ Upon completion, it will have established an Israeli unilaterally defined border that violates the 1967 boundaries and leaves the Palestinians with control over less than 53 per cent of the West Bank.³² Although the International Court of Justice and the Israeli Supreme Court ruled against the route of the wall, its construction has not stopped.

The 'Bantustanisation' of people's movement

The 'Bantustanisation' of the West Bank and the Gaza Strip is intrinsically bound up with the way in which the Oslo process institutionalised Israel's control of Palestinian population movement. Palestinian labour continued to need the Israeli economy but found it increasingly difficult to access it as a result of the permit and closure policy.³³ Between 1993 and 2000, Israel imposed over 484 days of closure, which locked the Palestinians in over sixty-three enclaves and stalled any attempt to grow domestically or to rely on non-Israeli markets

to absorb its growing labour force. After October 2000, over 770 checkpoints were placed in the West Bank and the Gaza Strip; these prevented Palestinians from moving for work within the West Bank or inside Israel.³⁴

After April 2002, Israel turned many of the checkpoints into permanent security terminals, large concrete buildings guarded by private security guards and army personnel that regulate the movement of the Palestinian population from one area to another. It also cut the Occupied Territories into eight main districts that Palestinians could not exit without holding a permit or using their own car.³⁵ These made the Palestinian areas into de facto Bantustans, given municipal and local government authority, but totally at the mercy of Israeli checkpoints and permit policies as well as its military interventions.

The Oslo process institutionalised the closure and permits system as the regulatory mechanism for controlling Palestinian movement. Article IX of the Protocol of Redeployment and Security Arrangements in Oslo II clearly stated that Israel alone has the right to close its crossing points, prohibit or limit the entry of persons into its areas, and determine the mode of entry of people into its areas (including area C). With regard to the permit system, Oslo made it more analogous to the South African pass law system, even if its origins were different. While in Apartheid South Africa the pass system was central to ensure the control and supply of cheap labour to the South African economy, in Israel and Palestine it was introduced primarily for security reasons. The Protocol on Civil Affairs specifies that permits are the only documents that allow a Palestinian to enter any Israeli-defined areas (article 11.2). These include permits for businessmen and workers who are employed in the settlements as well as in Israel. Negotiated and implemented by security officials, rather than by politicians or economists, the Protocol on Civil Affairs determined people's movement not according to the economic interests of both sides, but rather by what the military establishment in Israel defines as 'security' (article 11). The articulation of the permit system, together with

the pattern of Israel's territorial control and Palestinian demographic expansion, inevitably transformed the West Bank and the Gaza Strip into de facto fragmented, unsustainable population 'reservations'.

The Bantustans' economies

Economically, the Oslo peace agreements, just like apartheid, reformulated rather than ended the native people's dependency on the colonial economy. The Palestinian economy before Oslo was service-oriented and dependent on employment in the Israeli economy. Some 35 to 40 per cent of workers from Gaza and 32 to 36 per cent of workers from the West Bank were working in Israeli areas between 1982 and 1992.³⁶ The economies of the South African reserves were also dependent on black migration to white industrial areas, as well as on subsistence farming in white areas. In the case of Transkei in South Africa, over 60 per cent of the workers were migrant workers. The share of agriculture in the South African Bantustans' gross domestic product (GDP) was less than 11 per cent in 1985, compared with 16 per cent in the West Bank in 1992.³⁷

The Oslo Interim Agreement, in its Economic Protocol preamble, promised to 'lay the groundwork for strengthening the economic base of the Palestinian side and for exercising its right of economic decision making in accordance with its own development plans and priorities'.³⁸ As with Apartheid South Africa's plan for the Bantustans, the colonial state sought to enhance the productive capability of the natives in their own areas, even if it was for different purposes. In the case of South Africa, economic growth in the Bantustans was necessary to help subsidise the cost of black labour production needed in white areas. This was not a concern for Israel, where workers from the Occupied Territories constituted no more than 7 per cent of the total workforce and 35 per cent of all those employed in the construction sector.³⁹ Rather, Israel's aim was for economic prosperity in the Palestinian autonomous areas to reduce Palestinian labour migration to Israel. It was meant to foster

the peace process. As in the case of South Africa, economic growth in the Palestinian areas was meant to alleviate indigenous poverty and prevent it from spilling into white areas.⁴⁰

In both the Palestinian and the South African case, economic growth in the Bantustans depended on four interrelated strategies. First, it relied on the creation and expansion of a native public sector that would manage the native economy. The PNA, like the Bantu authority in the homelands, was given the right to define the economic strategy for its areas, to establish a monetary authority and investment boards in its area, and to hire administrators and a police force to take care of law and order. The PNA became a major employer, absorbing 30 per cent of the total workforce in Gaza and 20 to 24 per cent of that in the West Bank between 1994 and 2006.⁴¹ In the Transkei and other Bantustans of South Africa, public employment absorbed 20 per cent of the domestic workforce.⁴² The security forces remained the largest sector in this regard, as they represented over 50 per cent of all those employed in the public sector.⁴³

Second, Oslo, as much as apartheid, fostered dependent trade relations between the native and settler economies. The Bantustans in South Africa continued to trade with the white areas, according to permit and pass regulations, while Israel and the PLO signed a customs union agreement that allowed the Palestinians to trade a few permitted items with third countries. Oslo also made Israel transfer to the Palestinians revenues from goods destined for the West Bank and Gaza, upholding the same principles that the custom union had established between Pretoria and the homelands, but under an economic formula that was far less generous.⁴⁴ However, despite these concessions, Israel remained the largest importing and exporting markets for Palestinian goods (90 per cent and 70 per cent respectively of Palestinian imports and exports). Meanwhile, customs revenues became a considerable form of leverage in the hands of Israel, since it withheld them whenever it deemed it necessary. Customs revenues represented as much as 70

per cent of the PNA's fiscal budget and as much as 20 per cent of the Palestinian gross national product (GNP). In 1996, and more frequently after Al-Aqsa Intifada, Israel withheld these revenues in the name of security and until it deemed that the PNA had done enough to stop attacks against Israel.⁴⁵

Third, industrial zones were suggested as a major panacea to the economic problems of the Bantustans. These were viewed as an excellent opportunity to attract capital into the Bantustans as well as to generate local employment that in turn would reduce the propensity for migration to white areas. These industrial zones were also planned along the borders between the West Bank and Israel. In the case of South Africa, each of the ten Bantustans had one or more of these industrial zones built at their borders with white areas, as well as a number of mines excavated within them.⁴⁶ In the case of the West Bank, three industrial zones were planned together with two in the Gaza Strip. In 2008, another seven were suggested as a means to alleviate unemployment.⁴⁷ So far, however, these have failed to generate much employment since their growth depends on their goods having free access to Israel and the outside world. Israel has limited trade from outside the territories since 2000.

Fourth, aid and foreign investment were considered central to economic growth in the Bantustans, both in the case of South Africa and in the Palestinian areas. The difference between the two cases was the *source* of this aid. In South Africa, the white government was the main supplier of aid to the Bantustans, which was used mainly to help cover their fiscal deficit and generate rural and industrial reforms. In the case of the PNA, no aid came from Israel. Instead, it came from the international community, which committed to financially advise and help the Palestinian economy, through the World Bank and the International Monetary Fund, to lay the foundation for an independent state. An average of \$850 million a year in aid was injected into the Palestinian economy between 1995 and 2000, and over \$1 billion a year

since 2001. This amounted to nearly a quarter of the Palestinian GDP. Since 2001, aid has helped ease the fiscal deficit that the Palestinian economy has continued to accumulate.⁴⁸

The result of these structural economic changes, however, was not a reduction in poverty, let alone development. Poverty in the South African Bantustans actually increased by 25 per cent between 1965 and 1985, largely as a result of the failure of agricultural land to feed the growing population and the limited capacity of industrial zones to grow and absorb labour. The South African Bantustan economies also remained dependent on migration to white areas, which in 1980 still absorbed 50 per cent of the Transkei workforce. Poverty also increased in the Palestinian Occupied Territories after Oslo, largely as a result of Israel's closure policy, which prevented Palestinian goods and labour from moving within the Palestinian territories as well as outside them. It remained much more acute in the Gaza Strip than in the West Bank, largely because the borders remained more porous with Israel in the case of the latter. In 1996, poverty touched 46 per cent of the population in the Gaza Strip, increasing to 79 per cent in 2007. In the West Bank, the figures were 23 per cent and 45 per cent respectively.⁴⁹ In 2014, it was still at 45 per cent in the Gaza Strip and 16 per cent in the West Bank.⁵⁰ Meanwhile, both in the South African Bantustans and in the West Bank and Gaza Strip, private sector development relied on alliances with the public sector, which became increasingly corrupt and inefficient.

CONCLUSION: THE WAR ON GAZA AND ITS AFTERMATH

The violence of Al-Aqsa Intifada and Israel's response to it have made many supporters of the apartheid analogy argue that what Israel is creating is worse than what the apartheid regime in South Africa ever established. Both the level of destruction that Israel has inflicted on the Palestinians and its continuous infringement and fragmentation of their

land have put the Palestinian territories today in a worse position than the South African Bantustans were ever in, especially given Israel's wars on Gaza since December 2008.⁵¹ The level of assault on Gaza, and the depth of the siege in an area with a population of 1.8 million, was not seen in South Africa's Bantustans. The cost of the damage inflicted on the Gaza Strip as a result of Israel's wars in 2012 and 2014 was estimated at over \$2 billion each time, which is the size of the Strip's GDP.⁵²

Palestinian areas have indeed been made far smaller territorially and economically unviable, despite all the international aid the PNA has received. The Gaza Strip has been cut off from the rest of the world since 2006 and has split politically from the West Bank after the Hamas takeover in June 2007. It has become more like an open-air prison than a project of state building.

What has been particularly difficult for the apartheid analogy is the failure of Palestinian resistance during the intifada to challenge the Israeli structure of domination in the way in which the anti-apartheid movement was able to challenge the white government. This is largely because Israel has remained economically independent of the Palestinians in a way that South Africa never was with regard to black labour. Since Oslo, the Israeli economy has prospered while the Palestinian economy has plummeted. Israel's GDP has more than tripled over the past twenty years and its per capita income grew by over 5 per cent a year between 1994 and 2000 and by over 4 per cent since 2002. Less than 1 per cent of its labour force came from the West Bank and unemployment was at less than 9 per cent between 1997 and 2007. Meanwhile, the latest Israeli war on the Gaza Strip has destroyed whatever remained of the Palestinian economic activity there. Even before the war, the Gaza economy was declared to have nearly collapsed, 56 per cent of the population were food insecure and over 34 per cent unemployed. According to the latest World Bank report, the manufacturing sector is 98 per cent inactive, banking has shrunk drastically and the private sector has been destroyed. All we

talk about now in Gaza is 'tunnel economics', the economics of the informal sector smuggling through Egypt, and of monopoly thugs unaccountable to the law. The situation in the West Bank is not much better, even if the economy has not yet fallen into the hands of informal agents, with unemployment at 40 per cent in Jenin and around 26 per cent in Ramallah. Real GDP per capita income of Palestinians today is 30 per cent lower than it was in 1999.⁵³

Just as alarming is the international position towards Israeli policy and Palestinian resistance. This resistance has become particularly difficult in an international context defined in terms of the post-9/11 'War on Terror' rather than in terms of people's right to self-determination, as it was in the 1960s and 1970s. Unlike the situation in South Africa, the international community failed to support the Palestinian national struggle against Israel after 1993 and especially so after 2000. It failed to hold Israel to account for its obligation to retreat from the Occupied Territories, to freeze and dismantle Israeli settlements in the West Bank, or to stop the war on Gaza. Above all, it failed to accept the Palestinian democratic election of Hamas in 2006 and punished it for this choice by cutting aid. It considered Hamas a terrorist organisation rather than a legitimate Palestinian political force to be dealt with. The fragmentation of the Palestinian national movement has only contributed to its weakness and de facto to Israel's immunity.

However, it is important to remember that the ANC also had its internal crises in the 1970s and that it took the international community several decades to support the ANC freedom charter that it produced in 1955. What is clear today is that the Palestinian national movement is at a major turning point and the question is what direction it will take. The developments of the past twenty years have clearly buried all viable possibilities for a Palestinian state. They have shown once again the impossibility of a viable territorial separation in the Israeli-Palestinian conflict and, at the same time, Israel's inability to end the conflict. The increasingly vocal Palestinian grassroots organisations calling for the

end of Israeli apartheid suggests new peaceful methods of resistance. The growing movement calling for a one-state solution is reviving old ideas about how best to resolve the Israeli–Palestinian conflict. While it is still too early to see how great an impact this grassroots movement will have on the present Palestinian leadership or on the creation of new leaders, its momentum is growing. Probably its biggest asset is the fact that the two-state solution was tried and failed, and that Israel is more clearly than ever an apartheid state.

Notes

- 1 Nancy Murray, 'Dynamics of Resistance: The Apartheid Analogy', *Electronic Journal of Middle Eastern Studies* 8 (Spring 2008), pp. 132–48. See also the Palestinian NGOs statement, made during the World Conference against Racism in Durban, South Africa, August/September 2001, calling for an end to Israel's brand of apartheid: see www.lawsociety.org/apartheid/palngo.html.
- 2 Leila Farsakh, 'Independence, Canton or Bantustans: Wither the Palestinian State?', *Middle East Journal* 59(2) (Spring 2005), pp. 230–45.
- 3 Uri Davis, *Apartheid Israel: Possibilities for the Struggle Within*, New York: Zed Books, 2003; Oren Yiftachel, *Ethnocracy: Land and Identity Politics in Israel–Palestine*, Philadelphia: University of Pennsylvania Press, 2006.
- 4 Deborah Posel, *The Making of Apartheid 1948–1961: Conflict and Compromise*, Oxford: Clarendon Press, 1997.
- 5 White agricultural farmers were also worried that South Africa's industrialisation was taking away cheap black labour as workers preferred to work in cities than on their farms. Cities typically paid better wages than agricultural employment. See Posel, *The Making of Apartheid*; Harold Wolpe (ed.), *The Articulation of Modes of Production*, London: Routledge and Kegan Paul, 1980.
- 6 Gwendolen M. Carter, Thomas Karis and Newell M. Stultz, *South Africa's Transkei: The Politics Of Domestic Colonialism*, Evanston: Northwestern University Press, 1967.
- 7 Bill Freund, 'Forced Resettlement and the Political Economy of South Africa', *Review of African Political Economy* 29 (July 1984), pp. 49–63.
- 8 Carter, Karis and Stultz, *South Africa's Transkei*, pp. 13–17.
- 9 As early as 1936, legislation was passed that removed Africans in the Cape Province from the common voting roll, allowing them only to vote indirectly

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- for three white representatives to the House of Assembly. This right was later rescinded with the Bantu Citizenship Act in 1970, as natives were completely disenfranchised from potential claims to South African citizenship.
- 10 James Addison, *Apartheid*, London: Batsford, 1990, p. 9.
 - 11 See also Carter, Karis and Stultz, *South Africa's Transkei*; Christopher Hills, *Bantustans: The Fragmentation of South Africa*, London: Institute of Race Relations, 1964.
 - 12 Maurice Legassick and Harold Wolpe, 'The Bantustans and Capital Accumulation in South Africa', *Review of African Political Economy* 7 (1976), pp. 87–107.
 - 13 Hills, *Bantustans*, pp. 21–36.
 - 14 The other three are Bophuthatswana (1977), Venda (1979) and Ciskei (1981).
 - 15 Barbara Rogers, *Divide and Rule: South Africa's Bantustans*, London: International Defence and Aid Fund, 1976.
 - 16 See Ilan Pappé, *The Ethnic Cleansing of Palestine*, London and New York: Oneworld, 2006.
 - 17 Some 40 per cent of the total population under Israel's control in the aftermath of the Six-Day War was Palestinian.
 - 18 Leila Farsakh, *Palestinian Labour Migration to Israel: Labour, Land and Occupation*, London: Routledge, 2005.
 - 19 Gershon Shafir, *Land, Labour and the Origins of the Israeli–Palestinian Conflict, 1883–1914*, Cambridge: Cambridge University Press, 1989; Farsakh, 'Independence, Cantons or Bantustans', pp. 123–34.
 - 20 See Carter, Karis and Stultz, *South Africa's Transkei*, pp. 13–17.
 - 21 See articles 1.1 and 15.4 of Chapter I of the *Israeli–Palestinian Interim Agreement on the West Bank and the Gaza Strip*, 28 September 1995 (Oslo II).
 - 22 See article V of the *Israeli–Palestinian Declaration of Principles on Interim Self-Government Authority*, Washington, 13 September 1993 (DOP or Oslo I).
 - 23 See <http://domino.un.org/unispal.nsf>.
 - 24 Articles VII and XII in DOP and article XIII in Chapter 2, Oslo II.
 - 25 Carter, Karis and Shultz, *South Africa's Transkei*.
 - 26 Articles IA, XVII and XVIII in Protocol IV of Oslo II.
 - 27 FMEP, *Report on Israeli Settlements in the Occupied Territories*, Vol. 11/6, Vol. 12/1, Vol. 13/6, Washington, DC: Foundation for Middle East Peace, 2001, 2002, 2003.
 - 28 Israeli Central Bureau of Statistics, *Statistical Abstract of Israel*, 1995, 1998, 2002, Tables 2.7, 22.5, 22.12.
 - 29 See article II of the Cairo Agreement, 4 May 1994, and article X, Chapter 2 of Oslo II.

- 30 By establishing the Eretz checkpoint in Gaza and controlling all border crossing.
- 31 B'Tselem: www.btselem.org/english/Separation_Barrier/Statistics.asp.
- 32 See UN OCHA, *The Humanitarian Impact of the West Bank Barrier on Palestinian Communities*, New York: United Nations Office for the Coordination of Humanitarian Affairs, 2008, p. 5.
- 33 Work in the Israeli economy was key to keeping unemployment rates at less than 7 per cent in the West Bank and Gaza Strip between 1970 and 1993, and for sustaining a labour force growing at more than 4 per cent per annum. See Leila Farsakh, 'Palestinian Labor Flows to Israel: A Finished Story?', *Journal of Palestine Studies* 32(1) (Autumn 2002), pp. 13–27.
- 34 See World Bank, *Twenty-Seven Months Intifada, Closure and Palestinian Economic Crisis: An Assessment*, Washington, DC: World Bank, 2003, p. xi.
- 35 See ARIJ, *The Israeli Security Zone Make Up 45.25% of the West Bank, Including 158 Israeli Colonies*, Jerusalem: Applied Research Institute Jerusalem, 2002: www.poica.org/casestudies/security-zones/.
- 36 Farsakh, *Palestinian Labour Migration to Israel*, pp. 80–4
- 37 A. Lemon, *Apartheid in Transition*, London: Gower, 1987, pp. 171–3; World Bank, *Developing the Occupied Territories: An Investment in Peace*, Washington, DC: World Bank, 1993, Vol. 4, pp. 22–5.
- 38 See preamble to the Economic Protocol, Interim Agreement (Oslo II).
- 39 Farsakh, *Palestinian Labour Migration to Israel*, p. 88.
- 40 See Hills, *Bantustans*; Roger Southall, *South Africa's Transkei: The Political Economy of an Independent Bantustan*, London: Heinemann, 1986, for arguments about the economic rationale for the Bantustans. See also Shomon Perez, *The New Middle East*, New York: Holt, 1993, for arguments on the need for economic prosperity in the West Bank and Gaza.
- 41 MAS, *The Economic Monitor, 1994–2000*, Ramallah: Palestine Economic Policy Institute, 2001, p. 165.
- 42 See also Abnash Kaur, *South Africa and Bantustans*, Delhi: Kalinga Publications, pp. 33–7.
- 43 S. Fischer, A. Alonso-Gamo and U. E. Von Allman, 'Economic Developments in the West Bank and Gaza Strip since Oslo', *Economic Journal* 111(472) (2001), pp. 254–75.
- 44 This customs union agreement was different to the one South Africa signed with Lesotho and Botswana, insofar as it was based on a macro, rather than a micro data formula for revenue sharing. This meant that it was less generous to the Palestinian economy than in the case of Lesotho and Botswana. See Mona Jawhary, *The Palestinian–Israeli Trade Arrangements: Searching for Fair Revenue-Sharing*, Ramallah: MAS, 1995.

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- 45 World Bank, *Four Years: Intifada, Closures and Palestinian Economic Crisis: An Assessment*, Washington, DC: World Bank, 2004.
- 46 See Kaur, *South Africa and Bantustans*; Southall, *South Africa's Transkei*.
- 47 See Hugh Tomlinson, 'Seven New Industrial Zones Proposed for West Bank', MEED, 17 December 2008.
- 48 UNCTAD, *Palestinian War Torn Economy: Aid, Development and State Formation*, Geneva: United Nations Conference on Trade and Development, 2006.
- 49 World Bank, *Palestinian Economic Prospects: Aid, Access and Reform. Economic Monitoring Report to the Ad Hoc Liaison Committee*, Washington, DC: World Bank, 2008.
- 50 World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, Washington, DC: World Bank, 2014.
- 51 Ronnie Kasrils, 'Who Said Nearly 50 Years Ago That Israel Was Not an Apartheid State?', *Media Monitors Network*, 17 March 2009.
- 52 World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*.
- 53 World Bank, *Palestinian Economic Prospects*; PCBS.