

Forum: Special Conference on Balancing Infinite Opportunities (SPECON)

Issue: Navigating commercial rights in the Israel-Palestine conflict

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Position: Deputy President



Personal Introduction

Dear Delegates,

My name is Anna Baranova, and I am currently attending Year 10 at Campion School. It is my honor to be serving as the Deputy President of the Special Conference on Balancing Infinite Opportunities committee in this year's ACGMUN and I hope that this conference will increase your passion for MUN. My first conference dates back to 2022, and since then, I have served seven times as a Delegate and twice as a Student Officer.

As the Student Officer Team of the Special Conference on Balancing Infinite Opportunities, we will do everything we can to create a welcoming environment conducive to have a fruitful debate. I can assure you that you will get the best possible experience from actively participating and engaging in both lobbying and debate.

This study guide serves the purpose of introducing you to the second topic of SPECON's agenda. I do, however, strongly advise you to carefully study your topics and your country's stance regarding the navigation of commercial rights in the Israel-Palestine conflict. Some sites that may be useful for your research are included in the bibliography section at the end of the study guide. Although this is undoubtedly a lot of work, I promise that the 8th ACGMUN will be marvelous.

If you have any kind of question, conference or topic-related, feel free to contact me by:
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Yours truly,

Anna Baranova

Topic Introduction

Commercial rights face a contentious political problem in the Israeli-Palestinian conflict, which is closely linked to the long-running geopolitical conflict between Israel and Palestine. In this manner, common economic issues associated with the war are addressed, including those pertaining to limitations, rules, and political factors influencing trade and economic activity in the area.

The main issue is that Israel controls a lot of the economic levers in the territories, such as, market entrance, trade routes, and water access, which greatly affect and limit Palestinian economic potential and progress. The Palestinian territories' ability to operate independently and sustainably is hampered by a variety of economic dependence and limitations. Others include Israel's stringent border controls over Palestine, which it says are required for security reasons, but which severely limit Palestine's ability to freely engage in international trade and growth.

Countries and organizations throughout the world have distinct responsibilities in the economy. Political groups like the Arab League, which advocates for Palestinian economic rights, and international NGOs like Oxfam and Mercy Corps, which strive to alleviate economic disparities, participate in the discussion and action surrounding commercial rights in the context of this conflict. The globalization of these economic issues is further demonstrated by the involvement of neighbors like Egypt and Jordan as well as global powers like the United States.

Beyond its immediate economic ramifications, this topic is significant because it might have an impact on the broader peace process. A call to action on the role of economics in politics in relation to the Israeli-Palestinian conflict. Stakeholders may better negotiate the intricate relationship between politics and economics in the area by comprehending and resolving the economic aspects of the Israeli-Palestinian conflict. By doing this, we hope to illuminate the shadowy areas of the macro-litigation market and to develop plans for sustainable peace, fair business practices, and economic resilience in order to pave the way for the long-awaited settlement of the protracted conflict.

Definition of Key Terms

Commercial rights

The ability to access, use, and profit from land, resources, trade, and industries in a specific region.

Settlement

An official agreement between two sides who were involved in a conflict or argument¹. Usually involves negotiations for both sides of the conflict (Israel and Palestine) to come to an agreement on such terms that they can agree to. Even though multiple resolutions have already been proposed to solve this issue, a settlement will not be achieved until the conflict comes to an end.

Sovereignty

The power of a country to control its own government². In its whole history, Palestine has never had sovereignty, meaning that it has never been an independent state. Sovereignty includes having full control of all territories assigned to a certain country. Terms like economic or legal sovereignty involve controlling the economy and legal systems, respectively.

Annexation

A formal act whereby a state proclaims its sovereignty over territory hitherto outside its domain. Unlike cession, whereby territory is given or sold through treaty, annexation is a unilateral act made effective by actual possession and legitimized by general recognition³.

Blockade

An act or means of sealing off a place in order to prevent supplies or people from entering or leaving. One of the crimes against humanity that Israeli authorities are doing against Palestinians is the complete blockade of Gaza, meaning that they impose extensive limitations on land, air, and sea. It also blocks humanitarian aid which is vital in times of a conflict, from entering⁴.

¹ Collins. "Definition of Settlement." *Collinsdictionary.com*, HarperCollins Publishers Ltd, 23 Dec. 2024, www.collinsdictionary.com/dictionary/english/settlement. Accessed 25 Dec. 2024.

² Cambridge Dictionary. "SOVEREIGNTY | Meaning in the Cambridge English Dictionary." *Cambridge.org*, 2019, www.dictionary.cambridge.org/dictionary/english/sovereignty.

³ The Editors of Encyclopedia Britannica. "Annexation | Law." *Encyclopædia Britannica*, 20 July 1998, www.britannica.com/topic/annexation.

⁴ Oxford English. "Blockade, N. Meanings, Etymology and More | Oxford English Dictionary." *Oed.com*, 2024, www.oed.com/dictionary/blockade_n?tl=true, <https://doi.org/10.1093/OED/2272634752>.

Boycott

Withdraw from commercial or social relations with (a country, organization, or person) as a punishment or protest⁵.

Sanctions

An official order, such as the stopping of trade, that is taken against a country in order to make it obey international law⁶. A lot of companies implemented sanctions on Israel. In most cases, this meant that some products would not be exported, thus sold in Israel.

Background Information

Historical Background of the Conflict

Since 1917, Britain has governed in Palestine, so due to religious reasons, the British encouraged the creation of a Jewish state in Jerusalem which was indeed located on the holy land which belonged to the British Mandate Palestine. In 1946, the United Nations divided British Mandate Palestine territories into three Jewish sections, four Arab sections and the internationally administered city of Jerusalem but this partition plan was rejected by the Arab nations since they wanted to have full control of the land.

In order to create the Jewish state of Israel, the United Nations General Assembly adopted a resolution on November 29, 1947⁷, further urging the division of British Mandate Palestine between Arabs and Jews. After Palestine showed no signs of implementing all the clauses of proposed resolution, the state of Israel was established by regional Jewish leaders.

⁵ "Boycott, N. Meanings, Etymology and More | Oxford English Dictionary." *Www.oed.com*, www.oed.com/dictionary/boycott_n?tab=factsheet#15561046.

⁶ "SANCTION | Meaning in the Cambridge English Dictionary." *Dictionary.cambridge.org*, www.dictionary.cambridge.org/dictionary/english/sanction.

⁷ "UN Partition Plan, 1947." *Interactive Encyclopedia of the Palestine Question – Palquest*, www.palquest.palestine-studies.org/en/highlight/159/un-partition-plan-1947.



Figure 18: Palestinian Loss of Land 1947 to Present

With that being said, the first conflict between Israel and Palestine erupted when five Arab states invaded territories in the old Palestinian mandate six months after Israel was recognized as an independent separate state on May 14, 1948⁹. This encouraged the British to send their troops out. From that moment on, Palestinians who took up the majority of population started fleeing to neighboring countries like Lebanon, Egypt or Jordan while the Israeli troops made their way further into the holy land. Since the Israeli troops were very strong, they easily took over land including peaceful Palestinian villages. By 1949, at least 29 mass murders of Palestinians. In 2005, nearly the whole land which belonged to Palestine in 1947 was occupied by Israel¹⁰.

Key Aspects of Commercial Rights

Water Resources

Israel controlled water resources in the West Bank and Gaza Strip following the 1967 Six-Day War¹¹. It has been challenging to control these aquifers, particularly the mountain aquifer. Israel has restricted Palestinian water use by enforcing water pumping limits and seeking permission for new water-development projects. According to Military Order 158¹², the Palestinians need to get a certain license from Israel to create any new water infrastructure or

⁸ If Americans Knew. "A Synopsis of the Israel/Palestine Conflict." *Ifamericansknew.org*, 2014, www.ifamericansknew.org/history/.

⁹ "Why Did Five Arab States Attack Israel after Its Creation in 1948 - DailyHistory.org." *Www.dailyhistory.org*, www.dailyhistory.org/Why_did_Five_Arab_states_attack_Israel_after_its_creation_in_1948.

¹⁰ Hatuqa, Dalia. "The Nakba: Five Palestinian Towns Massacred 75 Years Ago." *Www.aljazeera.com*, 15 May 2023, www.aljazeera.com/news/2023/5/15/the-nakba-five-palestinian-towns-massacred-75-years-ago.

¹¹ ---. "1967 War: Six Days That Changed the Middle East." *BBC News*, 5 June 2017, www.bbc.com/news/world-middle-east-39960461.

¹² "Military Order No. 158." *Www.ecolex.org*, www.ecolex.org/details/legislation/military-order-no-158-lex-faoc040435/.

take water from any new source, and getting permission is nearly impossible. The terrible effects of this order are still being experienced by Palestinians who live under Israeli military rule. In addition to being prohibited access to fresh water springs and the Jordan River, they are also unable to construct pumps, drill new water wells, or deepen existing wells. The Israeli army frequently destroys Palestinian villages' rainwater storage reservoirs, and Israel even restricts the gathering of rainwater over the majority of the West Bank. As a result, Palestinians are forced to use groundwater for drinking. The UN Office for the Coordination of Humanitarian Affairs (OCHA) reported that 97 percent of the groundwater in Gaza is “unfit for human consumption,”¹³ causing full dependence on Israel for clean water supplies.

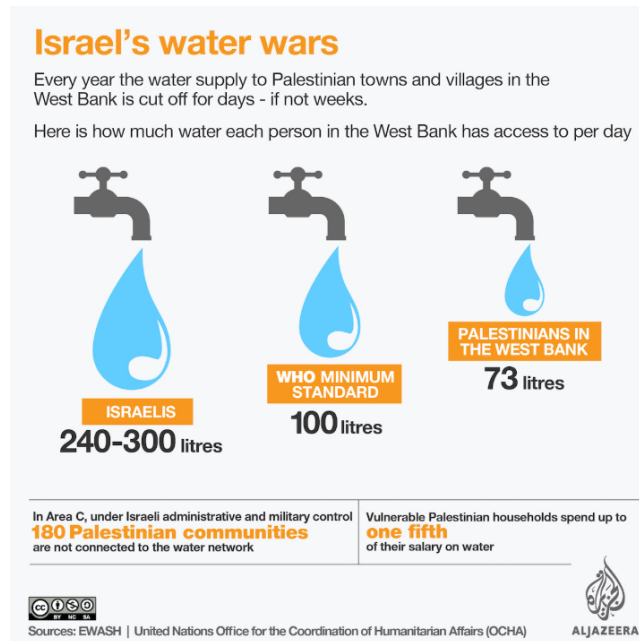


Figure 2¹⁴: Water Consumption

Trade

Trade between Israel and Palestine is severely impacted by the political and security split between the two nations, leading to different, often major, economic disparities. Because of Israel's siege of Gaza and limitations on the West Bank, Palestinians are almost fully dependent on Israel for trade. On the other hand, despite Israel's advantages in several international accords, Israeli activities in the Palestinian territories have been the target of boycotts and penalties from other countries. This limits Palestine's access to global market, limiting them from

¹³ "Reconnecting Water, Restoring Lives | United Nations Office for the Coordination of Humanitarian Affairs - Occupied Palestinian Territory." *United Nations Office for the Coordination of Humanitarian Affairs - Occupied Palestinian Territory*, 18 July 2022, www.ochaopt.org/content/reconnecting-water-restoring-lives.

¹⁴ Corradin, Camilla. "Israel: Water as a Tool to Dominate Palestinians." *Www.aljazeera.com*, 23 June 2016, www.aljazeera.com/news/2016/6/23/israel-water-as-a-tool-to-dominate-palestinians.

making money through imports and exports from/to other countries. In terms of the conflict, it is hard for Palestine to receive humanitarian aid for their citizens affected by the outcomes of the war.

Labor Market

The Israeli-Palestinian conflict's restrictive policies have had an influence on the labor market, affecting Palestinian workers' employment and movement. These security-related limitations, such as licenses and checkpoints, prohibit individuals from earning large wages in Israel. The high unemployment rate in the Palestinian territories is partly a result of the permit system, which restricts the number of Palestinians who are permitted to work in Israel and forces them to go through stringent security checks. Furthermore, access problems and separation obstacles result in lengthier commute times for Palestinian workers, which lowers their quality of life and productivity. Dependence on the Israeli economy not only impedes Palestinian economic growth but also increases the susceptibility of Palestinian workers to shifts in the Israeli economy, which may impact the stability of their jobs and income.

Challenges

The formation of important commercial rights is hampered by major issues like the Israeli-Palestinian conflict, with security issues being the most serious obstacle to economic stability. The lack of acknowledged Palestinian sovereignty denies them economic independence, which is necessary for self-sustaining growth, and restricts their ability to engage in significant international commerce. Furthermore, it is difficult to implement uniform legal and economic policies throughout all Palestinian regions due to the fragmentation of Palestinian political authority. These barriers impede market access, discourage foreign investment, and promote economic stagnation, which exacerbates poverty and increases unemployment across the area.

Importance of Navigating Commercial Rights

Strengthening commercial rights is essential to attaining sustained growth and economic stability in the context of Israeli-Palestinian relations. By ensuring equitable access to resources and economic opportunities, robust commercial rights improve living conditions and reduce poverty. By reducing many of the underlying forces that contribute to the conflict's continuation, this economic empowerment can promote more political stability. Promoting ethical business practices and equal economic participation strengthens social cohesiveness, which forms the cornerstone of peace and creates a thriving

atmosphere in which both communities may thrive economically and strive toward a lasting resolution.

Major Countries and Organizations Involved

Israel

Israel exercises control over much of the commercial and economic apparatus within the conflict zone, including prized resources — water, trade routes. These are the policies and regulations that impact the economic activities taking place within the Palestinian territories, including tariffs, border control, and access to international markets. Additionally, Israel regulates the licensing and enforcement of regulations, directly affecting Palestinian economic activities and local industries, further complicated by international trade negotiations and diplomatic disputes.

Palestine

Israeli policies have eviscerated Palestine as far as access to markets and resources. Such restrictions impede economic self-sufficiency for Palestinians. Restrictions on movement and access to key services place immense strain on agricultural and manufacturing sectors in Palestine as they work to ensure Palestinian businesses the ability to operate smoothly and actualize their economic potential. This has resulted in greater dependence on informal economies and has exacerbated the economic inequalities in the region.

The Arab League

The Arab League has been a powerful voice in support of Palestinian sovereignty and has advocated for Palestinian rights on global platforms. It has denounced the restrictions imposed on Palestine by Israel, particularly those that impact economic and commercial activities. It also cooperates to mobilize financial and developmental assistance for Palestine from Member States to strengthen Palestinian economic resilience and capacity. Arab nations also seek to establish and integrate trade treaties with Palestine through diplomatic means, further develop trade for Palestine, and integrate Palestinian entrepreneurs into wider Arab marketplaces.

United States of America (USA)

Historically, the USA has played the role of mediator in the conflict, facilitating negotiations and proposing peace initiatives, which would include economic incentives. The United States provides very high foreign aid as well, which makes some direct impact on the economic scene with numerous

infrastructure projects and economic growth in the region. Foreign aid is frequently conditional on certain political and economic reforms to promote deeper reform in fostering a more stable economic ecosystem, which further, in some situations, leads to friction based on the contemporary political scenario.

Egypt

Egypt shares the border with Gaza and has a crucial role in the access points into Gaza, particularly at the Rafah crossing. Egypt's policies are a major factor in shaping Gaza's trade and the availability of goods, services, and humanitarian aid. Egypt also helps broker supply deals between Gaza and the world. As a mediator, Egypt also hosts and finances dialogue among Palestinian factions and between Palestinians and Israelis, in hopes of a peaceful solution that may include economic agreements.

Jordan

With a peace deal with Israel and historic links to the West Bank, Jordan occupies a diplomatic space in the conflict. It fosters stability in the Palestinian territories economically and serves as a negotiator among the parties to the conflict. Jordan also manages the flow of refugees from Palestinian territories, offering them succor while attempting to assimilate them into the Jordanian economy without exacerbating local tensions.

EcoPeace Middle East

EcoPeace Middle East is a nonprofit organization that unites Jordanian, Palestinian, and Israeli environmental activists. This involves the development of shared environmental standards and targets toward environmental sustainability as a pathway to peace in the region, improving the regional cooperation and management of shared natural resources has been a pressing challenge for managing shared natural resources as they are vital for regional stability and economic development.

B'Tselem

B'Tselem, the Israeli Information Center for Human Rights in the Occupied Territories, documents and advocates about human rights abuses. This shows how restrictions impact Palestinian economic rights and living conditions, with important data that inform international understandings and policies. Their findings often focus on the economic toll that Israeli policies take in Palestinian territories, calling attention to problems that include limited access to water and land to farm.

Oxfam

Oxfam promotes economic justice and strives to alleviate poverty in both Israel and Palestine. It supports local farmers, businesses, and communities by encouraging fair trading practices, offering economic opportunities, and aiding local farmers and businesses in overcoming the restrictions and devastation of the conflict. Oxfam takes up the cause of the rights of women and minorities to be fully involved in the economy, which is necessary to achieve equitable development.

Mercy Corps

Mercy Corps is an international NGO that does extensive work in the Middle East, including in both Israel and Palestine. It aims to focus on improving economic opportunities and resilience among communities impacted by the conflict. More income stability is associated with support for small businesses, access to markets, and greater agricultural productivity, which in turn correlates with more economic development in the region. This work is important to help communities wrangle with the challenges of commercial rights in the challenging environment of the Israeli-Palestinian conflict, providing tools and knowledge enabling rights-based approaches to economic empowerment and prosperity.

Timeline of Events

Date	Description of Event
November 2, 1917	Britain issued the Balfour Declaration, supporting the establishment of a Jewish state in Palestine.
November 29, 1947	The United Nations General Assembly adopted Resolution 181, recommending the partition of Palestine into Arab and Jewish states.
May 14, 1948	The establishment of Israel as an independent state.
May 15, 1948	The start of the 1948 Arab-Israeli War, following the invasion by five Arab states.
June 5-10, 1967	The Six-Day War
November 22, 1967	UN Security Council Resolution 242 was passed.

October 30, 1991	The Madrid Peace Conference commenced, involving Israel, Palestine, and neighboring Middle Eastern countries.
September 13, 1993	The Oslo I Accord was signed at a public ceremony in Washington D.C.
April 29, 1994	The Paris Protocol on Economic Relations was signed.
September 28, 1995	The Oslo II Accord was signed.
March 28, 2002	The Arab League adopted the Arab Peace Initiative at the Beirut Summit.
December 6, 2024	UN Security Council Resolution 2761 was adopted.

Relevant UN Resolutions, Treaties & Events

- [The economic dimensions of prolonged occupation: Continuity and change in Israeli policy towards the Palestinian economy, August 2009 \(UNCTAD/GDS/2009/2\)](#)
- [Trade Facilitation in the Occupied Palestinian Territory: Restrictions and Limitations, 2014 \(UNCTAD/GDS/APP/2014/1\)](#)
- [GAZA-JERICHO AGREEMENT, Protocol on Economic Relations between the Government of the State of Israel and the P.L.O., representing the Palestinian people, Paris, April 29, 1994](#)
- [Madrid Conference, October 30, 1991](#)
- [Resolution 2761 \(2024\) / adopted by the Security Council at its 9802nd meeting, on 6 December 2024](#)
- [Resolution 242 \(1967\) / adopted by the Security Council at its 1382nd meeting, on 22 November 1967](#)

Previous Attempts to Solve the Issue

Arab Peace Initiative

With the support of the Arab League, Saudi Arabia led the Arab Peace Initiative in 2002, which aimed to negotiate a comprehensive peace agreement between Israel and Arab nation-states.

According to U.N. Resolution 194¹⁵, it called for a fair settlement for Palestinian refugees and the full normalization of ties in exchange for Israel's total withdrawal from occupied territory. The idea was rejected by Israel primarily because it called for complete withdrawal from its territory and permitted the return of Palestinian refugees, both of which were seen as threats to Israel's national security and Jewish demographic majority.

Paris Agreement

The Palestinian Liberation Organization (PLO) and Israel signed the Paris Protocol in 1994 with the intention of fostering economic cooperation between the two countries and establishing a foundation for Palestinian autonomy through trade, labor, taxation, and agriculture. Rather of fostering Palestinian freedom, it made them economically dependent on Israel. For instance, the Protocol reduced Palestinian sovereignty and economic growth by bringing Palestinian VAT and customs rates into line with Israel's while restricting Palestine's capacity to import products freely and implement its own fiscal policy.

Gaza Industrial Estate Project

The Gaza Industrial Estate Project, which was started in the late 1990s, aimed to boost economic growth in Gaza by attracting foreign and Israeli investment and generating jobs. The project's failure was caused by limitations on movement and access, ongoing disputes, and a lack of consistent funding. Israel's strict border controls over Gaza and the deteriorating security situation prevented the industrial park from operating efficiently or accomplishing its financial objectives.

Oslo Accords

Oslo Accords, which were signed by Israel and the Palestinian Liberation Organization (PLO) served as the foundation for Palestinian self-governance and mutual recognition. Oslo I was signed in 1993, and Oslo II was signed in 1995¹⁶. They did not address important issues like boundaries, settlements, Jerusalem's status, or refugees, even though they led to the establishment of the Palestinian Authority and permitted some degree of self-rule. In terms of the economy, they maintained the Palestinians' economic reliance on Israel without providing protection for Palestinian business interests, which did not result in economic independence or stability.

¹⁵ A/RES/194 (III) of 11 December 1948 www.Unispal.un.org/DPA/DPR/Unispal.nsf/0/C758572B78D1CD0085256BCF0077E51A.

¹⁶ Office of The Historian. "The Oslo Accords and the Arab-Israeli Peace Process." *Office of the Historian*, www.history.state.gov/milestones/1993-2000/oslo.

Possible Solutions

Create Safe Trade Zones

The creation of safe trade zones, which would improve economic exchange and lower obstacles between Israel and Palestine, is one of the most innovative approaches. These areas will be established legally to allow for unrestricted trade and commerce without many of the border controls and tariffs that the vast majority of existing business relationships are subject to. Such "free zones" would offer a regulated and lawful environment for commercial operations, encouraging both domestic and international investment and fostering growth. They would also progressively reduce reliance by establishing a self-sufficient Palestinian economy.

Decrease Palestine's economic dependency

Palestine has to begin diminishing its reliance on the Israeli economy in order to pursue the political actions required to achieve its own economic autonomy. Strengthening Palestine's economy through the growth of industries like technology, tourism, and agriculture that are not subject to Israeli supervision or control and are therefore more resilient to Israeli military and media repression would be one method to achieve this. The Palestinian economy would be strengthened by luring foreign investment and growing the domestic market, which would lower unemployment and alleviate poverty. Enhancing education and providing training in new fields will also help achieve this goal by giving Palestinians the tools they need to build a robust, self-sufficient economy in the future.

Encouraging International Trade

Encouraging international trade is a simple way to navigate commercial rights in Israel and Palestine. For major trade powers like the US and the EU, lowering tariffs and opening up markets for goods from these regions would significantly improve economic integration, especially when those commodities are the product of cooperative efforts between the two communities. This approach strengthens economic relationships between Israelis and Palestinians, supports local companies, and generates jobs. Through reciprocal financial gains and possibilities, these advantages may strengthen economic relations and eventually lead to a friendly partnership.

Shared Infrastructure Projects

One concrete strategy to promote collaboration between Israelis and Palestinians is to invest in shared infrastructure projects. For instance, water desalination facilities and transportation networks

connecting large cities across borders are examples of infrastructure initiatives that directly address common economic and environmental issues. These enterprises, which would be funded by foreign grants and loans, would bridge gaps between the two communities by establishing joint companies that would provide genuine employment and significant financial benefits. In addition to improving people's quality of life in the area, these initiatives foster the types of economic and physical ties that support sustained peace and stability.

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