**Economy under Occupation and Apartheid**

**Erosion of the Palestinian Economy by the Oslo Process**

**Political Influence by "Development Programs”**

Abstract

The hypothetical goal of the Oslo Process – the formation of a Palestinian State – is subject to the permanent military control and repression by Israel. Additionally, the Oslo Accord by causing the erosion of the Palestinian industry has shrunk the Palestinian productivity to a very low level. Products from the West Bank and Gaza reach the Arab or global markets only under extreme difficulties. The continuous destruction of the infrastructure ruins funds for the construction of Palestine day by day. The land acquisition, house demolitions, deportations and occupation policies of Israel – often hidden behind illegally working settler groups – deprived the best soils for agriculture. For example, in the Jordan Valley, the confiscation of Palestinian agricultural land is a huge additional income for the Israeli economy. In the vacuum of the virtual state formation in Palestine and the ongoing expansion by the Israeli policy, the Western donor countries have tried to counter the impoverishment of Palestinian society with enormous sums of aid money – with fatal consequences for the once vital and innovative areas of the social life of the Palestinians. Nowadays, the western NGO policy can hardly boast sustainable success, with the exception that it offers young people from western countries jobs in Palestine.