



**The ICT Sector in Palestine:
Conceiving Development
as Human Empowerment**

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Abstract

In this paper, we look at the ICT sector in Palestine from a development-oriented perspective. First, we focus on the development model of Palestine, which identifies development with human empowerment rather than with economic growth. Second, through the analysis of three characteristics of the Palestinian ICT sector – incubator centrality; industry-university linkages; and defence of intellectual property rights – we show that this industry is deployed accordingly to the purpose of empowering local human capital. Third, we argue that this development model is a major outlier with respect to existent development theory; this should serve as a stimulus for further studies on the developmental aspects of the Palestinian situation.

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Introduction

A vast amount of academic literature exists on the historical, political and juridical aspects of the condition of Palestine under Israeli occupation. However, as we shift the focus to a development-oriented perspective, the availability of literature diminishes drastically, as the development-related consequences of the Israeli occupation over the West Bank and Gaza Strip are severely understudied. This is partially due to the inherent difficulty of leading on-field analysis in a militarily occupied area, and partially to the predominant tendency to deal with Palestinian development issues from a political perspective.

This paper, which deals with the development pattern of the emerging Information and Communication Technology (ICT) sector in Palestine, aims to contribute to filling this gap. Indeed, we take a development-based perspective on Palestine, and we use this perspective in our analysis of the local ICT sector. We argue that the Palestinian ICT sector is tailored accordingly to the purpose of empowering the human capital of Palestine, rather than being aimed at enhancing economic growth. This has to be viewed as a direct consequence of the Palestinian model of development, which is rooted on a pervasive conception of “development as empowerment” (UNDP/PAPP 2004: 14).

This paper consists of three sections, whose content is structured as follows. In section 1, we deal with the development model of Palestine. We show the peculiar nature of the roadblocks to development to which occupied Palestine is subjected, and we delineate the conception of “development as empowerment” that emerged as a consequence of occupation-induced constraints. In section 2, the heart of the paper, we deal with the ICT sector in Palestine, arguing that its features are consistent with the notion of “development as empowerment”. Indeed, through the analysis of its three main characteristics – incubator centrality; industry-university linkages; and defence of intellectual property rights – we show that this sector goes in the direction of empowering local human capital, rather than maximizing economic growth. In section 3, we deal with the theoretical implications of our analysis. We show that the development model of Palestine, which is mirrored

by the local ICT sector, presents some lines of continuity with the theory of information economy, but it significantly deviates from the propositions of mainstream development theory. As such, Palestine should be studied more in depth from a development-oriented perspective, and this paper wants to provide a material contribution in this respect.

1. “Development as empowerment”: the development model of Palestine

When looking at Palestine, the first obstacle to be dealt with is that of giving a definition of this entity, which, in effect, has not yet been technically recognized as a country. By Palestine, we refer to the territories of the West Bank and Gaza Strip, which were occupied by Israel in 1967 and which are referred to by the United Nations as the Occupied Territories of Palestine (OPT).

Development in the OPT is seriously compromised by both endogenous and exogenous constraints. Endogenous constraints are embodied by a structural lack of the fundamental factors of production: water, land, and manpower. Water is scarce in the Territories, as well as land: the West Bank measures 5655 square km; the Gaza Strip only 365 (PASSIA 2008). Palestinians living in the OPT were near to 3.8 millions by the end of 2007 (Population Census 2007, quoted in Palestine Investment Conference 2008); meanwhile, the majority of Palestinians live outside the OPT, as a consequence of the diaspora that has followed the Israeli occupation. Hence, manpower is scarce too, despite the fact that the tiny Gaza Strip has the highest population density in the world (PASSIA 2008).

Endogenous constraints, considered *per se*, are sufficient to explain an overall situation of underdevelopment in the OPT. Though, the point to be made here is that development in Palestine is a unique problem, and the reason for this lies in the exogenous constraints imposed by the Israeli occupation. Such occupation, which lasted for more than forty years, has resulted in the methodical, systematic destruction of the Palestinian economy. Hence, the problem of Palestine is not mere underdevelopment, induced by

adverse starting conditions, but the infliction of a proactive action of “de-development” (Roy 1995).¹

Such a strong and drastic argument needs to be motivated. First, the lack of land and water in the Territories has been exacerbated by the systematic intervention of Israel, which has divided the West Bank into a plethora of micro-zones (PASSIA 2008) and has diverted up to 85% Palestinian water resources for use in Israel proper (Palestinian Hydrology Group 2004). Second, since the occupation, the Territories have been subjected to over 1000 military orders, motivated by the defence of the security of Israel (Assaf 1997: 51). Without focusing on the debate about the legitimacy of these orders, our development perspective leads us to argue that these emergency regulations have a severely negative incidence on Palestinian development capacities.

Indeed, due to emergency regulations, the mobility of Palestinian people and goods has been reduced to a minimum (Roy 1995: 119). Education has been subjected to Israeli censorship, and school closures have been systematically used as a form of “collective punishment” (Assaf 1997: 53). The Palestinian economy is subjected to an “imposed economic integration” (Arnon et al. 1997: 6) with the economy of Israel: already before the outbreak of the Second Intifada, 90% of imports came from or through Israel (Samara 2000: 21). Moreover, “de-development” results in a constant impediment to the creation of international economic partnerships; as a result, the degree of correlation between Israeli business cycles and the Palestinian economy is very high (Aljuni 2003: 66).

Emergency regulations get more intense in correspondence of the periods of political turmoil in the region. The Second Intifada (2000-2005) has coincided with a proliferation of enhanced security measures, which resulted in even higher barriers to human and economic mobility. As a result, the Second Intifada has coincided with a dramatic increase in the poverty rate of Palestine (UNDP 2007).

¹ From here on, we will use the term “de-development”, coined by Sara Roy (1995), to refer to the Israeli policies towards development in the OPT. It must be noted here that Roy’s work is mainly focused on the Gaza Strip, whose history cannot be entirely assimilated to that of the West Bank. However, in our view, the concept of “de-development” can be reasonably utilized for both regions, as it reflects the proactive character of Israeli policies of capacity destruction in the OPT.

Many scholars focus on the “intentional” nature of the depauperization of Palestine, and argue that the security of Israel is a mere pretext for this (see for example Abed 1990; Aljuni 2003; Roy 1995). Still, a development-oriented analysis has to abstain from value judgements: what matters here is not whether “de-development” is intentional or not, but the hardly debatable fact that it is *systematic* and holistic (UNDP/PAPP 2004: 7). Hence, what makes Palestine different from other developing countries is the proactive character of “de-development”, whose systematic perpetration goes beyond the underdevelopment induced by poor factor endowment.

In the context of a prolonged military occupation, Palestine has developed a strong capability of resistance, by which we mean, in the words of the United Nations Development Programme/Programme of Assistance to the Palestinian People (UNDP/PAPP), “the humanitarian and peaceful approach to resistance espoused by the overwhelming majority of Palestinian citizens, characterized by continued endurance, efforts to halt deterioration and to rebuild” (UNDP/PAPP 2004: 7). This capability of resistance has culminated in the codification of a development model that lies on a conception of “development as empowerment” (UNDP/PAPP 2004: 14).

The theoretical basis of this development model can be ascribed to the work of Amartya Sen (2001). As he draws his conception of “development as freedom”, Sen identifies human freedom – both a means and an end to development – as the consequence of the removal of “substantial unfreedoms” (Sen 2001: 1-12). This conception of development fits very well within the case of Palestine, as the Israeli occupation coincides with the systematic denial of fundamental liberties – mobility; education; economic independence – that are also the primary means of development.

Sen’s work provides a conception of development that goes beyond the narrower view of a wholly economic perspective, which equates development with mere economic growth (Sen 2001: 7). This expanded view of development is evident in the analysis of Sen provided by Corbridge (2002), who elaborates on the relevance of geographical space in Sen’s perception of development issues (Corbridge 2002: 191-197). For the Palestinian case, a very relevant approach to Sen is that of Lunat (2008),

whose view of development has *political* freedom at its core (Lunat 2008: 1). Indeed, the political dimension of freedom is the most severely attacked by military occupation, and its pursuit has resulted in the identification of development as the human empowerment of the Palestinian people.

Despite the continuity with Sen's theoretical approach, the specificity of the Palestinian case lies also in the fact that its context-based meaning of *empowerment* deviates from standard definitions. A country-specific, composite definition of empowerment, elaborated by the UNDP/PAPP (2004), is shown by the diagram below. In Palestine, empowerment has to be seen not only in relation to endogenous roadblocks to development, but also in relation to the exogenous constraints imposed by the occupation.

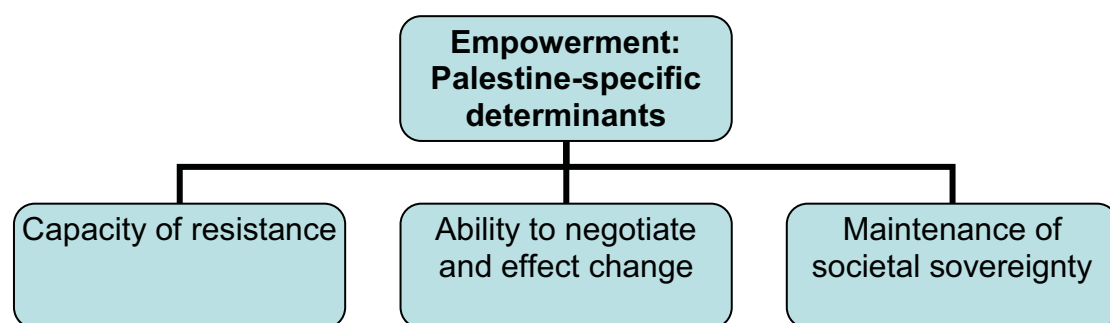


Fig.1: Palestine-specific determinants of empowerment

Source: adapted from the Palestine Human Development Report (UNDP/PAPP 2004: 14-16)

Hence, three determinants are relevant in this respect: the capability of resistance, the ability to negotiate and effect change, and the maintenance of societal sovereignty. The UNDP/PAPP definition of “resistance” in the context of occupied Palestine has been given above. The “ability to negotiate and effect change” is grounded on the capacity of establishing group relationships in order to proactively work in the direction of political freedom. Instead, the ability of individuals and groups to “preserve the society’s fabric” under occupation is referred to as “social sovereignty” (UNDP/PAPP, 2004: 14-16).

The codification proposed by the UNDP/PAPP consists, in fact, in making explicit a model that has been tacitly operated for decades, and that consists

in the polymorphous, creative manifestations of Palestinian resistance. Assaf (1997) analyzes the elaboration of alternative forms of education: as closures were imposed, “popular education” was organized in houses and mosques by teachers, parents, and university students (Assaf 1997: 54-55). Harris (1988) shows how the closure of banks has been remedied by innovative banking solutions, ingeniously managed by money changers (Harris 1988: 192). In this respect, an illuminating contribution comes from the analysis of Dick (1988), which shows how entrepreneurship has played a key role in Palestinian self-determination: indeed, entrepreneurship – as opposed to reliance on development experts – is the key of Palestinian development, whose nature is intrinsically self-reliant (Dick 1988: 311-314).

In 2008, the Palestinian Reform and Development Plan (PRDP) presented a long-term vision of Palestine as “a knowledge-based economy, connected to the global community” (PRDP 2008-2010: 4). As we will see in the next section, this choice is to be seen in close connection with the resistance capacity of Palestine, and with its view of “development as empowerment”. The high level of education in Palestine – which is in itself a symptom of the centrality of human empowerment – logically culminates in the choice of leveraging on knowledge for development, and the enhancement of the ICT sector, which is knowledge-intensive in nature, is to be inscribed in this knowledge-oriented perspective.

2. Maximizing human empowerment: the Palestinian ICT sector

A preamble is needed here, in order to deal with the paradox of a developing, conflict-ravaged economy whose statement of purpose is that of becoming knowledge-based. As we have seen above, the Palestinian case is unique, due to the “de-development” policy to which Palestinians are subjected and to the capability of resistance that they have consequentially developed. This history of resistance explains the fact that Palestine presents the basic condition for the development of a knowledge economy: namely, a very skilled human capital. Education, on which Palestinians place a high value (Davies

1979: 65), reaches very high levels in the OPT;² yet, this may be viewed by observers as a second-best choice, given that land, water and physical assets are subjected to scarcity and occupation-related constraints.

In our interpretation, instead, the very strong enhancement of education in Palestine is a direct consequence of its country-specific development model, which postulates the equation of development as empowerment. As such, the choice of endowing citizens with a strong educational capital comes from the purpose of enhancing the empowerment of people; educated people, indeed, are likely to be more capable of acting on the basis of an informed process of decision-making. Moreover, as noted by Assaf (1997), the advantage of education within the context of occupation lies in its portability: people may be displaced, their physical assets can be destroyed; but education, which is embodied in them, cannot be annihilated or taken away (Assaf 1997: 59).

The choice of becoming a knowledge economy, codified in the PRDP 2008-2010, has to be seen in the very same perspective. In our view, this resistance-oriented perspective is the rationale through which the abovementioned paradox to be explained. If Palestine aims to “leapfrog” to “the knowledge-based stage of development” (as it is conceptualized by Sachs 2004), it is because knowledge is the key means to empowerment, and consequentially to development in the Palestinian view. Hence, Palestine does not want to become knowledge-based due to the lack of physical resources: it wants to do so *in order to empower its people*.

The objective of developing a strong ICT sector, which is also made explicit in the PRDP (2008: 65), is logically consequent to the purpose of knowledge-based development. In effect, the birth of an ICT sector in Palestine dates back to the 1980s. By the time, the focus was more on hardware, as services focused largely on retail and some wholesale of computers and electronics.³

² The breakdown of the Human Development Index (HDI) for the OPT is instructive on this point. Palestine, which ranks at the position no. 108 in the world ranking by overall HDI score, ranks considerably higher in terms of the adult literacy rate (position no. 48) and in terms of the gross enrolment ratio (position no. 50). These statistics are available at http://hdrstats.undp.org/countries/country_fact_sheets/cty_fs_PSE.html, accessed March 26th, 2009.

³ <http://www.pita.ps/newweb/etemplate.php?id=49>, accessed March 26th 2009

The local history of the ICT sector provides a practical example of the fact that “de-development” yields stronger constraints than underdevelopment on affected economies. Indeed, standard limitations induced by the structural lack of capital and manpower in the region were coupled with the exogenous constraints imposed by the occupation: namely, the Israeli control on the production and commerce of ICT goods. The situation has improved in 1993, when, as a consequence of the Oslo agreements, Israeli controls on the private sector have diminished. As a result, growth rates in the ICT sector ranged between 25-30% until year 2000.⁴

The Second Intifada, which – as seen above – has coincided with a generalized impoverishment of Palestine as a whole, has induced a temporal paralysis of the ICT sector. Yet, the ICT sector presents a higher resiliency to occupation-induced constraints than other industries, due to the immaterial nature of many of the involved assets. This is the reason why the recovery of the ICT sector was considerably rapid: in the three years following 2005, the number of Palestinian ICT firms has experienced a 46% growth.⁵

In this section, we show that the conception of development as empowerment, which lies at the ground of the Palestinian development model, is also recognizable in the inherent characteristics of the Palestinian ICT sector. This industry presents, indeed, a set of country-specific features, from which the orientation towards empowerment, rather than to mere economic growth, emerges clearly.

These features – incubator centrality; industry-university linkages, and the defence of intellectual property rights (IPRs) – are represented in the diagram below. The purpose of our analysis is that of examining the ICT sector in Palestine through the lens provided by these features. While looking at them one by one, we will analyze the role that they play in the Palestinian ICT sector deployment, and we will see how they fit a model where development is equated to empowerment.

⁴ <http://www.paltrade.org/en/about-palestine/sectors/ICT.php>, accessed March 26th 2009

⁵ <http://www.pita.ps/newweb/etemplate.php?id=64>, accessed March 26th 2009

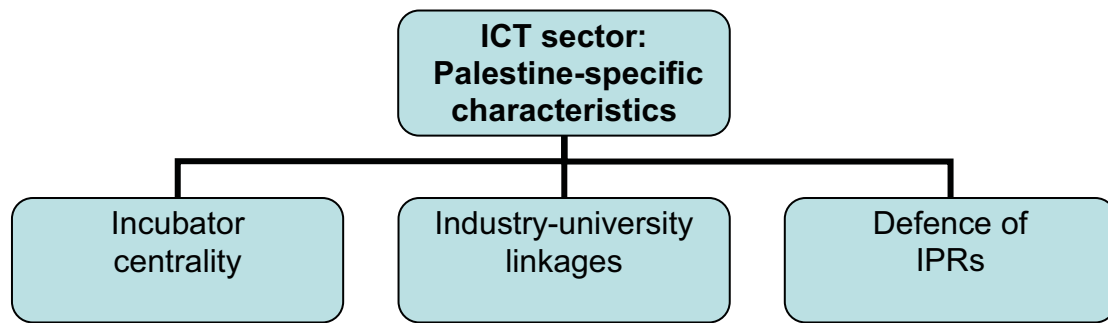


Fig.2: Palestine-specific characteristics of the ICT sector

Source: conceptualization of the author

Incubator centrality. Our discourse on this point is grounded on the abovementioned analysis of Dick (1988), who locates the enhancement of entrepreneurship at the centre of the Palestinian development model. As far as the ICT sector is concerned, entrepreneurial capacity is expressed through the activity of the Palestinian IT Association (PITA). Created in 1999 by a group of Palestinian ICT entrepreneurs, PITA represents more than 80 major companies, and it constitutes a significant pressure group whose purpose lies in the defence of the interests of the local ICT sector.⁶ One of the most relevant operations of PITA so far was the creation of the Palestinian ICT Incubator (PICTI), a facility that provides incubation services to entrepreneurs who have mature concepts for innovative ICT products.⁷

The services that PICTI offers to potential ICT entrepreneurs are polymorphous in nature. First, a pre-incubation unit has been designed, in order to provide support to those innovators whose business idea is still in its early stages of elaboration. Second, PICTI provides a ramified array of business, marketing, financial and legal services to its incubated firms, in order to proactively help their transition to the stage of actual actors of the ICT business. Third, the PICTI concept goes beyond incubation, as it proactively

⁶ <http://www.pita.ps/newweb/etemplate.php?id=17>, accessed 27th March 2009

⁷ <http://www.picti.ps/Default.aspx?portalid=1&cpage=%7e%5cDefault.aspx&tabid=53&tabindex=0&lang=en&mid=0&itemid=0&verno=0&pino=0&pvno=0&pl=en&page=>, accessed 27th March 2009

cooperates with client firms to evaluate present and future trends in the ICT market, in order to identify potential niches of comparative advantage.⁸

In our interpretation, the importance of entrepreneurship as a means of empowerment in Palestine is the reason for the centrality of PICTI's role. Indeed, PICTI is one of the three reference bodies in the Palestinian ICT sector, alongside PITA and the Ministry of Telecommunications and Information Technology (MoTIT). Empowering local innovators is a major objective of the Palestinian ICT sector, and the relevance of PICTI, whose aim is that of converting potential business ideas into actual achievements, is symptomatic of this propensity for empowerment.

Industry-university linkages. As noted in the World Development Report 1998/99, "acquiring knowledge" is the first step to be taken in order to solve the problem of "knowledge gaps" in developing countries. As such, two macro-routes to knowledge acquisition are available: countries can either benefit from knowledge transfer from abroad, or internally develop their own stock of capabilities. As the report suggests, developing countries, whose capacity of knowledge generation tends to be limited, may be more likely to take the first route (World Bank 1999: 26-39).

As we argue, the pervasive conception of "development as empowerment" is the reason why the Palestinian case deviates from the norm. Indeed, when compared to the majority of developing countries, the process of knowledge generation in Palestine shows a lower reliance on "development experts", and adheres to a pattern of "development from within" where the value of local knowledge deployment is maximized (Dakkak 1988: 287-298). Perhaps, this choice does not optimize the economic efficiency of the knowledge creation process; yet, through a strong reliance on local expertise, it goes in the direction of maximizing its empowerment, which is exactly the purpose of the Palestinian development model.

The choice of significantly leveraging on local human capital is embodied, in the ICT sector, by the strong enhancement of linkages between

⁸http://www.picti.ps/Default.aspx?portalid=1&cpage=~\Default.aspx&tabid=11&tabindex=1&lang=en_&mid=0&itemid=0&verno=0&pino=0&pvno=0&pl=en&page=~\Default.aspx, accessed 27th March 2009

the ICT industry and local universities. With the proactive help of ICT professionals, a national curriculum is being developed for university graduates, for the purposes of providing them with greater upgrading and enhanced competitiveness in their scientific fields (Palestine Investment Conference 2008; see also Velloso de Santisteban 2002). The experience of the so-called centres of excellence, described by Rabayah and Sartawi (2007), is paradigmatic in this respect: in the context of the centres of excellence, students are provided with on-the-job training programmes, which serve as a completion to their own academic preparation. As a result, a practical training model is implemented, which creates an occasion in which industry and academia cooperate closely with each other (Rabayah and Sartawi 2007).

These strategies differ from those adopted by the majority of developing nations, where, if an ICT sector exists, it is centred on the imitation and acquisition of knowledge from abroad. On the one hand, this makes sense in a logic of economic efficiency maximization; on the other hand, the Palestinian logic of “development as empowerment” is coherent with a model of knowledge-creation from within. This strategy is symptomatic of the fact that Palestine wants to become a knowledge economy *in order to empower its people*, and not merely as a means of economic gain.

Defence of IPRs. The World Development Report 1998/99 argues that developing countries normally prefer to rely on weak IPRs, as their knowledge is more likely to stem from external acquisition than from internal generation (World Bank 1999: 8). This concept is further deepened in the work of Maskus (2000), according to whom the strength of IPRs should be “a non-linear function of economic development”. This means that IPRs should be kept low at earlier stages of development, for the purpose of maximizing knowledge acquisition through imitation, and they should be made stronger at later stages, in order to provide incentives to local innovation (Maskus, 2000: 144).

Yet, as we have seen above, the ICT sector in Palestine is *knowledge-creating* in nature, rather than knowledge-absorbing. Hence, despite the fact that Palestine is ravaged by the challenges of “de-development”, the players of the ICT industry argue strongly in favour of an overall reinforcement of the

laws on intellectual property. As a result of the fragmentation of Palestine, IPR laws in the Gaza Strip are different from those in the West Bank; moreover, the majority of these laws are old and unclear, and they do not encompass the new concepts created by ICTs. In response to this situation, PITA advocates the homogenization and strengthening of IPR legislation (PITA 2008).

Hence, as a consequence of its propensity for self-reliance in knowledge creation, Palestine goes in the opposite direction of other developing countries in terms of its behaviour towards IPRs. It must be noted here that, once again, a trade-off between the optimization of economic efficiency and the maximization of human empowerment exists. Indeed, from the point of view of economic efficiency, developing countries should rely more on imitation, because normally they are still at the beginning of their learning curve in technologically advanced industries. But, once again, Palestine goes in the direction of maximizing its capacity of “development from within”: PITA’s advocacy for stronger IPRs is another symptom of the Palestinian overall objective of human empowerment.

These three, Palestine-specific features of the ICT sector show that the ultimate end that inspires this industry in the OPT is the empowerment of the local human capital. The centrality of an incubator that maximizes the value of local entrepreneurship; the choice of enhancing the linkages with local universities for the purpose of knowledge creation; the advocacy of strong IPRs with a view of “development from within”, are all symptoms of the fact that the chosen line of action sticks to “development as empowerment”, rather than to development as economic growth. This has to be viewed as a direct consequence of the Palestinian model of development, which is grounded on the purpose of empowering Palestinian people.

3. Palestine versus theory: continuities and ruptures

The story and the features of the ICT sector in Palestine are *sui generis* in nature. As we have seen while analyzing the main features of this sector in the OPT, Palestine behaves differently from most developing countries, and it

tends to deviate from the prescriptions of mainstream development theory. Yet, surprisingly to some extent, Palestine also shows some lines of continuity with previous theoretical formulations, especially with the very first intuitions of the theory of information economy.

The purpose of this section is that of examining the most important continuities and disruptions with previous theory that the Palestinian model presents. On the one hand, the peculiarity of the Palestinian case is limited by the fact that it embodies some of the principal arguments of the theory of information economy. On the other hand, in terms of conformity with mainstream development theory, Palestine is a major outlier, as a consequence of the occupation and of the resulting, country-specific conception of development as empowerment.

Machlup (1984) was one of the first scholars to apply capital theory to the field of human resources. By that time, investments in human capital were seen as particular ones in function of the *intangibility* of the involved assets. In this context, Machlup elaborated an extremely important theoretical intuition: what matters in human capital, rather than its intangibility, is the fact that it is “inseparable by the human body, brain and soul” (Machlup 1984: 423). In other words, the distinctive feature of human capital is that it is structurally embodied into human beings.

In our interpretation, the structural embodiment of human capital into people is the first theoretical pillar of the Palestinian development model. As we have noted in section 1, education is of paramount importance for the Palestinians because, as it is inseparable from the human body, it cannot be destroyed or expropriated, and hence it is inherently resistant to the devastating effects of occupation. Moreover, the fact that accumulated knowledge is inherent to human beings is the very fact that makes it a means of empowerment, because it makes people more capable of an informed decision making. Given these considerations, Machlup’s intuition finds an unexpected confirmation in the Palestinian propensity for human capital enhancement.

In his theoretical considerations of information economy, Porat (1976) was one of the first scholars to analyze information as a tradable commodity.

He argued that information is, in nature, a *sui generis* commodity, because, differently from physical assets, its value does not depreciate with usage: on the contrary, it tends to appreciate over time, due to the accumulation of knowledge (Porat 1976: 21). This consideration, in our view, is the second theoretical pillar of the Palestinian development model, and it justifies the choice of early-moving towards a knowledge-based economy. Indeed, the increasing value of information is implicitly recognized by a model that views knowledge creation at its core, and that, consequentially, chooses to focus on a knowledge-intensive sector like the ICT industry.

These insights lead us to conclude that, as far as key propositions of the theory of information economics are concerned, Palestine constitutes a paradigm of continuity rather than an outlier. These propositions seem to have been absorbed and endogenized by the Palestinian development model, arising as the implicit theoretical pillars on which this model has been founded. It may be argued that, to some extent, these lines of continuity with previous theory provide a limitation to the peculiarity of the Palestinian case.

In spite of the abovementioned continuities with the theory of information economy, the relation between development theory and the Palestinian case is intrinsically dominated by ruptures. As we have noted in section 2, the development model of Palestine – mirrored by the features of the ICT sector – is *sui generis* in three respects: the objective of moving directly from a conflict-ravaged to a knowledge-based economy; the choice of enhancing local human capital rather than foreign intervention for development; the propensity for local knowledge creation rather than knowledge absorption from abroad (to which the advocacy of stronger IPRs is consequent). As we have argued through the practical example of the ICT sector, all these departures are motivated by the fact that Palestine, due to its very strong culture of resistance, equates development to human empowerment, rather than to economic growth.

These factors, and the unique situation of occupied Palestine, lead us to conclude that the Palestinian development model is *sui generis* in nature, and it is not encompassed in the line of reasoning followed by mainstream development theory. As a final note, it should be observed that, as argued by

Roy (1995), even dependency theory fails in grasping the dynamics of “de-development”. This is because the core-periphery model does not encompass a limit-case like that of “de-development” in Palestine, in which the core proactively obstructs the development of the periphery as a whole. Furthermore, the purpose of sovereignty that Israel has over the OPT determines the choice of economic integration over separation, a case that it is not contemplated by dependency theory (Roy 1995: 125-132).

Conclusion

Our objective in this paper has been that of looking at Palestine, and at its emerging ICT sector in particular, from a development-oriented perspective. Firstly, we have illustrated the conception of “development as empowerment” that lies at the ground of the Palestinian development model. We have argued that this conception stems directly from the constraints induced by the ongoing occupation in Palestine, and from the capacity of resistance that has emerged in response to them.

Secondly, we have shown that the ICT sector in Palestine is consistent with the conception of “development as empowerment”. We have argued that the centrality of an incubator that maximizes the value of local entrepreneurship; the choice of enhancing the linkages with local universities for the purpose of knowledge creation; and the advocacy of strong IPRs with a view of “development from within”, are all symptoms of a line of action that maximizes human empowerment rather than economic growth.

Thirdly, we have shown that the Palestinian case, despite its continuity with the theory of information economy, departs significantly from the tenets of existent development theory. This conclusion should serve as a basis for a deeper study of Palestine from a development-oriented perspective, even considering that, as noted in our introduction, very few development-based studies of Palestine have been conducted so far. With this paper, we wanted to contribute to filling the existent gap in development literature on Palestine, and on its unique situation of proactively inflicted “de-development”.

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