

## Q&A: Israel's accession to the OECD

### What is the OECD?

The Organisation of Economic Cooperation and Development is a prestigious economic association comprised of 30 Member States primarily from Europe and North America. It is committed to democracy and the market economy. Its purposes are to bring together market-oriented democracies, promote good business and economic practices, and increase employment and international trade.

### How can countries join the OECD?

The accession process usually takes one to two years. A country that wants to join the OECD must demonstrate its attachment to an open market economy, democratic pluralism and respect for human rights. The country must also demonstrate the extent to which it will comply with the decisions, recommendations and declarations adopted by the OECD. A number of committees review the extent to which the country will adhere to these rules or codes. After their review process, the committees present their recommendations to the council for decision. Each member state has one vote on the council and decisions must be unanimous. If the country is approved it is invited to accede to the OECD Convention and it becomes a member of the organisation.

### Is Israel close to accession?

Israel is in the final stages of accession to the OECD. Israel first asked to become a member 20 years ago. Originally it was rejected for political and economic reasons. From 2006 onwards Bank of Israel governor Stanley Fischer pressured the OECD to accept Israel. On 16 May 2007 the OECD invited Israel to become a member. Israel is confident that it will join the organisation in 2010. No country has ever failed in its application for membership. Moreover, the OECD is positive about Israel's inclusion. Secretary-General Gurria stated that Israel was invited to join because of its good economic management focused on knowledge, technology and education. 'The OECD can gain from its membership, and so can Israel.'<sup>i</sup> He visited Israel in January 2010 with the purpose of signing an agreement regulating the legal standing of the organisation in Israel. This agreement is a condition for membership and brings Israel a step closer to accession. Membership will allow Israel to integrate fully into the global economy and to boost its international status.

### Does Israel meet the conditions of membership of the OECD?

According to Secretary-General Gurria there are some 'technical issues' that stand in the way of Israel's accession, originally foreseen in May 2010. The first pertain to the domain of anti-corruption measures. In December 2009 the OECD stated that Israel 'should be more proactive in detecting, investigating and prosecuting foreign bribery cases, notably those involving the defence industry.'<sup>ii</sup> Even if Israel has signed the anti-bribery convention in the accession process, it did not satisfy the OECD's conditions. The second concern deals with intellectual property rights and patent regulation. Finally, in collating economic data, Israel includes activities from the settlements in the territories it occupies. Secretary-General Gurria assured Israel that these technical issues will only delay Israel's accession. However, the amalgamation of statistical data from occupied territory and Israel proper goes beyond a mere technical issue.

### **Why does Israel refuse to differentiate between statistical data from Israel and occupied territory?**

Israel has persistently refused to apply the international law of occupation *de jure* in the territories it has occupied since 1967. It has massively transformed the occupied territories' physical, institutional and demographic character, settling Israeli nationals in those parts of the occupied territories it seeks to incorporate within its future borders and unilaterally annexing East Jerusalem and the Golan Heights. Over the years Israel has enacted an extensive range of domestic legislation implementing these internationally unlawful measures. In the international sphere, Israel maintains that it has international responsibility as an administrator with international recognition, in all matters, and for all parts of the occupied territories that it has not handed over to Palestinian administration. Israel maintains that it is therefore authorised to exercise its own sovereign political and legislative authority over them, incorporate them under its sovereign international jurisdiction, and continue effecting their transformation. Israel insists on implementing its treaty-based relations with third States and international organisations on this premise. In particular, Israel insists that third states accept its application of its bilateral and multilateral agreements to Area C in the West Bank as well as to East Jerusalem and the Golan Heights.

### **Why is the amalgamation of statistical data from Israel and occupied territory so problematic?**

The international community and its multilateral institutions continue to reject Israel's positions, in accordance with their own responsibilities under international law. Third states that claim to uphold international law, such as the OECD members, cannot recognize as lawful serious breaches of international law or the unlawful implementing acts of other states. In concluding treaties with Israel, they can not authorise Israel to apply and implement those treaties in accordance with the unlawful elements of Israel's domestic legislation and institutional practice. If they fail to take effective measures to prevent Israel from doing so, they accommodate to Israel's illegal policies and violate international law themselves.

### **What is the danger of third states' accommodation to Israel's illegal policies?**

Previously, the United Kingdom insisted that Israel transfer to the OECD statistical data that pertain only to the area inside the Green Line and that it not report on areas outside the 1967 borders. In a reaction, Israel suggested that it submit to the OECD technical team its raw data, pertaining to both Israel proper as to the occupied territory, and leave it to the OECD to sort out the required information. If the organisation accepts this compromise, the OECD and its members will hold Israel to standards of compliance that are lower and different than those for other states. It would entail accommodation to illegal policies, shield Israel from the normal consequences of its wrongful actions, by accepting Israel's right to interpret and apply international law in a manner that the community of states and their multilateral organisations maintain they cannot accept.

### **How does the OECD deal with Israel's violations of international law?**

In the *Road Map for the Accession of Israel to the OECD Convention*, the OECD wants Israel to demonstrate its commitment to 'fundamental values' shared by OECD members.<sup>iii</sup> As other countries that want to join, Israel must prove its attachment to an open market economy, democratic pluralism, respect for human rights and its adherence to the purposes of the United Nations. However, Israel continues to systematically violate both human rights law and international humanitarian law and fails to abide by UN Security Council and General Assembly Resolutions, as well as by the advisory opinion of the International Court of Justice which calls for the dismantling of the Wall built inside Palestinian territory. Furthermore, Israel's closure policy in the West Bank and the Gaza Strip has further de-developed Palestinian economy. These issues have not been addressed during the accession process.

### **What is our position?**

Firstly, we are concerned about the fact that the OECD secretary general refuses to look into 'political' issues and only wants to address 'technical' issues. In doing so, he gives Israel the signal that it is beyond the law and that its systematic violations of peremptory norms of international law do not stand in the way of OECD membership. Secondly, we want to raise the attention of the OECD's members to the issue of Israel's use of statistical data from the territories it occupies. As long as Israel continues to provide the OECD with data pertaining to territories beyond the Green Line, it may not become a member.

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- <sup>i</sup> E.BRONNER, Issues stand before Israel in joining elite group, NYT, 19/01/2010.  
<http://www.nytimes.com/2010/01/19/world/middleeast/20israel.html?ref=global-home>
- <sup>ii</sup> OECD, Israel should ensure that remaining concerns do not undermine its progress on foreign bribery, 16/12/2009.  
[http://www.oecd.org/document/59/0,3343,en\\_2649\\_34859\\_44274107\\_1\\_1\\_1\\_37447,00.html](http://www.oecd.org/document/59/0,3343,en_2649_34859_44274107_1_1_1_37447,00.html)
- <sup>iii</sup> OECD, Road Map for the accession of Israel to the OECD Convention, 30/11/2007. [www.oecd.org](http://www.oecd.org)