

DAIMLERCHRYSLER



Forum on Economic Co-Operation

A Jordanian-Israeli Joint Initiative

Held on 9th-13th March 2003 at Lutherstadt Wittenberg/Germany



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Partner-Organisations



Amman Center
for Peace and Development
(ACPD)

מרכז פרס לשלום
مركز بيرس للسلام
The Peres Center For Peace



Amman Center
for Peace and Development

The Peres Center for Peace

Wittenberg Center
for Global Ethics

DaimlerChrysler



The Delegations from Israel and Jordan headed by General ret. Mansour Abu-Rashid from the Amman Center for Peace and Development, Jordan and Mandy Barak from the Peres Center for Peace, Israel.

Introduction

The first "Forum on Economic Co-Operation" with delegations from Jordan and Israel took place in Lutherstadt Wittenberg/Germany from March 9th – 13th 2003.



Nearly thirty delegates from business, economics and civil services came to Germany in order to discuss the economic situation in the Middle East and new perspectives for trade and development in as well as between their countries. The seminar was a joint initiative of the Amman Center for Peace and Development from Jordan, The Peres Center for Peace from Israel and the Wittenberg Center for Global Ethics. It was initiated and financially supported by DaimlerChrysler.

The Joint Economic Seminar was implemented within an academic framework aimed at imparting relevant economic knowledge. In this way, the seminar offered both a rare opportunity for economic professionals from both sides to meet and establish a dialogue, and an enriching academic setting. The overall aim of the seminar was to encourage a new reality of peace and cooperation between Israel and Jordan through the advancement of Israeli-Jordanian economic relations.

The Peres Center for Peace and The Amman Center for Peace and Development (ACPD) selected the participants from diverse backgrounds within Israel and Jordan, in order to maximize the impact and scope of this course. The target population was high-middle level managers from the private sector and civil service.

The "Joint Economic Seminar" has to be regarded as a first step in a long term program of cooperation. In today's increasingly globalised society, the development of effective communication mechanisms is still of utmost importance. Particularly In the context of the Middle East there is a special need for installing and upholding values of peace, which foster understanding and create opportunities for cooperation. Even though a peace treaty between Israel and Jordan has been signed in 1994, vivid corporate relations are still under construction. But the creation of solid business relations between these two countries, and thus the strengthening of overall regional interaction would possibly deepen the peace process. This requires an honest and frequent dialogue between the former adversaries.

The bilateral relationship between Israel and Jordan forms a vital component in the stability of the region. Therefore strengthening these bilateral relations is of the utmost importance, particularly in light of the current political situation in the Middle East and the faltering Israeli Palestinian relationship.



Cooperative projects between Israelis and Jordanians will be promoted in a variety of fields. Participants in these activities will become agents of influence, working to change distorted mindsets, and striving towards a peaceful sharing of knowledge and research. There is significant potential for the relationship between Israel and Jordan to develop into a "warm peace". At this time, it could be used as a model for development of future relations between Israel and other Arab states, thus preserving and reinforcing Jordan's reputation as one of the most progressive Arab nations.

Although the Israeli-Jordanian peace treaty is instrumental in stabilizing the region, the implementation of projects decided in the framework of the peace process have been almost frozen during recent times, resulting in a need for confidence building steps to renew this process. Despite the signed peace agreements there are almost no existing peace relations to speak of. These joint activities will renew the process of promoting cooperative projects between the two civil societies.

Decision-makers and future leaders are critical players in shaping a new reality, which will advance the prospects of the region in the future. These professionals, representing both the public and private sectors, must work to overcome the changes caused by shifting regional and global politics. The overriding atmosphere of conflict has served to distance these professionals from one another, thereby resulting in a need for radical changes in communication both on professional and individual levels.

Experience has shown that face-to-face meetings are the most effective means of achieving this goal, and therefore this program will bring together key professionals, representing the public and private sectors of both Israel and Jordan, and give them an opportunity to forge a mutually beneficial dialogue.

In signing the Wittenberg Declaration for Cooperation and Peace in the Middle East, participants agreed to continue this dialogue process and thereby contribute to peace and prosperity in the Middle East.

Wittenberg Declaration for Cooperation and Peace in the Middle East



Mandy Barak signs the
Wittenberg Declaration



WITTENBERG DECLARATION FOR COOPERATION AND PEACE IN THE MIDDLE EAST

Facing the current threats and challenges in the Middle East, the Amman Center for Peace and Development and The Peres Center for Peace convened in Wittenberg hosted by the Wittenberg Center for Global Ethics.

At this first Joint Economics Seminar, the delegations of Jordan and Israel discussed current obstacles and possible solutions in order to achieve economic cooperation in their region. All delegates agree that mutually beneficial trade and business relations can and will promote stability and peace.

Successful international trade implies that people and goods cross regional borders, and at the same time it serves the mutual understanding of cultural diversity. Concrete win-win potentials pave the way to peace.

Therefore, the delegations dedicate themselves to continue and strengthen this fruitful dialogue. All participants encourage other parties to join and support this important initiative for a realistic vision of peace and prosperity in the Middle East.



Amman Center
for Peace and Development



The Peres Center for Peace





Gen. ret. Mansour Abu Rashid
signs the Wittenberg Declaration

All participants encourage
other parties to join and support
this important initiative for

a realistic vision of
peace and prosperity in
the Middle East

The Qualifying Industrial Zone

A QIZ is an area in Jordan and Israel, that was designated by the United States, from which goods can be exported duty free and quota free to the United States.



The aim is to make use of the comparative advantage of each country by regional cooperation in order to create competitive products, which is beneficial for Israeli and Jordanian companies. In order to enter the US duty free and quota free, these goods must meet the QIZ Agreement criteria and must be approved by the QIZ Committee. The committee has been established in the end of 1998 and is based on representatives from Jordan and Israel.

The USA Embassies in Tel Aviv and Amman are observers. According to the rules of origin formulated in the Israel-USA Free Trade Agreement, a product is originating in Israel if it was "substantially transformed" in Israel and at least 35 percent of its "appraised value" was done in Israel. Therefore, the local Israeli or Jordanian product input within those zones can make up to 35 per cent.

In November 1997 the first QIZ Agreement was signed in Doha, Qatar designating El Hassan Industrial Estate in Irbid as Jordan's first Qualifying Industrial Zone (QIZ). Caused by the success of this first joint project additional QIZ were designated in Jordan between 1999 and 2002.



Gaby Bar, Deputy Director General
Ministry of Industry and Trade from
Israel shares the success story of QIZ.

The QIZ demonstrates that economic cooperation between Israel and Jordan could be a success story, which proves the real fruits of peace. Eleven QIZ's have been established in Jordan so far and the export volume from Israel to Jordan increased. About 35 to 40 factories are employing 35,000 workers - 1/3 foreign and 2/3 Jordanians. The export from the QIZ grew from 15-17 million US-Dollar in 1998 to 0.5 billion US-Dollar in 2002.

The advantages of the QIZ would have been mainly for Jordan, because Israeli companies are only involved by 10 per cent, all companies have a "Made in Jordan" label, over 20,000 working positions have been created and it has put Jordan on the international trade map. But there are also some negative aspects, which are manifested in social problems. People earn very low salaries and it has encouraged the closing of textile factories in Israel. Therefore the low salaries are an advantage for the companies but a disadvantage for the workers. In contrast the Jordanian delegation emphasized that the QIZ seek not only to create economic benefits, but also to ensure the security and stability of the region. 80 per cent of the QIZ workers are from refugee camps. Their employment contributes to the reduction of the regional security problems.

Comparative economic indicators 2002 est.		
	Israel	Jordan
Population (million)	6,1	5,4
GDP (US\$ bn)	122	22.8
GDP per head (US\$)	19,000	4,300
GDP - real growth rate	-1.1 %	3.5 %
Consumer price inflation	5.7 %	3.3 %
Export of goods f.o.b. (US\$ bn)	28.1	2.5
Import of goods f.o.b. (US\$ bn)	30.8	4.4
External dept (US\$ bn)	42.8	8.2
Budget - revenues (\$bn)	38.5	2.7

Source: CIA - The World Factbook

The Partner Organizations



Amman Center
for Peace and Development
(ACPD)



Dedicated to peace: Gen. ret. Mansour Abu Rashid (right),
Amman Center for Peace and Development
and Godel Rosenberg, DaimlerChrysler Israel.

ACPD is non-profit organization
which was established in 1999.

The main purpose of the center is
to encourage dialogue between
people of the Middle East and
improve understanding and tolerance
between Israelis and Arabs.

The underlying belief is that only through dialogue and positive engagement it will be possible to overcome hostility and conflict. Based on such conviction ACPD has organized and taken part in tens of workshops and seminars, the purpose were to encourage Jordanians, Arabs and Israelis to air their concerns and to engage each other in a meaningful dialogue based on mutual respect.

The mission of the ACPD is to advance and improve relations with Israelis by building a broad network of contacts between the two sites. In doing so, the ACPD focuses on five mean areas:

1. Crisis Management developing solution-oriented concepts and policy alternatives.
2. Regional Security: working towards stabilizing the region by developing confidence-building measures and fostering security co-operation:
3. Cross-Border Co-Operation: developing comprehensive co-operation on a geographical basis and involving a wide spectrum of local constituents.
4. Economic Development
5. Peace Education
6. Religious Dialogue.

The ACPD is one of very few Jordanian NGOs that still maintain open channels of cooperation with a broad range of Israeli partners. In fact despite the difficult political and security situation and the fact that official and non official contacts have almost come to a standstill, the ACPD has assumed a pivotal role since the outbreak of the Al-Aqsa Intifada by providing an umbrella for official and non-official Jordanians to interface with Israeli counterparts.



The center was created in 1996 by Nobel Laureate Shimon Peres (born in 1923 in Belorussia, immigration with his family in 1934, Israeli governor of 1984-1986 and 1995 - 1996, Israeli Minister of Foreign Affairs 1986 - 1988 and 1992 - 1995).

The Peres Center for Peace is a non-partisan, non-governmental organization.

Visions:

1. To build an infrastructure of peace by and for the people of the Middle East that promotes socio-economic development, while advancing cooperation and mutual understanding.
2. To advance Arab-Israeli joint ventures.
3. To develop and implement cooperative economic projects in such a way that the benefits can be felt at both the individual and community level. The projects are a sample of initiatives that have helped to build a better economic future for residents of the region.

Projects and Activities:

1. Economic Cooperation develops and implements cooperative economic projects in such a way that the benefits can be felt at both the individual and community level.
2. Civil Society Cooperation touches upon almost every aspect of the lives of project participants, from improved medical care to better sporting facilities. It is cooperation at this level that opens the window to see the humanity of the other side, and enables our project partners to find common ground. Project topics are: Civil Society Cooperation, Education for Peace Values, Community Development, Culture and Media Forums, Medicine and Health, Sports
3. Global Initiatives such projects contain as: Global Peacebuilding Corps and UNOPS Partnership.

The Partner Organizations



The Wittenberg Center for Global Ethics (WCGE) was founded by the US-Ambassador to the United Nations ret. Andrew Young., and the German Foreign Secretary of State ret., Hans-Dietrich Genscher, as a transatlantic initiative in November 1999.

The Center aims to identify and promote sustainable ethical principles for the developing global society. The city of Wittenberg was deliberately chosen as its home because of its well-known association with humanism and reformatory thought (Martin Luther, Philipp Melanchthon). Eminent persons and organizations from business, science, and politics, as well as the major churches, have offered their support .

Signing the guestbook at the Mayor's Office:

Josef Schleicher (sitting), DaimlerChrysler, (from right) Waldemar Hoette, The Wittenbeg Center for Global Ethics, Gen. ret. Mansour Abu Rashid, Amman Center for Peace and Development, Mandy Barak, Peres Center for Peace, Eckhard Naumann, Mayor of Wittenberg, Godel Rosenberg, DaimlerChrysler Israel.

Through the innovative Wittenberg Approach, the WCGE contributes to deepening the discourse of cultures and sustaining intercultural understanding. Moreover, Wittenberg provides an ideal, neutral terrain for discussions and negotiations aiming at conflict mitigation. It is a unique place to promote understanding for the ideas that:

- Pluralism is a gift, not a threat
- Freedom needs common principles and rules
- The global society can tackle pressing concerns through new forms of institutionalized solidarity
- Markets can be instruments for the solution of social problems (Public Purpose Capitalism), especially in areas where such an approach is currently blocked by normative short-circuits.
- Interpersonal relationships on a global basis should be encouraged with a view to mutual cooperation in the future rather than the reiteration of past discrepancies
- A new principle-oriented global order needs radically new thinking



Jordanian-Israeli get together
in the Lutherstadt Wittenberg/Germany

In order to give the WCGE a solid theoretical foundation, an endowed Chair for Economic Ethics has been set up in cooperation with the “Stifterverband für die Deutsche Wissenschaft” at the Martin-Luther-University Halle-Wittenberg. Prof. Dr. Ingo Pies was appointed professor to this chair in October 2002. He is also Academic Director of the WCGE and Director of the Economics Division at the Leucorea foundation, where the WCGE has its headquarter in the over 500 year old buildings of the old university of Wittenberg.

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