

Cost of fence could be halved if built along 1967 lines

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The cost of the separation fence along its present route of construction is twice what it would cost if it were built along the 1967 lines, according to a study released by the Senat think tank, because the current route is twice the length of the '67 lines.

The think tank, which is sponsored by the Friedrich Ebert Foundation, issues a weekly paper on issues on the agenda in Israel.

According to the report, which was prepared by Dr. Eli Saguy, chairman of the department of economics and management at the Tel Aviv-Jaffa Academic College, the cost effectiveness of the fence is affected not only by the costs of its construction along the much more problematic route, but also in the result after the fence is finished. The total economic costs of the fence are not clear, and it won't be enough to significantly reduce the number of terror attacks inside Israel to bring back a modicum of personal security to the population, thereby reconstituting economic stability and faith in the economy for growth to resume.

Consumers, investors and manufacturers will all need to be convinced that the Israeli-Palestinian conflict is also heading toward a peaceful resolution and that this time, that it is indeed an irreversible process. Building an effective fence, militarily, in the absence of a political process, will not be enough to guarantee that condition.

Moreover, even if a political process does ensue it will take a long time for the business community to be convinced the process is irreversible, because of its past experience.

The second half of the 1990s was not free of terror, writes Saguy, "including suicide bombings but nonetheless, the economy was in momentum, and consolidating its position in the global economy. That was the result of a political process being underway. Terror was largely perceived as fluctuations on a constant positive trend on the way to a political agreement that would change the face of the Middle East."