

US Congress members demand that PayPal end ban on Palestinian business

Publication Date: 2023-05-24

Author: Chris McGreal

Section: Technology

Tags: PayPal, Palestinian territories, Israel, Race, Middle East and north Africa, news

Article URL: <https://www.theguardian.com/technology/2023/may/24/paypal-palestine-ban-us-congress->



Eleven members of the US Congress have demanded PayPal end a ban on doing business with Palestinians in the occupied territories while permitting Israeli settlers to use the digital payment platform. The letter, authored by Representative Mark Pocan, says PayPal is discriminating against Palestinians by denying “equal access to the digital economy”. “We have significant concerns that, because PayPal does provide services to Israeli citizens in illegal settlements across the West Bank, but does not provide services to Palestinians living in the West Bank and Gaza, PayPal’s current operating status may be infringing upon the rights of Palestinians,” the letter said. “As one of the world’s most recognized payment platforms, PayPal has a responsibility to ensure its services and operations are provided in a non-discriminatory manner.” The letter was sent to PayPal’s CEO, Dan Schulman, ahead of the company’s annual stockholder meeting on Wednesday. It was also signed by Representatives Earl Blumenauer, Betty McCollum, Rashida Tlaib and Greg Casar, among others. PayPal has not explained publicly why it has singled out residents of the Palestinian territories, only saying it regards the area as “high risk”, when other financial service providers, including Visa, Mastercard and Apple Pay, operate in the West Bank and Gaza without problems. The payment platform operates in other areas of conflict, including Yemen and Somalia. Palestinian business owners have likened the PayPal ban to Israeli checkpoints that control movement, saying it stifles economic development because so many other platforms use the payment service, such as eBay. The socially responsible investment firm Harrington Investments, founded by John Harrington, who was at the forefront of pushing US corporate divestment from apartheid South Africa, has put forward a proposal at PayPal’s shareholder meeting that would see the payment platform’s board “establish a policy that ensures that people in conflict zones, such as in Palestine, do not suffer discriminatory exclusion from the company’s financial services”. The proposal says that if PayPal does not wish to implement the policy then it should “provide an evaluation of the economic impact the policy of exclusion has on the affected populations as well as the company’s finances, operations and reputation”. PayPal has urged shareholders to vote against the proposal. A Palestinian American businessman, Sam Bahour, plans to tell the shareholder meeting that his companies have worked with the US and UK governments and the EU but cannot use PayPal. Bahour, who is a founder of the Palestine Telecommunications Company, noted that firms such as Cisco, HP and Oracle operate in the Palestinian territories. “Likewise, it’s a fact that Palestine has a thriving banking sector and all Palestinian banks have corresponding US banks that make money transfers daily. The US Treasury Department is also active in Palestine and has praised the level of Palestinian banking compliance,” he said, according to a transcript of the planned remarks. In 2021, PayPal partnered with the strongly pro-Israel group the Anti-Defamation League to investigate “hate group funding”. Palestinian groups accuse the Anti-

Defamation League of conflating the campaign for Palestinian rights with extremism and antisemitism. When the partnership was announced, the American-Arab Anti-Discrimination Committee asked PayPal: "Will you be going after organizations that fund settler terror against Palestinians?", a reference to registered charities in the US that send tens of millions of dollars a year that fund settlers who expel Palestinians from their land and other activities widely regarded as war crimes under the Geneva conventions. "Will you block orgs supporting the theft of Palestinian land? ... Or are extremists just people your new business partner doesn't like?" PayPal has been asked for comment.