

**Mis-Stating Palestine: A critical analysis of *Fayyadism* and the
Palestinian Authority's agenda 2007-11**

Submitted by Philip John Michael Leech to the University of Exeter
as a thesis for the degree of
Doctor of Philosophy in Arab and Islamic Studies in October 2012

This thesis is available for Library use on the understanding that it is copyright
material and that no quotation from the thesis may be published without proper
acknowledgement.

I certify that all material in this thesis which is not my own work has been
identified and that no material has previously been submitted and approved for
the award of a degree by this or any other University.



Signature:

Table of Contents

Abstract: Mis-Stating Palestine	3
Acknowledgements.....	4
Chapter One: Introduction.....	5
Chapter two: Methodology	32
Chapter Three: Theoretical Framework.....	71
Chapter Four: How the Oslo process emerged	108
Chapter Five: The Oslo process.....	154
Chapter Six: The fiery birth of <i>Fayyadism</i>	200
Chapter Seven: <i>Security first</i>	249
Chapter Eight: Is it really Development?	300
Chapter Nine: Conclusions.....	347
Bibliography.....	363

Abstract: Mis-Stating Palestine

This thesis presents a diagnostic of the Palestinian Authority's (PA) post-2007 political and economic agenda from bottom-up seeking to analyse the impact on Palestinian society. It focuses on the two key questions:

- (a) How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011?
- (b) what were the consequences of the PA's agenda (2007-11) for the way in which power is manifest and distributed within the West Bank?

In addressing these questions, in the first instance this thesis makes a clear distinction between the impact of the PA's post-2007 agenda in a material sense and the rhetorical narrative that accompanied it.

Second, it presents the results of the research that was undertaken in a cross-section of Palestinian society, which used the different conditions within the West Bank as a result of geographical fragmentation as a key variable. (This included research in four different sites in the Nablus region; the city centre, Balata refugee camp and two villages in areas 'B' and 'C'.) It was found that, while there was some evidence of popular consent towards the PA's agenda, this is tied more closely to the PA returning in its role as a provider of basic services than to genuine belief in the legitimacy of the PA's agenda.

Third, it analyses the impact of these agenda on the power dynamics in the contemporary West Bank and concludes that, when judged against a meaningful standard of progress – such as concrete evidence of increasing Palestinian control over their own political and economic activity – the PA's agenda has been deleterious. In particular, the impact of the post-2007 agenda has replicated many of the flaws that were present during the Oslo period (1993-99), though it has also extended some of those defects further and added new elements to the list of Palestinian concerns. The core contribution of this thesis is to challenge the prevalence of top-down external analyses and to lay the groundwork for further bottom-up analyses of the Palestinian political and economic agency in the future.

Acknowledgements

I owe my greatest debt of gratitude to all those in Nablus, and elsewhere in the West Bank, who have helped me complete this research through agreeing to be interviewed, having informal conversations with me and often simply by extending their warm hospitality and allowing me some insights into life in the occupied West Bank.

I am also extremely grateful for the help and support of my parents, Oliver and Lyn Leech, who have given a great deal of time and effort proofreading and correcting myriad drafts of this thesis. I am also very thankful for the support, both moral and material, given by my family, particularly Oya Dinler, Jean Martin, Catherine, Mark, Claire and Freya Leech.

I am also greatly appreciative of the assistance and backing of the faculty members at Exeter University's Institute of Arab and Islamic Studies. I have been very fortunate to work closely with Dr. Sophie Richter-Devroe, Professor Ilan Pappé, Professor Christine Alison and Dr. Ruba Salih, all of who were supervisors of my project at different times during my time at Exeter. I also wish to extend my sincere thanks to Professor Gerd Nonneman who gave me the opportunity to learn an enormous amount by working with him as a teaching assistant, before he moved on from Exeter.

My gratitude is also extended to colleagues at the Council for British Research in the Levant, particularly Dr. Carol Palmer, Dr. Bill Finlayson, Dr. Daniel Neep and Dr. Jamie Lovell. And also to others who have helped me from other institutions especially the staff of Birzeit University's Right to Education Campaign and Faculty members at An-Najah National University. Also to staff at (or formerly at) the Palestine Economic Policy Research Institute (MAS), Besan Center for Research & Development, the Alternative Information Center, Human Rights Watch, International Crisis Group and, in the last months of completing this work, Cross-Border Information.

Finally thanks also to my friends and colleagues who I have not mentioned by name, I am grateful for the innumerable demonstrations of kindness and encouragement you have shown me. Of course, any mistakes in the pages that follow are my own.

Chapter One: Introduction

Palestine is an independent Arab state with sovereignty over the West Bank and the Gaza Strip on the pre-June 1967 occupation borders and with East Jerusalem as its capital. Palestine is a stable democratic state that respects human rights and guarantees equal rights and duties for all citizens. Its people live in a safe and secure environment under the rule of law and it promotes equality between men and women. It is a state which values highly its social capital, social coherence and solidarity, and identifies itself with Arab Palestinian culture, humanistic values and religious tolerance. It is a progressive state that values cordial relationships with other states and people in the global community. The Palestinian government is open, inclusive, transparent and accountable. It is responsive to citizens' needs, delivers basic services effectively, and creates an enabling environment for a thriving private sector. Palestine's human resources are the driving force for national development. The Palestinian economy is open to other markets around the world and strives to produce high value-added, competitive goods and services, and, over the long term, to be a knowledge-based economy.

- The "Vision Statement" of the Palestine Reform and Development Plan (PRDP), describing the future state it intended to build. Published by the Palestinian Authority at the Paris donor conference in 2007.¹

The Palestinian national movement reached a dead end and came close to disintegration at the beginning of the present century. In the Post-Arafat period, in particular in 2006, internal and external processes ripened in the Palestinian national movement, which provided clear evidence of its failure and made it a "failed national movement."

- *Palestinian Politics After Arafat: A Failed National Movement*, by As'ad Ghanem²

Israel's best defense is to strengthen Fayyadism — including giving Palestinian security services more areas of responsibility to increase their legitimacy and make clear that they are not the permanent custodians of Israel's occupation. This would not only help stabilize Israel's own backyard ... but would lay the foundation for a two-state solution and for better relations with the Arab peoples.

- "The Arab Awakening and Israel" by Thomas Friedman in the *New York Times* on 29 November, 2011³

¹ "Palestine Reform and Development Plan (PRDP)" (Palestinian Authority, Ministry of Planning, 2007), 4, http://www.mop-gov.ps/web_files/issues_file/PRDP-en.pdf.

² Ghanem, *Palestinian Politics After Arafat: A Failed National Movement* (Indiana University Press, 2010).

This thesis is primarily concerned with the period 2007-2011, when the Palestinian Authority (PA) appeared to be trying to find an escape route out of Ghanem's "dead end". The PA's efforts, which it claimed were in pursuit of the "stable democratic state" it envisioned in the PRDP (see above), have been called by several different names – such as *Fayyadism*, *State-Building* or *Institution-Building* – but regardless of which term is chosen, the activities be summarised as an attempt both to reignite and reconstitute the Palestinian national project, following a period of abject defeat, by undertaking an ostensibly unilateral development plan that claimed to be constructing the framework of a state even under the conditions of occupation. Such a programme has both virtues and drawbacks that are immediately obvious to an external observer and there exists ample commentary detailing both.

However, what is missing in these discussions is a diagnostic of how this political and economic agenda pursued by the PA relates to the lives of Palestinians living in the West Bank, and what that means for the future of Palestine and the conflict with Israel. It is such a diagnostic that this thesis seeks to contribute. Therefore the two main questions discussed in this thesis are:

1. How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011?
2. What were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank?

³ Thomas L. Friedman, "Israel and the Arab Awakening," *The New York Times*, November 29, 2011, sec. Opinion, <http://www.nytimes.com/2011/11/30/opinion/israel-and-the-arab-awakening.html>.

This thesis addresses these questions through research in four sites in the Nablus region in the Northern West Bank. While these questions can certainly not be answered in full at this point, it is appropriate to provide a short summary of the main conclusions of this thesis here.

Though this thesis argues that Palestinians in the West Bank experienced the impact of the PA's 2007-11 programme differently according to a range of variables, this research comes to the following conclusions: first, that though *prima facie* there existed a general consensus of consent among Palestinians toward the PA's agenda, this did not stretch to encompass an acceptance of the PA's legitimising narrative. Further, this consent was predicated on viewing the PA as a practical provider of services, for example, basic security, basic income and some social welfare support, in the aftermath of the second intifada. However where the PA was not providing such services – either through design or because of its *de facto* or *de jure* limitations – it did not enjoy popular consent. In short, Palestinians in the West Bank experienced the political and economic effects of the PA's post-2007 agenda as an improvement in the capacity of the government to provide services but not as the rekindling genuine hope of progress towards independence but as an improvement in the provision of basic services after a period of near total disaster.

Second, as a consequence of this – and partly as one of its causes – we can consider that one direct product of the PA's programme was that the underlying gap between Palestinians and Israel in the West Bank did not narrow. Indeed, it was evident from the outset of the PA's programme in 2007 that challenging the

prevailing power hierarchy, that strongly favoured Israel, was not on its agenda. Rather, the PA would pursue a very limited set of its own interests through complying with Israel's major demands and the requirements of international donors. In practical terms this means that the apparatus of Israel's occupation has been allowed to grow more entrenched in the West Bank while the PA has, in some respects, actively encouraged the growing influence of other foreign powers in Palestinian politics while dramatically diminishing the ability of the general public to hold any sway over its own destiny. The latter has occurred as the PA embraced donors' requirements for a raft of neoliberal economic policies, which undermined the possibility of genuine development for the Palestinian economy. Thus the PA's programme has effectively operated like a centrifugal force; it has meant that the power exercised over Palestinian lives has moved even further away from those living on the lands that are intended to become a Palestinian state. Thus, this has not been in such a way as to empower the general population, but rather to enable decision making to be monopolised by foreign forces surrounding and containing Palestine and the Palestinians. In this context the PA retains what power it has by remaining a useful asset to a constituency of external powers.

Appreciating what these data really meant in the context of the politics and economics of contemporary Palestine – in relation to various other literatures on the topic of Palestine and in terms of concrete realities in the lives of West Bankers – is somewhat more complex. In order to provide an analysis of contemporary political and economic dynamics in Palestine that is meaningful, in that it correctly conveys the relevant significance and appropriate connotations of the evidence that is presented, requires that a wider array of data is navigated

rather than simply recording answers to particular questions. In other words, in order for this thesis to present its findings in such a way that is both (a) intelligible to readers who may not be directly familiar with life under the rule of both the PA and Israel's occupation and (b) authentically represent the views, thoughts and sentiments of the Palestinians with whom I spoke, it is necessary to contextualise this discussion in relation to the broader historical, political and social environment. In order to do so, the discussion of this thesis revolves around the following six research questions:

1. What were the broad goals of the PA's 2007-11 project? How successful has it been in achieving them?
2. What have been the direct implications for the PA's policies on the lives of Palestinians in the West Bank?
3. How did the different conditions experienced by Palestinians living in diverse environments in the West Bank affect the way in which they experienced the impact of the PA's policies?
4. How did the current arrangement of power that prevails in the West Bank develop? And what are its links to external foreign powers and domestic elites?
5. To what extent has the PA's programme enhanced or diminished Palestinian progress towards independence?
6. Why has the current arrangement of power in the West Bank apparently remained unchallenged from within the West Bank's own polity?

Clearly the first three of these questions are more rooted in the practical experience of recent events in Palestine while the second three are more conceptual. Overall, the purpose of these questions is to break down the complexity, which comprises the broader context of the Palestinian political and economic environment into manageable topics. All of which is intended to make it easier to undertake the main task of this thesis: to conduct a diagnostic of how

the PA's 2007-11 programme was experienced by Palestinians and to analyse what the consequences of that were for the way in which power is distributed and manifest within the West Bank. It is now appropriate to provide a brief overview of how the rest of this thesis is laid out and to introduce some of the key ideas of that are dealt with in more depth.

The Palestinian Authority 1993-2007

Since it was formed during the Oslo process (1993-99), the PA's role has been an integral part of the way in which Israel, the US and other external interested parties have interacted with Palestinians and the Palestinian issue. Officially, the Oslo process promised a mutually beneficial compromise where Palestinians would achieve independence, in the form of a in a state comprising the West Bank and the Gaza Strip, and Israel would attain normalised relations with its neighbours, end the Palestinian intifada (1987-1993) and consolidate a Jewish state within internationally recognised borders and in accordance with international norms. The PA's role in this was intended to be as an interim administration, a stepping-stone towards a full Palestinian government, which would help organise and coordinate progress towards lasting and meaningful peace. However almost immediately following its establishment the PA also had other uses for all of its main stakeholders, including Israel, the US and its allies and the key figures within Palestine's political and business elite. The prominence of these other uses grew over time, and as conditions changed both internally and internationally, the Oslo process stalled.

The other uses for the PA can be summarised in that it provided an effective conduit through which the interests of external parties could be pursued within the occupied territories while at the same time reducing, to some extent, the footprint of Israel's occupation forces. This is not to say, however, that the agendas of the different parties were coordinated – nor necessarily very closely aligned – with each other, or that there was deliberately malevolent intent behind all the actions of all parties. Rather, it is likely that the motivations of foreign governments and other interested third parties that made use of the PA in this particular context were acting more-or-less in concert with their broader regional agendas. These powers – Israel, the US and its allies – asserted control over the PA because (a) it was often in their interests to do so for particular reasons – usually framed in the language of security – and (b) they had the power to do so. The PA continued to function under these circumstances because, by playing this role, it gained rewards at an institutional level – through the allocation of donor funds – and further, a clique of its officials and other elites enjoyed personal privilege, primarily through corrupt reallocation of those funds or by taking advantage of their privileged status in a restructured social hierarchy that both the PA and international penetration had helped encourage.

However, this arrangement of power was essentially flawed in a way that would become obvious when the second intifada began in 2000. In short, the Palestinian population had been aware for some time that the promises of the Oslo process were frustrated, and while they had sacrificed a great deal in the name of peace and independence they were unlikely to be rewarded with either. This configuration of power ruptured with the outbreak of the second intifada.

Between 2000-2007 PA lost what control it had over the population under its government and Israel responded with a massive re-invasion of those areas in the West Bank that it had left during the 1990s, and this included putting the city of Nablus – one of the key sites studied in this thesis – under siege. In 2006, elections brought Hamas, a movement that rejected negotiations with Israel in principle, to power. In response, the US and Israel led the rest of the major international powers in establishing a near-comprehensive embargo on aid and support to the Palestinian territories, through clandestine efforts to bring down Hamas' rule and later through unprecedented bombardment of Gaza at the turn of 2008-9.

From a bottom-up perspective the period between 1993 and 2007 probably appears as one where the PA was established and developed as a political institution – albeit with obvious limits and flaws – which was then appropriated by international forces before being nearly destroyed in a dramatic and intensely violent crisis. However, for the foreign powers, looking at the PA from above, the events of this same period are likely to have served as a process in which the PA's real value was distilled and clarified. Thus, in diplomatic circles in Washington, Tel Aviv and London (*inter alia*), what emerged after the immediate crisis had subsided was a clearer idea of what the PA would be for; to provide a functional, effective and cost-effective means of marshalling the Palestinian population into condition of permanent subservience to Israeli concerns. Thus, even though there would remain some areas of disagreement between the different parties to this arrangement – for example over whether the Palestinians would be allowed to call the outcome of this process a 'state' or not – for the most

part the artifice that had surrounded the substantive issue of permanent Israeli dominance, such as the notion that PA would be an electoral democracy (*inter alia*), was dropped.

2007-11

When, in 2007, the PA establishment was gradually returned to power in the West Bank – having purged itself of any Hamas influence – the organisation’s new purpose was embodied in a new Prime Minister, the former International Monetary Fund (IMF) economist, Dr Salam Fayyad. President Mahmoud Abbas appointed Fayyad at the head of an emergency government, which was made up of apparently apolitical independents. Even while Israeli forces remained in position throughout the West Bank, the siege persisted over Nablus and Gaza remained a separated entity, this government outlined political and economic agenda that prioritized domestic order and a neoliberal economic programme. The PA’s programme was detailed in three documents: *The Palestinian Reform and Development Plan* (2007); *Palestine: Ending the Occupation, Establishing the State* (2009); and *Homestretch to Freedom* (2010).⁴

These new agenda served the interests of Israel, the US and the other major external parties in that it entrenched the existing power structure in the West Bank rather than challenged it. In other words, the PA’s post-2007 agenda

⁴ The full texts of all of these documents are available online via the Palestinian Authority’s Ministry of Planning website: www.mopad.pna.ps/en/ (accessed 7th March, 2012). *C.f.* also: *Talk to Jazeera - Salam Fayyad*, 2011, http://www.youtube.com/watch?v=wCVWzP78X40&feature=youtube_gdata_player; *PM Salam Fayyad Delivers Keynote Address at ATFP 6th Gala*, 2011, http://www.youtube.com/watch?v=XwUOknqSR0c&feature=youtube_gdata_player; K. Farraj, C. Mansour, and S. Tamari, “A Palestinian State in Two Years: Interview with Salam Fayyad, Palestinian Prime Minister,” *Journal of Palestine Studies* 39 (n.d.): 58–74. (*inter alia*).

(outlined in those documents listed above) made it harder – not easier – for Palestinians to withstand or contest Israel’s occupation of the West Bank, and made it less likely – not more likely – that Palestinians would achieve progress towards genuine independence. Furthermore, it compounded the damage caused to Palestine’s long held democratic culture by further undermining access to basic rights. These agenda also helped the domestic elites in two ways. First it proved to the PA’s international supporters that, as an institution, the PA was again worthy of support in the form of hundreds of millions of dollars in foreign aid. Second, it created conditions that helped the business interests of the powerful Palestinian ruling class.

A new class structure

The actions of these elites and their relationships to other classes had a significant influence over the course of events both between 2007 and 2011 and in how that environment developed in the 1990s. Therefore, though this is not the primary concern of this research, it is worth briefly noting the development of new forms of class stratification in the development of the PA, which can be traced to four main processes.

The first was the direct result of establishing a new governmental structure in Palestine – the PA – and, in 1996, the election of Yasir Arafat as its leader. The new PA leadership sought to consolidate its power, which partly entailed dominating and/or co-opting the social structures already in place in the occupied territories. The second was formed by the return of elites from the Palestinian diaspora who had driven the Oslo process. Many had seen Oslo as an

opportunity both to return to their homeland and as a chance to profit from normalising relations with the Israeli business community. After they returned to Palestine in the early 1990s they continued to exert significant influence both formally and informally over Palestinian politics and they enjoyed the preferential treatment of the PA.

The third was similarly the result of the return of lower- and middle-ranking cadres from the diaspora. This came about as the PA was established through combining new structures with the personnel and political legacy of the Palestinian Liberation Organisation (PLO) and the leadership offered employment to large numbers of these cadres arriving in the occupied territories as a result of the Oslo process. This swelling of the public sector was particularly focused in the security forces and, to some extent, replicated the relationship between the PA and the elites in that favourable treatment was used as a tool by the PA to buy popular support. The final process was brought about indirectly through the rise of a plethora of international nongovernmental organisations (INGOs) in the occupied territories, which offered various means of accessing international funds for projects that they saw as worthy. As a consequence a new industry, and with it new social networks, emerged particularly in urban-Palestine where Palestinians honed their abilities to meet the criteria required by international donors.

What resulted from these processes was a transformed social structure, and in particular, a ruling class that either directly or indirectly owed its status to the Oslo process, which therefore meant that it was deeply tied to the institution of

the PA. Like other aspects of Palestinian politics, this relationship was restructured at the start of the period 2007-11. As the PA was distilled into a more effective means of delivering on the interests of external powers so too was the link between the ruling class and the general population clarified. After 2007 the PA's ruling elites assumed the role of being the first line of enforcement for the institution of the PA and the broader political agenda of its foreign backers.

Again it is important to be clear, this argument is not an accusation that Palestine's ruling class – including those working in and for the PA – acted with intentional malice. Rather, unlike the other parties involved in realigning Palestinian politics, such as the Israel, the US and its allies, it is unlikely that those from within the Palestinian polity were motivated by any conscious desire to prioritize Israel's strategic advantage *per se*. Nonetheless, since the grossly one-sided nature of the relationship, in favour of Israel, was reinforced in the early 2000s, Palestine's ruling elite learned that its own critical interests – in this case meaning the institutional survival of its primary sponsor, the PA – was dependent on its adherence to a political framework that prioritised Israel's demands. Therefore for the purposes of viewing the PA's actions since 2007, they should be understood in this way. However, beyond the issue of the compliance of Palestine's elites, there is a bigger query regarding the political consequences of this change in the political environment, and in particular the nature of the PA. This is the first of the two main questions that this thesis seeks to address: *How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011?*

As stated above, a superficial answer to this question is easily drawn out from the various political commentaries that articulate support for the PA in its current form. This is that the Palestinian population has, in general, acquiesced to the new structure of power. (Commentaries that are critical of the current PA tend to ignore the question of popular experience in general and focus on the internal flaws in the PA's power structure or the betrayal of Palestinian national goals). However, in spite of its superficiality this conclusion is perhaps surprising, at least in the eyes of external observers that are aware of the history of the conflict and in particular the extreme levels of violence that occurred in the early 2000s. Therefore, how such a conclusion could be reached is worthy of interrogation. In order to do so, it is necessary to examine the roots of the broader political environment encompassing the PA's post-2007 agenda.

A new way

If the Oslo process collapsed because the general public were aware of a gap between the actual material results and what was promised, then post-2007 the PA tried to rectify this same problem, not by identifying more modest goals nor – as discussed above – by actually challenging Israel's domination of the occupied territories, but rather by making similar promises in a different way. In short, the *state-* or *institution-* building agenda of the Fayyad government appears to have been an attempt to recapture popular support for a deeply flawed strategy. This, like the PA's actions during the Oslo process, comprised two distinct parts (a) the concrete changes to the power structures and institutions within the occupied territories and (b) a supporting narrative that aimed to legitimize these

with a technocratic vocabulary and the suggestion of a more realistic path to independence.

However in the initial period after 2007 the PA's actions were more direct and coercive. It was deeply threatened by the rise of Hamas and saw its first task as nullifying that vulnerability. With the help of foreign intelligence agencies and in coordination with Israel's military, the PA brutally attacked and expelled Hamas from the West Bank, while its own forces were driven out of Gaza. Multiple human rights abuses were committed on both sides and, for the first year since 1967, more Palestinians were killed by Palestinians than were killed by Israelis.⁵

Notwithstanding the obviously unsavoury nature of these actions, the PA's coercive strategy did meet with some success. By overwhelming Hamas' it both consolidated its dominant position in the West Bank and demonstrated its usefulness to the external powers, which strongly objected to Hamas' role in government despite the organisation's electoral success. In view of this, it is reasonable to ask why the PA did not continue through an overtly coercive strategy and instead promoted the idea of a renewed drive for Palestinian statehood.

In order to understand why this occurred, a basic lesson of political science is applicable: governments that rule primarily through fear and coercion are, in general, weaker than those whose authority is accepted through the consent of

⁵ *Internal Fight Palestinian Abuses in Gaza and the West Bank* (Human Rights Watch, July 30, 2008), <http://www.hrw.org/reports/2008/07/29/internal-fight>.

those governed.⁶ Even in societies where there is no formal system of democracy, or where the regime acts against what are in fact the interests of its people, a believable myth that can be defined as the basic parameters of *common sense* is an important tool in maintaining power. This, in Gramsci's terminology, is the difference between hegemony and the lack of it. Given the fact that, in 2007, the issue of Palestine still aroused interest on a global scale – in that it was a staple for journalistic comment, international activism and academic scholarship worldwide – the PA would need not only to propagate a myth suitable for the consumption of the Palestinian public but also one that would speak to a broader constituency in the world outside. For the purposes of this thesis, the mythology that the PA used is abbreviated with the epithet "*Fayyadism*."⁷

What is Fayyadism?

This term *Fayyadism* was coined by Thomas Friedman, an author and commentator for the *New York Times* – who is a strong advocate of the US being deeply involved in the Middle East and of Palestinian acceptance of Israeli supremacy (as the passage quoted at the beginning of this chapter demonstrates).⁸ Friedman defined *Fayyadism* as “the simple but all-too-rare notion that an Arab leader’s legitimacy should be based not on slogans or rejectionism or personality cults or security services, but on delivering

⁶ Antonio Gramsci, *Prison Notebooks: Selections*, ed. Quintin Hoare, Geoffrey Nowell-Smith, and Geoffrey Nowell-Smith (Lawrence & Wishart Ltd, 1998); Steven Jones, *Antonio Gramsci*, New edition (Routledge, 2006); Nazih N. Ayubi, *Over-stating the Arab State: Politics and Society in the Middle East* (I.B.Tauris, 1996).

⁷ Parts of this introduction have been published as a paper: Philip Leech, *Re-reading the Myth of Fayyadism: A Critical Analysis of the Palestinian Authority's Reform and State-building Agenda, 2008-2011* (The Arab Center for Research and Policy Studies, March 2012), <http://english.dohainstitute.org/Home/Details?entityID=5ea4b31b-155d-4a9f-8f4d-a5b428135cd5&resourceId=5e707b38-fab4-4e34-8ed7-cd92efdf3c5e>.

⁸ Belén Fernández, *The Imperial Messenger: Thomas Friedman at Work* (Verso, 2011).

transparent, accountable administration and services.”⁹ However, since Friedman produced this awkward (if not racist) definition, the term has been developed by other commentators and has been used as a short-hand to describe their interpretations of the political agenda pursued by and through the PA since 2007.¹⁰ As I have stated above, *Fayyadism* is used in the context of this thesis as a term to describe the legitimising narrative that accompanied the PA’s material changes post-2007, not those material changes themselves. With this in mind it is worth examining what the PA said about its agenda in the period 2007-11 in its own documents (listed above) and in public statements.

The PA claimed that its efforts were intended to secure Palestinian national liberation through the pursuit of domestic reforms and a political agenda that focused on the peaceful building of the institutions of statehood. This would be developed in line with both the letter and spirit of previous agreements and, where possible, with the support of foreign governments. In view of this, the PA would capitalize on international and regional support that would, in turn,

⁹ Thomas L. Friedman, “Green Shoots in Palestine,” *The New York Times*, August 5, 2009, sec. Opinion, <http://www.nytimes.com/2009/08/05/opinion/05friedman.html>. Friedman also described the “Fayyad Factor” in the following terms: “Palestinian Prime Minister Salam Fayyad introduced a new form of government in the Arab world in the last three years, something I’ve dubbed “Fayyadism.” It said: judge me on my performance, on how I deliver government services and collect the garbage and create jobs — not simply on how I “resist” the West or Israel. Every Arab could relate to this.”: Thomas L. Friedman, “This Is Just The Start,” *The New York Times*, March 1, 2011, sec. Opinion, <http://www.nytimes.com/2011/03/02/opinion/02friedman.html>.

¹⁰ *C.f.* Nathan J. Brown, “Fayyad Is Not the Problem, but Fayyadism Is Not the Solution to Palestine’s Political Crisis,” *Carnegie Endowment for International Peace*, September 17, 2010, <http://carnegieendowment.org/2010/09/17/fayyad-is-not-problem-but-fayyadism-is-not-solution-to-palestine-s-political-crisis/1lu4>; Jonathan Schanzer, “The End of Fayyadism,” *Foreign Policy*, December 14, 2011, http://www.foreignpolicy.com/articles/2011/12/14/the_end_of_fayyadism; Philip Leech, “Fayyadism’s End? It Is Time to Return to First Principles,” *I Think Therefore IR*, 2012, <http://www.thinkir.co.uk/fayyadisms-end-it-is-time-to-return-to-first-principles/>; Jeffrey Goldberg and Hussein Ibish, “Good News From the Middle East (Really),” *The New York Times*, January 25, 2011, sec. Opinion, <http://www.nytimes.com/2011/01/26/opinion/26goldberg.html>. (*inter alia*)

encourage Israel to engage more productively with the principle of a two-state solution. Thus, according to this narrative, the programme of reform and institution building provided Palestinians with their best, if not their only, remaining means to achieve short term improvements in their conditions and, in the longer term, the reward of independence. The PRDP contained a ‘vision statement’ (which is quoted in full at the beginning of this chapter) and the following four ‘guiding principles’:

- *It is the intention of the PNA [PA] to support and sustain, through all of its policies and programs, the steadfast determination of the Palestinian people to remain on their land and to continue to pursue their livelihoods and build their nation, not succumbing to the pressures placed upon them by the Occupation.*
- *The policies and programs of the PNA will be directed towards the ending of the Occupation and the establishment of an independent, viable sovereign state.*
- *The eventual Palestinian state must be able to exist securely on the pre-June 1967 borders, including East Jerusalem, the Gaza Strip and the West Bank, and be capable of protecting its citizens and their land and property from incursion, confiscation and destruction, in accordance with international law.*
- *The eventual Palestinian state will be founded on democratic and pluralistic principles and humanistic values. Its institutions will protect human rights, religious tolerance and the rule of law, promote gender equality, create an enabling environment for a free and open market economy, and serve the needs of disadvantaged and vulnerable groups, enabling all citizens to fulfil their potential [sic].¹¹*

The intention behind stating these objectives in the PRDP was to launch a legitimising narrative for the PA’s post-2007 agenda for the consumption of all its constituencies, including international donors – to whom the PRDP was presented at a fundraising conference in Paris 2007 – and the domestic public,

¹¹ “Palestine Reform and Development Plan (PRDP),” 4.

for whom the PRDP was the first major public statement of intent by the emergency government of the PA since the schism with Hamas.

Although not formally one of the PRDP's goals, another objective was perhaps more appropriately tuned for audiences that were inclined towards scepticism of a renewed relationship with the US *et al.* This suggestion was informally made by PA officials, but later became more clearly part of the PA's discourse, in 2011, when the PLO asked the United Nations to consider recognising Palestinian statehood. This intention was that, as result of reforms and institution-building on the domestic front, the PLO would be better equipped to challenge Israel's occupation through the apparatus of international agreements. As Kanafani (2011) explained: "National rights can be secured by a proven record of discipline in building and maintaining these institutions and by honouring signed agreements."¹²

Thus the *Fayyadism* myth made four main promises about the PA's post-2007 agenda:

- The PA would eventually end Israel's occupation of the West Bank and Gaza Strip and until then it would help Palestinians in their resistance to it.
- It would achieve the two-state solution and that the Palestinian state would be democratic, practicable, sustainable and comprise all of the West Bank, Gaza Strip and East Jerusalem.
- It would improve the lives of Palestinians in the occupied Palestinian territories (oPts) though adopting a neoliberal approach to development.

¹² Nu'man Kanafani, "As If There Is No Occupation," *Middle East Research and Information Project* (September 22, 2011), http://www.merip.org/mero/mero092211?ip_login_no_cache=ad6e9318ea0d82b8d4ca8cbb7da48473.

- It would do all this by, if necessary, exerting pressure on the dominant international powers by conforming to all their demands and forcing them to follow through on their agreements

As stated above, the evidence presented in this thesis suggests that this myth was not commonly believed among Palestinians in the Nablus region, and that a more realistic explanation for general acquiescence toward the PA's agenda was that most Palestinians actually valued the PA's role as a service provider especially in the context of recent, intense, violence.

The impact on power dynamics

The second of the two major questions that this thesis focuses on is: *What were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank?* In order to address this question it is necessary to consider the impact of both the *Fayyadism* myth and the effect of the material changes enacted by the PA.

As stated above, the research in this thesis concludes that not one of the goals comprising *Fayyadism* was met, except perhaps for the drive toward neoliberalism, though this did not in fact improve the lives of most Palestinians (and for those that are better off these improved conditions remain highly contingent on factors beyond the PA's control). Rather, in many cases the outcome of these changes in fact weakened Palestine's hand. Analyses have also outlined the deficiencies of the PA's agenda. According to Hanieh, for instance, Fayyad's reform programme had a severely deleterious effect on Palestinian society and Palestinian national claims. Instead of furthering an agenda of

Palestinian national liberation, in practice the occupation has grown more entrenched (sometimes doing so with the PA's assistance), and the PA has abandoned most - if not all - of Palestinian political capital in pursuit of a 'state' that - given the limitations Palestinians would have to accept - could only ever be a symbolic panacea.¹³

However, while both advocates and critics tend to start with the premise that the post-2007 reforms constitute something radical and entirely new in the recent history of Palestinian politics, this thesis suggests that there is evidence of some continuity in both the internal methodically workings of the PA and the external conditions under which it operated. Thus, though similarities between the *Arafat-era* (1994-2004) and the *Fayyad-era* should not be overstated, this thesis suggest that at a deeper level the PA remains constrained by many of the same basic determinant factors as was the PA during the 1990s. And further, that the way in which the PA operates internally is also similar in some significant respects. Thus this thesis suggests that one deduction that can be drawn regarding the PA's post-2007 agenda is that it is has been, ironically, inconsequential - in the sense that it has not significantly altered the prevailing distribution of power within the West Bank. In short, while the *Fayyad-governmental agenda* was distinct in some senses from that which it succeeded, the factors that make it unique are largely superficial. Therefore it does not constitute a distinct historical moment (or, in Gramscian terms, a 'historic bloc').

¹³ Adam Hanieh, "Palestine in the Middle East: Opposing Neoliberalism and US Power Part 1," *MRZine*, July 19, 2008, <http://mrzine.monthlyreview.org/2008/hanieh190708a.html>.

Though, as this conclusion suggests, the reform program executed by the Fayyad government has not challenged Israeli dominance within the oPts, this research implies that some of the PA's policies have in fact worsened the situation. This means that they have effectively made Palestinian agency even more dependent on the will of Israel and international donors. Yet the mythology of *Fayyadism*, which has accompanied these changes, has served as an attempt to veil their real, detrimental impact. Indeed, in answer to the second major question raised, above, at the beginning of this chapter, this thesis argues the reform and institution building programmes undertaken by the PA actually entrenched the already prevailing arrangement of power and that the myth of *Fayyadism* constituted a false and misleading prospectus.

To return to Ghanem's metaphor at the beginning of this chapter, even though the PA survived both Oslo and the second intifada intact the Palestinian national movement did not, at least not in the same institutional form. Though it was perhaps not clear until later, Palestine's national movement was indeed caught in a "dead end" by the end of the 1990s and its link to the political activity of the PA had entirely disintegrated in the early 2000s. However, once this link between the PA and the goal of genuine national independence was finally severed, foreign actors breathed new life into its institutional carcass, bringing it back from the brink of death and – with the help of particular Palestinian elites – repurposed it to serve different ends.

The outline of this thesis

This thesis comprises nine chapters including this introduction. The following eight are as follows. *Chapter Two, Methodology*: Over a total period of one year of fieldwork I collected data from three sites in the Nablus governorate. Which were a major urban centre (Nablus City), the West Bank's largest refugee camp (Balata) and two rural sites (the villages of Qaryut, and Yanoun). For each of these communities the experience of the occupation, the PA's agenda and *Fayyadism* is unique. Through addressing the distinctiveness of these sites my work developed a rounded interpretation of the contemporary Palestinian condition in the West Bank. This chapter expands upon these details to explain and describe the research methodology that I employed in order to conduct this investigation and address the questions outlined above. It describes particular challenges that I encountered and the techniques I used to attempt to overcome or circumvent them. It also provides details on the safeguards I undertook to ensure the authenticity of my analysis protected the welfare of my interviewees was not harmed by my research.

Chapter Three, Theoretical Framework: This chapter situates my research within the existing literature on the subject of Palestinian politics. It outlines the theoretical toolset that this thesis uses in order to answer the critical questions raised above, drawing from the fields of politics, economics and international relation. It defines critical terms that are relevant to this discussion including neoliberalism, statehood, development, good governance and progress toward peace. It also provides definitions of vocabulary that is specific to the mechanisms involved in Israel's occupation, the modes of activity involved in

Palestinian politics and more conceptual terms such as 'resistance'. This chapter thus provides a theoretical framework, which recognizes that power operates and is operated through both material structures and discursive narratives and there is an important relationship between coercion and consent that can be understood in the context of institutions and their relationship to the general public.

Chapter Four, How the Oslo process emerged: The discussion of the PA's post-2007 agenda is historically situated with two chapters (Chapters Four and Five) that address the questions of (a) how the Oslo process emerged; and (b) how the Oslo process' failure combined with the period of intense destruction during the al-Aqsa Intifada to lay the groundwork for what followed. In both of these chapters the questions are addressed from both a perspective rooted in the history of the international environment of the time and also with reference to kinds of domestic (or sub-state/national) political-economic concerns that had an impact on the agency of the relevant parties. *Chapter Four* navigates the various different schools of thought on this topic and focuses on a general consensus among historians that the Oslo process arose out of a crisis affecting the Palestinian Liberation Organisation (PLO) and the emergence of incentives for Israel to participate in the talks.¹⁴ The chapter argues that, for the PLO their political exile in Tunisia since 1982 and the fact that it was weakened by a severe

¹⁴ Yezid Sayigh, *Armed Struggle and the Search for State: The Palestinian National Movement, 1949-1993* (Oxford University Press, 2000); Jamil Hilal and Mushtaq Husain Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability," in *State Formation in Palestine: Viability and Governance During a Social Transformation*, ed. Mushtaq Husain Khan, Inge Amundsen, and George Giacaman, 1st ed. (Routledge, 2004); Markus E. Bouillon, *The Peace Business: Money and Power in the Palestine-Israel Conflict*, First Edition (I. B. Tauris, 2004). *Inter alia*

financial predicament in the early 1990s encouraged its leadership to employ a sweeping manoeuvre – embracing what became the Oslo process – in the hope of recapturing the initiative from its potential rivals inside the occupied territories. For Israel major economic change in the mid-1980s led to its embrace of neoliberalism and the prospect of peace talks with Palestinians opened up the chance to circumvent the Arab boycott and continue to expand economic connections overseas.

Chapter Five, The Oslo Process: The argument of the second history chapter, dealing with the Oslo process (1993-2000), is that although there had been strong incentives to enter into peace talks these quickly diminished in the early to mid-1990s. Such was the enormous power differential between the two parties, real peace, or progress towards meaningful Palestinian independence, was not a genuine possibility. Rather, this is the period when the coercive-consensual framework, which now operates, emerged. This became manifest through Israel's adoption of a policy of "asymmetric containment"¹⁵ in the occupied territories, both sides propagated different forms of a *peace* discourse that were in many ways mutually contradictory. Simultaneously, in both contexts the *dividends* of the Oslo process, the potential positive impact of which – particularly for ordinary people – had also been exaggerated, did indeed bring about serious social change in terms of widening the gulf between dominant elite groups and the population in general.

¹⁵ Inge Amundsen, George Giacaman, and Mushtaq Husain Khan, eds., *State Formation in Palestine: Viability and Governance During a Social Transformation*, 1st ed., Routledge Political Economy of the Middle East and North Africa (Routledge, 2004).

Chapter Six, The Fiery Birth of Fayyadism: Out of the failure of the Oslo process to establish hegemony the argument of this chapter focuses on what apparently makes the era of *Fayyadism* different from what went before. It discusses the logic of coercion behind Israel's disengagement and its redeployment of armed forces in the West Bank, which constituted a more overt form of "asymmetric containment"¹⁶ – which was manifest in Nablus as the siege – and it addresses (a) the schism between Hamas and Fatah; (b) the development of the myth of *Fayyadism*; and (c) how the real power dynamics, beneath the veneer of *Fayyadism*, demonstrate the PA's structural dominance by foreign powers.

Chapter Seven, Security First: This chapter focuses on the role of security at the heart of the PA's post-2007 agenda, and how that is interpreted by Palestinians in Nablus (Nabulsi). It argues that the fact that the PA serves Israeli and foreign interests was quite obvious to Nabulsi. Yet, at the same time, there existed general popular consent toward the PA's use of coercion. This chapter makes the case that this popular consent can be understood as the product of recent relief from Nablus' experience of years of siege under Israeli coercion and the reintroduction of order. In other words: evidence suggests that general Nabulsi consent towards the PA's rule was in fact the product of battle fatigue, rather than the acceptance of the PA's narrative in justification of the violence. Further this chapter also outlines the details of security sector reform as a backdrop to this discussion and provides a critical analysis of the changes and developments to the Palestinian security sector, particularly in terms of its activities and

¹⁶ Ibid.

deployment in the urban centre of Nablus city as this relates to the role that the PA security forces have adopted, as proxies for foreign security concerns.

Chapter Eight, Is it really development?: This chapter discusses the consequences of the Fayyad government's development plans. It concludes that while there have been some beneficial outcomes of the Fayyad government's development programme – for instance the restructuring and improvement of the water supply systems in the West Bank – much of it reduced the ability of Palestinians to dictate their own destiny. In fact the impact of the PA's neoliberal approach to development has directly contradicted several of the PRDP's central objectives: (a) it has not helped Palestinians resist the occupation, (b) it has degraded Palestinian democracy, (c) it has reduced Palestinian control over various infrastructure and other significant components in the economy that would be fundamental to the emergence of a practicable and sustainable state and (d) it has undermined efforts by others to exert genuine pressure on Israel. Further, while there has been some popular accord with the PA's agenda, the narrative framework articulated by the PA failed to convince most informants that the real distribution of economic and political power in the West Bank would never grow any less concentrated through these means.

Chapter Nine, Conclusions: This final chapter concludes the thesis by reflecting back on its major discussions and the contribution of its main arguments. This is, that in order to understand the value of particular political or economic changes inside undertaken by the PA an approach that begins with an analysis of how that impacts on the local population is essential. Further the way in which

Palestinians in the West Bank interpreted these changes related more to the fact that the PA had returned to its role as a provider of services, after the violence and disruption of the al-Aqsa Intifada and the schism with Hamas, than to any genuine belief that the PA could deliver on its broader promises. In view of this conclusion, and with the deleterious effects of the PA's neoliberal development plan in mind, this thesis also concludes that the PA has not challenged the prevailing structure of power that has delineated Palestinian politics since the early 1990s. Rather, since 2007 it has in fact strengthened Israel's dominance over Palestinian lands and Palestinian lives.

Chapter two: Methodology

This chapter details the methodological approaches used in researching and presenting this thesis. The chapter discusses three major topics: first, the conceptual challenges inherent in my own role as a researcher, second, the practical nature of the research undertaken in this thesis, and third the specific reasons why this research was conducted in Nablus. However, before embarking on that discussion it is worth restating the two main questions that this thesis seeks to address. These are:

1. How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011?
2. What were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank?

Therefore, this chapter is an outline of the methodological toolset that I used to address those questions and thereby contribute to broader discussions of contemporary Palestinian politics.

Conceptual challenges to addressing those questions

As stated in the introduction, a key motivation underlying this thesis is to contribute a diagnostic of the affects of the PA's post-2007 agenda on Palestinians in the Nablus region, something that is otherwise missing in discussions and commentary on this topic. However, one of the most significant challenges that I was aware of during my research was the need to avoid repeating the mistakes of those commentaries and observations that had preceded my own research.

Learning from Thomas Friedman (et al.)

Those analyses of the PA's post-2007 agenda that did exist were often pervaded by particular problems specifically because they were generally not grounded in any detailed knowledge of how these reforms actually impacted the lives of West Bankers. One of these problems that is particularly evident in commentaries that are supportive of the post-2007 PA is that the desire to see progress toward a particular end goal – usually a particular interpretation of the two-state solution – often influences the way in which the broader power dynamics are interpreted. In short, in these commentaries tend to be top-down and their analytical judgements are often contingent on normative assumptions (though that relationship and its significance are rarely made explicit).¹

Such commentaries did not, therefore, accurately reflect the nature of the power dynamics at play in Palestine or the political relationships between the PA, Israel and Western powers, as I had observed them during previous visits to the West Bank and my study of academic and journalistic material. Thus, a necessary and important part of the methodological approach to addressing the primary questions of this thesis was to consider how to avoid making the same mistakes

¹ There are numerous instances of this, though while Thomas Friedman's are the most obvious (see examples already mentioned in this thesis and further: Friedman, "This Is Just The Start"; Thomas L. Friedman, "B.E., Before Egypt. A.E., After Egypt.," *The New York Times*, February 1, 2011, sec. Opinion, <http://www.nytimes.com/2011/02/02/opinion/02friedman.html>; Thomas L. Friedman, "War, Timeout, War, Time ...," *The New York Times*, June 26, 2010, sec. Opinion, <http://www.nytimes.com/2010/06/27/opinion/27friedman.html>; Thomas L. Friedman, "The Middle East Ballgame and the Sideshow," *The New York Times*, June 5, 2010, sec. Opinion, <http://www.nytimes.com/2010/06/06/opinion/06friedman.html>. *Inter alia*), it is worth noting that the tendency to ignore, or simply not to investigate, data from within Palestine is also replicated in commentaries that are generally seen to be more sympathetic to the Palestinian cause, for example: John Mearsheimer and Stephen Walt, "Mr Obama Must Take a Stand Against Israel over Iran," *Financial Times*, March 4, 2012, <http://www.ft.com/cms/s/0/38c9382a-65f8-11e1-979e-00144feabdc0.html#axzz1oj0L9FtZ> I have criticized Mearsheimer and Walt's for this in elsewhere: Philip Leech, "Mearsheimer, Walt and the Missing Palestinians," *ThinkIR*, 2012, <http://www.thinkir.co.uk/mearsheimer-walt-and-the-missing-palestinians/>.

as those commentators. One means of doing this was to begin with a diagnostic of the effects of the post-2007 agenda of the PA on the general public living under various different conditions in the West Bank, before embarking on an analysis of the consequences of those agenda. In other words, to begin with an attempt to rearrange the relationship between normative conclusions and analysis, so that, in this thesis, the former (normative conclusions) follows from the latter (analysis). A necessary and important part of this process is accepting the limitations of such an approach and informing the reader of them explicitly.

Limitations

This is not to suggest that this thesis in any way attempts to replace the faulty conclusions of those narratives discussed above with other similarly definitive statements. Rather, in the process of researching and writing this thesis I have often been struck by the realization that there exists an unavoidable dichotomy inherent in the role of academic analyses regarding Palestine. This is that, in order to maintain the accuracy of any statements regarding the current nature and possible future of the Palestinian polity and its economy, it is essential to accept that all such claims are necessarily limited. This stems from the fact that as a foreign observer visiting Palestine for relatively short periods of time, it would never be possible through my work to reflect the true complexity of the data and their contexts.

Thus I recognize that all claims made in this thesis regarding the nature of politics and society in Palestine in general are imperfect and should be taken within a broader scope that includes other analyses, in particular with a privilege

towards work that has been produced by Palestinians from within the West Bank and Nablus.² However, at the same time, I am confident that, though my work has limitations, I acknowledge that it was never intended to present a holistic understanding of Palestinian politics, economy and society. Thus I was fully conscious of the need to escape the trap of replicating the kind of orientalist enterprise that Edward Said, and others since, have exposed as inherent in the political domination over the Middle East by European and North American power.³ In other words, I needed to avoid the temptation to assume an understanding of Palestinian politics, or to 'define' it, through imposing my own preconceived ideas on to it.

This task was particularly meaningful in this case because of (a) the enduring the legacy of direct British colonialism in Palestine, (b) the UK's very prominent alliance with the US and Israel and (c) the UK's on-going role in military action in Palestine and elsewhere in the region. As I am a British citizen and UK-based researcher it was reasonable to make two assumptions based on that connection. First, that the Palestinians with whom I interacted could have interpreted my presence in the West Bank and my research as in some way associated with the UK's role *vis-à-vis* Palestine or that I might be considered to be 'representative' of

² Beshara Doumani, *Rediscovering Palestine: Merchants and Peasants in Jabal Nablus, 1700-1900* (University of California Press, 1995); B. Doumani, "Scenes from Daily Life: The View from Nablus," *Journal of Palestine Studies* 34, no. 1 (2004): 37-50; A. Moors, "Women and Dower Property in Twentieth-Century Palestine: The Case of Jabal Nablus," *Islamic Law and Society* 1, no. 3 (1994): 301-331. (*Inter alia*)

³ Edward's Said's writings on this subject are numerous and it not necessary to identify all of them here. Though given the prominence I have given the Thomas Friedman's work as foil for this thesis' argument, it is worth noting Said's critic of Friedman's book *From Beirut to Jerusalem* which was entitled, "The Orientalist Express: Thomas Friedman Wraps Up the Middle East": Edward W Said, "The Orientalist Express: Thomas Friedman Wraps Up the Middle East," *Village Voice*, October 17, 1989; Thomas Friedman, *From Beirut to Jerusalem: One Man's Middle Eastern Odyssey*, Second edition (HarperCollins, 1998).

the UK government's policies in some other way. Second, that my own interpretation of data with which I interacted is likely to have been shaped by normative assumptions that include some which I would be unaware of. Though there is no way of comprehending the full details of either of these concerns – it is not possible to know how others interpret my role beyond the information that they provide to me, nor how unacknowledged conventions affect my own interpretation of data – it is important to be aware that both/either of those factors remain significant conceptual limitations on this research. As Gramsci reminds us,

The starting-point of critical elaboration is the consciousness of what one really is, and is 'knowing thyself' as a product of the historical processes to date, which has deposited in you an infinity of traces, without leaving an inventory.⁴

Gramsci's lesson is particularly relevant to the issue of conducting research in a (post-) colonial environment such as Palestine. This is because despite the obvious appeal of treating analyses of politics and economic dynamics as distinct and unadulterated by cultural factors an overlap is unavoidable. Said (who quotes the passage from Gramsci), describes this connection – in the context of unequal relations – as "Orientalism" and notes its continued relevance to contemporary discussions. Said defines orientalism as:

A style of thought based upon ontological and epistemological distinction made between "the Orient" and (most of the time) "the Occident." Thus a very large mass of writers, among who are poets, novelists, philosophers, political theorists, economists, and imperial administrators, have accepted the basic distinction between East and West as the starting point for elaborate accounts concerning the Orient, its people, customs, "mind," destiny, and so on.⁵

⁴ Gramsci, *Prison Notebooks*, 324.

⁵ Edward W. Said, *Orientalism*, 25th Anniversary Ed with 1995 Afterword Ed (Penguin Books, Limited (UK), 2007), 5.

Further, in accounting for the impact of historical colonisation on contemporary affairs Said wrote:

[It is] the result of cultural hegemony at work that gives Orientalism ... durability and strength ... Orientalism is never far from what Denys Hay has called the idea of Europe, a collective notion identifying 'us' Europeans as against all 'those' non-Europeans.⁶

These statements relate specifically to the role of researchers, particularly because of the prominent role academia has played in advancing colonisation in the past. Therefore it is appropriate to assume that at least to some extent, my presence as a British researcher in a context such as Palestine may have been interpreted as containing an implicit threat. As Smith explains:

From the vantage point of the colonized ... the term 'research' is inextricably linked to European imperialism and colonialism ... It is a history that still offends the deepest sense of our humanity ... It galls us that Western researchers and intellectuals can assume to know all that it is possible to know of us, on the basis of their brief encounters with some of us.⁷

Therefore, both Said and Smith imply that even research that is conducted with ostensibly benign intentions can be used for political, and often malicious, purposes. However, while there can be no simple resolution to this problem one way to redress it, at least somewhat, is by (a) embracing the political nature of the research and (b) acknowledge the historical and political processes that

⁶ Ibid., 7. Said also reviewed Tom Friedman's account of Israel and Palestine in which he stated that "Friedman belongs very clearly on one side, the side associated with classical anti-Arab and anti-Islamic Orientalism": Said, "The Orientalist Express: Thomas Friedman Wraps Up the Middle East."

⁷ Linda Tuhiwai Smith, *Decolonizing Methodologies: Research and Indigenous Peoples* (Zed Books, 1999).

shape the context of this research and my own role as a researcher and making them explicit in this thesis.⁸

The political nature of this research

As stated above, the contribution of this research is twofold: (a) a diagnostic of the impacts of the post-2007 agenda by the PA and (b) an analysis of the consequence of this agenda on the broader power dynamics at play. Both of these questions have obvious political connotations. However, it is worth making explicit my political intentions behind asking them. Simply put, this is in order to contribute an analysis of the political dynamics that are related to contemporary Palestine that are rooted in the experiences of ordinary Palestinians and not in the normative judgements of commentators or other observers. This is directed, for the most part, to a western (i.e. UK and North American) audience and it is important because (a) the issue of Palestine is still widely debated in those contexts and (b) that the role played by Western governments, aid agencies and INGOs (*inter alia*) may be influenced by those public debates.

This political role is not an attempt to speak on behalf of Palestinians rather it presents its own analysis that is based on the evidence detailed in the pages that follow. While it is recognised that this thesis comprises what Said and Smith warn about – a discussion exclusively amongst westerners about the life in *the orient* – this thesis seeks to avoid the kind of generalisations, exaggerations and misrepresentations that characterise other examples. However, it does not

⁸ Indeed, this is what Said suggests when completing Gramsci's quote (above), noting that: "The only available English translation inexplicably leaves Gramsci's comment at that, whereas in fact Gramsci's Italian text concludes by adding ... "it is imperative at the outset to compile such an inventory." Said, *Orientalism*.

ignore the western audience for this research simply because the value of the diagnostic is that it could challenge the status of other commentaries that are opinion-led not evidence-led. The very fact that Palestine and the Palestinians are such magnets for political commentary, speculation and research testifies that – though it may not represent the important battleground – at least part of the struggle for Palestinian rights is played out in the forum of international public opinion.

Inventory

The particular significance of embodying a British identity in an environment such as Palestine – where, during the course of my studies I was to discover that some of my extended family had served as part of the British military occupation prior to 1948 (as enlisted soldiers) – was often a cause for comment for Palestinians who I met, and frequently my British identity was commented on by interviewees. Often this was as a hook for – generally – good-humoured remarks, though the fact that it was so often mentioned suggests that it did influence the way in which my interviewees saw me and, by extension, my research.

Though my understanding of my relationship to others in Palestine evolved over the period of this research (and it is still developing), I was never in any doubt that some underlying power dynamics inherent in my relationships with Palestinians, Israelis and Jordanians (and others who expressed their identity in different ways during their interactions with me) was a major factor that has shaped this research in profound ways. Therefore, all of my goals for my research must be understood in the context of these dynamics.

Though this thesis is not a cultural analysis – rather it is a diagnostic of the impact of particular political and economic agenda and an analysis of its impact on the broader power dynamics at play in Palestine – the fact that it acknowledges the significance of social and cultural contexts on the process of interpreting these data suggests that it must also come to terms with the value of those assumptions. In other words, it must identify what these dynamics mean and how they affect this thesis’ capacity to address its core questions. One way of doing so may be found by borrowing from another field of analysis. One particularly helpful concept in this respect is Geertz’s concept of “semiotic” analysis, which claims that all attempts to understand culture are inherently limited.⁹ Geertz contends, “that cultural analysis is intrinsically incomplete.”¹⁰ This is essentially because culture and society are not themselves static and therefore cannot be tied down in concise conclusions. However, though this means that it is impossible to be definitive in describing culture – or in the case of this thesis, (a) interpreting subjective data that is framed by a cultural context different from my own and (b) analysing these data in order to draw conclusions on the broader framework of power dynamics within a society to which I am an outsider – it is possible for my assumptions about culture and society to become more refined and sophisticated.

What this means in the context of my research is that while I can neither overcome nor obviate the impact of my own identity and how that was

⁹ Clifford Geertz, *The Interpretation of Cultures: Selected Essays* (HarperCollins UK, 1993).

¹⁰ *Ibid.*, 29.

interpreted by my interlocutors in Palestine – or the readers of this thesis – it is better anyway to do the opposite. This means it is important to ensure that it is a clear and visible element in my work so that those who read it can acknowledge those facts and include them in their interpretations of my conclusions. This is, in essence, directly contradictory to the approach employed by those analyses of Palestinian politics that I have criticised above. This distinction can be crystallised in the following way. While western proponents of the myth of *Fayyadism*, and the PA's agenda since 2007-11, tend to claim that the virtue of its agenda is that it brings Palestinians closer to both statehood and peace with Israel, they argue from a normative point of departure platform that the virtue of PA's post-2007 agenda is in its ability to fulfil those goals that have been ascribed to Palestinians from the perspective of the hegemonic power in international relations. My argument, on the other hand, does not accept that it is appropriate for those representing hegemony to interpolate or assign such goals to the lives of Palestinians. Rather, it is better to ground any analysis of the virtue or shortcomings of the PA's programmes in data that comes from those that live under the PA's government and have experienced that agenda themselves. In short, my intention is that this thesis contributes to the refining of the way in which Palestinian politics is understood and discussed in the West, and it does not claim to provide unique or definitive solutions to the problems faced by Palestinians.

Practical concerns

I undertook the majority of my field research in the West Bank in late 2009 and in the summer of 2010. The primary methods that I employed were, participant

observation, interviews, focus groups and textual analysis. I was based in Nablus for approximately three months on each occasion – spending the first three months based in Nablus city and the latter in Balata refugee camp. I also undertook a month long pilot study during the Easter vacation in 2009 and a final short trip for ten days in December 2011. I was fortunate enough to be awarded a scholarship in Amman, Jordan for six months in 2011 and 2012, which allowed me to conduct some for interviews, attend seminars on topics related to my research and witness Prime Minister Salam Fayyad give a lecture at the Colombia University campus in Amman. I also saw for myself evidence of the socio-political impact that the adoption of policies, very similar to those proposed for Palestine, has had on Jordanian society. These reflections are integral to the argument I present in Chapter Eight: *Is it really Development?*

Field Research

During my time in Palestine, my primary research methods were participant observation and interviews. I conducted interviews with 82 different informants, some of whom I met multiple times, including four focus groups with three or more informants. I also interviewed four informants in Amman – specifically to discuss the topic of Qualified Industrial Zones (QIZs) and the background to Jordan's relationship with Israel and the PA – and several Israeli informants who provided details on specific areas of interest. I also solicited additional information from various institutions in writing, including from researchers at Israeli universities, Palestinian institutions and the Department for International Development, a branch of the British government. The majority of my interviews were undertaken in English, though; as my Arabic language skills developed I

became capable of engaging in longer conversations with Palestinian informants and also of understanding more of my environment directly.

However, I also maintained and developed much closer relationships with a core group of informants. In general these were the people with whom I had both frequent contact and a good relationship. Many of these informants became friends during my time in Palestine and I grew to trust their interpretation of events. Often I found that discussing the political environment or recent events with these individuals was an extremely helpful practice that allowed me to clarify my own thoughts. This is not to say that I necessarily always (or mostly) agreed with those who were part of this core group – or that they always agreed with each other – but rather, they often directed me to other sources, opened up new ways of conceptualizing an issue or a problem, or suggested new avenues of research. However, most importantly, by observing and engaging with this close group as they navigated the political-economic environment of contemporary Palestine, I learned a great deal about the practical nature of the day-to-day challenges that life under Israel's occupation and the PA's rule entails. These experiences challenged my own way of thinking and ensured that, at the very least, my interpretation was to some extent grounded in the everyday realities of Palestine under occupation. The following comprises a short list providing particular biographical details of my core informants.

1. A member of staff at Birzeit University with excellent connections with colleagues at other West Bank universities. Formally a student in the UK
2. An economist at a major Palestinian think-tank, later a university tutor and employed by a foreign NGO in Jerusalem

3. A junior economist at a the same Palestinian think-tank who had studied abroad in Italy and was involved in various protests against the PA
4. A member of staff at the Yafa Centre in Balata refugee camp who had worked as a paramedic during the intifada and who got married during my visit and whose father worked in the UAE
5. Another member of staff at the Yafa Centre who later got a new job as a bus driver
6. A student at An-Najah National University and Nablus-based activist
7. A shop-owner in Nablus with three children; he cared for his elderly father – who had died before my final visit to Palestine in 2011
8. A elderly former lawyer and the keeper of a struggling shop selling replacement parts for old cars in Nablus who had a large family
9. An accountant at a major Palestinian supermarket chain, from Qaryut who moved to Ramallah and was paying for a large new in flat the city and hoping to start a family. He received a promotion to a senior accountancy position during my research period and got engaged
10. A nurse at the Palestinian blood service, living in Qaryut and Ramallah, who, at one point was working in three jobs in order to pay his rent. During my research period he got married and his wife was expecting a baby as I left.

Beyond these core informants, I also interacted with a wide range of people from across Palestinian society. Though I cannot say with certainty that my research sample reflects a full cross-section of Palestinian society I did attempt to speak with representatives from different socio-economic classes and (as discussed below) different geographic locations, which in the context of Palestine's fragmented state is a particularly significant factor (discussed below). Given that the scope of this research focused on a diagnostic of Palestinian experiences across those distinct geographical locations and the limited time and resources that were available, it was not possible for this research to focus on covering

other significant variables such as age groups, religiosity or political affiliation, though these should be considered in further research.

One further major criticism that my work is open to is that I did not speak to anything approaching an equal ratio of men and women; rather my research was strongly oriented by discussions with males. There is one essential reason why this is the case: though in the initial phases of my research I did make a particular effort to interview women in the city of Nablus – indeed in two of the focus groups women made up the majority of participants – I found that this effort was unsustainable when my research extended to different areas. There are two examples that demonstrate why this was the case: first, when in my research I began to focus on interviews with representatives of different PA organisations, think-tanks and businesses, I found that the majority (but not all) of the representatives with whom I interacted were male. Second, when I moved out of Nablus and began researching in Balata Camp and the villages in areas ‘B’ and ‘C’, I found that it was much harder to find appropriate circumstances where I could interact with women in an interview-like environment.

The following list provides some biographical details for those informants whose interviews comprise the core of my research. It begins with one informant who rejected my offer to have his anonymity maintained.

1. Abdul Satter Qassam – Professor of Political Science at An-Najah National University, author, former candidate for the presidency of the PA and former minister in the Jordanian government.
2. A Professor of Geography at An-Najah National University and respected poet.

3. A former senior minister in the PA, now the director of a high profile Palestinian think tank
4. An employee of the PA's boycott campaign against products produced in Israeli settlements
5. A Ramallah-based business consultant
6. A high level employee at the Nablus branch of the al-Rafah Microfinance Bank
7. A senior economist in a major Palestinian think-tank
8. A senior analyst in a major Palestinian think-tank
9. A individual closely associated with the BDS campaign
10. A high level civil servant within the British Government's Department for International Development
11. A senior analyst in another Palestinian think-tank, who is an internationally published academic
12. A senior analyst at an international nongovernmental organization based in Jerusalem
13. A prominent Palestinian-American business man
14. A senior adviser in the Ministry for the Interior, originally from Nablus
15. A former Civil Police officer now an employee of the Nablus municipality
16. A senior official at the Nablus Chamber of Commerce
17. The owner of a small shop in Nablus City
18. A senior coordinator for Badil, a refugee rights campaign
19. A prominent figure in Balata refugee camp
20. An architect and well know member of the Nablus intelligentsia
21. An administrative employee at the Nablus municipality
22. A former police officer and employee at the Nablus municipality
23. Members of the Qaryut village council

24. A police officer from Qaryut

25. Two men from the village leadership in Yanoun

I also used some data from polling that had been conducted in the West Bank by *The Palestinian Center for Policy and Survey Research*, though I found these data useful at the beginning of my research, in terms of broadly outlining some of the issues in Palestinian politics with which I planned to engage, my perspective on the utility of such polling evolved to see it is an extremely limited tool. There are two reasons for this.

First, that polling undertaken in conflict environments such as the occupied West Bank is unreliable as it cannot be assumed that those sampled by polling are providing feedback that is free from duress, or the threat of duress.¹¹ Second, that polling data often provides researchers with an unjustified sense of security. In that it is seen to represent a definitive and holistic image of a population's beliefs and/or desires, when in fact it only represents the outcome of a process wherein a small section of a population is asked questions, and that their answers are collated and interpreted by an external body – usually outside that context.

¹¹ Iginio Gagliardone and Nicole Stremlau, "Public Opinion Research in a Conflict Zone: Grassroots Diplomacy in Darfur" (Occasional Paper for The Center for Global Communication Studies with the Stanhope Centre for Communications Policy Research, November 2008), http://oxford.academia.edu/IginioGagliardone/Papers/1477928/Public_opinion_research_in_a_conflict_zone_grassroots_diplomacy_in_darfur.

Safety and consent

Part of my duty as a researcher was to ensure that I took all practical steps for the safety of my interviewees and to ensure that the information they provided to me was based on the reasonable assumption of informed consent. At an early point in my research I was instructed by the Ethics Committee at Exeter University to provide my informants with a written 'consent form' prior to conducting interviews or beginning focus groups in the West Bank. In order to fulfil this obligation I formulated a consent form in both English and Arabic that provided a very general description of my project. Though I did provide this consent form to interviewees where possible I found that beginning discussions by asking my interlocutors to read and sign such a 'consent form', which would then be returned to me, was not an effective way to establish a trusting relationship. This problem was particularly pronounced where my discussions with informants touched on sensitive topics such as the PA security forces and the PA's relationship with Israel and the US. Therefore, after my pilot study I decided that I would no longer begin interviews in this way. I chose to change my practice and simply gave a consent form to my interviewees without any request to sign or return it. I then followed this up with a more detailed oral description of my area of research and the topics I wished to discuss.

For some of the more formal interviews I used a digital Dictaphone to record the discussion. I then transcribed the most important of these discussions. However, for the most part, I relied on my written notes. Maintaining the security of this information when moving inside, and out of, the occupied territories was a major concern. This was particularly the case because travelling to Palestinian towns

often involved crossing Israeli controlled checkpoints and that exiting the country – particularly via Ben Gurion Airport in Tel Aviv – potentially meant being subject to long periods of questioning and intrusive searches and therefore my work, including the records of my interviews, could have been taken by Israeli agents at those times. Further, I was also conscious of the threat posed to this information by Palestinian security officials who also operated checkpoints within areas ‘A’ and were known to cultivate networks of agents and informants operating within various different institutions that I was in contact with. I took the following steps to try and obviate those concerns:

1. In general practice, I carried only one notebook with me at any time through internal checkpoints.
2. In my notes I recorded only dates and locations of interviews, and not the name of the interviewee where I considered the information to be potentially sensitive.
3. I kept a database of interviewees and contact information in a password protected ‘cloud-based’ file linked to my email account, via ‘Google documents’ (now, known as ‘Google Drive’).
4. Before leaving via the airport I posted all of my notebooks, and any other relevant documentation, to the UK from post offices in either West Jerusalem or Tel Aviv, where I believed they would attract less suspicion.
5. Except in three cases where informants explicitly stated that they preferred to have their statements accredited to them, I have maintained the anonymity of all informants in this thesis and in other work that has been published based on this research.

In my interactions with both Palestinians and Israelis that did not constitute interviews I provided only limited details regarding my research. When I was questioned at checkpoints, or at the airport or at the bridges, regarding the purpose of my visit, I provided only a vague description that my research was focused on economics. When I was pressed further, I implied (but I did not lie)

that my interests focused on Israel's economy in the wake of the global financial crisis – I was supported in these efforts by administrative staff at the *Kenyon Institute* (part of the *Council for British Research in the Levant*) in Jerusalem who allowed me to use the name of the institute, a letter of invitation from the then director and to provide the institute's phone number to border police when asked. I also provided the names of Israeli friends (with their permission) when asked by the border police. In discussions with Israelis – and Israel based individuals – with whom I had a prior relationship, I spoke openly about my research, though in general terms and without reference to particular individuals. I often found that they were open to discussion and indeed this helped me understand a broader context for my research (though this remains an underdeveloped aspect of this thesis and I believe this would be an appropriate area for further investigation).

However, given the fact that my research was primarily focused on the PA, if my informants faced any immediate threat from their relationship to my research, it is logical to assume that this might in fact be from the PA security forces. Indeed, during my pilot study I was made aware by informants at Palestinian Universities, that the PA security forces had grown to become a serious threat to students involved in political activity, including to students who were tied in some way to rival political organisations, including Hamas and the leftist parties. Therefore, I was cautious in discussing my research with other Palestinians – particularly individuals connected to the PA – and did not refer to other interviewees directly, by name, in subsequent discussions. However, this did not prevent me from referring back to evidence collected in previous interviews in

order to challenge some interlocutors' narratives. An example of this was during an interview with a PA official who spoke to me on behalf of the Ministry of the Interior on the topic of the PA's crackdown against Hamas and the use of torture and related methods against those it had arrested. I believed my interviewee's evidence was deliberately vague and therefore I challenged that individual with the descriptions of violence provided by other informants – though I ensured that the descriptions were in general terms and anonymous.

Why Nablus

As mentioned above, one product of Israel's occupation has been to fragment and divide Palestinian society based on geography. (This process and the particular mechanisms used are discussed in later chapters.) Because of this the task of conducting a diagnostic of the consequences of the PA's post-2007 agenda that could provide an appropriate and relevant sample to allow extrapolation to the broader West Bank, it was necessary to focus on geography as the main variable, and to utilize this variable in a very particular sense, that is, in order to analyse a cross section of Palestinian society under these fragmented conditions.

This decision was also informed by the fact that a great deal of academic research professing to discuss the politics of Palestine, or the impact of the occupation, with reference to the whole of the West Bank had been based on research that had been undertaken primarily by visiting researchers based in Ramallah or Jerusalem. Of course much of this research has produced very high quality results, and many researchers also spent time in various locations outside those major cities in order to gain a broader perspective on the

conditions in the West Bank. However, I believed that, by undertaking research actually based in another area of the West Bank entirely this thesis might contribute to a better understanding of perhaps otherwise underexplored areas in the process of addressing its core questions. Therefore, in an effort to demonstrate the level of diversity of conditions for Palestinians in the contemporary West Bank, I focussed on four different sites within the Nablus region. These are grouped into three categories (a) a major urban centre – the city of Nablus (in area ‘A’ under full PA jurisdiction), (b) a refugee camp – Balata camp (the largest in the West Bank) and (c) villages in areas ‘B’ and ‘C’. The following section discusses these sites in some detail and explains the decision-making process behind the selection of each.

Nablus City

Although each of the sites where I researched is worthy of study in its own right, it would be true to say that it would have been possible to conduct research in any refugee camp, collection of villages and urban centre and fulfil the same criteria.¹² In fact, it is the city of Nablus that drew me to the north of the West Bank, and my selection of other case studies followed from this decision. There were essentially four major factors that shaped my decision to focus on Nablus for my research. In brief, these were that:

1. There was limited scope for research in other sites
2. Nablus’ particular, historic social, economic and political significance
3. The severity of violence in Nablus during and after the second intifada.

¹² N.B. Parts of this section rely heavily on work that has been published as the following paper: Philip Leech, “Why Jabal an-Nar? Researching Nablus,” *Bulletin of the Council for British Research in the Levant* (Forthcoming: September 2012), <http://www.cbri.org.uk/bulletin.html>.

4. Nablus emerged as a key testing ground for the Fayyad government's reform and institution-building policies

In the following section I discuss each of these factors in more detail in the order that they are presented here. First, *the limited scope for research in alternative sites*: The West Bank's size and the number of major urban centres limited my choices. For all its significance historically, culturally and strategically, the West Bank is, in geographical terms, a very small enclave. It has a population of approximately 2.5 million and a landmass only slightly larger than the English county of Norfolk. Without counting Jerusalem – which exists under unique conditions as a result of Israel's continued annexation of the whole city and the policies of ethnic cleansing it is carrying out against the remaining Palestinian residents – only three cities can realistically be classed as major political-economic centres. These are Hebron, the twin cities of Ramallah/al-Bireh and Nablus.

In Hebron the intensity of the conflict seemed likely to overshadow my goal of conducting a diagnostic of the PA's post-2007 agenda.¹³ For Ramallah/al-Bireh the decision was not as clear-cut. During my research trips I spent a significant amount of time in Ramallah/al-Bireh. Given the fact that Ramallah is the *de facto*

¹³ Three factors in particular included: (a) the division of the city following the 1997 'Hebron Protocol', meaning that 500 of the most uncompromising Israeli settlers live amongst 30,000 Palestinians; (b) the city's history as the site of some of the most hideous atrocities of the conflict in the 20th century including the pogrom of 1929 and the 1994 mass murder at the Ibrahimi Mosque by American-Israeli military surgeon Baruch Goldstein, who was subsequently beaten to death by survivors; and, (c) the frequent violence between Israeli settlers, the occupation forces and the Palestinians.

seat of government for the PA this was unavoidable. However, as Lisa Taraki¹⁴ explains, Ramallah/al-Bireh has ridden the rising tide of globalization in a way that was unlike other cities in the West Bank and as a result it developed a character that is more closely linked with other major cities in the region – such as Amman or even Doha – than anywhere else in Palestine. Until post-2007, Nablus had not been exposed to direct Israeli colonization or the full effects of globalization in the same way as either of these cities (see below). Arguably, it would also have had been possible to pursue the research questions that I have outlined above in the context of Jenin, in the far north of the West Bank. However, because of Nablus' greater size, and historic significance, I believed that it provided a better opportunity for me to explore the diversity of experiences of my informants, while remaining within a single city and therefore undertake the goal of an effect diagnostic of the PA's post-2007 agenda.¹⁵

Nablus' historic social, economic and political significance: Of course, Nablus' rich and intricate history as a cultural and economic hub and as the political power base for a number of Palestine's oldest and most powerful families, is an intriguing topic of study in its own right. This aspect of the Nablus' identity was particular relevant to the second of this thesis' two primary questions: what are the consequences of the PA's post-2007 agenda on the nature and distribution of power in the West Bank?

¹⁴ L. Taraki, "Enclave Micropolis: The Paradoxical Case of Ramallah/Al-Bireh," *Journal of Palestine Studies* 37, no. 4 (2008): 6–20.

¹⁵ Nablus has a population of 126,132, Ramallah-al Bira has a combined total of 65,662 Hebron has 163,146, while Jenin as 39,004. *2007 Census* (Palestinian Central Bureau of Statistics, 2008), http://www.pcbs.gov.ps/Portals/_PCBS/Downloads/book1487.pdf.

There is not sufficient room here to outline a historical narrative of Nablus in any great depth. However, given the relevance of Nablus' historic role in Palestinian history to its current political status, for the purposes of this thesis, it is appropriate to outline a few of the historical reasons for Nablus' reputation for independence. According to Doumani, the appellation *Jebal al-Nar* (The Mountains of Fire) illustrates the city's reputation for fierce resistance to foreign conquest. The name originated at the turn of the 19th century with the invasion of Napoleon Bonaparte's army when Nabulsis "set forests and olive groves ablaze, burning the French soldiers"¹⁶ in order to halt their advance. Further, in 1834, the city led a revolt against the Egyptian invasion under Ali Pasha,¹⁷ and 102 years from then it was an important nucleus of resistance in the *Arab Uprising* (1936) against the British mandate.¹⁸ Then in 1963, four years before the beginning of the Israeli occupation, Nablus declared its autonomy from Jordanian rule.¹⁹ The city was also famously a focal point of resistance movements in both the first and the second intifadas and became known as the "capital of terrorism" in the Israeli media (see map).²⁰

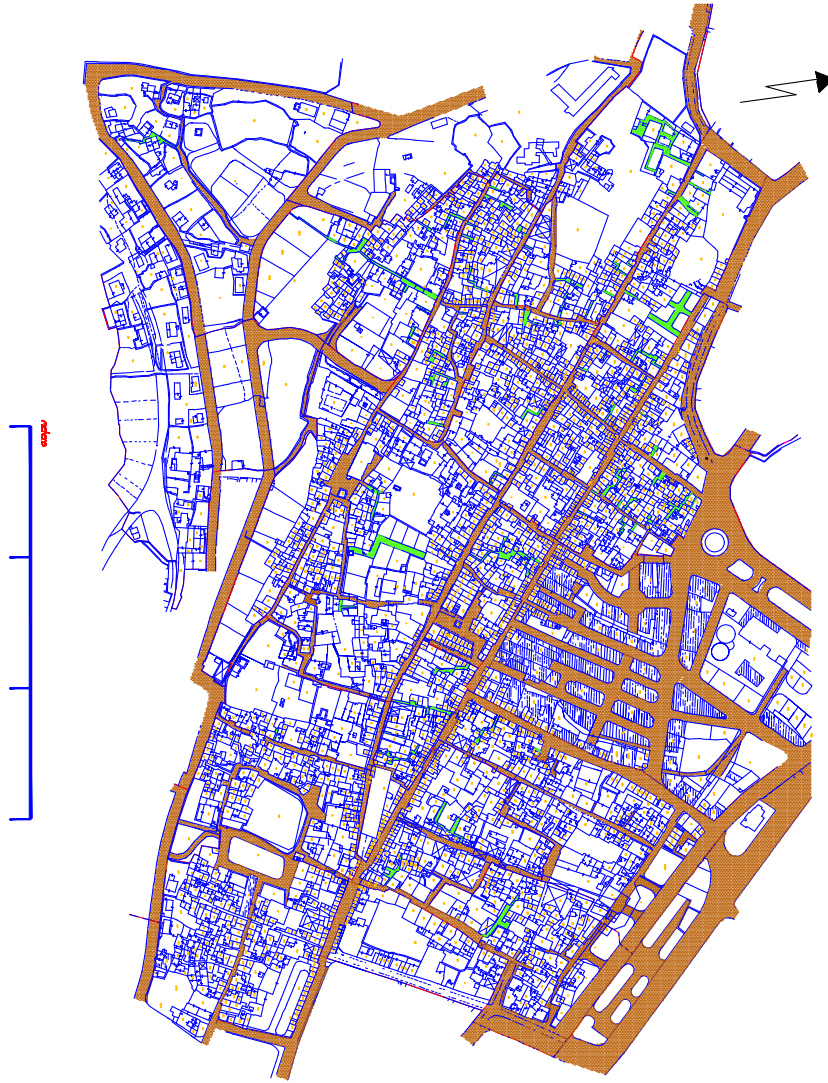
¹⁶ Doumani, B. (2004). "Scenes from Daily Life: The View from Nablus." *Journal of Palestine Studies* 34(1): 37-50. P. 48

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Boccia, Andrea Semplici and Mario. "Nablus at the Foot of the Holy Mountain." *Multipurpose Community Resource Centre (MCRC) of Nablus*. Ed. Cooperation, Med. Tuscany, Nablus: Co.opera Association. Print.

²⁰ "[Nablus] is the capital of terrorism in the West Bank. That is why it is important for the soldiers to go in there and prevent terrorists from leaving there [to attack Israel]," according to "IDF spokeswoman" in Issacharoff, A. H. a. A. (2007) "IDF kills Palestinian gunman, wounds another in Nablus area." *Haaretz*.: Overview of the Old City, provided by Department of Planning, An-Najah National University.



Map 1: Overview of the Old City, Nablus.²¹

The symbolic significance of the Old City derives from its historic role as the hub of soap and olive oil production, a vibrant commercial exchange and as the seat of power for the city's dynastic ruling class. It was also the nucleus for wider networks of social and economic relationships. Evidence of this is visible in the variety of churches, mosques and other sites of historical significance dotted in

²¹ Image provided by An-Najah National University's Department for Planning and reproduces here with their permission.

and around the Old City including one of the highest concentrations of Turkish Baths outside Istanbul and Damascus. Such is the significance of the Old City to the character of Nablus it is perhaps best considered as the heart of a wider more recent, yet complementary, urban milieu. However, because of its position as both the iconic²² and physical centre of Nablus, and because its architectural environment reveals the some glimpses of the city's previous lives as an economic, political and social hub, contemporary shifts in the nature and distribution of power in the context of the PA's post-2007 agenda are shown in sharper contrast.²³

The severity of violence in Nablus during and after the second intifada: As Nablus had been one of the most critical battlegrounds in the intifada it had also become prominent in foreign reporting, virtually as a by-word for violence. In addition, it was frequently the case that those same journalists who had designated Nablus as the epicentre for the conflict later sought to demonstrate their support for *Fayyadism* by emphasising the apparent contrast between their previous interpretations of Nablus – as a hotbed of *violence* during the intifada – and later accounts where they showed that the city had been *transformed*. The fact that this was the case in Nablus meant that the city provided a useful case study to compare the results of my diagnostic with the kind of opinion-led analysis that I have criticized above.

²² The Old City's clock tower is used as the symbol to as a representative logo the municipality and images of the Old City are frequently used on publicity material to advertise the city for tourism (C.f.: www.nablusguide.com)

²³ The destruction of Nablus' soap factories and the consequences of its detachment from both its traditionally productive hinterland and export routes are visible signifiers in the Old City of how Israel's occupation has plagued Palestinian economic and political life.

A passage from an article from the generally pro-Israeli journalist Nathan Shachar illustrates the kind of interpretation of Nablus that was common among the commentaries that existed:

During the violent period Nablus's three cinemas shut, both because of Islamist opposition and because people were broke and didn't venture out. In July, one of them reopened in a new shopping centre. There have been threats and calls for a boycott, but it flourishes and doesn't censor French kisses or naked legs. A month before, I was in Nablus on a Saturday. Dozens of Israeli buses were parked around the old city ... The alleys of the Nablus kasbah have changed from a dark netherworld to a tourist attraction ... Of course, the middle east is not Narnia ... As long as Washington keeps pushing for peace, the Dayton men [PA Security Forces trained by the US Military] will retain their standing. But if the US withdraws, the enemies of the Abbas-Fayyad government will find it easier to undermine the new forces.²⁴

Shachar's argument cites various superficial changes in the city's political and economic environment as a demonstration of progress and suggests that the PA government under Salam Fayyad and Mahmoud Abbas is deserving of western support because the only inevitable alternative are the nebulous 'enemies' – who would presumably boycott malls and censor films.

This contrast was also an important part of the PA's narrative, albeit with a slightly a different emphasis. Instead of focusing on the overtly patronising discourse as demonstrated by the above quote, both in interviews with me, and in public statements, PA officials often focused on how improving the security situation was a basic and necessary element to enable progress on all other fronts, not least because through so doing it was implied that Israel could be persuaded to desist in further attacks on Palestinian infrastructure. Thus basic to

²⁴ Nathan Shachar, "The Good Cops of Nablus," *Prospect*, November 18, 2009, <http://www.prospectmagazine.co.uk/2009/11/the-good-cops-of-nablus/>.

the PA's narrative was the somewhat paradoxical premise that, through complying with Israel's demands, this would be an opportunity for– what the PA described as – unilateral action of their own (see Chapter Six: *Fayyadism's Fiery Birth*).

In short, in the case of both narratives the violence of the intifada cast a long shadow over the areas of direct interest for this thesis and therefore it was obviously an important area with which my research needed to engage in order to address the core questions of this thesis. In view of this, my goal in Nablus was to attempt to establish as much of a meaningful understanding of the city's experience of enduring the intifada as possible. The intention was that I would, to some extent at least, be able to analysis how those narratives of *Fayyadism* operated in their ideational contexts and, more importantly, assess their effectiveness in actually creating a sense of legitimacy for the political agenda that they supported. (This topic is discussed at length in Chapter Seven: *Security First*.)

Nablus emerged as the frontline for the post-2007 agenda: This is obviously the most important reason for choosing Nablus as site for this diagnostic as it was undergoing dramatic and rapid changes at the forefront of the PA's attention. The violent schism between Hamas and the PA (2007) was the initial wave of this for that, and it is notable that this battle took place in Nablus and not elsewhere in the West Bank where the common perception was that opposition to the PA was significantly weaker.

After the violence subsided, Fayyad's government made Nablus a key proving ground for a raft of policies designed to reorient and, ostensibly liberalize, the economy by endorsing a range of policies that prioritized 'good governance'. It invested heavily in a range of new infrastructure projects, particularly in the downtown area near the Old City. Furthermore, during 2009-2010 the PA and the various levels of local government took advantage of changes in Israeli restrictions, regarding the opening of the checkpoint on the main road south out of Nablus (in the village of Huwara) and on the movement of Palestinians from within Israel proper, in order to promote Nablus as a major commercial centre. The city was promoted through various shopping and commercial festivals and public transport was arranged for Palestinians from inside Israel to visit.

These developments had a seemingly dramatic impact on the city's economy. However, most of these improvements would prove to be superficial. While Nablus had apparently returned to its status as a major commercial centre, it was not serving as the outlet for local producers. Checkpoints were open, but their infrastructure remained operational and staffed. Furthermore, according to one of the architects of the PA's reform plans, Nablus would soon face even more radical transformations as a result of broader national economic policy. A prominent element of these policies would focus on developing integrated industrial zones with the support of Israel and other foreign governments (see *Chapter Eight: Is it Really Development?*).

These facts made the future of the city deeply unpredictable, in spite of the current cessation of direct hostilities. While this was obviously a cause for

serious concern for my interlocutors, the fact that it was the case provided an important insight to the public's relationship to the PA and to the *Fayyadism* narrative. In short, as Nablus was the site where the primary threats to the PA existed –through the presence of opposition elements and because of the threat posed by potential Israeli military action and, after that, where the PA was promoting its alternative agenda most vigorously, the city offers a natural case study for this thesis.

Balata Camp

Though there are three refugee camps in Nablus, Balata is by far the largest. The camp measures a quarter of a kilometre squared and is inhabited by 15,247 people²⁵ (23,000 registered refugees).²⁶ Historically, it has been known as a strong centre for civil society and armed resistance. I was able to stay, and live in Balata camp, due to my relationship with the Yafa Cultural Centre, which I had developed during my previous research period in Nablus. I chose to conduct research in the Balata rather than either of the other two camps for two reasons: first, because of the camp's size and, second, because of the notoriety that it had accrued during both the second and first intifadas against the Israeli military.

²⁵ 2007 Census.

²⁶ "UNRWA-Balata Refugee Camp," accessed July 16, 2012, <http://www.unrwa.org/etemplate.php?id=109>.



Map 2: MAP 1: Overview of Balata Camp demonstrating the density of the built environment. I lived in the North West corner of the camp (top right quadrant) and the Yafa Centre is located on the Western (right) edge slightly above half way up.

I lived with the family of two young brothers who were workers for the Yafa Centre, on the northern edge of the camp (see map²⁷). They provided me with my own room in a shared flat and, although I did not have the opportunity to interact with most of the rest of the family as much as I had hoped, I was able to attend a number of family events including a wedding and several meals. Further, I met the father

of the two brothers during his first return visit from work in one of the UAE for five years. I also took the opportunity to assist in the preparation of a new flat for one of the men with whom I lived for him to move into after his wedding.

Given the fact that I lived with two men who were used to working with foreign visitors through their roles at the Yafa Cultural Centre, it is inevitable that, to some extent, my view of life in the refugee camp would have been shaped by the descriptions and explanations that they had given to various other visitors. However, even if it is the case that my interpretation of life in the camp was to

²⁷ This map is a small section from a much larger map of Nablus provided by An-Najah National University's planning department.

some extent skewed by the particular representation that my hosts presented and reinforced during my stay, I also undertook various other activities to ensure that I developed a more rounded view of life in the camp. This included exploring the camp by myself, and with other residents, and conducting interviews with camp residents independently of my hosts.

However, while I believe that it was an important and necessary step for me to explore life in the camp outside the remit of the Yafa Cultural Centre, this is not to say that the Yafa Centre was in anyway an inhibiting factor for my research. On the contrary, the centre served as a base for interviews and for me to conduct research using their collection of books and documents and using their internet facilities when necessary. In addition to this, I also interviewed representatives of other external bodies related to Palestinian refugees including UNRWA – in Jerusalem, Badil – based in Bethlehem – and with various ministries – based in Ramallah.

Overall, I found Balata camp to be the most difficult site for me to conduct research. With the benefit of hindsight, this was because; unlike the other sites, Balata camp is a concentrated area of dense population where various other foreign visitors had already been. Therefore, it is likely that some residents interpreted my research in Balata camp as merely another example of many, where a foreign visitor experienced life in the camp for a short period but with the broader intention of taking advantage of those experiences in order to pursue his or her own interests.

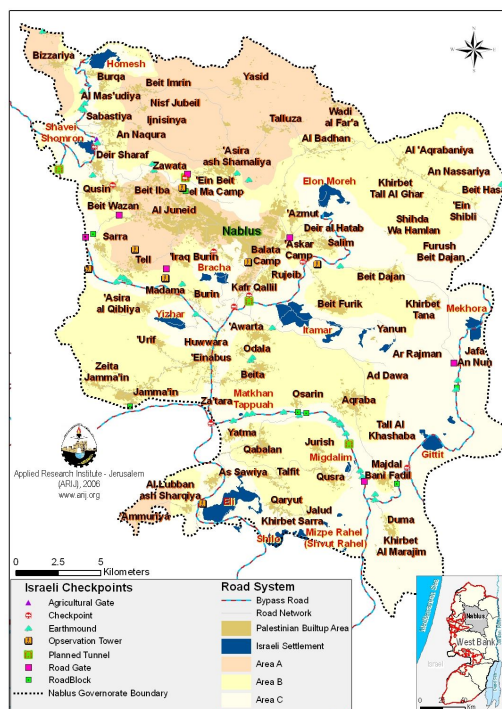
Villages in Areas 'C'

The villages where I conducted my research in areas 'B' and 'C' were (a) Qaryut – a large village with a population of approximately 2,000 people, situated on the main road (Route 60) between Ramallah and Nablus and (b) Yanoun – a very small village West of Nablus in the Jordan Valley inhabited by approximately 15 families (see Map 2²⁸).

Map 3: Nablus region

I visited both of these sites several times during my research period, though I spent more time in Qaryut than Yanoun, due to the fact that I had established a good relationship with contacts within that village. I also visited a number of other villages, including Iraq Burin, though I have not included that in here as a case study due to the limited utility that would bring.

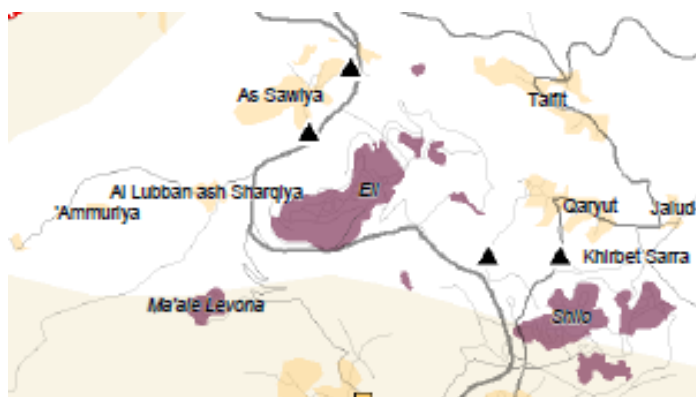
In each case these villages shared a common experience of hardship from nearby Israeli settlements. Yet there are numerous other ways in which my experience in each village was unique. The following provided further details on



²⁸ "Nablus Governorate and the Nightmare of the Israeli Checkpoints" (The Applied Research Institute, Jerusalem (ARIJ), October 15, 2006), http://www.poica.org/editor/case_studies/view.php?recordID=946.

descriptions of the villages and their recent history in the same way in which I have described Nablus and Balata camp (above).

Qaryut: The village of Qaryut has a population of 2,321.²⁹ It is located 20km South-west of Nablus, on the edge of the Nablus governorate. Its main access to transport is via the main road *Route 60*, a shared highway where both Palestinians and Israelis are permitted to drive. Qaryut lies between the large Israeli settlements *Eli* and *Shilo* (see Maps 3 and 4).



MAP 4: Qaryut and surrounding settlements³⁰

The village remained largely unaffected by the direct violence during the intifada.³¹ However, the impact of the violence and Israel's closure policy was detrimental to the village's economy. Approximately ten per cent of the village's population was forced to stay overnight in the cities due to the unreliability of the transport between the village and the cities. Although many would continue to send money back for their families to spend in the local economy a large

²⁹ 2007 Census.

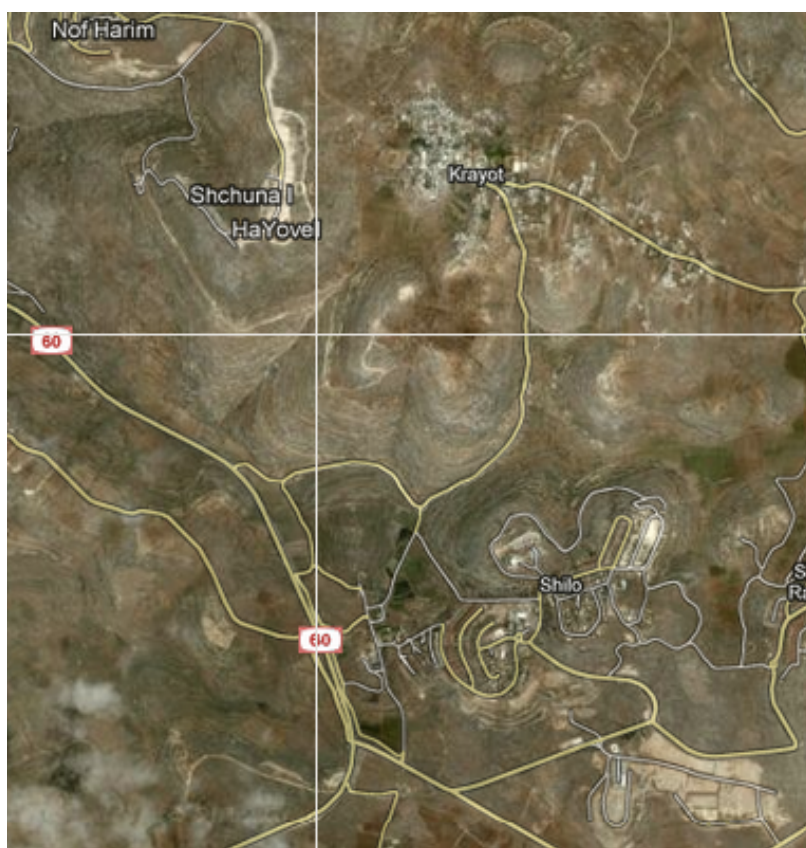
³⁰ Extract taken from OCHA Map

(http://www.ochaopt.org/documents/Nablus_closure0104_600dpi.pdf)

³¹ According to my interview with village council one villager was killed by settlers during an altercation and on two previous occasions, the first in the late 1990's, second during the *Al Aqsa Intifada*, a villager had killed himself in a suicide attack in Israel. As a result of the first incident the bombers family's home was demolished by the Israeli military (the second attack drew no similar retribution as the bomber had not been a resident in the village for some time). A further violent altercation between villagers and settlers was documented by Al Haq: <http://www.alhaq.org/pdfs/Affidavit%202531-2005%2022.08.2005.pdf>

additional financial burden of renting accommodation in the cities was also incurred.

[During the intifada] employees and students stayed in the cities – about 250 people working in Ramallah and Nablus – sometimes returning at the weekend – they [would] send money back to families – they must rent an apartment in Ramallah for example.³²



MAP 5: Satellite image of Qaryut (written as Krayot here). Note the road running down to the main road 'route 60' northwest of the Israeli settlement, Shilo.³³

Wages and salaries during the intifada had been, for the most part, steady and reliable, although incremental increases and bonuses were either suspended

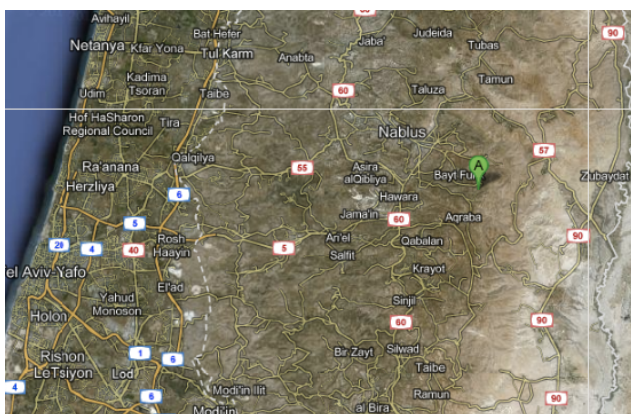
or cancelled. However, following the 2006 accession of the government containing Hamas, villagers suffered a serious economic squeeze when international donors suspended their contributions to the PA and, as a result, the payment of public sector salaries became less dependable and employees in projects or work that had been to some extent dependent on investment from international donors faced the consequences of the suspension of such works.

³² Interview with village council

³³ Image from *Google Earth*

A persistent problem evident in the village was the security and administrative management undertaken by Israel. According to the Oslo II agreements (1995), most of the area around the main road in Qaryut fell within 'area B'. However Israel's methods of containing any potential further spread of the village's housing beyond a limit of 20 metres from the main road was enforced through the destruction, or threat of destruction, of those houses. My main informant in Qaryut took me to visit his cousin's new house, which had been under a demolition order for the past year. One other house had been demolished in the village due to incompliance with Israeli restrictions within recent memory.

Yanoun: Yanoun is significantly smaller than Qaryut. At the time of my initial visit, its population, was 15 families (approx.: 102 people³⁴), though when I returned in December 2011 one family had moved away. The village is split across two sites – Upper Yanoun, which is fully, in area 'C', and Lower Yanoun, in area 'B' – there is a single track road that connects the two parts of the village which are approximately three quarters of a kilometer apart. Yanoun is in the northern part of Jordan valley and a short drive from a larger village called Aqraba (see maps 4 and 5).



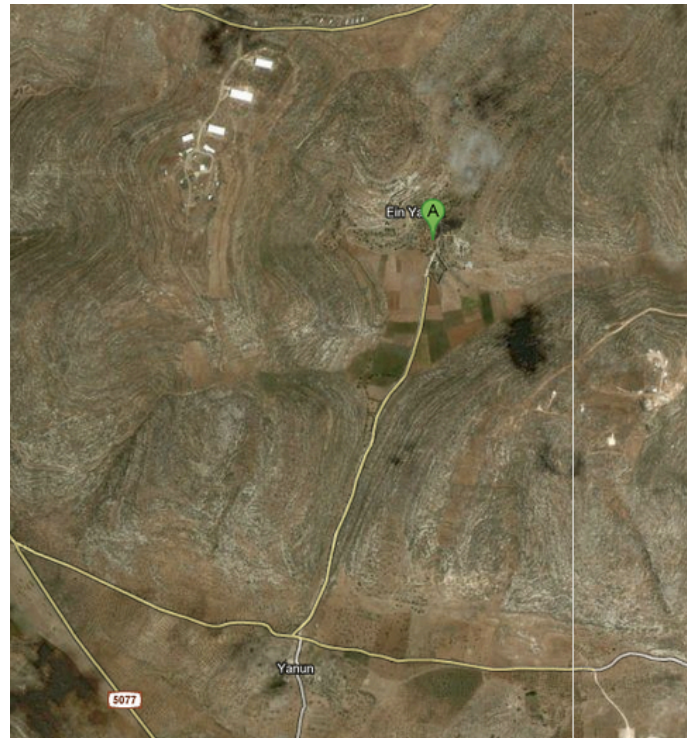
Map 6: Yanoun, South East of Nablus, on the northwest edge of the Jordan valley.

The village had been entirely cleared of its inhabitants by

³⁴ 2007 Census.

Israeli settlers in 2002 (the first instance of this happening to an entire village since 1948). Because of this, since 2003 an Ecumenical Accompaniment Programme in Palestine and Israel (EAPPI) team had provided a constant international presence in the village. This team operated on two and half month rotations (including responsibility for visiting other villages) which included filing regular reports on incidents that involved settlers from the nearby Itamar and several small outposts that encircle the Upper Yanoun. A small shop selling basic foodstuffs, including olives and almonds grown in the farmland around the village, served (and relied on the custom of) the EAPPI team.

Map 7: Upper (marked with an 'A') and Lower Yanoun. Note settlements on hills to the north east of Yanoun and the hilltop to the southwest.³⁵



Several of the villagers, including my key interviewees, owned land some distance away in the Jordan valley, which they had relied on for growing olives and other foods. However, in interviews it

was made clear to me that the Israeli military had denied access to those farmlands to the villagers. The fact that this village subsisted in such obviously different conditions to those of Nablus, Balata and Qaryut, Yanoun provided a clear opportunity for my research to draw on different experiences of the conflict

³⁵ Image from Google maps

and interpretations of the role of the PA. Further, the presence of an EAPPI observer team in the village meant that I could be assured relatively easy access to the broad database of incidents in the village that had been recorded by observers and that it was perhaps easier than it might otherwise have been to establish and maintain a rapport with the villagers who were used to dealing with foreign visitors.

Conclusion

This chapter has outlined the methodological approach this research took in order to address the main questions of this thesis – to conduct a diagnostic of the impact of the PA's post-2007 agenda and to analyse the consequences of that on the nature of power dynamics in the Palestine. This chapter has outlined the various practical steps undertaken in order to ensure the safety and welfare of my interviewees was not impaired by my research and that their testimonies were given with informed consent. Further this chapter addressed concerns regarding the appropriate role of a western researcher in a (post-) colonial environment such as Palestine. It concluded that, while it is likely that this research does comprise an intra-western dialogue on the topic of Palestine (in that it is written from the perspective of a westerner primarily for a western audience), this does not undermine its potential utility or authenticity. Rather in attempting to make explicit both the political motivation behind this research and the outline of a personal inventory of the historical and political influences that have informed my subjectivity this chapter has sought to obviate that problem.

Further, the virtue of choosing the Nablus region as a case study for addressing the main questions of this thesis has been made clear. In 2007 Nablus city, was emerging from the conditions of siege it was under during the intifada, it had not been exposed to the influences of globalisation in the same way as Ramallah al-Beira had been and was not subject to the same on-going pressures as Hebron, though the city was being used almost as a test-case by the PA to prove the success of its post-2007 agenda. This made Nablus an ideal example to explore in order to conduct a diagnostic of the effects of the PA's agenda as they were being imposed and while the experience of living under very different conditions was still within recent memory. As a result of the choice to use Nablus as a focal point, it was logical to focus on other variables in order to conduct a diagnostic from which other lessons could be extrapolated. This thesis focused on a geographical location in the context of the fragmentation of Palestinian society under Israel's occupation. Concentrating on this variable meant that others such as political affiliation, age, class and gender were not emphasised – though they should be considered in a future study. Though there are always likely to be stones left unturned, and avenues left unexplored, in any research undertaken in the ways that I have outlined above, I contend that the research methods outlined above were appropriate in addressing the core questions of this research: (a) How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011? And (b) what were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank?

Chapter Three: Theoretical Framework

Common sense is not something rigid and stationary, but is in continuous transformation, becoming enriched with scientific notions and philosophical opinions that have entered into common circulation. 'Common sense' is the folklore of philosophy and always stands midway between folklore proper (folklore as it is normally understood) and the philosophy, science, and economics of the scientists. Common sense creates the folklore of the future, a relatively rigidified phase of popular knowledge in a given time and place.

- Antonio Gramsci, in *Selections from cultural writings*¹

Positive evaluation of the performance of the Fayyad government increases among men (38%) compared to women (31%), among residents of rural areas (39%) compared to residents of cities and refugee camps (33% and 34% respectively), among supporters of the peace process (42%) compared to those opposed to the peace process (18%), among farmers (71%) compared to laborers and housewives (30% and 31% respectively), among those employed in the public sector (39%) compared to those in the private sector (33%), and among supporters of Fateh (57%) compared to supporters of Hamas (21%).

- Shikaki and Ladadweh, *Palestinian Public Opinion Poll No. 43* (April 3, 2012),²

In war, opinion is nine parts in ten.

- Jonathan Swift³

This chapter discusses the theoretical context of this thesis. Specifically, it outlines several theoretical concepts that are essential to addressing the core questions in this thesis: How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011? and what were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank? The concepts defined in this chapter include progress towards peace, neoliberalism, development, good governance and hegemony. It also defines some more specific

¹ Antonio Gramsci, *Selections from Cultural Writings*, Reprint (Harvard University Press, 1991), 421.

² Khalil Shikaki and Walid Ladadweh, *Palestinian Public Opinion Poll No. (43)*, Palestinian Public Opinion Polls (PSR - Survey Research Unity, April 3, 2012), www.pcpsr.org/survey/polls/2012/p43efull.html#finaicialcrisis.

³ Jonathan Swift, "Letter 13," in *The Journal to Stella* (The Echo Library, 1711). quoted in Alistair Horne, *A Savage War of Peace*, 3rd Revised edition (Pan Books, 2002).

terminology that is used to describe particular aspects of Israel's occupation, the structure of the PA's governance and popular resistance in Palestine.

Progress towards peace

The notion of peace⁴ is central to *Fayyadism* as it is identified as the key goal of the PA's post-2007 agenda. However, though the term is frequently invoked, mainstream political discourse rarely engages with it in any depth. For the purpose of this thesis it is necessary to provide a more precise definition in order to act as a reference point in addressing the two key questions of this thesis. However, given that this thesis focuses on a diagnostic and analysis of the PA's agenda within a short period of time (2007-11) within a much longer conflict and focuses on a historical period which has not yet been completed, and where no definitive 'peace' has been achieved, it is appropriate for this section to discuss a definition of 'progress towards peace' rather than 'peace' itself. This discussion begins with an analysis of what the PA means when it uses the term 'peace' and then distils that into reasonable and practical criteria that can be used in conducting a diagnostic of the impact of the PA's post-2007 agenda.

As stated in the introduction the PA's post-2007 agenda broadly outlines its concept of peace in terms of the two-state solution. (The PA's vision for this Palestinians state is described in the PRDP quoted on page 5). In particular the

⁴ Though the term 'progress towards peace' is highly controversial in the context of many debates over Palestine it has been deliberately chosen as a key term in this thesis precisely for the reason that the definition presented here can be understood in direct contrast to the other more superficial ways in which this term is used.

PA aligns itself with the interpretation of the two-state solution that is advocated in the 2002 *Arab Peace Plan*.⁵ The plan describes its goal as:

*Full Israeli withdrawal from all the Arab territories occupied since June 1967 ... implementation of Security Council Resolutions 242 and 338, reaffirmed by the Madrid Conference of 1991 and the land for peace principle, and Israel's acceptance of an independent Palestinian State, with East Jerusalem as its capital, in return for the establishment of normal relations in the context of a comprehensive peace with Israel.*⁶

The plan also calls for a “just solution to the Palestinian Refugee problem to be agreed upon in accordance with UN General Assembly Resolution 194”⁷ and proposes that the members of the Arab League would “establish normal relations with Israel in the context of this comprehensive peace.”⁸ This peace plan is broadly similar to the proposals that had been made by President Clinton in his final year in office – which became known as the *Clinton parameters*⁹ – that was reportedly rejected by Yasir Arafat, and it was more-or-less endorsed in principle by President Bush and President Obama on various occasions since. However some critical points of conflict remained. The most prominent of these was over the status of Jerusalem, in particular the holy sites at the Temple Mount (*al-Haram al-Sharif*) and the inclusion of a proviso that ‘land swaps’ would be considered to obviate the need to dismantle Israeli settlements in the West Bank. There is also some disagreement over the precise definition of a ‘just solution’ for Palestinian refugees.

⁵ The PLO voted for the plan at the Council of the League of Arab States at the Summit Level, at its 14th Ordinary Session, in Beirut in 2002 and Fayyad has advocated the goals of this plan on numerous occasions including at a speech to Herzliya Conference, Israel in 2010.

⁶ “Text: Arab Peace Plan of 2002,” *BBC*, March 22, 2005, sec. Middle East, http://news.bbc.co.uk/1/hi/world/middle_east/1844214.stm.

⁷ *Ibid.*

⁸ *Ibid.*

⁹ “President Clinton’s ‘parameters’ for a Comprehensive Agreement Between Israelis and Palestinians” (UNISPAL, January 7, 2001), <http://unispal.un.org/UNISPAL.NSF/0/D57AFCDD6EB1445585256E37006655E4>.

However, it is important not to get sidetracked, the task of this discussion is not to reproduce any of these debates. Rather it is to use this concept of *a peaceful solution* as a point of departure in the search for a definition of *progress toward peace* that is useful in answering the core questions of this thesis. In order to do this it is worth attempting to distil the core elements of this approach to peace into the essential and concrete political and economic processes that could be experienced by my informants in Nablus, and therefore that, which could be recorded in this diagnostic.

In order to achieve this it is necessary to refine the broad array of issues outlined in the Arab League's statement and leave only those that are directly relevant to this study. Therefore for the purposes of this thesis issues such as the status of Jerusalem and the right of all Palestinian refugees to return to the lands they from which they were expelled and/or receive just compensation are not considered.¹⁰ Therefore this leaves one remaining goal of the Arab Peace Plan; which is Palestinian independence from Israeli control.

Palestinian independence does not necessarily equate to the establishment of Palestinian state, as is referred to in the context of the two-state solution. Indeed, as discussed later in this chapter, one major criticism of the two-state solution is that it has been utilized as a rhetorical device wherein progress toward Palestinian 'statehood' may be achieved under conditions that Israel's control

¹⁰ This is not to say that these issues are not integral to this interpretation of peace nor does it suggested that they do not carry enormous ideational value at the heart of Palestinian political identity, but rather this is simply because there is no reasonable way in which to measure how the PA's post-2007 agenda has impacted the lives of Palestinians in Nablus in relation to these goals. (One slight exception is in discussions with refugees in Balata camp where the ideational power of the right of return remains extremely significant).

over Palestinian agency would not be diminished, or could even grow. In short achieving 'statehood' cannot be accepted as an authentic measure of progress towards peace because 'statehood' can be conferred as a symbolic marker of independence without necessarily representing directly changes in a concrete sense.¹¹

Rather, for the purposes of this diagnostic, it is appropriate to outline more tangible variables to assess in order to evaluate the PA's post-2007 agenda in relation to concept of peace. These are:

- A reduction in Israeli control over Palestinian political and economic activity
- An increase in the capacity of Palestinians to control their own political and economic activity
- That those two processes are sustainable over a long period of time

One example of this in practice would be sustainable, bottom-up, Palestinian economic development occurring as a result entrepreneurship rather than foreign investment or under the control of monopoly elites or the public sector. Another might be the freedom of movement for people, goods and services, within the West Bank without any interaction with Israeli control mechanisms. (Of course would be preferable to outline a range of specific examples of what these

¹¹ There are numerous analyses of the recent history of the conflict that suggest that this in fact was the case during the Oslo process. This is discussed in depth in chapters four and five. However, it is also worth pointing out the analysis of the two-state solution by Guy Mandron, which identifies inherent flaws in the two-state solution. "The State of Palestine would consist of a constellation of 'scattered limbs'. In order for these to communicate with each other by road—still the most common, everyday method of travel—'Danzig corridors' through Israel would have to be created: two, in the first case, and one in the second... One state would inevitably be the prisoner—or the hostage—of the other. The two-state solution suggested would naturally meet with serious obstacles in practice, however convincing in purely intellectual terms.": Guy Mandron, "Re-dividing Palestine," *The New Left Review* 10 (August 2001), <http://newleftreview.org/II/10/guy-mandron-redividing-palestine>.

criteria would mean in practice if they became a reality. Yet, on the other hand, given the near total lack of control for Palestinians under current conditions, outlining specific examples would make the criteria of this definition too narrow in terms of its application to this diagnostic.) Therefore, these three criteria comprise distillation of the goals of the Arab Peace Plan that can be interpreted in a practical sense for the purposes of this thesis' core questions - *How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011? And what were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank?*

Further, there are two further good reasons for using these three concrete measures that look at the utility of these changes beyond the conceptual horizon of the two-state solution. First is that they are also relate to significant reference points in a broader consensus among peace theorists of what *progress towards peace* entails. Second is that they can be interpreted as criteria to judge whether or not the PA's post-2007 agenda was effectively strengthening or weakening Palestine's bargaining position *vis-à-vis* Israel in the pursuit of other possible resolutions to the conflict.

First in relation to a broader consensus among peace theorists these criteria, if met, would inherently constitute progress towards peace because they would mean a narrowing of the structural gap between the two antagonists and greater access to basic political rights for those oppressed. For example both Johan

Galtung's concept of 'structural violence'¹² and Edward Azar's 'theory of protracted social conflict'¹³ suggest that such conflicts tend to be the result of fundamental inequalities between antagonists and that in order to progress towards a more peaceful relationship both sides must encourage greater access to political rights for those who are oppressed. Therefore, if the concrete criteria were being met, then this would, by definition, mean that Palestinians – who thus far have been the oppressed group – have taken greater control of their political and economic activity, have greater access to political rights and therefore will have, in an important way, undermined the structures that had maintained their oppression.

Second, in a more practical sense, greater control for Palestinians over their own political and economic activity is likely to improve the Palestinian bargaining position in relation to Israel in any context (i.e. inside or outside the paradigm of the two-state solution). This argument has its roots in game theory and has been articulated by Mushtaq Khan with reference to the concept of "holding power" which refers to one side's bargaining position.¹⁴ Khan states:

A common way of establishing holding power is to establish that there are some non-negotiable claims that you will not give up on. If your opponent believes that you believe there is something non-negotiable in your claim,

¹² Johan Galtung, *Peace by Peaceful Means: Peace and Conflict, Development and Civilization* (International Peace Research Institute, Oslo (Sage Publications Ltd, 1996).

¹³ Edward E. Azar, *The Management of Protracted Social Conflict: Theory and Cases* (Dartmouth, 1990); Oliver Ramsbotham, "The Analysis of Protracted Social Conflict: a Tribute to Edward Azar," *Review of International Studies* 31, no. 01 (2005): 109–126, doi:10.1017/S0260210505006327.

¹⁴ Khan explains: "When you are bargaining in the context of a conflict, each side is trying to demonstrate that they have more 'holding power' in this conflict. 'I can inflict more pain and/or I can take more pain than you can so I will survive in this conflict longer than you can and therefore I will win'.": Mushtaq Husain Khan, "Post-Oslo State-Building Strategies and Their Limitations: Transcript of the Yusif A. Sayigh Development Lecture 2010" (MAS (The Palestine Economic Policy Research Institute), December 1, 2010), http://eprints.soas.ac.uk/2421/1/Prof_Mushtaq_Final_Transcript_Sayigh_Lecture.pdf.

*and you will fight for that until the end, this significantly increases your holding power and therefore makes it more likely that you will win.*¹⁵

With reference to this argument, reducing Israeli control and increasing Palestinian control over Palestinian political and economic agency in the oPts, in a way that is sustainable, would reflect the fact that Palestinian access to basic rights in this context is a non-negotiable claim and that would strengthen Palestinian 'holding power' – or in other words, improve the Palestinian bargaining position – in virtually any context regardless of the particular virtues or flaws in the two-state solution.

Therefore, in the context of this study *progress towards peace* is defined in concrete terms that relate to greater Palestinian independence over basic political and economic activity. This definition rests on three supporting planks (a) that it is the most relevant part of the PA's own articulation of peace – via the Arab Peace Plan – to the core questions of this thesis, (b) that it conforms to a general consensus among peace theorists on what comprises progress towards peace and (c) that it represents an improvement in the Palestinian bargaining position that is not necessarily confined by the two-state solution as a conceptual horizon.

Neo-liberalism

Khan also made a number of criticisms of the PA's post-2007 agenda particularly in relation to achieving an improved bargaining position.¹⁶ The key criticism was

¹⁵ Ibid.

that the PA prioritised neo-liberal economic and political reforms rather than sought to establish greater 'holding power' for the Palestinians. This claim is reflected in various other criticisms of the PA's post-2007 agenda and indeed is also a finding of this diagnostic (see Chapter Nine in particular). It is appropriate therefore to define precisely what the term 'neo-liberalism' means in this context.

Broadly, neo-liberalism is generally accepted to mean the scaling back of the role of the state and allowing for greater power to be located in financial markets.¹⁷

However David Harvey offers a more precise definition:

*Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices.*¹⁸

Therefore, neo-liberalism supports the reduction in the scope of the state, which tends to be seen as a hindrance to the market. As such neo-liberalism has occupied both an analytic and normative role in that it is used as a means both to critique the way in which the link between politics and economies operate and also to claim that there is a particular way in which that relationship should function. Critics of neoliberalism contend that neo-liberalism creates more problems than it solves, and that lack of regulation helps to create conditions

¹⁶ Ibid.

¹⁷ This definition has been broadly popularized by high profile commentators such as Noam Chomsky, Colin Crouch and Joseph Stiglitz *inter alia*. Noam Chomsky, *Profit Over People: Neoliberalism and Global Order* (Seven Stories Press, 2003); Colin Crouch, *The Strange Non-Death of Neo-Liberalism* (Polity Press, 2011); Joseph Stiglitz, *Globalization and Its Discontents*, New Ed (Penguin, 2003).

¹⁸ David Harvey, *A Brief History of Neoliberalism* (Oxford University Press, 2007).

where elites can dominate the domestic economy or exercise undue influence over foreign economies. For example, powerful foreign corporations can use undemocratic influence on weak governments in order to influence legislation in their own interests. In the particular contexts of the Middle East and elsewhere in the global south, neoliberalism is associated with 'structural adjustment programmes', which demand the opening of economies and an end to protectionism as conditions for the provision of loans.

Of course in a practical sense, the precise nature of what neo-liberalism means is specific to whatever is the context in which it is examined and this means that it is necessary to examine particular processes that relate to the Palestinian case and especially the post-2007 agenda pursued by the PA – as this is the key focus of this thesis. In order to achieve this it is appropriate to begin by noting the intimate ties between neo-liberalism and the Oslo peace process – a product of a particular school of neo-liberalism that intersects with liberalism as a school of international relations theory known as 'functionalism' – and thereby set the groundwork for the PA's post-2007 agenda. This can, arguably be best described in terms another sub-branch of neo-liberalism that relates to development theory which is 'good governance', a critical term that is regularly used to describe the goals of the PA's post-2007 agenda.

Thus one feature that makes neo-liberalism in Palestine distinctive in terms of its broad definitions – such as those quoted above – is its close association with the Oslo peace process. Indeed a neo-liberal economic agenda was overtly tied to the primary philosophy that underlay the Oslo peace process through the concept of

'functionalism'. This referred to the belief that peace could be achieved through stressing the value of transitional relationships between states and sub-state institutions that develop through shared interests. In the context of the Oslo peace process this was meant to manifest in the form of institutional collaboration between Israeli, Palestinian and other Arab institutions through which, it was hoped, there could develop enough common ground to form the basis of a successful resolution to the conflict.

However, as Bullion argues, this approach was flawed. The outbreak of popular discontent in the form of the second intifada demonstrated that popular support had not been forthcoming. Essentially, disillusionment was a product of the fact that though the participants in the functionalist peace process were seen as legitimate representatives, the transformative narrative that was part of the process itself never became hegemonic (i.e. dominant; hegemony is defined more precisely below). In other words, though the reasoning behind Palestinian participation in the Oslo process was widely disseminated within the population, the population did not take the critical step of consenting to live within the new paradigm that was being produced by the negotiations. Bullion suggests this was because the peace process had failed to bring about the basic improvements in life that had been promised in its legitimising narrative.

Although support for the functionalist approach was reiterated as late as 1998, especially in the context of the Israeli–Palestinian–Jordanian triangle, economic cooperation remained limited and overall economic development was not generated ... The autonomous Palestinian Territories experienced considerable setbacks even prior to the intifada. Although the Jordanian–Palestinian–Israeli triad had been expected to perform a similar role to the one the Benelux countries performed in Europe, actual results in terms of

*successful corporation were rare ... The Palestinian economy deteriorated rather than improved.*¹⁹

However, as discussed above, despite the dramatic failure of the Oslo *peace process* in the 1990s, after the second intifada, the Fayyad government did not pursue a fundamentally different strategy, rather, it actually slightly reshaped the rhetoric that accompanied the arrangement and more closely aligned its actions with the demands of external donors. It is fair to say that post-2007 the PA was no longer overtly engaged in a relationship with Israel that could be described under the terms of a functionalist approach to peace. However, what replaced it was yet more neo-liberalism. In this case the concern was to satisfy the interests of its major western donors and thus the PA adopted a “good governance” agenda.

Good governance

According to a UN definition, good governance comprises eight elements and includes a normative standard applied to how processes of governance are enacted. The UN defines governance as “the process of decision-making and the process by which decisions are implemented (or not implemented)”²⁰ and states: “governance can be used in several contexts such as corporate governance, international governance, national governance and local governance.”²¹ The eight characteristics, which distinguish good governance from bad, are, according to the UN:

¹⁹ Bouillon, *The Peace Business*, 3.

²⁰ “What Is Good Governance” (United Nations Economic and Social Commission for Asia and the Pacific, 2012), <http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.asp>.

²¹ Ibid.

1. Participation – by both men and women through “legitimate intermediate institutions or representatives”²² which is “informed and organized. This means freedom of association and expression on the one hand and an organized civil society on the other hand”²³
2. Rule of law – requiring “fair legal frameworks that are enforced impartially. It also requires full protection of human rights ... an independent judiciary and an impartial and incorruptible police force.”²⁴
3. Transparency – meaning “decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement.”²⁵
4. Responsiveness – that, “institutions and processes try to serve all stakeholders within a reasonable timeframe.”²⁶
5. Consensus oriented – this “requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved.”²⁷
6. Equity and inclusiveness – this suggests that all of the general population feels included in mainstream society. “This requires [that] all groups, but particularly the most vulnerable, have opportunities to improve or maintain their well being.”²⁸
7. Effectiveness and efficiency – “processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal.”²⁹
8. Accountability – “not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders.”³⁰

Clearly the combination of these characteristics represent an ideal type of governance in the eyes of the UN, a point which is recognised in the qualifying statement: “Very few countries and societies have come close to achieving good

²² Ibid.

²³ Ibid.

²⁴ Ibid.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

governance in its totality. However, to ensure sustainable human development, actions must be taken to work towards this ideal with the aim of making it a reality.”

However, even with such a proviso this definition is inadequate for the purposes of addressing this thesis’ main questions - (a) How did Palestinians in the West Bank experience the political and economic effects of the PA’s agenda during the period 2007-2011? And (b) what were the consequences of the PA’s agenda (2007-11) for the way in which power manifest and is distributed within the West Bank? – for three major reasons.

- First is that the definition does not account for the fact that the PA’s post-2007 agenda is not a product of Palestinian decision-making only, rather it is also heavily shaped by the influence of Israel’s occupation and the donor states.
- Second – and linked to the first – is that the principles of good governance have been selectively applied to the Palestinian case, with particular emphasis on the those areas that are of concern for donor countries – such as financial transparency.
- Third is that in Palestine good governance has been utilized as a development strategy; however, as Mushtaq Khan points out, it is ill suited for such a role both in principle and in practice.³¹

Decision-making: In the context of Palestine it is possible to draw out some similarities between the language of these characteristics and the three concrete criteria that are relevant to this thesis’ main focus (discussed above). In short, this refers to the UN’s use of terms such as “stakeholders” which, arguably, is

³¹ Mushtaq Husain Khan, “Corruption and Governance in Early Capitalism: World Bank Strategies and Their Limitations” (2002); Mushtaq Husain Khan, “Evaluating the Emerging Palestinian State: ‘Good Governance’ Versus ‘Transformational Potential,’” in *State Formation in Palestine: Viability and Governance During a Social Transformation*, ed. Mushtaq Husain Khan, Inge Amundsen, and George Giacaman, 1st ed. (Routledge, 2004).

another way of describing the role that would be embodied by Palestinians who had greater control over their own political and economic agency than they currently do. However, this then goes to the core of the problem with this definition's application to Palestine – Palestinians living under occupation are not stakeholders in the broader political and economic decision making of Palestine in the same way as “stakeholders” would be in the political and economic decision making of the ideal state described by the UN definitions – because the political and economic decision making does not rest with the PA alone, but ultimately with Israel's occupation and various donor governments. In short, this definition of good governance rests on the assumption that the various mechanisms of governance are linked to a reciprocal relationship between the government and the public – the descriptions of all of the eight characteristics make this explicit. However this cannot be applied straightforwardly to Palestine because the PA and the other institutions of governance (for example major corporations) do not exist within that reciprocal relationship. Instead those processes of governance are subject to the power of other constituencies – particularly Israel and donor states.

Obviously this point of criticism goes to the heart of the definition of good governance and its application to Palestine. However, the fact that it represents a keystone in the philosophy underlining international donor relations with Palestine means that that it should not be simply overlooked. Rather, it is important to rethink what this term can mean in such a way that is useful for answering the core questions of this thesis. Therefore it is worth returning to an analysis of neo-liberalism executed through a prism of good governance that

directly connects to the primary questions of this thesis. In order to do so it is appropriate to examine what good governance meant in a *de facto* sense and how it contributes to a better understanding of the conditions experienced by Nablusis under the PA's post-2007 agenda. This is discussed in the following section in relation to the selective application of good governance criteria to Palestine.

Selective application: From the perspective of the donor countries, good governance represented a solution to the problems that had plagued the PA under Arafat. In particular donors saw it as a means of combating corruption particularly when it came to the misuse of donor funds. This obviously meant that donor countries would take a tighter grip over the PA's activities and (as discussed in later chapters) they did, particularly by marshalling the payment of funds and insisting on strict transparency measures. But clearly, good governance in this sense does not really mean progress towards the ideal type outlined by the UN. In fact, it means little more than the selective application of certain policies that happen to be similar to some of those criteria but without the broader superstructure of a reciprocal relationship between the governed and the government.

Thus, while the PA and the donor countries encouraged the appearance of compliance with those characteristics – through rhetoric and through emphasising the similarities between their actions and the UN's criteria, in reality – as this thesis shows in later chapters – there was very little progress on any front. In short:

- While the PA was forced to become more *transparent* this transformation was driven by the need to satisfy donors not the population being governed.
- The notion of *rule of law* was interpreted as domestic security and neither fair legal frameworks nor human rights protection were implemented.
- The *participation, accountability, responsiveness* and *consensus oriented* clauses were all ignored as the PA suspended and degraded democracy. And *equity and inclusiveness* were undermined as the PA's post-2007 agenda made it much harder for vulnerable communities to survive in the West Bank.
- Supporters of the PA would argue that its post-2007 agenda fulfilled the role of *effectiveness and efficiency*, as best it could because the long-term interests of the Palestinian people were best served by maintaining donor support, rather than losing it. However this argument only demonstrates the fact that the good governance agenda was adopted in order to appeal to an external constituency not the domestic population

Development strategy: As Mushtaq Khan argues, a major problem with good governance – as a development strategy – is that empirical evidence suggests that it simply does not work. His argument essentially rests on two key points: first that while various developing economies have taken different paths in development, there is “no evidence at all that even sovereign countries that have succeeded in the last 50 years in East Asia, China today and India, did so by following good governance principles.”³² With specific reference to the Palestinian case study, Khan explains that the link between development and good governance represents little more than a tactic to induce a short-term improvement in the delivery of foreign aid to Palestine:

*Good governance in the Palestinian context appears to be a cover for achieving some of the conditions for improving the efficiency of aid delivery. Efficient aid delivery is important in the short term, but it is not a development program, it is not sustainable.*³³

³² Khan, “Post-Oslo State-Building Strategies and Their Limitations: Transcript of the Yusif A. Sayigh Development Lecture 2010.”

³³ Ibid.

The reason why this is the case is that good governance imposes strict restrictions on the capacity of the PA to protect its economy or control how resources are used. This is associated with donor's efforts to curtail corruption, which accept only market-led policies as legitimate, and is therefore suspicious of any activity that emphasises or increases the state's role, regardless of whether the intended outcome of that agenda is actually in the public interest (see discussion on rents in Chapter Eight). Khan argues that instead of being used as the model for a development strategy, the kind of ideal characteristics outlined by the UN should be considered aspirational goals for developing economies – notwithstanding their various distinctive interpretations of those goals – but what is necessary is that governments and institutions adopt pragmatic and sustainable approaches to improving the governance capabilities. With specific reference to Palestine such an approach surely means making the kind of concrete progress I have identified above.

For the purposes of this thesis' diagnostic then, good governance should not be considered a realistic development strategy, but rather the term describes a particular form of neo-liberalism, which promotes the selective implementation of particular strategies in the pursuit of specific goals. These goals tend to favour reducing the influence of the state and over emphasising the potential positive outcomes of market-led decision-making.

Key concepts

The remainder of this chapter defines further terms that are used throughout this thesis in order to provide clarity in the following discussions which address the core questions at the heart of this thesis: (a) How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011? And (b) what were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank? The first part of this discussion presents definitions of conceptual terms which relate to how this thesis seeks to answer those key questions. These terms are *Power*, *Coercion*, *Consent* and *Hegemony*. Following these, terms directly relating to the case study are defined.

Power

Power, according to standard definitions in political science, is the ability to cause a person, or a thing, to act in such a way in which they would not otherwise act. However, beyond the *prima facie* appeal of its simplicity this remains a deeply unsatisfactory definition for application to the study of Palestine in the context the key questions of thesis. This is, in essence, because the definition raises more questions than it answers.³⁴ Thus the imprecision of this definition suggests that it is too broad to be practically useful in addressing those questions.

³⁴ For example: what is it to cause a person or thing to act? Is it possible to know how a person or thing would have acted had an event not occurred? And therefore how can one know whether one's agency is the cause of a particular change? Is power only ever evident in action and absent in the absence of action?

Instead, it is better to begin by situating the question of defining power within a relevant context. In view of this, we can accept that one aspect that is clearly inherent in its definition is that power is relational. Or in other words, power is only intelligible in terms of how it is expressed in relationships between things. In the context of political relations on a broader scale such power relationships are evident primarily in the form of hierarchies. These hierarchies are manifest in numerous contexts.³⁵ As Arendt explains:

*Power corresponds to the human ability not just to act but to act in concert. Power is never the property of an individual; it belongs to a group and remains in existence only so long as the group keeps together. When we say of somebody that he is "in power" we actually refer to his being empowered by a certain number of people to act in their name.*³⁶

Among political scholars there is some common agreement on Arendt's terms of reference for the definition of power. It is immediately reminiscent of Thomas Hobbes' *Leviathan*, which argued for ultimate power to be embodied in the sovereign through the application of a social contract. In Hobbes' example, the population empowers the sovereign through the physical act of handing over their weapons and surrendering their right to life. Without being empowered by such acts the sovereign remains just another individual and is not powerful.³⁷

³⁵ For example: within states and societies, between states, between states and particular non-state actors (for example, political parties, popular movements or corporations), between states, non-state actors and formal or informal structures (for example international treaty organisations, ideologies or transnational identities).

³⁶ Hannah Arendt, *On Violence* (United States: Harcourt Publishers, 1970).

³⁷ Thomas Hobbes, *Leviathan* (Forgotten Books, 1976).: This comparison becomes clearer as Arendt distinguishes power from what she means by *strength*. *Strength* is a singular quality and not relational. In other words, a strong body may be considered strong in any context but it may prove to be lacking in power if it is confronted by a group of weaker bodies acting in concert. *Strength* therefore, is not the same as power because, when working together, others can disempower even a very strong body. A world of strong bodies, without any particular nodes of power, would be equivalent to Hobbes' state of nature.

As Arendt's definition explains, because power depends on the actions of individuals working in combination, it must be contingent on some level of agreement, or at least consent, among those acting. In the sense that power in this context is manifest in hierarchical structures, consent can mean acceptance of the ruler's authority by those ruled. In order to obtain and maintain power (to be empowered) certain mechanisms are required in order to make such relationships possible. These include: institutions, historical or literary narratives, political discourses or material apparatus *inter alia*. (Some mechanisms that are particularly relevant to the PA's post-2007 agenda are discussed below).

Therefore for the purposes of this thesis, *power* is defined as (a) a relational phenomenon – meaning that it is only intelligible when in the context of a relationship - (b) a condition wherein humans are working in concert – and therefore depends on some form of shared understanding – and (c) is usually manifest in hierarchical structures – meaning that particular individuals are empowered by relationships, while other individuals empower them.

Coercion

The most obvious mechanisms for extending the reach of power and for maintaining it are those that are commonly understood as coercive.³⁸ Within the

³⁸ Again, Arendt makes an important distinction between two terms that are commonly used as synonyms for coercion; force and violence. She argues that force can be distinguished from violence because violence means the use of force in a specific sense. For Arendt violence is an instrument of power that is (usually used as a last resort) in order to maintain the consistency of a hierarchical relationship. Force, on the other hand, does not necessarily mean coercion at all – and Arendt prefers to reserve the term for describing structures that are not obviously political

particular (post-) colonial context of the Middle East, of which post-2007 Palestine is a part, it is evident that coercion has not only been used to maintain a hierarchical structure, but also to extend such structures into new territories and to impose political decisions taken by colonial authorities upon the local population. This is certainly apparent in the history of colonial expansion in the Levant in the early twentieth century. However, it is also important to note that colonial rule was not exercised through coercion alone.

Rather, historical examples demonstrate the fact that often-complex relationships exist between the coercive force of the coloniser and the consent of the colonised. Indeed, as Neep argues, the naïve, but common, assumption of a binary opposition between coercion and consent (predicated on comparisons between metropolitan and colonial experiences of policing) has proved to be inadequate.³⁹ Instead, we can acknowledge a different kind of relationship between coercion and consent whereby coercive mechanisms were used to produce more consensual social realities. In essence, this means that coercive techniques can be understood as part of the toolset with which dominant powers institute and maintain hierarchical structures within and beyond the space that they have colonised.

For Palestine, this thesis applies this understanding of coercion to attain a more complex interpretation of the meaning of Israeli violence that was experienced

(but may still have an impact on the nature of politics) – for example: forces of nature and circumstances of political decision making.

³⁹ Daniel Neep, “Policing the Desert: Coercion, Consent and the Colonial Order,” in *Policing and Prisons in the Middle East: Formations of Coercion*, ed. Laleh Khalili and Jillian Schwedler (C Hurst & Co Publishers Ltd, 2010), 41–56.

by Palestinians during the second intifada (2000-c.2007) and therefore impact the post-2007 political and economic environment. I contend that Israel employed four different methods of violence during this period: *Spatial violence*, *violence ad hominem*, *systemic violence* and *political violence* (discussed in more detail in Chapter Six), and that these were implemented with extreme severity not with the intention purely to destroy political enemies but with the purpose of reshaping the landscape of Palestinian political consent.

For the purposes of addressing the key questions of this thesis, then, coercion is defined as the instrumental use of force in order to either expand or maintain a hierarchical power structure. In (post-) colonial contexts such as post-2007 occupied Palestine, an apparatus of coercion that served the interests of the coloniser, is likely to be present at all times within the colonised society. However, these mechanisms are activated with increasing intensity as the need to produce (or reproduce) a more consensual environment emerges (or re-emerges).

Consent

It follows then, that it is also necessary to rethink the meaning of the term consent. In common political usage consent is usually divided into two subcategories; these are *support* and *obedience*. In this sense *support* is generally understood to mean willing consent where *obedience* implies *consent* derived from the fear of the use of force. Of course, it is possible to criticise this division in the same way that Neep's criticism of the traditional binary of coercion and consent focuses on the fact that these concepts are grounded in Western

traditions of political philosophy and are not necessarily applicable to the (post-) colonial Middle East. However, more importantly, the question should not be reduced simply to the case of Western traditions versus philosophies of the Middle East societies. Rather we can recognise that the activity of consenting, describing the result of apparent human decision making, is necessarily subject to its contextual environment because human decision-making does not take place in isolation.

Individuals may be able to recognise the difference between willingly supporting and being unwillingly obedient to a political process. However, it is also the case that the frame of reference within which they make such decisions is external and is potentially subject to change. Yet at the same time this frame of reference tends to set the general parameters as to the social acceptability of such decision-making. In a practical sense, as discussed above, hierarchies of power represent a cyclical relationship wherein the ruler and the ruled accept a common understanding of the nature of society. This common understanding is produced and reproduced through myriad mechanisms and types of apparatus that pervade society. In particular, it takes the form of commonly accepted narratives of events. These narratives often include moral assumptions and normative conclusions – although these can be hidden.

In the Palestinian example, Khalili's work on the "mnemonic narratives"⁴⁰ of Palestinian history and their relationship to actions in the political present is instructive. Such narratives tie together and make comprehensible, particular elements of a subject's identity, their social context, and suggest a particular normative framework. Such narratives are also often played out in terms of actual activities or practices. As such their value is enforced and reinforced socially. What can be understood as *consent* must, therefore, be interpreted through the frame of such narratives. Khalili identifies three categories of narratives: *heroic*, *tragic* and *steadfast* all of which can be tied to particular interpretations of historical events (for example, the 1948 *Nakbah*, the 1967 *Naksa inter alia*) and, in general, they can be understood to produce (and reproduce) behaviour that reinforces that view through the normative values that they exhibit.

Following from the example above – that of the consent produced in Palestinian society in the post-intifada context through the use of mechanisms of extreme coercion by Israel – the PA's post-intifada actions were accompanied by a particular narrative that was intended to give it legitimacy. Specifically, this is what I have termed as the 'myth of *Fayyadism*' (that the PA attempted to legitimise its actions through the claim that through *nonviolent state-building* it could achieve Palestinian independence).

⁴⁰ Laleh Khalili, "Heroic and Tragic Pasts: Mnemonic Narratives in the Palestinian Refugee Camps 1," *Critical Sociology* 33, no. 4 (July 1, 2007): 731–759; Laleh Khalili, *Heroes and Martyrs of Palestine: The Politics of National Commemoration* (Cambridge University Press, 2007).

However, as stated above, this narrative did not become hegemonic and the short-term popular consent that was enjoyed by the PA can be attributed to other factors, such as battle fatigue. Indeed, as discussed in more depth later, this thesis suggests general Palestinian consent towards governance by the PA in the aftermath of the intifada, not due to popular acceptance of its political platform. Rather it came about as a result of the improvement in the general living conditions in the West Bank after 2007 and as a result of in the relative improvement in the efficacy of the PA as a provider of basic services such as policing.⁴¹

As a working definition, then, relevant to addressing the core questions of this thesis, consent is defined as: the condition wherein individuals empower others – usually meaning other institutions – with which they have a relationship. There are various levels of consent in different contexts and therefore consent may be manifest in a wide range of behaviour: from tacit obedience to acceptance and re-enforcement of a narrative through particular social practices.

Hegemony

This thesis uses hegemony according to the Gramscian definition rather than how it is used in the realist school of International Relations. For Gramsci the

⁴¹ Studies under similar post-war conditions elsewhere have shown that consent towards ruling elites is often extended even when their actions are associated with flagrant corruption or other such damaging activity, the critical proviso being that governing elites continue to provide services to the general public. A good example of this is the popular support enjoyed by Lebanon's Prime Minister Rafik Al Hariri during his first term when he was simultaneous political and financial backing for the post-war reconstruction of downtown Beirut demonstrated a clear conflict of interests. M. W. Neal and R. Tansey, "The Dynamics of Effective Corrupt Leadership: Lessons from Rafik Hariri's Political Career in Lebanon," *The Leadership Quarterly* 21, no. 1 (2010): 33–49.

state is an institution that represents the interests of a particular group within civil society. This group – categorised usually as the bourgeoisie – dominates civil society and operates as the moral and cultural leadership. Hegemony, describes that state of dominance within society. In particular, this means that a particular class dominates both the apparatus of the state (such as the tools of coercion *inter alia*) and the production and reproduction of narratives through mechanisms such as education or the media (*inter alia*). Through these means the elite produces consent among the rest of society, even in cases where the interests of the dominant class are very different from the interests of other classes. Hegemony can therefore be understood as a particular balance of forces within a society that preserves a particular hierarchical system of power.⁴²

Two key aspects of hegemony that are important to clarify for the purposes of addressing the key questions in this thesis are, first, though narratives can be said to become hegemonic – in the sense that they become widely accepted as the *common sense* interpretation of the history of shared events – this is not sufficient to maintain the integrity of a hierarchical structure on its own. Instead, it is more appropriate to consider hegemonic narratives as products of an already dominant system. However, this is not to say that a hegemonic system is necessarily static. Rather, hegemonic narratives may be challenged by others – often reinforced through alternative (communal) practices. Second, particularly relevant to the (post-) colonial context – such as post-2007 Palestine – is that hegemonic norms need not be confined to one state in particular and, in fact, it is

⁴² Gramsci, *Prison Notebooks*; Jones, *Antonio Gramsci*; P. Ransome, *Antonio Gramsci: a New Introduction* (Harvester Wheatsheaf New York, 1992); John Hoffman, *The Gramscian Challenge: Coercion and Consent in Marxist Political Theory*, New edition (Wiley-Blackwell, 1986).

likely that in colonial contexts hegemonic norms are transferred from the core to the periphery. As Cox explains:

*Hegemony derives from the ways of doing and thinking of the dominant social strata of the dominant state or states insofar as these ways of doing and thinking have acquired the acquiescence of the dominant strata of other states.*⁴³

In relation to interpreting the nature of power in post-2007 Palestine it is also worth clarifying the difference between the terms legitimacy and hegemony. Legitimacy, in the sense that Weber used it, is much narrower than Gramsci's concept of hegemony. This is because legitimacy describes the relationship between the state and society wherein society recognises the exclusive right of the government to use force. However, as Ayubi argues, Gramsci's broader concept of hegemony is much better suited to analyses of the (post-) colonial Middle East, of which post-2007 is a part. This is because, where Weber's work was developed within the European metropolitan core of colonial and capitalist expansion, Gramscian theory discusses power and the relationship between state and society at the periphery of this growth (in underdeveloped Sardinia).

In essence, the critical difference between the two concepts is that legitimacy rests on two premises, which are: (a) the state is an institution that is identifiably distinct from society and (b) society recognises that the state has particular rights (usually to use coercion within and on behalf of that society). Hegemony, on the other hand, sees the state as an institutional product of a particular class's dominance. As Ayubi explains:

⁴³ Robert Cox, "Towards a Post-hegemonic Conceptualization of World Order: Reflections on the Relevancy of Ibn Khaldun," in *Governance Without Government*, by James N. Rosenau and Ernst-Otto Czempiel, Cambridge Studies in International Relations (Cambridge University Press, 1992), <http://dx.doi.org/10.1017/CBO9780511521775>.

The concept of hegemony is superior to that of legitimacy in that it includes, but also surpasses the latter. In addition, hegemony is not as closely tied to the specific mechanisms of political representations and participation (which are too closely tied to Western/capitalist pluralistic and parliamentary democracy) as legitimacy seems to be. It may also be easier to analyse the concept of hegemony within the condition of developing countries. All definitions of legitimacy are based on a 'belief', and this has to be quantitatively measured through certain technical devices (attitude surveys, opinion polls, etc.) whose free application is not permitted in Arab countries ... legitimacy in the Middle east is closely intertwined with an evaluation of the performance of the state both as producer (the public sector) and as distributor (social welfare), and considerations of 'sufficiency' and 'justice' play a far more important role as components of the concept of legitimacy than they do in advanced capitalist countries.⁴⁴

This distinction is critical to approaching the Palestinian case study because it speaks directly to the failings of what can be considered *conventional wisdom* regarding both contemporary Palestinian politics and the Oslo *peace process*. As Bouillon argues, the dominant interpretation of the Israel-Palestine conflict that underlay the Oslo *peace process* was rooted in a functionalist understanding of International Relations.⁴⁵

In the particular context of post-2007 Palestine this thesis argues that a similar mistake is being made. The PA has been returned to power in the West Bank despite comprehensively losing elections in 2006 and the illegal extension of President Abbas' term well beyond its constitutional limit. However, the appeal of *Fayyadism*, particularly to Western audiences, is predicated on a similar functionalist logic to that which permeated the Oslo *peace process*. The narrative of *Fayyadism* sought to justify the actions of the PA by arguing that the *legitimacy* of the government rests on the fact that it is the only institution that can effectively fulfil the role of the state – particularly in the areas of ensuring

⁴⁴ Ayubi, *Over-stating the Arab State*, 32.

⁴⁵ Bouillon, *The Peace Business*.

security and *economic development*. However, qualitative evidence presented in this thesis suggests a more complex relationship between the public and the state exists. In short, the critical conclusion is that the PA may be considered legitimate according to any number of standards – for example, in Ayubi's terminology; the PA acted as the immediate *producer*, in that it provided public sector jobs, and as the *distributor* of social welfare. However its agenda is not by any means hegemonic because the PA's execution of this role was very obviously subject to the will of Israel, and also largely confined to urban areas. (A fuller definition of the *Fayyadism* narrative is provided below).

For the purposes of addressing the core questions of this thesis, then, hegemony refers to the ability (or lack of it) of dominant powers to maintain the coherence and structure of the hierarchy of which they dominate. It includes a condition that that rule is consented to by a general consensus among the population that is being ruled. It should be noted however that, as the PA is not the sole or even dominate power governing Palestine, it is difficult to see how it could obtain hegemony under any circumstances in this context.

Particular Issues

This following section provides a definition of the key terms used to discuss the practical nature of the Palestinian case study that are relevant to addressing the central questions of this thesis.

The occupation

The most common legal definition for the 'occupation' derives from the application of international law – in particular the Fourth Geneva Convention⁴⁶ and UN Security Council resolution number 242.⁴⁷ However, there are three factors which complicate the definition of 'occupation', that should be considered in the pursuit of a clear definition that is relevant to addressing the key questions of this thesis. These three factors are: (a) that there are numerous contested narratives of the conflict among Palestinians, Israelis and internationally, and even in its legal sense, the term 'occupation' is contested, (b) that the nature of the mechanisms of power employed by the predominant power hierarchy is not static and (c) related to this, the complexity of the numerous relationships between various groups and individuals that identify themselves and their relationship with the power hierarchy differently. The Israeli economist Shir Hever, argues that the term 'occupation' is itself a misleading term and that a better approach is to consider Israel/Palestine as a single political entity.

*Israel/Palestine [can be seen as] a single state, one that stretches over the entire area controlled by the Israeli army – including the Gaza strip, the Golan Heights, and the West Bank, as well as the internationally recognised borders of Israel. This state has a single sovereign government, a single dominant army, and a single population registry ... but it has several groups of subjects, layered by their rights.*⁴⁸

Following Hever then, there are certain observable data that can be used to form a working definition of 'the occupation' for the purposes of this thesis. These are:

1. That there is effectively a single sovereign entity in the territory between the Mediterranean Sea and the Jordan River.

⁴⁶ "Convention (IV) Relative to the Protection of Civilian Persons in Time of War," August 12, 1949, <http://www.icrc.org/ihl.nsf/full/380>.

⁴⁷ "Resolution 242" (United Nations Security Council, November 22, 1967), <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/240/94/IMG/NR024094.pdf?OpenElement>.

⁴⁸ Shir Hever, *The Political Economy of Israel's Occupation: Repression Beyond Exploitation*, 1st ed. (Pluto Press, 2010), 2.

2. That there is a clear experiential difference between the rights enjoyed by individuals recognised by the sovereign government as citizens and those that are not.
3. There are numerous different identities that exist and interplay within hierarchies inside and between both the Israeli-citizen population and the non-citizen population based on ethnic-national identity, religious affiliation and socioeconomic status (*inter alia*).



Palestinian Academic Society for the Study of International Affairs (PASSIA)

4. That, though there is a single sovereign entity governing the land between the Mediterranean Sea and the Jordan River, the mechanisms of coercion utilised by that government are applied differently in the predominantly Palestinian areas in the West Bank and Gaza – although this difference does not relate directly to legally defined borders (the 1949 armistice lines).

Map 8: Oslo II (1995)

In view of the discussion of power and coercion (above), these data can be interpreted as indicating some of the basic elements that comprise the overall power hierarchy within which the Israeli state relates to the lives of Palestinian non-citizens, located in the West Bank and Gaza Strip. In short, in this context ‘the occupation’ can be understood as a

collective term used to describe various mechanisms of coercion utilised by Israeli power in those regions and directed towards those Palestinians. In practice, this refers to some of the examples detailed above (under the heading

Coercion). However, as a broader structure, it is useful to consider the general trend in Israel's coercive methods that has developed throughout the 1990s and frame the particular context with which this thesis is focused – the Nablus region, between 2007-2011. This is defined as “asymmetric containment.”⁴⁹

However, despite this apparent increase in autonomy, “asymmetric containment”⁵⁰ actually made Palestine more dependent on Israel's control during this period. In short, “asymmetric containment”⁵¹ describes various apparatus employed by the Israeli state to ensure its strategic dominance over the Palestinians and therefore maintain the integrity of the power hierarchy over which ruled (the development of “asymmetric containment”⁵² is discussed in more detail in Chapter Five: *The Oslo Process*).

Palestinian Politics

It is the field of Palestinian politics, particularly the impact of the PA's post-2007 agenda, that is the central concern of this thesis. The following topics are central to the approach taken by this discussion.

*The PA as “Bully Praetorian Republic”.*⁵³

This thesis argues that one of the critical factors in shaping the trend of contemporary Palestinian politics (during the period 2007-2011) is the form that

⁴⁹ Hilal and Khan, “Stateformation Under the PNA: Potential Outcomes and Their Viability.”

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Ibid.

⁵³ Clement Moore Henry and Robert Springborg, *Globalization and the Politics of Development in the Middle East* (Cambridge University Press, 2010).

the regime had taken in its recent past. This is made evident by the term: “Bully Praetorian Republic”.⁵⁴ This term describes a particular type of government where power rests almost exclusively on the operations of the “military/security/party apparatus.”⁵⁵ Henry and Springborg applied this term to the PA directly as well as to two other Middle Eastern regimes: Egypt and Tunisia (prior to the 2011 revolutions). In “Bully Praetorian Republics,”⁵⁶ unlike in states with other regime types – for example the bunker states represented by Iraq under Saddam Hussein, Libya under Muammar Qaddafi or Ali Abdullah Salah’s Yemen) these elites are not drawn from a clearly identifiable social group, and as such “they are at least not unrepresentative of their relatively homogeneous political communities.”⁵⁷ However, the most critical point about the nature of the “Bully Praetorian Republic”⁵⁸ is that the government tends to secure its dominance over the domestic hierarchy through the attribution of rents – payment of funds or awarding favourable contracts – rather than relying on direct coercion. As Henry and Springborg explain:

*Since the state provides the primary underpinning for these [bully praetorian] regimes, they have relatively little incentive to build and maintain ruling coalitions based in their respective political societies. The rulers of each of them seem content to restrict their extra-state coalition building to the placation of rural and traditional elites. Rent seeking arrangements with crony capitalists are more for the purposes of serving state based patronage networks than for broadening ruling coalitions.*⁵⁹

The development of this form of rule is discussed in detail in both chapters Four and Five of this thesis (*How the Oslo Process Emerged* and *The Oslo Process*). Its

⁵⁴ Ibid.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

particular significance to this thesis is that the crony capitalists that took advantage of this form of government and its distribution of rents during the 1990s continued to be extremely influential during the post-2007 period, and further that the gulf between these capitalists and the rest of society partly informed the PA's post-2007 agenda and partly shaped how that agenda was experienced.

Fayyadism and the PA's post-2007 agenda

As discussed in the introduction, Fayyadism is a term invented by Thomas Friedman of the *New York Times*. Friedman ostensibly supports Palestinian statehood, though in a particular limited way that endorses Israeli strategic priorities. For the purposes of this thesis Fayyadism is defined as a legitimizing narrative, which is distinct from the PA's post-2007 agenda in a material sense.

A passage from Michael Bröning's recent book on the topic of Palestinian politics demonstrates how the meanings of these two terms are often merged together in order to create a misleading impression of the nature of the Fayyad government:

*The novelty of Fayyad two-year plan was to move beyond the exclusivity of bilateral negotiations which many Palestinians increasingly perceived as futile. Fayyad's plan also indicates significant shift away from Palestinian claims to statehood based on abstract rights towards a discourse of Palestinian entitlement based on factual attainment of the basic requirements associated with a sovereign state. In this regard, Palestinian accomplishments in unilateral state building were meant to increase pressure on the international community to facilitate future demand for the official recognition of a Palestinian state.*⁶⁰

⁶⁰ Michael Bröning, *The Politics of Change in Palestine: State-Building and Non-Violent Resistance* (Pluto Press, 2011).

By contrast, this thesis contends that analyses such as Bröning's, and those that come to similar conclusions (discussed above) essentially provide a naïve and misleading perspective on post-2007 agenda, in effect they perpetuate the legitimizing narrative without any real analytical basis to do so. The view articulated by Bröning fails to take into account the broader, prevailing, power structure that is in fact much more significant to the experience of most Palestinians living in the West Bank (and Gaza) than the absence of a 'state'.

Instead of what the Fayyad government says about its agenda – the Fayyadism narrative – and the actions of the government since 2007 are treated as distinct entities it becomes possible to conduct the kind of diagnostic that this thesis seeks to contribute and therefore arrive at conclusions based on a meaningful analytical basis rather than extracting apparent analytical data from a normative point of departure. Therefore, in the context of this study, the term Fayyadism is used to mean a particular narrative that accompanied a distinct material agenda pursued by the PA during the period after 2007. At a slightly deeper level this narrative of Fayyadism comprises two further sub-narratives, which directly impact the key questions this thesis seeks to answer. These sub-narratives are security first (defined below) and development (discussed above).

Security first

In the context of this thesis *Security first* describes a sub-narrative of *Fayyadism* that was propagated by the PA and several top-down critics during and after the schism with Hamas, most intensely during the period 2007–2008. In reality this narrative draws from two different perspectives that arrived at more-or-less the

same normative conclusion during that period. That is, that Hamas must be removed from power and order must be imposed on the streets of Palestinian cities (Nablus in particular) before any other meaningful change can be made. These ideas were developed by a range of American think tanks that stress the necessity for a particular form of security as the basis for any further progress in either development, or achieving statehood and the PA used virtually the same narrative in order to give legitimacy to campaign against Hamas – in which it collaborated with western intelligence agencies. Therefore, for the purposes of this thesis the term *Security first* comprises the following statements:

- It was necessary to retake control of cities such as Nablus for the sake of the general population who suffered badly from the disorder that had characterised the period of the intifada.
- That Hamas was ultimately responsible for the violence through its undemocratic coup.
- That the PA followed its own agenda – not that of a foreign government.
- Its methods comprised mostly mainstream policing tactics and did not excessively use secret police.
- The use of illegal, or inhumane, interrogation tactics, including torture, was extremely limited.

It is worth stressing the point made above, that the *Fayyadism* narrative and the reality of the PA's actions were often not in alignment.

Chapter Four: How the Oslo process emerged

The following two chapters outline the causes of the Oslo process and its impact in terms of creating and ordering the political and economic dynamics that still dominate the nature of contemporary Palestinian politics, and Palestinian-Israeli relations. As stated in the introduction, this chapter does not seek to challenge the existing consensus among historians that the Oslo process was a product of a crisis within the PLO and the impact of a changing environment on Israel's strategic calculus. Rather, its intention is to present the framework of causes and dynamics that lead to the formation of the Oslo process, which then, in turn, developed into the current *historic bloc*. The first chapter discusses the historical backdrop to the Oslo process. Therefore the purpose of this chapter is to demonstrate the appeal of negotiations from the perspective of elites on both sides and yet also outline why these negotiations were, even from the outset, unlikely to develop into a peaceful solution to the conflict.

This chapter begins by discussing the Israeli backdrop to negotiations – suggesting that Israeli elites used the negotiation process as a means to overcome three major problems they, and Israel, had faced between 1948 and the late 1980s. The second section moves on to discuss how, for the PLO leadership, negotiations provided an important and urgent solution to internal political and funding problems. In both cases, it is argued that, while elites on both sides benefited in the short-term in terms of the immediate political environment through the pursuit of negotiations, there was no real consensus between representatives on either side as to the precise goals for talks.

The Israeli Backdrop

Direct negotiations between Israeli and Palestinian officials began at the Madrid conference in 1991. In the wake of the Soviet Union's collapse and the US-led war against Iraq in 1990-1, the George H. W. Bush administration sought to establish a new order in the region. The White House's insistence that Israel would have to conform to a new regional order, under American leadership, or suffer being ostracised by their closest ally is seen, particularly by scholars coming from a realist perspective, as the primary reason why the then Israeli leadership adopted a change in policy and began negotiations at the beginning of the 1990s. However, this narrative depends on a particularly favourable interpretation of US motives and suggests that it was always US intentions to bring peace to the Middle East, pursue justice (to a certain extent anyway¹) in the case of Israel-Palestine, and that the end of the Cold War had meant they had finally the room to pursue a foreign policy that prioritised those values.

This interpretation is too simplistic. Certainly US pressure played a role in pushing Israel to the negotiation table, but there were other factors from within the Israeli society itself, the framework of the conflict some 40 years after 1948, which also drove Israeli decision-making at the time. Beyond American pressure there existed three significant structural incentives for Israel's change in direction towards a limited form of engagement with Palestinians. These were: first, the incomplete nature of the initial ethnic cleansing of Palestine, which manifests as a problem for Israel, in that it left a major demographic threat to

¹ Indeed, the significance of the Bush Administration's decision to make \$10 million worth of loan guarantees to Israel conditional on the suspension of settlement expansion in 1991, particularly in the context of large-scale immigration from post-soviet republics to Israel, should not be overlooked.

Israel's (self-awarded) status as a Jewish–democracy; second, was the Arab boycott which had stunted Israeli economic growth since the state's inception and threatened to retard significantly the expansion Israeli businesses during in the post-Cold War era; third, was the immediate impact of the first intifada, which was manifest in terms of a breach in the continuity and efficacy of Israel's control over the Palestinian population in the occupied territories.

Zionism's Promise Unfulfilled

Even in the immediate aftermath of the 1948 war it was understood by Israeli policymakers that in order to secure their long-term goal of a predominately Jewish state, with *prima facie* democratic characteristics, it was necessary to deal with the consequences of an incomplete ethnic cleansing of the native Arab population.² Various *mopping up* operations continued in the wake of the war, and Ben Gurion's ambition to expand Jewish controlled territory into the West Bank, toward Nablus, was only restricted by the prospect of confronting resistance from the British Army – which had a defensive pact with the Jordanian monarchy – rather than any moral concern over the continued transfer of the Palestinian population.³ Yet when the West Bank and further territory was acquired in the 1967 war, the fact that population transfer was not an option in the same way had been 20 years before meant that Israel faced a much more urgent concern of losing their demographic advantage in the territory between the Mediterranean Sea and the Jordan River.

² Ilan Pappé, *The Ethnic Cleansing of Palestine* (Oneworld, 2007); Benny Morris, *Righteous Victims: A History of the Zionist-Arab Conflict, 1881-1999*, New edition (Random House Inc, 2001).

³ Pappé, *The Ethnic Cleansing of Palestine*.

However, concerned with cementing the combined mythologies of an Israeli (but not a Palestinian) right to self-determination and denial of the Nakbah, the issue of demographics had been (at least in public) studiously disregarded by Israel for the first 20 years of the occupation. Although documents circulated internally to policymakers do address Israeli concern over this issue.⁴ The events of the mid-1980s to early 1990s were transformative for Israeli society and helped establish conditions where confronting concerns of a growing Palestinian population through an alternative means (i.e. sacrificing land in order to maintain a Jewish demographic superiority rather than Palestinian population transfer). The three critical events were first, the economic crisis that hit Israel during the mid-1980s; the first Palestinian intifada (1987 – 1993); and the Gulf crisis 1990 – 1991. All three of these events can be understood as transformational to the environment in which Israeli policymakers and elites made and prosecuted their decisions regarding the Palestinians.

Israel's economic crisis in the mid-1980s, also known as the kibbutz crisis, fundamentally reorganised the structure of power relations within the state. It was brought about as a result of the Labor government's Economic Stabilisation Program (or New Economic Plan, 1985) that had been brought in to help stimulate the economy and end rapid inflation that had developed throughout the decade since the Yom Kippur War (1973). The plan cut government spending,

⁴ I. Koenig, "Top Secret: Memorandum-Proposal-Handling the Arabs of Israel," *The Koenig Report*, Reprinted in *The Journal of Palestine Studies* 6, no. 1 (1976): 190–200; T. Zayyad, "The Fate of the Arabs in Israel," *Journal of Palestine Studies* 6, no. 1 (1976): 92–103.

enacted wage and price controls, and devalued the currency significantly.⁵ The impact of this crisis, and the rolling back of government spending, had a significant impact on the basis of Israel's kibbutz movement and reoriented Israeli society towards a more traditional capitalist model.⁶

The crisis also had an effect on an on-going dispute between Palestinians working for Israeli employees, and Israeli labourers. The dispute, which had begun in 1979, ostensibly pitted Palestinians who demanded to be represented by Arab trade unions, against Israeli labour and the government who are aligned to the Histadrut (the powerful Israeli labour union, which, through holding companies, also owns outright or stakes in various major Israeli companies) to dispute had fled into particular violence, and the Israeli military had used force to suppress popular dissent and deport labour leaders (for instance Ali Abu Hilal – a labour leader - was deported from Israel in 1986).⁷ The crisis raised tensions between the Palestinian and Israeli working classes, and demonstrated to the various Israeli parties that the Palestinian labourers in Israel represented a significant political threat that could not necessarily be contained indefinitely.⁸

This fact was drawn into particularly sharp focus during the Palestinian intifada

⁵ Stanley Fischer, *The Economics of Middle East Peace: Views from the Region* (MIT Press, 1993); Michael Bruno and Patrick Minford, "Sharp Disinflation Strategy: Israel 1985," *Economic Policy* (1986): 379–407.

⁶ U. Zilbersheid, "The Israeli Kibbutz: From Utopia to Dystopia," *Critique* 35, no. 3 (2007): 413–434; Daniel Brod, *The Kibbutzim and Their Debt: Policy Considerations* (Institute for Advanced Strategic and Political Studies, 1990):. Until that time the kibbutzim had been able to depend on government credit guarantees, to cover their debt, however as a result of these changes many of the advantages the kibbutzim enjoyed were watered-down or removed altogether. While kibbutzim maintained an advantageous position relative to the rest of society the impact of these changes is clearly dramatic.

⁷ Michael Palumbo, *Imperial Israel: The History of the Occupation of the West Bank & Gaza*, 1st ed. (Bloomsbury Publishing PLC, 1990), 208.

⁸ C.f. *Ibid.*, chap. 8.

of 1987-1993 (also known as the *First Intifada* or *Intifadat al-Hijara*) the impact (particularly in terms of Israel's standing in international relations and ability to utilise soft power) is discussed in more detail below. Many of the political activities by Palestinians designed to confront the occupation did so through direct attacks on the economic infrastructure of Israel. These included strikes, demonstrations, boycotts and refusal to pay taxes. Furthermore, Israel's response, which included the huge mobilisation of military force, restrictions on movement and curfews compounded the damage wrought during this period to Israel's economy.⁹ The clear lesson for Israeli policymakers that emerged from this period then, was that Palestinian labour could no longer be counted upon in order to provide for Israeli economic growth.

Finally, the Gulf crisis of 1990–1991, had major psychological impact on the Israeli elite. For the first time in its existence, Israel deliberately obfuscated the role of defending itself against a hostile Arab threat. Under pressure from the United States to stay out of the conflict with Iraq (in order for the US to be able to maintain its broad coalition which included other Arab states such as Saudi Arabia) Israel endured the effect of SCUD missile strikes against Tel Aviv and other populated areas while depending on foreign (American) troops and equipment for its defence. The humbling psycho-emotional impact of this, on both policymakers and the general population, was significant in that it demonstrated very vividly to Israelis the profound level of dependence they had

⁹ Assaf Razin and Efraim Sadka, *The Economy of Modern Israel: Malaise and Promise* (University of Chicago Press, 1993); David Fielding, "Counting the Cost of the *Intifada*: Consumption, Saving and Political Instability in Israel," *Public Choice* 116, no. 3 (2003): 297–312, doi:10.1023/A:1024831518541; David Fielding, "Modelling Political Instability and Economic Performance: Israeli Investment During the *Intifada*," *Economica* 70, no. 277, New Series (February 1, 2003): 159–186.

on American support, even this case where the state has been directly attacked by a hostile foreign power.¹⁰

The cumulative impact of these three events was that it severely reduced the appeal for Israelis – both the general population and the elites – of trying to maintain the status quo. The Gulf War demonstrated the weakness of Israel relative to other forces in the world and that, as a result of the uncertainty that accompanied the end of the Cold War; unconditional support from the United States could no longer be depended upon. The economic crisis and the intifada shock at the very core of the domestic belief in Israeli exceptionalism. Thus in some ways the radical dream of Zionism was fading and giving way to a reality that seem to require difficult choices for Israelis. In other words, Israelis could no longer pursue the dream of semi-socialism, represented by the kibbutzim, at the same time as they enjoyed the benefits of an otherwise capitalism-oriented economy. Furthermore, in relation to the Palestinians, the narrative that Israel could expand and transfer population without any major cost to itself had been exposed as a myth. This was particularly apparent when Palestinians employed the language of independence and self-determination and the civil resistance methodologies of trade unions to reap unprecedented damage on the Israeli economy.

In short, Israel was paying a price that it had otherwise avoided since 1948. The incomplete ethnic cleansing of Palestinians combined with the incomplete

¹⁰ Shlomo Ben-Ami, *Scars of War, Wounds of Peace : The Israeli-Arab Tragedy* (Oxford University Press, USA, 2006).

normalisation of the state, left Israel with severe weaknesses. The significance of the Middle East, and Israel's position in it, to the United States during the Cold War had meant that with uncritical American support, it was possible to hold together (or postpone dealing with) many of these basic faults. However, the Soviet Union's decline, the reduction in superpower tensions and the apparent dawn of a new age of American hegemony in the Middle East translated into uncertainty for Israel. Therefore, at the same time it appeared that the ability of the regime to maintain the *status quo* was being drawn into question at the domestic level, international dynamics were lining to make the prospect of pursuing a favourable compromise more appealing.

Circumventing the boycott, opening new markets

The 1980s was also the period where a more hard-line philosophy of neo-liberalism grew to prominence internationally, particularly in Western Europe (especially the UK), North America and in some cases in Latin American – such as Chile under Augusto Pinochet – that were also supported by the US and its allies. Further, the decline of the USSR and the US is growing reach internationally seemed to signal that globalisation was the inevitable path to prosperity in the new era. Israeli businesses too, sought to capitalise from the advancing tides of globalisation. As mentioned above, Israeli society was already undergoing profound changes toward liberalisation during this period. In particular the economic downturn (1973-85) combined with rapid inflation (1979-1985) had helped broaden the divide between a small, powerful, capitalist elite and the rest of Israeli society.

It was those Israeli capitalists – all of whom had achieved dominant positions within their sectors of the economy by the mid-1980s – that had pushed the government to adopt a raft of market-oriented reforms. Nitzan and Bichler¹¹ have theorised that, in the wake of the economic crisis of the mid-1980s, the Israeli business elite sought to shift from a phase of inward looking wealth extraction to an outward looking phase of expansion. Because of the fact that a prominent network of relationships tied the top tier of Israel's capitalist elite to both the political and union leadership, Nitzan and Bichler¹² suggest that it is unsurprising that the Labor government's response (the Economic Stabilisation Plan, see above) was so oriented toward free-market expansion – and eventually, as this taste for internationalism snowballed and material links between the elites and the state weakened, it would play an important role forming a less nationalistic and reactionary political outlook for those elites. This would come in to play in relation to Palestinian demands for self-determination and effectively soften elite resistance to it by the early 1990s.¹³

However, the major obstacle remained for Israeli businesses seeking global expansion. This was the Arab boycott. The reason why this was such a problem even in terms of expanding into markets in Europe, America and particularly East Asia, was that it effectively combined three boycotts in one. The overall policy of boycott had been in effect since before the 1948 declaration of the state and its effect was more significant than simply obstructing trade between Arab states

¹¹ "Inflation and Accumulation: The Case of Israel," *Science & Society* (2000): 274–309; *The Global Political Economy of Israel* (Pluto Press, 2002).

¹² *The Global Political Economy of Israel*.

¹³ *Ibid.*

and Israel. Its three elements had a severely limiting effect on Israel's globalisation. It effectively made it impossible for any foreign company to do business with an Israeli business while at the same time dealing with firms based in the Arab world. The boycott worked in the following way: beyond the obvious first level of boycott, that banned Israeli-Arab trade outright, the boycott also (a) banned companies from trading in the Arab world if they also traded with Israel and (b) blacklisted those companies that did business with companies doing business with Israel. The cumulative cost of this was significant, the total cost of this between 1948-1994 was estimated at around \$40 billion in lost opportunities.¹⁴ The boycott had been challenged already in 1979 with the signing of the Israeli-Egypt peace, but the benefits from this paled in comparison to what could potentially be achieved if the boycott were to be more comprehensively undermined.

Domestically, as discussed above, the ESP (1985) was the threshold event. It effectively privatised several of Israel's largest and most powerful conglomerates and enabled the first serious wave of international investment in Israel to take place. Yet while some sensitive parts of the economy remained under the state's control and protection altogether, the privatisation of other aspects was managed carefully by the government in order to serve the interests of Israel's capitalist elite. The most important aspect of this change was that it allowed them to look internationally for partnerships in order to expand into foreign markets. This

¹⁴ John Rossant in Rome, Neal Sandler in Jerusalem, Amy Borrus in Washington, and Stanley Reed in New York, "The Peace Dividend for Israel and Jordan," *BusinessWeek: Online Magazine*, August 8, 1994, <http://www.businessweek.com/archives/1994/b338471.arc.htm>; A. Retzky, "Peace in the Middle East: What Does It Really Mean for Israeli Business?," *The Columbia Journal of World Business* 30, no. 3 (1995): 26–32.

involved lobbying foreign governments for more favourable conditions of Israeli businesses internationally. This created two major outcomes, these were (a) the upgrading of Israel's Preferential Treatment Agreement with the European Economic Community to a full Free Trade Agreement and (b) a similar agreement with the US. Thus, in 1985 Israel became the only country in the world with a Free Trade Agreement with both the Europeans and the United States.

Yet, investment also flowed the other way. The ESP also loosened some state restrictions on foreign investment into Israel. This meant that just as Israeli capitalists were looking overseas to expand from its domestic base, which had become concentrated under the ownership and a few elites, the domestic market began to be diluted with foreign money. Thus the 1980s also saw an initial splintering of the system of monopoly control that had dominated the domestic market until that point. According to some interpretations, the internationalisation of Israel's economy – and globalisation in general – has had a knock-on effect on the political and social discourses that contribute towards Israeli, and Zionist, self-identity.¹⁵ This knock-on effect challenged the hegemony that had been enjoyed by particular form of Zionism within Israeli popular and elite forums.

While there were certainly potential direct benefits to be found through normalising Israel's status in the region – for example, the prospect of importing

¹⁵ Uri Ram, "The State of the Nation: Contemporary Challenges to Zionism in Israel," *Constellations* 6, no. 3 (September 1, 1999): 325–338, doi:10.1111/1467-8675.00149.

fresh water from Turkey, via Syria - Israel's capitalist class was actually looking at its potential interests outside the region. In particular this meant the booming markets in East Asia. In the late 1980s and early 1990s Japanese cars had already surged into the Israeli market and a series of trade conferences in Israel, attended by delegations from various states in central and East Asia, promised more of the same. Unlike their extra-regional counterparts in Europe or America, which had taken particular measures to manage or even counteract the impact of the boycott on their trade relationships in the region East Asian businesses and governments remained either ignorant or apathetic towards such political restrictions to businesses. Therefore, at least one element of the Israeli elite's motivation for engaging in negotiations with Palestinians, and the rest of the Arab world, was not primarily based on a desire for a meaningful peace between the state and Palestinians - or its other adversaries - but rather to open the door to other markets.

Political leaders in Israel's Labor Party were the most vocal in articulating this agenda. According to Shimon Peres, who would also be responsible for bringing the ESP into law the logic of peace negotiations and economic liberalism went hand-in-hand.¹⁶ Indeed events at the time appeared to support this logic. By 1994, merely as a result of engaging in negotiations, Israel achieved recognition by several Arab regimes - including the PLO - and a formal peace with Jordan. The impact of this on the boycott was to dilute its first layer (the ban on Israeli-Arab trade). Yet, it also nullified the crippling effect of the boycott's second and

¹⁶ Shimon Peres and Arye Naor, *The New Middle East*, 1st ed. (Henry Holt & Co, 1993).

third layers (the ban on companies that traded with Israelis and the blacklist of companies that did business with companies doing business with Israel). Eventually, by 1997, the economic integration between Israel, Jordan and Egypt manifest in the establishment of major joint Arab-Israeli ventures, such as the QIZ projects with Jordan and Egypt.

However, it is worth noting that Israeli businesses achieved the goal of diluting the Arab boycott merely as a result of engaging in negotiations. Thus their commitment to actually establishing an independent Palestinian state or arriving at any other more permanent solution to the Palestinian problem as a trade-off of these peace dividends was never really tested. In fact, the globalisation of Israel's capitalist elite would throughout the 1990s and 2000s eventually lead to a much more profound disconnectedness between those traditional powerbrokers and some of the concerns of the Israeli state (for instance various companies that were Israeli, at least in name, remained unaffected by the economic consequences of the second intifada. This is primarily as a result of the fact that most of them were registered in the US and did much of their business there.¹⁷ Therefore, the limited level of commitment of Israel's elite to dealing with the Palestinian question conclusively was an issue that would resurface throughout the negotiations during the 1990s, and into the 2000. Furthermore, divergence of the elites' goals from those officially recognised by the other parties (including a reactionary element within Israeli society itself) goes some way to explain the talks' degradation, the stalemate and the return to prominence of reactionary

¹⁷ Shimshon Bichler and J. Nitzan, "Israel's Roaring Economy," *Global Research*, July 6, 2007, <http://www.globalresearch.ca/index.php?context=va&aid=6234>.

political 'strongman' in Israel beginning with Netanyahu in the late 1990s.¹⁸

But in the short term for Israel's capitalist elite, negotiations (that began with the 1991 Madrid conference) offered the prospect of business opportunities that would be much more valuable than any loss in nationalist pride sustained through limited recognition of Palestinian concerns. Rather, their interest was in the promise of establishing a virtuous cycle based on opportunities for business in an improved political environment. It was hoped that through expansion into new markets, the elite itself would both help to produce an environment of peace, sustainable growth and prosperity, and that through reaping the rewards of globalisation they would also benefit from it. It is of course unknowable whether or not the notion of 'peace dividends' was ever fully imbibed by the participants at Madrid in quite the way it was championed in the political rhetoric of the time. However, there is little doubt that the opportunity to circumvent the Arab boycott and access new markets was a major factor that shaped the approach pursued by the elites.

Intifada al-Hijara

The first intifada is discussed above in terms of its economic impact of Israeli business and the fact that, combined with strife between Arab and Israeli labour unions, the shock brought about by it seems to imply that Israelis could no longer depend on Palestinian Labour as an integral part of its economic strategy.

¹⁸ Bouillon, *The Peace Business*, chap. 7.

However, beyond this domestic impact, the power of the intifada as a symbol of Palestinian rejection of Israeli rule was very important. The intifada caught Israelis off guard. The military and political infrastructure was unprepared and slow to come to terms with the nature of the crisis. Overall the intifada cost Israel greatly in terms of its international political image – its soft power.

Internationally the impact was particularly damaging for Israel. Images of Israeli troops beating or otherwise oppressing young Palestinians, who, in a generally non-violent popular uprising seemed to embody the many of the characteristics advocated in Western self-promotional and anti-Soviet rhetoric, were broadcast globally. This was particularly damaging to what had been the prevailing narrative in the West, that presented Israel as a weak and vulnerable actor resisting the irrational, racist aggression of the Arab world – embodied in the minds of many by the example of the Baathist figureheads (such as Gamal Nasser, Saddam Hussein or Hafez al-Assad) who in their public appearances would often conflate anti-imperial, anti-Western rhetoric and anti-Zionist, and sometimes anti-Semitic statements.¹⁹ Instead these images suggested that it was Israel itself, with Western support, which was acting as the imperialist. The resulting popular disquiet internationally, and to some extent in the domestically in Israel, made clear the virtue of pursuing policies in the West Bank and Gaza that went beyond overt coercion.

However, the intifada also struck the self-confidence of Israel's political and

¹⁹ William L. Cleveland and Martin Bunton, *A History of the Modern Middle East*, 4th Revised edition (Westview Press Inc, 2009), chap. 16, 19.

military command structures. In effect the fact that intifada was not predicted and the Israeli response was poorly managed, particularly in its early phases, pointed to a systemic failure in Israel's existing structures, and its ability to manage and contain the Palestinian population within the occupied territories. This strategy had been rooted in the traditional colonial methodology of divide and rule. Israel had attempted to co-opt Palestinian elites inside the occupied territories and create power bases that would act as alternatives to the PLO.

Particularly during the late 1970s, the military government ruling the occupied territories cracked down on the existing urban-based elite by outlawing of the National Guidance Council and promoted alternative nodes of power in order to inspire the emergence of a competing elite. The most well know of these was the Village Leagues, a system of representative councils promoted by the military government in the rural West Bank. The intention behind it was to promote divisions between those in rural areas and Palestinians in the larger towns who were served by more nationalist oriented organisations. This was combined with Israeli promotion of an Islamist alternative to the PLO, particularly in the Gaza Strip and the assassinations of a number of prominent Palestinians overseas.²⁰ For the PLO, this coincided with the aftermath of the Jordanian civil war (1970 – 1971) and was a period of extreme strain for the PLO leadership.

The PLO had been forced to relocate from Jordan to Beirut and had, in ten years,

²⁰ This Included Zuheir Mohsen a prominent member of the Pro-Syria As-Sa'iqa faction within the PLO who was murdered by the Mossad in Cannes, Southern France in 1979; Naji Al Ali, a prominent artist and creator of the 'Handala' cartoon who was shot to death by Mossad agents in London, UK, in 1987, and Khalil al-Wazir a high level PLO official who was killed by the Israeli military in Tunis in 1988.

constructed and developed a new base of operations that was effectively operated as a state within a state. However, in 1982 the Israeli military invaded Lebanon in extremely controversial circumstances. Unsubstantiated claims suggest that the Israeli military commander, Ariel Sharon, ignored (or at least threatened to ignore) the guidance of his own government and large the invasion of Lebanon unilaterally, leaving it to the government to claim responsibility and the after-the-fact in order to avoid embarrassment. However it is beyond doubt that serious war crimes were committed by Israeli forces and their Christian Phalangist allies during the siege of Beirut in 1982.²¹

Yet, while the war in Lebanon proved extremely costly for both sides, in one respect it was a dramatic failure. Driving the PLO out of Lebanon failed to weaken the organisation's ideational presence in the territories and instead in some respects effectively produced the opposite result by (a) adding to the mythology of 'resistance-at-all-costs' and (b) condensing the spectrum of choices facing Palestinians within the territories in relation to their political allegiances (i.e. to resist or to support the PLO, and to reject the PLO was to reject the resistance). This is because, in practical terms, the PLO which was now no longer able to operate effectively from the close proximity of their base in Beirut had allowed was forced to depend more heavily on the support and activism of its members and allies within the territories themselves which created pressure on other elites. This pressure was particularly manifest in the fear of being outflanked by supporters of the PLO that were prepared to act radically. The best example of

²¹ Ben-Ami, *Scars of War, Wounds of Peace*; Baruch Kimmerling, *Politicide: Ariel Sharon's War Against the Palestinians* (Verso, 2003); Robert Fisk, *Pity the Nation: Lebanon at War*, Updated Edition (Oxford Paperbacks, 2001).

this was the assassination of Zafir al-Masri, the interim mayor of Nablus, in 1986 by agents of the PFLP who had inferred his collaboration with the occupation. This meant that they abandoned any putative alternative approaches and committed their support to the PLO.²²

At the beginning of the 1980s Israel had shifted policy towards establishing more permanent structures of occupation throughout the territories. This, although official established in the form of a 'civil administration,' in fact depended more overtly on direct rule by the military establishment. While Israel had already used forcible land seizures as a method of containment and disenfranchisement of Palestinians since 1967. However, a legal change in 1981 made it possible for the state to seize land by claiming that it was property belonging to the state of Israel.²³ This change demonstrated that Israel had adopted a new approach to deal with the Palestinians. This was characterised by the fact that different modes of power were being employed by the Israeli authorities to deal with the Palestinians. Gordon argues that the phase of direct military rule (1967–1980) was being replaced at this point by more indirect forms of management through the civil administration. This used a variety of legal–bureaucratic apparatuses as intermediaries in dealing with the Palestinians while maintaining a clear hierarchy between them and Israelis.²⁴

²² E. Sahliyeh, "The West Bank Pragmatic Elite: The Uncertain Future," *Journal of Palestine Studies* 15, no. 4 (1986): 34–45.

²³ Neve Gordon, *Israel's Occupation* (University of California Press, 2008), 120.

²⁴ "By and large, Israel has used seven complementary methods to seize land—(1) declaring land to be absentee property; (2) declaring land to be the property of a hostile state or agent; (3) confiscating land for public needs; (4) declaring land to be part of nature reserves; (5) requisitioning land for military needs; (6) declaring land to be state property; (7) helping Jewish citizens to purchase land on the free market—each method resting on a specific aspect of the legal system. Some of these mechanisms were modified or replaced over time in order to address

The shift to this mode of rule-through-intermediaries was enabled by closer alliance between Israel's executive and the judicial system. It allowed for the utilisation of particular interpretation of existing Ottoman laws as a pretext. The rate of forcible appropriation of land accelerated throughout the 1980s and reached its peak in the seizure of some 14 per cent of the West Bank by 1984,²⁵ and by the beginning of the intifada in 1987 some 125 settlements in the West Bank and Gaza Strip had been built in these areas, representing an investment totalling over \$8 Billion.²⁶ In summary then, both (a) the shift from direct military rule to dealing with Palestinians through intermediaries and (b) the more permanent structures of legal procedures and the growth in settlements throughout the West Bank demonstrated that the hierarchical relationship between Israel and the Palestinians in the occupied territories had entered a new phase of maturity. Israel was establishing a new framework that simultaneously distanced the state from its direct responsibilities to the Palestinian population of the same time extending Israeli colonialism into occupied territories.

When it came to dealing with the intifada, in the late 1980s-early 1990s, Israel had already started down the path of dealing with the Palestinians indirectly and as the intifada went on it became clear that one of the best options available was to continue to do so. As the more traditional, often brutal, methods of dealing

the changing legal circumstances. From 1967 to 1980 Israel employed the first five methods, and between 1981 and 1987 the first two were replaced by the sixth method, namely, declaring that the land was state property, and the seventh was added. In 1988, Israel began imposing its own civilian laws on land in the OT, but not on the Palestinian residents" Ibid.

²⁵ Ibid., 129.

²⁶ Ibid.

with resistance failed to quell the uprising,²⁷ and it also became clear that a great cost was being incurred by Israel through pursuing this line, the appeal of an alternative logic which depended on establishing more and more layers of bureaucratic–legal apparatus between Palestinians and Israelis was hard to resist. Gordon²⁸ suggests that the notion of bringing more Palestinians in to the running of these intermediate bureaucracies, with responsibility for a narrow range of domestic policies, had been floated in Israeli governmental discourses for some time. His argument is that Israel (or pre-state Zionists) had often used a technique of outsourcing control throughout the history of the conflict.²⁹

Given both PLO's strong base of ideational support within the territories any yet the fact that it was suffering from internal weaknesses it became clear to Israel that engaging with the PLO directly would be more fruitful than another attempt to establish a rival. Gordon,³⁰ argues that through bringing the PLO into negotiations then the Israeli government found a way to outsource the occupation – in particular the most burdensome responsibilities to the occupied population – to the Palestinian leadership itself. This arrangement would be ultimately supported financially by international donors who themselves would be drawn in by the promise that they were investing in a genuine peace process and broader regional stability. It is clear that from Gordon's perspective Israel never really intended to pursue the goal of a genuine and comprehensive peace

²⁷ C.f. Sergio Catignani, *Israeli Counter-insurgency and the Intifadas: Dilemmas of a Conventional Army* (Taylor & Francis, 2008), chap. 6.

²⁸ *Israel's Occupation*.

²⁹ Gordon cites the examples of the Palestinian Farmers' Party created by the Jewish Agency in the 1920s, informal power-sharing agreements with the Kingdom of Jordan, the creation of the Village Leagues in the late 1970s and the establishment of the South Lebanese Army in 1978 *Ibid.*, 170..

³⁰ *Israel's Occupation*.

settlement. Rather than the Oslo process, and the subsequent establishment of the PA, were in fact the products of a careful plan to mislead both Palestinians and the international audience with the promises of peace and statehood that would never be fulfilled. Other critics of the Oslo process have followed a similar line of argument.³¹

However, as argued below, the implication that: at no time were Israeli politicians motivated by anything other than a desire to deny Palestinians any semblance of statehood, is not without controversy. Other analysts³² present a much narrower argument, suggesting that while Israel never intended to fully give up its control over matters of that related both to Israel's security and Palestinian sovereignty, it is also true that the ambiguous nature of the PA's status (and intermediate body operating between occupation and statehood) was not the direct product of nefarious Israeli intentions but rather the perpetuation of a state-of-affairs that happened to serve Israeli interests.³³ Nonetheless, it is clear from the historical record that, regardless of Israeli intentions, the periods 1980–1987 and 1987–1993 represented important transitional moments for the nature of Israeli rule over the occupied territories.

³¹ Including Sara Roy, *Failing Peace: Gaza and the Palestinian-Israeli Conflict* (Pluto Press, 2006); Gordon himself cites: Edward W. Said, *The End of the Peace Process*, 2nd Revised edition (Granta Books, 2002); Noam Chomsky, *Fateful Triangle: The United States, Israel and the Palestinians*, Revised edition (Pluto Press, 1999); M. Rabbani, "A Smorgasbord of Failure: Oslo and the Al-Aqsa Intifada," *The New Intifada: Resisting Israel's Apartheid* (2001): 69–90.

³² C.f. M. Turner, "Creating 'Partners for Peace': The Palestinian Authority and the International Statebuilding Agenda," *Journal of Intervention and Statebuilding* 5, no. 1 (2011): 1–21 for useful overview.

³³ The most prominent proponents of this argument are Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability." However, Gordon's argument is particularly helpful because although, following Turner (2011) and Hilal and Khan (2004), I contend that Gordon's case is overstated in relation to Israeli intentions, his analysis of the factual outcomes of the peace process are accurate and the broader context provided by his "genealogy of the occupation" (Gordon 2008) demonstrates the shifting phases of the Israeli-Palestinian relationship.

Summary

For Israel the appeal of engaging in negotiations was based on three important factors. First was the change in its international environment that occurred at the end of the Cold War. This created a period of uncertainty and challenged the self-confidence of the Israeli leadership. *Carte blanche* American support could no longer necessarily be taken for granted as new alignments of power were being established in the region. This meant that Israelis were, for the first time since 1948, being forced to confront the incompleteness of their state project. The continued presence of Palestinians meant an inevitable challenge to a state that claim to be both Jewish and democratic.

Second, the economic crisis of the 1980s and the government's market-oriented response had added to tensions over labour rights and amplified the inter-ethnic divide. This was followed by the widespread uprising, or intifada (1987), and combined, these encouraged Israelis to think about a new economic path. Israel's elite was also keen to take advantage of the advancing tide of globalisation and encouraged the government (to whom they were very well-connected) to reconsider political hostilities, and even the Palestinian question, in order to challenge the Arab boycott. At the same time, foreign investment into Israel brought with it the possibilities of replacing Palestinian Labour with cheaper alternatives. In short, after a period of 10 years of inward-looking, state-dependent economic growth, Israeli capitalist elites began to see the virtue in globalisation and diversification, and as a result, for at least the small group of capitalists, concerns about national identity defined only in opposition to *Palestinian-ness* were diluted with other interests.

Finally, the intifada itself demonstrated that one phase of Israeli methods of rule over the occupied territories was over. The uprising essentially proved that Israel's preferred tactic of inculcating an alternative to the PLO inside the occupied territories had failed. This was primarily because none of the alternative hierarchies could genuinely rival the PLO's popular appeal. When the intifada broke out in 1987, traditional means of reasserting the military's authority (i.e. beatings or other forms of coercive force) over the population proved useless or even counter-productive. The power of PLO's image remained a potent force in the politics of the occupied territories – even in spite of the fact that, having been forced to relocate to Tunis, and was itself far from the action (the PLO itself was taken by surprise by the intifada, discussed below). In the wake of this realisation and through acknowledging the risk for its own domestic economy – and its ability to extend soft-power internationally - posed by continued disruption and the economic strain of actually waging war against the population of the occupied territories³⁴ a new idea, that of engaging in negotiations directly with the PLO both as a means to end the conflict and further other goals, began to emerge within Israeli decision-making structures.

The Palestinian backdrop to negotiations

The previous section has already touched on some of the reasons why the prospect of negotiations with Israel, apparently offered to the Palestinian leadership particular incentives that were broader than simply a naive pursuit of

³⁴ By 1989, about 13,000 Palestinians were imprisoned, 1,794 of whom were held in administrative detention Gordon, *Israel's Occupation*, 158..

peace. This section discusses three broad developments in detail. In short, these are: (a) an internal crisis within the Palestinian leadership which it sought to resolve by engaging in direct negotiations with Israel and the US; (b) the fallout from the PLO's dramatic strategic error in aligning itself to Iraq during the 1991 Gulf War; and (c) the role of business interests (Palestinian and Jordanian), in suing for talks.

A decade of attrition

The murder of Shlomo Argov, Israel's ambassador to the Court of St. James, by the Palestinian organisation Abu Nidal (which was by no means an ally of the PLO), in 1982 provided Israel with the pretext it had been looking for to launch an assault on the PLO in Beirut. The war began on the 4th June 1982 and ended, for the PLO leadership at least, with the negotiated exodus of somewhere between 8,000³⁵ to nearly 15,000³⁶ of its cadres in August that same year. Israel's invasion had inflicted catastrophic damage on the city of Beirut, particularly on the Palestinian refugee population, and it fundamentally altered the political, social and military landscape of the northern Levant in such a way that the repercussions would last into the first decade of the next century. Although the PLO left in its wake a number of institutions and some 2,000 members its ability to operate with autonomy³⁷ or conduct military operations against Israel and its interests was essentially crippled beyond repair. In the wake of losing Beirut the PLO leadership scattered. Having been violently expelled from two of countries

³⁵ Helena Cobban, *The Palestinian Liberation Organisation: People, Power, and Politics* (Cambridge University Press, 1985), 3.

³⁶ Ahron Bregman, *Israel's Wars: A History Since 1947*, 2nd ed. (Routledge, 2002), 175.

³⁷ Which had been enabled by the 1969 Cairo Agreement and had blossomed into an effective state-within-a-state with the construction of an entire structure of government, economy social welfare in parallel to the those function otherwise in Lebanon.

neighbouring Israel (also Jordan, 1970) and being unwelcome in Syria – for political reasons – and Egypt, since the 1979 Peace Treaty, the organisation needed to look further afield for a new home.

Therefore, when Tunisia's president, Habib Bourguiba, offered Yasir Arafat and a contingent of the PLO leadership a new base, at Borj Cedria near Tunis, from which to operate it was gratefully accepted in spite of the significant distance between the new headquarters and occupied Palestine. This Tunis-based-era was a sustained period of decline for the Arafat-regime. Although it continued to conduct military operations against Israel - most notably the murder of three Israelis in Cyprus by the Fatah affiliate *Force 17*, which resulted in an Israeli bombing raid and the killing of tens of PLO cadres - the fact that the PLO was now based over a thousand miles away from the focus of its concern was beginning to undermine its legitimacy with more radical and committed elements of the resistance.³⁸

In this context, the outbreak of the first intifada produced two effects simultaneously. First the intifada helped consolidate support for the PLO – particularly within the occupied territories – by reigniting a direct conflict between Palestinians and Israel. The uprising immediately demonstrated to both the PLO's critics and the rest of the world that, at least in terms of rhetoric and ideology, Palestinians in the occupied territories still expressed a strong affinity

³⁸ C.f. United Nations, *Yearbook of the United Nations, 1985* (Martinus Nijhoff Publishers, 1990), 285.

for the positions and leadership embodied by the PLO.³⁹ Further, the collaborative relationship of all the PLO factions was enhanced with the establishment of UNL (*al-Qiyada al-Wataniya al-Muwahhada* or the Unified National Leadership) and its first call for a general strike in early January 1988.

Second, by contrast, the fact that open hostilities had broken out in the territories beyond the PLO's control and without coordination with it, meant that in the initial phases of the intifada the PLO's top ranks could only follow the direction of the movement rather than leading it. Yet, even this was not a smooth process. On several occasions the gulf between the PLO leadership on the outside and the movement's *de facto* leadership in territories widened and some misalignment between the two's outlooks became more apparent. As Khatib puts it:

*In order to survive ... the PLO outside made some political concessions that were not echoed by the inside leadership, especially concerning the agreement with Jordan – that in any negotiations the PLO would represent Palestinians within a Jordanian delegation – which ultimately compromised PLO representation of Palestinians.*⁴⁰

Therefore, in the early stages of the *Intifada*, its ultimate direction remained undefined. This was particularly evident during the fierce debate that developed around a document detailing the Palestinians' *Fourteen Points* which was submitted to the US Secretary of State by prominent members of the Palestinian intelligentsia in January 1988 – these were: Hanna Sinyura, the editor of East

³⁹ The text of the first joint leaflet issued on the 16th of December (a mere week into the uprising) in Gaza which states: "The rulers of Israel deluded themselves into thinking that they had come closer to creating an alternative to the PLO, and that with their empty talk of direct negotiations with Jordan" Ghassan Khatib, *Palestinian Politics and the Middle East Peace Process: Consensus and Competition in the Palestinian Negotiating Team* (Routledge, 2009), 47..

⁴⁰ *Ibid.*, 46.

Jerusalem's *al-Fajr* newspaper, and Gazan lawyer Fayiz Abu Rahm.⁴¹ Among other more specific demands, such as those to release prisoners held captive by Israel, the document demanded international intervention in to the occupied territories and an international force to be established in order to assume responsibility from Israeli hands. The dispute over the significance and the timing of the *Fourteen Points* took place within various intellectual circles but came to an end when the Intifada's leadership endorsed the document and it became the *de facto* reference point for the political agenda of the uprising.⁴² According to later interpretations, the *Fourteen Points* constituted an effort to add impetus to the political negotiations with Israel, or to "capitalise politically upon the uprising".⁴³

The PLO's agenda achieved two further victories in the summer of 1988. First, King Husain of Jordan formally relinquished Jordanian claims to sovereignty over the West Bank.⁴⁴ Second, the circulation of documents at the Algiers summit of the Arab League by one of Arafat's deputies, Bassam Abu Sharif, declaring the PLO's intention to engage in direct negotiations with Israel on the basis of a two-state solution.⁴⁵ This shift to pursuing a two-state solution as an ultimate goal was effectively made irreversible in November 1988, again in Algiers, when Yasir Arafat declared independence for Palestine in the occupied territories, denounced terrorism and recognised the state of Israel. He repeated this message at a meeting of the United Nations General Assembly in Geneva (December, 1988)

⁴¹ Cobban, *The Palestinian Liberation Organisation*, 220.

⁴² F. Robert Hunter, *The Palestinian Uprising: A War by Other Means* (I.B. Tauris, 1991), chap. 3.

⁴³ *Ibid.*, 73.; For the full text of the *Fourteen Points* see Walter Laqueur and Barry Rubin, *The Israel-Arab Reader*, Revised edition (Penguin USA, 2008).

⁴⁴ Pineschi and Anis F. Kassim, *The Palestine Yearbook of International Law 1987-1988* (Martinus Nijhoff Publishers, 1988), 247.

⁴⁵ Musa S. Braizat, *The Jordanian-Palestinian Relationship: The Bankruptcy of the Confederal Idea* (I.B. Tauris, 1998), 185.

and as a result the PLO achieved, among other things, a major goal of winning – in principle at least – US and international support for the prospect of direct negotiations.

The first two years of the Intifada took a significant toll on Palestinian society and by 1989 it had effectively reached a stalemate.⁴⁶ But the PLO had undoubtedly attained something of a victory, at least in the sense that it had reasserted itself and its agenda and retaken a leadership despite the vulnerability it had faced at the beginning of the intifada. As Sayigh puts it:

*Two models of Palestinian political organisation confronted each other in 1988: the voluntary, grass-roots activism, social mobilisation, and decentralised leadership that typified the intifada in its first year, and the contrasting bureaucratization, patronage, and centralizing institutions through which the PLO extended its state control from exile. For a brief moment the former model appeared to pose a serious challenge, but the triumph of the latter was perhaps inevitable.*⁴⁷

Now that the PLO had achieved this dominance domestically it turned its attention to international diplomacy and attempted to engage directly with the two global superpowers. In the case of the USSR, which was itself in the process of disintegration, the PLO's concern was primarily focused on curtailing or disrupting the possibility of mass Jewish emigration from behind the now permeable *iron curtain* to Israeli settlements in the occupied territories.⁴⁸ However, Arafat failed to extract any concession on this front, although the PLO was awarded the nominal honour of an embassy in Moscow and a full Soviet

⁴⁶ Mazin B. Qumsiyeh, *Popular Resistance in Palestine: A History of Hope and Empowerment* (Pluto Press, 2010), 153.

⁴⁷ Sayigh, *Armed Struggle and the Search for State*, 632.

⁴⁸ Hadas Weiss, "Immigration and West Bank Settlement Normalization," *PoLAR: Political and Legal Anthropology Review* 34, no. 1 (May 1, 2011): 112–130, doi:10.1111/j.1555-2934.2011.01142.x.

ambassador based in Tunis.⁴⁹

More important than the USSR though, was Israel's closest ally – the United States. American insistence on discussing the end of terrorism (which in this context was term used to incorporate any form of armed resistance to Israeli occupation) as a precondition for any support of further negotiations helped reaffirm the kind of lob-sided power relationship that remains today. The impact of the intifada on popular perceptions of Palestine, along with the momentum of its recent successes in terms of international support for its peace agenda, meant that the PLO was not without political capital. However, with the escalation of tensions between the PLO and US, its allies - both in the Gulf and Israel – during the 1990-1 Gulf crisis landscape soon changed dramatically.

Although, it would certainly be both fair and informative to provide a nuanced account of both the structural framework and the personal relationships, which factored into the decision making of the PLO leadership at the time of the 1990-1 Gulf Crisis, several such expositions are already available elsewhere.⁵⁰ However, viewed with the benefit of hindsight Arafat's decision - with the encouragement of other factions including the PFLP and DFLP - to align the PLO with Saddam Hussein's Iraqi regime, against an American-led international consensus that this was the violent birth of a *new world order*, can be seen as an unqualified strategic blunder. More important than the loss of public sympathy internationally that resulted from this decision was the fact that by siding with Saddam, Arafat

⁴⁹ Sayigh, *Armed Struggle and the Search for State*, 639.

⁵⁰ *Ibid.*, chap. 26.

effectively alienated many of the PLO's most important sponsors in the Gulf and provided Israel with yet more ideological ammunition to demonstrate to its own public, and to international audiences, that the PLO – rather than genuinely pursuing peace – was in fact supportive of the Iraqi scud missiles that crashed into Tel Aviv and other Israeli cities in early 1991. Thus, when the PLO participants arrived at the Madrid conference (October 1991), as part of the Jordanian delegation, their strategic position was significantly weaker than where it had been just a matter of months before.

Yet, Israel initially failed to take advantage of the weakness of the Palestinian position going into the Madrid conference. Yitzhak Shamir's opening speech to the delegates looked backward with hostility to Arabs in general rather than forward to the prospect of peace and joint prosperity. It appeared parochial and not in keeping with either the spirit of the conference or the new post-Cold War world order. It even implied that Israel still rejected the entire premise of dealing with the Palestinian issue in principle and wished to continue in denial of the human cost of Israeli statehood. In contrast, the Palestinian delegation proved more than capable of crafting a favourable image for themselves, which appeared distant enough to be disassociated from the Tunis-based leadership not to be tarnished by recent history despite the close working relationship that persisted behind the scenes.⁵¹

The official bilateral dialogue that began in Madrid continued in Washington.

⁵¹ Avi Shlaim, *Israel and Palestine: Reappraisals, Revisions, Refutations*, Reprint (Verso, 2010), 157–161. The full text of both the speeches by Shamir and Haydir Abd al-Shafi – the leader of the PLO delegation – are available in Laqueur and Rubin, *The Israel-Arab Reader*.

However, in December 1992 a secret backchannel was established between the two parties and a second track of negotiations began based at the *Fafo Foundation* in Oslo. The arrangements had been made by Norwegian academics, most notably Terje Rød-Larsen, to organise meetings, initially between Ahmed Qray, a senior member of the PLO and Fatah, and Yair Hirschfeld, a history professor at Haifa University.⁵² These meetings continued unofficially, but with the support of Arafat and Shimon Peres, the Foreign Minister in the new Israeli Labor government. In May of 1993 the negotiations won official sanction from the Israeli government, and on 20th August both parties secretly signed an interim agreement that included mutual recognition, allowed for Palestinian autonomy in the Gaza Strip and the West Bank town of Jericho, and established a framework for future talks. The agreement was then made public and an official ceremony to sign a Joint Declaration of Principles (DOP) took place in Washington on 13th September 1993.

Divisions

However, the Oslo Accord was highly divisive among the Palestinian leadership. Several of the PLO's most well-known supporters, including Edward Said and Mahmoud Darwish, publicly rejected the plan and it faced stiff resistance both within the Fatah Central Committee and the PLO executive.⁵³ Nonetheless, further details were formalised between Arafat and Israel's prime minister, Yitzakh Rabin with the signing of the Cairo Accord (May 4th 1994) and the Palestinian Authority (PA) was officially established later that month in Gaza -

⁵²According to Benny Morris *Righteous Victims*., Hannan Ashrwawi had previously met with Hirschfeld in 1989 and suggested talks between him and Qray'.

⁵³ Sayigh, *Armed Struggle and the Search for State*, 658.

also, with jurisdiction over Jericho - and Arafat himself returned to the occupied territories for the first time since 1949, on the 12th July 1993.

Despite the various internal conflicts and evident discontent within the PLO, Arafat had secured his position as national leader at the beginning of a new phase in Palestinian history in the 1990s. This had been achieved through (a) bold and sweeping political manoeuvres culminating in the peace talks with Israel and (b) the monopolisation of the finances of virtually all the Palestinian movements associated with the PLO. However, also out of the intifada, various Islamist groups arose as new potential competitors to the Arafat-Fatah domination of the Palestinian political landscape.

Although, both Hamas and the Palestinian Islamic Jihad (PIJ), were in fact organisations with strong historical roots, particularly in the Gaza Strip⁵⁴ the 1987 intifada was (a) their first real opportunity to prove themselves in direct resistance to Israel and (b) a means to demonstrate that they offered an alternative to the PLO. Hamas in particular launched their charter that, among other things, tied the prospect of territorial concession to sacrilege, in August 1988 - at the same time as Arafat was preparing to endorse a two-state solution at Algiers in November.⁵⁵ Further, at times, particularly during the later years of

⁵⁴ Amal Jamal, *The Palestinian National Movement: Politics of Contention, 1967-2005* (Indiana University Press, 2005), chap. 5; Jeroen Gunning, *Hamas in Politics: Democracy, Religion, Violence* (C. Hurst & Co, 2007), chap. 3; Beverley Milton-Edwards and Stephen Farrell, *Hamas: The Islamic Resistance Movement* (Polity Press, 2010), chap. 1, 2, 3; Sara Roy, *Hamas and Civil Society in Gaza: Engaging the Islamist Social Sector* (Princeton University Press, 2011), chap. 2.

⁵⁵ Full text of the Hamas Charter is available online at: <http://www.thejerusalemfund.org/www.thejerusalemfund.org/carryover/documents/charter.html> also see Michael Irving Jensen, *The Political Ideology of Hamas: A Grassroots Perspective*, 1st ed. (I B Tauris & Co Ltd, 2008), 19..

the uprising, it was unclear as to whether the hostilities between Fatah and Hamas were in fact a higher priority to each party than unified resistance against Israel. For example, according to Milton-Edwards and Farrell: "Throughout the spring of 1991 the two [Hamas and Fatah cadres] regularly engaged in clashes - some armed - in major West Bank cities such as Nablus."⁵⁶ The differences between the two grew much deeper and more evident particularly surrounding the Gulf War and Arafat's support for Saddam, which Hamas had rejected at the time.

Further, the Islamists naturally rejected American invitations to participate in the Madrid conference and denounced the PLO for attending. As a result an awkward *de facto* alliance developed between Hamas' leadership and that of the older leftist parties in Damascus.⁵⁷ However, while these leftist groups had been badly weakened by Arafat's gambit, Hamas, by virtue of remaining on the outside of the PLO framework was able to grow and develop, it also benefited from independent sources of revenue and material support from outside - particularly from Iran, Syria and the Lebanon-based Hizbollah⁵⁸ - and an developing a network of associated civil society and social welfare organisations within the occupied territories which operated outside the PLO's control.⁵⁹

In an effort to wreck the peace talks, Hamas and its allies in the PIJ stepped up the level of violent attacks and proved resilient in spite of Israel's clampdown and

⁵⁶ Milton-Edwards and Farrell, *Hamas*, 62.

⁵⁷ Milton-Edwards and Farrell, *Hamas*.

⁵⁸ Zaki Chehab, *Inside Hamas: The Untold Story of Militants, Martyrs and Spies* (I.B.Tauris, 2007), chap. 7.

⁵⁹ Roy, *Hamas and Civil Society in Gaza*, chap. 4.

reprisals. It organised popular protests and orchestrated coordinated attacks to coincide with the signing of the DOP in Washington. The threat to the PLO then, was clear. Having gambled virtually all that was left of its political capital - which itself had been somewhat diminished as a result of the Gulf War blunder - on a strategy of engagement with Israel, which also involved putting a significant level of faith in the US's ability/willingness to act as a relatively honest broker, the PLO was in danger of being both outflanked and undermined. The Islamists were effectively impervious to the kind of traditional methods at Arafat's disposal to attack his internal enemies. Furthermore, the fallout from the disfavour Arafat had found by supporting Saddam at the expense of the PLO's main financial supporters in the Persian Gulf states had gradually grown into a crippling financial crisis for the PLO, which by the time of the DOP was struggling to fund its civil society networks in the territories and refugee diaspora.⁶⁰ On the other hand, Hamas in particular offered the Palestinian public the kind of unambiguous rhetoric of resistance and the consistent provision of social services that demonstrated that it could genuinely rival Fatah and the PLO if left unchecked.⁶¹

The regional landscape

This discussion examines the broader regional dynamics that helped create the political and economic environment that allowed the negotiations to occur in the early-1990s. This particularly focuses on Jordan and the Gulf states because events and dynamics in both of those contexts were particularly significant in shaping the Palestinian agency in the run up to the Oslo process, and the nature

⁶⁰ Sayigh, *Armed Struggle and the Search for State*, 656-7.

⁶¹ Jamal, *The Palestinian National Movement*, 115-119.

of Palestinian politics in its aftermath.

In 1948, numerous middle class families who had been successful during the Ottoman and British periods, particularly in towns and cities that were major trading hubs, such as Haifa and Jaffa, fled taking much of their capital with them. Many moved to the Gulf and invested their wealth in the oil industry, which was at the time emerging from European domination. Unlike the lower class Palestinians – who overwhelmingly made up the cheap foreign workers that came later to the Gulf States – this moneyed middle class undertook a role coordinating the movement of refugee labour. Although they remained near the bottom of the élite hierarchy in Saudi Arabia, due to their inability access to Saudi citizenship and its related rights, their status was elevated during the 1960s when the Palestinian question was raised again by the Egyptian regime's formation of the PLO (1964). For the Gulf monarchies – which were always suspicious of the potentially threat posed by a domestic Palestinian population – became even more nervous in of them in the context of their cause being articulated by the charismatic, Baathist, President Nasser. Thus they used the Palestinian's middle classes as intermediaries between the PLO, the diaspora population and the Gulf elite.⁶²

Many Palestinian refugees from the Nakbah only moved a few miles east to the West Bank of the Jordan river which had not fallen to the Zionists, and they attempted to restart their lives again under Jordanian rule. This change brought

⁶² Rosemarie Said Zahlan, *Palestine and the Gulf States: The Presence at the Table*, 1st ed. (Routledge, 2009); Adam Hanieh, "The Internationalisation of Gulf Capital and Palestinian Class Formation," *Capital & Class* 35, no. 1 (February 22, 2011): 81–106, doi:10.1177/0309816810392006.

with it myriad economic problems for them. The new *de facto* boarder cut industrialised towns like Nablus off from their traditional export routes to the sea, deprived many farmers and peasants from the land which had been their only or most important source of income but perhaps more importantly effectively forced those refugees to begin working with comparatively less well developed economic infrastructure than from where they had come.⁶³ The Jordanian monarchy officially extended its claim over the areas on the other side of the river in 1950 but was keen to encourage the economic development of its existing capital, Amman, against potential competitors like Nablus, East Jerusalem or Ramallah.⁶⁴

For the Jordanians too, the sheer scale of change and strain on society produced by first gaining control over the West Bank and then losing it again in the war of 1967 should not be underestimated. The territorial make up of Jordan was the product of frustrated expansionist ambition and the involvement of external interference. The Hashemite family had first been driven out of the Hijaz by what was to become the new ruling family of Saudi Arabia in 1920 and then denied its goal of control over Damascus by the French and British. The acquisition then of the West Bank, including East Jerusalem, a mere 30 years after the British had effectively rescued the royal family from defeat and installed it in power over this new kingdom was something of a coup for the then Emir Abdullah. However, the added territory also meant more Palestinians and that ethnic Jordanians became a minority in their own country. The demographic shift affected all of Jordan

⁶³ Doumani, *Rediscovering Palestine*.

⁶⁴ Roger Owen and Sevkett Pamuk, *A History of Middle East Economies in the Twentieth Century* (Harvard University Press, 1999), 194.

including the capital, Amman, that's population more than doubled in from 50,000 to approximately 120,000.⁶⁵

The addition of the West Bank to Jordan added tracts of new agricultural land to the economy as well as the tourism trade related to East Jerusalem. Further, the fact that both the Jordanian state, the PLO and the territorial Palestinian elite stayed more-or-less in line with each other's anti-Israel rhetoric meant that aside from a single exception, where the city of Nablus declared itself independent from the kingdom in 1965, there was no major threat to the royal family's authority from the Palestinians. However, this all changed in the wake of the 1967 war. The reasoning behind Israel's pre-emptive strike against its neighbours has been discussed at length elsewhere⁶⁶ and thus does not require any further exposition here. Yet, the impact on Jordan was devastating. According to Robins:

For Jordan it was a bit like 1948 again. Some 300,000 Palestine refugees came flooding into the East Bank, causing initial problems of humanitarian relief and longer-term problems of loyalty and identity. In losing the West Bank, the Jordanian economy had lost some 40% of GDP, about half of its industrial capacity, and 25% of the country's arable land. The West Bank had generated over 60% of the Kingdom's fruit and vegetable output, and also accounted for more than one-third of its grain production and its livestock. Gone too were most of the Christian holy sites, the West Bank having been responsible for 90% of a tourism sector that had begun to take off in the mid-1960s.⁶⁷

In short, the Kingdom endured a humiliating blow to its prestige, but more importantly it lost the prized territorial asset of the West Bank but gained the

⁶⁵ Beverley Milton-Edwards and Peter Hinchcliffe, *Conflicts in the Middle East Since 1945* (Taylor & Francis, 2008), 71.

⁶⁶ C.f. Ben-Ami, *Scars of War, Wounds of Peace*; Bregman, *Israel's Wars*; Morris, *Righteous Victims*.

⁶⁷ *A History of Jordan*, First Edition (Unsta (Cambridge University Press, 2004), 125.

doubling of its Palestinian refugee population.⁶⁸ Yet, Jordanians and Palestinians continued to fight along side each other against Israel in escalating skirmishes along the boarder, the most famous of these being the Battle of al-Karameh (south of Amman, 21st March, 1968) where the PLO Fedayeen and the Jordanian army drove an occupying Israeli force out of the town inflicting heavy losses. Accounts differ as to what actually happened in the aftermath of the battle - Abu-Odeh⁶⁹ suggests that the PLO Fedayeen and the Army continued fighting between each other after the battle with Israelis was over, while Sayigh,⁷⁰ Milton-Edwards and Hinchcliffe,⁷¹ Massad⁷² and Robins⁷³ suggest that the conflict was more rhetorical and over a longer time period, where the PLO claimed the victory for themselves and diminished the role of the Jordanian army.

Nonetheless, 1968-1970 was a period of extreme uncertainty for the regime in Amman. The PLO continued to expand its influence in the country and agitated against Jordan's apparent unwillingness to mount a meaningful challenge to Israel. This soon escalated to open descent. This meant the organisation and armament of Palestinians located, mostly, in refugee camps creating a latent but important threat to the regime. Further, some Palestinian leaders, such as George Habash for instance (the leader of the PFLP), publicly argued that in order to liberate Palestine, a fully revolutionary agenda was needed. This included

⁶⁸ Milton-Edwards and Hinchcliffe, *Conflicts in the Middle East Since 1945*, 72.

⁶⁹ *Jordanians, Palestinians, and the Hashemite Kingdom in the Middle East Peace Process* (United States Institute of peace press Washington, DC,, 1999), 171.

⁷⁰ Sayigh, *Armed Struggle and the Search for State*, 179.

⁷¹ *Conflicts in the Middle East Since 1945*, 39.

⁷² Joseph A Massad, *Colonial Effects: The Making of National Identity in Jordan* (Columbia University Press, 2001), 244.

⁷³ Robins, *A History of Jordan*, 127.

challenging the Hashemite regime – which was seen as a hangover of the colonial era. To make matters worse for the royal family, these threats were combined with the further possibility of Israeli retaliation against Jordanian targets legitimised by PLO terrorism.

The most prominent of these were the hijacking and destruction of four Israeli airliners - three of them were exploded at Dawson's airfield in Jordanian territory.⁷⁴ Finally, as a result of these factors the final major hazard to the regime was the risk this posed to international support it enjoyed. Jordan had always, since its inception, been highly dependent on foreign sources of income and support. These were mostly direct aid from external powers seeking to maintain dominance in the region (first meant the British and then the US). Yet, if the royal family could not demonstrate that it could maintain control over its own territory, particularly against the threat of an apparently left wing insurgency, it had every reason to believe that its western backers might abandon them in favour of another group that could.

Black September was the regime's answer. In short, it was a brutal and decisive military operation to end the PLO threat to the regime and drive it out of the country. An alliance of the Royal family and Bedouin formulated a plan to rid the country of the PLO. This was given more impetus with the attack on the King's motorcade, by Palestinian Fedayeen, as it passed through Amman. The PLO then took control of Irbid (in northern Jordan) and declared its independence. The newly appointed Jordanian government reacted swiftly and according to

⁷⁴ Ibid., 130.

Massad,⁷⁵ the outbreak of open conflict in mid-September 1970 “killed thousands and destroyed large sections of Jordanian cities, especially the capital Amman, in the process.” The army’s swift victory in Amman was followed up by hunting down Palestinians in their remaining strongholds of Ajlun and Jerash (North-East of Amman). PLO fedayeen were effectively driven out of the country all together by mid-1971. The last act of the war came in November in Cairo with the murder of the Wasf al-Tall the Jordanian Prime Minister who had planned the September assault. The Palestinian group that killed him named themselves *Black September* and claimed that they had acted out of vengeance for the betrayal by the Jordanians.⁷⁶

However while, the PLO had gone, approximately 50 per cent of Jordan’s population was still Palestinian and a large proportion of those were employed in the private sector. Although uncertain of their status within the Kingdom in the wake of *Black September* particular Palestinians not only managed to withstand the hostility to their presence but in fact prospered greatly during the rapid economic development that Jordan underwent in the late 1970s and early 1980s. Aside from direct foreign aid another major pillar of the Jordanian economy were the remittances sent back to the country by labourers working abroad. Thus although Jordan stayed out of the 1973 Arab-Israeli war, the spike in oil prices that followed the use of the so called *Oil Weapon* (the restriction on the supply of oil to Israel’s allies, creating a sudden and dramatic increase in prices) helped boost its economy as wages rose in sympathy. The Gulf also provided an

⁷⁵ *Colonial Effects*, 244–245.

⁷⁶ *Ibid.*, 245.

expanding market for the Jordanian industrial sector which itself tended to be run by Jordanians of Palestinian origin. Eventually, this group of successful Palestinian-Jordanians formed “a new class in its own right,”⁷⁷ more loyal than ever to the monarchy and to the Jordanian state above and beyond their political commitment to the cause of Palestinian liberation.⁷⁸

As discussed above, the most significant event in this period for the Palestinians was the Jordanian decision to abandon its claims to the West Bank. From a Jordanian perspective it must have seemed ironic that this occurred at the same time as Arafat finally declared his support for a two-state solution at Algiers. Since for the previous four years King Hussein had, having been the first Arab leader to accept the Egyptian peace deal with Israel, begun a frustrating effort to encourage Arafat to formally endorse UN Security Council Resolution 242.⁷⁹ Yet the outbreak of the Intifada in 1987 reflected badly on the Royal families gradually softening approach towards Israel. While Palestinians took to the

⁷⁷ Milton-Edwards and Hinchcliffe, *Conflicts in the Middle East Since 1945*, 75; and C.f. Laurie Brand, “In Search of Budget Security: a Re-examination of Jordanian Foreign Policy,” in *Diplomacy in the Middle East: The International Relations of Regional and Outside Powers*, by L. Carl Brown (I.B.Tauris, 2001).

⁷⁸ Although domestic political stability had been ensured, the 1980s remained testing times for the Jordanians particularly economically. Lower than expected growth, combined with its own failure to meet the development goals of the early 1980s and the running of a relatively high deficit lead to apparently intractable stagnation by the end of the decade. Further, until it finally renounced its claims to the West Bank 1988 the Jordanian state also continued to pay the wages of civil employees in the occupied territories. The government had been promised assistance from its close allies Iraq and Saudi Arabia of some \$1.25 million a year at a summit in Baghdad in 1978 in order to help shoulder this added burden and secure Jordanian commitment to the cause in spite of Egypt’s rapprochement and deal with the Israelis. However, only the Saudis were able to keep to this commitment while Iraq, now engaged in a bloody conflict with the Islamic Republic of Iran, itself sought support from the Gulf states in order to keep fighting. By 1989 the Jordan was effectively forced to appeal to the IMF for support and as a consequence was obliged to accept a major structural adjustment programme that liberalised the economy and curtailed government subsidies (C.f. Milton-Edwards and Hinchcliffe 2008, 74–79).

⁷⁹ The resolution although failing to recognise Palestinians’ right to self-determination, called for a return of all territories occupied in the 1967 war and thus was seen as the basis to a two state solution.

streets of the occupied territories keen to confront the occupation's grip over their lives and assert their right to national liberation the King, having finalised an agreement in London with Shimon Peres in only April that year, appeared to be "hostile and, worse, enjoying a cosy relationship with the Israelis."⁸⁰ The decision to cut links with the West Bank was intended to be a high-risk gamble that would win back the initiative for the Jordanians. The PLO would be given the opportunity for unadulterated leadership of the Palestinians in the territories and a confrontation with Israel in both of which it was assumed they would fail. As we have seen above, although by no means did the PLO win a rounded victory, it was clear by the end of the decade that the king had not got his wish.

However, the troubles for the Jordanians were not over. The second Gulf crisis, 1990-1, also badly affected the kingdom. Not only did it jeopardise King Hussein's closest international relationship, with Saddam, but it also exposed Jordan to raft of further economic problems, which in fact made it almost inevitable that the monarchy would, for the sake of forging a deeper international partnership with the US and the West, continue to sue for peace with Israel. The cost of the war to Jordan is estimated at nearly one fifth of the GDP⁸¹ and the social burden brought by the return of nearly half a million more Palestinian-Jordanian refugees was also enormous. Following the war UN sanctions also cut off trade between the Kingdom and Iraq. The as stated above, Jordan's economy had always been dependent on external support and at the beginning of this new international

⁸⁰ Robins, *A History of Jordan*, 162.

⁸¹ Hani Abu-Jabarah, "The Economics of Peace: Jordan," in *The Economics of Middle East Peace: Views from the Region*, by Stanley Fischer, Dani Rodrik, and Elias Tuma (MIT Press, 1993), 193 quoted in; Milton-Edwards and Hinchcliffe, *Conflicts in the Middle East Since 1945*, 81.

order it seemed clear that for the kingdom to preserve itself it would have to look West, even at the expense of other interests. In material terms this meant that Jordan would have to accept that its role was to essentially guarantee the security of Israel's boarder for the sake of US support.

Thus in 1994 The Hashemite Kingdom would eventually sign a separate peace agreement with Israel. Its path to this was enabled by the fact that, with the DOP, Arafat had formally and completely taken responsibility for the Palestine question out of the Jordanian hands (Jordan and the Israeli's signed an agreement to negotiate just hours after Rabin and Arafat enjoyed their ceremony at the White House).⁸² For a decade since *Black September* secured the King's authority within his own boarders the Jordanians had apparently staggered from one crisis to the next. Often, particularly in relation to the Palestinians, this had meant that the royal family had been advocating a compromise that would be eventually be accepted but only after the Jordanians had expended plenty of political capital only to be met with frustration.

However, concerning the central question of this chapter, the most important conclusion to draw from these developments was that, in the wake of the PLO's exit in 1970, a group of Palestinians that had remained and eventually grew in power and influence. Many of them had been rewarded handsomely for their loyalty to the regime yet also maintained links with the PLO. They had also learned a great deal from the turbulent 1980s about how to manage and profit from crises and some had come to terms with the fact of Israel's existence and

⁸² Robins, *A History of Jordan*, 187.

the need to deal with it rather than fight it. These Palestinians also possessed the financial wherewithal that would enable them to invest on a large scale into building the structures of the PA once it was formed in Gaza and Jericho and then maintain control over vast areas of Palestinian private capital throughout the next decade.

Conclusion

Palestinian interest in negotiations with Israel was based on three important factors. First, that after 10 years of retreat and loss the PLO was in a weaker position by the end of the 1980s than it had been at the beginning. In this context the intifada was as much a shock to Yasser Arafat as had been to the Israeli government. Further, given the distance between Tunis and the occupied territories, and the difficulties that any direct confrontation with Israel entailed at this point, it was difficult to see how the PLO leadership – in its form at the time – could remain relevant to the on-going struggle. Seeking to demonstrate its revolutionary qualifications the PLO also made the drastic strategic error in siding with Saddam during the 1991 Gulf War, which only made its political and financial positions even weaker. This meant that it incurred even further damage as an organisation – losing some of its most prominent supporters – while rival factions grew in power and significance.

Pressure to move towards peace also came from other regional actors and the changing regional environment. Egypt's peace with Israel at the end of 1979 – and the Mubarak regime's commitment to maintain it – was clearly extremely significant in that the strongest Arab state remained outside the field of conflict.

However, more importantly in the immediate term were the developments on going in Jordan. The Royal Family's eventual abandonment of its claims to the West Bank both created the opportunity for Arafat to claim that an independent Palestinian state was the only realistic alternative to direct continued Israeli occupation. The economics of this were also very significant. Jordan had been, due to its strong trade relations with the Gulf, operated as an incubator of Palestinian capitalist elite. This did not mean that all Palestinians in Jordan shared the monarchy's preference to peace. However, with the cumulative financial burdens on PLO (taking responsibility for the *de facto* public sector when Jordan abandoned his claims in 1988, and the loss of funding provided by Gulf states in the wake of the Gulf crisis 1990 – 1991) this group were to prove indispensable for the PLO.

Thus while this chapter discussed how the broader framework of regional political dynamics that lead both the PLO and Israeli to chance course and embrace a new strategic direction embodied by the Oslo process, the next chapter discusses how the inertia that had build up out of the agreement drove the political developments of the next decade. Though, for the PLO in particular, this was not manifest in progress toward mutual acceptance or a lasting peace but rather, it was ever greater comprise of political principles to short term necessity and, often corrupt, gain. Further, it was during the Oslo period that the two major dynamics that still underlie the contemporary historical moment were formed – these are discussed under the headings “Asymmetric Containment,”⁸³

⁸³ Hilal and Khan, “Stateformation Under the PNA: Potential Outcomes and Their Viability.”

and the PA as a “Bully Praetorian Republic”⁸⁴ and how they built upon the foundations discussed in this chapter.

⁸⁴ Henry and Springborg, *Globalization and the Politics of Development in the Middle East*.

Chapter Five: The Oslo process

As the discussions in the following sections demonstrate, evidence and historical accounts from the 1990s provide multiple reasons as to why the Oslo process collapsed at the end of the decade and why the violence of the second intifada followed. This chapter focuses on two particular concepts that are critical to understanding the collapse of the process. The first is Israel's policies of "asymmetric containment"¹ that was designed to limit the possibility of establishing a Palestinian state with meaningful independence. Second was that the PA effectively developed into a "bully praetorian republic,"² a state-structure that depended on cronyism, non-productive rent-economies and as result was unsustainable. Together these two factors combined to lock Palestinian society in the occupied territories into (a) a hostage-like relationship with Israel and (b) an unforgiving and damaging downward spiral domestically. In short, the peace agenda never attained hegemony. Rather, as the Oslo process soured, Palestinians and, to a lesser extent, ordinary Israelis found that the power structures that had been built were not the foundations of peace and prosperity. Instead the consequences of a bad deal – that had only been halfway agreed – carried both sides forward into an environment shackled by an even more restrictive political environment and Palestinians continued to endure chains of occupation, dispossession and political disappointment than grew worse than that which had preceded it.

¹ Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability."

² Henry and Springborg, *Globalization and the Politics of Development in the Middle East*.

The Oslo process

The Oslo process is best understood not as a single transitional event but as a series of interactions between the two primary antagonists of this conflict with the frequent input and involvement of powerful third parties throughout the period 1993-2000. Like any period of significant political change it was not necessarily very clear at the time to anyone involved how the next phase in the development of events would play out. Therefore, although looking back on the Oslo-era with hindsight might allow us to make *prima facie* judgments that damn the behaviour of particular parties, or assumptions that particular individuals had illicit motives from the outset, this is probably not a very helpful approach in the long run. Indeed, in so doing it is likely that some of the more important subtleties of the situation would be lost.³ However at the same time as we acknowledge this fact it is appropriate to restate that the tools of political-economic analysis are designed for research into the relationships between individuals' agency and the structures with which they interact.

Based on this approach it is the conclusion of this discussion that such were the structural arrangements outlining the perimeters of the Oslo process, and the enormous power differential between the main antagonists, that the production of a Palestinian sovereign entity with genuine independence was highly unlikely from the beginning. Based on the assumption that the Israeli government more-or-less constitutes a rational actor and that, as such, it was unlikely to change voluntarily a power differential that tends to serve its interests this conclusion

³ To take a dramatic example, it is of course unlikely that the then Israeli Prime Minister Yitzhak Rabin would have had any knowledge that his pursuit of the negotiations would lead to his assassination in Tel Aviv on 4th November, 1995.

should not be surprising. The incentive-disincentive calculus that confronted the Israeli leadership throughout this period simply did not create a contextual environment where progress towards a genuine two-state solution was likely to result in the most rewarding outcome. The fact that the Oslo process started out the way it did, with the signing of two critical agreements (the DOP and the Paris Protocol) that entrenched the power differential rather than challenging it, and then it continued on the same route - with the Interim Agreement on the West Bank and the Gaza Strip (Oslo II), the Hebron Agreement and the Wye River Memorandum demonstrates that even allowing for the serious and important differences between the five different Israeli leaders between 1993 and 2000 it is possible to identify a general trend in policy during that period and analyse it. I contend that this general trend is best understood with the use of Hilal and Khan's *terminology* of "asymmetric containment."⁴

Asymmetric containment

Hilal and Khan explain that "asymmetric containment"⁵ means "the retention by Israel of strategic points of control all over the occupied territories, and the rapid construction of a system of checkpoints"⁶ within the West Bank and Gaza Strip. In short, "asymmetric containment"⁷ describes a policy of asserting control over important strategic assets and locations in order to establish and maintain order over the population within those spaces and the use of those spaces. Hilal and

⁴ "Stateformation Under the PNA: Potential Outcomes and Their Viability."

⁵ Ibid.

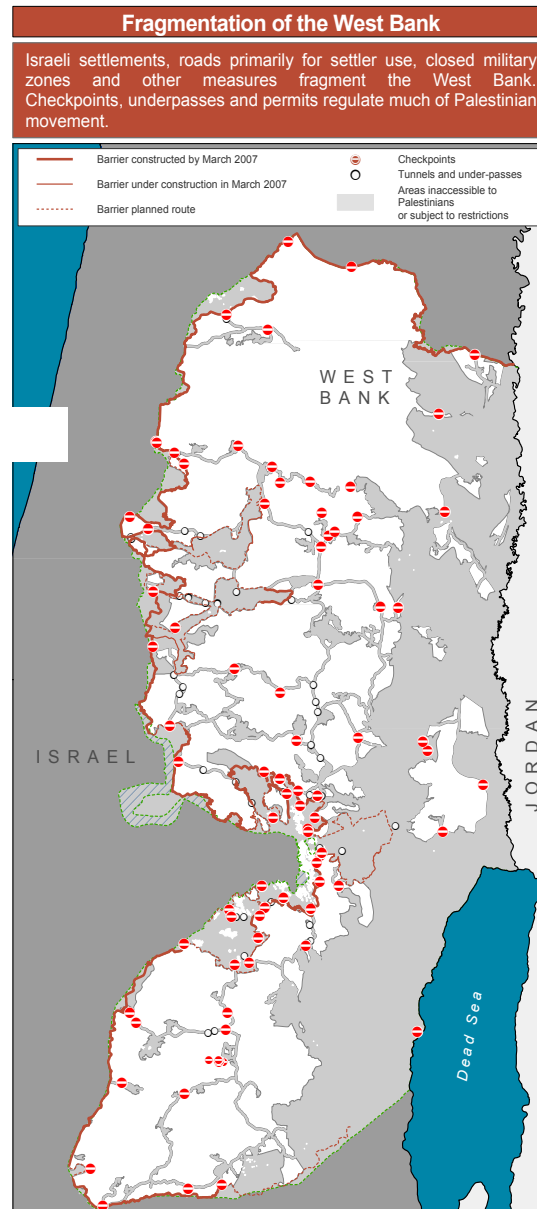
⁶ Ibid.

⁷ Ibid.

Khan⁸ use a metaphor to put this more eloquently: “Palestinian negotiators frequently pointed out that in a prison, the prisoners control 95 per cent of the space.”⁹ Further, that because the PA took over responsibility for the day to day management of Palestinians in areas ‘A’ the “asymmetric containment”¹⁰ policies pursued by Israel effectively produced the equivalent of prisoners both

Map 9: The Fragmentation of the West Bank policing themselves and organising their own welfare services.¹¹ One can supplement these conclusions with reference to the rapid expansion of Israeli settlements in the occupied territories that occurred throughout the 1990s (see Map 9¹²).

Clearly the Palestinian position in relation to Israel during this period



⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Gordon, *Israel's Occupation*.

¹² “Fragmentation of the West Bank Barrier” (United Nations Office for the Coordination of Humanitarian Affairs, occupied Palestinian territories, March 2007), http://www.ochaopt.org/documents/InsertMap_Fragmentation_May07-withCheckpoint.pdf.

had been one of weakness following on from weakness. The PA/PLO leadership was unable at any point to truly assert authority over the situation. Given that it is appropriate that the format of this discussion of “asymmetric containment”¹³ follows more-or-less the chronology of events created by Israeli agency while at the same time discussing what impact these changes had on the structural framework of Palestinian politics and economics.

Aside from the inequalities inherent in the DOP – that the PLO recognised Israel’s right to exist as a state while Israel merely recognised the PLO as the sole representative of the Palestinian people – by far the most critical outcome of the early period of negotiations was the signing of the Protocol on Economic Relations that were between Israel and the PLO in Paris, 1994.¹⁴ According to Sara Roy¹⁵ the three critical outcomes of the Paris Protocols were:

1. “the retention of Israeli military law (and the economic restrictions therein) during the interim phase;
2. “Israel’s full control over key factors of production, such as land, water, labor, and capital;
3. “... Israel’s complete control over external borders and the perimeters of Palestinian areas.”¹⁶

¹³ Hilal and Khan, “Stateformation Under the PNA: Potential Outcomes and Their Viability.”

¹⁴ Officially this agreement is Annex VI of the Gaza-Jericho agreement, but is also known as the Paris Protocols, for full text *C.f.* <http://www.mfa.gov.il/MFA/Peace+Process/Guide+to+the+Peace+Process/Agreement+on+Gaza+Strip+and+Jericho+Area.htm>

¹⁵ “De-development Revisited: Palestinian Economy and Society Since Oslo,” *Journal of Palestine Studies* 28, no. 3 (April 1, 1999): 64–82.

¹⁶ *Ibid.*, 68–69.: The consequences of these measures, particularly how this enabled Israel’s closure policy are discussed in more detail below. However, it is appropriate here to add a fourth element to Roy’s list by way of introducing the primary topic of discussion for the next subsection of this chapter, this is the concentration of wealth in small groups of elites on all sides of the negotiations. These elites were highly influential in directing the course of the peace process in the direction of their own business interest and in so doing stretch the gap between ordinary people and themselves both politically and in terms of capital.

Therefore, both Roy¹⁷ and Hilal and Khan's¹⁸ analysis apparently point to a similar conclusion. That Israel's primary policy aim during this period was to maintain a hold on the Palestinian territories by creating a framework for control over vital and important resources and thus curtailing any potential Palestinian capacity to confront Israel's position of superiority. There remains a subtle but important distinction between the two analyses. Roy suggests that the DOP and the PEP were pursued by Israel in order to 'subcontract' the occupation to the PA and at the same time essentially subvert any form of Palestinian statehood.¹⁹ By contrast Hilal and Khan's analysis does not preclude the possibility that Israeli leaders were actually sincere about the creation of a Palestinian state, yet they sought to ensure the protection of their interests and prioritize their security concerns in such a way that created severe limitations on possible Palestinian sovereignty. As a result, the Palestinians remained trapped in an intermediate phase under the PA. In terms of its impact on the Palestinian population the most important and pervasive outcome came in the form of restrictions on movement.²⁰

Also known as *closure* (discussed below), this practice had begun during the 1991 Gulf war when, still in the midst of the intifada, Israel's military revoked

¹⁷ "De-development Revisited."

¹⁸ "Stateformation Under the PNA: Potential Outcomes and Their Viability."

¹⁹ "De-development Revisited.", also, Roy, *Failing Peace*. and note that a similar argument is presented in Gordon, *Israel's Occupation*.

²⁰ Perhaps the most helpful conceptual tool to illustrate what this means in practical terms is Jeff Halper's (Halper 1999, 2000, 2001) "matrix of control". The "matrix of control", according to Halper is "an interlocking series of mechanisms, only a few of which require physical occupation of territory, that allow Israel to control every aspect of Palestinian life in the Occupied Territories. The matrix works like the Japanese game of Go. Instead of defeating your opponent as in chess, in Go you win by immobilising your opponent, by gaining control of key points of a matrix so that every time s/he moves s/he encounters an obstacle of some kind": J. Halper, "The 94 Percent Solution: A Matrix of Control," *Middle East Report* 30, no. 3; ISSU 216 (2000): 14-19.

previous military orders that allowed general access of Palestinians into Israel. However, following the conclusion of the conflict the structures of the closure policy remained in place. The creation of the PA in 1994 advanced this policy rapidly. Israel's military and security establishment had found that it occupied a position of significant strategic advantage that it could exploit that through having the PA act as its mediator. In this way it could both satisfy its apparent security concerns and also inculcate the stratification of Palestinian society through using differently graded permits as rewards for cooperation or behaviour it approved of.

When Oslo II was implemented in 1995 it created a further level of complexity on this issue. The agreement in 1995 further fractured Palestinians territorially. Again, according to the logic of the *peace process* Oslo II established Palestinian control over mostly urban areas as another interim phase toward statehood. What this meant in practice was that according to three levels of gradation the PA would be handed responsibility for the majority of the Palestinian population in the occupied territories while Israel's control over the majority of the West Bank would be granted a veneer of legitimacy.²¹

Officially, Areas 'A' fell under full Palestinian control in terms of administration and security, while areas 'B' were to be administered by the PA although Israel

²¹ For a much more detailed account of the history of the closure and permits schemes: *C.f.* Amira Hass, "Israel's Closure Policy: An Ineffective Strategy of Containment and Repression," *Haaretz.com* 31, no. 3 (2002): 5–20; Amira Hass, "Otherwise Occupied / Access Denied," *Haaretz.com*, April 10, 2010, <http://www.haaretz.com/weekend/week-s-end/otherwise-occupied-access-denied-1.284725>; Amira Hass, "The VIPs' Hush Money," *Haaretz.com*, January 18, 2012, <http://www.haaretz.com/print-edition/opinion/the-vips-hush-money-1.407887>; A. Ophir, M. Givoni, and S. Hanafi, *The Power of Inclusive Exclusion: Anatomy of Israeli Rule in the Occupied Palestinian Territories* (Zone Books, 2009); Roy, *Failing Peace*.

would maintain responsibility for security. Areas 'C', some 70 per cent of the West Bank remained under full Israeli control. According to "asymmetric containment"²² the logic of Oslo II made perfect sense. In no way was Israel's access to anywhere in the occupied territories genuinely challenged, even in Areas 'A', where Palestinians were supposed to exercise control over security matters – the ease with which Israel entered and re-occupied those areas later, during operation *Defence Shield* in 2002, demonstrates that little genuine power was actually handed over. Furthermore, by signing Oslo II the Palestinian leadership effectively gave a stamp of approval to Israel's continued occupation of areas 'B' and 'C'. The agreement stipulated that it was the PA's responsibility to fight terrorism and satisfy Israeli security concerns as a precursor to moving forward to the next phase of negotiations. Thus for Israel, as long as it could hold to the line that the PA was not satisfying those criteria reasonably convincingly, then it would have *de jure* rights to continue to exercise control over the majority of the West Bank.²³

Rejection

In fact, Israel's task of holding to this line was made easier by the activities of the rejectionist groups such as Hamas and the Palestinian Islamic Jihad (PIJ). Various acts of violent resistance to the occupation within the territories and the employment of terror tactics against civilians inside Israel-proper gained popular attention worldwide. The use of suicide bombers in particular helped establish an international image of (particularly) Hamas that was associated with

²² Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability."

²³ Mushtaq Husain Khan, "'Security First' and Its Implications for a Viable Palestinian State" (2005).

irrational radicalism and anti-Semitism (in the sense of anti-Jewishness). The spark that led to Hamas' use of extreme violence was the Hebron massacre in February 1994.²⁴ But Hamas and the other rejectionist groups took the opportunity of retaliation as a means to pursue their own political interests. For Hamas particularly, this meant exposing the gap between the PA's endorsement of negotiations with Israel and a strong element within Palestinian society that favoured escalating violence. These acts of terrorism had a serious effect on Israeli society; Hamas and other rejectionists (primarily the PII) carried out some 21 attacks, killing 63 Israelis, between the signing of the DOP and the end of the 1990s. The impact of this on the Israeli economy is less easy to determine, although it is likely that terrorism severely hampered Israel's tourism industry and further encouraged many Israelis with dual citizenship to leave the country. Nonetheless there was also a political consequence of this terrorism which helped strengthen Israel's case that was that the PA was unable or unwilling to combat terrorism and thus unworthy of advancing to the next phase of negotiations.

Cantonization

In 1996, two years after the Hebron massacre, Israel held elections wherein the topics of terrorism and the future of the occupation were widely discussed. These elections are generally recognised as a threshold event in the course of the Oslo process. Rabin's death had brought Shimon Peres, one of the architects of the DOP, to office as Prime Minister. The fact that these elections were the first in

²⁴ The Hebron massacre refers to a mass murder of worshipers at the Ibrahimi Mosque by American-Israeli military surgeon Baruch Goldstein who was subsequently beaten to death.

Israel where the prime minister was directly elected is significant for several reasons, most notably was that the prime ministerial candidates themselves were made personally accountable for the perceived successes or failures of their party's political agendas. Peres was certainly a weaker candidate than Rabin, in particular he lacked the strong military qualifications which had been critical to Rabin's ability to sell the discourse of peace to the Israeli public. Through exploiting this space, Benjamin Netanyahu, the head of the revisionist Likud party that ran on an overtly hawkish platform, triumphed in the election.²⁵

The most important outcome of direct negotiations during the period of Netanyahu's premiership was the Protocol Concerning the Redeployment in Hebron (1997).²⁶ In principle this agreement was designed to clarify how the implementation of Oslo II would affect the status of Hebron, the largest city in the West Bank, which contained the Cave of the Patriarchs, a site regarded with deep religious significance by Muslims, Jews and Christians. Israeli settlers that had populated Hebron and its surrounding areas were unwilling to be ejected from the sites and this agreement effectively instituted an apparent compromise wherein the jurisdiction over the city would be formally divided between the PA and Israel. The true intentions of the Israeli administration were revealed by Netanyahu later when he admitted in private conversation, secretly recorded on

²⁵ Some historians, particularly those with more sympathetic perspectives towards the Oslo Process as a whole, and, often the Israeli Labor Party in particular, are keener to criticise Netanyahu's belligerence which they blame for retarding the natural progress of the peace process: C.f. Ben-Ami, *Scars of War, Wounds of Peace*; Shlaim, *Israel and Palestine*. Yet, viewed through the lens of an analysis of "asymmetric containment," a more realist assessment would note that the Netanyahu government was only marginally different in its approach to the peace process than the Labor administration that preceded it – although it certainly used more bellicose language – and based on the measure of settlement expansion alone, the Likud government actually slowed the rate of colonisation in the oPt.

²⁶ Full text available here:

<http://unispal.un.org/UNISPAL.NSF/0/C7D7B824004FF5C585256AE700543EBC>

camera, that the manner in which the Hebron Protocol was pursued was intended to stall the Oslo process and to be used as a lever on both Arafat and the US to secure Israel's military deployment in the heart of the West Bank.²⁷

The combination of Israel's closure policy and the net result of the various agreements was that it established a number of islands of Palestinian autonomy, which was surrounded on all sides by areas under Israeli control. This process has been called cantonisation, or bantustanization (after a similar policy implemented in South Africa under the apartheid regime). In practical terms the result of this policy was to produce around 64 different Palestinian cantons throughout the territories.²⁸ The effect of doing so on Palestinian society, politically, economically and socially, has been enormous. In short, it divided "already small economic units into even smaller ones" and "den[ied] Palestinians control over their borders, both internal and external, to the West Bank and Gaza."²⁹ When, during the intifada, these restrictions were tightened even further, they would have drastic consequences that Roy has described in particularly stark terms as "ending the Palestinian economy."³⁰

Socially and politically too, the increased restrictions on movement created a

²⁷ Gideon Levy, "Tricky Bibi," *Haaretz.com*, July 15, 2010, <http://www.haaretz.com/print-edition/opinion/tricky-bibi-1.302053>.: Netanyahu and Arafat later also signed the Wye River Memorandum which clarified some further specifics of Oslo II and reasserted both sided commitment to existing statements, the full texts of the Wye River Memorandum is available here: http://www.state.gov/www/regions/nea/981023_interim_agmt.html

²⁸ *Israeli Segregation Wall: An Israeli Political Agenda in the West Bank*, Monitoring Israeli Colonization Activities in The Palestinian Territories (The Applied Research Institute Jerusalem, March 2, 2008), http://www.poica.org/editor/case_studies/view.php?recordID=1300.

²⁹ Sara Roy, "The Palestinian-Israeli Conflict and Palestinian Socioeconomic Decline: A Place Denied," *International Journal of Politics, Culture, and Society* 17, no. 3 (April 1, 2004): 369.

³⁰ Sara Roy, "Ending the Palestinian Economy," *Middle East Policy* 9, no. 4 (December 1, 2002): 122-165, doi:10.1111/1475-4967.00087.

new structure for Palestinian lives. In short, this comprised further stratification in terms of the quality of life for Palestinians in occupied territories. The prospect of an improved standard of living compared to the hardships of continually confronting direct Israeli rule encouraged Palestinians to move towards urban areas and to remain there. This is because urban areas enjoyed renewal and development projects and the provision of various services by both the PA and a new network of foreign and Palestinian NGOs while Israeli restrictions made it extremely difficult to undertake infrastructural development in areas 'B' and 'C'.³¹ Virtually all major institutions were affected from political organisations to higher education.³² However, a further critical development was that the PA's agency was itself organised around this process of cantonisation.

Birth of a bully

Both the threat posed by Hamas and the impact of Israel's closure policy go some way to explaining why, soon after it was formed, the PA quickly took on many of the qualities of authoritarianism, or became what Henry and Springborg call a "bully praetorian republic."³³ According to the DOP the PLO was obliged to establish a monopoly on the use of force by Palestinians in the areas it controlled (while not challenging Israel outside those areas). Thus Arafat effectively folded

³¹ Linda Tabar and Sari Hanafi, *The Emergence of a Palestinian Globalized Elite* (Institute of Jerusalem Studies & Muwatin, The Palestinian Institute for the Study of Democracy, 2005): It is worth noting that in Sari Hanafi, "Spacio-cide: Colonial Politics, Invisibility and Rezoning in Palestinian Territory," *Contemporary Arab Affairs* 2, no. 1 (2009): 111, doi:10.1080/17550910802622645. the author refers to the impossibility of developing the water system infrastructure. This particular example is no longer strictly relevant and is discussed in later chapters

³² *C.f.* in particular the records of Birzeit University's Right to Education Campaign, available online at: <http://right2edu.birzeit.edu/>

³³ *Globalization and the Politics of Development in the Middle East.*

the Fatah militias into the structure of the PA and remunerated his closest supporters with well-paid positions. The agreement with Israel also allowed for the return from exile of other large groups of armed fighters to the territories including a 7,000 strong contingent of the Palestinian Liberation Army, which was reorganised and became the Palestinian National Guard.

This vast swelling in the numbers of armed cadres, loyal to the new administration certainly had the effect of intimidating the opposition forces, although it did not prevent them from engaging in further armed actions and terrorism inside Israel. The establishment of this bulging security structure which was based on patronage and personal loyalties accounted for an enormous proportion of the PA's resources and as such reflected the governmental style of the PA more broadly – indeed, this might actually have been on Arafat's agenda all along. According to Khalidi, under Arafat, the PA replicated some of the worst elements of the corrupt, nepotistic, and at times brutal, “para-state”³⁴ of the PLO that had been run from Beirut when both Arafat's influence within the PLO, and the PLO's independence were at their peak.

However, the PA of the 1990s was not the same as the organisation that, in Beirut, had brandished its revolutionary credentials with pride. By the 1990s the PA became a vehicle for crony capitalism, clientalism and corruption. This was perhaps an inevitability product of Palestine's governmental and economic structure. Part of this equation was certainly Arafat himself. He thrived on

³⁴ *The Iron Cage: The Story of the Palestinian Struggle for Statehood*, 1st ed. (Oneworld Publications, 2006), 160.

disorder and his personal dominance of Fatah and the PLO was predicated on his ability to be the soul “maestro”³⁵ at the heart of all decision-making who developed and maintained various personal alliances through showing favouritism and exploiting division. The weakness of any other forces within the PA’s structure capable of checking his power enabled such behaviour to occur on a massive scale. Arafat built a vast public sector, providing jobs to nearly 200,000 Palestinians, approximately one half of them in the security services, while at the same time the PA remained dependent on foreign aid to plug the approximately \$75 million annual budgetary shortfall.³⁶ The fact that many of these jobs were within the security sector and that many had also gone to returnees meant that, by default, new jobs tended to be located within areas ‘A’ and as such, they created a strong incentive for internal migration from rural to urban areas. Thus yet another vicious cycle was established, where the PA effectively supported its own encirclement by rewarding those who came to, or stayed within, the confines of its archipelago, policed its population, and did little or nothing for those outside.

Disengagement

When Intifada al-Aqsa began in October 2000 the structures of Israeli dominance were brought into play in full force. A further spate of suicide attacks in Israeli territory precipitated Israel’s re-invasion of the West Bank in the form of operation Defence Shield. The most horrific act of Hamas’ terrorism was the

³⁵ ICG, *Palestine: Salvaging Fatah*, Middle East Report (Ramallah/Gaza City/Brussels: International Crisis Group, November 12, 2009), <http://www.crisisgroup.org/en/regions/middle-east-north-africa/israel-palestine/091-palestine-salvaging-fatah.aspx>.

³⁶ Adel Samara, “Globalization, the Palestinian Economy, and the ‘Peace Process’,” *Journal of Palestine Studies* 29, no. 2 (January 1, 2000): 20–34.

attack on a Passover Seder at the Park Hotel in Netanya 27th March 2002 which killed 30 civilians in total, most of whom were elderly. Israel's response was designed "not only to suppress the uprising, but also compel the Palestinians to admit defeat."³⁷ Two days after the Netanya attack the military invaded every city in the West Bank and engaged in open conflict with the Palestinians Security Forces. Further, the encirclement of major urban areas escalated into sieges. Palestinians were almost entirely cut off from the outside world and from each other while numerous Israeli security measures crippled what remained of the economy. Destruction and diversion was widespread throughout the West Bank yet, even after the majority of international donors switched their priorities from developmental assistance to emergence aid and neither they, the PA, nor the network of Palestinian and international NGOs that had grown during the Oslo period found that they were able to navigate Israel's apparatus of occupation with any kind of ease.

In terms of the loss of human life, damage to the economy and the sharpening of popular rhetoric the consequences of the intifada were profound. Over 5,000 Palestinians and nearly 600 Israelis were killed,³⁸ while destruction was wrought on the Palestinian economy.³⁹ *Prima facie* then, it appears that the Oslo era ended

³⁷ Catignani, *Israeli Counter-insurgency and the Intifadas*, 103.

³⁸ *Fatalities Since the Outbreak of the Second Intifada and Until Operation "Cast Lead"* (B'tselem: The Israeli Information Centre for Human Rights in the Occupied Territories), accessed April 4, 2012, http://old.btselem.org/statistics/english/Casualties.asp?sD=29&sM=09&sY=2000&eD=26&eM=12&eY=2008&filterby=event&oferet_stat=before.

³⁹ Salem Ajluni, "The Palestinian Economy and the Second Intifada," *Journal of Palestine Studies* 32, no. 3 (April 1, 2003): 64–73; World Bank, *Four Years - Intifada, Closures and Palestinian Economic Crisis: An Assessment* (World Bank, October 2004), <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/wbgaza-4yrassessment.pdf>.

with an outburst of anger by Palestinians frustrated by the realisation that the promise of peace had been dashed and instead Israel, pursuing policies of “asymmetric containment”⁴⁰ had strangled the prospect of meaningful Palestinian independence. Yet, while as we have seen, this narrative does capture in general terms several important factors that explain Oslo’s failure, (a) the significance of the major power differential between the two primary antagonists; (b) the general trend in Israeli policy; and (c) the nature of the PA as a “bully praetorian republic.”⁴¹ In fact a key question emerges from this period, which is not answered by such a limited narrative. This is: why did the majority of the Palestinian public (notwithstanding the rejectionists such as Hamas and PIJ, discussed above) accede to the Oslo process throughout the 1990s only to reject it, apparently all at once, just after the turn of the millennium?

Maintaining a grip

Though it dramatically transformed the lives of numerous of Palestinians and Israelis, the second intifada did not change the underlying power imbalance between the two parties. Rather it went some way to increasing its severity. One critical dimension to this was the transformation in Israeli policy toward more overt “asymmetric containment.”⁴² Israel’s new Prime Minister, Ariel Sharon, whose election campaigning in October had precipitated the demonstrations in East Jerusalem that then spiralled into the second intifada, openly endorsed a militarised policy of “asymmetric containment”⁴³ in a 2003 speech at the

⁴⁰ Hilal and Khan, “Stateformation Under the PNA: Potential Outcomes and Their Viability.”

⁴¹ Henry and Springborg, *Globalization and the Politics of Development in the Middle East*.

⁴² Hilal and Khan, “Stateformation Under the PNA: Potential Outcomes and Their Viability.”

⁴³ Ibid.

Herzliya conference. This became known as “disengagement” and later, the “convergence” plan.

Although this was promoted as a departure from existing strategy under the moniker of “disengagement” the strategic consequences of this policy were relatively clear even from the initial statements made by Sharon:

The relocation of settlements will be made, first and foremost, in order to draw the most efficient security line possible, thereby creating this disengagement between Israel and the Palestinians. This security line will not constitute the permanent border of the State of Israel, however, as long as implementation of the Roadmap is not resumed, the IDF will be deployed along that line. Settlements which will be relocated are those which will not be included in the territory of the State of Israel in the framework of any possible future permanent agreement. At the same time, in the framework of the “Disengagement Plan”, Israel will strengthen its control over those same areas in the Land of Israel which will constitute an inseparable part of the State of Israel in any future agreement. I know you would like to hear names, but we should leave something for later.⁴⁴

The “disengagement” plan then outlined a programme of armed redeployment of Israeli forces around densely populated Palestinian areas. Israel would also retract some of its claims to sovereignty over those areas, but crucially it would not give up its practical apparatus of control. As such it would not allow an opportunity for an alternative sovereign Palestinian entity to emerge and would not give up its ability to interfere in the running of those areas whenever it willed it. The plan garnered support internationally – including a full endorsement in an exchange of letters between Sharon and the then US President Bush⁴⁵ – but it

⁴⁴ Ariel Sharon, “Address by PM Ariel Sharon at the Fourth Herzliya Conference - Dec 18- 2003,” 2003,

<http://www.mfa.gov.il/MFA/Government/Speeches+by+Israeli+leaders/2003/Address+by+PM+Ariel+Sharon+at+the+Fourth+Herzliya.htm>.

⁴⁵ George Bush and Ariel Sharon, “Exchange of Letters Sharon-Bush 14-Apr-2004,” April 14, 2004,

<http://www.mfa.gov.il/MFA/Peace+Process/Reference+Documents/Exchange+of+letters+Sharon-Bush+14-Apr-2004.htm>.

failed to win the endorsement of Sharon's own party, Likud.⁴⁶ Following this rejection by Likud, and then the ouster of Shimon Peres – a political ally of Sharon – from his position of leader of the Labor Party, Sharon formed a new party, Kadima. This attracted support from various former members of the government and from the Labor party.

That a divide became evident within the Israeli political class since the time of the disengagement plan, and occurred in such a way that did not run naturally along the pre-existing lines of party politics, has led in some cases to a misleading interpretation of Sharon's agenda and the direction of Israel's agency during this period. The dichotomy between a hawkish faction lead by Likud leader Benjamin Netanyahu, and the camp lead by Sharon, was conflated with the notion of a pro-peace agenda vs. old style Likud rejectionism. As a result, Sharon was lauded, as a "strongman"⁴⁷ of peace and, more importantly, the disengagement process was understood as a threshold Israel's progress toward peace. However, beyond the fact that the disengagement plan brought the agenda of "asymmetric containment"⁴⁸ into the open and that it directly undermined the two basic premises that were, ostensibly, central to the Oslo process – that the conflict between the Palestinians and Israel might be resolved through negotiations and that the Palestinians would receive *land for peace* (although this has not discounted the use of negotiations as delaying or entrenchment tactic in Israel's

⁴⁶ Ron Dermer, "Why Likud Voted No to Sharon's Disengagement Plan," *Institute for Contemporary Affairs* 3, no. 23 (May 3, 2004), <http://www.jcpa.org/brief/brief3-23.htm>.

⁴⁷ Harvey Morris, "Loss of Israel's Strongman Sets Back Peace Hopes," *Financial Times*, January 5, 2006, <http://www.ft.com/cms/s/0/58ae6e82-7dd1-11da-8ef9-0000779e2340.html#axzz1oj0L9FtZ>.

⁴⁸ Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability."

simultaneous struggle with the United States) – its impact did not in fact change any of the basic dynamics that underlie Palestinian agency in relation to Israel.

Proponents of the disengagement, which was adapted by Sharon's successor Ehud Olmert (who also renamed it the 'Convergence Plan') overlook these issues and, following from a particular historical narrative that essentially blamed Arafat for the intransigence that led to the breakdown of the Oslo talks and then the second intifada, argued that disengagement remains within the framework of a two-state solution.⁴⁹ Yet because of the perceived unreliability of Palestinians in keeping to their commitments – particularly in relation to security – Israel was seen as merely moving the process along by both withdrawing from occupied lands and ensuring its own security. However, analyses from all sides are critical of disengagement. Shlomo ben Ami, Israel's former foreign minister and chief negotiator at Taba, called it a "policy of scorched earth"⁵⁰ and stated that "Sharon is the first prime minister since Oslo who did not aspire to solve Israel's conflict with the Palestinians."⁵¹ Thus in Ben Ami's view Sharon even surpassed Binyamin Netanyahu's hawkishness during his first term in office (1996-9). Ben Ami argues that the Sharon and Peres partnership saw the second intifada as proof that Palestinian leadership could not be trusted to keep control of Palestinian military forces who would seek, if they were given the chance, to re-assert Palestinian claims to all of historical Palestine.

⁴⁹ Dennis Ross, "Why Are the Palestinians so Worried? - The Sharon-Bush Plan Isn't the Last Word," *Jerusalem Post*, April 22, 2004; Dennis Ross, *The Missing Peace: The Inside Story of the Fight for Middle East Peace*, First edition. (Farrar, Straus and Giroux, 2004).

⁵⁰ Ben-Ami, *Scars of War, Wounds of Peace*, 287.

⁵¹ *Ibid.*

Yet Ben Ami's interpretation is also based on the conviction that the PLO leadership, and Arafat in particular, had rejected a good opportunity to make peace during the negotiations at Camp David (July 2000), and later the next year at Taba, which is hardly a point beyond dispute. However, the fact that Ben Ami's analysis of Palestinian intentions is open to criticism - and indeed his conclusions are refuted by both members of the American negotiation team and one of the PLO's representatives⁵² - brings into question how Ben Ami understood the true nature of Palestinian intentions and thus his interpretation of Sharon and Peres' policy decisions in relation to disengagement. Yet it is worth noting that from his perspective, close to the Israeli governing elite, Ben Ami still saw little virtue in the US' response to the situation, which came in the form of the 'road map'. This, he contends, was produced by the partnership of the Israeli government and the "maladroit"⁵³ US administration under President Bush in order to provide the promise of negotiations, and thus political cover, to what was in reality the unilateral act of redrawing the *de facto* borders through the use of military force, in order to annex land.

Yet even after the decline of the Olmert government, and the emergence of a right wing coalition government from the initially inconclusive election in 2009, Israeli policy toward the Palestinians again altered its course and accompanying

⁵² Hussein Agha and Robert Malley, "Camp David: The Tragedy of Errors," *The New York Review of Books*, August 9, 2001, <http://www.nybooks.com/articles/archives/2001/aug/09/camp-david-the-tragedy-of-errors/>.

⁵³ Ben-Ami, *Scars of War, Wounds of Peace*, 293.

rhetoric slightly. However, the basic structures that underlie “asymmetric containment”⁵⁴ remain in place. While increased pressure from the US and the schism between Hamas and Fatah made it more difficult for Israeli leaders to maintain their opposition to negotiations with all Palestinians - particularly the PA leadership - the Netanyahu government carefully exploited its relationship with various factions inside the US political system and push back against the US pressure, particularly over settlement expansion. However, the Israel government’s various confrontations with the Obama administration have been carefully juxtaposed with the use of a new line of rhetoric surrounding the idiom of *economic peace* and combined with an apparently obsessive focus on confronting the potential threat posed by Iran.⁵⁵ However, based on evidence from numerous examples such as the continued expropriation of land from particularly Palestinians living in East Jerusalem and the Jordan Valley, the fact that settlement housing continued to be built within existing blocks — even during a supposed moratorium, and the suggestion by foreign minister Avigdor Lieberman that Israel’s borders might, at some point, be re-drawn to encompass Jews living in the West Bank but exclude Palestinians who currently reside in Israel,⁵⁶ it is clear that the Netanyahu government remained committed to a the same basic philosophy that underlies the disengagement plan, that is

⁵⁴ Hilal and Khan, “Stateformation Under the PNA: Potential Outcomes and Their Viability.”

⁵⁵ John Mearsheimer and Stephen Walt, “Mr Obama Must Take a Stand Against Israel over Iran,” *Financial Times*, March 4, 2012, http://www.ft.com/cms/s/38c9382a-65f8-11e1-979e-00144feabdc0,Authorised=false.html?_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F38c9382a-65f8-11e1-979e-00144feabdc0.html&_i_referer=http%3A%2F%2Fwww.thinkir.co.uk%2Fmearsheimer-walt-and-the-missing-palestinians%2F#axzz1oj0L9FtZ.

⁵⁶ Aron Heller, “Israeli Foreign Minister Avigdor Lieberman: Arabs Should Be Stripped Of Citizenship,” *Huffington Post*, January 9, 2012, http://www.huffingtonpost.com/2012/01/09/israel-foreign-minister-avigdor-lieberman-arabs_n_1193455.html.

separation of Israeli Jews from Palestinians behind militarised *de facto* borders. Indeed, the fact that Netanyahu's *economic peace* was developed as a more conservative alternative to the "disengagement plan" makes it clear that "asymmetric containment"⁵⁷ remained the basic alignment of power which underlies Israeli-Palestinian relations into the 2010s, and upon which Palestinian agency remains contingent.⁵⁸

Lessons from Gaza

While there are important and obvious differences between Israel's strategy towards the West Bank and the Gaza Strip, the example of Gaza is instructive as it shows how the principle of "asymmetric containment"⁵⁹ can be developed to an extreme. A number of theorists have analysed the conditions in Gaza and hypothesised about the possible future of the West Bank. These accounts provide an extremely useful insight into the kind of restrictions on the lives and lands of Palestinians that are currently taking shape.

According to Wiezman, in Gaza as a result of the redeployment of forces, the Israeli military instigated and developed a system whereby the occupation is effectively enforced from above.⁶⁰ While settlements and checkpoints were removed from within the Strip the fortifications between the Strip and Israeli

⁵⁷ Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability."

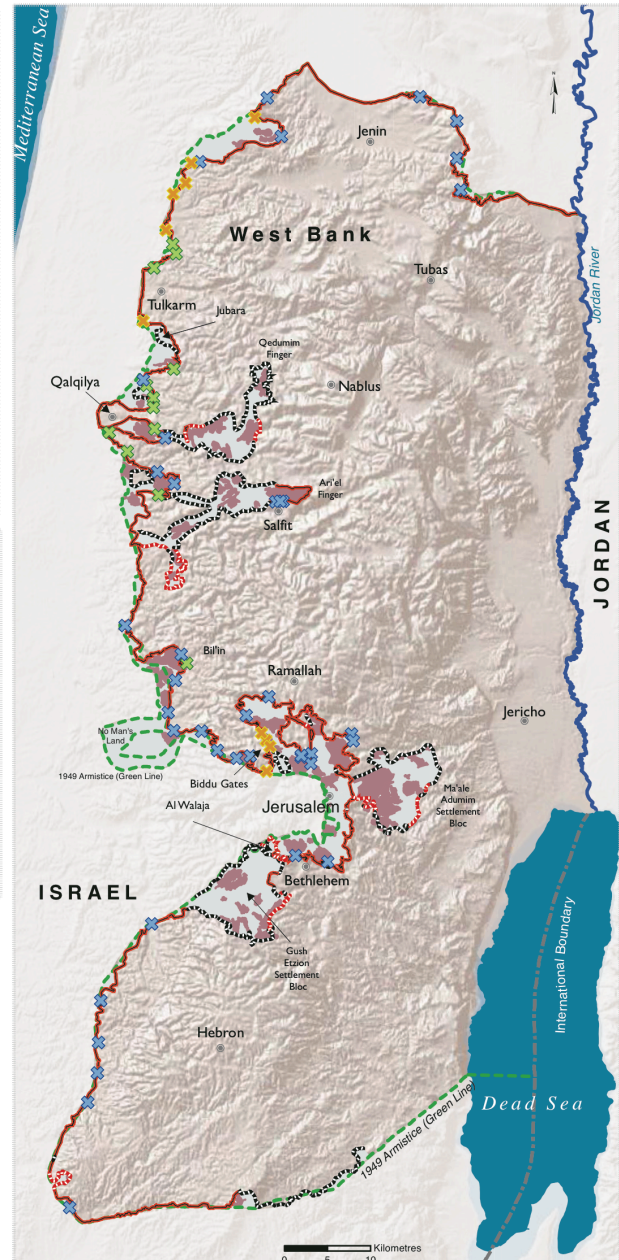
⁵⁸ Ghassan Khatib, "Nothing New in Netanyahu's Approach," *Bitter Lemons*, November 24, 2008, <http://www.bitterlemons.org/previous/bl241108ed42.html#pal1>.

⁵⁹ Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability."

⁶⁰ "Thanto-tactics," in *The Power of Inclusive Exclusion: Anatomy of Israeli Rule in the Occupied Palestinian Territories*, by A. Ophir, M. Givoni, and S. Hanafi (Zone Books, 2009).

territory were reinforced and the military came to rely on airpower as its primary means of control – through aerial surveillance and frequently resorting to bombing raids. Further, the *modus operandi* of enforcing the occupations' will on the population progressed from beatings, arrests and imprisonment to an ever-greater reliance on the immediacy of lethal force. As the bombardment and invasion of the Gaza Strip at the turn of 2008-10, and further examples since — such as the murder of Zuhair al-Qaissi, the alleged leader of the Hamas-linked Popular Resistance Committees, his nephew and around 20 more people in early March, 2012⁶¹ — have demonstrated the Israeli military maintains the capacity to subject the inhabitants to its will, virtually completely unhindered by resistance and according to its own timetable.

Map 10: The West Bank Wall



Furthermore, the “disengagement” from Gaza maintained, if not strengthened Israel’s ability to undermine any prospective development of Gaza’s economy.

⁶¹ Harriet Sherwood, “Gaza Air Strikes Kill 20 Palestinians,” *The Guardian*, March 11, 2012, sec. World news, <http://www.guardian.co.uk/world/2012/mar/11/gaza-air-strikes-kill-palestinians>.

That it would do this was clear from the outset: “nothing under this plan would reduce the economic dominance of Israel over Gaza.”⁶² Exploiting this dependency evidently became a central element of Israeli policy since it imposed a blockade on the strip in 2006 and resisted attempts by international civil society activists in breaking that siege.

The presence of half a million settlers, a large number of sites important to Jewish tradition and stronger economic ties between the West Bank and Israel, means that it is unlikely that the Israeli military would be able to resort to the level of widespread and ruthless violence against the Palestinian population in the West Bank as it has been able to in Gaza. However, the greater emphasis on the value of air power was evident during the second intifada, not only in the form of bombardment from above, but also in there being permanent surveillance airships deployed above Nablus and Jenin, presumably providing a real time visual feed for the direction and assistance of the invading forces. Further, the construction of the separation barrier was another sign that the occupation’s West Bank policy was intended to shift more towards replicating that of the occupation of Gaza. As the map (see map 10,⁶³ above) shows, the route of the barrier suggests that the *de facto* boarder created by “disengagement” will separate the larger, higher value, Israeli settlements from what will likely become Palestinian territory. Moreover, Israel’s military has transposed a similar dependence on the use of immediate lethal force to particular locations within

⁶² Mohammed El-Samhuri, *Gaza Economist Dissects Disengagement Plan*, Information Brief (The Jerusalem Fund, n.d.), <http://www.thejerusalemfund.org/images/informationbrief.php%3FID=10>.

⁶³ “Fragmentation of the West Bank Barrier.”

the West Bank, for instance the area between the wall and the green line known as the 'seam zone'.

When considered in sum, neither *disengagement* nor Netanyahu's *economic peace*, constitute a genuine shift in the broad direction of strategy. The fact that there has been effectively a continuity in Israel's treatment of the Gaza strip throughout the 2000s — during both a Kadima and a Likud government in Israel and, in the US a Republican and Democrat administration — demonstrates that the trend of "asymmetric containment"⁶⁴ continues, effectively unabated. This should not be surprising — for Israel the advantages are clear: it could effectively establish Bentham's panopticon in the territories it occupied; the primary field of operations becomes completely inaccessible to Palestinian resistance, yet they remain capable of enforcing their will (through force, and fear of force) and surveilling (or using the threat of surveillance) to monitor potentially anywhere in the oPts. All of this could be achieved extremely rapidly and without regard to topography or physical obstacles and finally, none of this precluded the possibility of a return to ground based force should the need arise in the future.⁶⁵ Further, that Israeli policy towards Gaza has bled into its treatment of the West Bank suggests that, if policy makers are (a) given the opportunity or (b) feel that they are obliged by necessity to further militarise their presence in the West Bank, a practical, working example of how to do so already exists in Gaza. In short, although there is no way to predict the precise

⁶⁴ Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability."

⁶⁵ Neve Gordon, "On Visibility and Power: An Arendtian Corrective of Foucault," *Human Studies* 25, no. 2 (January 1, 2002): 125–145; Gordon, *Israel's Occupation*; Weizman, "Thanto-tactics."

form any future policy shift would take, nor exactly its impact, it is clear from the example of Gaza that transforming the occupation from being primarily dependent on a traditional ground based military deployment, to a situation where control is asserted through lethal force from above is a distinct possibility.

Bullies, elites and deficiency of hegemony

In the particular sense of the structure of domestic political and economic power distribution Palestine and Israel share some similarities. Both can be characterised by an extremely powerful central core, growing ever more distant from a weaker and poorer periphery. In both, the core combines political connections with economic might and has demonstrated frequently its strong influence over the direction of domestic and foreign policy. During the intifada however it became clear that while both the Israeli and Palestinian elite withstood the conflict without losing a great deal in terms of relative position within their respective societies, they did so through adopting very different management techniques. The Israeli elite became more globalised – shifting the main base of many of its operations to the United States, diversified their broader portfolios and incorporated a wide range of international assets. The Palestinian elite was already internationalised, albeit to a lesser extent. The main base for their businesses had always been outside Palestine, often in the Gulf or elsewhere.

Bearing this in mind it is helpful to return to the conclusions of the discussion on how the Oslo *peace process* emerged in the first place in order to understand the

motivations of these elites and other political agents and a deeper level. For the Israeli government, the main issue was to repair the “rupture in the controlling structure”⁶⁶ that took the form of the first intifada. The PLO on the other hand, was brought to Oslo in the wake of its disastrous mishandling of the 1990-1 Gulf crisis which put it on the wrong side of both most of its Gulf allies and the US’ at a time when its role in the region was expanding, while at the same time it was acting out of a crisis of its authority within Palestinian politics. But for more business oriented elites in both societies their incentives were later supplemented by the prospect of handsome *peace dividends* and – particularly for the Israelis – access to emerging markets at the apparent dawning of a new age of liberal democracy and globalisation. As negotiations got underway in 1991, and the Oslo process surfaced in 1993, Palestinians themselves, or at least a small group of elites based in the diaspora, also began looking towards the prospect of the *peace process* in terms of its creation of new opportunities for business and other *peace dividends*.⁶⁷

Yet, by the end of the decade, it had become clear that what *peace dividends* had resulted from the Oslo process had actually been enjoyed almost exclusively by the members of these small groups of what were (or soon became) crony capitalists on both sides of the green line. While for ordinary people in Israel, Palestine (and, to a lesser extent, Jordan) had in fact seen their socio-economic conditions worsen during the period of the *peace process*. Whether or not it is

⁶⁶ Gordon, *Israel's Occupation*, 171.

⁶⁷ A good example of this is the launch of Padico, a vast holding company with interests in numerous sectors including construction, telecoms and various other services, under the chairmanship of Munib al-Masri.

entirely fair to reduce the causes of this growing social stratification and the development of crony capitalist elite to the *peace process* alone is unclear. As discussed above, the groundwork for these kinds of social structures in both Palestine and Israel was already set in place long before the peace process began. However the Oslo process clearly enabled existing dynamics – favoured the concentration of power into tiny elites – to flourish, and gave those elites the opportunity to entrench the structure of dominance through both the legal-bureaucratic means enabled by the creation of the PA, and the new internationalized apparatuses that penetrated this context, ostensibly in order to pursue peace.

But furthermore particularly in the Palestinian context the *peace process* enabled the emergence of other, intermediate level, elite groups. Broadly speaking, these elites fell into two camps. The first was the NGO–globalised elite, which tended to be more supportive of the peace process – both for the sake of ideology and interests as they were often strongly influenced by international discourses that promoted the virtues of peace-building, and at the same time dependent on international funding. Second, was Islamist rejectionist elite represented politically by Hamas (although, this does not mean that the work of Islamist welfare organisations at every level was necessarily associated directly with the political agenda of Hamas). This group also owed their position to a network of social welfare and political programmes. However, they remained strongly opposed to the peace process, rooted in ideological opposition to the PA. There also remained further political groups not accounted for in this simple division – most notably those parties of the left which, while remaining opposed the Oslo

process were also ideologically opposed to the political agenda adopted by the Islamists. For the sake of clarity, and because their power to influence the political landscape in Palestine was extremely limited at this point, these groups are not discussed in depth here.

Throughout the 1990s these two intermediate elite groups pulled society in opposite directions. The NGO-globalised elite used the language and methodologies that were transposed, often directly, from other international organisations and either found themselves pursuing those goals set out by the main sponsors the peace process, or at least navigating the apparatuses that donors had set up. While the Islamists simply rejected them and sought to ground their power in more direct charitable and community work. These differences would become more and more accentuated towards the end of the 1990s and drastically obvious during the intifada where the *modus operandi* of the NGO-globalised elite – which was based on a particularly strong interpretation of the concept of risk management – essentially immobilised its outreach and relief work leaving room for the Islamist social welfare network to extend into that gap.⁶⁸ Beyond this intermediate level however, significant power remained concentrated with the crony capitalist elite. They were to grow in significance throughout the Oslo process and withstood the devastation of the intifada, then later the violent schism between Hamas and Fatah in 2007, far better than either the NGO-globalised elite or the Islamists.

⁶⁸ Neve Gordon and Dani Flic, “The Destruction of Risk Society and the Ascendancy of Hamas,” in *The Power of Inclusive Exclusion: Anatomy of Israeli Rule in the Occupied Palestinian Territories*, by A. Ophir, M. Givoni, and S. Hanafi (Zone Books, 2009), 457–487.

What was lost in this mix then was the ability of a single discourse, or set of principles, to take root and consolidate hegemony. Following from discussions in above on the *peace process*' inability to obtain hegemony what this meant in practical terms is that the political leadership no longer had the ability to dictate the framework through which its agency should be understood, to the general population without the overt use of force. In particular the rest of this chapter looks at why the peace-discourse failed in this respect. It contends that the PA leadership had lost the ability to govern through consent because the general public lost confidence in its ability to achieve these two interconnected goals. First was to progress in the *peace process* and second was to improve the general welfare of the population.

In particular I contend that the reasons for this loss of confidence can be reduced to three categories of factors. These were that (a) the promise of general prosperity resulting from the *peace process* was proven to be a façade; (b) the conflicting agendas of the NGO-globalised elite and the Islamists pulled society in opposite directions and made it difficult for any single narrative or discourse to take root in the popular consciousness; and that (c) visible transformations in the domestic political-economic environments had occurred whereby apparently more and more power was becoming centralised in small, tightly knit groups of government, capitalist elite who were unrepresentative of the general public. Thus, by the time the peace talks had clearly, finally, fallen apart (and incidentally both Israel and Jordan had also moved towards less democratic means of handling their problems) the PA, unable to manage the increased fragmentation of society effectively, shifted towards more coercive means to

maintain control.

The façade

The most basic and most important conclusion that can be drawn from an economic analysis of Palestine's economy during the Oslo years (1993-1999) is that during that period it actually grew weaker and even more dependent on external support. Roy argues that in reality the Palestinian economy was 'de-developed' during this period, a process – particular to the Palestine-Israel context – which she explains with reference to dependency theory.⁶⁹ According to Roy, Palestine is unlike other examples of dependent relationships between economic systems where underdevelopment is evident.

'Underdevelopment', according to advocates of dependency theory, is often a product of the relationships of extraction that occur between developed and less developed economies, and it tends to mean that the weaker party is unable to fulfil its economic and social potential. The symptoms of this are generally high unemployment or mass employment at very low wages, poorly organised services and amenities – that do not necessarily serve the needs or interests of the domestic population – and a limited capacity for home-grown private sector development. This, in case studies from Africa, Latin America and South Asia for instance, is the result of the impact of (a) large foreign companies that tend to extract wealth and, because of their size and resources, make competition impossible and (b) the weak regulatory powers of the state. However, even in cases where underdevelopment is evident it is possible for the weaker party's

⁶⁹ "De-development Revisited."

economic system to change, develop over time and conditions may improve even if the broader hierarchical relationship remains fundamentally unchallenged.

Yet the case of Palestine the label *underdevelopment* does not fit. This is because the prospect for any development of the dependent party (Palestine) has been completely undermined as a result of the basic rules of the relationship.⁷⁰ Roy attributes much of the blame for this on Israeli policy. In particular, it was the policy of *closure* and the disarticulation of Palestinian territory that it produces that was responsible for (a) the inability of the economy to develop out of the malaise that 30 years of direct occupation had left it in, (b) the manifest worsening of economic conditions – in other words, the reduction in productive economic activity – which has led to the increase in severity of conditions.

However, since the adverse effect of *closure* has been accepted virtually universally and has been discussed above, and in great depth elsewhere,⁷¹ it is sufficient to state that the deleterious effect of closure has, in Roy's words:

Not only mediated the economic transfer of Palestinian resources to the Israeli economy but delinked local economic activity (employment, trade, personal income) from market forces, making them increasingly dependent on demand conditions in Israel. The result was the steady weakening and

⁷⁰ Ibid., 65.: I have argued, above, that Roy's interpretation of Israeli motives behind signing the DOP in the first place rests on too strong an assumption of Israeli malevolence. However, this should not, and does not, affect my interpretation of Roy's analysis here.

⁷¹ C.f. S. Fischer, P. Alonso-Gamo, and U. E Von Allmen, "Economic Developments in the West Bank and Gaza Since OSLO," *The Economic Journal* 111, no. 472 (2001): 254–275; Gordon, *Israel's Occupation*; Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability"; Diwan Ishac and Shaban Radwan, *Development Under Adversity: the Palestinian Economy in Transition* (World Bank, March 21, 1999), <http://documents.worldbank.org/curated/en/1999/03/437950/development-under-adversity-palestinian-economy-transition>; Raja Khalidi and Sahar Taghdisi-Rad, *The Economic Dimensions of Prolonged Occupation: Continuity and Change in Israeli Policy Towards the Palestinian Economy* (United Nations Conference on Trade and Development, August 2009), http://www.unctad.org/en/Docs/gds20092_en.pdf; *ibid.*; Roy, *Failing Peace inter allia*.

*disablement of Palestine's economic base an eroding productive capacity, and the growth of the service sector as the largest domestic employer.*⁷²

Beyond the impact of the occupation there were other factors that contributed to the failure of Palestinian economic development during the 1990s. In particular this was the cumulative impact of (a) the class based stratification of society,⁷³ (b) corruption throughout the PA, (c) over reliance on damaging rents and (d) the adoption of various policies in line with a 'good governance' economic framework by the PA.

Each of these factors is interlinked with the others and together they form another vicious cycle. In particular this was a process whereby, the PA grew more corrupt and more reliant on damaging rents (largely based on money it extracted from international donor organisations) which it used maintain the political support it needed from both the top ranking elites and, via the bulging public sector, to the employed middle classes. In the immediate term this had dual effects. First it meant the existing gaps between the classes strata were widened and second, it weakened the PA's position politically, reducing the political capital it could exploit either domestically or (because of the acknowledgement of its corruption) internationally.

Further, the more important longer term impacts were that this cycle (a) stifled the possibility for growth in the private sector and (b) made the PA even more

⁷² Roy, "De-development Revisited," 65.

⁷³ A particularly interesting and useful breakdown of the impact of the occupation on the different socioeconomic classes in Palestine, both before the DOP (1993) and how it laid the groundwork for what followed, is presented in Samara's article "Globalization, the Palestinian Economy, and the 'Peace Process'" "Globalization, the Palestinian Economy, and the 'Peace Process'," 22.

subservient to the demands of its benefactors – which were in fact often directed against the expansion or maintenance of rents in the economy, regardless of if their impact was potentially positive.⁷⁴ In the case of the private sector, there simply was no room to develop. Trapped between the swollen public sector, the rent-seeking monopoly elites and the crippling impact of the occupation's closure policy it was not possible – particularly for industry – to function effectively, let alone, grow. What further compounded the problem was that, without developing a sustainable tax base the PA was forced to borrow even more in order to support its outgoings year-on-year, and thus, it continued to dig itself into a hole.

As the PA's debts mounted there seemed to be no way out other than to hope for the international donors to forgive its liabilities, perhaps gambling on the fact that *peace* was itself a valuable commodity.⁷⁵ Yet in the meanwhile unemployment grew, employment conditions worsened and for the PA the political cost of this enterprise only grew even more exposed through the rejectionism (and terrorism) of its rivals. In short, the Oslo process was being exposed as a façade, at least in as much as the promise that it would lead to peace and prosperity based on de-politicisation and private sector growth.

Crony Capitalism/Monopoly Elite

Yet while the middle and lower classes were growing more disillusioned with the PA's performance, the rent-seeking elite continued to do very well out of the

⁷⁴ Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability."

⁷⁵ Samara, "Globalization, the Palestinian Economy, and the 'Peace Process'."

arrangement. As discussed above, there was already group of Palestinian business people who had, through their investments and connections in Jordan and the Gulf had managed to be remarkably successful in accumulating power and wealth in the diaspora while through the direct occupation (1967-93) the economy of the oPts festered. The members of this group would prove to be important players in shaping the direction of Palestinian politics in the 1990s in such a way that tended to favour the perpetuation of the *peace process*. Yet, beyond the stifling of the private sector (discussed above), the fact that power and decision making seemed to be concentrated within this group – in such a way that was clearly disconnected from the lives and experiences of ordinary Palestinians – that the continued development of this crony capitalist elite can be seen as another major factor that contributed to the failure of the *peace process* discourse to establish hegemony.

The group was made up of a number of particularly powerful families that included the Masri, Nuqul, Salfiti, Khoury and Shouman families.⁷⁶ Most had been very successful through investing in the Gulf oil industries soon after they were expelled from Palestine in 1948. Yet politically they had been oriented by the events in Jordan between 1970 and 1990. However, at the same time all of them had remained tied, in some way or another both to the occupied territories and to the PLO.

By the beginning of the *peace process* all of them were still potentially powerful actors in the Palestinian political scene and, just had it had been Palestinians

⁷⁶ Bouillon, *The Peace Business*, 38–41.

elsewhere (see above), the announcement of the DOP was divisive and the group split. Some members, for instance, Abdel Majid Shouman the head of the Arab Bank, rejected the agreement and suspended their financial backing to the PLO while others, such as the brothers, Subih and Munib Masri, lent their support to the process. As a result they grew closer to the so-called moderates within the PLO and lent their support to those had advocated negotiating with Israel.⁷⁷ This support was manifest both rhetorically and in material sense through the heavy investments. This main avenue for this process was a network of holding companies that were established to help build and develop the Palestinian state and they were designed based on the assumption that the peace talks would advance according the agreed upon schedule.

The largest of the vehicles for this investment was the Palestinian Investment and Development Company (Padico), which launched with a capital base of \$1.5 billion. Its role, and the role's played by its subsidiaries, in supporting the PA's initial waves of institution building was indispensable.⁷⁸ Just seven years after its launch, at the end of the 1990s Padico boasted an impressive portfolio of assets. The most successful subsidiaries included the Palestinian Telecommunications network (Paltel) – which is 27 per cent owned by Padico, the Palestinian Securities Exchange (70 per cent owned by Padico) and Aquarian the (Palestine Real Estate Investment Company). Other holding companies such as the Arab Palestine Investment Company (Apic) and, later, the Palestine Commercial Services Company was founded. However, despite this huge level of financing

⁷⁷ Ibid.

⁷⁸ Ibid., 119.: Also *C.f.* chart in Bouillon, 2006: 46-47

that was made available for investment in building the structures of the PA and in preparation for statehood the political imbalance between the two sides (Israel and Palestine) was virtually unchallenged. Along with the investments by powerful diaspora Palestinians, large quantities of aid were also pledged – approximately \$2.45 billion⁷⁹ – which was to be distributed through the Pecdar (Palestinian Economic Council for Development and Reconstruction), which had been established by the PLO in 1993. Though Masri denies that he benefited from corruption due to his relationship to the PA, knowledge of a special relationship is well established.⁸⁰

That this damaging-rent-seeking caused extreme harm to the Palestinian private sector has already been discussed. However, it is worth noting that the impact of this was widely known at the time. Samara, cited an example of a foreign government employee who estimated that “there [were] at least thirteen known monopolies under the control of no more than five individuals who are members of the PA's inner circle.”⁸¹ Yet it was also acknowledged by leading figures in the Palestinian intelligentsia that society in general was suffering from an overall process that seemed to be serving the interests of a very few.⁸²

Furthermore, it was not just that this small group of elites existed in an apparently different world from the rest of society that harmed the notion that

⁷⁹ Samara, “Globalization, the Palestinian Economy, and the ‘Peace Process,’” 24.

⁸⁰ Victoria Robson, “Padico,” *Middle East Economic Digest*, January 18, 2008, <http://www.meed.com/sectors/finance/padico-meed-assessment/3091832.article>.

⁸¹ Samara, “Globalization, the Palestinian Economy, and the ‘Peace Process.’”

⁸² George Giacaman, “In the Throes of Oslo: Palestinian Society, Civil Society and the Future,” in *After Oslo: New Realities, Old Problems*, ed. George Giacaman and Dag Jorund Lonning (Pluto Press, 1998).

this *peace process* was for everyone. Rather, it was apparent that while the general population suffered from sinking economy and, indirectly, continued effects of the occupation, members of this elite appeared to be using their influence to pursue greater integration with Israel and the further entrenchment of the occupation. Khatib's conclusion captures the basic contradiction underlying these relationships succinctly:

*The agreement, together with the style of governance adopted by the PA, led to the creation of a group of individuals who had narrow interests that did not necessary conform to those of the nation and the public. Better relations with Israel better served these narrow interests, and Israel used this leverage in order to extract concessions from this group.*⁸³

Even when the peace talks collapsed, despite the widespread trauma and myriad existential changes, that took place in the lives of Palestinians throughout the oPts during the intifada, and its lawless aftermath (particularly on the streets of Nablus) this same network of elites, remained relatively unharmed by the violence. Indeed, as Hanieh explains: the majority of private enterprise in the West Bank that existed during the late 2010s could still be traced through a series of holding companies to the Masri and Khoury families.⁸⁴ These two families directly owned a considerable range of property and organizations operating in the West Bank. In short, even ten years after the intifada began, Hanieh was still able to conclude that this collection of capitalists “completely dominate the political economy of the Palestinian territories”⁸⁵ to such an extent that it is “almost impossible to find a large- or medium-sized company in which

⁸³ *Palestinian Politics and the Middle East Peace Process: Consensus and Competition in the Palestinian Negotiating Team*, 1st ed. (Routledge, 2011).

⁸⁴ “The Internationalisation of Gulf Capital and Palestinian Class Formation.”

⁸⁵ *Ibid.*, 95.

they do not own a significant stake.”⁸⁶

As already discussed it is the case that hegemony, a concept implying a more meaningful and more deeply penetrative belief system than Weberian ‘legitimacy’, which should be our reference point for discussions on the viability of ruling groups, particularly in the context of the post-colonial discourses such as those evident in the Middle East examples such as Palestine.⁸⁷ The fact that there was such a concentration of wealth and power reserved for a small group of particular political elites, yet at the same time it was evident in a day-to-day sense that ordinary people were not experiencing the promise of peace dividends fulfilled, are clearly factors that can help us understand that why no pro-negotiations camp ever achieved hegemony.

Battle of the mid-ranking elites

At the same time, a further change in the social dynamics of the occupied territories was taking place. In this case it was not a product of the PA’s dependence on the donor community, but rather it occurred partly in spite of that relationship. In short, from within the Palestinian middle classes a new wave of institutionalisation was taking place. This largely took the form of a dialectical process furthered by what has been called a process of *NGO-ization* on the one hand, and a rejectionist reaction to it, on the other.

⁸⁶ Ibid.

⁸⁷ Ayubi, *Over-stating the Arab State*.

NGO-ization, according to Islah Jad,⁸⁸ describes a process "through which issues of collective concern transformed into projects in isolation from the general context in which they are applied without taking due consideration of the economic, social and political factors affecting them."⁸⁹ Thus, the term describes a more complex process than simply the proliferation of NGO's in society. In fact, this distinction was particularly relevant to Palestine where there was a long history of NGO activism operating in the occupied territories, they were behind a number of significant campaigns including a boycott of Israeli products in the 1980s, and a powerful campaign to "buy Palestinian."⁹⁰

However, during the 1990s the landscape of the NGO network was very different. Many were funded directly from foreign sources and pursued agendas that were framed by, or based on, this experience. One manifestation of this difference is that they tended to represent an interpretation of social issues that crafted in international context and therefore, in contrast to the work of NGO's in Palestine prior to Oslo, not specific to the experiences of Palestinians in the occupied territories. As a result, many would champion social activism in such a way that seemed irrelevant, or at least disconnected from the actual ecosystem of Palestinian society under occupation. As Jad explains, where youth activism groups for instance, would offer the opportunity to attend workshops or gatherings they would do so in such a way that was socially exclusionary for

⁸⁸ "The NGO-ization of Arab Women's Movements'," in *Feminisms in Development: Contradictions, Contestations and Challenges*, by Andrea Cornwall, Elizabeth Harrison, and Ann Whitehead, 2007.

⁸⁹ *Ibid.*, 178.

⁹⁰ Tabar and Hanafi, *The Emergence of a Palestinian Globalized Elite*, 49.

many in the working classes, “many of the NGO events are held in expensive hotels, serving fancy food, distributing glossy material.”⁹¹

Tabar and Hanafi, argue that such changes in the behaviour of the Palestinian NGOs during the 1990s are likely to be products of the fact that those NGOs that were in the ascendancy during this period, were so because they were well connected and supported by foreign donor organisations.⁹² This had occurred partly because of the fact that international donor organisations often saw supporting Palestinian NGOs both as a means to circumvent the corruption of the PA and an opportunity to support the development of a pro-peace civil society environment in the oPts, which was considered essential for the *peace process*. However, the unforeseen consequences of this were that instead of developing Palestinian society in general through the promotion of these NGOs the impact of this relationship was that it created a number of well-funded, western looking civil society organisations that were largely disconnected from the real world in which they were supposed to act. They themselves became enclaves within the educated, urban Palestinian society, often operating in English rather than Arabic and promoting their agendas in the terms of the target setting mentalities of the (overwhelmingly) Western based sponsors.⁹³

In other words they had become *globalized*. This is not to say that they were in any sense transnational entities in their own right, but rather that they tended to advocate agendas and methodologies that were rooted, not in Palestine, but in

⁹¹ Jad, “The NGO-ization of Arab Women’s Movements,” 178.

⁹² *The Emergence of a Palestinian Globalized Elite*.

⁹³ *Ibid*.

the meeting rooms, seminars and workshops where priorities were set and policy formulated under conditions very different from those actually experienced by people in the occupied territories – particularly in rural areas. Tabar and Hanafi, suggest that both as a result of this, and the fact that their funding was often dependent on particular political constraints, these organisations tended to be inclined to support the *peace process* and advocate for it in general society, albeit perhaps indirectly.⁹⁴

While at the same time as this development was forging a new dynamic in the Palestinian middle classes that can be understood as a dialectical response was also being instantiated. In reaction to the more pro-peace globalized NGOs the rejectionist groups, most of which were associated directly or indirectly with an Islamist agenda. These groups tended to be much more representative of the roots of the pre-Oslo Palestinian NGO movement and, because they operated outside the parameters of donor-based funding streams provided to the globalized NGOs, they were able to maintain a greater level of independence. In general, where it was considered a question of politics – rather simply common sense – they tended to strongly reject the *peace process*. But even if they behaved and presented themselves very differently from the *globalized* NGOs, a hierarchy, although less obvious, was still present.⁹⁵

In essence this period produced a number of alternative nodes of power, authority and wealth and various other minor hierarchies wherein legitimacy

⁹⁴ Ibid.

⁹⁵ Milton-Edwards and Farrell, *Hamas*; Roy, *Hamas and Civil Society in Gaza*.

was derived from appealing to and replicating different, but ultimately parochial, discourses. The globalized NGO's justified their agency, and continued existence by demonstrating their modernity and the extent to which they were different from traditional seats of cultural power. Yet, at the same time rejectionist movements opposed them citing their capitulation to a western imperialist agenda. The result was a mix of polarization and a stagnating political morass.

As Jad summarizes:

*The role of NGOs in the West Bank and Gaza shifted under the influence of the state-building process initiated by the Madrid Conference in 1991 ... the dual dynamics of state building and NGOization led to the demobilization of all social movements.*⁹⁶

Conclusion

The history of Palestinian society during the peace process era of the 1990s, then, is primarily characterised by the experience of disconnectedness. Israel's policies that cumulatively formed "asymmetric containment"⁹⁷ divided Palestinians into enclaves with a plethora of physical apparatus. Further, the complex network of permits and rewards added to that damage by exaggerating the stratification existing in Palestinian society. "Asymmetric containment,"⁹⁸ and its specific incarnations in the form of closure and disengagement, wrought immense damage on Palestine's economy and helped increase the level of dependency of the PA on international support throughout that period and beyond.

⁹⁶ Islah Jad, "The Demobilization of Women's Movements: The Case of Palestine," *Women's Studies Institute, Birzeit University* (2009): 15.

⁹⁷ Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability."

⁹⁸ Ibid.

Yet there were other factors at play within Palestinian society itself that also added to the burden of hardship endured by the general population inside the occupied territories. The PA, almost immediately after its founding, developed into a “bully Praetorian republic”⁹⁹ which rested on an unsustainable cycle of rent-seeking and crony capitalism. The dual products of this process were the mounting debt burden endured by the PA and a languid private sector. This meant that while ordinary Palestinians suffered from the absence of opportunities and prosperity that were meant to be the cornerstones of Oslo’s appeal, a small network of already powerful elites was conspicuously successful. Further, due to their close ties to the weak PA, it seemed as if they had to some extent high-jacked the national political agenda, pushing it more towards integration with Israel because it served their own agendas. Simultaneously, the involvement of international donors more directly into Palestinian society introduced a network of globalized NGOs and a rejectionist reaction to it. The competition between these two wings of the institutionalised middle class was both polarising and sclerotizing for political activism at that level.

In essence, then, under these conditions it was impossible for a genuine peace discourse to establish itself, or be established, as hegemonic. The disconnectedness that most ordinary Palestinians felt from the powers that were shaping their own lives was palpable and, when even the façade of this peace process collapsed in the early 2000s, the true nature of those forces was revealed. “Asymmetric containment”¹⁰⁰ was only made only more overt through

⁹⁹ Henry and Springborg, *Globalization and the Politics of Development in the Middle East*.

¹⁰⁰ Hilal and Khan, “Stateformation Under the PNA: Potential Outcomes and Their Viability.”

Sharon's "disengagement plans", outlined in 2003. Yet, at the dawning of Fayyadism, the crony capitalist elite – which sustained the two conflicts in much better shape than any of the lesser nodes of power – re-emerged as the true anchors of power in Palestinian society.

Thus, in direct reference to the primary goal of this thesis – to address the two core questions: (a) How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011? And (b) what were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank? – These two historical chapters have outlined the historical roots of the period of particular interest for this thesis. The previous chapter discussed the transition between the pre-Oslo history of the conflict which was brought about through mutual need and interests on both sides and Israel and the PLO behaved, for the most-part, as rational actors and engaged in the peace process in the early 1990s because for both parties it appeared to offer a path out of their particular crises. This process was sponsored by powerful outside forces, primarily the US, and seemed to epitomise the logic of a new – post cold war – world order where liberal functionalism appeared to offer a means to end conflict through neo-liberalism and business ties. However the optimism of the early 1990s did not mask for too long the flaws that were eventually to undermine the entire process.

Two of these flaws manifest as the two dynamics discussed at length in the chapter under the headings of “asymmetric containment”¹⁰¹ and the “bully Praetorian republic.”¹⁰² The first describes Israel’s quest to maintain strategic dominance by encircling Palestinians in urban enclaves, while the second describes the system of governance employed by the Arafat regime that served the interests of the dominant elite at the expense of genuine development. Between them these processes wrecked the Palestinian economy and had a profound effect in shaping the path that the PA’s post-2007 agenda took, how that was experienced by the general population and how it ultimately undermined the legitimizing narrative of Fayyadism. In particular, it encouraged international donors to pursue a ‘good governance’ as a means of ensuring the wasteful system of rent-seeking and attribution that had proliferated under Arafat could never be repeated and focused their concerns on enforcing a ‘security’ framework – closely tied to the ‘war on terror’ - which would prevent another intifada from erupting.

The next chapter discusses the transitional phase from the second intifada to the post-2007 period. It presents a fuller outline of the PA’s own rhetoric and discusses the real experiences of Palestinians during the intifada and particularly under the siege conditions in Nablus.

¹⁰¹ Ibid.

¹⁰² Henry and Springborg, *Globalization and the Politics of Development in the Middle East*.

Chapter Six: The fiery birth of *Fayyadism*

It's about empowering our people, providing our people with the means and the wherewithal to persevere through the adversities of occupation in order to end it

- Dr. Salam Fayyad, 2009¹

Conditions are not ripe for resumption of a political process capable of delivering an end to the Israeli occupation

- Dr. Salam Fayyad, 2011²

With Arafat's death in 2004, it was the beginning of the end for the intifada.³ Israel had inflicted a crushing defeat on the armed Palestinian resistance and laid siege to most of the urban centres in the West Bank. The former PA Prime Minister, Mahmoud Abbas, took over as leader of the PLO and disavowed further acts of terrorism and the cession of armed resistance to Israel. Abbas, whose political approach had always been considered more compatible with both US and Israeli interests than Arafat, was extended international support following as a response to these statements. Abbas, who had assumed the leadership of Fatah and the PLO following Arafat's death, was officially elected to the presidency in 2005 with an overwhelming majority; it is likely that this contributed to the belief in Washington that further democratic elections in Palestine would return a Fatah majority. Thus when US pushed Israel to allow Palestinian legislative elections in 2006 they were taken by surprise when it was Hamas that was swept to power.

¹ "Fayyad: Netanyahu Changed His Position on Economic Peace," *Maan News*, July 30, 2009, <http://www.maannews.net/eng/ViewDetails.aspx?ID=215734>.

² Taylor Luck, "Politics Not Ripe for Palestinian Statehood Bid - Fayyad," *Jordan Times*, December 21, 2011, <http://archive.jordantimes.com/?news=43959>.

³ Parts of this chapter were published as a paper "Why *Jabal an-Nar*? Researching Nablus" published in the CBRL Bulletin 2012 and in a blog for the Palestine Studies Group at Exeter University entitled: "The London Connection".

Thus the 2006 elections became another threshold event in the relationship between major international actors and Palestine. The US and Israel totally rejected Hamas' right to govern and led the EU, and other major donors, in an international embargo of aid to any Palestinian government that included Hamas. Domestically, this pressure meant that initial efforts to run the PA through a unity government fell apart after less than a year and a violent schism between Hamas and the PA establishment, caused the political separation of the Gaza Strip from the West Bank. It emerged later that US and UK clandestine forces had also worked with the PA security forces to bring about this collapse.⁴

In many ways the Israeli and American reaction to Hamas' victory replicated the same logic that had been applied to the Palestinians throughout Israel's invasion during the intifada. It juxtaposed the use of coercive methods – in this case the curtailment of aid – with a promise of improved conditions, if Palestinians accepted the leadership of those approved by Israel. (In the end, this is what happened and aid did return in even greater supply when the PA establishment was returned to power in 2007, after the schism.)

Therefore when, out of the collapse of the unity government and of meaningful Palestinian democracy, the PA establishment re-emerged it was into an environment where Israel, the US and its their allies were determined to reaffirm their control over Palestinian politics and enforce both structures of 'security'

⁴ David Rose, "The Gaza Bombshell," *Vanity Fair*, April 1, 2008, <http://www.vanityfair.com/politics/features/2008/04/gaza200804>; Ian Black and Seumas Milne, "Palestine Papers Reveal MI6 Drew up Plan for Crackdown on Hamas," *The Guardian*, January 25, 2011, sec. World news, <http://www.guardian.co.uk/world/2011/jan/25/palestine-papers-mi6-hamas-crackdown>.

control and 'good governance' in order to ensure that there could be no return to the politics Arafat-era. President Abbas, who was clearly fully aware of the new political context, appointed Salam Fayyad as prime minister and under Fayyad's leadership the PA launched what it described as a renewed effort to reorder Palestinian society and build the institutional framework for a state. It was at this point that the PA began to propagate a new message to explain its actions. This narrative promised that, via institution building and through accepting the political direction that was *de facto* imposed by Israel and the rest of the outside world, Palestinians could finally achieve independence. However, by late 2011, when Fayyad distanced himself from the PLO's efforts to obtain statehood at the UN – which was being blocked by the US's threat of veto – it was evident that the promise of independence was in fact as implausible as it had sounded at the outset.⁵

However, it is the task of this discussion to examine the overall agenda – reaching below the superficial broken promises – and to analyse the real meaning of the political programme promoted by the post-unity government PA. In this context the important elements that comprised the post-2007 agenda were (a) the consolidation of control by the PA establishment and the destruction of Hamas' political, social and financial apparatus in the West Bank and (b) a major reorganization of the politics, economics and mechanisms of control in the occupied West Bank that brought them in line with the interests and concerns of Israel and its international allies including the US, and (c) the

⁵ Fayyad made this statement in a speech at the Columbia University Middle East Research Center, Amman Jordan, on December 1st 2011.

propagation of a legitimizing narrative – which I have termed *Fayyadism* – that promised progress toward independence but was eventually proved to be misleading.

It is worth repeating for emphasis that, it was at this point – when the unity government collapsed and violence of the schism broke out, and not before this point – that the PA changed course in a profound way. It fully embraced a raft of policies that prioritized Israeli and foreign concerns over any and all interests of the Palestinian population that happened to contradict them. Further, it engaged in a violent campaign against its own people in order to ensure its own institutional preservation. This is not to say that the PA had never before harmed Palestinians in order to win favour with Israel or the US, or that it had never violently coerced other Palestinians. As the previous chapters show, the PA had harmed its own population regularly and prioritised its own concerns over theirs as a matter of course. However, the Fayyad-led campaign was categorically different simply because it was not driven by the pursuit of meaningful statehood. Rather, as the following discussion of the *Fayyadism* narrative demonstrates, attaining nominal statehood while remaining under *de facto* Israeli control was the only prize that was being pursued.

In view of this, this chapter focuses on examining the political dimensions of this period. It inquires into how and by what means did the PA establishment, with Israeli and external support, reassert its control over domestic politics in the period after the intifada failed and the unity government collapsed. Further, investigates nature of the narrative myth that the PA propagated in order to

justify its actions. It argues that from that point onwards the PA pursued the interests of foreign actors as their primary concern, and that many of the changes that were made in terms of the domestic conditions of the West Bank or to the infrastructure of the PA, did not align with best interests of the general Palestinian population. Further, it argues that all sides supported this development, each for different reasons.

Thus, this chapter deals with *Fayyadism* in terms of its overall framework of policies and rhetoric that dominated Palestinian politics between 2007-2011. It explains how this alignment of power was manifest in Palestine, particularly in the period 2007-9. It discusses what each side's real intentions were behind the propagation of *Fayyadism* and it exposes the very important distinction between the real impact that these changes have had on Palestinian society in the West Bank and the rhetoric that was promoted by the PA. Finally, through outlining this broader political framework of the PA's post-2007 agenda, this chapter lays the groundwork for more detailed analyses of impact of the *security first* agenda and the neo-liberal economic strategy pursued by the PA on the lives of ordinary Palestinians, which are discussed in the following two chapters and is the primary contribution of this thesis.

This chapter presents this discussion in the following subsections. First, it outlines the context of extraordinary violence during the intifada. This focuses particularly on the city of Nablus, which was trapped under Israeli siege for eight years, and draws on these details to analyse the relationship between the mechanisms of coercion and the production of consent among the general

population in Nablus. Second, the discussion focuses on the threat that the PA perceived to be embodied by Hamas. Specifically, this was that Hamas political and financial independence made it an intolerable menace to the PA, particularly in light of the fact it had proven more capable than either the PA or international aid agencies, in providing emergency assistance during the intifada and it demonstrated its own ability to gain popular support in the 2006 elections. Third, the discussion focuses on the overall political framework offered by the Fayyad government in the wake of the schism. This exposes the gulf between reality and the PA's narrative, and also discusses the deep relationship between the PA's institutions and the input of foreign governments. Finally this chapter introduces the specific topics for discussion in the following two chapters: the *security first* agenda of the PA and its neo-liberal economic strategy.

The intifada: four forms of coercion

As discussed in the previous chapter, from the outset of the second intifada both extreme violence and attacks on civilian targets were the norm.⁶ However, following a particularly vicious attack by Hamas, which killed 30 people in an old-peoples-home in the city of Netanya (on 27 March 2002), the Israeli prime minister Ariel Sharon ordered the launch of operation Defence Shield, which effectively meant the full reinvasion of the West Bank. In this context, the Oslo II divisions between areas "A", "B" and "C" were totally ignored and Israel's mechanisms of "asymmetric containment"⁷ came into full force. Israel imposed

⁶ Amnesty International, *Israel and the Occupied Territories: Broken Lives – a Year of Intifada* (Amnesty International, 2001), <http://www.amnesty.org/en/library/asset/MDE15/083/2001/en/0ac91c49-d8e7-11dd-ad8c-f3d4445c118e/mde150832001en.html>.

⁷ Amundsen, Giacaman, and Khan, *State Formation in Palestine*.

severe restrictions on movement across the West Bank. Effectively surrounding all urban centres within the territory and putting them under blockade. Israeli forces also besieged the PA's *moqata'a* (headquarters) in Ramallah, which kept Arafat enclosed for two years (March-May 2002, then September 2002–October 2004). There followed two pitched battles that seized world attention, the Israeli invasion of Jenin refugee camp (early April 2002) and then the siege of the church of the Nativity in Bethlehem (April and May 2002). In Nablus, the fighting was focused mostly in the Old City and in the refugee camps. The major battle was fought between the 2nd and 21 April 2002. Israel used innovative new tactics that blurred the line between civilian and military environments. It further integrated its invasion forces with aerial bombardment that devastated some structures in the Old City. Approximately 80 Palestinian fighters were killed 300 injured while on 9 April the Israeli military sustained 13 fatalities through a deadly suicide attack.

In the theory chapter violence was defined as: *the instrumental use of force intended to expand or maintain a power hierarchy. In occupied Palestine the mechanisms of coercion serves the interests of the colonisers and it is evident throughout the colonised society. This apparatus is actuated with greater intensity in order to meet the need of producing and reproduce a more consensual environment.* Here, I apply that definition to the Palestinian ordeal under the weight of Israel's assault. In essence the coercive force Palestinians were subjected to during the intifada can be categorized into four subgroups of examples. (Often the specific details of the examples can be tied to more than one category and in each case the roots of these forms of coercion are found already

manifest in the occupation apparatus established before and during the Oslo period.) The purpose of the categories is to help make the how the different forms of violence impacted on the lived of ordinary Palestinians comprehensible and therefore make provided an appropriated analytical basis for the diagnostic of the PA's post-2007 security agenda that follows in the next chapter.⁸

Spatial violence

Spatial violence constituted the disruption of existing patterns of life through the appropriation and reassignment of space. Obvious forms of this on a broad scale were the sieges of the cities in the West Bank that began in 2002. These comprised restrictions on movement between urban centres and between urban and rural areas. In Nablus, this was what is generally meant when referring to the siege that began in 2002 and lasted in full until 2007 when it was gradually dismantled (although its apparatus is still present). This form of coercion also redefined access to what were normally considered public spaces through the imposition of curfews or the establishment of checkpoints. These curfews were often targeted discriminately on different areas, in Nablus the focused particularly on the Old City and the refugee camps. This discrimination served to enflame hostilities already present as a result of the social and political

⁸ Other interpretations of categorising violence during the al-Aqsa Intifada include Azouley and Ophir's division between 'eruptive violence' and 'withheld violence' it is, in some respects, possible to overlay my categorisations with theirs in the sense that *political* and *structural violence* can roughly be overlaid by 'withheld' violence, while *spatial* and *ad homonym violence* align more closely with 'eruptive violence' (although some elements of spatial violence can be interpreted as 'withheld', particularly with regard to the use of checkpoints and siege: Ariella Azouley and Adi Ophir, "The Order of Violence," in *The Power of Inclusive Exclusion: Anatomy of Israeli Rule in the Occupied Palestinian Territories*, by Adi Ophir, Michal Givoni, and Sari Hanafi (MIT Press, 2009), 99–140.

stratifications in the city, and this contributed to further political violence (see below).

However a further manifestation of spatial violence that was particularly significant during the intifada was the invasion of private spaces. Until 2005, one element of this practice was the destruction of homes as a punitive measure against the families of suspected terrorists.⁹ More widespread in Nablus was the rupture of Palestinian lives through direct incursions into private homes as a means to navigate dense urban environments without entering the streets (particularly in the Old City and Balata refugee camp). This consisted of using explosives to create holes in the walls of houses and generate alternative passageways while avoiding the main streets where they would be potentially exposed to hostile fire. As Weizmann explains:

[The Israeli soldiers] were punching holes through parting walls, ceilings and floors, and moving across them through 100-metre-long pathways of domestic interior hollowed out of the dense and contiguous city fabric.¹⁰

Further, this kind of abrupt and overt incursion into private spheres was not the only way in which the Israeli forces impose a coercive power into the home environment. During the siege of Nablus electricity supplies were often cut and gas supplies were restricted along with access to other basic supplies. That this can be interpreted as a form of Israeli coercion is confirmed by this tactic's repetition following the election in 2006. When, in describing a similar siege

⁹ According to B'Tselem there were 664 homes destroyed under these conditions between 2001 and 2004. This left more than 4,000 people homeless: "Statistics on Punitive House Demolitions | B'Tselem," *B'Tselem*, January 1, 2011, http://www.btselem.org/punitive_demolitions/statistics.

¹⁰ Eyal Weizman, *Hollow Land: Israel's Architecture of Occupation* (Verso, 2007).

tactics in the siege of Gaza, Israeli commanders stated that it was their objective was to, “put the Palestinians on a diet.”¹¹

Violence ad hominem

Certainly some of the actions taken by the Israeli forces that I have described under the category of *spatial violence* also qualify as violence directed against the person. Clearly in the cases of house demolitions and home invasions that led to the death of inhabitants, or examples where individuals were killed during the enforcement of curfews or at checkpoints or died as a result for lack of access to healthcare, spatial violence directly led to the death of individuals. Thus violence *ad hominem* means the acts of violence specifically designed to kill particular individuals.

The most obvious examples of this were the targeted assassinations undertaken by Israeli forces against specific Palestinian leaders. Again the tactic of targeted killings has been used prior to the intifada and even prior to the Oslo process (for example the bombing of PLO headquarters in Hammam Chott, Tunisia, in 1985). However, additional impact of the targeted killings during intifada derived not only from the fact that their numbers increased but also that they were directed against political figures who were well-known and often killed civilians as well. As Kimmerling explains: “the murder victims were public figures, many of whom were admired by the Palestinian people; secondly, the operations are often not clean, and killed other, innocent, individuals along with a targeted person.”¹²

¹¹ “ Hamas Readies for Government, Israel Prepares Sanctions,” *Agence France Presse*, February 17, 2006.

¹² Kimmerling, *Politicide*, 163.

Across all aspects of Israel's tactics during intifada the intention to kill was implicit from the outset. It was designed not only to suppress resistance but also to "compel the Palestinians to admit defeat."¹³ It is well known that according to the military's own records; during the first few months of the invasion the army fired over one million bullets.¹⁴ Further, while Palestinian militant organisations were prevented from rearming by the interception of several supply ships, the Israeli military issued an emergency appeal to the US government to resupply its munitions.¹⁵

The scale of death and destruction was striking. According to *B'Tselem* nearly 5,000 Palestinians were killed during the intifada.¹⁶ Israel also increased the number of Palestinians captured and detained under a variety of extra-judicial arrangements, such as administrative detention. The detention of minors, indefinite detention and torture were regular occurrences under these circumstances.¹⁷ (It now seems likely that Israel was responsible for the assassination of Yasir Arafat through poisoning him with the radioactive element Polonium, though investigations are ongoing.)¹⁸

¹³ Catignani, *Israeli Counter-insurgency and the Intifadas*, 105.

¹⁴ Yitzhak Laor, "Diary," *London Review of Books*, October 3, 2002.

¹⁵ Catignani, *Israeli Counter-insurgency and the Intifadas*, 108.

¹⁶ *Fatalities Since the Outbreak of the Second Intifada and Until Operation "Cast Lead."*

¹⁷ *C.f.* Catherine Cook, Adam Hanieh, and Adah Kay, *Stolen Youth: The Politics of Israel's Detention of Palestinian Children* (Pluto Press, 2004).

¹⁸ "Abbas Calls for Arafat Death Investigation," *Al Jazeera English*, July 5, 2012, <http://www.aljazeera.com/news/middleeast/2012/07/20127494953490367.html>.

Systemic violence

The structural violence of the Israeli invasion was the most direct product of the policies of “asymmetric containment” that preceded it.¹⁹ In short, it describes the denial of services, the destruction of the Palestinian economy, and the use of pseudo-legal bureaucratic mechanisms to wage war on Palestinians. Examples of this are numerous and most could be tied directly to a biopolitical interpretation of Israeli tactics. This means, that in general they describe a range of techniques designed to subjugate the Palestinian population *en mass*. Obviously, some examples of this have already been discussed particularly, restrictions on movement checkpoints and the indiscriminate use of violence *ad hominem*. However what is distinct about this form of violence is that it took the form of both creating and destroying institutional mechanisms that regulated Palestinian life.

The impact on the Palestinian economy is a good example of what this means. Israel's restrictions on movement imposed through spatial violence had a devastating effect on the Palestinian economy during the intifada. These restrictions not only delayed or prevented the transport of goods, or the movement of people, but also inserted a level of unpredictability that made it impossible to calculate the probability of success, or risk.²⁰ Inevitably this meant the Palestinian businesses suffered, as they were unable to make even by basic calculations regarding the likely return on any investment. International aid agencies, which had switched at the beginning of the intifada from providing

¹⁹ Amundsen, Giacaman, and Khan, *State Formation in Palestine*.

²⁰ Gordon and Flic, “The Destruction of Risk Society and the Ascendancy of Hamas.”

development aid to emergency funding, suffered the same fate as businesses as they too could not calculate risk.²¹ Beyond the realm of risk calculation, even basic services such as access to education, police or healthcare were often cut off under curfew and similarly the unpredictability of how long curfews would be sustained, or delays at checkpoints would last made it impossible for any kind of public service to function normally.²²

Examples of how *systemic violence* was used can be seen in Israel's creation of pseudo-legal bureaucratic regulation of Palestinian life. There are two main examples of this that are important to note with regard to the creation of the political conditions that followed the intifada. The first of these was the permit system, which had been established in a different form, prior to the Oslo process. Of course the express point of any permit system is to impose controlling measures on a population. These were implemented and extended through Palestinian society during the Oslo period and, because they did not at the time cause immediate disruption (any more than was usual) the full effect was not known until the crises of the second intifada. Permits were also used to create and accentuate pre-existing divisions in Palestinian society. They were used to

²¹ Ibid.

²² For more information on the impact of restrictions on the economy *C.f.* Ajluni, "The Palestinian Economy and the Second Intifada." And particularly for Nablus city three documentaries produced for Al Jazeera English provide an excellent summary are available online: Tom Evens and Ghassan Khader, "Nablus Limited," *Witness* (Al Jazeera English, September 19, 2010), <http://www.aljazeera.com/programmes/witness/2010/09/2010919123810817444.html>; Tom Evens and Ghassan Khader, "Nablus Restricted," *Witness* (Al Jazeera English, September 21, 2010), <http://www.aljazeera.com/programmes/witness/2010/09/201092175937114660.html>; Tom Evens and Ghassan Khader, "Nablus: Business of Occupation," *Witness*, September 30, 2010, <http://www.aljazeera.com/programmes/witness/2010/09/201092613463110531.html>.

reward good behaviour, according to Israeli definitions, and to make life difficult for those who did not behave how the occupier desired.²³

Further, in the Paris protocols on economic relations (1995), Israel had accepted the role of tax collector and distributor for the Palestinians within the occupied territories. This apparatus of Palestinian dependency on Israeli will was, again during the intifada, activated in order to create damaging results for the population. Taxes that were collected were not distributed back to the PA and as a result public services were denied funding and public sector workers were left unpaid. In addition to the already falling tax yields produced by high unemployment, this shock to the Palestinian economy nearly brought about the collapse of the PA in 2002.²⁴

Political violence

Political violence describes the methods by which Israel and its allies sought to misrepresent the both the Palestinians, the intifada and its political context in terms of rhetoric in order to provide political cover for its own actions. This kind of violence is deeply linked to the other forms discussed above. In Kimmerling's words politicide "is process that has, as its ultimate goal, the dissolution of the Palestinian people's existence as a legitimate social, political, and economic

²³ Haaretz Journalism Amira Hass has detailed the history of this permit regime in a number of her articles. Some of the most important are: Hass, "Otherwise Occupied / Access Denied"; *ibid.*; Hass, "The VIPs' Hush Money."

²⁴ World Bank, *Four Years - Intifada, Closures and Palestinian Economic Crisis: An Assessment*.

entity”²⁵ and in this case it is the attack on the question of legitimacy of the Palestinian cause that is at issue.

In some cases this was obvious, such as the conflation of Palestinian terrorism with al-Qaeda, invoking uncritical international support that saw Palestine as another frontline in the so-called ‘war on terror’. However, there were more subtle tactics also employed. These included the use of Mahmoud Abbas as a go-between in order to broker a truce between belligerent forces. Indeed, despite being rebuffed by Khaled Mashall in Damascus at the start of his presidency, Abbas signed a truce which Sharon in anyway Sharm a-Shiekh (February, 2005). This truce provided political cover for Israel and in its wake the military took on a more overtly ferocious character. Sharon ordered the construction of the separation wall – based on plans that had first been floated during the late 1980s – announced the so-called *Disengagement* plan (see previous chapter), and escalated the fighting in Gaza.

Israel also negotiated with the US to unilaterally redefine its territorial ambitions and the status of particular areas of occupied land. This was done while at the same time the US and Israel conspired to present the Palestinians as the ‘unreasonable’ party, unwilling to negotiate without preconditions. The culmination of this was an exchange of letters between Sharon and President Bush in April 2004, wherein Bush offered unprecedented recognition for “the permanence of major Israeli settlements in the occupied territories”²⁶ and

²⁵ Kimmerling, *Politicide*.

²⁶ Khalidi, *The Iron Cage*, 211.

endorsement of the Israeli position on the possible future return of Palestinian refugees.²⁷ Both of these concessions were made by the US on behalf of the Palestinians, without consultation and outside any framework of negotiation.

The most significant aspect of political violence, that is particularly relevant to Nablus' experience of the war, was that through its *spatial* and *systemic* forms of violence, Israel created conditions where internal Palestinian strife became nearly as destructive as the conflict between fighters and the occupation. In this case Israel could claim that Palestinians were responsible for their own suffering, regardless of the context. This was the period of lawlessness that consumed Nabulsi streets between the height of the fighting between Israeli and the Palestinians in 2002 and 2003 and the reassertion of the PA's authority after the schism in 2007.

In interviews I conducted in Nablus between 2008-11 it was clear that the legacy of criminality and lawlessness that was cultivated by Palestinian gangs while the city remained under siege was the hardest for interviewees to bear. While Palestinian security forces were banned by the Israeli military, armed Palestinian gangs – not necessarily comprising the same people as those who orchestrated the resistance, but included a mix of criminal gangs and resistance groups that turned to criminality as conditions worsened – took advantage of the conditions and extorted businesses, and ruled the streets through violence and intimidation.

²⁷ Both of these concessions were made by the US on behalf of the Palestinians, without consultation and outside any framework of negotiation: Bush and Sharon, "Exchange of Letters Sharon-Bush 14-Apr-2004."

Palestinian responses to the violence

The violence of the second intifada was therefore ubiquitous and oppressive in a way unlike any that had preceded it in the history of the occupation. In an important sense violence became a normal part of everyday life and Palestinian responses transformed as well. Death became so normalized that Palestinians were not able to disrupt their daily lives because of it. In reference to the ubiquity of posters commemorating those *shuhda* (martyrs) who had been killed in action. Lori Allen states “space and life [were] filled with the destiny of remembered dead.”²⁸

In contrast to popular resistance during the first intifada, which had manifest in behaviour that was exceptional to the norm – for example public protests and strikes *inter alia* - of the majority of Palestinians resistance was manifest in the simple desire to continue with their lives in spite of Israeli obstruction. As Tobias Kelly argues, many Palestinians found that they were forced to prioritise immediate concerns such as the welfare of the family over broader political or moral judgments regarding the right course of resistance against Israel. However, at the same time this pursuit of an *ordinary* life could be justified in terms of resistance, particularly for young men, when it was tied with the concept of sacrifice for the sake of others, one's family. In this case sacrifice meant overcoming the desire to confront Israeli force directly. Instead, priority

²⁸ Lori Allen, “Getting by the Occupation: How Violence Became Normal During the Second Palestinian Intifada,” *Cultural Anthropology* 23, no. 3 (2008): 453–487.

fell on actions and behaviour that would sustain as much as possible the notion of an *ordinary* life in spite of Israeli efforts to wreck it.²⁹

However, the elections in 2006 provided Palestinians with an opportunity to express the dissatisfaction with the performance of the PA. Hamas won and overall victory in both the Gaza Strip and the West Bank, even taking control of Christian villages such as Taybeh, which suggests that the motivation for many collectables was frustration with the corruption and inefficiencies of the PA. Indeed, during the intifada the PA's inability to provide even basic services allowed Hamas the opportunity to extend its network of supporters all throughout the West Bank.³⁰ As discussed above, Israel and the other international actors refused to deal with Hamas at all. Thus even a compromise *unity government* – despite the fact that it grossly overrepresented Fatah and third party representatives (such as Salam Fayyad's 'third way party' that received a mere two per cent of the vote) – was unacceptable.

Fayyadism's Politics: Dealing with the threat of Hamas

The events of the schism are well documented elsewhere so for the purposes of this thesis it is sufficient to say that it was easily the most violent intra-Palestinian confrontation that has occurred since the beginning of the occupation. Both Palestinian and international Human Rights organisations documented levels of violence *ad hominem* that were even more severe than Israel's. And it is worth noting that (although violence and human rights abuses

²⁹ T. Kelly, "The Attractions of Accountancy," *Ethnography* 9, no. 3 (2008): 351–376.

³⁰ Gordon and Flic, "The Destruction of Risk Society and the Ascendancy of Hamas."

occurred on both sides) that the PA adopted many of the coercive methods that had been utilized by the occupation forces as recently as the intifada. *Human Rights Watch* recorded:

Fearful of a Hamas takeover of the West Bank, security forces have detained hundreds of people arbitrarily, tortured detainees, and closed media and organizations that are run by or sympathetic to Hamas. The West Bank security forces have operated with significant support, financial or otherwise, from the United States, the European Union and Israel.³¹

Indeed, although the PA security forces did not have the capacity to replicate the violence of Israel on the same scale, the methods that it employed were evidently similar.

The reason why Hamas was such an important target was the fact that it had effectively become a realistic rival to the PA establishment. Arguably this had at one time been seen as Hamas' virtue by Israel, which had initially sponsored and supported it in its infancy as a way of challenging the PLO's dominance during the late 1980s - a similar tactic to that used in regard to the village leagues (discussed in the previous chapters). But by the time of the intifada Hamas had proved too strong and too dangerous and for Israel the threat posed by the PLO was better dealt with through using the PA as its proxy in the occupied territories.

³¹ The report describes examples of what it defines as torture: "mock executions, kicks and punches, and beatings with sticks, plastic pipes and rubber hoses. The most common form of torture was forcing detainees to hold stress positions for prolonged periods, known in Arabic as shabah, causing intense pain and sometimes internal injury but no physical mark. Such positions include standing for hours with feet apart and hands tied behind the back, standing with one leg and one arm raised, or sitting on the edge of a chair with hands tied to the feet." *Internal Fight Palestinian Abuses in Gaza and the West Bank*.

The 2006 elections proved that Hamas could capitalise on the goodwill created through its activities during intifada. Hamas demonstrated that it could act beyond the PA's reach and also showed that the PA's approach, even with the support of powerful aid agencies, was incapable of dealing with the concerns of ordinary people suffering from Israel's intervention. For the PA, this challenge was unacceptable and therefore what was required was to curtail Hamas' capacity for independent action. First this meant closing off its supply of funding, a task which was not as simple as appeared *prima facie* as much of Hamas' financing came as small donations from expatriate Palestinians or through Zakat committees within the occupied territories and was hard to trace.³² The governments of various Western states had already targeted this supply of funds through various legal sanctions since the 1990s, while, after the schism, Israel and the PA work together to crackdown Zakat committees in the West Bank. In pursuit of this goal, the PA adopted its own form of systematic violence in its campaign against Hamas. With Israeli support, it targeted Hamas through its institutions, in particular the Zakat committees, and other charities, that had proved to be a threat to the PA establishment's dominance during the intifada.³³ Further, it extended its authority into Mosques in the West Bank, ensuring that sermons were pre-approved and screened for any political language that could be interpreted as hostile.³⁴

³² Khaled Hroub, *Hamas: A Beginner's Guide* (Pluto Press, 2006), 137–8.

³³ "PA: Dozens of Hamas Charities Dismantled in West Bank," *Haaretz.com*, accessed June 11, 2012, <http://www.haaretz.com/news/pa-dozens-of-hamas-charities-dismantled-in-west-bank-1.234427>.

³⁴ International Crisis Group, *Squaring the Circle: Palestinian Security Reform Under Occupation* - International Crisis Group, September 7, 2010, <http://www.crisisgroup.org/en/regions/middle-east-north-africa/israel-palestine/98-squaring-the-circle-palestinian-security-reform-under-occupation.aspx>.

The PA's own forms of political violence were also in play. Fayyad in particular promoted a view of the future of Palestinian politics with which Hamas was incompatible. He justified dissolving the Zakat committees by explaining that Hamas had politicized the question of poverty and implied that Hamas was complicit in creating the situation of lawlessness in Nablus prior to the PA's takeover in 2007. The prime minister argued that the PA was the only body with the authority to impose order and Palestinian streets, regardless of election results and in spite of the fact that American and British clandestine forces were involved in planning the campaign against Hamas and that it was common knowledge the PA coordinated its assault on Hamas with Israeli intelligence.³⁵

The PA also played an important role in maintaining calm in the West Bank during the Israeli invasion and bombardment of Gaza during operation Cast Lead (2008/2009). Palestinian forces broke up demonstrations (for the most part) before they encountered any Israelis directly and used coercive methods to intimidate those who did demonstrate in side areas 'A'. The Palestinian forces also coordinated with the Israeli military throughout the public order operations. The result was that very few demonstrators took to the streets in comparison with protests that were occurring in Europe and elsewhere. Where protests did break out the PA security forces prioritised their coordination with Israeli forces and resorted to beatings and other coercive measures in order to keep protesters

³⁵ Beverley Milton-Edwards and Stephen Farrell, *Hamas: The Islamic Resistance Movement*, 1st ed. (Polity, 2010), chap. 9, 14; Farraj, Mansour, and Tamari, "A Palestinian State in Two Years"; Rose, "The Gaza Bombshell"; Black and Milne, "Palestine Papers Reveal MI6 Drew up Plan for Crackdown on Hamas."

in-line. There was no doubt that the PA's priority at the time was to contain any popular expression of support for Hamas.³⁶

Suppressing Nablus

Nablus was the frontline for the PA's show of force. PA troops began their assault on Hamas in Nablus in 2007, moving on afterward to Hebron and other areas where Hamas had received large-scale popular support. Several hundred officers were brought in from outside the city to support the security forces based in Nablus. The PA forces' primary targets were Hamas cadres and a number of criminal gangs based in the Old City and the refugee camps. They also shut down organizations sympathetic to Hamas and denied access to any public area for political gatherings from any party. Experientially, the difference in Nablus was palpable, since I first visited 2007, when there were no police forces visible on the streets, the growth of the police forces developed to near ubiquity. Although, until 2009–10, Palestinian forces would be required to leave the streets in the late evening in case the Israeli military returned in order to conduct night raids.

Although Hamas was always the PA's primary target but there were other reasons why Nablus was the front line. Historically, the city had been a focal point the resistance and it was the hometown of a number of powerful families with roots that went back to the Ottoman-era.³⁷ However, Nablus (particularly Balata Refugee camp) was also a strong hold of the Fatah aligned paramilitary organisation, al-Aqsa Martyrs Brigade. The PA also needed to consolidate debt its

³⁶ International Crisis Group, *Squaring the Circle*.

³⁷ Doumani, *Rediscovering Palestine*.

power over this group for two reasons, (a) because Fayyad's government was not widely supported by Fatah rank and file members, in spite of the backing of Abbas – an issue that would be raised frequently later – and (b) because Israel perceived al-Aqsa Martyrs brigade as a threat to its security.³⁸ In order for the PA security forces to prove themselves to Israel, and to the other western sponsors, it needed to be seen to be taking on armed Fatah groups as well as Hamas.

However in taking on al-Aqsa Martyrs Brigade, the PA's methods were not as harsh as they were in the fight against Hamas. In fact it was commonly understood amongst my interviewees that while some members of Fatah-aligned forces had exploited the post-intifada lawlessness for their own profit, they had not been the focus of the PA's assault in the same way. Indeed, it was suggested by several interviewees that the PA had returned to some of its older methods in relation to Fatah cadres, in the sense of buying support. Indeed some of the same people who had operated in armed gangs during the crisis later returned to work for the PA forces themselves.

Fayyad-economics

Another reason why the PA focused on Nablus first was that, as the city emerged from eight years of siege, it provided the best opportunity in the West Bank to serve as an example of neo-liberal economic policies. Unlike Hebron – the biggest city in the West Bank, where Israeli settlers remained in the heart of the old city, surrounded my Israeli military infrastructure – the end of the intifada meant that Israeli forces withdrew from within the city to their positions around the

³⁸ ICG, *Palestine: Salvaging Fatah*.

perimeter. Thus although the major checkpoints, such as Huwaara and Za'tara (both on the main road between Nablus and Ramallah) remained fully staffed, Israeli government loosened the restrictions on them and allowed a relatively free flow of traffic. Therefore the city of Nablus was both large enough and relatively unhindered by interference from the occupation forces to act as a proving ground for the kind of good governance agenda that was favoured by the PA and by its foreign backers.

Further, the fact that the Nabulsi economy had been entirely wrecked during the intifada, it was the case that that virtually any change that was made in its conditions would – in all likelihood – lead to some kind of economic growth simple as a result of the loosening of the restrictions without regard to the particular policies executed by the PA. This fact could not have escaped the notice of the PA officials or their foreign and in the end indeed the ‘success of Nablus’ was a major theme in reporting on the city that followed, and contributed to the initial wave of enthusiasm for *Fayyadism* in the international media.

The PA used donor funds to heavily invest in a range of new infrastructure projects, particularly in the downtown area near the Old City. A new ‘service taxi’ station was built and private capital was used to construct a new shopping centre, cinema and for developments elsewhere, particularly around the largely middle class Rafidiya area in the West of the city. Furthermore, the PA also exploited the changes in Israeli restrictions on movement and in order to promote Nablus as a commercial centre. The city was promoted through various

shopping and commercial festivals and public transport was arranged for Palestinians from inside Israel to visit. My own field notes from 2009 record that, on the Saturday before the Eid al-Adha holiday (late November), “even the wider streets between the main circle and the entrance to the Old City were so crowded I had to physically push passed people to get back home.”³⁹

The impact of these investments on Nablus’ economy was dramatic, at least in the short term. Indeed in 2009, nearly three hundred new businesses registered in Nablus, making it the second most favoured location in the West Bank, behind Ramallah/al-Bira.⁴⁰ However, over time it transpired that growth at that rate was unsustainable. This was because, while Nablus had superficially regained its status as a major commercial city, it was not serving as the outlet for local producers. Some local businesses, such as sweet manufacturers (for which the city is famous), were still doing a lively trade. However, it was an observable fact that the majority of the fresh produce that was being sold on Nabulsi markets in fact originated at Israeli/Israeli-controlled farms, while various textiles and technical goods were imported from outside the country and there was no market for textiles made in Nablus.⁴¹

³⁹ Field notes, Nablus 2009.

⁴⁰ Statistics from *The Ministry of National Economy, Department of Company Registration, 2009* quoted in *Quarterly Economic and Social Monitor* (Palestine Economic Policy Research Institute (MAS), June 2010), http://pal-econ.org/Newsite/webfm_send/62.

⁴¹ Nablus’ textile producers had never had a strong domestic market. However, largely through working as subcontractors for Israeli companies that would export to the US and abroad, textiles had been, at one point, the largest subcategory of Palestine’s services sector (itself by far the largest sector) and contributed 9% of Palestine’s GDP. Nablus was the site of the largest concentration of the textiles ‘micro-industries’ (usually family run firms employing up to five people) in the West Bank. C.f. *Economic Profile*, EuroMed Innovation and Technology Program (Medibtikar, March 13, 2007), <http://www.medibtikar.eu/-Economic-profile-.html>.

Further, any business that required the transport of goods or people to Nablus from its traditional hinterland or beyond – or from Nablus to external markets – still operated at the mercy of the Israeli military’s authority. Checkpoints were ostensibly open, but because their infrastructure remained operational and staffed, they still posed a latent, but very real, threat to the city’s economy. Furthermore, according to one of the architects of the PA’s reform plans, Nablus would soon face even more radical transformations as a result of broader national economic policy. A prominent element of these policies would focus on developing integrated industrial zones with the support of Israel and other foreign governments (discussed Chapter Eight).

In the PA’s words

According to a former senior minister in the PA (currently an economist at a prominent Palestinian think tank)⁴² the reform and state-building plans that comprised *Fayyadism* should be understood within the context of a recovery from the devastation of the intifada, which he characterised in the following way:

*It was quite clear that in the intifada there was a total lack of law and order ... many investors were very worried about the in assets here and their capacity to continue to do business in Palestine. Many factories were closed and where things remained working there was often the added expense of bribes here and there ... it was really our first task to clean up.*⁴³

According to this perspective, the major concerns that informed the planning for the PRDP and the state-building plan were to re-establish order, second, to assert the PA’s role as the only real centre of political power – at least in the West Bank.

⁴² Interview with Former Minister for Planning, in Ramallah on Monday 12th July, 2010.

⁴³ Ibid.

This PA's vision for reform and development therefore began with a *security first* agenda, which is discussed in greater depth in the following chapter.⁴⁴

Officially, the PRDP's longer-term aims were for improvements across four categories of public policy. In the language and order presented PRDP itself these were:

- "Safety and security,"
- "Good governance,"
- "Increased national prosperity"
- "Enhanced quality of life."⁴⁵

Furthermore, the PA's efforts would also be put into the development of rural areas in particular in order to attempt to redress the inequality between them and urban centres.⁴⁶ Cities, like Nablus, would "get a good share"⁴⁷ of the reform budget, but this would be carefully managed by the central government, in order to avoid supporting influential persons or institutions that could challenge its authority.

The former minister made it clear that the PA leadership, which was sensitive to any potential challenge to its authority after the debacle of the 2006 elections,

⁴⁴ For example the 'Israeli-Palestinian Ceasefire and Security Plan' Proposed by the then CIA Director George Tenet (June 13, 2001) requires the unilateral secession of Palestinian violence as a pre requisite to any further progress in negotiation. *C.f.* Ami Isseroff, "The Tenet Plan" (MidEast Web, 2002), <http://www.mideastweb.org/tenet.htm>.

⁴⁵ In the language and order presented PRDP itself these are: "safety and security," "good governance," "increased national prosperity" and "enhanced quality of life." "Palestine Reform and Development Plan (PRDP)," 5.

⁴⁶ When I challenged the former minister on the lack of investment I'd perceived in the two rural sites of Yanoun and Qaryoot he was dismissive, and implied that my sources in these two sights may have been indulging in little more than anti-government grumbling: "most of the money is being spent in places like this. I don't believe that there is nothing there."

⁴⁷ Interview with former minister

considered it important that traditional elites should not be seen to provide any kind of opposition or an alternative to the PA's agenda, so where possible they would be encouraged to support it. Or in other words: the PA would "pressure the elites in the cities"⁴⁸ to adapt and accept the goals of the plans.

Commitment to neoliberalism

The four areas of reforms (see above) outlined in the plans were "in a delicate balance [yet] consistent with preparation for statehood"⁴⁹ and were intended to reorientate Palestinian labour and prepare for globalisation. Education and social development would be developed in such a way as to prepare young Palestinians for knowledge based industries – for example, high-tech services. Indeed, this was intended to build on the advantage provided by Palestine's relatively high level of education and its strong links with both the Arab world and the West. In short, the PA's commitment to globalisation was seen as a natural and essential part of the statehood envelope.

In the view of the former minister, this also meant that the domestic economic environment would have to be flexible. Some traditional Palestinian industries, such as textiles, were unlikely to be able to survive in the current global climate. The rationale for this was simple: there had never been a domestic market of any significance and the export market (subcontracted to Israeli companies) suffered from its inability to compete with Turkish and Chinese factories. Israeli merchants were no longer interested in buying from Palestinian factories

⁴⁸ Ibid.

⁴⁹ Ibid.

particularly while labour costs in the Qualified Industrial Zones (QIZ) in Egypt and Jordan were much lower. Instead the PA's goal was to effectively replicate these zones with the establishment of their own versions of the QIZs in the form of the Palestinian Industrial Estate and Free Zone Authority (PIEFZA) (discussed in more detail later).

Even where the PA included a small measure of statist protectionism in its policy framework it was undertaken in such a way that its effects were inevitably limited. Although it was couched in terms of supporting the private sector the PA restricted the level to which Palestinian banks could invest abroad to 60 per cent of their total capital. In effect this meant, "Banks must ensure that at least 40 per cent of all their investments are within the Palestinian Authority... If they don't then they lose money."⁵⁰ My informant estimated that around \$6.5 billion was held domestically by banks. Yet he immediately conceded the effect of this policy on the commercial sector was always going to be minimal as the banking sector in Palestine was highly risk averse and mostly foreign owned, thus the PA's controls had a limited effect on the decision making processes in these banks.⁵¹

Relationship with the West

Finally, through the language of the reform programme the PA emphasised its commitment to the Oslo agreements, and particularly to the Paris economic protocols (1994). Yet this was largely motivated by an acknowledgement that it

⁵⁰ Ibid.

⁵¹ According to *Medibtikar*: "There are currently 21 banks, including 10 Palestinian banks with total assets of \$1.355 billion and 12 foreign banks (9 Jordanian, 2 Egyptian and HSBC Middle East) with total assets of \$4.128 billion." *C.f.* "Business and Investment Opportunities: Palestine Authority" (*Medibtikar*, March 13, 2007), http://www.medibtikar.eu/-Business-and-investment-.html#pagination_articles, accessed 31st December 2010.

could not realistically act in any other way given its relative weakness. However, the plans were certainly intended to be interpreted as preparation for establishing statehood and the deadline of September 2011 was highly important as it represented a “political horizon” and Palestinian ownership of its own political future. Or, “after 19-20 years of peace talks the world should find another way. We [Palestinians] should be ready to take it.”⁵²

In order to achieve this goal the PA was forced to become, in the short term, financially dependent on foreign aid, mostly from western governments and Gulf regimes. At the Paris conference, the donors had promised \$7.7 billion (some \$2.2 billion more than had been requested). Approximately \$1.7 billion in donor aid has been in the form of direct budgetary support for the PA (spent, for instance, on payroll), and that overall, approximately 50 per cent of the West Bank’s GDP was dependent to some extent on foreign aid. This “miserable situation”⁵³ was seen by the PA as necessary evil in the short term but would soon give way to better conditions as the plan came to fruition and, in particular, the private sector developed.

Even in accepting its dependency the PA had aimed to assert the appearance of Palestinian ownership over the process. It had planned to establish a single gateway for aid funds to the PA controlled by the Ministry of Finance (headed by Salam Fayyad, who was both Prime Minister and Finance Minister). Accordingly, all other ministries would be forbidden from dealing directly with donors and

⁵² Interview with former minister.

⁵³ Ibid.

required to submit all applications to the Ministry of Finance that would apply to the donors on their behalf.

This, according to the PA, would lead to the concentration of those civil servants most skilled in obtaining funds from donors in one ministry, which would make all the applications and also allocates the funds more fairly and evenly across all government departments according to an agenda set not by the donors but by the government. The former minister stressed that significant progress had already been made toward this goal, “planning and budgeting is not as united in many countries around us [in close proximity to Palestine].”⁵⁴ However, it is telling that this process had been managed with the direction of a donor agency – DFID, which was a department of the British Government and that other donors had resisted the process, preferring bilateral relationships in particularly sensitive areas such as security.

Resistance strategy

The PA state-building project also included particular policies ostensibly designed to resist continued Israeli occupation and settlement expansion in the West Bank. According to the official explanation the main objective of this was to demonstrate that Israel, not the Palestinians, was the main reason for the blockage in further progress towards a two-state solution. However, as I have argued above, at this point the PA was not in fact in any way interested in offering genuine resistance to Israel and rather it is more likely that the motivation behind these ‘resistance’ activities was to lend credence to the PA’s

⁵⁴ Ibid.

legitimizing narrative. Broadly, this strategy comprised two parts. First, were the high-level, diplomatic efforts by the PA leadership intended to demonstrate both the PA's commitment to the *two-state solution*. For example, the PA outlined plans to build a Palestinian airport in the east of Jerusalem in what is currently designated "Area C" and under full Israeli control according to the Oslo agreements.⁵⁵ Further, Fayyad undertook public relations visits numerous villages in the West Bank. This, while initially treated with scepticism by some locals, some elements in the diaspora and foreign media, demonstrated a remarkable difference between himself and the other senior figures in the PA.

The second element of the PA's resistance policy was its boycott against products built or made in Israeli settlements. This proved to be an intelligently planned and well-organised campaign. The PA passed a number of high-profile laws, for instance those banning the use of fireworks (all of which are made in settlements). Further, yellow stickers reminding shoppers to avoid Israeli settlement products were ubiquitous in the old city of Nablus and an 80-page glossy booklets with pictures and names of Israeli settlement products were distributed by civil society organisations and students during the launch of the campaign. These were paid for through private sector donations.⁵⁶

However, domestically the campaign proved controversial for two reasons. First, by targeting products from Israeli settlements the PA boycotts industries that

⁵⁵ Maher Abukhater, "West Bank: Building the Airport Before the State," *Los Angeles Times*, October 20, 2010, <http://latimesblogs.latimes.com/babylonbeyond/2010/10/west-bank-building-the-airport-before-the-state.html>.

⁵⁶ Interview with representative of the PA Boycott of Settlement products, in Ramallah, on 1st July, 2010.

employ many Palestinian workers. The very existence of a Palestinian labour force in settlements is, of course, already a contentious issue itself.⁵⁷ Yet given the difficulties of obtaining work permits within Israel itself and the lack of employment opportunities elsewhere in the West Bank it can be argued that that most people working in settlements have few other choices but to do so. Through changing the law the PA have, in principle, criminalised one of the few ways in which the poorest Palestinians can attain an income. However, thus far PA has not prosecuted anyone for this crime yet and so the true motivation behind this decision to criminalise, and then not pursue, is open to interpretation. One possible explanation is that the PA has adopted this strategy simply to create the appearance of challenging Israel by creating what amounts to little more than a minor inconvenience without, in fact, making any serious attempt to elevate the priorities and interests of Palestinians. On the other hand, the PA's explanation suggests that criminalisation of the act was designed to help encourage a social stigma in working in Settlements and that further executive action may be taken at a later stage.

Second, unlike the BDS campaign, the PA's boycott only did not target products made in Israel proper. Instead much has been made of the fact that it continues to welcome their import a central tenet of the campaign so as to demonstrate its commitment to the *two-state solution*.

⁵⁷ Cf. Heather Sharp, "Dilemma of Palestinian Settlement Builders," *BBC*, August 26, 2009, sec. Middle East, <http://news.bbc.co.uk/1/hi/8220680.stm>; Adri Nieuwhof, "Palestinian Workers Exploited at West Bank Settlement Factories," *The Electronic Intifada*, October 5, 2008, <http://electronicintifada.net/content/palestinian-workers-exploited-west-bank-settlement-factories/7745>; Ulrike Putz, "The Palestinian Workers Who Build Israel's Settlements," *Spiegel Online*, November 10, 2010, <http://www.spiegel.de/international/world/double-pay-for-betrayal-the-palestinian-workers-who-build-israel-s-settlements-a-722424.html>.

*Ours is not a campaign against Israel, nor does it target products made in Israel. To portray it as such is not only wrong, it ignores the real issues, namely the illegality of Israel's settlement activity, its impact on Palestinians and the enormous threat it poses to the viability of the two-state solution... This initiative should reassure all those who are serious about saving the two-state solution. The Palestinian National authority is committed to all interim agreements, including the Paris Protocol.*⁵⁸

Further, it has been suggested in some diaspora-based media sources that the PA boycott constitutes an attempt to undermine the BDS campaign – which pre-dates it and is run independently through Palestinian civil society – by rivalling its coverage and diluting the commitment of West Bank Palestinians to a general boycott of Israeli products through offering them an easier option. However, some PA officials have directly criticized BDS and undermined its activities⁵⁹ (discussed in more detail in Chapter Eight).

In summary then, the essence of the PA's narrative was clear: the PA acted with foreign support to consolidate and maintain power within its central apparatus because in the best interests of the general Palestinian population. Its move to extend to its dependency on foreign donors and foreign banks was its only option in order to rebuild the Palestinian economy. However, the government was committed to neo-liberal ideology and it would not use any protectionist measures to shield the economy from external forces, and indeed officially it was deeply hostile to the kind of *rent-seeking* and committed to good governance because it sought to prevent international donors from reducing the level of aid

⁵⁸ Tani Goldstien, "Palestinian Minister: Boycott Only Against Settlement Products," *Ynet*, August 6, 2010, <http://www.ynetnews.com/articles/0,7340,L-3901780,00.html>.

⁵⁹ Imre Salusinszky, "Palestinian Consul Rejects BDS Violence," *The Australian*, October 26, 2011, <http://www.theaustralian.com.au/national-affairs/palestinian-envoy-backs-bds-but-condemns-anti-israel-violence/story-fn59niix-1226176664563>; *Palestinian Ambassador in South Africa Slams BDS: Against the Peace Process*, 2011, http://www.youtube.com/watch?v=T5_eoRuq3p0&feature=youtube_gdata_player.

based on the perception of corruption. It would also promote a form of resistance that would carefully target only Israeli settlement activity because that challenged the ideal of the two-state solution. However, in focusing exclusively on this form of resistance it acted to dilute the power of pre-existing resistance activity, which was challenging Israel on across a broader range of its activities. However, regardless of the cost of any of these measures in the short term, the PA narrative claimed that the Palestinians would gain more in the longer term because the political outcome of this project was likely to be the reward of Palestinian Statehood.

Foreign agendas

Thus, it was as part of this narrative that the PA made its promise of independence within two years. This was articulated a number of times by the Prime Minister and strongly implied within the documents written by the PA outlining its reform programmes. As discussed previously, this particular outcome had always extremely unlikely because would have been a direct contradiction of Israeli interests, it was and the PA establishment would certainly have known this. However, the PA was encouraged to promote this promise because of the support it received from various international actors. It is worth considering what these international actors hope to achieve by supporting (a) the PA's dominance at the expense of Hamas and (b) the other economic and structural changes undertaken by the PA.

Some of this is evident from the actions undertaken during the campaign. Israel, the US and the UK were all deeply hostile towards Hamas, partly as a result of the direct threat posed to Israel as a result of Hamas' terrorism in the past. But

another reason was that it was not politically wise to be seen negotiating with a designated terrorist body while the *war on terror* was still being waged – this concern particularly relevant for the US and UK who had been principally responsible for the invasion of Iraq (2003). Often the political language used to describe Hamas grossly overestimated its firepower and made the misleading implication that Hamas was somehow equivalent to Hizbollah, which had withstood an all out Israeli assault in 2006.⁶⁰ Other major international actors, for instance the EU and Russia, were less overtly hostile to Hamas although The EU eventually gave in to American pressure and supported the blockade of the unity government beginning in 2006. (The role of foreign agendas in shaping the PA's post-2007 *security first* agenda is discussed in depth in the following chapter.)

However, beyond the military rationale, for the EU and other institutions and state that were involved in the *peace process* primarily as donors, such as the UK, Canada and the World Bank, were also concerned about the PA's history of exploiting donor funds for the purposes of corruption. For them, the PA under Fayyad presented an opportunity to implement a *good governance* strategy that would restrict the prospect of obvious forms of corruption while also opening up Palestine to particular forms of foreign investment. This was high on the agenda in the PA's initial document outlining its reforms, the PRDP that was presented to

⁶⁰ Milton-Edwards and Farrell, *Hamas*, 2010.

the Paris donor conference in 2007. Indeed the PRDP made *good governance* one of its four core policy objectives.⁶¹

In reading the PRDP (and the later plans produced by the PA under Fayyad's leadership) two observations are obvious: that they are written (a) with a format and language that is strongly reminiscent of structural adjustment programmes that have been applied elsewhere in the world and (b) yet, they contain a very imprecise set of targets or objective criteria by which its success or failure may be judged from outside.⁶² This was not a coincidence. As we have seen from the cooperation during the ouster of Hamas, the PA's connections with foreign governments ran very deep and according to some interviewees the PRDP was in fact seen as a product of the British Government's deep involvement in the planning for the post-Hamas era.

The UK government had seconded a small team of bureaucrats from the Department for International Development (DFID) to the PA's Ministry of Planning in 2008, following an invitation from Fayyad's government. According to an interviewee from DFID based in Jerusalem, the team on provided technical during the initial planning of the PRDP and had continued to provide such support throughout the process and its staff remained in place at the PA.⁶³ The

⁶¹ The term *good governance* is defined in the introduction, it is worth noting that the PA's definition was: "A system of democratic governance characterised by participation by citizens [sic.], respect for the rule of law and separation of powers, capable of administering natural resources and delivering public services efficiently, effectively and responsively, and supported by a stable legal framework, a robust legislative process and accountable, honest and transparent institutions which protect the rights of all citizens.": "Palestine Reform and Development Plan (PRDP)," 5.

⁶² I have made a similar point elsewhere: Leech, *Re-reading the Myth of Fayyadism*, 6.

⁶³ Research interview with DFID employee, Jerusalem on 16th July 2010.

presence of the DFID team was a great source for suspicion among some Palestinian groups, particularly organizations on the left of the political spectrum, which were already distrustful of the PA's motives. For example, in a response to the *Palestine Investment Conference* Bethlehem, 2010, which was sponsored by DFID (*inter alia*) and supported by Tony Blair, a letter authored by a several left wing organizations stated:

*The projects proposed in the PRDP have been developed under the supervision of the World Bank and British Department for International Development (DFID), on terms set by them. The extent to which they have determined the agenda has in effect made them a 'shadow government', setting out the development and economic priorities of the Palestinian Authority.*⁶⁴

The letter went on to make four further points that were highly critical of the PA's agenda because of its alignment with foreign interests, these were:

- The projects outlined in the PRDP and supported by donors at this conference are "all old projects which have previously been promoted by the occupying power."⁶⁵ Further, many of the most prominent ones (for example the *New Cities* project and the Jalameh industrial zone) were promoted, directly or indirectly by apparently pro-Israeli, or pro-Zionist, organisations, for example The Portland Trust.
- The conference was sponsored by a number of companies with strong relationships with either Israel or the United States' intelligence services.⁶⁶
- The acceptance of Israel's participation in defining policies and projects which were ostensibly designed to further Palestinian aspirations of

⁶⁴ "National BDS Steering Committee: Bethlehem Investment Conference: Development Or Normalization?," May 20, 2008, <http://www.stopthewall.org/national-bds-steering-committee-bethlehem-investment-conference-development-or-normalization>.

⁶⁵ Ibid.

⁶⁶ According to the letter a conference sponsor, *Intel Corporation* a company famous for its production of computer processors, "has around \$8bn investments in Israel." Indeed the *Intel Corporation* has three plants in in Qirat Gat, Jerusalem and Haifa. Further, *Booz-Allen-Hamilton*, another sponsor of the conference, is a strategic consultancy firm which assists the US Department of Homeland Security intelligence matters.

independence and the use of Israeli terminology and designations of lands that, under international law, should be considered Palestinian.⁶⁷

- The PRDP and the conference agenda failed to confront the fact that Palestinian economic problems are essentially products of a political and military occupation.

The evidence collected during my fieldwork does not support the conclusion that DFID operated as a 'shadow government,' in the sense that DFID's employees took over the PA and reoriented its agenda in such a way that would not otherwise have been acceptable to the leadership. However, one conclusion that is clear from the letter is that the PA's complicity with the agenda of foreign governments was well known in political circles and that the alignment of British government and PA policies was understood as leading to negative consequences for Palestinians while promoting the interests of Israel and its allies.

The London connection

Data from my interviews with a senior civil servant employed by DFID confirms the deep and unique connection between the PA and DFID. However, as expected, the DFID line stressed the fact that the reform programmes had originated with the PA and that as a result, DFID's role was confined to assistance and was initiated following an invitation by Prime Minister Fayyad. DFID provided technical assistance during the initial planning of the PRDP and had continued to provide such support throughout the process and its staff remained in place at the PA.

⁶⁷ In the case of the Jalameh industrial zone the letter implies that the dominance of Israel's labour laws over territory designated as 'Area B' (and thus under Palestinian administration) by the Oslo Agreements would mean that even the outlines of the Palestinian entity defined in that agreement may be *de facto* rolled back. Further, the letter objects to the designation of 'Border Area' to a tourism development in the Jordan Valley. This is an area, which falls entirely within the West Bank.

My interviewee from DFID's responded to these accusations by making four major points:

- Allegations that DFID exercised disproportionate influence over the PA's planning process or that the influence it exercised was in anyway evidence of any hidden agenda in the reform programme were false.
- While DFID had adopted a position close to the PA, this was entirely supportive and could potentially have been undertaken by any aid agency.
- DFID's uniqueness was only in that it was able to respond more quickly than any other donor agency for two reasons: (a) the unique virtues of the way in which the British government's agencies and departments worked in Israel and the oPts⁶⁸ and (b) the fact that DFID had had a relationship with the PA prior to the freeze on donor funds in 2006 which it had scaled back rather than halted.

In response to a written request for more details DFID's head office in London provided more detail, and stated that:

The UK recognized there would be issues of providing funding to a Hamas led government which would not meet the Quartet conditions. But at the same time the UK wanted to maintain contact, for example working at a low technical level with ministries without Hamas Ministers, so that the UK would not be seen as abandoning the Palestinians. The UK decided to continue technical assistance to non-PA institutions (mainly the PLO's Negotiation Affairs Dept and the President's office); redirect financial assistance to support basic services and humanitarian provision through non-PA channels; and continue assistance to refugees through UNRWA. (During 2006, the UK provided £1.1m for the negotiations support unit; £1.8m for civil service reform; £0.45m for governance support; and £0.26m for various small projects, and in addition to £16.54m for UNRWA).⁶⁹

⁶⁸ The relevant branches of the British government working in Israel and the oPts (DFID, the Foreign Office and the Ministry of Defence) were particularly well organised in comparison to, for example, the United States government agencies. She stated that these branches regularly liaised with each other, and unlike other countries, provided joint reporting back to the central government from both the consulate in East Jerusalem and the Embassy in Tel Aviv. The DFID employee explained: "I don't think many other donors were positioned to respond to a request quickly ... whereas we were in quite a fortunate position to say 'ok, here are our people who are already here' and then we could scale up a project which is what happened.": Research interview with DFID employee

⁶⁹ The letter also listed the follow areas of DFID's work with the PA:

- Establishing and maintain a reform trust fund, managed by the World Bank.
- Technical assistance for public sector reform, including development planning and public financial management, civil service reform and support to the President's office.

Thus according to the official line presented by DFID's head office, the main role played by DFID was in helping to the PA establish an effective system of centralised control over (a) finances, (b) security and (c) essential services (for example UNRWA and water services). However, my interviewee, an employee overseeing DFID's work in the West Bank explained that the central element of this was the framework, which was described as *core governance*. This focused on:

Helping with the drafting process and the development of the fiscal framework; linking budget planning to the development of the Palestinian Reform and Development Plan... but from our point of view – we certainly responded to a request. We supplied the expertise and that expertise was utilized by the ministry in order to develop the PRDP.⁷⁰

Thus according to DFID, the rationale behind this kind of intervention was never to control the reform agenda *per se*. Rather, it was to empower the PA as the government of a potential state in the long term and, in the short term, in its relationships with other donors. According to my interviewee DFID intended that the *core governance* programme would work by ensuring that an appropriate fiscal framework was in place to curtail both corruption and, for the sake of donors, the appearance of it.

-
- Technical assistance for Palestinian negotiations.
 - Security sector reform.
 - Core funding to UN Relief and Works Agency (UNRWA).
 - Water sector reform.

⁷⁰ Further, she stated that this kind of assistance followed the standard of DFID's work in many other contexts where the emphasis was on improving the host government's relationship with donors in order to elevated the major social and political problems associated with the immediate problems of underdevelopment or poverty: "It's fairly bog-standard governance type work ... In another country it would be similar to a poverty reduction plan [addressing the question:] how do Palestinians go about strategizing, in order to tell the donors what their needs are across different sectors?": Interview with DFID employee.

DFID then, employed a narrative that was complimentary to the PA's. In particular, its political language was strongly supportive of the PA's statehood ambitions within the framework of a two-state solution. Further, it identified Fayyad's role as essential to future progress. In short, this meant that DFID demonstrated uncritical support for a narrative of *Fayyadism* that described the institution-building project as a strategy to gain leverage over Israel and the US. According to this narrative, such leverage could be brought about by effectively challenging the donors to fulfil their promises of progress towards Palestinian statehood and pointing out the fact that postponing a resolution to this conflict would only ensure paying a higher costs over time. In her own words, my interviewee stated that:

Fayyad has bravely ... pointed out to the international community that 'you are financing it,' this is your investment and it might well go up in smoke at some point. The cost of failure is enormous [it] is much greater than all the aid that's already come into Palestine. [Fayyad has] created the recognition in the international community [that] this is not only the last chance saloon in terms of politics. This is also the last chance in terms of creating a solution that we can afford ... What is the cost of failure in Palestine and Israel? Just look at the figures of UNRWA at the moment – how do you keep on looking after an ever-growing Palestinian refugee community? How do you look after all those people in the seam zone and 'Area C' – whose position is so precarious ... they are already totally dependent on aid.⁷¹

According to DFID then, the PA's political strategy was two-pronged. The first prong was to take advantage of the international donors' growing need for an urgent two state solution. Second, was to remove the opportunity for Israel and its allies to convincingly blame the Palestinians for further failures in the progress of the *peace process*. In short, according to the representative of DFID, the PA was demonstrating that it was implementing the will of the international

⁷¹ Interview with DFID employee.

community, as seriously and professionally as possible and that therefore it was Israel that was to blame for obstructing progress. Or in other words, “the blockage to peace is therefore is not the Palestinians it’s the Israelis.”⁷²

Given the British government’s close ties to Israel and the fact that any foreign involvement with support for the PA could only have taken place with the (at least tacit) approval of the Israeli government, such an objective – that of demonstrating Israel’s culpability for the lack of progress in the *peace process* – is remarkable. It is, of course, possible that my interviewee’s description of the project was tailored to fit its audience. However even if this was the case the British government’s official stance has been strongly in favour of a *two-state solution* since the 1990s and that it has regularly condemned Israeli actions that it views as damaging to that prospect, such as the expansion of Israeli settlements in East Jerusalem and the West Bank. It is unlikely that this would have escaped the notice of the Israeli government. Therefore, it is possible to deduce that, in Israel’s view, DFID’s role in the creating a *good governance* framework for the Palestinians must not have constituted sufficient assistance to the PA to enable it to progress towards genuine independence, or that the genuine independence was not the real objective of these institutional development plans.

This thesis argues that the second of these options is most realistic description of the real intentions behind *Fayyadism*. Further, in spite of the somewhat embellished claims of a ‘shadow government’, made in response to the

⁷² Ibid.

Bethlehem Investment Conference (2010), a representative from, *Bisan Center for Research and Development* (one of the major left wing organisations that co-authored that letter) explained that in his opinion, DFID's real role was not that it had taken over the PA from the inside, but rather that through supporting the PA's state-building rhetoric DFID was involved in misleading the Palestinian public. In short, both the PA and DFID were engaged in perpetuating the myth of *Fayyadism* that promised progress could come as a product of compliance with Israeli and western conditions thus entrenching Israeli dominance. My interlocutor stated that:

[DFID and the PA are] *creating a discourse of reform. But the real issue [agenda] is not to build infrastructure ... according to the second document [Ending the Occupation, Establishing the State] they want to open Palestinian markets even further to Israel goods ... they will destroy Palestine's industry and agriculture and land will be annexed to Israel.*⁷³

On the other hand, from the perspective of DFID, the conflict was not manifest on this deeper level. For the DFID employee, the project had proven successful because the PA had implemented the appropriate strategy and reforms that, according to DFID's standards – that is: in the sense that its governmental structure was functioning to a particular level of efficiency – should have allowed it to attain statehood. But this did not mean that the PA was ever going to be in a position where it could demand genuine independence from Israel. Indeed, by looking at DFID's role in terms of the broader agenda of the western involvement in Palestine, it becomes clear that sacrificing independence was an essential element of the equation. According to DFID, that in order to demonstrate that it was Israel that was unwilling to make the reasonable and appropriate political

⁷³ Ibid.

steps toward Palestinian statehood it was necessary for the PA to give up any and all semblance of its own independence. Instead its own policy agenda would have to reflect the interests of donor organisations like DFID and the PA would have to adopt a *good governance* policy framework.

In other words, the PA was encouraged by DFID and other allies to outflank Israel by demonstrating that Palestinians appeared as committed as possible to the West's own vision of a *two-state solution*. This would emphasise the lack of political will on the part of Israel. Therefore, in the personal view of the DFID employee, the Palestinians were now in the strongest possible position for negotiations, which would – based on the urgent financial needs of the international community – be likely to force a more permanent resolution in the near future.

In my honest assessment there isn't any real reason why there should not be a state. If there was a graduation test for a state, most states would fail it and Palestine would probably pass it by now. That's not a reason to hold off on statehood. All the reasons to hold off on state-hood have been shown to be overtly political now. [Fayyad] has been putting it into starker relief that the problems are not necessarily on the Palestinian side.⁷⁴

If nothing else, this final comment demonstrates the fact that through the eyes of DFID employees, the British government's role was supportive of the PA's own agenda. Thus, DFID could not qualify as a 'shadow government' as its critics had suggested. However, more importantly, the fact that, from the perspective of my informant, the criteria for 'graduation' to statehood evidently did not entail commitment to respect the results of democratic elections, leads to a different – but equally as critical – conclusion. This was that the British government had

⁷⁴ Ibid.

established a deep connection with the PA and helped plan and implement the *reform* agenda precisely because that agenda was in alignment with its own interests and the interests of its partners and not in alignment with the general will of the Palestinian population as it had been expressed in 2006.

One of these interests was clearly identified by my informant in terms of a *good governance* framework to help reduce the appearance of corruption. However, the other major shared interest for the PA, Israel, the British government and its allies – which was to exclude Hamas from government and to strengthen the PA in order to curtail Hamas' influence - was only discussed through the euphemistic language of 'the decision of the International Quartet'. Thus evidently the apparent generosity of the British government did not extend to all branches of their work, or to all Palestinians. As discussed above leaked documents to *Al Jazeera* news network and the *Guardian* newspaper in 2010 revealed that the British Secret Intelligence Service (SIS) had formulated a covert plan designed to destroy or disrupt Hamas (which included the application of torture and other criminal activity).

It is of course impossible to know to what extent DFID staff knew of the secret plans or cooperated with them. Further, it is also not possible to know who in the ranks of the British government authorized SIS to undertake such a program. DFID indeed denies any direct responsibility for SIS' activities, and states that its only engagement with the Palestinian security services during that period was

limited to the civilian police.⁷⁵ However, given that the DFID employee I interviewed had stressed the close working relationship between DFID, the Ministry of Defence and the Foreign Office (which is responsible for SIS) and that DFID was coordinating with the Special Envoy of the Quartet, Tony Blair – who was British Prime Minister in 2006 when this plan was orchestrated – it is easy to see how activities undertaken all branches of the British government operating in the Palestinian territories may be seen to be tainted by these events.

Conclusions

In essence the questions such as who actually wrote the PRDP, or whether DFID's role in conjunction with SIS' activities can be considered the activity of a 'shadow government' is actually of little consequence. Furthermore, it does not matter if these plans first originated in London or Ramallah. Rather, what is important is the fact that the *Fayyadism*, as enacted through the Palestinian reform and state-building plans, represents the full endorsement of a *security first* framework that consolidated power within a central established elite and a neo-liberal economic agenda to change radically and rapidly change the domestic economy in the West Bank. In reality, PA's priorities were never as broad as the official doctrine implied, nor was achieving genuine independence ever a real possibility through these activities. The real priorities of *Fayyadism* have evidently been (a) the consolidation of power and (b) to redirect one of the central elements of

⁷⁵ *C.f.* "The Palestine Papers: Anatomy of a Crackdown - MI6's Security Plan for Palestinian Authority," *The Guardian*, January 25, 2011, <http://www.guardian.co.uk/world/palestine-papers-documents/238>; Daud Abdullah, "Uncovered: MI6 in the Palestine Papers," *Middle East Monitor*, February 9, 2011, <http://www.middleeastmonitor.org.uk/articles/europe/2036-uncovered-mi6-in-the-palestine-papers>; Gregg Carlstrom, "MI6 Offered to Detain Hamas Figures," *Al Jazeera*, January 25, 2011, <http://www.aljazeera.com/palestinepapers/2011/01/2011125123356396297.html>.

Palestinian politics away from discussion of independence and toward the embracement of nominal 'state-hood'. Thus the consequence of these two objectives combined was to entrench Israeli domination even further.

What this period revealed about the nature of politics in Palestine after 2007, was that in the wake of the extreme violence of the second intifada, a new reality existed, and that in this context the relationship between coercion and consent had shifted. Palestinians had had their lives shattered during the intifada and many were willing to accept virtually any kind of order where there was at least some provision of basic services in that aftermath. Despite the fact that the PA's establishment's governance and conclusively rejected in the elections of 2006, the fact that it offered Palestinians the opportunity to end the violence, restore basic order and provide some services to the population in the West Bank was enough to secure it at least tacit consent.

However, the PA did not have the interests of the general Palestinian population at heart. Rather it adopted policies that focused on the priorities of its international backers. It brutally overwhelmed Hamas as a political force in the West Bank, because it feared Hamas' capacity to act independently, and it denied any other political group from attaining any real power for the same reasons. Further, it adopted *good governance* as development framework – in spite of the fact that it was deeply ill suited for such a task – in order to fit donor's demands despite the fact that that agenda would weaken Palestine's economic position even further in the long term.

Finally then, with foreign support the PA also propagated a disingenuous narrative that described its activity in terms of progress towards independence. This was manifest in both the political language of the PA leadership and the so-called resistance strategy. This was meant to disguise the fact that the PA was effectively acting as a proxy for foreign powers.

In the following chapters this thesis explains how in the short term this mythology appeared to be effective in the sense of attaining popular support, first for the PA's undemocratic take over of power in 2007-8, and then for the neo-liberal policy agenda. In both cases however, evidence from the diagnostic undertaken by this thesis suggests that popular consent for the PA's activities was actually more closely tied to the recent history of violence in the West Bank than the persuasive power of the myth. The following chapter presents the results of this diagnostic with specific reference to the *security first* agendum pursued by the PA.

Chapter Seven: *Security first*

The fact is that the team of Abbas and Prime Minister Salam Fayyad have built a government that is the best the Palestinians have ever had, and, more importantly, a Palestinian security apparatus that the Israeli military respects and is acting as a real partner. Given this, Israel has an overwhelming interest to really test — that is all we can ask — whether this Palestinian leadership is ready for a fair and mutually secure two-state solution.

- Thomas Friedman, “Just knock it off” in the *New York Times* 19 October, 2010¹

The concept of *security* is at the heart of both *Fayyadism* (as demonstrated by its primary international cheer-leader, above) and the concrete nature of the PA’s post-2007 agenda. It is the most obvious focal point where Israeli, international and the PA establishment’s interests converge. While all sides contribute to different extents to this broad consensus of interests, the PA remains the primary conduit through which it is condensed into policy and put in to practice. As stated previously, this agendum’s primary objectives are to maintain Israeli dominance over the West Bank while short-circuiting any drive toward genuine Palestinian independence. A secondary goal that serves this broader agenda is the strengthening of the PA against its domestic enemies. This chapter presents the results of this thesis’ diagnostic with specific reference to the PA’s *security* agendum.

The previous chapter has discussed how Israel’s violence during the intifada can be interpreted as a means that produced Palestinian consent to the relatively improved conditions that followed. Further it argued that the PA’s role is also

¹ Thomas L. Friedman, “Just Knock It Off,” *The New York Times*, October 19, 2010, sec. Opinion, <http://www.nytimes.com/2010/10/20/opinion/20friedman.html>.

central to developing this dynamic, particularly during the schism with Hamas. Therefore, this chapter follows on from this and examines the specific methodologies of power exercised by and through the PA security forces and, following from that, how popular interpretations of it should be understood. It focuses on an analysis of the period of the PA's imposition of order on the city of Nablus 2007-2008 at the end of Israel's siege of the city (beginning in 2002) and in the immediate aftermath of the schism between the PA establishment and Hamas. As with examples of the myth of *Fayyadism* elsewhere in this thesis, this discussion draws out examples of how the PA's relationship with the general public is defined through both coercion and propagating a narrative in order to produce consent.

The structure of this chapter is as follows. First, this chapter provides a brief overview of the changes to the PA *security forces* that was undertaken to bring it in line with requirements imposed by the post-intifada conditions. Second, it discusses the methods by which Israeli interests and the interests of other external parties, such as the US and allied governments, were pursued through the PA's *security first* agenda. Third, it discusses the effectiveness of the PA's efforts to maintain popular consent for its *security first* agenda. It concludes that as result of conducting such a diagnostic it is possible to determine that the consent shown by Palestinians towards the PA's post-2007 security agendum is based primarily on the fact that under this system the majority of Palestinians could access some of the basic services that they had been unable to access during the intifada. However, this consenting consensus is growing weaker over

time particularly as people in Nablus were able to exercise the opportunity to recover as political agents after the intifada.

In other words this chapter argues that during the short period 2007-2011 the PA enjoyed a period where its overt use of coercion against Hamas, and other political rivals, was met with broad consent amongst the general public. However, over time the PA's *security first* agenda has been exposed as (a) undemocratic and (b) aligned more closely with Israeli/US interests than those of the Palestinian public. As a result, popular consent has diminished. This chapter charts these developments particularly in relation to the security agenda, first through outlining its background in terms of detailing both the initial environment of general consent for the PA's *security* agenda and the reasons why this consensus has weakened. Further, it identifies important factors in the PA's relationships with Israel, the US and other external third parties that demonstrate that the restructuring of the security apparatus in by the PA is in fact designed to entrench the occupation and work in direct contradiction to the interests of the general Palestinian population.

The data upon which these conclusions are based comprises my own analyses of the PA's documents, my field notes from my time based in Nablus and the Balata camp and my notes from focus groups, participant observation and interviews conducted in Nablus, Balata and Ramallah (the majority of interviews undertaken in Ramallah were with policymakers all representatives from the PA). This chapter also draws on a number of secondary sources; these are used here in order to support the general conclusions for which I am arguing.

Background on PA security services

The PA security services were officially established by the Palestinian *Basic Law*, 1997, although a *de facto* paramilitary presence had accompanied the PLO in returning to the West Bank earlier that decade. This stipulated that, "the President is the Commander-in-Chief of the Palestinian Forces."² The vagueness of this statement served two purposes. First, it allowed for many of the PLO's existing paramilitary forces to attain a semi-official status while ensuring that they were in practice accountable only to Arafat himself as supreme commander. Second, it was hoped by Israel and the US that, by allowing the PA security forces to become officially recognised bodies, they would be encouraged to align their own interests with those of Israel. As such they would be more reliable in terms of using coercion to prevent Hamas, or other agents, acting as spoilers to the *peace process*. Thus since their inception, the role of the security forces has always been the servant of two masters. In short, under Arafat they were used as a means to maintain his, and his cronies', power domestically and, through them, serve the interests of Israel and the United States.

Arafat's regime took full advantage of the available ambiguity. Through the liberal allocation of jobs, the PA used the security forces to develop a cliental relationship with elements of the population that might have otherwise demonstrated discontent and, at the same time, it established a massive domestic military force and that could, in theory at least, defend against any potential challenge from Hamas. Yet the overall product of this was that the

² Husam Madhoun, "The Palestinian Security Services: Past and Present," *Miftah*, May 30, 2006, <http://www.miftah.org/display.cfm?DocId=10400&CategoryId=21>.

security services became bloated and unreliable. They were staffed by masses of poorly trained troops who were, though in principle loyal to Arafat, not necessarily subject to any meaningful chain of command. Yet partly as a result of this ineffective command structure and partly because of the wholesale loss of faith in the Oslo project, the Israeli and American relationships with the security forces amounted to a failure in their own terms.

The results of this situation were exposed during the second intifada when virtually all pretence of control exercised by the high command of the PA over the security forces collapsed. Some members of the Palestinian security forces turned against the Israeli military – with which they had been collaborating³ - engaged both in armed resistance against the occupation and terrorist attacks on Israeli civilians. As we have seen, this breakdown of the relationship led to the realisation in Israel and the US that major changes were needed in the PA in order to secure their agenda. This meant that Arafat was to be abandoned and another leadership structure would be promoted for the PA. It was in this context that the Basic Law – the PA's *de facto* constitution – was modified in 2003. A National Security Council was established in order to try and dilute Arafat's influence over the *security forces*, but in fact little meaningful change was achieved until Arafat's death. However, when Mahmoud Abbas took over the presidency from Arafat this was seen as an opportunity by both Israel and the US to begin working with the PA again to challenge domestic threats.

³ During the late 1990s some of the PA security services operated alongside Israeli forces on joint patrols. However, co-operation ended with the beginning of the intifada and PA police stations and bases were primary targets of Israeli bombardment during the invasion.

In line with the wishes of Israel and the will of the other major external parties, as expressed in the *Road Map* and other related statements, Abbas reorganised the security apparatus. He made several high-level changes – including bringing in some prominent opponents of Arafat – and oversaw significant changes to the structure of the security forces.⁴ Further, the Abbas government openly broke some of the patronage links that had been established under Arafat and imposed various employment regulations that were in line with demands of international donors.⁵ Finally, the National Security Council was reorganised and the twelve different security forces were reorganised into three broad areas of jurisdiction. These are represented in the following table⁶:

⁴ This included Nasser Yousef, a prominent opponent of Arafat as Minister for the Interior, Danny Rubinstein, “A Palestinian Government of Experts,” *Haaretz.com*, February 28, 2005, <http://www.haaretz.com/print-edition/opinion/a-palestinian-government-of-experts-1.151548>; Akiva Eldar, “Back to the One-state Solution?,” *MIFTAH*, March 25, 2005, <http://www.miftah.org/display.cfm?DocId=6989&CategoryId=5>.

⁵ This involved the firing of several senior officers, cutting over a thousand lower ranked officers and imposing various requirements on employment, such as the submission of extensive personal details to a central office, an age limit for recruitment and standard retirement age.

⁶ Information for the table gathered primarily from: Husam Madhoun, “The Palestinian Security Services: Past and Present,” *MIFTAH*, May 30, 2006, <http://www.miftah.org/display.cfm?DocId=10400&CategoryId=21>.

National Security	Interior	Intelligence
<p>National Security Forces The PA's main military forces (approx. 15,000 officers). Designed to defend the borders of Palestinian Areas. Coordinated with Israel on joint security operations.</p>	<p>Preventive Security Force Effectively, but not officially, a major intelligence agency (approx. 5000 covert officers).</p>	<p>General Intelligence Main intelligence agency (approx. 3000). Responsible for espionage and counter espionage inside and outside the oPts.</p>
	<p>Presidential Security Presidential and VIP bodyguard (approx. 3000). Comprised an intelligence wing and a bodyguard unit.</p>	
<p>Coast Guard (approx. 1,000) Intended to defend and police the Gazan coast.</p>	<p>Civil Police Lightly armed, day-to-day policing duties (approx. 10,000). Contained a small special rapid reaction force for emergencies (approx. 700).</p>	<p>Military Intelligence A smaller intelligence organisation than the General Intelligence. Focused on internal threats from opposition groups and from within the PA infrastructure.</p>
<p>Air Guard or Aerial Police Operated the PA's small number of helicopters, mostly used for diplomatic purposes.</p>	<p>Civil Defence Equivalent to fire and rescue services.</p>	<p>Military Police A semi-autonomous branch of the Military Intelligence focused on the emergency or high profile situations.</p>
	<p>Governorate Security Bodyguard unit for governors and lower ranked PA officials.</p>	

While all of these security forces were legally accountable to the executive branch, various aspects of their *de facto* remit still remained outside any legal framework.⁷ Israel responded positively to the changes by gradually returning control over areas 'A' to the PA. This began with Ramallah and Bethlehem soon after the end of the invasion. Yet the Israeli military continued to enforce a full ban on all police forces in Nablus until November 2007.

Yet Israel's decision to return control of areas 'A' was predicated on the assumption that the PA leadership, which was dominated by Fatah, would exercise *de facto* control over the security forces within permitted areas after the withdrawal. The security forces would return to the role they were designed for – to coerce Hamas – and any other potential threats to Israeli national security, into submission. However, under pressure from the US, Israel permitted the 2006 elections to take place and for Hamas to take part. Hamas' surprise victory in the elections challenged the PA-as-a-proxy paradigm, which threatened to upset the restoration of the *status quo anti* and to expose the fact that the prospect of independence through *security first* was never much more than a myth. The US, Israel and the EU responded with an economic blockade against the oPts and channelled clandestine support to particular PA lieutenants, that had been brought in by Abbas, and who were seen as particularly hostile to Hamas.

The PA establishment was itself threatened by Hamas' rise, both as an indirect result of the international blockade and directly because Hamas' leadership had

⁷ International Crisis Group, *Squaring the Circle*.

deputised its own brigade of supporters to form the armed *Executive Force* which challenged the PA's supremacy in the Gaza Strip. In this context then the schism, between Hamas and the PA establishment can be understood as a moment when a crisis exposed the alignment of Israeli and the PA establishments' interests and concerns. Neither Israel nor the PA establishment was willing to allow Hamas enough real power to undermine the *status quo*, and this priority overrode any commitment the PA leadership had to honouring the democratic process or allowing genuine resistance to the occupation. Indeed polling data shows a dramatic loss of confidence in the PA, Fatah and Hamas during this period among Palestinians in the West Bank and Gaza.⁸

Thus, like the intifada, the election of Hamas represents a threshold for Israel and the other external parties in terms of determining their commitment to depending on Palestinians to work as proxies. In the wake of the schism all sides in this relationship prioritized the PA's survival. This was primarily out of a need to avoid any potential alternative. Encouraged by Fayyad's launch of the PRDP, which put security sector reform at the heart of an apparently peaceful and

⁸ According to public opinion polls:

- "59% believe that Fatah and Hamas are equally responsible for the infighting, but 15% believe Fatah is more responsible than Hamas and 14% believe Hamas is more responsible than Fatah for the infighting.
- "Satisfaction with the performance of the National Unity Government during the three months since formation stands at 17% and dissatisfaction at 81%.
- "Confidence in various security services and armed groups ranges between the low for Preventive Security, Intelligence, Executive Force, and Presidential Guard (33% to 37%) and medium for the National Forces (48%), al Qassam Brigades (45%), al Aqsa Brigades (50%), and Police (58%).
- "41% support the dissolution of the PA and 49% oppose that. The percentage of those who support the dissolution of the PA is divided into those who would like to replace with an international trusteeship (26%) and those who want to replace it with a return to Israeli occupation (16%).":

Khalil Shikaki and Walid Ladadweh, *Palestinian Public Opinion Poll No. (23)*, Palestinian Public Opinion Polls (PSR - Survey Research Unity, March 29, 2007), <http://www.pcpsr.org/survey/polls/2007/p23e1.html>.

responsible alternative to both the traditional dichotomy of Hamas or Fatah, donor countries offered vast amounts of aid to the PA and re-enforced their rhetorical commitment to previous peace agreements. Furthermore, the apparent pragmatism of Fayyad's leadership in the aftermath of a crisis was also seen by donor states as an opportunity to encourage the PA to make changes in order to counter the corruption and patronage that had been seen as a major structural cause of the breakdown in security relations under Arafat. Evidence of these donor concerns can be seen in the outcome of the Fayyad governments' reforms to the security services.

For the security services themselves, the three main products of these reforms comprised (a) further rearrangement of the security services, (b) greater regulation of payroll and employment in order to reduce the room for corruption and (c) a clearer and more efficient command structure that also divided the responsibilities of the different forces more logically. Thus these reforms created six different operational branches of the security forces covering three broad areas of jurisdiction. For the purposes of comparison the following table presents the framework of the security services post-PRDP (c. 2009) in a similar format to that of the table above.

Table 2: Structure of Palestinian security services c. 2009⁹

⁹ Data for table taken from: International Crisis Group, *Squaring the Circle*. N.B. Civil defence (fire and natural disaster) programmes are sometimes still considered part of the security services structure as they official answer to the Ministry of Defence, but as they do not conduct practical

National	Interior	Intelligence
<p>Preventative Security - (4,000, including paid informants) focuses on internal intelligence and political opposition. Was accused by Human rights watch and other NGOs of torture and murder during the schism with Hamas.</p>	<p>Civilian Police – (approx. 8000) officers responsible for day-to-day policing and crime prevention. Including traffic control. Aided by the EU-COPPS programme based in Ramallah.</p>	<p>General Intelligence – (approx. 4,000) “theoretically focuses on intelligence-collection outside the West Bank, conducts counter-espionage and liaises with intelligence agencies of other countries, but in practice, it largely overlaps with Preventive Security.” It was also accused of human rights abuses against Hamas members.</p>
<p>National Security – (approx. 7,000 personnel) is a “gendarmierie-style” police force.</p>	<p>Presidential Guard - (approx. 2,500) Bodyguard unit for PA officials and PA infrastructure with some policing and intelligence powers.</p>	<p>Military Intelligence - (approx. 2,000) is responsible for internal PA investigations and countering threats from within the security structures.</p>

Each of these forces was sub-categorised to some extent and there were also areas of shared jurisdiction – for instance: between the Preventative Security’s intelligence network and the General Intelligence organisation, or between the National Security Forces’ prevention of crime programmes and the Civilian Police – yet each force is a separate entity in as much as each has its own command structures and operational regulations.¹⁰

Beyond this organisational restructuring, since 2007, the Fayyad government enforced further changes in the nature and operational behaviour of the security

policing nor carry the same weight of influence in a political sense as they did under the Arafat regime, they are not included in this table.

¹⁰ Ibid.

services – again in line with the requirements of Israel and the other external parties.¹¹ This has included high profile changes in its leadership, aimed at tackling the kind of nepotistic appointment processes that were left over from Arafat’s era,¹² cutting the artificially large salaries budget and improvements to internal efficiency. However, the most significant change was that the PA fully accepted the role of the United States military in training its recruits. Yet, in spite of all the changes that occurred under first Abbas and then Fayyad, there still remained a serious lack of judicial and legislative oversight which suggests that the changes to the security services were designed to strengthen the PA’s executive as a means to more efficiently impose order but not as part of a genuine process of democratisation.¹³

Modus operandi

Operationally the role of external third parties has been central to the PA’s imposition of order in the West Bank. These parties, in particular the European Union (EU), and the US government – with the support of a range of well-connected non-governmental organisations – and others (for example the Canadian, British and Turkish governments *inter alia*) lent support both directly

¹¹ Although, a major aspect of this reform was instigated in 2005, both through the Law of Services and as a direct result of a presidential order “Abbas ordered the retirement of many high ranking and long-serving members of the PSF, replacing them with younger, more reform-minded officers.”: Ibid.

¹² These changes were instigated at the lower levels of the security forces. During my interview with a senior official in the Palestinian Authority Department of Interior, I was given the example that prior to the municipal elections in 2006 the PA had, in an effort to sure up support for Fatah particularly in the Gaza Strip, used recruitment to the security forces as a bribe to encourage support. One of Fayyad’s first acts in government was to terminate the employment of any recruits taken on in this period who had not yet completed their training. However, in an interview with an international analyst I was told that there was significant suspicion that Fayyad had been forced to act more *sympathetically* towards the personal interests (financial or otherwise) of senior officers in security services in order *encourage* them to assert a greater degree of *loyalty* to the PA rather than to Fatah.: Research interviews, June and July, 2010

¹³ International Crisis Group, *Squaring the Circle*.

and indirectly to the PA's efforts to assert control over areas 'A' in the wake of the intifada, and after the schism with Hamas. While at the same time agencies of particular governments – again the US, via the CIA, and the UK, through SIS – went further, and used clandestine methods to orchestrate the PA's assault against Hamas.¹⁴

Again, as with the discussion in previous chapter, it is best to approach this topic by first recognising that there is both a discursive and a material level that can be analysed here. If taken *prima facie* the nature of the involvement by external third parties overlap with the myth of *Fayyadism*. Both promise that, through uncritically conforming to Israeli demands and the established framework of previous agreements, Palestinians can progress towards liberation. According to this narrative the role of these external third parties is to assist the PA on this path by providing funds, matériel and guidance to its security forces. However, as we know from previous discussions of *Fayyadism* such discursive paradigms are imbued with both the power to persuade and the ability to obscure reality. Thus this section first presents evidence of the real intentions of the third parties that involved themselves and how they attempted to conceal those intentions through the perpetuation of that fiction.

Security first

The essence of the intersection of the myth of *Fayyadism* and the narrative of third party encouragement for the PA's imposition of order in 2007 is captured

¹⁴ Rose, "The Gaza Bombshell"; Black and Milne, "Palestine Papers Reveal MI6 Drew up Plan for Crackdown on Hamas."

in the sobriquet: *security first*. This describes the viewpoint generally accepted within policy-making circles in the United States that *security* is the necessary (but not sufficient in its own right) first step towards Palestinian statehood. For example, the *RAND Corporation* refers to the fact that:

*Security trumps all else. Without it—as demonstrated by several decades of experience in Arab-Israeli peacemaking, including every agreement between Israel and one or more of its neighbors since 1949—nothing else is likely to succeed in Israeli-Palestinian relations. Security considerations, therefore, must come first.*¹⁵

While a report for *The Center for a New American Security*, states that:

*Security may be ten per cent of the problem, or it may be ninety percent, but whichever it is, it's the first ten per cent or the first ninety percent. Without security, nothing else we do will last.*¹⁶

Other examples of U.S.-based plans for a *security first* approach include suggestions of replacing Israel's occupation with the presence of a foreign military force, for example NATO. This would be during a transitional period when Palestinian security forces could be trained and equipped in such a way they may replace the occupation has the guarantor of Israeli security themselves. The rhetoric of *Fayyadism* does not speak to the same issues of Israeli security quite so directly as US based think tanks do. However, it is important to note that in the first document that outlines the direction of the PA's post-2007 agenda, the PRDP describes the necessity of improvements in the security situation in such a way that is similar to those outlined by the US based think tanks: as an

¹⁵ Palestinian State Study Team, *Building a Successful Palestinian State* (Santa Monica, CA: The RAND, 2007), <http://www.rand.org/pubs/monographs/MG146-1>.: Although The RAND is not formally part of US policy making it can be taken seriously as presenting an insight into some of the thinking of those in the government given its close ties. It is worth noting that one of the authors of this particular document, Robert Hunter, is a former US Ambassador to NATO.

¹⁶ This quote is drawn from: Neil Sheehan, *A Bright Shining Lie: John Paul Vann and America in Vietnam* (Vintage Books, 1988).; quoted in: Andrew Exum et al., "Security for Peace: Setting the Conditions for a Palestinian State," April 20, 2010, <http://www.cnas.org/node/4362>.

essential first step for Palestinian society in order to enable progress both in terms of economic development and towards the ending of the occupation:

If a combination of political progress and an improved security environment accelerates the lifting of the occupation regime beyond current expectations, the level of public investment and private sector activity could increase significantly.¹⁷

The plans make it clear that reform of the security services is also the PA's highest priority. In fact, in the PDRP the PA pledged to spend \$257 million on *Security Sector Reform and Transformation* – although it offers very little detail regarding what this actually means in practical terms. As discussed in the previous chapter, this sum is by far the largest area of PA spending identified in the PRDP and equates to nearly four times the quantity allocated to the next largest area of spending (*Efficient and Effective Government* at \$72 million). Furthermore, in 2011, Mahmoud Abbas endorsed a plan for NATO to take over from the Israeli military in operating the apparatus of the occupation.¹⁸

Foreign military presence 2007-2011

In reality the primary agents of foreign involvement were The United States Security Coordinator (USSC) and the EU operation, EU COPPS, designed to oversee reform of the civilian Police force.¹⁹ Both of these organisations were

¹⁷ "Palestine Reform and Development Plan (PRDP)."

¹⁸ Abbas: Jewish NATO soldiers could defend future Palestinian state:
<http://www.haaretz.com/news/diplomacy-defense/abbas-jewish-nato-soldiers-could-defend-future-palestinian-state-1.306616>

¹⁹ Various US and European forces had played some role relating to support for the PA Security forces since the PA was created in 1993. *C.f.* Brynjar Lia, *A Police Force Without a State: A History of the Palestinian Security Forces in the West Bank and Gaza* (Ithaca Press, 2006); Brynjar Lia, *Building Arafat's Police: The Politics of International Police Assistance in the Palestinian Territories After the Oslo Agreement* (Ithaca, 2006).

established after the Road Map.²⁰ The US military presence was particularly controversial. This is was partly because of the ambiguous relationship between the commanding officer, Lt. Gen. Keith Dayton (2005-10), and the leadership of the PA. The USSC operation was based across two main sites the Jordan International Police Training Center, near Amman, and a PA training centre near Jericho. The training ostensibly focused on teaching the security forces methods of counter terrorism and counter insurgency. Further, recruits that were trained by the USSC were also encouraged to become desensitised to concerns relating to Israel's occupation of Palestine and focus rather on their loyalty to the institution of the PA.²¹

The impact of the external third party involvement can also be seen in the new security infrastructure being built with these donor funds, this includes 52 new prisons, and 8 new security complexes being built in cities throughout the West Bank.²² Moreover, over the period 2007 to 2012, the PA's *Moqata'a* (headquarters) in Ramallah was redeveloped to include high security walls and watchtowers. In Nablus an entirely new *Moqata'a* was under construction in late December 2011. US AID funded both of these developments and the Nablus

²⁰ Various organisations working on behalf of individual member states have been engaged simultaneously in a wide range of different projects in the West Bank without coordination which has lead, perhaps inevitably, to the perception that the EU does not in fact have clear, centrally agreed upon, goals for it work. However, more critically, the EU profoundly undermined its own long-term objectives (and its best opportunity to assert independence from the US, and thus popular credibility in the oPts) by observing the Bush administration's economic boycott following the elections in 2006.

²¹ "Speech to the Washington Institute for Near East Policy by Lt. Gen Keith Dayton" (Washington Institute for Near East Policy, May 7, 2009), <http://www.washingtoninstitute.org/html/pdf/DaytonKeynote.pdf>.

²² Aisling Byrne, "Building a Police State in Palestine," *Foreign Policy Blogs*, January 18, 2011, http://mideast.foreignpolicy.com/posts/2011/01/18/building_a_police_state_in_palestine.

Moqata'a is described as a “National Guard Building, Ministry of Interior Building And Governorate Building [sic.]” in English (but not in Arabic) on external signs.

Yet the most insidious aspect of the external third-party involvement was the role played by foreign intelligence agencies behind the scenes in shaping the PA's security agenda. This came to light particularly during the crackdown against Hamas where according to a number of leaked documents, the UK and US intelligence agencies played a prominent role in both the planning and execution of the PA's assault on Hamas. The level of complicity between the CIA and the two relevant Palestinian security forces – the Preventative Security Organisation and the General Intelligence – ran so deep that the Palestinian agencies were considered "an advanced arm of the war on terror"²³ by the US government. In the aftermath of the schism it also emerged that the UK's SIS assisted the PA forces in organising extra-judicial internment for suspected Hamas members and that the officers of these foreign intelligence organisations were often present while detainees were being tortured.²⁴ The intelligence agencies of both the UK and US governments also have strong links with the Israeli secret services and it is reasonable to assume that intelligence gathered during these operations were shared by all agencies.

Therefore it is clear that despite the fact that external third party involvement has been promoted as a means to ultimately end the occupation, in line with the PA's rhetoric, evidence of what has actually occurred points to the fact that this

²³ Ian Cobain, “CIA Working with Palestinian Security Agents,” *The Guardian*, December 17, 2009, <http://www.guardian.co.uk/world/2009/dec/17/cia-palestinian-security-agents>.

²⁴ Ibid.

involvement has actually been directed at maintaining order and reinforcing the institutions of the PA. Given the dependency of the PA on external support it is not difficult to see why this approach was pursued. The PA, is effectively a client of the larger external powers and thus it was in the interests of these foreign governments to help improve PA security forces, terms of skills and abilities, because through so doing they became more effective proxies. However, because this conclusion is essentially obvious in spite of the PA's rhetoric, the question remains: *what explains the general consent among Palestinians to their governments' collaboration with oppressive external powers?* Obviating the contradiction at the heart of this conundrum is of course the *raison d'être* of the *Fayyadism* myth, but it is also at play in Israeli thinking behind changing the appearance of the occupation.

Israel's adapting occupation policy

Indeed, the evident contradiction between (a) maintaining Israel's unassailable strategic advantage and (b) attainment of consent from the general Palestinian population, also affected Israeli policies toward the occupation. These changes can be summarised as an effort to make the occupation appear less militarised and more entrenched as a natural part of daily life in the occupied territories. Essentially this comprised two dynamics. First, was Israeli support for the militarisation of the PA security forces and their imposition of order on the West Bank and second, was the privatisation of Israel's apparatus of occupation.

The first of these dynamics was, as we have seen, evident in Israeli support for the PA security forces role as a proxy against Hamas (legitimised through

broader *security first* rhetoric). Research interviews I conducted with a political analyst from a major international think tank and a representative from the British government's Department for International Development (DFID) both confirmed that the Israeli security establishment was both (a) an important driving force behind the USSC and EU COPPs training programmes for Palestinian security forces and (b) was extremely pleased with how they had progressed.²⁵

However, the disingenuousness of this agenda is demonstrated through the example of apparatus designed to give the PA the appearance of state-like powers that merely veil Israel's real control. This strategy was at its zenith in management of the Rafah crossing, between Gaza and Egypt, which was redesigned as part of the 2005 disengagement plan. The agreement between the PA and Israel over Rafah stipulated that both Israeli and European observers would oversee the entire operation of the terminal from a remote location. The European observers would officially maintain the right of arbitration between Israelis, Palestinians or Egyptians should a disagreement arise (but in practice ultimate power lay with the Israelis who could deny the Europeans access to the facility and as a consequence, shut down the entire terminal).²⁶ The operation of the terminal was described by Wiseman:

The control room receives constant live video streams from a network of CCTV cameras operating at the terminal. The face of each passenger standing in from of the Palestinian boarder police is thus transmitted to the control room as well as real-time video feed from the machines X-raying luggage. From the control room the Israeli and European observers can communicate with the on-site Palestinian security, demand a rescan or a

²⁵ Research interviews July, 2009

²⁶ Cobain, "CIA Working with Palestinian Security Agents."

*search in this or that bag, or halt the transit of suspected passengers altogether.*²⁷

The second similar dynamic revolves around Israel's privatisation of its occupation apparatus in the West Bank. The Israeli NGO, *Who Profits?*, presented the data for this in detail.²⁸ Indeed, following various rounds of consultation and planning in the 2000s the Israeli military began a long-term process of reform that would see its uniformed presence diminish greatly from within the occupied territories and instead be replaced by a range of private military contractors. As Eilat Maoz explains in an analysis of the data from *Who Profits?*, the motivation behind this privatisation is not to reduce costs but rather to bring the occupation in line with a different organisational logic: that of assumed neutrality of private sector. In practical terms this would maintaining the occupation while transforming its appearance. In particular, Maoz focuses on checkpoints – which pose an immediately identifiable problem to the legitimacy of the PA because they are a ubiquitous reminder of Israeli impunity in Palestinian territory.

Through privatisation of these checkpoints, their appearance would be transformed from an obvious example of Israeli military hostility to one of a neutral inconvenience. Civilian employees of the private security companies would replace military personnel and, in principle at least, the apparent rationale of the checkpoint would no longer be associated with the coercion of the occupier. In such a scenario Palestinians would, it is assumed; learn to accept the presence of these checkpoints as a natural part of daily life, just as one essentially

²⁷ Weizman, *Hollow Land*, 153.

²⁸ "Privatizing Security – Corporate Involvement in the Checkpoints," accessed June 3, 2012, <http://whoprofits.org/content/privatizing-security-%E2%80%93-corporate-involvement-checkpoints>.

consents to the particular security constraints imposed at an international boarder crossing. In short, the appeal of privatisation was that it would demilitarise and even depoliticise the occupation by “re-branding the checkpoints as border crossings and by distancing them from the army.”²⁹ This trend in Israeli military planning confirms that Israel was not willing to end the occupation but was willing to change its appearance. The fact that Israel has not only permitted the training and arming of Palestinian security forces but also encouraged it should be understood from the same perspective.

Security first exposed

Thus the great compromise of the PA security forces is that they play a very obvious, but essentially operational role in sustaining broader arrangement of power in the West Bank. The security forces accepted the task of policing Palestinian population on behalf of Israel and external parties even though by so doing they serve the agenda of Palestine’s oppressors. They pursue a *security first* agenda because it suits the interests’ of the powerful external parties that fund, train them and permit them to exist. Of course the myth of *Fayyadism* is meant to link these efforts to the promise of eventual national liberation, but at the same time Israel’s adapted policies *vis-à-vis* its checkpoints and the fallacy of the PA’s state-like powers, demonstrates that that independence could only ever be symbolic. As Mushtaq Khan explains, Israel has never intended to allow any diminishment of its strategic advantage to occur as a result of any moves toward

²⁹ Eilat Moaz, “The Institutionalization of Privatization: Israeli Checkpoints Revisited,” *Unpublished* (n.d.), http://www.whoprofits.org/sites/default/files/writing_sample-eilatmaoz.pdf.

Palestinian independence, therefore Palestinian security policy will always be subject to and contingent on Israeli parameters:

*[The] specific features of 'security first' create an open-ended period of limbo in which the disengaged territories are neither truly sovereign nor technically part of Israel. Nevertheless, authorities 'governing' these regions with very limited autonomy are to be held responsible for delivering security to the occupiers, whose direct occupation of significant areas continues, without enjoying sovereignty or controlling their internal economy.*³⁰

Khan argues that Israel's resistance to the formation of a Palestinian state is based on a strategic analysis that concludes that even a state with limited sovereign capacity is too great a potential threat to Israeli national security. Instead, any concessions made to Palestinian autonomy must be "reversible."³¹ As such Israeli decision makers remain assured of their military's own reserve capacity to re-instigate control over the oPts if they wish. Therefore, the professed necessity of *security first* can be interpreted not as the corner stone of Palestinian liberation and Israeli withdrawal – as the myth of *Fayyadism* suggests – but rather a reasonably obvious means through which Israel and its allies intend to indefinitely secure Israeli military supremacy. Furthermore, it is clear that the PA establishment and the external third parties would have known this from before Fayyad's government took office.

*Many of the discussions and debates on which this analysis is based are public – in the Israeli media, political parties, think tanks, and universities. The relevant documents are easily available, including on the Internet.*³²

Given these conclusions it follows that, since it accepted the agenda of *security first*, the PA establishment was never anything other than a willing party to this collaborative agenda. It also follows that the justifications for (a) the reforms of

³⁰ Khan, "'Security First' and Its Implications for a Viable Palestinian State."

³¹ Ibid.

³² Ibid.

the security forces under Fayyad and (b) the brutal tactics deployed during the schism, which were stipulated through the rhetoric of Fayyadism, were necessarily false.

Indeed, in this light it is impossible to conclude that *Fayyadism* – in the form it took for domestic Palestinian consumption – was never more meaningful than a discursive mechanism designed to mislead the general public and induce their consent. The following section presents the results of the diagnostic of Palestinian experiences under the PA's post-2007 *security* first agendum and charts the effectiveness of *Fayyadism* in that task of obtaining consent. It argues that while the myth provided good ammunition for foreign journalists writing to western audiences – as demonstrated by the quotation at the beginning of this chapter – evidence from polling and from my interviews suggests that it was not particularly effective in winning consent from members of the public in Nablus. Rather, where consent was conceded to the PA during this period it was generally framed in a short-term narrative and contingent on battle fatigue as a major factor. Further, the level of this consent diminished noticeably over time particularly after new information emerged regarding corruption in the PA.

The PA imposes order, 2007-2008

During the period 2007-2008, after the collapse of the Hamas-Fatah Unity Government, the PA attempted to accomplish two goals. These were (a) to reassert control over some parts of area 'A' – particularly Nablus which was still under Israeli siege since the intifada – and (b) to inflict a military defeat on Hamas that would undermine its ability to challenge the PA establishment's

predominance in the oPts again in the future. As we have seen, the PA succeeded in the first task with the support of Israel and other external parties. Yet, in the second case the PA forces were beaten in Gaza and although they accomplished their goals in the West Bank they did so through brutal and illegal tactics such as murder, torture and extrajudicial detention. In this context – after a period of total lose of control followed by popular rejection in the elections – it is easy to see why encouraging popular consent for their actions was a high priority for the PA. The mythology of *Fayyadism* reframed the PA's use of violence so that it could be interpreted as in their best interests. Yet it was apparent from my interviews that this narrative did not effectively penetrate the popular consciousness domestically and, instead, a better explanation for popular consent to the PA's agenda can be summarised as post-intifada battle fatigue. This section demonstrates this argument by first outlining the PA's narrative and comparing and contrasting this with the narratives of my interviewees.

The Fayyadism narrative as justification for violence

In a research interview in July 2010, a senior aid at the Ministry of the Interior articulated the main points of the *security first* narrative in an effort to legitimise the activity of the Palestinian security forces. This informant demonstrated that the PA saw itself as acting in the service of the general public by clamping down on Hamas. However, with regard to torture and other repressive activities of the *mukhabarat* (the Secret Police – in this case referring to the General Intelligence and the Preventive Security Force), this was downplayed and this informant disassociated the PA from it.

However the main trope of *security first* as justification for the violence of the schism is predicated on a reaction to two threats to society. First, was clan-based militias were causing great damage to society through both the open conflict amongst themselves and also through exploitation of local businesses. Second, was that the PA needed to reassert its control and end the plurality of arms in order to deprive Israel of one of its main pretexts for retaliation and its continued presence in areas 'A'. The combination of these two threats, according to this narrative, justified the PA's actions in its restoration of order.³³

Thus, including the PA's denial of responsibility for human rights abuses, the *security first* narrative amounts to three central claims. However, the factual basis for each of these is open to dispute. First, counter to the claim that the PA's *mukhabarat* was not responsible for the human rights abuses, numerous reports by independent organisations detailed widespread and systematic abuses undertaken by the PA security forces during the schism. Further, the organisation *Human Rights Watch* stated in its report that the responsibility for

³³ This informant's account utilized a number of rhetorical and logical devices in order to support this narrative. These included the following:

That the objectives of the security agenda were not directly political – in that they did not target Hamas specifically – but rather they pursued persons and groups that were deemed to be a threat to “destabilize the situation”;

- That the violence that occurred during the schism was actually the product of a decision to which the Hamas leadership was party – in other words, it was taken by the 12th government (the short lived 'unity government' formed after the 2006 elections which collapsed with the coup).
- That the use of the *mukhabarat* (secret police – in this context implying the Preventative Security Forces and the General Intelligence) in enforcing order was in fact much more limited than public perception suggested.
- Finally that where specific cases of torture and internment had been recorded during the assault on Hamas these were isolated incidents and represented the “misuse of authority by individual officers” and were under investigation.

In short, the narrative presented by this informant both reduced the significance of accusations of wrong doing by the PA, while at the same time justifying an uncompromising security agenda with the pretext that any possible alternative would be worse by an order of magnitude.: Research interview, July 2010.

these abuses rested ultimately with the political and military leaderships of both combatant forces.³⁴ It is not likely that my interviewee was speaking without knowledge of these claims as the conclusions of these reports were translated into Arabic and made widely available through media sources in Palestine. Further, the fact my interviewee also made an indirect reference to them in his interview with me leads to the conclusion that his denial of abuses was not born out of ignorance but was intentionally misleading.

The second claim, which cast the PA security forces in the role of acting purely in the interests of the general public through reasserting order and ending the dominance of criminal gangs on the streets of cities like Nablus is also problematic. This is because, while it maybe the case that the PA's actions did lead to an environment of greater stability – a consequence that can surely be interpreted as positive – nonetheless evidence suggests that it was motivated by a political agenda to target Hamas. Indeed further independent reports come to clear conclusions as to the fact that the PA security forces were targeting their political opponents while cadres aligned to Fatah were treated less harshly, or in fact in some cases they joined with the security forces to participate in the fighting.³⁵ Further, another contradiction is evident in the fact that in several public statements the PA leadership (specifically Fayyad and Abbas) have justified the violence of the schism in directly political terms – that it was effectively a conflict between the legitimate *de facto* government (in their view the PA) and an illegal insurrection (Hamas). The fact that secret documents

³⁴ Khan, "‘Security First’ and Its Implications for a Viable Palestinian State."

³⁵ International Crisis Group, *Squaring the Circle*.

detailing the involvement of foreign intelligence agencies (see above) have emerged, that outline the specific role of the PA security forces in planning the unilateral ouster of Hamas, disproves both the PA's assertions of an apolitical agenda and its claims to democratic legitimacy. Rather these data suggest that the PA's agenda at that time was to inflict a military defeat on its political opponent. Therefore this invalidates the contention that the PA's security forces were acting purely in the interests of the general population.

Third, the suggestion that the PA security forces intent on curtailing opposition in order to prevent Israeli retaliation is also shown to be dubious. Although it clearly follows from my central thesis – that the PA acts as the proxy for Israel and other external actors – that there is an alignment between the PA's *security first* agenda and Israel's security concerns. However, this is evidently a different interpretation than the one extended by the PA in order to justify the crackdown by the security forces. Instead the PA characterises itself in a position both outside of Israel's control and ultimately in opposition to its occupation of the West Bank, yet it is also temporarily subdued by the practical realities of Israel's immense political and military power. According to the narrative of *Fayyadism* it follows then that the only prudent step under these circumstances it to concede to Israeli demands where necessary in order to preserve the population from brutal reprisals.

However, the PA's claims are brought into doubt by five details. First, the PA worked closely with Israel's intelligence network during and after its offensive against Hamas to further curtail civil liberties. Second, it imposed restrictions on

freedom of expression, for instance during protests against Israel during the war in Gaza and during the flotilla crisis. Third, it infiltrated and exercised control over the content of religious sermons. Forth, it shut down numerous organisations presumed to be affiliated with its political opponents and fifth, it pursued a highly controversial purge of suspected Hamas sympathisers from the various civil services.³⁶ These measures were particularly focused on Bethlehem and Nablus where Hamas had achieved strong popular support. Thus, while even if elements of the myth can be accepted as true – that order was re-imposed so as to avert a genuine threat to public welfare though a conflict between Hamas and Israel – the PA’s narrative is undermined by the fact that it utilised the end of the crisis as a starting point for further authoritarianism rather than more openness and a return democratic standards.

Based on this analysis I contend that the narrative used to justify the PA’s violent reassertion of power during 2007-8 is evidently misleading. Each one of its central tenants is proven to be either entirely false or at least disingenuous. Furthermore, these efforts to mislead were generally obvious and the distinction between that narrative and their own experience of the assertion of power would be very clear to Nabulsi who lived through the schism and its impact on

³⁶ According to Crisis Group: “Since June 2007, numerous Hamas-affiliated organisations – including charities, media organisations and cultural centres – have been closed by the PA or forced to appoint Fatah or PA loyalists to their boards.²⁴⁹ According to a source within the interior ministry, 187 organisations in the West Bank have been forcibly closed, 250 the vast majority for political reasons.” Further, “scores of school teachers have been fired throughout the West Bank. The Independent Commission for Human Rights, the quasi-official PA human rights ombudsman, has received more than 400 complaints from teachers who claim to have been dismissed or refused employment due to their political orientation. The real figure is assumed to be significantly higher, as not all affected teachers file formal complaints. A source in the PA interior ministry estimated that at least 1,000 teachers had been barred. ... The PA also has targeted the West Bank’s more than 800 mosques, a traditional platform for the Islamist movement.”: Ibid.

their city. Thus the following section discusses the question: *was the PA's effort to use this narrative effective in earning consent for its leadership?*

The reality of popular consent

Despite these obvious inconsistencies a *prima facie* interpretation suggest that at least some of *Fayyadism's security first* narrative carried some weight with the public. Polling in 2009 showed a dramatic increases in “the perception of personal and family safety and security”³⁷ and that the “improvement is particularly noticeable in the West Bank where it has increased from 43% to 58% in one year”³⁸ as well as a slight decrease in popular belief that the PA was somewhat corrupt. However, these numbers did not hold and by 2012 the popularity of the regime had suffered a great deal.

Based on the interviews I conducted in Nablus this change can be explained by the fact that in the period 2009-10 the experience of extreme violence in the very recent past was still a dominant factor in shaping Palestinian consent. It allowed for interviewees to justify or explain the activities and agenda of the PA security forces through a narrative that was contextualised by the far worse conditions that existed during the intifada. The informants who accepted this as a framework for understanding the recent history of the city also expressed similar normative conclusions regarding the PA's role in Nablus. These can be

³⁷ Khalil Shikaki and Walid Ladadweh, *Palestinian Public Opinion Poll No (33)* (PSR - Survey Research Unity, September 3, 2009), <http://www.pcpsr.org/survey/polls/2009/p33e.html>.

³⁸ *Ibid.*

summarised as two general trends in the discourses: First, that the PA was justified in pursuing an agenda that prioritised basic order even at the expense of other concerns. Second, that the current PA establishment was the best conduit through which Palestinian political concerns should be channelled and that, regardless of questions as to the legitimacy of its rule, it was better equipped to deal with the concerns of ordinary Palestinians than any of its rivals.

However, while these conclusions demonstrate that the PA's security agenda enjoyed the consent of many of my interviewees this consensus was generally tied to a short-term view of politics. None of my interviewees expressed serious support for the PA's stated agenda of pursuing independence via the UN or through institution building. Further, none of them expressed the view that the link between the PA's imposition of order and the ultimate independence of Palestine was credible. Rather most recognised that PA's rhetoric regarding progress towards genuine independence was unlikely to be fulfilled in practice.

Further, during the same period of research, 2009–2010, I also interviewed three members other Nablus' intellectual class. These comprised two prominent professors at An-Najah National University – one who had achieved national standing as a prominent critic of the Arafat regime – and a well-known architect who was a member of one of the city's oldest and most powerful families. Taken together, these three interviews comprise the most compelling arguments rejecting *Fayyadism*.

In particular they are notable due to their broader historical contextualisation of facts including the inferred connection between the city of Nablus, the PA's

security first agenda, and the occupation. A further conclusion that can be drawn out from the analysis of (a) consensual narratives exemplified by the five interviewees (immediately following) and (b) the rejectionists, is that in essence neither narrative fully accepted the validity of *security first*, and that a particular point of contention was that the improved security environment in Nablus (extrapolating to the West Bank in general) could contribute to genuine Palestinian independence.

Examples of consent

By way of example the following discusses the perspectives of six Nabulsi from a cross section of the city, and one from Balata camp, who, in interviews with me, articulated their consent for the behaviour of the PA security forces. There are some clear commonalities across the various testimonies. For example, they all tended to acknowledge the PA's right to use violence in order to impose order in the circumstances of 2007-8. Yet there was also a general consensus that the PA's broader rhetoric was disingenuous. Indeed, where the issue was discussed and (beyond an immediate dismissal as ridiculous) my informants described the prospect of a 'peace settlement' with Israel in vague terms but ultimately as a necessity. For example, on this topic, one interviewee – who was a high-ranking official from the Nablus City Chamber of Commerce – would only state: "there is no Palestinian economy without a political solution."³⁹ He repeated this reply a number of times, and would not be drawn on practical steps that could be taken in terms of resistance or activism beyond this.

³⁹ Research Interviews, 18th November 2009, and 9th December 2009.

Interview with a former civilian police officer

This informant had worked in the administrative branch of the police, but had received some training from the EU COPPS programme before the economic blockade shut it down. This interviewee identified closely with the PA's narrative on the use of violence. However in his response to my questions regarding the legitimacy of the use of force by the PA, his argument focused on the use of the security forces as a to produce a more responsible social consciousness among Nabulsis. He stated that the police's role was to "tame people and teach them to respect the law."⁴⁰ Like the narrative propagated by the PA, this informant's comments were contextualised by frequent references of the harshness of life under the siege. In particular he referred to the fact that the police were banned from operating in Nablus during the siege by the Israeli military, even in the administrative departments, and that as a consequence some armed militias exploited the power vacuum to the cost of the ordinary citizens. Against this backdrop the former officer's understanding of the role of the police focused on re-imposing a sense of civic responsibility in Nablus. He suggested that the police rejected the extremes of violence and exploitation that were present under the siege and, through imposing order; the police returned a sense of dignity for Nabulsis. He explained that under the siege he was worried about everything. He feared being arrested by the Israeli military even though he was not aligned to Fatah, Hamas or any other political group. The Israeli military confiscated all the police's weapons and arrested some leaders. The salaries for the police and for many other departments in the city were not paid for three months. This informant legitimised the overt use of force by the PA security

⁴⁰ Research Interview, 22nd November 2009

forces based on his interpretation of (a) the crisis conditions in Nablus 2007-8 and (b) a broader pseudo-scientific assumption that Nabulsi were naturally unruly – and even to the extent that he suggested that an “unstable mentality”⁴¹ was common in the city.

His statements suggested that he also accepted the PA’s narrative regarding the a-political nature of the *security first* agenda. He responded to questions regarding alleged corruption and the use of illegal methods by the security forces by emphasising the experience of the civil police’s professionalism. Further, he specifically singled out the influence of Salam Fayyad’s leadership in wresting control of the security forces from the exclusive power of Fatah – although he accepted that it would be impossible for anyone associated with Hamas and become an officer.

Senior member of the Nablus Chamber of Commerce

According to a high-ranking official from the Nablus City Chamber of Commerce,⁴² the violence of the security forces during 2007-8 justified essentially because it brought to an end the dangerous and lawless environment that had developed under the siege. Further, the PA’s continued military supremacy within areas ‘A’ established a stable environment essential for even the most basic economic activity to take place that had been denied during the siege. The PA’s broader institution building programme also provided a

⁴¹ Ibid.

⁴² Research Interviews, 18th November 2009, and 9th December 2009.

developmental basis upon which businesses in Nablus could and should capitalise.

This interviewee's comments were generally in line with *security first* narrative; essentially focusing on range of outcomes that have resulted from the activity of the PA security services particularly in the improved environment it created for economic activity. Beyond this, similarly positive statements were made regarding the more general neo-liberal agenda of *Fayyadism* focusing on particular policy changes that had created a more conciliatory relationship with the Israeli occupation. However, as stated above, this interviewee would not even address the particular goal of 'ending the occupation' directly, responding to my question with the reworded statement regarding the necessity of a "political solution."⁴³ Resistance, on the other hand, he explained, amounted to merely, "a personal matter, something that you do in your heart."⁴⁴

Student of English

This interviewee similarly expressed support for the overt presence of the security forces in Nablus and, like the others, tied this support to her personal experiences of hardship under siege and during the period of lawlessness. However, unlike the previous two examples this interviewee was particularly focused on Israel's culpability for creating the conditions. She had experienced a military invasion of her home in 2006 and the arrest and detention of several male relatives on different occasions. Specifically the first thing she told me was

⁴³ Ibid.

⁴⁴ Ibid.

that, she and her friends were reluctant to speak openly and critically of the security forces out of fear of reprisals. Yet she went on to explain how, in her opinion, there was no longer an appetite for violence resistance to Israel among Nabulsi because the city had been forced to suffer the wrath of Israeli retaliation. Further, she remarked that there was in fact no longer any real resistance to Israel at all beyond *sumud* (steadfastness), and that people were “waiting for the situation to get better”⁴⁵ as the PA pursued other means towards political goals. However, she also explained how her experience of day-to-day life had greatly improved since the end of the siege and how the police presence contributed towards an atmosphere of deference toward women and families in the city centre. However, her statements also demonstrated an acceptance of the threat of brutality as part of that daily life: “Girls are protected by the police. They are good for family safety - they will beat men for harassing families.”⁴⁶

Two perspectives from Balata Refugee Camp

In *de facto* terms, since the end of the siege the security services attempted to assert their authority within the camps in a similar way as they have in the rest of areas ‘A’. However, on the basis of my observations during my period of research in the camp I noted a significant difference in the level of policing between Balata camp and the city of Nablus. On the basis of my interview with a representative from the Palestinian refugee rights organization *Badil*, it is my summation that this difference in the level of policing is not the result of any recognition of a *de jure* distinction (or a strategic political decision) between

⁴⁵ Research interview, 14th December 2009.

⁴⁶ Ibid.

refugees and other Palestinians under the jurisdiction of the PA, but rather for pragmatic reasons. In the words of the representative from *Badil*:

*Security [Forces] could not come to the camps not because people didn't want them, but because of the risks posed by armed gangs ... there is real danger to them in the camps, even Israel's military could not be more visible when it entered.*⁴⁷

Where the security services did enter and impose order this same interviewee suggests that “most people welcome[d] them.” Following the suppression of *Al-Aqsa Brigades* in 2007 PA's security services asserted that they fully intend to deploy police to the camp and treat it in the same way as the city. However, the sheer density and complexity of the built environment in Balata camp meant that the security forces faced an increased risk of exposure to potential violence. A prominent figure associated with the Yafa Youth Centre in Balata camp, described the situation more starkly:

*[during] the last 5-6 years people hated Balata, even the people living here ... we have produced many great leaders, and the Al-Aqsa Brigade was formed here in Balata camp. But we also produced the gangs like the mafia. It was lawless.*⁴⁸

Here again, in Balata camp, a similar narrative to that expressed by the PA serves to explain general consent towards the dominance of the PA security forces. In short, the lawlessness of the preceding period almost justified any action that would take control of the streets and reduce the level of violence. The profound meaning of this statement is revealed in the calculation that, for the sake of calm, this interviewee was prepared to accept the PA's enforcement of order at the cost of the autonomy of *Al-Aqsa Brigades* – an organisation with great symbolic

⁴⁷ Research interview 22nd June 2010.

⁴⁸ Research interview, Yafa Centre, 30th May 2010.: Whether the *Al Aqsa Martyrs Brigade* was actually formed in Balata Camp is a moot point. Certainly Balata camp was considered a centre for the brigade. For more information on the *Al Aqsa Martyrs Brigade* from an authoritative source *C.f.* Shikaki and Ladadweh, *Palestinian Public Opinion Poll No (33)*.

and practical significance because it had led Balata's fight against the occupation and Israel during the intifada and was deeply rooted in Balata's social and political culture.

Shop owner

I met with this interviewee, who owns and runs small shop on the main road out of Nablus a number of times during my field work in 2009, 2010 and later in December 2011. In our discussions regarding the role of the PA, the opinions he expressed to me changed dramatically over time. Initially he expressed a very similar perspective to those of previous informants in that in general he accepted the parameters of the PA's *security narrative* – although his statements were perhaps closer to those of the *student of English* than the others in that his concerns were framed more-or-less directly by prioritising his family's interests. However, over the period 2009-late 2011 he grew less willing to offer support to the PA's narrative and in particular he referenced (a) new allegations of corruption against the PA and (b) the futility of the PA's institution building programme.

The shop, which stocks televisions and other electrical goods, was apparently enjoying a brisk trade during the earlier period of my research, by the time I returned in December 2011, business had suffered and my interviewee explained to me how his profit margins had been cut. However, while his perspective on the political economic environment and the role of the security services was clearly rooted in a very different experience of the city during the siege than former officer and those in charge of the chamber of commerce, many of the points he related to me were very similar. He also rooted his interpretation

of Nablus today in a comparison with recent history. "The difference in Nablus is [that it is now] much better for business."⁴⁹

Similar to the *student of English*, he framed his interpretation of the security situation in direct relation to his family's experiences of the broader conflict with Israel. For example, this was with reference to an uncle who had been imprisoned by Israel (the uncle actually been in a Jordanian prison in the West Bank before 1967 and was kept incarcerated after the occupation began). However, he told me that during the intifada he had stayed away from the city centre whenever there was a high risk of fighting and that he had done so because of responsibilities to his parents, wife and his young son.

When we returned to the topic of the security services the *shop owner* told me that he had tried to keep himself and his family as far away as possible from the violence during the schism. However, since the imposition of order by the PA security services but he had appreciated the fact that he and his wife felt much safer in the city. Further there were also places, such as Balata refugee camp where the security services were not operating so overtly. Thus he said he did not feel safe entering, particularly at night, and he advised me to avoid it also.

However, when I returned to Nablus in late 2011 the *shop owner's* attitude was remarkably different. He told me that he was angry with the PA leadership because new allegations had emerged about corruption. Although Fayyad was not personally implicated in the corruption case, my interviewee expressed some

⁴⁹ Research interview June, 2010.

hostility towards the prime minister that was focused on the PA's ultimate responsibility for a worsening economic climate in the West Bank. Evidently the combination of alleged corruption at the highest level and the worsening conditions for ordinary businesses like his own, was enough for my informant to feel a kind of detachment from the PA's agenda that he had not expressed in our previous meetings. Of course, this *shop owner* was only one of many Nabulsi with whom I could have spoken. However it is worthy of note fact that by the time I returned to Nablus after a break of several months the parameters that had framed his narrative of the PA's *security first* agenda – which aligned with those of the PA's own suggested mythology – had been replaced by interpretation that was at once much broader in its historical contextualisation and closer to the narrative is expressed by those I have classified as rejectionists (see below).

Consensus

A general consensus among the informants represented by the five examples was that the violent clampdown by the PA's security services was seen as a necessary means through which order and civil responsibility was restored to the city. Even though allegations of human rights abuses, torture and maltreatment by the security forces were well known and it was also generally understood the PA had pursued an overtly political agenda through coercion and the suspension of democracy, the consensus held that the crisis situation that developed under the Israeli siege into widespread lawlessness warranted such a response. Obviously, there are some important distinctions between the narratives offered by the

informants, particularly in terms of the specific extent to which they accepted the legitimising narrative of the PA.

Clearly the first two informants, the former police officer and the *high-ranking member of the Nablus Chamber of Commerce*, held a much more positive view of the PA than the other four. However, both of those informants were speaking from perspective that was closely aligned to the PA because both shared important interests in common with the PA. The *former police officer* had worked for the PA's security forces himself and was, at the time of interview, working as an administrator the Nablus municipality. While the *official from the Chamber of Commerce* had close working relationships with the PA and had profited a great deal from not only the PAs imposition of order but also the neoliberal policies pursued by the *Fayyad* government.

Yet a notable trait among the other three interviewees was that, while they did except the same temporal parameters for justification of the PA security services actions they also oriented the narratives according to different concerns. Instead of, ostensibly, describing the city's welfare (either in terms of its economic growth audience or with a pseudo-scientific diagnosis, as the *former police officer* and *member of the Chamber of Commerce* had) two of my informants, the *student of English* and the *shop owner*, use their familial responsibilities as the locus for the narrative. The third - the representative from the Yafa Youth centre - discussed the security situation in the refugee camp with reference to the burden that Balata's particular legacy - the Al-Aqsa Brigades - had on families' welfare inside and outside the camp.

Nearly all of the informants described their perspective on the conflicts with Israel as if it were something detached from their immediate concerns. While experience of the siege provided the basic framework for their acceptance of the PA *security policy* was only discussed in terms of the direct aggression of Israel by two informants, those that had focused on their responsibilities to their own families as the locus of their narratives. However by expressing tolerance for the security services actions in Nablus, all of these informants demonstrated that, at least in the immediate term, that they were willing to accept the suspension of their political rights or the curtailment of the space for freedom of expression for the sake of achieving the kind of stability that had been denied to them under Israeli siege.

Therefore it is clear that an overriding element of the majority of the interviews that were undertaken in 2009-10 is that the informants were speaking from a perspective that was framed by a kind of battle fatigue. Meaning that, because the violence and turbulence of the eight years of siege were still very recent experiences for Nabulsi, the shadow that this cast over the statements of my interviewees should be understood as the most important factor in framing their perspectives. As discussed in the previous chapter, it was the nature of Israel's siege that had dominated the city's political and social life through violence and destruction. There was never a means of political access that ran between the Palestinian population and the occupying military and thus when this same methodology was adopted by the PA, this time, to impose order – at the worst it was seen as the lesser of two evils. Even during 2009-10 after the siege had ended a comment I heard very frequently was that “in Nablus there is no space

for life” – under siege where curfews, home invasions and extrajudicial killing had become the norm, these conditions were worse. As one further interviewee, an employee of the municipality explained, she thought that Nabulsi might return to resistance eventually, but after they have enjoyed a short rest and appreciated life again. She stated, “my biggest wish for eight years was to avoid the hassle - to drive to Ramallah without the humiliating checkpoints.”⁵⁰

The rejectionists

While it is of course true that the siege of Nablus affected everyone in the city. However not all my interviewees expressed similar consent to the PA’s *security first* agenda. Indeed three interviewees in particular, all of whom can be categorised as representatives of the city’s intelligentsia, discussed the recent imposition of authority by the PA security forces in much more negative terms. They highlight the dependence of the security services on foreign governments and suggest that the security services often acted in a way that prioritises the concerns of international actors, Israel and the PA’s elite over that of the general population. In essence the key point of contrast between the perspectives of these interlocutors and the examples of those consenting (above) is that while the recent violence of under Israel’s siege was a powerful factor in shaping their narratives, it did not tend to be the most important point. Rather, a much broader view was taken of the conflict as a whole and the siege of Nablus was interpreted as an example of that violence. Thus these interviewees were not prepared to consent to the PA’s narrative precisely because the critical element

⁵⁰ Research Interview, Nablus, 12th November, 2009.

the *Fayyadism* mythology – that *security first* could lead to Palestinian independence – was so unbelievable.

Indeed a common trend through these interviews was that the history of the relationships between the PA, Israel and international actors over the long term, framed their understandings of more contemporary events. In fact, the notion of an underlying reciprocal relationship between the PA, Israel and the other external parties (particularly, the USA and the UK) was referred to directly by all three discussants. Thus what distinguishes these analyses from those of the consensual discourses presented above is essentially the scope of the analysis. In each case my discussants were much more prepared to put their experience of recent events in Nablus and the West Bank in to a detailed historical-political context and as such, the notion of Palestinian liberation through *security first*, was very difficult to believe.

Professor Abdul-Sattar Kassem

Professor Kassem is a nationally known political figure.⁵¹ He was known to be a harsh critic of the PA since its inception as it represented elite interests at the expense of Palestinian national concerns. His criticism made the connection between the PA/PLO as a compromised institution through which the ruling Palestinian elite essentially runs a proxy government as a cover for Israeli and US intentions to disenfranchise the Palestinian population.

⁵¹ Sattar Kassam gained some notoriety after registering to run in the 2005 Presidential elections. However, he withdrew from the race before polling began.

In Kassem's view the role of the PA's violence and the institutions of the *security forces* was central to this relationship. He explained that particular figures within the PA's elite (he described as "gangsters"⁵²) used the security services as personal armies prior to, and during, the last intifada. These intra-Palestinian conflicts essentially constituted a distraction, which was manipulated by Israel and its international allies in order to weaken the Palestinian resistance to the occupation. The schism between Hamas and Fatah was always a possible outcome of this process and demonstrated a colonial policy of divide and rule.⁵³ Moreover, the contrasting treatment of Gaza versus the West Bank since the schism demonstrated Israel's ability to use Palestinian dependency to manipulate the population of the oPts through practices of punishment and reward. He stated:

*Israel has created a system of dependence for Palestinians wherein we [the Palestinians] are provided with enough to live, but not enough to coordinate resistance. The PA is [and the PLO was] complicit in this throughout Oslo.*⁵⁴

He further clarified that this was a very real and material economy where the PA played a central and enabling role. For example, the sheer quantity of jobs available in the security services (it comprised half the total public sector) insured that large numbers of Palestinians remained dependent on the PA for their livelihoods and consequently were indirectly dependent on Israel's good will. On the other hand those that made public statements critical of the PA and

⁵² Prof. Kassam mentioned both Mahammed Dahlan and Jabril Rajool. Research interviews with Prof. Abdul-Sattar Kassem, Nablus, 13th November, 2009

⁵³ This assertion has been suggested by other analysts, in particular *C.f.* Milton-Edwards, B. and S. Farrell (2010). *Hamas : the Islamic Resistance Movement*. Cambridge, Polity. on the village leagues. Kassem stated that he was not, himself, politically aligned with any particular group but when I pressed him further he did explain that he had felt some sympathy with the political agenda of the PFLP and in particular a lasting respect for its founder George Habash.

⁵⁴ Prof. Kassam at an informal lecture at Project Hope offices on the 21st October, 2009.

its relationship to Israel could be the target of the PA's violence and he had experienced this personally.⁵⁵

Academic at An-Najah National University

I met with *the Academic* a number of times while in Nablus. His criticisms of the PA also revolved around the central axiom that the PA operated as a client regime of the Israeli state and a US-International alliance. The Palestinian people were, in turn, subjected to the often-brutal combination of a rhetoric of liberation and the practices of continued occupation. In particular *the Academic* identified the way in which the Nabulsi economy has been manipulated, suggesting a similar punishment-reward dichotomy as that stipulated by Prof. Kassem.

The Academic sited the ubiquity of the PA security forces as a topic for immediate concern. In particular the fact that *mukhabarat* (secret police) were known to be operating on the university campus. This had meant that that he and his colleagues, who were known to be critical of the PA, felt they were particular targets. Indeed, he even took precautions when speaking in private to me.⁵⁶ In

⁵⁵ He expanded on this in public with a statement published on an independent blog: *Dayton's forces ruined my car in 2007, burnt my car in 2009, and conspired to imprison me on criminal allegations in 2009. I was put in jail with criminals for three nights under the allegation that I distorted the image of a person who is reported to have shot at my car in 2007, and the image of a person who is accused of shooting at a prominent clergy in Nablus.*: Sattar Kassem, "Blood for Bread," *Political Writings*, June 8, 2009, <http://www.silviacattori.net/article849.html>.K

⁵⁶ In an interview with the *International Crisis Group* an Interior Ministry official further outlined efforts to curtail freedom of speech in the mosques and other civil society infrastructure throughout the West Bank: "Our struggle against Hamas is not merely against its militant elements. As the long-term intention of Hamas is to replace us, we try to curb their influence at all levels, including as a social movement. Civil society institutions, including charities, have been an important asset for Hamas, not only to disseminate its message, but also to gain popularity through the provision of services. This we try to counter. Equally, the mosques functioned as a pivotal platform for expounding the worldview of Hamas. This we have effectively managed to stop. Safeguarding the [current] PA means marginalising Hamas": International Crisis Group, *Squaring the Circle*.

short, Dr. Abu Hijleh's perspective could be summarised in the following: regardless of any superficial reforms, the current nature of the PA is effectively a continuation of corrupted legacy of the PLO under Arafat and as an institution that furthers Israeli and the US interests above those of the general Palestinian population.

Architect and prominent social figure

My interviews with one of the best known of Nablus' intelligentsia provided very similar results as those of the previous two. This is worthy of note because in this case the architect was based in Nablus' old city during the siege, had experienced a number of threats against himself and his family during the period of lawlessness and afterward had taken personal responsibility in the reconstruction effort. Through this intimate connection with the damage to the city he also the violence of the siege and the PA's imposition of order through a lens that focused on the Israeli occupation as the ultimate power in determining the fate of the Palestinians and the PA as, at best, postponing the inevitable Israeli assault. In fact the architect stated that an assault on Nablus and other cities in the West Bank comparable with the 2008-9 bombardment of Gaza was almost inevitable sometime in the future.

There is no doubt, what happened in Gaza will happen here. It is only a matter of time ... Netanyahu's economic peace is just a short-term means of control to take advantage of our desperate state.⁵⁷

Hope

All three of the rejectionist interlocutors also offered some suggestions of hope in the circumstances. However, all of these suggestions jarred somewhat with the

⁵⁷ Research interview, Nablus' Old City 15th December, 2009.

respective logics that each informant had employed in describing the current conditions. Prof. Kassam, for example, repeated a number of times that “history is in a state of flux,”⁵⁸ implying that it is reasonable to assume that as-yet unpredicted factors may have an impact on Israel’s capacity to control the Palestinians through the PA. *The Architect* focused on the resilience of the Palestinian people and the city of Nablus itself, noting that throughout its centuries of history the city had suffered strife other than this and survived. He was particularly explicit in his acknowledgement of the efforts ordinary Nabulsis had made to rebuild their lives and that, in spite of everything that had happened in Nablus during the invasion, one could derive hope from the fact that the damage to the Old City, the symbolic centre of Nablus’ cultural heritage, had been repaired through collective efforts. *The Academic* was the only one to talk about practical action, in terms of campaigning internationally and in particular the potential power of the BDS campaign to affect Israeli power.

Battle Fatigue

Returning to the hypothesis of battle fatigue, discussed briefly above, this concept helps elucidate how on the one hand the links between the PA’s imposition of a *security first* agenda and Israel power can be so well known but, at the same time consented to by Nabulsis in general. It is worth of note that while all three of the rejectionists, while criticising the PA’s actions, also commented on how even at a basic level the conditions in this city had improved. Of course this stands to reason, it is obvious that living under where some freedoms are permitted, some level of stability is guaranteed and some services

⁵⁸ Ibid.

are provided is more desirable than under conditions where none of these are possible. Or in other words, it is always likely to be preferable to live with the lesser of two evils.

However, a further important element that can be drawn from my interviews is that this condition of battle fatigue need not last particularly long in terms of shaping the interpretations of Nabulsi. Therefore the political outcome upon which it depends – consent to the PA's governance – is also subject to change. Indeed as the statements by my interviewee, the *shop owner*, who's initial acceptance of the PA's legitimacy following the siege but who, over time, grew more frustrated with the government because of the financial crisis and alleged corruption demonstrate, the PA's basis of political consent should not be taken for granted.

This conclusion is reflected in a comparison of polling data from July 2009 and April 2012. In July 2009: about 60% of respondents (in both the West Bank and Gaza Strip) said they felt 'assured' regarding personal and family safety and at the same time there was an increase in support for the Fayyad government. Yet, the popularity of the Fayyad government still suffered from the perception of corruption and in relation to popular access to political rights.⁵⁹ However, in the most recent polling data (April 2012) it was suggested that the level of popular

⁵⁹ "Only 30% say conditions of corruption have improved compared to 31% who say these conditions have actually worsened. On the other hand, larger percentages believe conditions have become worse in the areas of political arrests (47%) and the right to demonstrate (44%) while only 19% say conditions regarding political arrests have become better and 27% say conditions regarding the right to demonstrate have become better.": Khalil Shikaki and Walid Ladadweh, *Palestinian Public Opinion Poll No (36)* (PSR - Survey Research Unity, July 7, 2010), <http://www.pcpsr.org/survey/polls/2010/p36e.html>.

consent for the Fayyad government was slipping overall. The perception of safety and security in the West Bank fell from 59% to 51%. Further, 73% of those surveyed believed that the West Bank's PA institutions were somewhat corrupt and the positive view of Abbas and Fayyad's leadership fell from 67% to 60%, and from 44% to 34%, respectively.⁶⁰

Conclusion

With direct reference to addressing the key questions at the core of this thesis' contribution - (a) How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011? And (b) what were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank? – this thesis has found the following.

First: while polling data and evidence from my interviews suggests that the *security first* agenda of the PA enjoyed honeymoon period where the use of coercion particularly against Hamas attained qualified popular consent. However, through closer examination it became clear that such consent tended to be predicated on a view of history that was particular short term: framed by the disastrous events of the intifada and that, in its wake, the PA was able to restore some semblance of order and provision of services. Of course this perspective was not held by all Nabulsis though it is worth noting that in some particular respects the difference between the narratives of those rejecting the

⁶⁰ Comparative figures taken over a period of three months.: Shikaki and Ladadweh, *Palestinian Public Opinion Poll No. (43)*.

PA's rhetoric and those consenting to it was not that great. While the rejectionist couched their perspectives in a longer-term view of history they also tended to accept the reality that the PA's imposition of order had brought limited of short-term improvements in terms of basic conditions.

Further, for those that had consented to the PA's rule during the earlier periods of research there was little genuine belief that the goal of independence – as propagated by the myth of *Fayyadism* – could be made real. Over time these doubts extended even further, particularly in combination with PA's inability to manage the fiscal crisis and the alleged return of corruption, thus the consensus has suffered and even the shop owner – who was strongly concerned with stability for the sake of his familial responsibilities – had begun to replicate the kind of criticisms voiced by the rejectionists. The following chapter discusses the how the PA's development strategies lead to similar outcomes.

Second: This chapter re-examined the relationship between the PA security forces and foreign military and security establishments – in particular those of Israel, the US and the UK - in the context of recently revealed data. These data – specifically regarding (a) Israel's privatisation of the occupation and (b) the covert role of foreign intelligence agencies in supporting the PA to overcome the democratic will of the Palestinian population and brutally confront its political opponents – suggest that the reality of the *security first* agenda of the PA and the other parties was directed towards particular political goals. In other words: the PA and the other parties were in fact working together to entrench the apparatus of occupation further.

In the *security first* agenda, Israeli and the PA establishment's interests were aligned with those of the US and other external parties. The particular policy's and activities pursued by those parties demonstrate that all sides are favour an environment wherein the basic arrangement of power dynamics in the West Bank remain more-or-less consistent, regardless of any political changes that come about as a result of negotiations. This was manifest primarily in the PA's reassertion of power during the period 2007-8, and the brutal tactics that this entailed. However, it is also evident in Israel's adapting policies of occupation and in the US and UK's clandestine plans to confront Hamas. In short, the hidden agenda of the PA's post-2007 security agendum is that the PA effectively supports US and Israeli plans to entrench "asymmetric containment,"⁶¹ while in its political rhetoric, the PA claims to be working towards liberation.

Essentially the product of this approach is that apparatus of occupation in the West Bank remains operationally unchanged while, for the purpose of attaining Palestinian consent, its appearance is altered. These data suggests that Israel has handed over aspects of the day-to-day occupation of the West Bank to (a) the PA security forces and (b) private companies, and that in the long term is possible that this would progress even further to include (c) the deployment of foreign armed forces, for example NATO, in lieu of the Israeli military.

⁶¹ Hilal and Khan, "Stateformation Under the PNA: Potential Outcomes and Their Viability."

Chapter Eight: Is it really Development?

The economy of the occupied Palestinian territory (oPt) continued to perform well below potential in 2009 ... the long-term prospects for establishing a viable, contiguous Palestinian State appear bleak in light of the diminishing access to natural and economic resources as well as the separation and fragmentation of the Gaza Strip, West Bank and East Jerusalem... Growth in the West Bank was driven mainly by unprecedented aid inflows. However, the restrictions on the movement of Palestinian goods and labour, and the destruction of much of the productive base, substantially reduced the economic benefits of this massive aid and limited it to the short term ... The performance of the economy also reflects a very modest relaxation in the Israeli mobility restrictions within/to/from the West Bank. However, not only does the relative improvement largely exclude Gaza and most parts of the West Bank, it remains reversible.

- UNCTAD report, March 2010.¹

What's going to make this virtual state turn into a real state? Nobody seems to be addressing that. All the talk is about polishing this virtual state, reforming and fixing it, adding services here, privatizing there, saving money here and cutting budgets there. It's like the manner in which donors and international institutions approach the performance of a normal middle-income country. The PA seems to assume that by the will of the people, the citizens who proved themselves [of] being capable of respecting traffic signals, paying electricity bills and not carrying guns in public, statehood will "impose itself." Somehow statehood "just arrives" in September because technically everything is ready.

- Raja Khalidi, interviewed by the *Electronic Intifada*, April 2011.²

72% of Palestinians support the boycott on products produced in settlements, but 60% oppose preventing Palestinians from working in the settlements ... About half of the Israelis think the boycott will make no difference.

- Joint Israeli Palestinian Poll, June 2010.³

¹ "Report on UNCTAD Assistance to the Palestinian People: Developments in the Economy of the Occupied Palestinian Territory" (United Nations Conference on Trade and Development, July 13, 2010), 2.

² Ray Smith, "Interview: Raja Khalidi on the Neoliberal Consensus in Palestine," *The Electronic Intifada*, April 25, 2011, <http://electronicintifada.net/content/interview-raja-khalidi-neoliberal-consensus-palestine/9870>.

³ Khalil Shikaki, Walid Ladadweh, and Yaacov Shamir, "Despite the Gaza Flotilla Incident, Rise in Willingness to Compromise Among Palestinians and Israelis, but Two-thirds on Both Sides Remain Pessimistic About the Future of the Peace Process" (PSR Survey Research Unit, June 29, 2010), <http://www.pcpsr.org/survey/polls/2010/p36ejoint.old>.

These three quotations summarise the major concerns that this chapter deals with. The first quotation briefly outlines the critical problems that still faced the PA, and the Palestinian economy in the middle of so-called state building exercise. Israel's control over Palestinians' ability to undertake even the most basic forms of economic activity remained undisputed. Massive levels of aid had, to some extent masked the truly crippling impact of this. But in this context the central plank of *Fayyadism* – the promise that development would inevitably lead to statehood – appeared to be highly questionable even at that stage. The second quotation from a leading Palestinian economist, Rajah Khalidi, makes a similar point a year later on. In essence, the PA had adopted a program of reforms and a neo-liberal economic strategy to pursue growth that were disconnected from the real political context that Palestine was in at that time. Again, Khalidi suggests that the PA's promise of achieving statehood through these methods was essentially meaningless in the context of a political and military occupation.

In order to counter such scepticism, and again to attempt to win the consent of the general population, the PA pursued a strategy of 'resistance' that focused on boycotting Israeli settlement products. However, as the polling data quoted above suggests, this strategy was only partially welcomed by most Palestinians – and was not considered a threat by most Israelis (which contrasts with the way in which the more comprehensive civil-society-based BDS movement was received by Israel). This chapter, then, adopts a similar structure to the previous one. It first outlines the broad approach taken by the PA both in the sense of analysing its development agendum in a material sense and then looking and

how ordinary Palestinians both experienced this and interpreted the legitimising narrative of *Fayyadism*.

However, in this case as the supposed *development* of the Palestinian economy is still an on-going process, it is not possible to isolate parameters of the discussion in the same way as the definitive period of the PA's crack down on Hamas and imposition of order 2007-8. Therefore in order to address the key questions of this thesis most effectively, the structure of this chapter is somewhat different to the previous one. Instead of presenting the PA's agenda first and the results of the diagnostic afterwards, this chapter links the evidence and analysis of this discussion around different topics. Therefore, this chapter is structured in the following way. First, it provides an overview of the PA's economic agenda. This summarises the PA's legitimizing narrative and relates this to the overall political-economic structure of Palestinian society as understood through the concept "Bully Praetorian Republic".⁴ Second, the largest section of this chapter focuses on a detailed analysis of the Palestinian economic reforms. This comprises five particular discussions;

1. the continued dependence on donors
2. the particularly deleterious impact of the *good governance* agenda
3. the harmful impact on the PA's reforms on the most vulnerable sections of the Palestinian population
4. the danger to Palestinian aspirations of independence posed by the prospective expansion of the Palestinian Industrial Estate and Free Zone Authority (PIEFZA) project.

⁴ "Report on UNCTAD Assistance to the Palestinian People: Developments in the Economy of the Occupied Palestinian Territory."

5. The particular weaknesses of the PA's boycott of settlement products.

Finally, this chapter summarises the priorities of the PA development agendum and its impact on ordinary Palestinians. The chapter concludes that the PA's post-2007 agendum does not amount to a meaningful development strategy and in fact serves the interests of Israel, its allies and the dominant domestic elites.

Context

As discussed in the previous chapter, the primary justification for the PA's undemocratic character and the use of a variety of draconian steps to impose order on the streets of cities like Nablus was that this would enable Palestine to *develop* and that development would act as leverage on Israel and its allies to establish a Palestinian state. According to the PA's documents, *development*, officially, meant three things: improvements in the social environment, economic growth and the adoption of a *good governance* agenda to combat corruption.⁵ Further, the PA also launched a campaign of boycotts against Israeli settlements, which was designed to supplement this appeal for legitimacy. Thus the PA tied its approach of development to a broader notion of progress towards peace. However, this definition contrasts sharply with the three criteria that were outlined in the definition of progress towards peace in this thesis – that it is also tied to development – presented in Chapter Three, these were: (a) a reduction in Israeli control over Palestinian political and economic agency; (b) an increase in the capacity of Palestinians to control their own political and economic agency; and (c) that those two processes are sustainable over a long period of time.

⁵ "Palestine Reform and Development Plan (PRDP)."

Overview of the PA economic reforms

As discussed in previous chapters, in the wake of the intifada and after the schism with Hamas, the PA sought to extend its sphere of influence into areas where it had previously lost control. Nablus was a frontline for this process. The conditions under which Nablus had endured the intifada had wrecked the economy, undermined power of historic dynasties in the city and therefore created an environment that the PA could consider almost a blank canvas.

The first element of the PA's agenda was clear. It intended to re-impose order onto the city streets, in order to create conditions that were friendly to business interests. However, beyond this it was again a case where the PA's rhetoric diverged from its actual actions. According to the PA's own documents its priorities were broad and directed towards not only economic growth but could also improvement of public welfare. This included improvement in (a) the social environment, (b) the economy and (c) *good governance*, intended to lead to a reduction in the appearance of corruption. The PA also claimed it would focus on development in rural areas and also pursue a range of other measures designed to demonstrate its claim over areas 'C' as integral to the future Palestinian state.

In practice though, after *security first*, the PA's economic agenda was clearly its top priority. The policies that it had pursued in the West Bank were designed specifically to reorient the economy even more towards (a) growth of the service sector and (b) the development of industrial zones that effectively integrated Palestinian labour policies with the security requirements of Israel's occupation

apparatus. Further, the PA's pursuit of a *good governance* framework, developed with the support of DIFD, created conditions that were equivalent to economic deregulation. This allowed already powerful elites to propagate their control over monopolies even further than they had done in previous periods of the PA.⁶

More specifically, the former minister I interviewed (see discussion in Chapter Six: "The Fiery Birth of *Fayyadism*") explained that the nature of industry in Nablus would have to change. He made it clear that "there is no future for textiles"⁷ because of the global economic trends – in particular cheaper labour costs in Turkey and in the Far East – that undermined the traditional distribution routes for Nabulsi textiles to reach European and American markets. If Palestinian manufacturing was to have a future in such a global economic environment, then the former minister made it clear that it would have to change radically. For example this could be achieved by focusing on multilateral collaboration, which could lead to cheaper labour and transport costs – particularly where it would mean obviating Israel's negative influence over exporting and importing to the oPts – and where possible to exploit the 'niche' marketing advantages of using the *holy land* name in branding.

However, even at the end of the 2011 many of the PA's intended changes remained incomplete. The PA's budget remained heavily dependent on the

⁶ One particularly poignant example of how these links undermined the PA's own rhetoric of pursuing statehood was that, according to academic research (followed later by investigations by both Israeli and Palestinian journalists), that several of these same elites had millions of dollars worth of investments in the very settlements that the PA was attempting to boycott. Saed Bannoura, "Study Shows Palestinian Businessmen Invested \$2.5 B In Israeli Settlements In 2010" (International Middle East Media Centre, November 19, 2011), <http://www.imemc.org/article/62529>.

⁷ Interview with Former Minister for Planning, in Ramallah on Monday 21 June, 2009.

support of international donors and was unable to plan effectively for the mid-term changes. Its inability to secure enough donor funds to cover its expenditure (the PA's deficit was estimated at \$1.1 billion going in to 2012) led to a severe fiscal crisis in 2011 and, according to the World Bank, this was likely to continue in the long term if sufficient additional donor funds were not provided. In various media reports, the crisis has been presented as an existential threat to the PA, and the PA's responses to it (through raising taxes and cutting services) were strongly criticized by some interviewees. However, as in the case of the security threat posed by Hamas discussed in the previous chapter, these major challenges to the PA should not be analysed in the abstract only. Rather, they should be considered a product of the PA's systemic relationships with Israel, its international donors and Palestine's domestic elites.

The impact of the PA's development agenda

The following discussions analyse the PA's development agenda relation to their political and economic contexts in particular outlining the results of this thesis' diagnostic. These data demonstrate the fact that as a programme to advance Palestinian progress towards peace (in terms of increasing Palestinian independence at a basic level), the development strategy constitutes a false prospectus. This section discusses five topics (listed above), and it shows that the PA's *development* programme did not bring independence any closer for Palestinians, and, in some particular cases, it has made that prospect much more difficult to imagine, at least in the short and medium term.

Dependence on Donors

As stated above, the PA remained heavily dependent on international donors even by the end of its proposed period of *state-building* in 2011. In raw economic terms, donor funds not only provided much of the initial capital the PA needed to fund its *institution building*, but also covered a large deficit in the PA's annual finances. This was in terms of the initial amount promised by donors at the beginning of the state building process: 87 international donor states pledged some of \$7.7 billion (\$7.4 billion according to some early reports) in support of the PRDP, when it was launched in Paris. It was made clear that this pledge was tied to the political progress on negotiations made at the Annapolis Peace Conference in 2007 and were predicated on the functionalist assumption of a "virtuous cycle of economic growth arising from parallel actions by the PA and Israel"⁸ could be realised.⁹ This total was far greater than the sum originally sought by the PA (\$5.6 billion). However, the scale of this promise belies the real power dynamics that underlay it. In 2008, the first signs of a major fiscal crisis emerged, when the PA was unable to meet its monthly outgoings. According to media reports at the time, aid actually paid to the PA totalled only just over 10% of that which had been promised at Paris, (\$900 million) and the PA had been forced to seek short-term loans from private banks.¹⁰

⁸ "Implementing the Palestinian Reform and Development Agenda" (The World Bank: Economic Monitoring Report to the Ad Hoc Liaison Committee, May 2, 2008), <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/WorldBankAHLCMay2,08.pdf>.

⁹ Howard LaFranchi, "Global Donors Exceed Palestinian Expectations at Paris Conference," *Christian Science Monitor*, December 19, 2007, <http://www.csmonitor.com/2007/1219/p06s01-woeu.html>.

¹⁰ Toni O'Loughlin, "Middle East: Palestinian Authority in Debt as Donors Fail to Hand over Cash," *The Guardian*, July 30, 2008,

However, beyond the actual reality of international donors' commitment to paying what they had promised, one of the major problems was that the largest regular donors such as the EU (and non-member European states) and the World Bank could not supply enough regular funding to the PA. That meant it was forced to pursue additional funding elsewhere. After the Paris donors' conference (2007), the EU shifted from using the Temporary International Mechanism (TIM) to *Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique* (Palestinian-European Mechanism for Management of Socio-Economic Aid or PEGASE) in order to provide aid. PEGASE had been set up in 2006 in order to allow continuity in the flow of some aid to the Palestinians while circumventing the unity government. The major difference between the two being that the TIM was designed to be an emergency mechanism reviewed every three months while PEGASE was designed to function for three years, until after the PRDP had planned to achieve its goal, and would no longer circumvent the PA but rather contribute directly to the Palestinian treasury. The World Bank also shifted to a new mechanism the 'Multi-Donor Trust Fund' that operated in a similar way to PEGASE. Yet, even combined, these sources could not meet the level required by the PA to plug the deficit gap. This problem was understood by the donors themselves, and according to one report produced by the World Bank:

Since Paris, the PA has been unable to plan expenditures beyond a two-month horizon due to difficulties in securing support for the recurrent

budget, and delays in translating development project pledges to actual commitments. In terms of recurrent budget support, the presence of multilateral mechanisms such as the EU PEGASE and World Bank PRDP Multi-Donor Trust Fund has added some relative stability to the PA's financing patterns. However, neither mechanism contains sufficient resources to cover the PA's entire monthly needs, thus necessitating regular PA efforts to secure monthly assistance packages from a variety of donors, many of whom have pledged funds in Paris but have yet to transfer resources.¹¹

In spite of these concerns international donors were fully prepared to use their financial support for the PA as a means to exercise influence over domestic Palestinian politics. This is unsurprising, and only reflects common practice in other relationships between Western donors and states with underdeveloped economies elsewhere. According, to PEGASE's own documents its priorities matched those of the PRDP - *good governance*, social development, economic and private sector development and public infrastructure development.¹² However, analysis of the policies actually pursued by the PA shows that the primary concerns of PEGASE, and the World Bank were in fact the (a) *good governance* agenda and (b) forms of public infrastructure development that would increase the PA's revenue supply (both of these topics are discussed below).¹³

¹¹ "Progress with the Parallel Actions Towards Palestinian Revival and Growth" (World Bank: Economic Monitoring Report to the Ad Hoc Liaison Committee, September 22, 2008), <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/AHLCSept15,08.pdf>.

¹² *Commission Launches PEGASE - a New Mechanism to Support the Palestinian People* (Brussels: Europa Press Releases, January 25, 2008), <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/94&format=HTML&aged=0&language=EN&guiLanguage=en>.

¹³ However, beyond the explicit examples of this – through the *security first* agenda and in the case of good governance – a more complex network of relationships between the PA's economic performance and the interests of foreign governments was evident through the environment created by a number of Western-based NGOs working in Palestine. In this case the relationship between the actions and activities of NGOs operating in Palestine is more directly linked to Israeli control. This is because, just as Israel uses permits and other coercive mechanisms to influence the behaviour of Palestinian leaders, these permits are required by foreign NGOs in order to perform basic tasks – such as movement around the oPts – which is essential to their work. According to various critical accounts, this encourages NGO staff both to censor their own work – particularly where it may otherwise lead to confrontation with the occupation – and to favour supporting Palestinian projects that can be seen to be 'pro-peace' regardless of the actual utility of these projects. The fact that NGOs are essentially offered a choice of (a) aiding the general

Analysis of good governance

In order to grasp the significance of the *good governance* agenda to the donors and to understand the reasons behind its deleterious impact on the Palestinian economy, it is helpful to reflect on both the philosophical framework within which *good governance* is rooted and its relationship with other aspects of the political framework to which it is connected. As discussed in chapter three, *good governance* is a mainstay of neo-liberalism which contends that economic development will occur naturally, provided that the private sector is permitted to respond to market trends without interference from the government. This philosophy also contends that improvements in social welfare follow from economic development. Therefore, the primary concern for both the PA and donors – both of which adopted a neo-liberal ideology – was to create conditions where the market could function as the main forum for decision-making. As stated in the introduction, donors and the PA, were particularly interested in challenging corruption in the PA infrastructure that had proliferated under the leadership of Yasir Arafat.

Palestinian population while living in relative comfort because they practice self-censorship or (b) facing denial of entry or other restrictions that would make such work impossible, or very difficult, essentially means that these NGOs face no choice at all. Thus, Israel profits on two fronts from the network of NGOs present in the oPts. First, it acquires influence over Palestinian civil society through dictating the terms on which international NGO activities can be undertaken. Second, these NGOs also take on the burden of supplying basic services to the Palestinians, which alleviates that burden for Israel. This has been discussed in depth in a range of analyses. *C.f.* Jeremy Wildeman, "NGO Hush Money: Trading Silence for Access and Privilege," *I Think Therefore IR*, 2012, <http://www.thinkir.co.uk/ngo-hush-money/>; Jad, "The NGO-ization of Arab Women's Movements"; H. Yacobi, "The NGOization of Space: Dilemmas of Social Change, Planning Policy, and the Israeli Public Sphere," *Environment and Planning D: Society and Space* 25, no. 4 (2007): 745–758. *Inter alia*.

While during the Arafat regime it was clear that corruption was a serious problem that undermined the very basis of trust between the public and the PA, as well as between the PA and donors. However, precisely what *corruption* meant in this context is a complex issue. Previous chapters have already discussed how the particular characteristics of Arafat's "bully Praetorian republicanism,"¹⁴ focused on the distribution of rents as the primary means of maintaining support both from the significant elites and from the general public. Thus donors saw the *good governance* agenda as a solution to all sorts of problems to do with inefficiency and fraud within the Palestinian economy that had developed under Arafat and a means to rebuild the public's confidence in the PA establishment. However, according to its neo-liberal terms of references this *good governance* strategy made no distinction between corruption and the attribution of rents.

This should not be taken to imply that corruption was not a very real concern for both donors and the PA or that its impact was not extremely harmful to general Palestinian welfare. Indeed, the perceived corruption of the PA was one of the defining features of the 2006 legislative elections, and the inability of the PA's institutions to police themselves was recorded by international observers.¹⁵ The total sum lost to the corruption in the PA is difficult to assess, though in 2006 an investigation by the then PA attorney general, Ahmed al-Meghami, suggested

¹⁴ Henry and Springborg, *Globalization and the Politics of Development in the Middle East*.

¹⁵ *Ibid.*

that: under Arafat, PA officials might have caused the loss of at least \$700 million worth of public moneys through embezzlement and mismanagement.¹⁶

But, as Mushtaq Khan points out, *good governance*, in the form that it has taken in Palestine, fails to distinguish between the existence of corruption and damaging rents and other forms of rents, and rent-seeking, that can be beneficial – both to in raw economic terms (through increasing GDP by providing efficient services to other businesses) and in terms of the general welfare (through job creation). In this context, *good governance* applied to the donor's insistence on (a) particular levels of transparency with the PA's use of their money and (b) the favouring of market competition - even in contexts where this might not be the most efficient structure - for example, in an economy of scale.

Transparency

It is clear that the second of these qualifications – artificially creating markets – has been most damaging to Palestine. First, however, it is appropriate to discuss briefly the fact that the standard of *transparency* is also not as clear-cut in its application to Palestine as it might appear *prima facie*. Indeed, in its application to Palestine demands of transparency in terms of an essentially abstract phenomenon are problematic as they imply an approach devoid of political context. In other words, they ignore three critical facts about the conditions under which the PA operated. These were: (a) that attributing rents was always

¹⁶ Chris McGreal, "Palestinian Authority 'May Have Lost Billions'," *The Guardian*, February 6, 2006, <http://www.guardian.co.uk/world/2006/feb/06/israel>. Further, despite the change in leadership, more claims by former allies of Arafat that have linked President Abbas' family to corruption directly. Jonathan Schanzer, "The Brothers Abbas," *Foreign Policy*, June 5, 2012, http://www.foreignpolicy.com/articles/2012/06/05/the_brothers_abbas.

the primary means of soliciting support for the PA from important established elites, (b) that rents and rent-seeking were virtually the only sense in which the Palestinian economy could operate under the conditions of the occupation and (c) that good governance essentially offered no alternative means to managing either of those problems.¹⁷

Indeed as Khan argues, with regard to the occupation, rents and rent-seeking were virtually impossible to eradicate in the context of Palestine because of the impact of the occupation. Indeed some forms of rent had developed as a necessary means by which the Palestinian economy adapted to the constraints imposed on it by Israel's occupation, particularly during the intense period of closure in the early 2000s. Khan explained that:

*The [PA] did not control a contiguous territory, it had almost no fiscal autonomy, and it did not control its own borders, including internal borders between enclaves. These arrangements made executive centralization and corruption not just possible but almost inevitable ... Palestinian traders had to set up elaborate systems of influence and often of bribery involving Israeli customs and other officials simply to be able to trade on a day-to-day basis.*¹⁸

Market solutions

The second element of *good governance* that was particularly damaging in the Palestinian context is the notion that market solutions are necessarily the best,

¹⁷ Mohammed Nasr, "Monopolies and the PNA," in *State Formation in Palestine: Viability and Governance During a Social Transformation*, ed. Mushtaq Husain Khan, Inge Amundsen, and George Giacaman, 1st ed. (Routledge, 2004).

¹⁸ Khan, "Evaluating the Emerging Palestinian State: 'Good Governance' Versus 'Transformational Potential'.": Khan also points out that rents are far from unusual in more advanced market economies, and in fact, rents and rent-seeking equates to a multi-billion dollar industry in the US in the form of lobbying. In the West in particular, this is seen as an integral part of modern capitalist-democracy and thus any demand that developing economies cannot progress while rents and rent-seeking form part of their economy is unrealistic.

or fairest, means of orienting economic development. Again, there are specific reasons why this is the case in Palestine. However, critics of neo-liberalism as a development strategy also dispute its virtue in general terms. In this case, three arguments are usually made. In summary, these are:

1. That empirical evidence suggests that most advanced economies did not progress through a stage of market liberalisation until very late in their development (and in many cases have not fully made the transition to what is required of Palestine or other developing economies according to general *good governance* theories).¹⁹
2. That empirical data also suggests that in order to ensure there is sustainable development over a longer period of time, a more holistic development strategy could be of greater value than one that merely maximises economic output in the short term – for example one that prioritizes education, welfare or other forms of national infrastructure over that of expanded GDP. Such a holistic development strategy would be likely to be the product of some state intervention and regulation rather than simply allowing the market to dictate priorities.
3. That, in states in the global south, there is often a legacy of colonialism that must be overcome in order for economies to develop. Indeed, colonialism, or neo-colonialism, may continue to be a very real experience for the populations of states, particularly in contexts where large foreign businesses dominate the market and extend their power into the political field through undue influence and with the aid of *good governance* (or *good governance*-like) strategies imposed through similar mechanisms by liberal international bodies such as the IMF and the World Bank. This experience is particularly relevant to developing economies that are rich in natural resources but do not have strong political alliances with global military powers.²⁰

In the case of Palestine, all three of those arguments apply to some extent.

However beyond their general relevance to Palestine as a developing, (post-)

¹⁹ This is discussed in Chapter Three.

²⁰ For variations on the arguments and some responses to it *C.f.* Hernando De Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (Basic Books, 2003); Amartya Kumar Sen, *Development as Freedom* (Oxford University Press, 1999); Naomi Klein, *No Space, No Choice, No Jobs, No Logo* (Picador, 2002); Khan, "Corruption and Governance in Early Capitalism"; Mushtaq Husain Khan, "Governance, Economic Growth and Development Since the 1960s" (2007); Paul Collier, *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It* (Oxford University Press, 2007); Stiglitz, *Globalization and Its Discontents*; Kiren Aziz Chaudhry, "The Myths of the Market and the Common History of Late Developers," *Politics & Society* 21, no. 3 (September 1, 1993): 245–274, doi:10.1177/0032329293021003002.

colonial economy, there are some specific factors that are significant. These comprise the underlying assumptions of *good governance's* applicability to Palestine. They can be summarised in three points:

1. that competition is always desirable at some level, but it does not account for the fact that such competition may not be reflected at all relevant levels;
2. that markets will develop simply because the particular conditions affecting them are seen to meet particular criteria – or in other words, private sector growth is seen as the natural product of the creation of a particular environment
3. and, that Palestine can *become* a state through the pursuit of market centric policies rather than beginning as a state and electing to deregulate afterwards.

In each case the assumption is inherently flawed. For the first two assumptions the inherent flaw can be shown through empirical analysis. However, disproving the last one depends on logical reasoning.

1. The desirability of competition: This assumption is obviously problematic in the context of Palestine, given what has already been discussed regarding the nature of the PA as a “bully Praetorian republic”²¹ and the fact that a product of this has been the emergence of monopoly elites. It is too early to say precisely what the result of this elite class’ relationship to the PA’s deregulation of the economy will be.²² Yet it is possible to extrapolate from the experience during the Oslo process,

²¹ Henry and Springborg, *Globalization and the Politics of Development in the Middle East*.

²² It should be noted that Khalil Nakhleh suggested that the PA is locked into a state of perpetual favouritism towards monopoly elites that will continue indefinitely unless it is confronted directly. Indeed, Nakhleh’s approach is right to look towards the recent history of the PA and where, even under Arafat, similar agendas were pursued at different times and, even taking into account the genuine corruption that was evident, it was also the case that the development of the monopoly class was in fact applauded and praised by international sponsors. Khalil Nakhleh, *Globalized Palestine: The National Sell-Out of a Homeland*, First edition (The RedSea Press, Inc., 2011).

which rested on a similar neo-liberal logic which produced profoundly damaging class stratification in all three of its major participant states. Bullion states:

*There was a wide gap between the publicly declared commitment of the governments to advance economic ties ... and the reality on the ground. Trade became dominated by large conglomerates and was characterized by the involvement of intermediaries with political contacts ... In the Palestinian territories, PA officials and Diaspora entrepreneurs centralized economic and political power in their own hands. Meanwhile, the majority of ordinary Palestinians and most resident Palestinian businesspeople were marginalized politically as well as socio-economically.*²³

Thus, even when market-centric policies have been pursued, it cannot be assumed that a genuinely competitive environment would be produced in the medium or long term.²⁴

In Palestine, a particularly relevant example of how this process operated was through the PA's changes to the banking system. According the former minister, one of the key steps that the PA had taken in order to improve conditions for Palestinian entrepreneurship was the requirement that banks operating in the West Bank (which he described as very liquid with approximately \$16.5 billion in capital) would make more funding available domestically in the form of small

²³ Bouillon, *The Peace Business*, 167. For similar discussions on the growth and development of Palestine's monopoly elite C.f. Hanieh, "Palestine in the Middle East: Opposing Neoliberalism and US Power Part 1"; Adam Hanieh, "Palestine in the Middle East: Opposing Neoliberalism and US Power Part 2," *MRZine*, July 19, 2008, <http://mrzine.monthlyreview.org/2008/hanieh190708a.html>; Hanieh, "The Internationalisation of Gulf Capital and Palestinian Class Formation"; Samara, "Globalization, the Palestinian Economy, and the 'Peace Process'"; Azmi Bishara, "Reflections on the Realities of the Oslo Process," in *After Oslo: New Realities, Old Problems*, ed. George Giacaman and Dag Jorund Lonning (Pluto Press, 1998); Leech, *Re-reading the Myth of Fayyadism. inter alia*

²⁴ Of course, it is also possible to learn from other examples in more developed economies that the swift imposition of a neo-liberal power structure often uses discourses of the virtue of the free market as a façade to cover the fact that dominant capitalists can extend their influence more through using political influence and their superior capital supplies to undermine competition. Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism*, 1st ed. (Penguin, 2008); Crouch, *The Strange Non-Death of Neo-Liberalism*; Nitzan and Bichler, "Inflation and Accumulation"; Nitzan and Bichler, *The Global Political Economy of Israel. Inter alia*.

loans and loan guarantees.²⁵ However, where this had been brought into operation, the effect was not to encourage growth in small and medium sized businesses, but rather to fuel consumer spending on imported goods. This problem was articulated by the manager of al-Rafah Micro-Financing bank, in Nablus:

People come without investments and no savings. They pay for cars and things for their houses. For one to two years everything is for the banks, there is no production. Everything is on services. [There is] major inflation potential, this is likely to lead to an explosion... in 20 years of experience I have never made [as many] loans like [in] the last two years.²⁶

Of course, where loans were used mostly for short-term consumable purchases, such as a new car, they may have had some positive impact on the Palestinian economy in a limited sense. For example, it may improve members of that family's access to shops, or jobs further from home, and would also add a little extra to the PA's revenue (via purchase taxes). However, this benefit would be extremely limited. Beyond that what is certainly true in the short term is that the larger companies that were responsible for importing these consumer goods would expand their consumer base into lower income brackets who now had access to easier credit.

2. Private sector growth: The second assumption – that private sector growth is the natural product of a market led environment – is also problematic. The particular circumstances of Palestine's heavy dependence on Israel and the basic level of control enjoyed by Israel over Palestine at a very basic level, remain the primary obstacles to private sector development. Indeed, this is a fact that has

²⁵ Research Interview with Former Minister for Planning, in Ramallah on Monday 21 June, 2009

²⁶ Interview with manager of Al Rafah 14 July, 2010.

not been ignored by World Bank reports.²⁷ While there has been rapid growth, for example in the service sector, this is problematic because it is easily reversible and has not been matched by more productive sectors such as industry – particularly that which is dependent on access to natural resources.

This problem was summarised by UNCTAD:

*While manufacturing output declined by 6 per cent in 2010, hotels and restaurants, construction, public administration and agriculture grew, at rates of 46, 36, 6 and 22 per cent respectively. However, the growth rate for agriculture came after continuous decline for a decade, whereby the level of value added in the sector in 2009 was 47 per cent of the level a decade earlier.*²⁸

UNCTAD contends that the decline of manufacturing is significant for two reasons (a) there is an immediate loss in potential output – which translates to lower than optimal GDP growth and (b) there are longer-term implications in the form of “technological regression”²⁹ – the decline in the ability of an industrial sector to produce technologically advanced products because of loss of skills or inadequate equipment – because Palestine would no longer have the same scale of manufacturing sector which, “tend[s] to be more innovative and efficient than firms producing non-tradable goods which are not exposed to the rigours of global competition.”³⁰

²⁷ “Stagnation or Revival? Palestinian Economic Prospects” (The World Bank: Economic Monitoring Report to the Ad Hoc Liaison Committee, March 21, 2012), <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/WorldBankAHLCreportMarch2012.pdf>. *Inter alia*.

²⁸ “Report on UNCTAD Assistance to the Palestinian People: Developments in the Economy of the Occupied Palestinian Territory” (United Nations Conference on Trade and Development, July 15, 2011).

²⁹ *Ibid.*

³⁰ *Aftercare Strategy for Investors in the Occupied Palestinian Territory* (New York and Geneva: United Nations Conference on Trade and Development (UNCTAD), 2009), 10, <http://82.213.48.101:4000/Publishing%20Documents/After%20Care%20Strategy%20for%20investors%20in%20the%20Occupied%20Territory.pdf>.

Indeed, a similar point was made explicitly to me in an interview with the on-site manager of one of the largest quarrying companies in the West Bank, near Bethlehem. My interviewee argued that Palestinian stone had an extremely high market value, particularly in contexts where it was possible to trade on the 'holy land' branding (see below). However, given the conditions imposed by the occupation, there was little room to expand the supply in order to meet demand. My interviewee suggested that some 70 per cent of usable stone remained under Israeli control in areas 'B' and 'C' and that without confronting that problem the industry would continue to operate far below potential.³¹

3. From market to state: Concerning the third assumption – that the PA can become a state through market-centric economic development - another study undertaken by UNCTAD indicates why the reasoning here is flawed. This report, suggests that the restrictions imposed by Israel on the oPts are not the only concerns that investors have in relation to Palestine. Indeed, according to a survey of potential investors, Palestine was seen as an attractive venue for investment because of (a) its proximity to other markets, (b) the PA's sympathetic tax regime and (c) relatively low labour costs (*inter alia*).³² However, potential foreign investors also identified four areas of concern regarding the Palestinian economy, these were:

1. Cost of raw materials
2. Access to raw materials
3. Dispute settlement mechanisms

³¹ Research interview, Bethlehem 28 July 2010

³² *Aftercare Strategy for Investors in the Occupied Palestinian Territory*, 10.

4. Availability of overland transport services at reasonable prices.³³

While three of these (numbers 1, 2 and 4) can be directly tied to Israel's immediate control over Palestinian territory, the third – concern over the nature of dispute settlement mechanisms - is tied to Palestine's lack of statehood. It follows from the neo-liberal argument that even when states deregulate economies, the state still plays one important function that is to guarantee contracts. Because Palestine is not a state it cannot play this role in the same way as governments do in other contexts. The situation is made even more complex as a result of the fact that the Palestinian legal framework is made up of various different elements from the different regimes that have ruled the West Bank and Gaza during the last century. These include Ottoman, British, Jordanian, Egyptian laws, Israeli military orders and the agreements produced by the Oslo process.

As a solution to this problem UNCTAD suggests that “A comprehensive legal framework for governing investment”³⁴ could be formed. This would act as an advocate for the expanded role of the government investment agency, which would utilize a variety of incentives and coercive means to enforce contracts and property rights within the existing *de facto* framework. Thus, the fact that through *good governance* the PA was being encouraged to (a) restructure its legal system or (b) find alternative solutions to dispute settlements, without confronting the underlying reasons behind its lack of statehood, suggests that the *good governance* insistence on market-centric strategies makes any prospective Palestinian state unnecessary and irrelevant.

³³ Ibid.

³⁴ Ibid., 24–27.

Vulnerable communities

This section discusses the impact of the PA's policies on particularly vulnerable communities in the West Bank. A further indication of the ineffectiveness of the PA's market-centric development agenda under these circumstances is the limited impact it has had on employment levels. Jobless growth (GDP growth without a correlated increase in employment) was a major issue here, as in both 2009 and 2010; Palestine's economy has grown by between 7 and 10 per cent, yet unemployment rates remain at 30 per cent.³⁵ This is particularly concerning for vulnerable sections of the Palestinian population. For example, according to UNRWA, during the first two quarters of 2011 unemployment rates were higher among refugees than among the non-refugee population in the West Bank. It is likely that this is the result of cuts in public sector employment while relative growth in the private sector led to increased employment in urban, non-refugee, communities. However, for the West Bank in general, unemployment was at historically high levels throughout the beginning of 2011 and the purchasing power of wages declined during the period of the study.³⁶

Indeed the socio-economic impact of jobless growth was reflected in a poverty rate of nearly 20 per cent in the West Bank in both 2009 and 2010, with nearly ten per cent subsisting at an even lower standard defined as the 'deep poverty

³⁵ "Report on UNCTAD Assistance to the Palestinian People: Developments in the Economy of the Occupied Palestinian Territory," July 15, 2011.

³⁶ "Labour Market in the West Bank: Briefing on First-half 2011" (United Nations Relief and Works Agency (UNRWA), December 2011), <http://www.unrwa.org/userfiles/201112123454.pdf>.

line.³⁷ Refugees remained particularly vulnerable to poverty throughout 2010 and, according to UNRWA, in 2011, refugees were “not benefiting from recent economic growth in the West Bank: access to most sectors of the economy – in particular to work in Israel and Settlements – have significantly decreased for refugees while significantly increasing among non-refugees.”³⁸ Indeed, poverty was a profound problem throughout the West Bank and a report by Save the Children in 2009 identified two areas in the West Bank where it considered communities to be at particularly high risk. These were: communities located in areas ‘C’³⁹ and communities located in the ‘Seam Zone.’⁴⁰

Save the Children identified a range of particular causes for concern that affected the livelihoods of Palestinians in those areas most of which could be attributed to the direct impact of Israel’s occupation policies. Examples include: restrictions

³⁷ “In 2010, the poverty line and deep poverty line for the reference household (two adults and three children) stood at 2,237 NIS (609 US\$) and 1,783 NIS (478 US\$) respectively ... slightly more than one out of four Individuals (25.7%) were living below poverty line in 2010, (18.3% in the West Bank and 38.0% in Gaza Strip). This is similar to the corresponding rate of nearly 26.2% in 2009, (19.4% in the West Bank and 38.3% in Gaza Strip).”

³⁸ “UNRWA West Bank Livelihood Programme: 2011 Emergency Appeal” (United Nations Relief and Works Agency (UNRWA), 2011), <http://www.unrwa.org/userfiles/2011051512917.pdf>.

³⁹ “According to the UN Office for the Coordination of Humanitarian Affairs (OCHA), there are 418 villages with at least part of their built up area located in Area C, including 161 villages with a majority of their built up area in Area C and 130 villages completely inside Area C. OCHA estimates that 44,100 Palestinians live in the 130 villages completely inside Area C. Given the number of mixed A/B/C villages, the actual population is certainly much higher.: “Life on the Edge: The Struggle to Survive and the Impact of Forced Displacement in High Risk Areas of the Occupied Palestinian Territory” (Save the Children UK, October 2009), http://www.savethechildren.org.uk/sites/default/files/docs/English_Research_Report_with_Cover_low_res_1.pdf.

⁴⁰ The seam zone “refers to those areas of the West Bank that are situated between the Green Line (the 1949 Armistice Line) and the Separation Wall. While there is an overlap between population figures for the seam zone and Area C, the population living in the seam zone areas is particularly vulnerable to Israeli policies and practices. In a study of the humanitarian impact of the Wall and its associated permit regime in the northern West Bank, OCHA estimates based on community sources indicate that over 9,000 Palestinians were living in the seam zone areas declared ‘closed’ by Israeli military order in the Jenin, Tulkarm, Qalqiliya and Salfit districts. While not a comprehensive estimate this figure points to a sizeable population that is both extremely marginalized and vulnerable.” The report by Save the Children also identified ‘The Gaza Buffer Zone’ and East Jerusalem as areas of high concern. However, as they fall outside the scope of this thesis, they are not discussed here.: Ibid.

on movement, inability to access property, land confiscation and property demolition. These concerns are obviously of critical importance for the welfare of the general Palestinian population in many cases they represented an existential crisis for the affected communities, and also demonstrate one of the serious flaws in the PA's strategy of avoiding confrontation with Israel over the occupation apparatus. However, the report also identified two factors that could be seen as directly challenging the value of the PA's policy agenda. These were (a) the concern of growing poverty within vulnerable communities in areas 'C' and (b) the impact this was having on encouraging migration to urban areas.

Obviously both of these concerns are connected to each other and they are also both tied to the PA's agenda. According to Save the Children, in 2009, "the primary reason why respondents wanted to move was because of lack of access to basic services."⁴¹ However, since then particular PA policies designed to raise revenue for the central government, for example installing a pre-pay system for the electricity supply, have in fact made conditions even harder for Palestinians in rural areas. This combination of factors clearly demonstrated that the PA's stated aim of resisting Israeli control over the West Bank territory is undermined by its own actions. This connection was made very clearly by Khalidi and Samour:

The PA has begun implementing plans to install up to 300,000 prepaid electricity meters across Palestinian households to end ... a "culture of entitlement." Rural areas and refugee camps will also be included, echoing the installation of meters in the South African township of Soweto (a key locus in the anti-apartheid struggle) a decade earlier. Then as now, cutoffs from services for households that do not fall within the government's

⁴¹ Ibid.

definition of “vulnerable groups” can be justified as the market outcome of poor budgeting of household resources.⁴²

Indeed, this conclusion was born out in several interviews I undertook in the village of Qaryut. In particular in a focus group with the village council in 2009 the (then prospective) change to the electricity supply was the highest priority of discussion. At the time Qaryut bought its electricity supply directly from the Israeli Electricity Company and was connected to the nearby settlement of Shilo. Revenue from reselling the electricity supply was the main source of income for the village administration.⁴³ As it was under the control of the village council, this also allowed for some flexibility in the payment of bills, as, under the system set up by the Paris protocol (1995) these arrears would then be extracted from the PA by Israel through withholding tax revenue (which Israel was tasked with collecting on the PA’s behalf). This had been considered a major problem for the PA and was one of the key priorities identified, by international donor agencies, as a potential means of increasing revenue.⁴⁴

However, according to the members of the village council, not only would this shift mean the loss of any independent income for the village, it would also mean an increase in costs and the loss of flexibility. As one of my interviewees explained:

The main problems of the Northern Company [the particular company that would serve the Nablus region and the rest of the North of the West Bank] was [that] it would make electricity much more costly overall. New

⁴² Raja Khalidi and Sobhi Samour, “Neoliberalism as Liberation: The Statehood Program and the Remaking of the Palestinian National Movement,” *Journal of Palestine Studies* 40, no. 2 (2011): 13–14.

⁴³ Electricity was bought at 0.5 NIS per KW/H and sold on to the villagers at 0.7 NIS per KW/H.

⁴⁴ “Implementing the Palestinian Reform and Development Agenda”; “Progress with the Parallel Actions Towards Palestinian Revival and Growth”; “West Bank and Gaza Energy Sector Review” (The World Bank, May 2007), <http://unispa.un.org/pdfs/WBReportNo39695-GZ.pdf>. *Inter alia*

*connections might cost much more. [At present] If I need to recharge my electricity then I just need to phone him [referring to another council member] and he can do it – or if I have problems I can get someone to help me. This won't be available when the company has [its] headquarters in Nablus.*⁴⁵

Village council members also raised two further concerns relating to this shift in policy (a) that this decision was not being made democratically, that is, it was done without consultation with local populations, and (b) that it would make it easier for Israel to exercise control over the electricity supply in the future. This would be the case because, under the new system, there would only be four points of connection for the West Bank to Israel, and those would be separate from the connections supplying settlements.⁴⁶

Although in my discussions with villagers in the Nablus region, the opinions of my informants were not always negative toward all aspects of the PA's development programme – for example, in Qaryut the village council spoke positively regarding the use of donor funds to build new facilities in the village and in Yanoun, the mayor described the impact of a redeveloped water network in appreciative terms⁴⁷ - though they noted that this progress was reversible as Israel and its settlers had frequently attacked and/or threatened to destroy even those structures paid for through donor funds.⁴⁸ Overall, the reform programme of the PA was seen as inadequate to meet the urgent needs of communities in areas 'C' and, because it failed to challenge the basic paradigm of Israeli

⁴⁵ Research focus group, Qaryut 14 July, 2010

⁴⁶ Research focus group, Qaryut 14 July, 2010

⁴⁷ Research interview, Yanoun 11 July, 2010

⁴⁸ Daan Bauwens, "EU Denounces Israel's Destruction of Aid Projects in West Bank," *The Electronic Intifada*, May 17, 2012, <http://electronicintifada.net/content/eu-denounces-israels-destruction-aid-projects-west-bank/11301>.

dominance. Where it had made progress, there were no guarantees that this could be sustained.

Another major area of concern was that, in both Qaryut and Yanoun, interviewees identified the lack of adequate transport links as major reasons why villagers were spending more time in the cities (often where they were employed) and not returning home as regularly. In each context there were particular reasons for this. Both villages suffered hostility from nearby Israeli settlers. In Qaryut, this meant that settlers regularly blocked a short dirt road, which connected the village to the main highway known as Route 60. As I recorded in a report written shortly after visiting Qaryut to witness a popular demonstration to dig out the roadblock:

The immediate consequence of [the roadblock] was an increase in journey-time for Palestinians of about an extra hour from Ramallah and about 30 mins more from Nablus as 'services' (7 seater Taxis that operate as public transport) would have to negotiate a long detour all round the north of the collection of villages and settlements. It also meant that transport was less often available and more expensive when it was. Further, added to the compound effect on villages' economy – already suffering because of the 'exclusion zones' around the settlements that mean farming land can't be used nor can olives be harvested.⁴⁹

Village council members identified these increased transport costs as an issue with which the PA could offer assistance through the creation of public transport links - for example a simple bus service to Nablus or a subsidised service taxi - that would help mitigate increased expenditure. However, their appeals to the PA had met with no success.

⁴⁹ Philip Leech, "Qaryut" (Palestine Remembered, November 8, 2009), http://www.palestineremembered.com/GeoPoints/Qaryut_1482/Article_15667.html.

There are problems in the transport [system] – it was better before the reform. Now there are a lot of people who are workers in Nablus or Ramallah. There are no public cars – just a private car. And every day they get more tickets from the policemen in Nablus ... This [situation] has got worse after the reform[s]. We go a lot of times to the governorate and ask about the problem that we face and to the ministry of transportation – they do nothing.⁵⁰

In Yanoun settlers are responsible for a raft of problems including direct intimidation and violence towards villages, the annexation of land and even, in 2004, driving the entire village population out of their homes into neighbouring villages. However, more recently the lack of local finances for the village resulting from their inability to access farmland, had meant there were no available funds to replace the brakes on the bus used to transport the village's children to school. According to an interviewee who had – up until that point – been responsible for driving the bus, the brakes had not been working for some time (over a year) .However despite frequent appeals to PA officials – both at municipal levels (in Nablus and in the nearby village of Aqraba) and national levels – no funding was provided and therefore the bus service would be forced to end at the conclusion of the school term.⁵¹

The inability of the PA to give special help to Yanoun, that villagers thought was justified because of the particularly difficult conditions it faced, led to frustration, which had been reflected during previous visits and in interviews with other villagers. These included the mayor, who has suggested that a valuable and immediate contribution the PA could make would be to provide either loans, loan guarantees, or direct financing for the purchase of new farming equipment

⁵⁰ Research focus group, Qaryut 14 July, 2010

⁵¹ Research interview, Yanoun, 11 July, 2010

for the village. The availability of this equipment would make it easier for villagers to make the best, and most profitable, use of the land that they did have access to and therefore resist the pressure put on them by the nearby settlers to migrate to larger urban areas.⁵²

Thus in both cases, the immediate concern of villages was that the PA was evidently capable of making major changes to the way in which it operated in areas 'C'. However such changes reflected the short-term interests of the PA and were clearly not designed to deal with the priorities of those communities in vulnerable situations. Moreover the argument that was made by villagers in conversations with me – that vulnerable communities in Areas 'C' should be at the top of the PA's priorities – is given more weight when considered in comparison to the additional support provided to these Israeli settlers that are responsible for their difficult circumstances.⁵³ Given its small size, and vulnerability to aggression of Israeli settlers, it is unsurprising that the consequences of this were most profound on the village of Yanoun. It is worth noting that during the period of my research in that part of the West Bank (November 2009- December 2011) the population of the village was reduced by one family from 15 to 14 and should be considered to be under high risk of further decrease.

Industrial Zones

⁵² Research interview, Yanoun, 18 December, 2011

⁵³ This point was made explicitly to me during a visit to a third village, Iraq Burin, which had suffered directly from the violence inflicted by settlers from near by Yitzar and Har Brakha. I was told by a villager "there is not enough money here. Israelis give millions to settlers." (Field notes July 2010). Such support is not in anyway hidden by members of the Israeli government: "Israel's Finance Minister: Financial Assistance to Settlements Grew Significantly During My Term," *Haaretz.com*, April 4, 2012, <http://www.haaretz.com/news/diplomacy-defense/israel-s-finance-minister-financial-assistance-to-settlements-grew-significantly-during-my-term-1.422631>.

According to the PA's planning document *Homestretch to Freedom*, "a national campaign has been launched to put an end to the sale of Israeli settlement products, and industrial estates are being constructed and rehabilitated."⁵⁴ Thus the PA tied a major economic development strategy – the creation and restoration of large-scale industrial zones throughout the West Bank – to the principle of resistance to Israeli rule and pursuit of Palestinian statehood. However, it is clear from the data presented below that these industrial zones do not offer a path towards Palestinian independence, rather they constitute one of the main means through which the PA was integrating the framework of a future state with the existing apparatus of Israel's occupation. Furthermore, these industrial zones follow from a model already adopted in both Jordan and Egypt during the 1990s, and based on these examples; it is reasonable to suggest that their potential positive impact on the Palestinian economy could only ever be extremely limited.⁵⁵

By 2010 there were four industrial zones included in this project in the West Bank, each of them supported by the PA, Israel and third-party governments. Two others existed in Gaza (although only one of them was completed) and South Korean and Indian sponsors were considering a further prospective industrial zone. The zones in the West Bank included in this project were:

⁵⁴ "Homestretch to Freedom" (Palestinian Authority, Ministry of Planning, 2010), 3, http://www.mopad.pna.ps/en/?option=com_content&view=article&id=6&Itemid=142&hideNav=true.

⁵⁵ This conclusion is further supported by evidence in recently leaked documents from the PA that the land used for an industrial zone planned for Jenin would "come under the full control of the foreign power funding the project." Charlotte Silver, "Leaked Documents Show PA Outsourced Palestinian Land and Rights to Turkish Firm," *The Electronic Intifada*, September 19, 2012, <http://electronicintifada.net/content/leaked-documents-show-pa-outsourced-palestinian-land-and-rights-turkish-firm/11680>.

1. al-Jalama zone, near Jenin, with the sponsorship of Germany and Turkey.
2. A Bethlehem zone, supported by France.
3. The Jericho Agricultural Park (or 'Valley of Peace' project) in the Jordan Valley, built with Japanese support.
4. The Tarqoumiyya Industrial Estate, near Hebron, sponsored by the World Bank and Turkey.⁵⁶

There were also other industrial zones already in the West Bank, for instance a large estate between Balata and Askar refugee camps, East of Nablus. According to plans suggested to me in an interview with the high-ranking member of the Nablus Chamber of Commerce (see previous chapter), this industrial zone was a possible site for renewal. He stated that plans included 2000 new workshops, for, among others, blacksmiths, carpenters and other specialist trades. This was presented as highly beneficial to both the populations of area 'C' – through creating employment opportunities – and the city environment – by separating industrial space from residential areas. However, according to another Nabulsi interviewee who was sceptical as to the prospect of rehabilitating this industrial zone, the issue had been raised on numerous occasions as a possibility by PA officials, industrialists and in the media, yet little had actually happened and, in his opinion, if it was to occur it would be unlikely to have a particularly positive impact on the city.⁵⁷ My observations of this industrial estate when I visited in July, 2010, was that though there were some factories using its space and facilities, overall it was functioning at a very low capacity.⁵⁸

⁵⁶ Sam Bahour, "Economic Prison Zones," *Middle East Research and Information Project* (November 19, 2010), <http://www.merip.org/mero/mero111910>.

⁵⁷ Research interview, with Dr. Sa'ed Abu-Hijleh 15 December 2009.

⁵⁸ Field notes, 6 July 2010

According to Bahour's analysis, these industrial zones were only ever likely to offer low-level manual labour employment for the Palestinians and ensure that Palestinian labourers would be subject to intense and intrusive security screenings as a matter of course. Further, rather than advancing progress toward Palestinian statehood, these zones would maintain public dependence on foreign support. This would be as a result of shifting the focus of foreign financing from direct donor aid, which is then dispersed through the public sector, to a market oriented strategy wherein Palestinians "sell their labor for the benefit of those commercial entities established in the industrial zones, which will depend on Israeli goodwill to succeed."⁵⁹

Perhaps the most troubling aspect of the industrial zones plan is that through the security measures that would be applied with regard to Palestinian labourers working in these zones, Israel's occupation apparatus would be entrenched to an even deeper level. It is telling that these plans were organised by Israel during the height of the intifada and that they were deliberately designed to be different from those industrial states planned in the 1990s. The primary differences were that Israel would retain control over security matters while Palestinians would staff the zones, and they would be housed on Palestinian lands.⁶⁰ As already been discussed in the previous chapter Israel's occupation policy has already begun to shift more towards the use of private enterprise in order to create the appearance of impartiality. It is worth noting that one site that was the prototype for this privatisation was the checkpoint at al-Jalama, which was integrated into

⁵⁹ Bahour, "Economic Prison Zones."

⁶⁰ Ibid.

an industrial zone complex. During late 2009, I passed through this checkpoint and recorded the following in my field notes soon afterwards:

The process was long, intimidating and very slow but they did not question us ... In total we waited for just short of two hours at this last stage [while an] armed guard wandered around on the network of steel platforms above our heads. He was wearing a yellow baseball cap - which bore the logo of whatever security firm it was [Modi'in Ezrachi], and a sort of macho/military uniform in grey. Of course the most obvious thing about him was the M16 rifle that hung from a strap over one arm... We watched for hours as a steady dribble of Palestinians passed through from the left leaving the West Bank, and from the right coming in. Almost everything was done in Hebrew; although I heard the guards often ask for identity cards in Arabic, speak to children (asking who were their parents).⁶¹

Indeed, Khalidi and Samour have suggested that one product of intense training undertaken by the Palestinian security forces – under the direction of the US military – would be to enable them to serve as the first line of a security screening process for Palestinian labourers working in those industrial zones.

They describe this Orwellian scenario in the following:

One potential role for the internal security forces in the new Palestinian economy would be maintaining the smooth flow of security-cleared Palestinian workers to proposed industrial parks near the Israeli border (often in the separation wall seam zone) to circumvent Israeli closure.⁶²

Thus the most disturbing aspect of the PA's (neo-)liberalisation of the economy is in the spectre of future Palestinian ghettos. As the previous discussions of “asymmetric containment”⁶³ clearly indicate, the fragmentary effect that Israel's political/military agenda has had on the geography of the West Bank. However

⁶¹ Extracts from field notes Thursday 26th November 2009. N.B. I have posted a longer description of these events on the following blog: Philip Leech, “Thanksgiving in Nazareth,” *After the Last Sky?*, May 2, 2012, <http://whereshouldthebirdsfly.wordpress.com/2012/05/02/thanksgiving-in-nazareth-2/>.

⁶² Khalidi and Samour, “Neoliberalism as Liberation,” 15.

⁶³ Hilal and Khan, “Stateformation Under the PNA: Potential Outcomes and Their Viability.”

taken alongside the *security first* policy and an agenda to build Palestinian Industrial Zones, fragmentation and the integration of Israeli control takes on new a meaning. As one informant suggested to me:

*The new industrial zones will use Israeli transport companies, they will employ Israeli or foreign drivers or 'clean' Palestinians ... but the whole function of the zones is to link Palestinian labour to the Israeli economy permanently.*⁶⁴

Yet even if these concerns could be challenged by supporters of the PA as speculative, there are numerous other concerns relating to the actual value that such zones would have for the Palestinian economy overall. On the one hand, it is clear why the PA was seeking to reorient Palestine's industrial structures, as it is difficult to argue with the conclusion that the Palestinian economy needed to modernize in order to develop and grow. This was particularly relevant in industries like textiles where it was an observable fact that both the equipment in use and the standards of labour practice were antiquated and unsustainable in the face of mass production methods such as those employed in Turkey, the Far East or the QIZs in Jordan and Egypt (to where Israel had shifted its manufacturing of equivalent goods undermining the traditional export route for Nabulsi textiles). Further, it was also evidently desirable for this particular sector of industry to change in order to reduce the gender based inequality and unhealthy work conditions that are significant problems.⁶⁵ Yet evidence from Jordan's industrial zones suggests that the positive impact that they have had on Jordan's economy have been limited.

⁶⁴ Research Interview with a senior analyst in a major Palestinian think tank in Ramallah on Monday 12th July, 2010.

⁶⁵ Based on interviews with Trade Union representatives in Nablus, 19th November, 2009.

While *prima facie* Jordan's industrial zones have been economically fruitful – in terms of increasing Jordan's GDP and improving its balance of trade (net export revenue) – overall the project, which was established as part of the Israel-Jordan peace process in the early 1990s, can only be considered a limited success. This conclusion is based on three particular observations regarding the nature of the QIZs in Jordan. First, that these zones are relatively isolated from the rest of the Jordanian economy – in that they are connected by some energy and transport infrastructure links but these are limited and beyond that the QIZs have few forward and backward linkages. Second, that in some cases, the terms of the treaty, which ensures that products manufactured in the QIZs utilize a particular percentage of material, produced in Israel (this figure varies according to the type of product produced and has also been altered during the period of the QIZs' existence), has resulted in undermining Jordanian industry producing such material elsewhere. Third, that the limited rights for labour employed in these zones has made jobs there particularly undesirable for Jordanian workers and as a result a high percentage of foreign workers are employed and the multiplier effect of these wages is therefore fractional (as a high proportion leaves the country in terms of remittances).⁶⁶ Ibrahim Saif, of the University of Jordan's Centre for Strategic Studies, summarised some of the socio-economic problems in these zones in the following:

Work is low-paid, wage freezes and favoritism are common, and job security is lacking since Jordanians fear they could be replaced by foreigners

⁶⁶ Ibrahim Saif, *The Socio-economic Implications of the Qualified Industrial Zones in Jordan* (Center for Strategic Studies, University of Jordan, 2006); J.P. Gaffney, "Jordan's Qualified Industrial Zones: A Qualified Success?" (University of Pennsylvania, 2005); M.A. Kardoosh and R. Al Khouri, "Qualifying Industrial Zones and Sustainable Development in Jordan," in *Economic Research Forum 11th Annual Conference, Beirut, Lebanon, December, 2004*, 14–16; A. Abdel-Latif, "The Qualified Industrial Zones: A Blessing or a Curse to Egyptian Industry?," in *MEEA 5th Annual Conference*, 2006, 10–12.

*accepting longer hours and lower pay. Finally, working conditions in the factories are often difficult, and workers often work ten-hour days.*⁶⁷

The potential that the influx of foreign labour and the depressive effect of these zones on other sectors of the Jordanian economy might lead to social unrest is well understood by both Jordanian commentators and the government, which has, on various occasions, attempted to mitigate this risk by promising to increase the number of Jordanians employed in the workforce.⁶⁸

Thus, even in Jordan, which has many advantages of statehood that even a recognised Palestinian state would lack, there are significant problems relating to this approach. Further, it is possible to extrapolate from this that both Israel and the PA would have cause for strong concern over security issues arising from popular unrest even after these zones were established and operational. Therefore, notwithstanding the seriousness of the need to modernise Palestine's economy, through the development of these industrial zones, the PA's reform agenda would constitute a rapid and radical shift to a system which grants few workers' rights and, it is likely, would operate under a strict surveillance framework and be integrated with the occupation. The rapidity of this change and the apparent lack of any serious social safety net would also mean that it is very likely that those who suffered badly under the status quo would also be badly affected in the short term.⁶⁹

⁶⁷ Saif, *The Socio-economic Implications of the Qualified Industrial Zones in Jordan*.

⁶⁸ Research interview at the University of Jordan, Amman, November, 2011.; *C.f.* Mohammad Ben Hussein, "Municipalities Support Strategy to 'Jordanise' Factory Workforce," *Jordan Times*, n.d., 11 October, 2006 edition, <http://www.jordanembassyus.org/10112006001.htm>.

⁶⁹ The need for increased training opportunities for small enterprises in the Nablus region and beyond was identified in 2003 by a Bisan report. *C.f.* Basim Makhool, *Small Enterprises in North Palestine: Reality and Needs* (Bisan, 2003), http://www.bisan.org/web_files/publications_file/SSE.pdf.

The PA's answer to this is that new jobs will be found in knowledge-based industries, and indeed it is true that the strong Palestinian reputation for high education standards has already attracted investment from large multinational corporations and there are new businesses emerging in exactly this field.⁷⁰ However, aside from the obvious extension of the point made in the previous paragraph – that persons with insufficient means to retrain will find it impossible to benefit from this new agenda – two further criticisms can be made. First, the Palestinian education system has often been at the forefront of Israeli assaults and has struggled with frequent crises induced by the occupation's strategies. Second, that even if there is genuine growth in the Palestinian domestic economy based on foreign investment, then this does nothing to protect Palestinian jobs from global trends. In other words, the PA may well make the West Bank one of the most inviting places in the region for the outsourcing of high-tech or other service sector jobs but since it does virtually nothing to promote the conditions for genuine Palestinian owned industry – headquartered in Palestine, then even in the optimal scenario the economy could only ever be as robust as those transnational companies which remain engaged.

Boycotts

As stated at the beginning of this chapter, the PA attempted to demonstrate that its economic strategy is one that is directed towards the creation of a Palestinian state and resistance to Israeli control over the territory of the West Bank. Its

⁷⁰ Sun microsystems had dedicated three labs to Palestinian universities according to Medibtikar "Business and Investment Opportunities: Palestine Authority."

primary means of doing so was the promotion of a popular boycott against goods produced in Israeli settlements. This boycott strategy was outlined by Dr. Hasan Abu-Libdeh, the then Minister of the National Economy, in a speech in to the Peres Centre Tel Aviv, 2010. The minister stated:

This campaign is focused on helping Palestinian consumers to be cognizant of their rights, and to distinguish between illegal settlement products and legal Israeli products imported via the existing Paris economic protocol. Consumers today are being given the tools to make conscientious decisions to replace settlement products in their homes with other international and Israeli products, while giving priority to Palestinian ones in support of economic nation building.⁷¹

This boycott was carefully planned in order to demonstrate that it was different to the more prominent Boycott Divestment and Sanctions (BDS) movement,⁷² which advocates a blanket boycott of Israeli goods. In order to carry out this boycott the PA passed a law banning the purchase of goods from settlements (June 2010), established a public-private organisation to coordinated the programme, al-Karameh National Empowerment Fund, and undertook a nationwide campaign to raise awareness of the boycott with the use of various resources, including a catalogue of settlement products. Though the PA boycott remained within the terms of the Paris agreement Israel's initial response was to withhold the transfer of 17 per cent of the PA's tax revenue (which it collects on behalf of the PA).

The PA boycott initially appeared to hold a number of advantages over the BDS campaign. Most obvious was the fact that the PA boycott was much easier to

⁷¹ Hasan Abu-Libdeh, "Speech by the Palestinian Minister of the National Economy to the Peres Centre: Institute for Diplomacy and Regional Corporation at Tel Aviv University" (Al-Karameh National Empowerment Fund, June 7, 2010).

⁷² C.f. Omar Barghouti, *Boycott, Divestment, Sanctions* (Haymarket books, 2011).

implement because it still allowed Palestinians to purchase products originating from within Israel, which – as discussed elsewhere – are prevalent throughout the West Bank. Further, the BDS campaign suffered from the fact that it was perceived as an elite project dominated by a, generally foreign educated, Ramallah-based bourgeoisie. Third, although perhaps most unlikely, the PA boycott initially at least appeared to have managed to present itself as a grass roots movement. This was largely a result of the fact that it mobilized youth support. Its advocates went from door to door asking people to pledge not to buy settlement goods. If they faced opposition, they had the resources available to make a persuasive argument, and further if the household pledged to join the campaign and proved to be free from settlement goods the advocates would affix a small sticker to the door – a symbol of solidarity. During late 2010, these stickers were visible all over the old city of Nablus and elsewhere.

However, it did not take long until the flaws in the PA's boycott of settlement produce emerged. First, there were always concerns from the outset that even though the PA was not prosecuting anybody for working in settlements – something that the 2010 law made illegal – the notion that the government was stigmatising this economic activity was seen as unfair (as stated in the extract from the opinion poll at the beginning of this chapter). When this is considered against the backdrop of the other economic hardships faced by Palestinians that were either (a) direct or indirect results of the PAs economic reforms or (b) direct or indirect result of the occupation, that the PA was not challenging, this sense of unfairness became more palpable. Second, the PAs boycott was almost completely undermined when in November 2011, Issa Smeirat, a student

researching for his Masters degree at Al-Quds University in Abu Dis, concluded that a vast array of the Palestinian business class were heavily invested in Israel and in Israeli settlements in the West Bank. According to a further investigation in the Haaretz newspaper:

*Private Palestinian investment in Israel, as of 2010, amounted to \$2.5 billion in a conservative estimate, and according to a more optimistic estimate this investment possibly even amounts to \$5.8 billion. For purposes of comparison, private Palestinian investment within the West Bank, as of 2011, was only \$1.5 billion.*⁷³

On the other hand, critics of the PAs boycott argued that the BDS campaign was sounder. This was because BDS was based on the principle that both settlements and Israel's policies towards the oPts were illegitimate because they both existed outside the remit of international law. (According to this reading the Oslo process actually undermined international standards that were critical to Palestinian legal claims against Israel: for example UN Security Council Resolutions 194 and 242, and the 4th Geneva convention.⁷⁴) In my interview with a representative from the BDS campaign, they explained that in some respects the PA's boycott had been of benefit to BDS because as a result of its promotion through the media both at home and abroad the notion of boycotting Israel had entered mainstream thinking. However, in itself the PA's boycott was seen rather as an attempt to address its current, and profound, lack of a popular mandate. Or, in other words, that the PA was a "heavy burden on Palestinian shoulders,"⁷⁵ and was "desperately seeking legitimacy."⁷⁶

⁷³ Amira Hass, "Study: Palestinians Invest Twice as Much in Israel as They Do in West Bank," *Haaretz.com*, November 22, 2011, <http://www.haaretz.com/print-edition/features/study-palestinians-invest-twice-as-much-in-israel-as-they-do-in-west-bank-1.396979>; *C.f.* also Bannoura, "Study Shows Palestinian Businessmen Invested \$2.5 B In Israeli Settlements In 2010."

⁷⁴ Barghouti, *Boycott, Divestment, Sanctions*.

⁷⁵ Research interview with BDS representative, Ramallah, 18 July 2010

⁷⁶ *Ibid.*

However, amongst other interviewees, there was qualified support for both the PA's boycott of settlement goods and of the BDS movement against all Israeli products. This was largely because it had captured the popular imagination and in both cases the cost of the occupation for Israel was being increased by an attempt both to stifle revenue to Israel from the Palestinian market and associating the Palestinian cause with nonviolent protest and historical examples of *just* boycotts, for example in South Africa. But again the positive impact of this was overshadowed by the much more damaging effects of the existing agreement between Israel and the PLO. According to a Palestinian-American businessman based in Ramallah:

The [PA] boycott – is an excellent move and it is very well run – it makes people feel they are part of some kind of resistance... the problem is that it doesn't challenge the Paris Protocol – why should we stick to this agreement? ... Israel does not keep to [the] Paris [agreements]."⁷⁷

This support for the BDS boycott, rested on the approval of the fact that through it, Palestinians could take a principled stand against all Israeli products. In particular, the businessman I interviewed explained that certain institutions, such as Birzeit University and An-Najah National University, had endorsed the BDS principles. Such examples provided both stable focal points for the campaign that would remain constantly relevant to students and the community and be illustrations to others (Palestinians and internationally) to show that Palestinian agency could be used discriminately, non-violently and effectively. Further, regardless of the PA's policy on boycotting settlement goods only, the general public, civil society and political parties, acting independently of the PA

⁷⁷ Researching interview with a Ramallah-based business consultant, in Ramallah on 5th July, 2010.

could be making greater efforts to endorse and promote a boycott of Israeli goods wherever possible. My informant explained that:

*Civilians can still boycott. Political parties and civil society should be driving towards increasing boycott of all Israeli products – if Fatah [acting as a political party independent of the PA] called for BDS wouldn't it make a huge difference?*⁷⁸

Summary and conclusions

This chapter has demonstrated that, when compared to its actions, the PA's narrative of *Fayyadism* was plagued with clear contradictions. This chapter has outlined five significant ones.

- First, according to the PA, independence in the long-term was supposed to be derived from short-term dependence on donors. But the development strategy undertaken by the PA rested heavily on donor support. This situation eventually led to a critical financial crisis in mid-2011 until and remains unresolved at the time of writing this thesis.
- Second, the PA's strategy to reduce the appearance of corruption, through adopting an internationally designed *good governance* framework, in fact made it harder for the government to function. It unnecessarily undermined one the basic tools that the PA could have used to further the actual development of the Palestinian economy, promoted a further shift towards consumption rather than production and also it probably made it easier for established elites to benefit in terms of the expansion of their monopolies.
- Third, the PA's agenda failed to take into account the special circumstances faced by vulnerable communities in the West Bank. While, independent studies demonstrated that poverty and other forms of hardship were serious problems for the general Palestinian population in refugee camps and areas 'B' and 'C,' the PA's reforms failed to challenge the underlying causes or in fact they made them worse. For example the PA's reforms contributed to the important issue of jobless growth and rising inflation that particularly affected refugee communities. The PA also missed various opportunities to allow special status for Palestinians living in rural areas in immediate danger of Israeli settler violence. Further, through reorganising the electricity network to a pre-pay system the PA actively made circumstances more difficult for many of the poorest communities in the West Bank.

⁷⁸ Ibid.

- Fourth, the restructuring of Palestinian industry in equivalents of the QIZs elsewhere, ostensibly in order to bypass the restrictions of the occupation, in fact allowed the embedding of this security apparatus of Israel and its allies. These zones have also proved to be a limited success elsewhere and there is little evidence that they will serve the needs of the general population or make Palestine more independent.
- Finally, the PA's resistant strategy, based around boycotting settlements, was undermined by the fact that members of the Palestinian business community had investments in those settlements. Furthermore, in comparison to the BDS movement's blanket boycott of Israeli products, the PA's boycott was seen to be weak as it failed to challenge the unjust Paris Protocols. Thus, particularly when considered in relation to the broader trends detailed in this chapter, overall the PA's boycott appeared to be little more than an effort to shore up its own domestic legitimacy.

It is clear from this discussion in this chapter that post-2007 development agenda was never designed to develop the Palestinian domestic sphere in the way that the four categories of (1) the economy, (2) the social environment, (3) the security sector reform and (4) *good governance* had implied. Indeed, the plans were not very well prepared at all beyond the initial commitments to the *security first* agenda. Rather the decision-making processes behind the reforms comprised little more than a "wish list"⁷⁹ of the various ministries when in preparation for the Paris donor conference. The result of this was that the donor countries made decisions on behalf of the PA and neo-liberal reforms were prioritised over social and cultural development in the same way that the functionalism of the Oslo *peace process* had done. As one interviewee suggested:

*Free market liberals are running the show ... no one else in government has any say. [What] we need to [do is] abide by the national interests. We need local elections and the public to be behind the reforms ... [under the current system] there is arbitrariness of decision-making. There should be a systematic and accountable process.*⁸⁰

⁷⁹ Ibid.

⁸⁰ Research Interview with a senior analyst in a major Palestinian think tank in Ramallah on Monday 12th July, 2010.

The neo-liberalism of the economic reforms was manifest in an emphasis on growing the service sector at the expense of Palestine's traditional industries. This, in the long term, meant that Palestine was becoming a "consumption driven economy, not production driven"⁸¹ and that because of this lack of diversity, particularly when supported by artificial (and ultimately unreliable) amounts of donor aid the economy was extremely fragile. In contrast to the perspective of the former minister, this view did not see Palestinian production industry as inevitably doomed when confronted with globalisation. Industries like textiles certainly needed to change but the fact that they hadn't yet could be the result of underdevelopment and underinvestment and the particular conditions of Israel's rule. Other industries, like stone, had vast potential that was currently being frustrated by both Israeli restrictions and the PA's lack of appropriate support.

This was particularly the case in the context of a suggested creation of industrial zones, which would mean that the majority of industry would be moved to concentrated *secure* estates. In this scenario transport to and from the zones could be undertaken by specially approved Israeli freight companies and for *security reasons* all work could be observed through surveillance cameras and all persons passing in or out be subject to a new *security check* at a *privatized checkpoint*. Moreover, based on the examples in Jordan and Egypt, it is likely that wages would be low and there would be few workers' rights. The prospect of this development exposed the fact that the PA and its international sponsors were not merely driven by a functionalist *peace* agenda but rather that they were

⁸¹ Research interview with a Ramallah-based business consultant in Ramallah on 5th July, 2010.

deliberately seeking to replace donor aid to Palestine with a neo-colonial exploitative relationships equivalent to those elsewhere in the global south.

In terms of challenging the occupation, this *development* plan is evidently the antithesis of genuine resistance. Because it has amplified the hardships endured by vulnerable Palestinians the PA's plans in fact made it harder for rural Palestinians to retain their presence on the land – arguably the most important means of resistance to Zionism. Yet, even in spite of the PA's farcical boycott of settlement products, Palestinian resistance to Israel's occupation continued in the form of the BDS campaign and other popular protests throughout the West Bank.

Of course the future remains unknown. However, based on the data presented in this chapter, and the previous two, it is possible to extrapolate a pessimistic vision for what the future might potentially hold if these trends continue. According to this reading, if these trends remained unchallenged it would be likely that, with or without nominal statehood, Palestine would gradually become fully integrated into globalisation's periphery, essentially operating as an appendage that provided cheap labour to Israel, and the other metropolitan economies. Seen in this light, virtually every policy or action undertaken by the PA since its formation in 1993 would either be tainted by association or otherwise irrelevant. Looking back from this point in the future, the claim that the PA was truly building a state, or offering any kind of real resistance to Israel's dominance, would be considered absurd.

With specific reference to the key questions of this thesis - (a) How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011? And (b) what were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank? – the discussions in the three preceding chapters have presented the PA's rationale for its post-2007 agenda, the impact of its security and development agenda on the lives of the general Palestinian population and analyses of the impact those agenda have had on the broader power dynamics in the occupied west bank. These chapters have shown that the PA's post-2007 agenda tended to be accepted in the short term, though this acceptance was usually based on the radical contrast between the disastrous conditions that had existed during the intifada and the relative calm that followed it – this was particularly obvious in the case of the security agendum and its impact on Nablus, an urban centre that had experienced eight years of siege during the intifada. However, where such extremes were not experienced directly, or in cases where the experience of such dissimilar environments had been diluted over time, the PA enjoyed little in terms of popular consent. Further, virtually none of my interlocutors expressed any genuine belief in the notion that the letigamizing narrative of *Fayyadism* represented their experience accurately or realistic goals for the PA's post-2007 agenda.

In terms of answering the second question – regarding the manifestation and distribution of power in the West Bank – these chapters have demonstrated that, in spite of its progressive rhetoric, the PA's security and development agenda proved to be greatly damaging to the basic structure of Palestinian political and

economic life; they increased Palestinian dependence on Israel, entrenched the structures of occupation in the West Bank and made it harder and not easier for Palestinians to gain control over their basic economic and political activity (and therefore to allow any progress towards peace according to the definition I have set out).

Chapter Nine: Conclusions

Awaiting national liberation and without a mobilization towards that end, many Palestinians seem willing to coexist with, if not defend, the lifestyle under occupation to which they have become accustomed. They may not sense the implications that the embedment of neoliberal values in Palestinian minds and hearts implies for the struggle for national and social emancipation. But in the wake of a second, militarized and failed intifada, most of those living under occupation and PA administration meekly have accepted, if not embraced, the limited focus of the PA on “self-improvement” that has overwhelmingly defined the Palestinian reform and governance narrative for the past five to ten years.

- Raja Khalidi, 23 March 2012.¹

Freedom is not only the absence of being in jail, just as it always said that peace is not merely the absence of war.

- Nelson Mandela, Nobel Laureates Interview, April 2004.²

The main goal of this thesis is to provide a diagnostic of the political and economic impact of the PA's post-2007 agenda. This diagnostic is intended to be the primary contribution that this thesis makes as it takes a very different approach to the various commentaries and analyses that are prevalent in media and think tank literature. Such commentaries have tended to approach the issue of the PA's performance from an external and often top-down perspective. By contrast, this thesis adopts a bottom-up perspective. This thesis' analysis began with a diagnostic of the impact of the PA's agenda on the general Palestinian population in four sites in the Nablus region and follows that by interpreting that data analytically. In order to undertake this task this thesis sought to address two key questions:

¹ Raja Khalidi, “After the Arab Spring in Palestine: Contesting the Neoliberal Narrative of Palestinian National Liberation,” *Jadaliyya* (March 23, 2012), http://www.jadaliyya.com/pages/index/4789/after-the-arab-spring-in-palestine_contesting-the-

² Interviewed by Lorie Karnath, quoted in: Nelson Mandela, *Nelson Mandela By Himself: The Authorised Book of Quotations*, 1st ed. (Macmillan, 2011), 110.

1. How did Palestinians in the West Bank experience the political and economic effects of the PA's agenda during the period 2007-2011?
2. What were the consequences of the PA's agenda (2007-11) for the way in which power manifest and is distributed within the West Bank?

The diagnostic

With respect to addressing the first of these questions, this thesis identified an important distinction between the material changes undertaken as part of the PA's post-2007 agenda and the legitimizing narrative that accompanied those agenda. The legitimizing narrative (which this thesis has termed *Fayyadism*), that was propagated by both the PA – and in a number of top-down external commentaries – promised that Palestinians would experience various improvements in their daily lives, including economic development, progress towards peace and eventually independence. However, as the evidence discussed in the preceding chapters has demonstrated, this narrative was based on a false prospectus.

In reality the PA's material agenda comprised two major parts. First, a security agendum that focused on (a) combating the threat of Hamas, (b) restoring order to the streets of urban centres such as Nablus and (c) collaborating with foreign governments at the expense of Palestine's democratic character and the basic rights of those under its rule. Second was a development agendum that prioritised a particularly neo-liberal interpretation of *good governance*, which, instead of interpreting the criteria of *good governance* as a description of the nature of an ideal state to which Palestine could perhaps aspire, elements of the *good governance* framework were selectively applied by the PA at the behest of

international donors (who were particularly focused on avoiding any possible return to the corruption of the Arafat-era).

However, neither of these agenda actually offered a genuine prospect of increasing Palestinians' control over their own political and economic agency at a basic level (i.e. in accordance with the definition of 'progress towards peace' as provided in Chapter Three). Rather, as the results of the diagnostic (detailed in Chapters Seven and Eight) demonstrate, the majority of informants did not believe the PA's legitimizing narrative at all.

Specifically on the topic of security, while most interviewees did not believe that the *Fayyadism* narrative accurately reflected the reality of the PA's post-2007 agenda as they experienced it, there was evidently a general consensus of consent among Nablusis towards the PA's rule, particularly during the early period of my study in urban Nablus. (It is worth noting that this appearance of popular consent has been one of the primary sources of evidence for the kind of top-down commentaries that this thesis seeks to challenge.) Based on the interviews and other data that comprise this thesis' diagnostic, it is clear that beyond obvious and superficial conclusions (i.e. that short-term consent implies general support for the PA's agenda) an insight to a more complex reality is possible. Indeed, in the context of the recent history of Nablus, having endured a devastating siege and extreme violence during the intifada, it is more likely that the general consent recorded in the city of Nablus is a result of both battle fatigue and the fact that ordinary Palestinians enjoyed the restoration of basic services that came with the PA's imposition of order.

This certainly does not mean that Nabulsi embraced the violent clampdown on Hamas, and/or other degradations of their political rights as the actions of a government that was seen as legitimate, or one in which they had faith that it would deliver independence. Rather most informants questioned the legitimacy of the PA's narrative. Further, as discussed in Chapter Seven, it was particularly noteworthy that there were some important similarities between both the rejectionists and consenting interpretations that were expressed by different informants. These were that both rejectionists and those consenting to the PA's rule tended to accept that (a) basic improvements had occurred under in Nablus since the end of the intifada and (b) that the legitimizing narrative of *Fayyadism* was not realistic.

Yet where these perspectives differed was in terms of the contextual frame through which the PA's agenda should be viewed. Those informants that expressed consent towards the PA's agenda tended to frame their viewpoints within the immediate post-intifada context, while the rejectionists tended to take a much longer term view. However, when I returned to Nablus at the end of my research period I noted that those informants, who had expressed a consenting perspective in the first instance, had moved closer to the rejectionist perspective later.

The second element of this diagnostic was a discussion of the PA's post-2007 development agenda. This discussion particularly focused on the impact of the PA's development agenda. Given the fragmented nature of Palestinian society

it is not surprising that the impact of any economic development plan would be varied across the West Bank. However, there are three general trends that this diagnostic found. These are (a) a general trend towards heavy investment in urban areas while development in rural areas was inadequate for basic needs of rurally-based Palestinians, (b) vulnerable communities within the West Bank often suffered more as a result of the PA's activities, or at least were not helped in a significant way by them and (c) that overall there was very little progress in terms of increasing Palestinian control over their political and economic decision making at a basic level. Combined together these changes resulted in reinforcing a matrix of strong incentives that encourage migration either towards the cities or indeed out of the country entirely, which clearly has disturbing implications in terms of undermining essential resistance to Israel's creeping settlement expansion.

Moreover, where there is some evidence to suggest that the Palestinian economy did recover somewhat during the period 2007-11, for the most part this can be accounted for by the returning glut of aid funding to the West Bank after the freeze imposed by international donors in the wake of the 2006 elections and, to a lesser extent, the manipulation of the banking sector that has led to the proliferation of small loans furthering the emphasis on redirecting the economy towards consumerism over production. However, the real meaning of 'growth' in this context should not be mistaken for an increase in genuinely sustainable economic activity. Rather, as the example of the Nablus region demonstrates extremely vividly, such improvements can be permitted or not at the whim of external actors, and power therefore does not rest in the hands of Palestinians.

Beyond the return of aid, in Nablus specifically, another example of how power rests with such external agents is evident in the impact of the relaxing of the mechanisms of control – that comprised the siege – thus allowing relatively freer movement of people and goods. These checkpoints were opened, but they were not removed and they remained staffed by Israeli troops. Thus with every transport artery that was opened, with it came the latent threat that it could be closed again. Meaning that underlying all of the improvements that have been made remains the fact that Israel retains ultimate and unilateral control over all apparatus of occupation that still surrounds the city and, in fact cuts across every major transport artery into, and within, the West Bank. This means that Israel actively retained the capacity to thrust Nablus back into a state of siege similar to the conditions it experienced in the intifada, or otherwise drastically restrict the Palestinian economy on a broader scale, at any time and (presumably) without notice. Therefore, this form of ‘recovery’ should be seen as entirely superficial and unlikely to be sustainable in an economic sense.

On the other hand the relative change in the apparent economic fortunes of Nablus has had a significant political impact on the city’s inhabitants. This was manifest most obviously in what appeared to be a general consensus that accepted the renewed leadership of the PA, even to the extent where the violent abuse of power by the PA security forces was tolerated. However, where the PA, and some international journalists, utilized this as evidence of the success of the PA in winning the hearts and minds of ordinary Palestinians, this thesis has argued for a different explanation. Indeed, evidence presented above clearly

demonstrates that according to a Nabulsis from a range of different political and socio-economic backgrounds, the PA's legitimising narrative was simply not believed.

Rather, most interviewees took a more holistic approach to interpreting their surroundings. For the most part my interviewees recognised that the turbulence of the intifada had brought only increased suffering to the city and they were keen to avoid returning to those circumstances in the future. Thus, while, neither did the PA's approach constitute a convincing alternative to independence, nor was its rhetoric believable, (In other words the fact that the PA had accepted Israel's control at least provided some respite from the conflict.) However, the stability of this consensus should not be overstated, as *Fayyadism* has by no means attained the status of a hegemonic narrative. The imperfections in this relationship are especially evident where the PA's role as a relatively efficient service provider was brought into question, particularly during the latter part of 2011 when allegations of corruption re-emerged and as the PA struggled to cope without consistent adequate support from foreign donor agencies. Indeed, as this fiscal crisis extended beyond my period of research in the West Bank further popular unrest has continued and has also extended into protests against Israel's engagement with international donors on the PA's behalf.³

³ Israel approached the IMF on behalf of the PA in an unsuccessful attempt to obtain a loan of \$100million in June 2012. The request was denied because the PA is not a state and is therefore ineligible under the IMF's rules. For further details on the protest c.f. Philip Leech and Anan Quzmar, "Palestine: The Precarious Present," *Open Democracy*, July 19, 2012, <http://www.opendemocracy.net/phil-leech-and-anan-quzmar/palestine-precarious-present>.

Yet for some Palestinians, the PA's role as an efficient service provider has not been convincing for some time. This was particularly the case for vulnerable communities in Areas 'B' and 'C'. One major point to note is that in these contexts the distinction between the disaster of the intifada and the relative calm of its aftermath was never as extreme as it was in the cities. Of course many Palestinians inhabiting areas 'B' and 'C' had suffered the consequences of the various forms of violence during Israel's operation 'Defence Shield'. Though, as the Israeli military had never withdrawn from those areas to the same extent it had from areas 'A' the juxtaposition of relative violence and relative calm was not as profound. Moreover, particularly for the inhabitants of villages in close proximity to Israeli settlements, the consequences of Israeli settler colonialism were on-going, and often intermittently violent, regardless of the broader political conditions.

In these vulnerable communities the PA's impact was, in many respects, conspicuous by its inefficiency. While there had been a number of projects undertaken through the application of donor funding and expertise to improve some of the infrastructure in Areas 'B' and 'C', including a new water distribution project paid for by EU members and, under the Fayyad government, there had been some new civil buildings constructed and rural roads re-layed, the PA's role in this was piecemeal at best. For the most part donors accounted for Israeli concerns before beginning such projects and only after that, found ways to provide for the needs of Palestinian villagers. From the donor's perspective, this was understandable as the nature of Israel's response to their project was unpredictable. However, clearly evident in my interviews with villagers in

Qaryut and Yanoun was a sense of frustration toward the PA because it appeared to have absolved itself from even attempting to meet the needs of those trying to survive on what was essentially the frontline against expansive settler colonialism. Indeed, in its imposition of a new pre-payment system for electricity the PA has imposed a new hardship on rural Palestinians that has made it dramatically more difficult to maintain a livelihood and retain a presence on the land in the West Bank.

The analysis of power

In terms of addressing the second key question, regarding the impact of the plans on the distribution and manifestations of power in the occupied West Bank. This thesis has argued that during the period 2007-2011 the PA's agenda effectively amounted to the abrogation of the pursuit of genuine progress towards peace and the acceptance of Israel's permanent strategic advantage in the West Bank. This realignment of priorities by the PA was combined with a legitimizing narrative that trumpeted, what amounted to marginal, progress toward notional Palestinian statehood as a substitute. Further, some top-down commentaries presented a favourable image of the PA's post-2007 agenda that particular emphasised the contrast between conditions in Palestine during the last intifada and afterwards (and suggested that, because the path adopted by the PA appeared to be conciliatory towards the contemporary political and strategic environment, it represented the best possible path to resolving the overall conflict). However, these narratives distorted the true nature of conditions within Palestine during that period and the real impact of the PA's agenda under the government of Salam Fayyad.

In short, the real impact of the PA's post-2007 agenda on the distribution and manifestation of power in the West Bank can be summarised in the following:

1. Under the premiership of Salam Fayyad, the PA effectively surrendered all efforts to challenge Israeli strategic dominance over Palestinian lives and Palestinian lands in the occupied West Bank, all presence of meaningful democracy and fully accepted its role as an integrated part of the overarching power structure in the West Bank.
2. Further, the PA has adopted a conciliatory approach towards the occupation and pursued a security agendum that is designed to assimilate with Israeli plans to entrench the occupation apparatus in the West Bank further in the future.
3. The PA also embraced a strongly neo-liberal approach to its economic policy, which it has sought to describe as 'development'. However, in reality this approach has weakened what remains of Palestinian autonomy in its economic decision making, worsened the conditions of already vulnerable communities in the West Bank, helped undermine the basis for the productive sectors in Palestine's economy favouring instead a consumer-led approach.

As stated above, the results of this analysis are intended to challenge the prevalence of top-down commentaries that tend towards interpreting available data on the conditions in Palestine through a prism framed by normative assumptions of what a peaceful conclusion should be. However beyond this initial interpretation, these results should also be read in the context of the history of the peace process and the Palestinian pursuit of a two-state solution. As discussed in Chapters Four and Five, this thesis has argued that in essence the current historic bloc is rooted more in the confluence of events that occurred during the late 1980s and early 1990s than it is in at any point afterwards. At this time the PLO and Israel embarked on a peace process underscored by a functionalist ideological framework, and shared many commonalities with the current arrangement of power. Thus the period that this thesis focused on

particularly – between 2007-11, in the wake of the second intifada – should not be considered a distinct historic bloc. Therefore, although the second intifada was a profoundly dramatic and existential event experienced by Palestinians, it does not serve as a reasonable standard by which to judge the success or failure of the PA's agenda since 2007.

However the evidence presented in this thesis suggests that the PA and its external supporters do intend that the second intifada be considered the threshold event and, in view of that, they have tried and recreate the relatively prosperous conditions of the 1990s (with some changes). As a result, the PA's post-2007 agenda included a number of elements that reflect similar policies that were pursued during the Oslo period, though often with greater intensity.

These were:

1. An on-going programme of “asymmetric containment”⁴ pursued by Israel in order to divide and contain the urban centres in the oPts and maintain its strategic dominance.
2. The weak structures governance within the PA and a strong relationship between monopoly elites, their interests and the decision making structures of the PA. This is somewhat reminiscent of the “Bully Praetorian republic”⁵ that existed under Yasir Arafat's leadership (though there is less overt corruption). As a result the Palestinian private sector remains in a parlous state.
3. As in the Oslo period there is a strong international presence in shaping and directing PA policy. However in the post-2007era this has been driven primarily by security concerns, a selective interpretation of *good governance* and lack of trust towards the PA.

In addition to these factors, the PA's embracement of neo-liberalism added to the problems faced by Palestinians by ostensibly making the market the key location

⁴ Hilal and Khan, “Stateformation Under the PNA: Potential Outcomes and Their Viability.”

⁵ Henry and Springborg, *Globalization and the Politics of Development in the Middle East*.

for decision making, even though (as evidence in Chapter Eight has shown) the Palestinian market remains dominated by a bloated public sector and the power of particular elites.

These factors contributed to the development of the contemporary situation in Palestine, which is, in essence a form of political and economic stasis that is degrading at difference speeds in different contexts. Overall, prospects for the improvement of access to basic political rights in the West Bank are virtually non-existent or are actively being destroyed – particularly in rural areas – while a superficial bubble of apparent normalcy has developed in urban Palestine that, especially in Nablus and Balata refugee camp, contrasts sharply with the experience of most ordinary individuals of the experience of extreme violence in recent years.

But beyond the PA's failings, there were also a number of new concerns that have grown in significance since 2007. Broadly, these can be summarised as the deeper entrenchment of the occupation, which was in essence a result of three processes developing in concert: (a) the adoption, by the Palestinian security forces, of a political and strategic mandate that is shaped by Israeli and US priorities; (b) the development of an economic strategy that encouraged both migration to urban areas and the development of 'secure industrial zones'; and (c) the progressive development of Israel's asymmetric containment agenda, particularly in the sense of its civilianisation of personnel and the integration of the apparatus of occupation into the structures of Palestinian daily life. These developments are particularly alarming in that they all seem to point to a joint

effort by both Israel and the current PA to ensure that the apparatus of the occupation is durable and well adapted enough to be maintained in *de facto* terms, regardless of any changes to its (or Palestine's) *de jure* status.

In other words, it appears as though Israel and the PA have both accepted that Israel's ultimate domination of the West Bank will be in practical terms permanent and that where Palestinian security forces play a role its agency would only ever be subject to the will of Israel and oriented by the prioritization of Israeli interests over those of Palestinians. Further, the role that Palestine would play economically would be integrated entirely within a structure that has been deliberately designed to prioritize the interests of Israeli companies and, to a lesser extent, Palestinian elites thus effectively replicating some of the worst elements of the nature of the QIZ projects in Jordan and Egypt in spite of their problems.

Of course, the PA's actions were supported by a legitimizing narrative that attempted to explain the direction of PA policies within an more popularly acceptable paradigm this was that - in spite of everything - the PA's activities still constituted resistance to Israeli power at some level. However, where the PA's activities did take on the form of resistance strategies more directly, the disingenuousness of the PA's legitimizing narrative became more clearly evident over time. This was because, though the steps taken by the PA to boycott Israeli settlements and mobilize popular activity in peaceful protests initially won popular backing, their insincerity soon became clearer. This was based on three main reasons:

1. The boycott targeted some of the most vulnerable Palestinians who were working in Israeli settlements under already difficult conditions in an attempt to create a social stigma for their work, though the PA did not take any meaningful steps to enforce that rule;
2. The PA's activity involved in the marshaling and direction of 'popular protests' had the effect of creating, at first, disenchantment among many Palestinians, and second, inspiring both ire and fear among those protesters who did challenge the PA's controls;
3. The fact that the PA, neither directly nor indirectly, made any attempt to drive any other forms of boycott or protest that might have added impetus to their cause – and indeed where PA officials did engage informally with other popular movements, such as BDS, they often undermined its power by publically disassociating themselves from the movements' goals.

Thus even in its attempts to present the image of directly challenging Israel's occupation the PA's agenda were disingenuous.

Future study

In the methodology section of this thesis I stated that it was appropriate for me, as a British citizen, and UK-based observer, to pursue a limited goal while undertaking my analysis. This was to challenge a common interpretation in the West that a peaceful and equitable solution to the conflict between Israel and Palestine could be achieved through the kind of political agenda that have been adopted by the PA under the leadership of Salam Fayyad. (In other words, it was to challenge the assumption prevalent in Western media and think-tank publications that *Fayyadism* equated to a path to a lasting and just peace.) The content of this thesis has fulfilled that goal. However, in the process of so doing it has also uncovered a number of further questions that are worthy of study.

In particular further study would be welcome if it could build on the contribution provided by this thesis' critique of the PA's development strategy. This is for two reasons: (a) unlike the security environment in Nablus, the PA is engaged in imposing an economic strategy on the population in a process that is continuous and (b) the mechanisms by which that economic strategy operates (via coercion and encouraging consent) are more opaque. Such a research project should focus on the question of growth in the Palestinian economy and should address, as its primary concern, the question: is it possible for more productive Palestinian economic activity (i.e. growth in small and medium sized businesses) to develop in the occupied territories from the bottom-up?

In pursuit of this goal future research should consider some (or all) of the following concerns: (a) a more in- depth examination into the Palestinian class structure, in particular analysing and mapping the political economy of interests that comprise the mechanism of power at the disposal of Palestinian elites and the motivations behind their actions; (b) a more in-depth analysis of the impact of geographical fragmentation on Palestinian political and economic agency which takes into account a broader cross section of Palestinian society; (c) the impact of particular investment trends (perhaps using the forthcoming November 2012 Jerusalem Investment Conference as a basis from which to track the impact and progress of particular projects); (d) a diagnostic on the state of entrepreneurship in the West Bank (or across particular sites in the West Bank); and (e) the *de jure* and *de facto* relationship between international investors and the basic elements of the Palestinian nation such as labour, land and natural resources. (This could possibly extend the comparative study of QIZs further.)

Peace is not merely the absence of war

As the quotations that began this chapter suggest there is a profound conclusion than can be drawn from the state of contemporary Palestinian politics under the PA since 2007. This is that, no matter how appealing the legitimising narrative – be it *Fayyadism*, or some future variant of that – appears to be, the real reasons for the consensus of general acceptance towards the current status quo in the West Bank are far more complex and closely tied to the provision of basic services and the threat of recurrent violence.

However, because of the ineffectiveness of the PA's post-2007 agenda and its legitimizing narrative, the current situation in Palestine remains unstable. Yet such is the distribution of power that it is unlikely that positive change can come suddenly or as the result of a quick-fix solution. Instead transformation – or even peace – can be built, over time on solid foundations. This requires that ordinary Palestinians take steps to increase their control over their own basic political and economic agency and that any and all structures that impede that process are challenged.

Bibliography

- 2007 Census. Palestinian Central Bureau of Statistics, 2008.
http://www.pcbs.gov.ps/Portals/_PCBS/Downloads/book1487.pdf.
- “Abbas Calls for Arafat Death Investigation.” *Al Jazeera English*, July 5, 2012.
<http://www.aljazeera.com/news/middleeast/2012/07/20127494953490367.html>.
- Abdel-Latif, A. “The Qualified Industrial Zones: A Blessing or a Curse to Egyptian Industry?” In *MEEA 5th Annual Conference*, 10–12, 2006.
- Abdullah, Daud. “Uncovered: MI6 in the Palestine Papers.” *Middle East Monitor*, February 9, 2011.
<http://www.middleeastmonitor.org.uk/articles/europe/2036-uncovered-mi6-in-the-palestine-papers>.
- Abu-Jabarah, Hani. “The Economics of Peace: Jordan.” In *The Economics of Middle East Peace: Views from the Region*, by Stanley Fischer, Dani Rodrik, and Elias Tuma. MIT Press, 1993.
- Abu-Libdeh, Hasan. “Speech by the Palestinian Minister of the National Economy to the Peres Centre: Institute for Diplomacy and Regional Corporation at Tel Aviv University.” Al-Karameh National Empowerment Fund, June 7, 2010.
- Abu-Odeh, Adnan. *Jordanians, Palestinians, and the Hashemite Kingdom in the Middle East Peace Process*. United States Institute of peace press Washington, DC;, 1999.
- Abukhater, Maher. “West Bank: Building the Airport Before the State.” *Los Angeles Times*, October 20, 2010.
<http://latimesblogs.latimes.com/babylonbeyond/2010/10/west-bank-building-the-airport-before-the-state.html>.
- Aftercare Strategy for Investors in the Occupied Palestinian Territory*. New York and Geneva: United Nations Conference on Trade and Development (UNCTAD), 2009.
<http://82.213.48.101:4000/Publishing%20Documents/After%20Care%20Strategy%20for%20investors%20in%20the%20Occupied%20Territory.pdf>.
- Agha, Hussein, and Robert Malley. “Camp David: The Tragedy of Errors.” *The New York Review of Books*, August 9, 2001.
<http://www.nybooks.com/articles/archives/2001/aug/09/camp-david-the-tragedy-of-errors/>.
- Ajluni, Salem. “The Palestinian Economy and the Second Intifada.” *Journal of Palestine Studies* 32, no. 3 (April 1, 2003): 64–73.
- Allen, Lori. “Getting by the Occupation: How Violence Became Normal During the Second Palestinian Intifada.” *Cultural Anthropology* 23, no. 3 (2008): 453–487.
- Amnesty International. *Israel and the Occupied Territories: Broken Lives – a Year of Intifada*. Amnesty International, 2001.
<http://www.amnesty.org/en/library/asset/MDE15/083/2001/en/0ac91c49-d8e7-11dd-ad8c-f3d4445c118e/mde150832001en.html>.
- Amundsen, Inge, George Giacaman, and Mushtaq Husain Khan, eds. *State Formation in Palestine: Viability and Governance During a Social Transformation*. 1st ed. Routledge Political Economy of the Middle East and North Africa. Routledge, 2004.

- Arendt, Hannah. *On Violence*. United States: Harcourt Publishers, 1970.
- Ayubi, Nazih N. *Over-stating the Arab State: Politics and Society in the Middle East*. I.B.Tauris, 1996.
- Azar, Edward E. *The Management of Protracted Social Conflict: Theory and Cases*. Dartmouth, 1990.
- Azouley, Ariella, and Adi Ophir. "The Order of Violence." In *The Power of Inclusive Exclusion: Anatomy of Israeli Rule in the Occupied Palestinian Territories*, by Adi Ophir, Michal Givoni, and Sari Hanafi, 99–140, 99–140. MIT Press, 2009.
- Bahour, Sam. "Economic Prison Zones." *Middle East Research and Information Project* (November 19, 2010).
<http://www.merip.org/mero/mero111910>.
- Bannoura, Saed. "Study Shows Palestinian Businessmen Invested \$2.5 B In Israeli Settlements In 2010." International Middle East Media Centre, November 19, 2011. <http://www.imemc.org/article/62529>.
- Barghouti, Omar. *Boycott, Divestment, Sanctions*. Haymarket books, 2011.
- Bauwens, Daan. "EU Denounces Israel's Destruction of Aid Projects in West Bank." *The Electronic Intifada*, May 17, 2012.
<http://electronicintifada.net/content/eu-denounces-israels-destruction-aid-projects-west-bank/11301>.
- Ben-Ami, Shlomo. *Scars of War, Wounds of Peace : The Israeli-Arab Tragedy*. Oxford University Press, USA, 2006.
- Bichler, Shimshon, and J. Nitzan. "Israel's Roaring Economy." *Global Research*, July 6, 2007.
<http://www.globalresearch.ca/index.php?context=va&aid=6234>.
- Bishara, Azmi. "Reflections on the Realities of the Oslo Process." In *After Oslo: New Realities, Old Problems*, edited by George Giacaman and Dag Jorund Lonning. Pluto Press, 1998.
- Black, Ian, and Seumas Milne. "Palestine Papers Reveal MI6 Drew up Plan for Crackdown on Hamas." *The Guardian*, January 25, 2011, sec. World news. <http://www.guardian.co.uk/world/2011/jan/25/palestine-papers-mi6-hamas-crackdown>.
- Bouillon, Markus E. *The Peace Business: Money and Power in the Palestine-Israel Conflict*. First Edition. I. B. Tauris, 2004.
- Braizat, Musa S. *The Jordanian-Palestinian Relationship: The Bankruptcy of the Confederal Idea*. IB Tauris, 1998.
- Brand, Laurie. "In Search of Budget Security: a Re-examination of Jordanian Foreign Policy." In *Diplomacy in the Middle East: The International Relations of Regional and Outside Powers*, by L. Carl Brown. I.B.Tauris, 2001.
- Bregman, Ahron. *Israel's Wars: A History Since 1947*. 2nd ed. Routledge, 2002.
- Brod, Daniel. *The Kibbutzim and Their Debt: Policy Considerations*. Institute for Advanced Strategic and Political Studies, 1990.
- Bröning, Michael. *The Politics of Change in Palestine: State-Building and Non-Violent Resistance*. Pluto Press, 2011.
- Brown, Nathan J. "Fayyad Is Not the Problem, but Fayyadism Is Not the Solution to Palestine's Political Crisis." *Carnegie Endowment for International Peace*, September 17, 2010.

- <http://carnegieendowment.org/2010/09/17/fayyad-is-not-problem-but-fayyadism-is-not-solution-to-palestine-s-political-crisis/1lu4>.
- Bruno, Michael, and Patrick Minford. "Sharp Disinflation Strategy: Israel 1985." *Economic Policy* (1986): 379–407.
- Bush, George, and Ariel Sharon. "Exchange of Letters Sharon-Bush 14-Apr-2004," April 14, 2004.
<http://www.mfa.gov.il/MFA/Peace+Process/Reference+Documents/Exchange+of+letters+Sharon-Bush+14-Apr-2004.htm>.
- "Business and Investment Opportunities: Palestine Authority." Medibtikar, March 13, 2007. http://www.medibtikar.eu/-Business-and-investment-.html#pagination_articles, accessed 31st December 2010.
- Byrne, Aisling. "Building a Police State in Palestine." *Foreign Policy Blogs*, January 18, 2011.
http://mideast.foreignpolicy.com/posts/2011/01/18/building_a_police_state_in_palestine.
- Carlstrom, Gregg. "MI6 Offered to Detain Hamas Figures." *Al Jazeera*, January 25, 2011.
<http://www.aljazeera.com/palestinepapers/2011/01/2011125123356396297.html>.
- Catignani, Sergio. *Israeli Counter-insurgency and the Intifadas: Dilemmas of a Conventional Army*. Taylor & Francis, 2008.
- Chaudhry, Kiren Aziz. "The Myths of the Market and the Common History of Late Developers." *Politics & Society* 21, no. 3 (September 1, 1993): 245–274. doi:10.1177/0032329293021003002.
- Chehab, Zaki. *Inside Hamas: The Untold Story of Militants, Martyrs and Spies*. I.B.Tauris, 2007.
- Chomsky, Noam. *Fateful Triangle: The United States, Israel and the Palestinians*. Revised edition. Pluto Press, 1999.
- . *Profit Over People: Neoliberalism and Global Order*. Seven Stories Press, 2003.
- Cleveland, William L., and Martin Bunton. *A History of the Modern Middle East*. 4th Revised edition. Westview Press Inc, 2009.
- Cobain, Ian. "CIA Working with Palestinian Security Agents." *The Guardian*, December 17, 2009. <http://www.guardian.co.uk/world/2009/dec/17/cia-palestinian-security-agents>.
- Cobban, Helena. *The Palestinian Liberation Organisation: People, Power, and Politics*. Cambridge University Press, 1985.
- Collier, Paul. *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*. Oxford University Press, 2007.
- Commission Launches PEGASE - a New Mechanism to Support the Palestinian People*. Brussels: Europa Press Releases, January 25, 2008.
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/94&format=HTML&aged=0&language=EN&guiLanguage=en>.
- "Convention (IV) Relative to the Protection of Civilian Persons in Time of War," August 12, 1949. <http://www.icrc.org/ihl.nsf/full/380>.
- Cook, Catherine, Adam Hanieh, and Adah Kay. *Stolen Youth: The Politics of Israel's Detention of Palestinian Children*. Pluto Press, 2004.
- Cox, Robert. "Towards a Post-hegemonic Conceptualization of World Order: Reflections on the Relevancy of Ibn Khaldun." In *Governance Without*

- Government*, by James N. Rosenau and Ernst-Otto Czempiel. Cambridge Studies in International Relations. Cambridge University Press, 1992. <http://dx.doi.org/10.1017/CBO9780511521775>.
- Crouch, Colin. *The Strange Non-Death of Neo-Liberalism*. Polity Press, 2011.
- Dermer, Ron. "Why Likud Voted No to Sharon's Disengagement Plan." *Institute for Contemporary Affairs* 3, no. 23 (May 3, 2004). <http://www.jcpa.org/brief/brief3-23.htm>.
- Doumani, B. "Scenes from Daily Life: The View from Nablus." *Journal of Palestine Studies* 34, no. 1 (2004): 37–50.
- . *The Art of Creative Survival*. Vol. 24. 2. JSTOR, 1995.
- Doumani, Beshara. *Rediscovering Palestine: Merchants and Peasants in Jabal Nablus, 1700-1900*. University of California Press, 1995.
- Economic Profile*. EuroMed Innovation and Technology Program. Medibtikar, March 13, 2007. <http://www.medibtikar.eu/-Economic-profile-.html>.
- El-Samhuri, Mohammed. *Gaza Economist Dissects Disengagement Plan*. Information Brief. The Jerusalem Fund, n.d. <http://www.thejerusalemfund.org/images/informationbrief.php%3FID=10>.
- Eldar, Akiva. "Back to the One-state Solution?" *MIFTAH*, March 25, 2005. <http://www.miftah.org/display.cfm?DocId=6989&CategoryId=5>.
- Evens, Tom, and Ghassan Khader. "Nablus Limited." *Witness*. Al Jazeera English, September 19, 2010. <http://www.aljazeera.com/programmes/witness/2010/09/2010919123810817444.html>.
- . "Nablus Restricted." *Witness*. Al Jazeera English, September 21, 2010. <http://www.aljazeera.com/programmes/witness/2010/09/201092175937114660.html>.
- . "Nablus: Business of Occupation." *Witness*, September 30, 2010. <http://www.aljazeera.com/programmes/witness/2010/09/201092613463110531.html>.
- Exum, Andrew, Scott Brady, Richard Weitz, Kyle Flynn, Robert Killebrew, James Dobbins, and Marc Lynch. "Security for Peace: Setting the Conditions for a Palestinian State," April 20, 2010. <http://www.cnas.org/node/4362>.
- Farraj, K., C. Mansour, and S. Tamari. "A Palestinian State in Two Years: Interview with Salam Fayyad, Palestinian Prime Minister." *Journal of Palestine Studies* 39 (n.d.): 58–74.
- Fatalities Since the Outbreak of the Second Intifada and Until Operation "Cast Lead"*. B'tselem: The Israeli Information Centre for Human Rights in the Occupied Territories. Accessed April 4, 2012. http://old.btselem.org/statistics/english/Casualties.asp?sD=29&sM=09&sY=2000&eD=26&eM=12&eY=2008&filterby=event&oferet_stat=before.
- "Fayyad: Netanyahu Changed His Position on Economic Peace." *Maan News*. July 30, 2009. <http://www.maannews.net/eng/ViewDetails.aspx?ID=215734>.
- Fernández, Belén. *The Imperial Messenger: Thomas Friedman at Work*. Verso, 2011.

- Fielding, David. "Counting the Cost of the *Intifada*: Consumption, Saving and Political Instability in Israel." *Public Choice* 116, no. 3 (2003): 297–312. doi:10.1023/A:1024831518541.
- . "Modelling Political Instability and Economic Performance: Israeli Investment During the Intifada." *Economica* 70, no. 277. New Series (February 1, 2003): 159–186.
- Fischer, S., P. Alonso-Gamo, and U. E Von Allmen. "Economic Developments in the West Bank and Gaza Since OSLO." *The Economic Journal* 111, no. 472 (2001): 254–275.
- Fischer, Stanley. *The Economics of Middle East Peace: Views from the Region*. MIT Press, 1993.
- Fisk, Robert. *Pity the Nation: Lebanon at War*. Updated Edition. Oxford Paperbacks, 2001.
- "Fragmentation of the West Bank Barrier." United Nations Office for the Coordination of Humanitarian Affairs, occupied Palestinian territories, March 2007.
http://www.ochaopt.org/documents/InsertMap_Fragmentation_May07-withCheckpoint.pdf.
- Friedman, Thomas. *From Beirut to Jerusalem: One Man's Middle Eastern Odyssey*. Second edition. HarperCollins, 1998.
- Friedman, Thomas L. "B.E., Before Egypt. A.E., After Egypt." *The New York Times*, February 1, 2011, sec. Opinion.
<http://www.nytimes.com/2011/02/02/opinion/02friedman.html>.
- . "Green Shoots in Palestine." *The New York Times*, August 5, 2009, sec. Opinion.
<http://www.nytimes.com/2009/08/05/opinion/05friedman.html>.
- . "Israel and the Arab Awakening." *The New York Times*, November 29, 2011, sec. Opinion. <http://www.nytimes.com/2011/11/30/opinion/israel-and-the-arab-awakening.html>.
- . "Just Knock It Off." *The New York Times*, October 19, 2010, sec. Opinion. <http://www.nytimes.com/2010/10/20/opinion/20friedman.html>.
- . "The Middle East Ballgame and the Sideshow." *The New York Times*, June 5, 2010, sec. Opinion.
<http://www.nytimes.com/2010/06/06/opinion/06friedman.html>.
- . "This Is Just The Start." *The New York Times*, March 1, 2011, sec. Opinion. <http://www.nytimes.com/2011/03/02/opinion/02friedman.html>.
- . "War, Timeout, War, Time ..." *The New York Times*, June 26, 2010, sec. Opinion.
<http://www.nytimes.com/2010/06/27/opinion/27friedman.html>.
- Gaffney, J.P. "Jordan's Qualified Industrial Zones: A Qualified Success?" University of Pennsylvania, 2005.
- Gagliardone, Iginio, and Nicole Stremlau. "Public Opinion Research in a Conflict Zone: Grassroots Diplomacy in Darfur." Occasional Paper for The Center for Global Communication Studies with the Stanhope Centre for Communications Policy Research, November 2008.
http://oxford.academia.edu/IginioGagliardone/Papers/1477928/Public_opinion_research_in_a_conflict_zone_grassroots_diplomacy_in_darfur.
- Galtung, Johan. *Peace by Peaceful Means: Peace and Conflict, Development and Civilization (International Peace Research Institute, Oslo)*. Sage Publications Ltd, 1996.

- Geertz, Clifford. *The Interpretation of Cultures: Selected Essays*. HarperCollins UK, 1993.
- Ghanem. *Palestinian Politics After Arafat: A Failed National Movement*. Indiana University Press, 2010.
- Giacaman, George. "In the Throes of Oslo: Palestinian Society, Civil Society and the Future." In *After Oslo: New Realities, Old Problems*, edited by George Giacaman and Dag Jorund Lonning. Pluto Press, 1998.
- Goldberg, Jeffrey, and Hussein Ibish. "Good News From the Middle East (Really)." *The New York Times*, January 25, 2011, sec. Opinion. <http://www.nytimes.com/2011/01/26/opinion/26goldberg.html>.
- Goldstien, Tani. "Palestinian Minister: Boycott Only Against Settlement Products." *Ynet*, August 6, 2010. <http://www.ynetnews.com/articles/0,7340,L-3901780,00.html>.
- Gordon, Neve. *Israel's Occupation*. University of California Press, 2008.
- . "On Visibility and Power: An Arendtian Corrective of Foucault." *Human Studies* 25, no. 2 (January 1, 2002): 125–145.
- Gordon, Neve, and Dani Flic. "The Destruction of Risk Society and the Ascendancy of Hamas." In *The Power of Inclusive Exclusion: Anatomy of Israeli Rule in the Occupied Palestinian Territories*, by A. Ophir, M. Givoni, and S. Hanafi, 457–487. Zone Books, 2009.
- Gramsci, Antonio. *Prison Notebooks: Selections*. Edited by Quintin Hoare, Geoffrey Nowell-Smith, and Geoffrey Nowell-Smith. Lawrence & Wishart Ltd, 1998.
- . *Selections from Cultural Writings*. Reprint. Harvard University Press, 1991.
- Gunning, Jeroen. *Hamas in Politics: Democracy, Religion, Violence*. C. Hurst & Co, 2007.
- Halper, J. "The 94 Percent Solution: A Matrix of Control." *Middle East Report* 30, no. 3; ISSU 216 (2000): 14–19.
- "Hamas Readies for Government, Israel Prepares Sanctions." *Agence France Presse*, February 17, 2006.
- Hanafi, Sari. "Spacio-cide: Colonial Politics, Invisibility and Rezoning in Palestinian Territory." *Contemporary Arab Affairs* 2, no. 1 (2009): 106–121. doi:10.1080/17550910802622645.
- Hanieh, Adam. "Palestine in the Middle East: Opposing Neoliberalism and US Power Part 1." *MRZine*, July 19, 2008. <http://mrzine.monthlyreview.org/2008/hanieh190708a.html>.
- . "Palestine in the Middle East: Opposing Neoliberalism and US Power Part 2." *MRZine*, July 19, 2008. <http://mrzine.monthlyreview.org/2008/hanieh190708a.html>.
- . "The Internationalisation of Gulf Capital and Palestinian Class Formation." *Capital & Class* 35, no. 1 (February 22, 2011): 81–106. doi:10.1177/0309816810392006.
- Harvey, David. *A Brief History of Neoliberalism*. Oxford University Press, 2007.
- Hass, Amira. "Israel's Closure Policy: An Ineffective Strategy of Containment and Repression." *Haaretz.com* 31, no. 3 (2002): 5–20.
- . "Otherwise Occupied / Access Denied." *Haaretz.com*, April 10, 2010. <http://www.haaretz.com/weekend/week-s-end/otherwise-occupied-access-denied-1.284725>.

- . “Study: Palestinians Invest Twice as Much in Israel as They Do in West Bank.” *Haaretz.com*, November 22, 2011.
<http://www.haaretz.com/print-edition/features/study-palestinians-invest-twice-as-much-in-israel-as-they-do-in-west-bank-1.396979>.
- . “The VIPs’ Hush Money.” *Haaretz.com*, January 18, 2012.
<http://www.haaretz.com/print-edition/opinion/the-vips-hush-money-1.407887>.
- Heller, Aron. “Israeli Foreign Minister Avigdor Lieberman: Arabs Should Be Stripped Of Citizenship.” *Huffington Post*, January 9, 2012.
http://www.huffingtonpost.com/2012/01/09/israel-foreign-minister-avigdor-lieberman-arabs_n_1193455.html.
- Henry, Clement Moore, and Robert Springborg. *Globalization and the Politics of Development in the Middle East*. Cambridge University Press, 2010.
- Hever, Shir. *The Political Economy of Israel’s Occupation: Repression Beyond Exploitation*. 1st ed. Pluto Press, 2010.
- Hilal, Jamil, and Mushtaq Husain Khan. “Stateformation Under the PNA: Potential Outcomes and Their Viability.” In *State Formation in Palestine: Viability and Governance During a Social Transformation*, edited by Mushtaq Husain Khan, Inge Amundsen, and George Giacaman. 1st ed. Routledge, 2004.
- Hobbes, Thomas. *Leviathan*. Forgotten Books, 1976.
- Hoffman, John. *The Gramscian Challenge: Coercion and Consent in Marxist Political Theory*. New edition. Wiley-Blackwell, 1986.
- “Homestretch to Freedom.” Palestinian Authority, Ministry of Planning, 2010.
http://www.mopad.pna.ps/en/?option=com_content&view=article&id=6&Itemid=142&hideNav=true.
- Horne, Alistair. *A Savage War of Peace*. 3rd Revised edition. Pan Books, 2002.
- Hroub, Khaled. *Hamas: A Beginner’s Guide*. Pluto Press, 2006.
- Hunter, F.Robert. *The Palestinian Uprising: A War by Other Means*. I.B.Tauris, 1991.
- Hussein, Mohammad Ben. “Municipalities Support Strategy to ‘Jordanise’ Factory Workforce.” *Jordan Times*, n.d., 11 October, 2006 edition.
<http://www.jordanembassyus.org/10112006001.htm>.
- ICG. *Palestine: Salvaging Fatah*. Middle East Report. Ramallah/Gaza City/Brussels: International Crisis Group, November 12, 2009.
<http://www.crisisgroup.org/en/regions/middle-east-north-africa/israel-palestine/091-palestine-salvaging-fatah.aspx>.
- “Implementing the Palestinian Reform and Development Agenda.” The World Bank: Economic Monitoring Report to the Ad Hoc Liaison Committee, May 2, 2008.
<http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/WorldBankAHLCCMay2,08.pdf>.
- Internal Fight Palestinian Abuses in Gaza and the West Bank*. Human Rights Watch, July 30, 2008. <http://www.hrw.org/reports/2008/07/29/internal-fight>.
- International Crisis Group. *Squaring the Circle: Palestinian Security Reform Under Occupation - International Crisis Group*, September 7, 2010.
<http://www.crisisgroup.org/en/regions/middle-east-north-africa/israel->

- palestine/98-squaring-the-circle-palestinian-security-reform-under-occupation.aspx.
- Ishac, Diwan, and Shaban Radwan. *Development Under Adversity: the Palestinian Economy in Transition*. World Bank, March 21, 1999. <http://documents.worldbank.org/curated/en/1999/03/437950/development-under-adversity-palestinian-economy-transition>.
- "Israel's Finance Minister: Financial Assistance to Settlements Grew Significantly During My Term." *Haaretz.com*, April 4, 2012. <http://www.haaretz.com/news/diplomacy-defense/israel-s-finance-minister-financial-assistance-to-settlements-grew-significantly-during-my-term-1.422631>.
- Israeli Segregation Wall: An Israeli Political Agenda in the West Bank*. Monitoring Israeli Colonization Activities in The Palestinian Territories. The Applied Research Institute Jerusalem, March 2, 2008. http://www.poica.org/editor/case_studies/view.php?recordID=1300.
- Isseroff, Ami. "The Tenent Plan." *MidEast Web*, 2002. <http://www.mideastweb.org/tenet.htm>.
- Jad, Islah. "The Demobilization of Women's Movements: The Case of Palestine." *Women's Studies Institute, Birzeit University* (2009).
- . "The NGO-ization of Arab Women's Movements'." In *Feminisms in Development: Contradictions, Contestations and Challenges*, by Andrea Cornwall, Elizabeth Harrison, and Ann Whitehead, 2007.
- Jamal, Amal. *The Palestinian National Movement: Politics of Contention, 1967-2005*. Indiana University Press, 2005.
- Jensen, Michael Irving. *The Political Ideology of Hamas: A Grassroots Perspective*. 1st ed. I B Tauris & Co Ltd, 2008.
- Jones, Steven. *Antonio Gramsci*. New edition. Routledge, 2006.
- Kanafani, Nu'man. "As If There Is No Occupation." *Middle East Research and Information Project* (September 22, 2011). http://www.merip.org/mero/mero092211?ip_login_no_cache=ad6e9318ea0d82b8d4ca8cbb7da48473.
- Kardoosh, M.A., and R. Al Khouri. "Qualifying Industrial Zones and Sustainable Development in Jordan." In *Economic Research Forum 11th Annual Conference, Beirut, Lebanon, December, 14–16, 2004*.
- Kassem, Sattar. "Blood for Bread." *Political Writings*, June 8, 2009. <http://www.silviacattori.net/article849.html>.
- Kelly, T. "The Attractions of Accountancy." *Ethnography* 9, no. 3 (2008): 351–376.
- Khalidi, Raja. "After the Arab Spring in Palestine: Contesting the Neoliberal Narrative of Palestinian National Liberation." *Jadaliyya* (March 23, 2012). http://www.jadaliyya.com/pages/index/4789/after-the-arab-spring-in-palestine_contesting-the-.
- Khalidi, Raja, and Sobhi Samour. "Neoliberalism as Liberation: The Statehood Program and the Remaking of the Palestinian National Movement." *Journal of Palestine Studies* 40, no. 2 (2011): 6–25.
- Khalidi, Raja, and Sahar Taghdisi-Rad. *The Economic Dimensions of Prolonged Occupation: Continuity and Change in Israeli Policy Towards the Palestinian Economy*. United Nations Conference on Trade and Development, August 2009. http://www.unctad.org/en/Docs/gds20092_en.pdf.

- Khalidi, Rashid. *The Iron Cage: The Story of the Palestinian Struggle for Statehood*. 1st ed. Oneworld Publications, 2006.
- Khalili, Laleh. *Heroes and Martyrs of Palestine: The Politics of National Commemoration*. Cambridge University Press, 2007.
- Khan, Mushtaq Husain. "Corruption and Governance in Early Capitalism: World Bank Strategies and Their Limitations" (2002).
- . "Evaluating the Emerging Palestinian State: 'Good Governance' Versus 'Transformational Potential'." In *State Formation in Palestine: Viability and Governance During a Social Transformation*, edited by Mushtaq Husain Khan, Inge Amundsen, and George Giacaman. 1st ed. Routledge, 2004.
- . "Governance, Economic Growth and Development Since the 1960s" (2007).
- . "Post-Oslo State-Building Strategies and Their Limitations: Transcript of the Yusif A. Sayigh Development Lecture 2010." MAS (The Palestine Economic Policy Research Institute), December 1, 2010. http://eprints.soas.ac.uk/2421/1/Prof_Mushtaq_Final_Transcript_Sayigh_Lecture.pdf.
- . "'Security First' and Its Implications for a Viable Palestinian State" (2005).
- Khatib, Ghassan. "Nothing New in Netanyahu's Approach." *Bitter Lemons*, November 24, 2008. <http://www.bitterlemons.org/previous/bl241108ed42.html#pal1>.
- . *Palestinian Politics and the Middle East Peace Process: Consensus and Competition in the Palestinian Negotiating Team*. Routledge, 2009.
- . *Palestinian Politics and the Middle East Peace Process: Consensus and Competition in the Palestinian Negotiating Team*. 1st ed. Routledge, 2011.
- Kimmerling, Baruch. *Politicide: Ariel Sharon's War Against the Palestinians*. Verso, 2003.
- Klein, Naomi. *No Space, No Choice, No Jobs, No Logo*. Picador, 2002.
- . *The Shock Doctrine: The Rise of Disaster Capitalism*. 1st ed. Penguin, 2008.
- Koenig, I. "Top Secret: Memorandum-Proposal—Handling the Arabs of Israel." *The Koenig Report*, Reprinted in *The Journal of Palestine Studies* 6, no. 1 (1976): 190–200.
- "Labour Market in the West Bank: Briefing on First-half 2011." United Nations Relief and Works Agency (UNRWA), December 2011. <http://www.unrwa.org/userfiles/201112123454.pdf>.
- LaFranchi, Howard. "Global Donors Exceed Palestinian Expectations at Paris Conference." *Christian Science Monitor*, December 19, 2007. <http://www.csmonitor.com/2007/1219/p06s01-woeu.html>.
- Laor, Yitzhak. "Diary." *London Review of Books*, October 3, 2002.
- Laqueur, Walter, and Barry Rubin. *The Israel-Arab Reader*. Revised edition. Penguin USA, 2008.
- Leech, Philip. "Fayyadism's End? It Is Time to Return to First Principles." *I Think Therefore IR*, 2012. <http://www.thinkir.co.uk/fayyadisms-end-it-is-time-to-return-to-first-principles/>.

- . “Mearsheimer, Walt and the Missing Palestinians.” *ThinkIR*, 2012. <http://www.thinkir.co.uk/mearsheimer-walt-and-the-missing-palestinians/>.
- . “Qaryut.” *Palestine Remembered*, November 8, 2009. http://www.palestineremembered.com/GeoPoints/Qaryut_1482/Article_15667.html.
- . *Re-reading the Myth of Fayyadism: A Critical Analysis of the Palestinian Authority's Reform and State-building Agenda, 2008-2011*. The Arab Center for Research and Policy Studies, March 2012. <http://english.dohainstitute.org/Home/Details?entityID=5ea4b31b-155d-4a9f-8f4d-a5b428135cd5&resourceId=5e707b38-fab4-4e34-8ed7-cd92efdf3c5e>.
- . “Thanksgiving in Nazareth.” *After the Last Sky?*, May 2, 2012. <http://whereshouldthebirdsfly.wordpress.com/2012/05/02/thanksgiving-in-nazareth-2/>.
- . “Why Jabal an-Nar? Researching Nablus.” *Bulletin of the Council for British Research in the Levant* (September 2012). <http://www.cbri.org.uk/bulletin.html>.
- Leech, Philip, and Anan Quzmar. “Palestine: The Precarious Present.” *Open Democracy*, July 19, 2012. <http://www.opendemocracy.net/phil-leech-and-anan-quzmar/palestine-precarious-present>.
- Levy, Gideon. “Tricky Bibi.” *Haaretz.com*, July 15, 2010. <http://www.haaretz.com/print-edition/opinion/tricky-bibi-1.302053>.
- Lia, Brynjar. *A Police Force Without a State: A History of the Palestinian Security Forces in the West Bank and Gaza*. Ithaca Press, 2006.
- . *Building Arafat's Police: The Politics of International Police Assistance in the Palestinian Territories After the Oslo Agreement*. Ithaca, 2006.
- “Life on the Edge: The Struggle to Survive and the Impact of Forced Displacement in High Risk Areas of the Occupied Palestinian Territory.” Save the Children UK, October 2009. http://www.savethechildren.org.uk/sites/default/files/docs/English_Research_Report_with_Cover_low_res_1.pdf.
- Luck, Taylor. “Politics Not Ripe for Palestinian Statehood Bid - Fayyad.” *Jordan Times*, December 21, 2011. <http://archive.jordantimes.com/?news=43959>.
- Madhoun, Husam. “The Palestinian Security Services: Past and Present.” *MIFTAH*, May 30, 2006. <http://www.miftah.org/display.cfm?DocId=10400&CategoryId=21>.
- Makhool, Basim. *Small Enterprises in North Palestine: Reality and Needs*. Bisan, 2003. http://www.bisan.org/web_files/publications_file/SSE.pdf.
- Mandela, Nelson. *Nelson Mandela By Himself: The Authorised Book of Quotations*. 1st ed. Macmillan, 2011.
- Mandron, Guy. “Redividing Palestine.” *The New Left Review* 10 (August 2001). <http://newleftreview.org/II/10/guy-mandron-redividing-palestine>.
- Massad, Joseph A. *Colonial Effects: The Making of National Identity in Jordan*. Columbia University Press, 2001.
- McGreal, Chris. “Palestinian Authority ‘May Have Lost Billions’.” *The Guardian*, February 6, 2006. <http://www.guardian.co.uk/world/2006/feb/06/israel>.

- Mearsheimer, John, and Stephen Walt. "Mr Obama Must Take a Stand Against Israel over Iran." *Financial Times*, March 4, 2012. <http://www.ft.com/cms/s/0/38c9382a-65f8-11e1-979e-00144feabdc0.html#axzz1oj0L9FtZ>.
- . "Mr Obama Must Take a Stand Against Israel over Iran." *Financial Times*, March 4, 2012. http://www.ft.com/cms/s/38c9382a-65f8-11e1-979e-00144feabdc0,Authorised=false.html?_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F38c9382a-65f8-11e1-979e-00144feabdc0.html&_i_referer=http%3A%2F%2Fwww.thinkir.co.uk%2Fmearsheimer-walt-and-the-missing-palestinians%2F#axzz1oj0L9FtZ.
- Milton-Edwards, Beverley, and Stephen Farrell. *Hamas: The Islamic Resistance Movement*. Polity Press, 2010.
- . *Hamas: The Islamic Resistance Movement*. 1st ed. Polity, 2010.
- Milton-Edwards, Beverley, and Peter Hinchcliffe. *Conflicts in the Middle East Since 1945*. Taylor & Francis, 2008.
- Moaz, Eilat. "The Institutionalization of Privatization: Israeli Checkpoints Revisited." *Unpublished* (n.d.). http://www.whoprofits.org/sites/default/files/writing_sample-eilatmaoz.pdf.
- Moors, A. "Women and Dower Property in Twentieth-Century Palestine: The Case of Jabal Nablus." *Islamic Law and Society* 1, no. 3 (1994): 301–331.
- Morris, Benny. *Righteous Victims: A History of the Zionist-Arab Conflict, 1881-1999*. New edition. Random House Inc, 2001.
- Morris, Harvey. "Loss of Israel's Strongman Sets Back Peace Hopes." *Financial Times*, January 5, 2006. <http://www.ft.com/cms/s/0/58ae6e82-7dd1-11da-8ef9-0000779e2340.html#axzz1oj0L9FtZ>.
- "Nablus Governorate and the Nightmare of the Israeli Checkpoints." The Applied Research Institute, Jerusalem (ARIJ), October 15, 2006. http://www.poica.org/editor/case_studies/view.php?recordID=946.
- Nakhleh, Khalil. *Globalized Palestine: The National Sell-Out of a Homeland*. First edition. The RedSea Press, Inc., 2011.
- Nasr, Mohammed. "Monopolies and the PNA." In *State Formation in Palestine: Viability and Governance During a Social Transformation*, edited by Mushtaq Husain Khan, Inge Amundsen, and George Giacaman. 1st ed. Routledge, 2004.
- "National BDS Steering Committee: Bethlehem Investment Conference: Development Or Normalization?," May 20, 2008. <http://www.stopthewall.org/national-bds-steering-committee-bethlehem-investment-conference-development-or-normalization>.
- Neal, M. W., and R. Tansey. "The Dynamics of Effective Corrupt Leadership: Lessons from Rafik Hariri's Political Career in Lebanon." *The Leadership Quarterly* 21, no. 1 (2010): 33–49.
- Neep, Daniel. "Policing the Desert: Coercion, Consent and the Colonial Order." In *Policing and Prisons in the Middle East: Formations of Coercion*, edited by Laleh Khalili and Jillian Schwedler, 41–56. C Hurst & Co Publishers Ltd, 2010.

- Nieuwhof, Adri. "Palestinian Workers Exploited at West Bank Settlement Factories." *The Electronic Intifada*, October 5, 2008. <http://electronicintifada.net/content/palestinian-workers-exploited-west-bank-settlement-factories/7745>.
- Nitzan, J., and Shimshon Bichler. *The Global Political Economy of Israel*. Pluto Press, 2002.
- Nitzan, J., and S. Bichler. "Inflation and Accumulation: The Case of Israel." *Science & Society* (2000): 274–309.
- O'Loughlin, Toni. "Middle East: Palestinian Authority in Debt as Donors Fail to Hand over Cash." *The Guardian*, July 30, 2008. <http://www.guardian.co.uk/world/2008/jul/30/israelandthepalestinians.internationalaidanddevelopment>.
- Ophir, A., M. Givoni, and S. Hanafi. *The Power of Inclusive Exclusion: Anatomy of Israeli Rule in the Occupied Palestinian Territories*. Zone Books, 2009.
- Owen, Roger, and Sevket Pamuk. *A History of Middle East Economies in the Twentieth Century*. Harvard University Press, 1999.
- "PA: Dozens of Hamas Charities Dismantled in West Bank." *Haaretz.com*. Accessed June 11, 2012. <http://www.haaretz.com/news/pa-dozens-of-hamas-charities-dismantled-in-west-bank-1.234427>.
- "Palestine Reform and Development Plan (PRDP)." Palestinian Authority, Ministry of Planning, 2007. http://www.mop-gov.ps/web_files/issues_file/PRDP-en.pdf.
- Palestinian Ambassador in South Africa Slams BDS: Against the Peace Process*, 2011. http://www.youtube.com/watch?v=T5_eoRuq3p0&feature=youtube_gdata_player.
- Palestinian State Study Team. *Building a Successful Palestinian State*. Santa Monica, CA: The RAND, 2007. <http://www.rand.org/pubs/monographs/MG146-1>.
- Palumbo, Michael. *Imperial Israel: The History of the Occupation of the West Bank & Gaza*. 1st ed. Bloomsbury Publishing PLC, 1990.
- Pappe, Ilan. *The Ethnic Cleansing of Palestine*. Oneworld, 2007.
- Peres, Shimon, and Arye Naor. *The New Middle East*. 1st ed. Henry Holt & Co, 1993.
- Pineschi, and Anis F. Kassim. *The Palestine Yearbook of International Law 1987-1988*. Martinus Nijhoff Publishers, 1988.
- PM Salam Fayyad Delivers Keynote Address at ATFP 6th Gala*, 2011. http://www.youtube.com/watch?v=XwUOknqSR0c&feature=youtube_gdata_player.
- "President Clinton's 'parameters' for a Comprehensive Agreement Between Israelis and Palestinians." UNISPAL, January 7, 2001. <http://unispal.un.org/UNISPAL.NSF/0/D57AFCDD6EB1445585256E37006655E4>.
- "Privatizing Security – Corporate Involvement in the Checkpoints." Accessed June 3, 2012. <http://whoprofits.org/content/privatizing-security-%E2%80%93-corporate-involvement-checkpoints>.
- "Progress with the Parallel Actions Towards Palestinian Revival and Growth." World Bank: Economic Monitoring Report to the Ad Hoc Liaison Committee, September 22, 2008.

- <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/AHLCSept15,08.pdf>.
- Putz, Ulrike. "The Palestinian Workers Who Build Israel's Settlements." *Spiegel Online*, November 10, 2010. <http://www.spiegel.de/international/world/double-pay-for-betrayal-the-palestinian-workers-who-build-israel-s-settlements-a-722424.html>.
- Quarterly Economic and Social Monitor*. Palestine Economic Policy Research Institute (MAS), June 2010. http://palecon.org/Newsite/webfm_send/62.
- Qumsiyeh, Mazin B. *Popular Resistance in Palestine: A History of Hope and Empowerment*. Pluto Press, 2010.
- Rabbani, M. "A Smorgasbord of Failure: Oslo and the Al-Aqsa Intifada." *The New Intifada: Resisting Israel's Apartheid* (2001): 69–90.
- Ram, Uri. "The State of the Nation: Contemporary Challenges to Zionism in Israel." *Constellations* 6, no. 3 (September 1, 1999): 325–338. doi:10.1111/1467-8675.00149.
- Ramsbotham, Oliver. "The Analysis of Protracted Social Conflict: a Tribute to Edward Azar." *Review of International Studies* 31, no. 01 (2005): 109–126. doi:10.1017/S0260210505006327.
- Ransome, P. *Antonio Gramsci: a New Introduction*. Harvester Wheatsheaf New York, 1992.
- Razin, Assaf, and Efraim Sadka. *The Economy of Modern Israel: Malaise and Promise*. University of Chicago Press, 1993.
- "Report on UNCTAD Assistance to the Palestinian People: Developments in the Economy of the Occupied Palestinian Territory." United Nations Conference on Trade and Development, July 13, 2010.
- "Report on UNCTAD Assistance to the Palestinian People: Developments in the Economy of the Occupied Palestinian Territory." United Nations Conference on Trade and Development, July 15, 2011.
- "Resolution 242." United Nations Security Council, November 22, 1967. <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/240/94/IMG/NR024094.pdf?OpenElement>.
- Retzky, A. "Peace in the Middle East: What Does It Really Mean for Israeli Business?" *The Columbia Journal of World Business* 30, no. 3 (1995): 26–32.
- Robins, Philip. *A History of Jordan*. First Edition (Unsta. Cambridge University Press, 2004).
- Robson, Victoria. "Padico." *Middle East Economic Digest*, January 18, 2008. <http://www.meed.com/sectors/finance/padico-meed-assessment/3091832.article>.
- Rose, David. "The Gaza Bombshell." *Vanity Fair*, April 1, 2008. <http://www.vanityfair.com/politics/features/2008/04/gaza200804>.
- Ross, Dennis. *The Missing Peace: The Inside Story of the Fight for Middle East Peace*. First edition. Farrar, Straus and Giroux, 2004.
- . "Why Are the Palestinians so Worried? - The Sharon-Bush Plan Isn't the Last Word." *Jerusalem Post*, April 22, 2004.
- Roy, Sara. "De-development Revisited: Palestinian Economy and Society Since Oslo." *Journal of Palestine Studies* 28, no. 3 (April 1, 1999): 64–82.

- . “Ending the Palestinian Economy.” *Middle East Policy* 9, no. 4 (December 1, 2002): 122–165. doi:10.1111/1475-4967.00087.
- . *Failing Peace: Gaza and the Palestinian-Israeli Conflict*. Pluto Press, 2006.
- . *Hamas and Civil Society in Gaza: Engaging the Islamist Social Sector*. Princeton University Press, 2011.
- . “The Palestinian-Israeli Conflict and Palestinian Socioeconomic Decline: A Place Denied.” *International Journal of Politics, Culture, and Society* 17, no. 3 (April 1, 2004): 365–403.
- Rubinstein, Danny. “A Palestinian Government of Experts.” *Haaretz.com*, February 28, 2005. <http://www.haaretz.com/print-edition/opinion/a-palestinian-government-of-experts-1.151548>.
- Sahliyeh, E. “The West Bank Pragmatic Elite: The Uncertain Future.” *Journal of Palestine Studies* 15, no. 4 (1986): 34–45.
- Said, Edward W. “The Orientalist Express: Thomas Friedman Wraps Up the Middle East.” *Village Voice*. October 17, 1989.
- Said, Edward W. *Orientalism*. 25th Anniversary Ed with 1995 Afterword Ed. Penguin Books, Limited (UK), 2007.
- . *The End of the Peace Process*. 2nd Revised edition. Granta Books, 2002.
- Saif, Ibrahim. *The Socio-economic Implications of the Qualified Industrial Zones in Jordan*. Center for Strategic Studies, University of Jordan, 2006.
- Salusinszky, Imre. “Palestinian Consul Rejects BDS Violence.” *The Australian*, October 26, 2011. <http://www.theaustralian.com.au/national-affairs/palestinian-envoy-backs-bds-but-condemns-anti-israel-violence/story-fn59niix-1226176664563>.
- Samara, Adel. “Globalization, the Palestinian Economy, and the ‘Peace Process’.” *Journal of Palestine Studies* 29, no. 2 (January 1, 2000): 20–34.
- Sayigh, Yezid. *Armed Struggle and the Search for State: The Palestinian National Movement, 1949-1993*. Oxford University Press, 2000.
- Schanzer, Jonathan. “The Brothers Abbas.” *Foreign Policy*, June 5, 2012. http://www.foreignpolicy.com/articles/2012/06/05/the_brothers_abbas.
- . “The End of Fayyadism.” *Foreign Policy*, December 14, 2011. http://www.foreignpolicy.com/articles/2011/12/14/the_end_of_fayyadism.
- Sen, Amartya Kumar. *Development as Freedom*. Oxford University Press, 1999.
- Shachar, Nathan. “The Good Cops of Nablus.” *Prospect*, November 18, 2009. <http://www.prospectmagazine.co.uk/2009/11/the-good-cops-of-nablus/>.
- Sharon, Ariel. “Address by PM Ariel Sharon at the Fourth Herzliya Conference - Dec 18- 2003,” 2003. <http://www.mfa.gov.il/MFA/Government/Speeches+by+Israeli+leaders/2003/Address+by+PM+Ariel+Sharon+at+the+Fourth+Herzliya.htm>.
- Sharp, Heather. “Dilemma of Palestinian Settlement Builders.” *BBC*, August 26, 2009, sec. Middle East. <http://news.bbc.co.uk/1/hi/8220680.stm>.
- Sheehan, Neil. *A Bright Shining Lie: John Paul Vann and America in Vietnam*. Vintage Books, 1988.

- Sherwood, Harriet. "Gaza Air Strikes Kill 20 Palestinians." *The Guardian*, March 11, 2012, sec. World news.
<http://www.guardian.co.uk/world/2012/mar/11/gaza-air-strikes-kill-palestinians>.
- Shikaki, Khalil, and Walid Ladadweh. *Palestinian Public Opinion Poll No (33)*. PSR - Survey Research Unity, September 3, 2009.
<http://www.pcpsr.org/survey/polls/2009/p33e.html>.
- . *Palestinian Public Opinion Poll No (36)*. PSR - Survey Research Unity, July 7, 2010. <http://www.pcpsr.org/survey/polls/2010/p36e.html>.
- . *Palestinian Public Opinion Poll No. (23)*. Palestinian Public Opinion Polls. PSR - Survey Research Unity, March 29, 2007.
<http://www.pcpsr.org/survey/polls/2007/p23e1.html>.
- . *Palestinian Public Opinion Poll No. (43)*. Palestinian Public Opinion Polls. PSR - Survey Research Unity, April 3, 2012.
www.pcpsr.org/survey/polls/2012/p43efull.html#finaicialcrisis.
- Shikaki, Khalil, Walid Ladadweh, and Yaacov Shamir. "Despite the Gaza Flotilla Incident, Rise in Willingness to Compromise Among Palestinians and Israelis, but Two-thirds on Both Sides Remain Pessimistic About the Future of the Peace Process." PSR Survey Research Unit, June 29, 2010.
<http://www.pcpsr.org/survey/polls/2010/p36ejoint.old>.
- Shlaim, Avi. *Israel and Palestine: Reappraisals, Revisions, Refutations*. Reprint. Verso, 2010.
- Silver, Charlotte. "Leaked Documents Show PA Outsourced Palestinian Land and Rights to Turkish Firm." *The Electronic Intifada*, September 19, 2012. <http://electronicintifada.net/content/leaked-documents-show-pa-outsourced-palestinian-land-and-rights-turkish-firm/11680>.
- Smith, Linda Tuhiwai. *Decolonizing Methodologies: Research and Indigenous Peoples*. Zed Books, 1999.
- Smith, Ray. "Interview: Raja Khalidi on the Neoliberal Consensus in Palestine." *The Electronic Intifada*, April 25, 2011.
<http://electronicintifada.net/content/interview-raja-khalidi-neoliberal-consensus-palestine/9870>.
- Soto, Hernando De. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Basic Books, 2003.
- "Speech to the Washington Institute for Near East Policy by Lt. Gen Keith Dayton." Washington Institute for Near East Policy, May 7, 2009.
<http://www.washingtoninstitute.org/html/pdf/DaytonKeynote.pdf>.
- "Stagnation or Revival? Palestinian Economic Prospects." The World Bank: Economic Monitoring Report to the Ad Hoc Liaison Committee, March 21, 2012.
<http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/WorldBankAHLCreportMarch2012.pdf>.
- "Statistics on Punitive House Demolitions | B'Tselem." *B'Tselem*, January 1, 2011. http://www.btselem.org/punitive_demolitions/statistics.
- Stiglitz, Joseph. *Globalization and Its Discontents*. New Ed. Penguin, 2003.
- Swift, Jonathan. "Letter 13." In *The Journal to Stella*. The Echo Library, 1711.
- Tabar, Linda, and Sari Hanafi. *The Emergence of a Palestinian Globalized Elite*. Institute of Jerusalem Studies & Muwatin, The Palestinian Institute for the Study of Democracy, 2005.

- Talk to Jazeera - Salam Fayyad*, 2011.
http://www.youtube.com/watch?v=wCVWzP78X40&feature=youtube_g_data_player.
- Taraki, L. "Enclave Micropolis: The Paradoxical Case of Ramallah/Al-Bireh." *Journal of Palestine Studies* 37, no. 4 (2008): 6–20.
- "Text: Arab Peace Plan of 2002." *BBC*, March 22, 2005, sec. Middle East.
http://news.bbc.co.uk/1/hi/world/middle_east/1844214.stm.
- "The Palestine Papers: Anatomy of a Crackdown - MI6's Security Plan for Palestinian Authority." *The Guardian*, January 25, 2011.
<http://www.guardian.co.uk/world/palestine-papers-documents/238>.
- Turner, M. "Creating 'Partners for Peace': The Palestinian Authority and the International Statebuilding Agenda." *Journal of Intervention and Statebuilding* 5, no. 1 (2011): 1–21.
- United Nations. *Yearbook of the United Nations, 1985*. Martinus Nijhoff Publishers, 1990.
- "UNRWA West Bank Livelihood Programme: 2011 Emergency Appeal." United Nations Relief and Works Agency (UNRWA), 2011.
<http://www.unrwa.org/userfiles/2011051512917.pdf>.
- "UNRWA-Balata Refugee Camp." Accessed July 16, 2012.
<http://www.unrwa.org/etemplate.php?id=109>.
- Weiss, Hadas. "Immigration and West Bank Settlement Normalization." *PoLAR: Political and Legal Anthropology Review* 34, no. 1 (May 1, 2011): 112–130. doi:10.1111/j.1555-2934.2011.01142.x.
- Weizman, Eyal. *Hollow Land: Israel's Architecture of Occupation*. Verso, 2007.
- . "Thanto-tactics." In *The Power of Inclusive Exclusion: Anatomy of Israeli Rule in the Occupied Palestinian Territories*, by A. Ophir, M. Givoni, and S. Hanafi. Zone Books, 2009.
- "West Bank and Gaza Energy Sector Review." The World Bank, May 2007.
<http://unispal.un.org/pdfs/WBReportNo39695-GZ.pdf>.
- "What Is Good Governance." United Nations Economic and Social Commission for Asia and the Pacific, 2012.
<http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.asp>.
- Wildeman, Jeremy. "NGO Hush Money: Trading Silence for Access and Privilege." *I Think Therefore IR*, 2012. <http://www.thinkir.co.uk/ngo-hush-money/>.
- World Bank. *Four Years - Intifada, Closures and Palestinian Economic Crisis: An Assessment*. World Bank, October 2004.
<http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/wbgaza-4yrassessment.pdf>.
- Yacobi, H. "The NGOization of Space: Dilemmas of Social Change, Planning Policy, and the Israeli Public Sphere." *Environment and Planning D: Society and Space* 25, no. 4 (2007): 745–758.
- York, John Rossant in Rome, Neal Sandler in Jerusalem, Amy Borrus in Washington, and Stanley Reed in New. "The Peace Dividend for Israel and Jordan." *BusinessWeek: Online Magazine*, August 8, 1994.
<http://www.businessweek.com/archives/1994/b338471.arc.htm>.
- Zahlan, Rosemarie Said. *Palestine and the Gulf States: The Presence at the Table*. 1st ed. Routledge, 2009.

Zayyad, T. "The Fate of the Arabs in Israel." *Journal of Palestine Studies* 6, no. 1 (1976): 92–103.

Zilbersheid, U. "The Israeli Kibbutz: From Utopia to Dystopia." *Critique* 35, no. 3 (2007): 413–434.