(Mis)Stating Palestine

https://www.e-ir.info/2012/05/07/misstating-palestine/

PHIL LEECH, MAY 7 2012

Some six months have passed since the Palestinian Authority's (PA) September 2011 deadline for achieving statehood recognition from the United Nations General Assembly. These goals, as articulated by PA leader Mahmoud Abbas in a speech to the GA, have not been met. This should not surprise anyone; the 2011 bid for statehood itself came 13 years after Yasir Arafat made similar proposals in 1988. At that time and under different circumstances, the PLO leadership-in exile had claimed independence when it formally endorsed the "two-state solution" in Algiers and at the United Nations in Geneva.

Similarly, the PLO leadership, now from within the occupied territories, again threatened to declare independence in 1999 when the Oslo *peace process* had been scheduled to come to fruition[1] Yet, it has been some two decades after negotiations began and the Palestinians are no closer to achieving genuine independence from Israeli rule. In this context then, the value of another assertion of independence is extremely limited. As Rashid Khalidi put it "like many things in life, [declaring statehood] is something you can only do once."[2]

Since President Obama had already made clear that the United States would not tolerate any challenge to the *status quo* through unilateral Palestinian steps at the UN, it is safe to assume that no matter what the PLO had done in September of last year, there was little chance that a new state would have been miraculously formed. After all, two major obstacles still blocked the path to a sovereign Palestinian state in the *Weberian* sense: Israel's continued occupation of the territories and the territorial and political division between the Gaza Strip and the West Bank (governed by Hamas and the PA respectively).

In interviews I conducted with representatives of the PA and foreign governments between 2008-11 it was made clear to me that if the declaration was to be made it would be intended solely as *leverage* on the *peace process*. The declaration itself would be the final act of a two year institution building and reform programme that, as well as confronting a range of systemic problems, would highlight the collective willingness of Palestinians to accede to international conditions for progress. In so doing this would expose the fact that Israeli intransigence was the real obstacle to peace. (My questions about the problem of Hamas and separation of the Palestinian territories tended to lead to less productive discussions).

Yet, as with so much that had passed before, this effort to achieve *leverage* proved unfruitful, and again the PA's pursuit of statehood appears to be frustrated. In fact, by the time I returned to the West Bank in January 2012, I had spent nearly half a year reading, writing and reflecting on my experiences there. One conclusion was obvious: the current policies of the PA were doing nothing to bring Palestine any closer to genuine independence.

However, *prima facie* the PA was at least offering something new. In short, since the schism with Hamas in 2007, the PA had pursued a series of changes under the leadership of an apparently apolitical and technocratic interim Prime Minister, Salam Fayyad. Some of this appeared to be at least moving in the right direction particularly in areas where there were serious concerns. To the PA's credit it had re-imposed order in the main cities that had suffered various tribulations both during and after the intifada. Similarly, it appeared to be tackling the corruption that had been rampant during the 1990s, and also had managed to bring some stability at least in urban areas. Furthermore, this approach won overwhelming support from some Western based commentators, various donor organisations and most governments around the world.

(Mis)Stating Palestine
Written by Phil Leech

Yet, these reforms also faced criticism, both by the PA's Islamist political rivals and by secular observers usually on the left of the political spectrum. These criticisms tended to focus on two primary concerns. First, that the reforms were restructuring the PA in order to comply with Israel's demands regarding its nebulous *security concerns* and to the detriment of the general population.[3] Secondly, that the reforms also represented the adoption of neo-liberal policies that would retard national economic development and harm the welfare of poorer Palestinians.[4]

Overview

I returned to Palestine at the beginning of this to try and formulate answers to the two key questions that had emerged in my work: *what was the best way to conceptualise the PA's reforms in the light of these criticisms*? And, *what alternative courses of action existed for Palestinians?* The first question was clearly the more important of the two. In essence it reflected my acknowledgement of the fact that the two main strands of criticisms are *prima facie* contradictory. If *neo-liberalism* implies the reduction of the size of the state and its withdrawal from the public forum, then surely the inculcation of a *police state* is evidence of the opposite. Is it possible to criticise any government for simultaneously contracting and expanding the state? Further, given the fact the PA is not the sovereign entity governing the West Bank, can any criticism framed in the language of statehood be valid?

To settle this divergence I employ a more nuanced theory of the state that is more applicable to the PA than is the Westphalian concept. I argue that the PA's recent reforms were not undertaken to create conditions more conducive to achieving Palestinian statehood. Instead, the PA's reform agenda was intended to institutionalize the PA's power and benefit the ruling elite.

I begin by discussing how my theory of the PA's reform agenda fits into the larger theoretical literature. I then turn to the PA as a case study.

Theoretical Explanation

Finding a resolution to these quandaries essentially depends on developing a definition of statehood that is more suited to this context. Following Ayubi,[5] I contend that any analysis of Palestinian statehood should begin with an approach that it is rooted in the historical and cultural dynamics of the region, instead of assuming the universality of a *Westphalian* state model. Further, Ayubi argued that there is a common tendency among Arab regimes to overextend the role of statehood, and as a result they could be considered to be *over-stated.* As Ayubi put it,

Very often … the Arab state is 'over-stated' in the sense of being over-stretched or over-extended; this is particularly true of populist regimes that try to pursue developmentalist and welfarist policies at the same time.[6]

Furthermore, another criticism based on a more conventional understanding of the term, *to overstate*, as in overestimating its strength, could also be applied. According to Ayubi, most Arab regimes tend to maintain their authority through coercion and intolerance of alternative sources of power. Yet, because this form of power was effectively maintained in opposition to the general will of the population rather than as a product of a hegemonic social contract, it should be described as *fierce* but not *strong*[7]

In a more recent analysis, Henry and Springborg[8] remark that it is possible, at least to some extent, to categorise all the regional states based on the general techniques and methodologies of ruling. Amongst these categorisations, the PA is grouped with Hosni Mubarak's Egypt and Ben Ali's Tunisia as a "Bully Pretorian Republic," wherein power rests almost exclusively on the operations of the "military/security/party apparatus". However, unlike in other states (e.g. "bunker" states like Saddam's Iraq, Qadafi's Libya or Salah's Yemen) in Bully Pretorian Republics the elites are not drawn from a clearly identifiable social subset and they are therefore "at least not unrepresentative of their relatively homogeneous political communities."[9]

Since the state provides the primary underpinning for "bully praetorian" regimes, they have relatively little incentive to build and maintain broad ruling coalitions based in their respective political societies. However, for various reasons they tend to be more discerning in their use of coercion than their *fiercer* neighbours. Further, they also construct

(Mis)Stating Palestine
Written by Phil Leech

limited social contracts with existing elites. This often takes the form of rent-seeking arrangements[10] and can lead to the creation of a crony-capitalist elite class, tied to the regime, but disconnected from the general population.

Case Study

In Palestine, since the beginning of the Oslo process, these trends were particularly apparent. A small group of capitalists— many of whom had roots in the pre-*Nakbah* middle classes and benefited from the oil-boom while in the diaspora — returned to the territories in 1993 and invested heavily in the development of the PA. Their role was rewarded by the PA leadership with the distribution of rents and allocation of monopolies. Along with the bloated public sector and Israel's continued occupation[11] the PA's tight relationship with these elites stifled the development of a strong private sector. Instead the productive base for the Palestinian economy narrowed while the service sector grew to meet the growing demands of consumerism.

In spite of the intensity of the crises that many Palestinians endured during the first intifada, few features of this arrangement have changed since the end of the 1990s. This was recently highlighted by Hanieh's conclusion that these capitalists still "completely dominate the political economy of the Palestinian territories" to such an extent that it is "almost impossible to find a large- or medium-sized company in which they do not own a significant stake."[12] If, as liberal economists argue, the private sector is considered to be the *engine of growth,* then we must accept that in the Palestinian context this engine has not only been starved of fuel throughout the 1990s and 2000s but, further, its most critical working parts have either been sabotaged and used to work against it.

Therefore neo-liberal economic policies predicated on the claim that they can rollback the PA's interference in order to allow room for development are misplaced in this case. This is essentially because they are based on the principle that the market can be separated from the government and allowed to function independently. In Palestine such a prospect is clearly impossible. Such is the dominance of this clique of monopoly elites, who are so with the governmental structure that there is no room left for the private sector to develop any kind of genuine independence. Further, as the vicious cycle of rent-seeking and dependence on foreign donors continues, the PA has become evermore weakened, indebted to international donors and unable to distribute wealth to the middle and lower classes through public sector employment. Thus, when these factors were compounded by the added strain of international sanctions following Hamas's 2006 electoral victory, it stumbled from one fiscal crisis to the next.

At the same time, it is possible to view the reform programme from another perspective. This view holds that the PA's agenda is essentially more geared towards institutional self-preservation than national liberation. In essence, my argument is that the PA's leadership has taken a number of steps to secure its position in the face of a number of threats. These threats include:

(a) Total loss of control over population and most military organisations during the intifada;

(b) Popular rejection of its authority by the electorate in 2006;

(c) The blockade which exposed its dependence on international funding and foreign donor governments.

In response, the PA has increased taxes, made changes to the facility of utilities and scaled back the provision of social services, all of which are intended to improve its fiscal position. Further, the development reform of the security services has tightened the PA's grip on the social freedoms that were previously considered standard, for instance, free expression, political affiliation and public assembly.[13] Yet the fact that dependence on donors remains a major concern demonstrates that, in reality, the PA is no closer to meaningful political independence.[14]

This situation goes some way in explaining why the most lasting impression I took away from previous research trips was that of general apathy and widespread frustration. Ordinary Palestinians clearly have not benefited from the kind of *peace dividends* that they were promised during the 1990s. This is a major reason why the PA's preferred *peace* narrative did gain universal acceptance among the Palestinian people.[15] Further, it was clear to many of my interlocutors, at least those that were on the outside of the PA's framework, that the search for *statehood* in the form

(Mis)Stating Palestine

Written by Phil Leech

that it was being pursued at the UN was either entirely preposterous, or otherwise demonstrated the PA's intent to mislead the public. In essence, the PA promised yet another kind of *peace dividend* which, in the long run, would again prove meaningless.

Conclusion

In short, through these reforms the PA has developed as a more *fierce* entity. Yet this ostensible show of force conceals deeper weaknesses in the organization. Furthermore, without first addressing the weaknesses outlined above, attempting to transition the PA to the government of the *State of Palestine* would amount to little more than the renaming of an institution that, rather than serving the Palestinian public interest, in fact works against it.

Outside the remit of the PA various Palestinian campaigns have built upon the genuine substance of civil society's resistance to the occupation. From my perspective, those promoting general boycotts of Israeli companies and institutions are most effective and embrace what Gramsci called a "war of position." This is the notion that in order to challenge an entrenched power it is necessary to gradually change the nature of the framework through which this power is institutionalised by holding firm to a set of key principles, enduring the pain of the other side's assaults and challenging the basic understanding of what is considered *common sense* in this context.[16]

—

Phil Leech *taught International Relations of the Middle East for three years at Exeter's Institute for Arab and Islamic Studies and recently returned from a research fellowship at the British Institute in Amman (CBRL). His writes on the Israeli-Palestinian conflict on his blog, "Where Should the Birds Fly." You can follow him on Twitter @phil_haqeeqa.*

[1] C.f. Edward W. Said, "A Real State Means Real Work," *Al-Ahram* (Cairo, October 1, 1999), 397 edition.

[2] Rashid Khalidi, "On the Possible Recognition of A Palestinian State at the United Nations," *Jadaliya*, June 2011.

[3] C.f. Aisling Byrne, "Building a Police State in Palestine," *Foreign Policy Blogs*, January 18, 2011, inter alia.

[4] C.f. Adam Hanieh, "Palestine in the Middle East: Opposing Neoliberalism and US Power Part 1," *MRZine*, July 19, 2008; Adam Hanieh, "Palestine in the Middle East: Opposing Neoliberalism and US Power Part 2," *MRZine*, July 19, 2008; 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): 6–25 inter alia.

[5] Abyubi, *Over-stating the Arab State: Politics and Society in the Middle East*, New ed. (City I.B.Tauris, 1996).

[6] Ibid., 3.

[7] It is worth noting that Ayubi's analysis is based on detailed empirical studies of a range of states from across the region and that he attributes these conclusions to a wide range of social and political phenomena that includes factors both preceding and including the era of colonialism.

[8] *Globalization and the Politics of Development in the Middle East* (Cambridge University Press, 2010).

[9] Ibid.

[10] *Rents*, in this context, describe the outlay of a cost beyond the true productive value of goods or services *Rent-seeking arrangements*, then, can be defined as: the use of state power to circumvent market forces and award contracts to third parties based on non-market based concerns. This can in some cases be very damaging to the

(Mis)Stating Palestine

Written by Phil Leech

state and to the market, and when illegal they can constitute corruption. Liberal economists tend to object to rents and stress their potential for damage to the economy. However, more nuanced analyses take into account the fact that (a) in some circumstances *rent-seeking* can be competitive and that (b) it is possible to distinguish between damaging rents (which harm the economy and can constitute corruption) and constructive rents which can be a useful tool in economic development. For more details C.f. A.O. Krueger, "The Political Economy of the Rent-seeking Society," *The American Economic Review* 64, no. 3 (1974): 291–303; Mushtaq Husain Khan and J.K. Sundaram, *Rents, Rent-seeking and Economic Development: Theory and Evidence in Asia* (Cambridge Univ Pr, 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) *inter alia*.

[11] Sara Roy, *Failing Peace: Gaza and the Palestinian-Israeli Conflict* (Pluto Press, 2006).

[12] "The Internationalisation of Gulf Capital and Palestinian Class Formation," *Capital & Class* 35, no. 1 (February 22, 2011): 81–106.

[13] ICG, *Squaring the Circle: Palestinian Security Reform Under Occupation – International Crisis Group* , September 7, 2010; HRW, *Palestinian Authority/Israel: Escalating Assault on Free Expression*, April 3, 2012.

[14] Khalid Abu Toameh and Tovah Lazaroff, "Int'l Donors Agree to Provide PA More Financial Aid," *Jerusalem Post*, March 22, 2012.

[15] Markus E. Bouillon, *The Peace Business: Money and Power in the Palestine-Israel Conflict* , First ed. (I. B. Tauris, 2004).

[16] C.f. Mushtaq Khan's discussion of "holding power" in Mushtaq Husain Khan, "'Security First' and Its Implications for a Viable Palestinian State" (2005).

Bibliography

Ayubi, Nazih N. *Over-stating the Arab State: Politics and Society in the Middle East*. New ed. I.B.Tauris, 1996.

Bouillon, Markus E. *The Peace Business: Money and Power in the Palestine-Israel Conflict* . First ed. I. B. Tauris, 2004.

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.

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.

Henry, Clement Moore, and Robert Springborg. *Globalization and the Politics of Development in the Middle East* . Cambridge University 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.

(Mis)Stating Palestine

Written by Phil Leech

HRW. *Palestinian Authority/Israel: Escalating Assault on Free Expression*, April 3, 2012. http://www.hrw.org/news/2012/04/03/palestinian-authorityisrael-escalating-assault-free-expression.

ICG. *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.

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, Rashid. "On the Possible Recognition of A Palestinian State at the United Nations." *Jadaliya*, June 2011. http://www.jadaliyya.com/pages/index/2002/on-the-possible-recognition-of-a-palestinian-state.

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

Khan, Mushtaq Husain, and J.K. Sundaram. *Rents, Rent-seeking and Economic Development: Theory and Evidence in Asia*. Cambridge Univ Pr, 2000.

Krueger, A.O. "The Political Economy of the Rent-seeking Society." *The American Economic Review* 64, no. 3 (1974): 291–303.

Roy, Sara. *Failing Peace: Gaza and the Palestinian-Israeli Conflict*. Pluto Press, 2006.

Said, Edward W. "A Real State Means Real Work." *Al-Ahram*. Cairo, October 1, 1999, 397 edition. http://weekly.ahram.org.eg/1998/397/op1.htm.

Toameh, Khalid Abu, and Tovah Lazaroff. "Int'l Donors Agree to Provide PA More Financial Aid." *www.JPost.com*, March 22, 2012. http://www.jpost.com/MiddleEast/Article.aspx?id=263059.