

GLOBAL TENDENCIES, LOCAL IMPLICATIONS:
THE ROLE OF INTERNATIONAL ORGANIZATIONS IN THE WEST BANK
AND GAZA, 1993-2003

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ABSTRACT

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This thesis analyses the role of international organizations in the West Bank and Gaza. The role of international organizations is discussed within the larger framework of global governance. In light of the theories on global transformation, the renewed role for international organizations as the agents of global governance is introduced within the Palestinian context. With a focus on the complex relationship between domestic and international actors, the role of international organizations as the promoters of good governance is examined in terms of Palestinian state building process. Several international organizations are introduced in terms of their objectives, projects and activities in Palestine.

Keywords: Global Governance, International Organizations, Palestine

ÖZ

KÜRESEL EĞİLİMLERİN YEREL ETKİLERİ: BATI ŞERİA VE GAZZE'DE ULUSLARARASI ÖRGÜTLERİN ROLÜ, 1993-2003

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Bu çalışma uluslararası örgütlerin Batı Şeria ve Gazze'deki rolünü incelemiştir. Uluslararası örgütlerin rolü küresel yönetim bağlamında tartışılmıştır. Küresel değişim teorileri ışığında, uluslararası örgütlere verilen yeni roller Filistin çerçevesinde değerlendirilmiştir. Yerel ve uluslararası aktörler arasındaki karmaşık ilişkilere odaklanılarak küresel yönetimin temsilcileri olan uluslararası örgütlerin iyi yönetimi teşvik etme rollerinin Filistin devlet kurma sürecine etkisi incelenmiştir. Bunun yanı sıra uluslararası örgütler, Filistin'deki hedefleri, projeleri ve etkinleri açısından incelenmiştir.

Anahtar Kelimeler: Küresel Yönetim, Uluslararası Örgütler, Filistin

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CHAPTER 1

INTRODUCTION

The “post-Cold War” era is increasingly being referred as the “era of globalization” in both academic and popular accounts. As the increasing flows of ideas, goods and people across geopolitical boundaries shrink the world, nations are involved in complex transnational connections. Accordingly, social and political theories which had been confined to the idea of nation-state are in a process of being adjusted to the changes. One of the most recent discourses on global transformation revolves around a power shift from national government to “global governance”¹. In this context there is also a renewed role for the international organizations.² Furthermore there is an argument that the resonance effects of globalization are ‘creating a world situation where despite inevitable occasional setbacks, democracy and human rights are assuming the character of global norms that may transcend a state’s

¹ Global governance is the ‘evolving system of (formal and informal) political coordination - across multiple levels from the local to the global - among public authorities...and private agencies... seeking to realize common purposes or resolve collective problems through the making and implementing of global or transnational norms, rules, programmes, and policies’. See, Anthony McGrew “Globalization and Global Politics” in J. Baylis and S. Smith eds., The Globalization of World Politics, (Oxford: Oxford University Press, 2005), p.25. The concept of global governance will further be elaborated and more substantial definition will be given in the first chapter.

² An international organization is any institution with formal procedures and formal membership from three or more countries. The minimum number of countries is set at three rather than two, because multilateral relationships have significantly greater complexity than bilateral relationship. See Peter Willets “Transnational Actors and International Organizations” in J. Baylis and S. Smith eds., The Globalization of World Politics, (Oxford: Oxford University Press, 2001), p. 376

sovereignty.’³ Significantly the transformation of world politics towards global governance is very much related with the changing security concerns and political dynamics on a global scale after the end of the bipolar world order. In that context the initiative of global governance coincided with several significant events in history one of which was the international efforts to bring peace to the Middle East. In that sense, examining the process started with the Madrid Peace Talks in 1991 may shed a light to what the global governance may achieve or may not achieve in the short term.

In most simplistic terms this research traces the signs of global transformation towards global governance in a specific part of the world – Palestine – and assesses the applicability of globalizing norms, namely democracy, to a case where there is no sovereign state. This thesis aims to look at the role of international organizations defined within the larger framework of global governance and the related development and democratization efforts within the Palestinian territories during the state building process.

The impact of aforementioned transformations has been partly evident in the Palestinian case although there is no real state. Intergovernmental organizations (IGOs)⁴, notably United Nations (UN) agencies, had already been active in Palestine with emergency humanitarian aid to refugees since the very beginning of the conflict. Along with the emphasis on peace in the Middle East by the international community in the aftermath of the Cold War, the role given to international organizations in the West Bank and Gaza has increased significantly especially with development schemes since the early 1990s. Along with IGOs, the role and number of international

³ Yoshikazu Sakamoto, “A perspective on the Changing World Order”, in *idem.* ed., Global Transformation: Challenges to the State System, (Tokyo; New York; Paris: United Nations University Press), p. 34

⁴ An IGO is an international organization in which full legal membership is officially solely open to state and decision making authority lies with representatives from governments. In practice many IGOs have also have a few colonial territories and national liberations movements as members. For a more detailed description, see Peter Willets “Transnational Actors and International Organizations” p. 376.

nongovernmental organizations (INGOs)⁵ also increased significantly in the West Bank and Gaza. Indeed INGOs have an indispensable role especially in humanitarian aid to the Palestinians. Moreover these organizations have had the Palestinian cause heard across the world. This fact is the reflection of growing transnationalism brought by different patterns of globalization like the advancing means of communication or decreasing cost of transportation. Accordingly, it seems that more people around the world are concerned with the Palestinian issue.

Within a wider perspective, the influence of international organizations on domestic politics has increased generally in the developing countries, including the Arab states of the Middle East and North Africa (MENA) since the end of Cold War. The normative expectations, regulations and ways of thinking of international organizations emanating from the idea of creating a more democratic world have brought pressure to bear on governments to adopt governance forms that are perceived to be more legitimate and successful. In that context, the concept of “good governance”⁶ has been of increasing importance, and it’s been mostly used by IGOs to ensure reasonable conformity to high standards in states which participate in the global trading regime and other international activities. Most notably the World Bank, UN agencies and the European Union (EU) have aided developing countries of MENA for the practice of “good governance”, which tend to appear within the framework of economic development and democracy - with rule of law, legitimacy, transparency and accountability in its center. Since good governance is frequently seen as coterminous with democratic governance, this study pays special attention to efforts for transition to democracy in Palestine, a stateless society.

⁵ INGOs are international organizations in which membership is open to transnational actors. The major INGOs tend to be association of national NGOs. Like Amnesty International, many INGOS are composed of country based sections, each having structure of local groups. For a more detailed description see Peter Willets “Transnational Actors and International Organizations”.

⁶ A substantial definition of “good governance” will be given in the first chapter.

The peace process was brought about in an era when political development and better governance started to be seen as *sine qua non* for economic development by the international community. However in the case of the West Bank and Gaza development was tried to be achieved before necessary elements of good governance was implemented. In fact developing MENA economically and socially was offered as the key for a new regional order, and likewise developing West Bank and Gaza was recognized as the key for resolving the Palestinian-Israel conflict permanently. Accordingly, after the inception of the peace process, it was widely accepted by several international organizations that developing the West Bank and Gaza through cooperation of a range of state, interstate and nonstate actors was necessary for sustaining peace. In that sense, peace keeping through developing West Bank and Gaza became a test case for the international organizations as the agents of the emergent global governance.

It is notable that, as development became a more global issue, UN agents' role as the provider of humanitarian assistance changed into development assistance for the economic and social development of Palestinian people. Several schemes for development in West Bank and Gaza were initiated once the Palestinian Authority (PA) was formed. Likewise, although Palestine is not qualified as a member state, IMF and the World Bank diverted huge amounts of financial aid and provided technical expertise for development projects. As a part of its interests in stable Middle East, the EU also put great emphasis on peace building and became one of the major donors supporting the peace process and the PA. However the attempt of international community to bring sustainable development to this area was not capable of dealing with the reality of occupation and Palestinian sociopolitical traits shaped very much by the occupation.

Given the emphasis on promoting democratic forms of governance by international organizations, protecting civil society, the natural counterpart of democracy, became an important element of operations led by major international organizations in the era of globalization. In that context, since the end of Cold War development assistance by the major IGOs have been

transformed into political aid as a means of strengthening civil society and institutions of liberal democracy. While the earlier forms of aid focused on the developmental state, the aid discourse in the era of globalization revolves around the direct relationship between civil society, democratization and sustainable human development.⁷ Likewise civil society organizations, notably nongovernmental organizations (NGOs), have frequently been included in the development projects in the West Bank and Gaza, however indigenous character of Palestinian NGOs related to opposition to occupying power, steadfastness and national cause rather than democratic ideals made the international organizations skeptical about the possible contributions of Palestinian civil society organizations, especially organizations affiliated with radical Islamic movements, to democratic governance. This fact influenced the aid policies of international organizations once the peace process started.

Parallel with the general tendency towards internationalization in the era of globalization, most of the Palestinian NGOs gained an international character besides their national or local schemes, and they increasingly cooperated with INGOs and IGOs in several human development programs. Even before the peace process most Palestinian NGOs had an international character; however with the increasing professionalization among the Palestinian NGOs in 1990s, most of them became more dependent on financial support of foreign donors and other international institutions. In that context throughout the state building process there was severe competition between the PA institutions and the Palestinian NGOs. When the international community directed financial aid funds directly to the PA for the sake of sustaining the peace, Palestinian civil society structure was further weakened.

Several IGOs preferred the PA to Palestinian NGOs, because along with their traditional role as the agents of development, Palestinian NGOs always had a political standing. Despite the increasing professionalism in accordance with the demands of the foreign donors in support of the peace process, many NGOs did not lose their political character. No matter what

⁷ See, Goran Hyden, "Operationalizing Governance for Sustainable Development" in Jamil E. Jreisat ed., Governance and Developing Countries (Leiden, Boston and Köln: Brill, 2002)

service they provided, most of the Palestinian NGOs had a second agenda on resistance to the Israeli occupation. In fact, most of the NGOs had been formed by different political factions as a result of the occupation and the need to alleviate social and economic sufferings the occupation caused. After the formation of the PA, their programs changed into opposing the PA and its authoritarian traits along with Israel. Palestinian NGOs had been vital actors capable of responding to emergent social needs, dealing with serious social issues before the peace process, however the oppositional character of the Palestinian NGOs had the potential to challenge the newly established PA and thus the peace process. For the continuation of the peace a strong authority was seen necessary, which is why international donations went directly to the PA institutions, bureaucracy and security services and little was done to strengthen the civil society, which contradicts with the dominant discourse on the extended role that should be given to the civil society organizations for promotion of democratic governance.

It can be argued that in the Palestinian case IGOs viewed protecting the peace process more important than democratizing the national system through strengthening civil society in the occupied territories. The emphasis on building the capacity of the PA rather than supporting the institutions of civil society reveals the fact that the success of the peace process was thought to require political stability achievable only through the creation of strong central authority. This unfortunately led to the reemergence of patrimonial politics in a modern way and rise of authoritarianism in the West Bank and Gaza.

The role of the institutions of emergent global governance was different in the West Bank and Gaza compared to the rest of the Arab World because the promotion of good governance in the process of integration into the global economy was juxtaposed with the state building process. In fact Palestinians underwent an indigenous experience since they never had a sovereign Palestinian state on a specific territory. Within the twentieth century Palestinians were governed by the Ottoman Empire, British Mandate, Jordan, Egypt and Israel. Thus Palestinians neither had their own government nor

“governance” to steer Palestinian civil society and economy. Palestinian political society that was to be the building stone of a future Palestinian state and the civil society had been geographically divided until the territorialization of Palestine Liberation Organization (PLO) in 1993. Therefore only after the inception of the peace process in 1993, governance by the Palestinians themselves, albeit with a quasi-state, could be realized. However there could never be good governance including democratic norms despite the unprecedented guidance and aid of several international organizations, and despite the efforts to establish governmental institutions and infrastructures in accordance with the principles of good governance.

To understand the reasons for the failed attempts to bring good governance under the PA, internal elements of Palestine should be analyzed as well as the external ones, because the external factors are also related to the main internal factors emanating from the history of the area written mostly with occupation. Internally the conditions necessary for good governance never developed due to several historical factors including inherent patrimonialism, factionalism and economic backwardness. In fact these factors are similar to the common characteristics of most of the MENA states. Indeed in most of the MENA states liberalization process for integration into the global economy and adaptation of Western political norms were way slower. There are several explanations to why the MENA states lagged behind in economic and political liberalization. Since Palestine is the part of the same region, several arguments about lack of democracy in the Middle East could be used to explain the emergence of an authoritarian PA as well. However due to the fact that the people of Palestine is a stateless society, the history of which was very much written by resistance to the occupying power, examining historical development of Palestinian society, economics and politics within a specific context is important to reveal the non-democratic traits of the PA.

Undeniably good governance might have been an answer to how to resolve the conflict permanently, but due to the internal factors stemming from the politico-historical facts of the area and external factors stemming

from the erroneous policies of the international community, elements of good governance never blossomed in the West Bank and Gaza. In retrospect, economic misery and political disillusionment of the Palestinian people led to a violent uprising which marked the end of the peace process. In that context, the hypothesis of this work is that contrary to the underlined role of international organizations in promoting good governance in developing countries, overly political aid policies of international organizations with the objection of sustaining peace led to the emergence of an authoritarian regime in West Bank and Gaza. With the connection between good governance and civil society in mind, the contradictory relationship between the international organizations, the PA and Palestinian NGOs is the focus of the study. The scope of the case study of the search for good governance in Palestine has been limited to the ten year period between the start of peace accords in 1993 and the second wave of reforms during the second *Intifada*.

As stated earlier the aim of this research is to clarify the role of international organizations in the West Bank and Gaza in relation to the emergent global governance. Given that there are various meanings ascribed to global governance by different theorists, the initial task of this study is to clarify the term “global governance” and the new role given to the international organizations in global governance. This is accomplished through literature survey method and through researching the websites of international organizations on the internet. First, a comprehensive examination of recent literature on international organizations within the global governance context is made. Secondly, the web pages of international organizations concerned with Palestine and the Palestinian-Israeli conflict are analyzed. The data collected from the internet sites are evaluated in accordance with the literature on global governance and the new discourses related to this concept, such as democratization and economic development on a global scale. After an analysis of the indigenous historical conditions of Palestine, the developments along with the peace process are analyzed. Drawing on the juxtaposing timing of peace process and the emergent global governance, the role of international organizations are evaluated. Three IGOs

directly involved in issues concerning Palestine and the conflict – the UN and its agencies, the World Bank and the EU - are examined in this work. Since the number of INGOs concerned with Palestine is too much to handle here, only a couple of most prominent INGOs are examined in a section devoted generally to the role of international NGOs operating in West Bank and Gaza.

The research study has been organized in three main chapters except. In the second chapter the political transformation the world has been going through since the end of Cold War is examined and some of the new concepts are highlighted. Accordingly, the most striking concepts are “governance” and “global governance”. The evolving role of the international organizations in the emergent global governance is briefly introduced in terms of different approaches to the global transformation. Then the impact of globalizing political and economic norms on a regional level is briefly presented through picturing the standing of Arab states. This chapter generally deals with the human development aspect of the global transformation rather than the security issues. Since good governance is accepted to be directly related to development by the international community, economic and political liberalization process of the Arab world is also briefly presented. Lastly, the applicability of the new theories about global transformation to the settlement of the Palestinian-Israeli conflict is discussed.

The third chapter deals with the Palestinian issue specifically. In the first section of this chapter historical background of Palestinian economy, politics and society is given. The specific periods are examined in detail to understand the particular effects of each period on the developments after the formation of the PA. In the center of the historical analyses is the socio-politics in the West Bank and Gaza rather than the Palestinian-Israeli conflict itself. Then the institution building and reform process is examined through putting emphasis on the reasons behind the failure of sustaining peace and forming democratic governance.

In the fourth chapter, the role of the international organizations – the UN and its agencies, the World Bank, IMF and the European Union – in the Palestinian territories before, during and especially after the peace process is

examined. The emphasis is put on several development projects and allotment of financial aid for promoting democratic governance after the formation of the PA. With the growing role of the NGOs in political and economic development in mind, the role of the international NGOs in West Bank and Gaza is also briefly presented.

The concluding chapter briefly presents the major points and the argument of the thesis. The data collected about the roles of the international organizations from the literature survey and internet resources is analyzed in terms of global governance. Additionally some conclusions derived from the analysis of international organizations and the search for good governance in Palestine is asserted.

CHAPTER 2

PERSPECTIVES ON GLOBAL TRANSFORMATION & GOVERNANCE

2.1 Introduction

The process of globalization, which is considered to have begun economically as early as 1940s with the establishment of Bretton Woods system, is closely connected to the changes in the world economy along with the huge surge of foreign direct investment by multinational corporations. However, intensified with the end of the bipolar world order in the late 1980s, globalization gained a politico-cultural dimension as well.⁸ The financial crises that struck the developing countries during the 1990s provided a way out of the “economism” that dominated policy making throughout the 1980s and early 1990s. These crises were mostly identified as significant sources of ‘backlash against the unfettered nature of the globalization and the spur to think about the role of regulation, re-regulation and the capacity of the state in the political economy of globalization.’⁹ Within the evolving theoretical context of globalization several new concepts, one of which is “governance”, have been added to the buzz words of globalization like “liberalization”, “deregulation” and “privatization”.

⁸ Margaret P. Karns and Karen A. Mingst, International Organizations: The Politics and Processes of Global Governance, (Boulder and London :Lynne Rienner, 2004), pp. 359-360

⁹ Richard Higgott, “Contested Globalization: The Changing Context and Normative Challenges” F. Kratochwil and E. D. Mansfield eds., International Organization and Global Governance, (New York: Pearson, 2006), p. 428

Despite the main discourse on the economic aspect of globalization, considering the evolving theoretical context of globalization, it is important to note that globalization, as defined by Joseph Stiglitz, is the ‘closer integration of the countries and the peoples of the world which has been brought about by the enormous reduction of costs of transportation and communication, and the breaking down of artificial barriers to the flows of goods, services, capital, knowledge and to a lesser extent people across borders’.¹⁰ Therefore the era of globalization also brought about challenges to the idea of the nation state.

Indeed cultural, economic and political processes in a society are increasingly stretched across nation-state boundaries such that the events decisions and activities in one part of the world can have immediate significance for individuals and communities in quite distant parts of the global system. Thus globalization has a “spatial” connotation that defines linkages and interconnections that transcend the state and societies that make up the modern world system. First of all, within the spatial connotation of globalization, social, political and economic activities are becoming “stretched” across the globe. Secondly globalization have brought about “intensification of flows and networks of action”, which implies “deepening” in the levels of interaction, interconnectedness or interdependence between the states and the societies that constitute the modern world community. For example communication networks across the world have the potential to connect the people into a shared social space. Thirdly, increasing extent and intensity of global interactions has changed the geography of the relationship between the local and the global. Along with the “stretching” and “deepening” aspect everyone has also a local life. Thus it can be noted that globalization is a multidimensional process involving a growing interpenetration of the global phenomenon with local.¹¹ Lastly, globalization

¹⁰ Joseph E. Stiglitz, Globalization and Its Discontents, (New York; London: Penguin Press, 2002), p. 9

¹¹ David Held and Anthony McGrew, “Globalization and the Liberal Democratic State” in Yoshikazu Sakamoto ed. Global Transformation: Challenges to the State System, (Tokyo; New York; Paris: United Nations University Press), pp. 58-59

has brought about new institutional infrastructures interconnected at cross-national levels that are outside the control of individual nations.

Indisputably globalization is driven by international corporations which move not only capital and goods but also technology across the borders; however globalization also progresses side by side with the creation of new international institutions and side by side with a renewed attention to long established international institutions like the UN.

Proliferation of transnational interconnections between national governments, subnational institutions and NGOs ushered in the growth of forms of “governance” both at global and national levels. The very initial interpretations of “global governance” was an attempt started in 1980s to create a set of global economic norms to be accepted by entrants to the global economy under the guidance of the existing international institutions. However, the discontentment created by economic globalization introduced a new set of sociopolitical norms to legitimize globalization by mitigating its side effects. This chapter aims to examine the new theories brought about by the global transformation and the impact of the global transformation on regional and national levels.

2.2 From National Government to Global Governance

Given the impact of globalization, “governance” became an essential term for understanding not only transnational processes but also for identifying the nontraditional actors such as NGOs, which participate in the governance of the globalized economy beyond the traditional confines of government.

Over the past years it has been widely recognized that there has been a change in the organization of political power. Although there is no unanimous theory on the role of government in the process the world is going through, the transformation has been generally labeled as a power shift from “government” to “governance”. The term “governance” was introduced into political theory and practical political discourses when the traditional model of nation state turned out to be inadequate to describe the new reality or to guide reform policies all around the world. The power shift is a result of the

‘increasing complexity of social problems, the diffraction of societies followed by the rise of new organized interests, the overload and inflexibility of hierarchical structures, the growing international interdependencies and competition, and finally the diffusion of new theories of public management and policy making.’¹²

It is noteworthy that there is no governance without a government, and claiming that the state has completely lost political leverage contradicts with the political realities. The loss has occurred but it is rather a maneuver by the state to adopt itself to both globalization and ‘the new and lower profile it tends to assume domestically.’¹³ With that in mind, in most simplistic terms "governance" means the process of decision-making and the process by which decisions are implemented (or not implemented). The United Nations Development Program (UNDP) defines governance as the exercise of economic, political and administrative authority to manage countries’ affairs at all levels. Accordingly, governance comprises the ‘mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their conflicts.’¹⁴ Accordingly governance is comprised of purposeful actions to guide, steer and control society in three different areas of regulation: the market, the state and private associations. Thus governance involves both governmental and nongovernmental actors and the regularized institutional patterns that emerge from the interaction of these actors.¹⁵

The proliferation of nongovernmental actors changed the political landscape in many countries in the era of globalization. Within developing

¹² Arthur Benz and Yannis Papadopoulos “Governance and Democracy: Concepts and Key Issues” in *idem.* eds., Governance and Democracy: Comparing National, European and International Experiences, (New York: Routledge, 2006), p.2

¹³ Guy Peters and Jon Pierre “Governance, Accountability and Democratic Legitimacy” in Governance and Democracy, p.30

¹⁴ Goran Hyden “Operationalizing Governance for Sustainable Development” in Jamil E. Jreisat ed., Governance and Developing Countries (Leiden, Boston and Köln: Brill, 2002), p.14

¹⁵ Ezra Mbogori and Hope Chigudu “Civil Society and Governance” in Civil Society at the Millennium, in Marcus Akuhata-Brown *et al.* eds., (West Hartford: Kumarian Press, 1999), p.111

and socialist bloc countries, civil society blossomed after decades of repression. This development exerted a growing influence on what once had been almost exclusively matter of state policy, and economic and social policy turned out to be no longer the exclusive preserve of governments. Recently human rights advocates, gender activists, developmentalists and groups of indigenous peoples have invaded the territory of the states, literally and figuratively. Therefore transformation of the role of state has profound implications for state-civil society relations. For example state is no longer the sole legitimate agent for development, decision making and the management of development resources. Today civil society organizations are widely recognized as having essential role for sustainable development projects, albeit not central.

In its current usage the word “governance” is often preceded by the adjective “good”. “Good governance”, is defined as the art of managing the interaction of three mechanisms: the market, the state and civil society. Good governance is further associated with the spread of democracy and free market economics. Not long ago, government and its institutions were considered to be responsible for good governance. However today it is widely accepted that good governance requires healthy flourishing democracy which comes to mean the accountability of the rulers to the ruled, transparency in the way public decisions are made and leaders are selected, and access to information so that citizens can make informed judgments and evaluate performance.

Governance is not solely limited to the field of national politics. The international relations literature on governance emerged in the aftermath of the Cold War with the burgeoning civil society institutions both domestically and internationally. Accordingly, there is a shifting balance not only in the roles of the state and civil society in individual countries but also in the international arena. In addition to the organization of the UN system and the Washington-based financial institutions, INGOs working as human rights advocacy networks, such as Human Rights Watch, transnational corporations like Shell and Citibank, and global media penetrated into what had formally

seen as governmental realm.¹⁶ Accordingly, one of the most recent discourses on global transformation revolves around a power shift from national government to “global governance”. With regard to the shift from national government to the global governance there is growing internationalization and a renewed role for the international organizations.

little to say about global governance, neorealist scholars argue that international organizations have little influence on the state behavior and that state cooperation is almost impossible. Neoliberal institutionalism and constructivism, on the other hand, put great emphasis on the role of international organizations for the emergence of a global polity. Drawing upon Kant’s ideas on a universal moral reason, constructivists argue that different societies might have different values and norms; however these differences can find a common ground in light of the universal reason. In that context, constructivism put great emphasis on international institutions as embodied in norms, practices and formal organizations. Accordingly, international nonstate actors have important functions locally and globally. For instance, the focus on international NGOs on specific values can be used to lobby on a worldwide basis for relevant norms, can mobilize social groups in support of these norms internally and affect the state behaviors. Therefore according to this view nonstate actors may serve as agents of social construction at a global scale.¹⁷ In a different way, neoliberal institutionalism views cooperation through international organizations as completely rational. Accordingly, continuous interactions among the states provide the motivation for the states to create international institutions, which will provide focal points for coordination and serve to make state commitments more credible by specifying what is expected. On this account, the outcomes of globalization mentioned above might indicate a relatively reduced role for nation states; however the dominant argument is that despite globalization, nation states remain as the main actors in the world politics as the realities of

¹⁶ Margaret P. Karns and Karen A. Mingst, International Organizations: The Politics and Processes of Global Governance, (Boulder:Lynne Rienner, 2004)

¹⁷ Volker Rittberger and Bernhard Zangly, International Organization: Polity, Politics and Policies, (New York: Palgrave MacMillan, 2006), p.21

world politics indicate. Thus the transformation is towards growing internationalization which refers to growing interdependence among states rather than de-territorialization as some constructivist scholars argue.

Neoliberal institutionalism has a clear research program which focuses on the transformation and impact of international regimes on the domestic. In that context domestic and international is closely interconnected. Likewise this research study is based on the theory that there is a complex interaction between the operation of international institutions and the process of domestic politics. That is why I believe explaining the “complex interdependence” theory which indicates growing internationalization as a result of the process of global transformation in which the very distinction between the domestic and external blurs is important.

In fact the complex interdependence theory is the resurrection of “linkage theory” put forward in *Linkage Politics* by James Rosenau in 1969. Recently along with the intensified global transformation, linkage theory is reformed by the neoliberal scholars and introduced to the study of international relations as “complex interdependence”. Accordingly, globalization is contributing to the reconfiguration of the power and authority of national governments. Indeed, along with globalization national governments turned out to be too small to solve the big problems that affect everybody on earth, and too large to solve the small ones that affect people’s day to day lives.¹⁸ It is important to underline that the reconfiguration of state does not simply mean the decline of the state. Rather it is the reemergence of the state in a complex infrastructure of governance at local, regional, national and global levels.¹⁹

According to the complex interdependence theory, global governance has three distinctive layers: “suprastate”, the “substate”, and the “transnational”.²⁰ At the substate level are the local autonomous entities,

¹⁸ David Held, “Introduction” in *idem.* ed., *A Globalizing World? Culture, Economics, Politics*, (London and New York: Routledge, 2000), p.7

¹⁹ Miklos Marschall “From States to People: Civil Society and its Role in Governance” in *Civil Society at the Millennium*, p. 167

notably NGOs, which are closer than national governments to the “private life sphere” of people. At the suprastate level are the IGOs such as the UN and the World Bank, and lastly at the transnational level are the international NGOs and transnational movements.²¹ Hence the “steering mechanism” is spurred into existence through several channels: through the sponsorship of states, through the efforts of actors other than states at the transnational and supranational levels, or through the states and other types of actors jointly sponsoring the formation of rule systems.²²

As it is argued by Joseph Nye and Robert Keohane, describing complex interdependence between different types of actors is necessary for the study of changing world politics. Nye and Keohane suggest a world politics paradigm which includes transnational, transgovernmental and interstate interactions. In their conception of world politics, high and low politics are tightly intertwined and the central phenomenon is the bargaining between governmental, intergovernmental and nongovernmental actors. Nye and Keohane respond to the state centric argument through a metaphor. According to them;

[The] world today is more like a chessboard on which the players are not always what they seem and the terrains of the chessboard may suddenly change from a garden to shop to castle. Thus in contemporary world politics not all players on important chessboards are states, and the varying terrains of the chessboards constrain state behaviors [...] Different chessboards favor different states²³

Accordingly, national governments need to form coalitions and alliances with nongovernmental actors because the cost of winning in direct confrontation with nongovernmental forces is rising as the nongovernmental

²⁰ John Keane, “Cosmocracy and Global Civil Society” in Gideon Baker and David Chandler eds. Global Civil Society: Contested Features (New York: Routledge, 2005), p. 37

²¹ Anthony McGrew “Power Shift: From National Government to Global Governance” in David Held ed., A Globalizing World? Culture, Economics, Politics, pp. 127-169

²² James N. Rosenau, “Governance in the Twenty-First Century” Rorden Wilkinson ed., The Global Governance Reader, (London and New York: Routledge, 2005), p.51

²³ Robert Keohane and Joseph Nye, Jr., Transnational Relations and World Politics, (Cambridge: Harvard University Press, 1972), p.374

actors are becoming more transnational as a result of the increased sensitivity of the societies to one another, which is generated by the improved technology of communication. Furthermore, governments need to use the broad horizontal networks of civil society organizations to be efficient.²⁴ Indeed civil society organizations have less hierarchy than the government units. Furthermore civil society organizations are mobile, fast and flexible, which gives them significant advantages over slow and rigid bureaucracies. By using their flexibility and ability to act quickly, civil society organizations have been able to shape the agenda, address new priorities and mobilize public opinion in some cases at national and international levels.²⁵ Accordingly, a new role is given to civil society in world politics by many scholars. Some scholars make use of a new concept; “global” or alternatively “transnational” civil society which is described as a process generating “an interconnected and multilayered” social space comprised of cross border networks and chains of interactions linking the local to global.²⁶

Some constructivist perspectives of global governance present global governance as a process of transformation which includes the reconstruction of citizenship with universal moral principles against the “distorted global politics”.²⁷ Accordingly, more humane and just world order requires a reformed and more democratic system of global governance, namely “cosmococracy” or “cosmopolitan democracy”. Cosmococracy seeks to reinvigorate democracy within states by extending democracy to relations between and across states. To that end a global civil society is being shaped around the moral values which are universally shared and has become explicitly recognized and institutionalized both within the state and trans-state political relations. The power of the universal moral reason is underlined to

²⁴ Ibid., p. 379

²⁵ Miklos Marschall, “From States to People: Civil Society and its Role in Governance”p.169

²⁶ John Keane, Global Civil Society?(Cambridge: Cambridge University Press, 2003), pp.23-24

²⁷ Anthony McGrew, “Globalization and Global Politics” in Steve Smith and John Baylis eds., The Globalization of World Politics (Oxford University Press, 2005), p. 36

explain the struggles for human rights, peace and justice within and beyond states in the last decade.²⁸

The cosmopolitan view builds upon the argument that globalization is bringing about a post-Westphalian order. That is, state sovereignty is eroding away in international relations because geopolitics is marginalized in the course of globalizing democratic forces operating within the forms provided by an emergent global civil society. According to that approach, along with globalization, nation states which had been the base of political authority over the past three centuries are facing challenges by nonstate actors because nation states are neither able to influence global changes nor respond effectively to the pressures for increased flexibility and competitiveness.²⁹ Under these circumstances, global civil society plays a powerful role in turning ideas into norms and establishing norms as state practice. In brief, according to the cosmocracy discourse, instead of states and inter-state arrangements, actions and linkages of non-state actors are keys to bring good governance to global governance by making it more accountable, transparent and legitimate.³⁰

According to Mary Kaldor the term global civil society has an “emancipatory” potential for ideas of human rights which are inherently universal. The diffusion of international norms in the humanitarian field depends on the establishment and the sustainability of networks among domestic and transnational actors. Only through these transnational networks, norm violating governments can be challenged and pressured from below.³¹

²⁸ For further information about the idealist normative perspective see Mary Kaldor, “The Idea of Global Civil Society” in G. Baker and D. Chandler eds., Global Civil Society: Contested Features, (London ; New York : Routledge, 2005)

²⁹ Anthony McGrew, “Power Shift: From National Government to Global Governance?” in David Held eds., A Globalizing World? Culture, Economics, Politics, (London and New York: Routledge, 2000), pp.131-148

³⁰ Amore Lousie and Paul Langley “Global Civil Society and Global Governmentality” in R.D. Germain and M. Kenny eds., The Idea of Global Civil Society: Politics and Ethics in a Globalizing Era, (London and New York: Routledge, 2005), pp. 19-34

³¹ Gideon Baker “Saying Global Civil Society with Rights” in G. Baker and D.Chandler eds., Global Civil Society: Contested Features, (London and New York: Routledge, 2005), pp. 119

Similarly, contrary to the neorealist approach suggesting sovereign state as the only relevant moral community, Andrew Linklater draws his argument on Kant's defense of a universal constitution formed by the laws of "world citizenship". Linklater reiterates that there are moral values beyond the nation-states and further argues that the international order is in a process of transformation which involves the 'divorce of citizenship from the state' and reconstruction of citizenship with universal moral principles.³² Besides, Linklater views the complex interdependence theories insufficient. According to Linklater, the IGOs which have been established for the purpose of managing a more interdependent world face a democratic deficit because their decisions do not require popular assent. Accordingly, for a solidarist form of "cosmocracy", a global citizenry which ensures the popular control of international organizations is imperative, and to that end citizenship has to be moved beyond the complex interdependence theories. Instead a new domain of transnational citizenship, rights and duties has to be created though giving prominence to nongovernmental organizations within the UN system. According to Linklater, only through the enlargement of the moral boundaries rather than the political ones solidarity within the international society could emerge.³³

For the neo-realist scholars, cosmocracy is nothing more than a utopia since the reciprocal recognition of rights is possible only under the state authority. Mervyn Frost answers such criticisms making use of the South African example. Accordingly,

The powerless majority without the franchise claimed that they were being denied their fundamental human rights. This claim was recognized elsewhere in the GSC [Global Civil Society] and it led to the power. This power derived from individuals, firms, states, great powers, and superpowers. When it was at the most powerful, the anti-Apartheid movement influenced even the USA Congress-the legislature of a superpower.³⁴

³² Andrew Linklater "Cosmopolitan Citizenship" in Kimberly Hutchings and Ronald Dannreuther eds., Cosmopolitan Citizenship, (London: Macmillan Press, 1999), p. 39

³³ Andrew Linklater, The Transformation of Political Community: Ethical foundations of the Post Westphalian Era, (Cambridge: Polity Press, 1998), pp. 197-211

Arguably, through that example Frost asserts that the language of rights can not be constrained by geographical boundaries. For Frost, ‘although the practice of civilian rights came into existence long after the system of states emerged and although it was the states that implemented and promoted human rights... the language of individual human rights does not respect state boundaries.’³⁵

2.2.1 The Evolving Role of Intergovernmental Organizations

One of the transformations that the word has been going through since the end of Cold War is the increasing use of intergovernmental organizations (IGOs) as vehicles of cooperation by the states. In fact two functional characteristics of IGOs have led the states to prefer institutionalization: 1) “centralization” which comes to mean a concrete and stable organizational structure and 2) “independence” which comes to mean the authority to act with a degree of autonomy, and often with neutrality in defined spheres.³⁶ These characteristics are also said to enhance IGOs efficiency.

Centralization of IGOs shapes the political context of state interactions through providing neutral, depoliticized, or specialized forums more effectively than almost any informal or decentralized arrangement. For instance, states could discuss technical nuclear issues within International Atomic Energy Agency (IAEA) without the intrusion of high politics. Furthermore IGOs manage a variety of operational activities. For instance, the World Bank, a typical operational IGO, finances massive development projects, borrows on world capital market, reviews state investment proposals, provides technical assistance and training in many disciplines, generates extensive research and publications, and performs other substantive activities.

³⁴ Mervyn Frost, “Global Civil Society, Civilians and Citizens” in Randall Germain and Michael Kenny eds., The Idea of Global Civil Society (London and New York: Routledge, 2005), p. 125

³⁵ Ibid., p.131

³⁶ Kenneth W. Abboth and Duncan Snidal, “Why States Act through Formal International Organizations” in Paul F. Diehl ed., The Politics of Global Governance, (Boulder and London: Lynne Rienner, 2001), p.15

Several IGOs are vehicles for pooling activities. Especially in international financial institutions, members pool financial resources through capital contributions and commitments. Additionally many international organizations constitute a platform for interstate joint production, an example to which is the common war plans, joint exercises and military tasks under NATO military alliance. Last but not the least, many IGOs engage in norm elaboration and carry out extensive legislative programs, frequently focusing on coordination rules. For instance, the EU has issued a huge number of directives, regulations, and other legislative acts through interstate arrangements and mutual recognition.³⁷

Although centralization often requires some operational autonomy, many IGOs' functions require more substantive independence. The participation of an IGO as an independent, neutral actor can transform relations among states, enhancing the efficiency and legitimacy of collective and individual actions. For instance independent IGOs promote intergovernmental cooperation in more proactive ways. In other words they are initiative as well as supportive organizations. The governing body is often authorized to call together member states to consider current problems. Through this ability to facilitate interstate collaboration, IGOs can manage substantive operations, which can be summarized as: specification, implementation, monitoring, adjudication and imposition of sanctions.

The norms and rules of policy programs generally require further specification in order to implement them. For example the World Bank draws up detailed conditions for projects in developing countries. Additionally measures taken by the UN Security Council should be interpreted as operational decisions specifying its program of maintaining international peace and security. Through the specification of programs, IGOs not only help states to implement norms and rules but sometimes implement them directly themselves. An example of direct implementation can be found in UN operations with respect to peace keeping. Through its peacekeeping activities the UN assumed full administrative responsibility in Kosovo in 1999. In

³⁷ Ibid., pp.16-23

general, implementation of internationally agreed programs remains the prerogative of member state's authorities, parliaments, governments and bureaucracies, though. For instance the standards for the quality of drinking water are set for all member states by the EU, but the measures necessary for their implementation are taken by the relevant authorities within the EU member states. Since implementation of norms and rules is mostly undertaken by member states rather than by the international organization itself, monitoring is required. Without monitoring, member states might be tempted to disregard these programs expecting that this would go unnoticed. However monitoring alone cannot reliably guarantee member state's compliance. Full compliance can only be possible if member states cannot ignore program requirements through arbitrary interpretation. To that end several IGOs are given the task of adjudicating disputes about member states' compliance. This is the case for organizations which have their own court or court-like bodies. With respect to the UN, both the Security Council and the Commission of Human Rights are authorized to condemn member states that are violating fundamental legal obligations. If a member state does not abide the ruling handed down by a court or court like body, sanctions may be needed. Indeed, IGOs can sometimes help efforts to employ sanctions against states that continuously disregard their international commitments. However it is important to note that IGOs are not central authorities entrusted with the capacities to employ sanctions against states violating their policy programs. In many IGOs sanctions are limited to condemnation which exposes the relevant state to moral pressure. Some IGOs can go beyond mere moral sanctions such as excluding the members persistently violating obligations. For example, if the UN Security Council deems it necessary it can impose military enforcement measures. To do so, however, it depends on member states being ready to supply troops to deploy them under formal UN tactical operational command. Indeed in 1990s the Security Council authorized some member states to intervene with force in the humanitarian catastrophes in Somalia, Bosnia and the like. Most recently in the aftermath of September

2001 for the first time the Security Council authorized military measures to combat international terrorism.³⁸

Although the power of IGOs in the global search for peace and security seems bright, a series of events have underscored the limitations of the UN. In some cases like the Palestinian-Israeli conflict, the UN is inefficient for the resolution of the problem. Despite being a member state, Israel violates UN resolutions on the settlement of the conflict and the UN is reluctant to impose any sanctions. That is why, although international organizations play greater role in the globalizing era, we are still reminded that state sovereignty and lack of political will by members inhibit the long term prospects of those organizations for creating effective structures of global governance.

Although by taking advantage of the centralization and independence of IGOs states are able to achieve goals that they cannot accomplish on a decentralized basis, and although in some cases the role of IGOs extends even further to include the development of common norms and practices that help define or redefine states themselves, most states are hesitant to allow too much autonomy to IGOs. That is why it would be wrong to assume that IGOs are replacing state system. Despite the setbacks, however, IGOs have become prominent, albeit not always successful, participants in many critical episodes in international relations after the Cold War, which signaled a new era for the UN and the international organizations in general. Besides, the end of the superpower rivalry removed many of the barriers that had prevented the UN from taking action, especially in the security realm. Today UN is more active in peacekeeping operations than it was during the Cold War.

In general IGOs provide an important supplement to decentralized cooperation that affects the nature and the performance of the international system. In fact today IGOs play greater role in generating and stabilizing international cooperation in promoting human development and well being, and protecting human rights despite not being very efficient in search for

³⁸ Volker Ritterberg and Bernhard Zangl, International Organization: Polity, Politics and Policies, (New York: Palgrave, 2006), pp.102-112

peace and security in some cases. The UN and its affiliates for instance, perform functions such as humanitarian assistance, nation building, and election supervision that were previously not within the province of the UN. On the other hand, the EU has taken further steps towards complete regional economic integration and extension of the regional borders recently. Several financial international organizations, most notably the World Bank, have taken initiatives on governance with the private sector to promote human rights and raise labor and environmental standards. Thus a new rhetoric of international organization accompanies globalization as a process.³⁹

The attempt of the UN to develop a “global compact” is of special attention. ‘While [global compact] fits firmly within a neoliberal discourse for developing an interaction between the international institutions and the corporate world, it is an important recognition of the need to globalize some important common values.’⁴⁰ In this regard, it is a constructivist understanding of governance which is underwritten by 1) a “managerialist” ideology of effectiveness, 2) efficiency of governmental institutions and 3) an understanding of civil society based on the mobilization and management of social capital rather than one of representation and accountability.⁴¹

Indeed recently promoting human development and economic well being has become the central activity of the various international institutions, notably the UN and its agencies, regional IGOs and INGOs. The World Bank and IMF continue to provide core pieces of economic governance dealing with development and finance. World Trade Organization has become the hearth of the multilateral system. Furthermore, functional regimes, multinational corporations, and regional arrangements provide other key pieces of global economic governance. All in all several international organizations have been claiming that they attempt to narrow the gap between

³⁹ Richard Higgott, “Contested Globalization: The Changing Context and Normative Challenges” F. Kratochwil and E. D. Mansfield eds., International Organization and Global Governance, (New York: Pearson, 2006), p. 428

⁴⁰ Ibid., 431

⁴¹ Ibid.

the rich and poor, southern and northern countries, by stimulating economic growth and development.

For example, both the World Bank and the IMF are based on the liberal notion that the economic stability and development are best achieved when trade and financial flows occur under as few restrictions as possible. However they differ in that the World Bank emphasizes development and IMF emphasizes finance. Since 1950s there has been significant transformation in development strategies of the World Bank and IMF. In 1950s and 60s, large infrastructure projects (dams, electric facilities, telecommunications) were emphasized. In 1970s the World Bank shifted to a basic needs orientation (funding projects in health, education and housing). During the 1980s, the idea of sustainable development through private sector involvement was viewed as the most efficient way to alleviate poverty. Finally in the late 1990s, the World Bank started to support sustainable development through promoting good governance.

Both the World Bank and the IMF were originally elite run institutions that dealt with borrowing governments, central banks, finance ministries, and international private lenders. For that reason, up until 1990s neither has direct relationships with civil society or NGOs. However along with the sustainable development⁴² projects, more NGOs were involved in World Bank's projects. In fact in the early 1990s their relationship began to change in response to pressure from NGOs and internal bank efforts to work more directly with beneficiaries, many of which allied with NGOs who were critical of environmental and social consequences of bank lending. It is noteworthy that, this change coincided with worldwide tendency towards democratization which facilitated the growth of NGO sector. It also ushered in a change in policies of many bilateral development agencies that channeled increasing funds through the NGOs. By 1990s NGOs were involved in 22 percent of

⁴² Sustainable development is a collection of methods to create and sustain development which seeks to relieve poverty, create equitable standards of living, satisfy the basic needs of all peoples, and establish sustainable political practices all while taking the steps necessary to avoid irreversible damages to natural capital in the long term in turn for short term benefits by reconciling development projects with the regenerative capacity of the natural environment.

projects, and by the end of 1999 54 percent of projects involved NGOs, 70 percent of which were local community based groups.⁴³

UN's approach to economic development differs from that of IMF and the World Bank. With IMF and World Bank having the main responsibility, the UN agencies have two general functions- normative and operational. An example to the normative role of the UN is the evolution of the idea of sustainable development. In 1980s sustainable development was coterminous with sustained growth and change through economic liberalization. However along with the increasing environmental concerns, the sustainability stated to imply that economic growth should not prevent future generations from meeting their need and operations. Regarding the operational aspect, on the other hand, the UN has two approaches: (1) Creating a series of regional commissions to decentralize planning and programs, and (2) making a commitment to technical assistance. UN Economic and Social Council (ECOSOC) have been in charge of coordinating the many different agencies and programs on development.

UN and its agencies have frequently highlighted the prosperity gap between the states, which has dramatically increased with economic globalization. They have also underlined that only sustainable development can close this gap. Recently the UN has sought to increase partnership with other actors and develop a coherent set of goals for mobilizing the international community to alleviate poverty and promote sustainable human development. Accordingly many partnership programs have emerged since 1990s within the UN system between international financial institutions and regional, national and nonstate actors. What was a turning point for eroding the gap between the world states was the Millennium Development Declaration Goals adopted in 2001, which represents a conceptual compact among nations about reducing poverty and promoting sustainable human development in response to globalization. In that sense Millennium Development Declaration is unprecedented since it underpins partnership

⁴³ Karnst and Mingst, pp. 364-371

among UN agencies, governments, civil society, and the private sector as means to achieving sustainable development.

Despite its attempt to promote sustainable development, the UN and other intergovernmental institutions are criticized by the scholars who have an idealist understanding of emerging global governance. Accordingly due to co-optation and incrementalism prevailing in many intergovernmental units, IGOs are not efficient in shaping of policy with regard to human rights and environmental regulation. According to Richard Falk, IGOs like the UN have never been democratized enough to bring about “humane global governance”.⁴⁴ Falk further asserts that democratization of the UN is inherently incomplete because values change over time, and therefore the emphasis should be put on the political commitment of civil institutions on behalf of the excluded and oppressed. In that context, Falk sees global civil society as the only alternative to a catastrophic hegemonic globalization, namely globalization from above. According to his globalization from below scenario, if a global future is constructed through social action that would be shaped by global civil society organizations, “humane governance” which means effective realization of human rights, and extension of participatory mechanisms, will be achieved on a global scale.⁴⁵ Indeed it is argued that recently NGOs rather than the IGOs have played key roles in guarding the human rights. They have been central to establishing the norms, institutions, mechanisms and activities for giving effect to this powerful idea that certain rights are universal. The increasing role of nongovernmental organizations in global governance will be discussed below.

2.2.2 The Movement of NGOs from Local to Global

The NGO boom in the 1990s is viewed as the telltale victory of liberalism over communism. After the Cold War, the proliferation of NGOs continued.

⁴⁴ Richard Falk “Democratizing, Internationalization and Globalization” in Yoshikazu Sakamoto ed. *Global Transformation: Challenges to the State System*, (Tokyo: United Nations University Press, 1994), p. 496

⁴⁵ Richard Falk, *On Humane Governance: Toward a New Global Politics*, (Pennsylvania: Pennsylvania University Press, 1995), pp. 119-125

However, along with the blurring of the border between the domestic and external politics, most NGOs started to be organized in transnational networks.⁴⁶

It is noteworthy that although NGOs increased their global dimensions and extended as transnational institutions in the aftermath of the Cold War, INGOs had existed before the twenty first century. Even in the nineteenth century, people formed INGOs in response to shared interest and the force of growing interdependence. People were often motivated by the struggle for democratic and participatory power, whether on class or national lines, and in their attempt to mitigate interstate conflict. Accordingly international associations were formed around courses such as antislavery, organized labor, temperance, anti-imperialism, women's suffrage, peace and the like.⁴⁷ INGOs grew even more rapidly than the IGOs in the nineteenth and twentieth centuries. As states became increasingly constitutional and their societies became ever more complex and formal, citizen participation was channeled into voluntary associations. The number of INGOs was reported to have spectacularly increased from about 200 active organizations in 1900 to about 800 in 1930, to over 2,000 in 1960, nearly 6,000 in 1990 and finally to 26,000 in 1999.⁴⁸

The increasing number of INGOs is a result of improving communication and transportation facilities. Since information can easily be transmitted around the world in a financially feasible way, small groups of people can easily establish and maintain cooperation between other people even though they are in different geographies. Thus more people are able to organize to advance their interests domestically and internationally.

⁴⁶ Hagai Katz and Helmut Anheier "Global Connectedness: The Structures of Transnational NGO Networks" Marlies Glasius, *et. al.* eds., Global Civil Society 2005/6, (London: Sage, 2006)

⁴⁷ Charles Chatfield, "Intergovernmental and Nongovernmental Associations to 1945" in Jackie Smith *et. al.* eds., Transnational Social Movements and Global Politics : Solidarity Beyond the State, (Syracuse: Syracuse University Press, 1997), pp. 19-41

⁴⁸ John Boli, and George M. Thomas "INGOs and the Organization of the World Culture" in Paul Diehl ed., The Politics of Global Governance, pp. 63-78, and see website <http://web.worldbank.org/WBSITE/EXTERNALTOPICS/CSO>

Furthermore many problems which were formerly invisible or were considered local have become transnational as they have been made visible on television. Finally, greater international consensus on values and norms facilitated the formation of INGOs, notably transnational social movement organizations (TSMOs). Notably the development of internet was a turning point for the INGOs. Most of the NGOs, especially Northern based ones, make use of the internet to pursue their organizational goals.⁴⁹

INGOs originate from voluntary action by individual actors and have explicit rationalized goals. They operate under strong norms of open membership and usually democratic decision-making. Most of the INGOs seek to spread progress throughout the world. However, they lack the rational–legal authority to enforce laws like states and IGOs. Besides unlike global corporations they have few economic resources. Still an analysis of NGOs is necessary to understand key aspects of global transformation.⁵⁰

During the recent decades intergovernmental institutions have encouraged NGOs to participate directly or indirectly in their deliberations as a way to legitimize their authority or to acquire much needed expertise. The public private partnership between NGOs and governing institutions are strongly evident in the formation of ECOSOC. The ECOSOC resolution 1297 in 1968 called the UN Department of Public Information (DPI) to associate NGOs with effective information about issues on UN's agenda and the work of the organization.⁵¹ More recently NGOs accredited by the UN have been given consultative status for ECOSOC. However, although several hundred NGOs were accredited and quite a few worked diligently in the meetings of the ECOSOC and its bodies from the beginning, it was not until 1990s that large scale NGO participation emerged at the UN conferences. This transformation was the result of the pressure from the accredited NGOs at the UN Conference of Environment and Development in Rio to broaden the

⁴⁹ Craig Warkentin, Reshaping World Politics: NGOs, the Internet, and Global Civil Society, (Oxford: Rowan&Littlefield, 2001), pp.36-38

⁵⁰ Ibid., p. 63

⁵¹ www.un.org/dpi/ngosection/about-ngoassoc.html.

eligibility so as to cover all NGOs who wished to participate in the later conferences. Thus in the succeeding UN conferences the intergovernmental process was opened to NGO participation and a step further was taken towards global governance. The conferences helped the NGOs, particularly environmental and gender oriented NGOs as lobbyists; however as the political, security and disarmament questions are excluded from the formal part of the UN-NGO relationship, 'the strong movements for decolonization and nuclear disarmament do not have a direct voice in UN deliberations on these matters.'⁵²

INGOs tend to influence global governance through their capacity to organize people and resources across national frontiers in the pursuit of collective goals. However they lack the kind of economic and financial or political resources that states and multinational companies draw upon. So their influence and political impact is best measured not in terms of raw power capabilities, which tend to be limited, but rather in terms of 'infrastructural power' which includes shaping public attitudes, the agenda of local regional and global politics, providing citizens with an access to global and regional decision making forums, exercising moral, spiritual or technical authority, and seeking to make governments, international bodies and corporate empires accountable for their actions and decisions.⁵³ To illustrate, by mobilizing people across the globe Amnesty International (AI) raised public consciousness of human rights and contributed to the creation of a global political culture of rights. While the UN remains diffident in some cases like Gulf War and the Palestinian-Israeli conflict since it has to take the consideration of the member states and security issues into account, AI has managed to maintain scrupulous neutrality with respect to international conflicts. Since AI is a grassroots international movement financially and therefore remains politically independent from the governments, it has been

⁵² See Box 5.1: UN conferences/summits and civil society on pages 156-7, in Marlies Glasius *et.al* eds. Global Civil Society 2005/2006 (London: Sage Publications, 2006)

⁵³ Anthony McGrew, "Power Shift: From National Government to Global Governance" in David Held ed., A Globalizing World? Culture, Economics, Politics, (London and New York: Routledge, 2000), p.147

willing to investigate possible human rights abuses in cases which the UN prefers to remain diffident.⁵⁴

Likewise, many other NGOs do their relief and development work at the grassroots level. That means most of the INGO operations are labor intensive from both expatriate and indigenous staff perspective. Moreover many INGOs tend to have large field staffs that can carry out complex operations in remote areas. These INGOs are committed to empowering people at the lowest level of social organization to work collectively towards the sort of economic services that would typically be run by municipal government. However, sometimes this focus on the local pieces is at the expense of dealing with national problems of governance, economic reform, planning and policy. The focus on the local and ignorance of the national may cancel out any grassroots successes INGO's program may have enjoyed.

Another point is that NGOs cannot continue to exist long without donors. There is a wide variety of funding sources that offer support for NGOs. These funding sources are usually other NGOs, IGOs, and individual donor governments. World Bank has funded NGOs all around the world to support civil society initiatives at the global, regional and country levels since 1970s. World Bank funding mechanisms are administered by the Development Grant Facility (DGF) which provided \$157.0 million to NGOs active in human rights, development, and environment fields. Many of these mechanisms are funded in partnership with other IGOs, such as the UN and UN agencies. However there is by no means a consensus among donor governments, NGOs and UN agencies on the need for unified strategy in complex emergencies. In order to prevent conflicting strategies, the UN has undergone a number of reform processes recently, first of which was the creation of Department of Humanitarian Affairs (DHA) to “mobilize and coordinate the collective efforts of the international community, in particular those of the UN system, to meet in a coherent and timely manner the needs of those exposed to human suffering and material destruction in disasters and

⁵⁴Ramesh Thakur, “Human Rights: Amnesty International and United Nations” in Paul F. Diehl ed., The Politics of Global Governance: International Organizations in an Interdependent World, (Boulder and London: Lynne Rienner Publishers, 2001), pp. 374-5

emergencies.”⁵⁵ Consecutively ECOSOC was given the oversight over policy, budget and management of the big four funds and programs.⁵⁶

2.3 Global Transformation and the Middle East

Globalization means different things to different people; however the notion of globalization as a worldwide integration and transcendence pervades the field of public administration today. Optimistic assessments of globalization predict the advent of a world order beyond nation states, which will eventually lead to global governance. These theories also suggest international diffusion of common public administration professional standards leading to efficiency, effectiveness and responsiveness in the operations of public administrative system world wide. Therefore there is an implication that the global diffusion of “modern organizational governance” will replace undemocratic, inefficient rules with “good governance”.⁵⁷

Global transformation embodies certain traits, the interaction of which with different regional systems depends on ‘how well entrenched these traits already are in the post Cold War order’ and ‘the nature of the regional dynamics and particularities of each system.’⁵⁸ In the aftermath of the Cold War, de-polarization of international relations ushered in more intrusive involvement by major international agencies in the domestic arena of the poorer countries. The links between the local, domestic and international started to blur and the IMF and the World Bank began putting economic and political liberalization high on the post Cold War agenda. Like all developing countries, the Arab countries were called to exercise economic reform which

⁵⁵ <http://www.un.org/depts/dha/>

⁵⁶ Andrew S. Natsios, “NGOs and the UN in Complex Humanitarian Emergencies” in Paul F. Diehl ed., The Politics of Global Governance: International Organizations in an Interdependent World, (Boulder and London: Lynne Rienner Publishers, 2001), pp. 397-401

⁵⁷ Paul Mavima and Richard Chackerian, “Administrative Reform Adoption and Implementation: The Influence of Global and Local Institutional Forces”, Jamil E. Jreisat ed., Governance and Developing Countries (Leiden, Boston, Köln: Bristol, 2002), pp. 91-93

⁵⁸ Nassif Hitti, “The Internationalization of the State in the Middle East” in Yoshikazu Sakamoto ed., Global Transformation: Challenges to the State System, (Tokyo, New York, Paris: United Nations University Pres, 1994), p. 85

is a generic term for the shift in state economic policy towards greater reliance on market forces, increased emphasis on the private sector, improved public sector decision making and wider opening to international markets. Although the specifics vary, many of the Middle East and North Africa (MENA) states moved in the economic reform direction. However, generally, states of this region were slower and more reluctant than the others to adjust their economic strategies and structures to the market economy and export oriented development.

It is noteworthy that the principal obstacles to development or reaching the life standards of the developed countries of the western world have been political rather than economic in the Arab world. In fact some scholars viewed the reform efforts that started in late 1980s as regime “survival strategies” in the aftermath of the failed import substitution industrialization (ISI) and statist experiments.⁵⁹ Indeed economic reforms carry immediate political implications for power holders in the region. Many of the Arab states are based on patronage politics which engenders allocation strategies for political legitimacy. Without political legitimacy, opening up economies and raising more taxes may undermine the patronage networks and endanger the regime.⁶⁰ At that point development turns out to be a political issue for Arab countries.

As mentioned previously in this chapter "good governance", which necessitates democratic institutions, has recently been accepted as a prerequisite for development by the international community. As reported by the World Bank, compared with other regions, Middle East and North Africa (MENA) shows a clear governance gap.⁶¹ While in Europe, where there is a

⁵⁹ The key strategy adopted for development in the Arab countries during 1950s and 1960s was a heavy reliance on planned economy with an emphasis on public sector participation. For more information on state led growth and see A Political Economy of the Middle East by Alan Richards and John Waterbury.

⁶⁰ Clement M. Henry and Robert Springborg, Globalization and Politics of Development in the Middle East, (Cambridge; New York: Cambridge University Press, 2001), pp.1-29

⁶¹ For further information see, Better Governance for Development in the Middle East and North Africa: Enhancing Inclusiveness and Accountability, MENA Development Report, (The World Bank, 2003)

long-standing democratic tradition and political liberalism, good governance raises mostly social or economic issues; in the Arab world these issues are as much political as they are socio-economic because of the characteristics of the political systems and government bureaucracies of the Arab states.

Considering that governance helps determine policy formulation and implementation that, in turn, determines whether or not there is a sound, attractive business environment for investment and production, the prospect for better governance in the region seems to be low due to the undemocratic nature of the political system and powerless public institutions often controlled by corrupt and authoritarian leaders. The bureaucratic environment for doing business still lags behind that of Asian and Latin American countries in MENA and it is widely accepted that Middle East's growth gap stems from its governance gap because of the democratic deficit.

As recognized by the international community, the governance measures for development cannot be realized in an insecure and unstable environment. Indeed security is a precondition for sustainable economic, social and political development. And security means conflict prevention.⁶² Notably the search for a stable and conflict free Middle East inaugurated at Madrid conference brought the global governance initiative with sustainable development in the very forefront of the global agenda. In fact as put by Amr Moussa, Secretary General of the League of Arab States, the Madrid conference was held in the dawn of a new world.

Madrid Conference was [...] convened at a hopeful moment which enabled it to accomplish [...] elements necessary for the [start] of a meaningful [...] peace process [...] Madrid highlighted the unanimous determination of the post cold war world to launch [...] new [...] talks between the Middle East parties, under the [...] auspices of the new single super power, helped by a supportive international community [...]⁶³

Indeed, with the Madrid Peace Conference and the subsequent Oslo Peace Process the 'West Bank and Gaza became established as key sites for

⁶² http://www.oecd.org/document/48/0,2340,fr_2649_201185_37463600_1_1_1_1,00.html

⁶³ Amr Moussa is Secretary-General of the League of Arab States (since 2001); former Foreign Minister of Egypt; Ambassador of Egypt to the United Nations (1990) and India (1967). For his further remarks on the Peace Process see, www.commongroundnews.org.

the project of liberal global governance.⁶⁴ During the Madrid conference in 1991, multilateral or regional talks were intended to bring together Israel, the Arab States, Turkey, the United States, many European Countries and even China and Japan to discuss region wide problems such as economic development, the environment and the arms control.⁶⁵ There were also a range of nonstate actors along with interstate actors. As stated by Jonas Gahr Støre⁶⁶, although the Madrid talks on the bilateral and multilateral track did not paved the way for a conflict free Middle East, a “spirit of negotiations” started. While Israel and Jordan signed a peace treaty, real steps were taken forward between Israelis and Palestinians. Thus it can be asserted that it was due to the “international escort”⁶⁷ by the wider international community that the prospects of peace in the Middle East could be realized to some extent. Within the wider framework of global governance the peace efforts by the international community has been continuing, which is evident in the formation of the Quartet on the Middle East including the United States, Russia, the European Union, and the United Nations involved in mediating the peace process in the Israeli-Palestinian conflict.

As mentioned previously the idealist understanding of globalization presents a new concept, most notably “cosmocracy” which comes to mean a global democracy based on “cosmopolitan citizenship”.⁶⁸ Considering the illiberal norms and factionalism based on family, clan and tribes prevailing in

⁶⁴ Jan Selby, “Governance and Resistance in Palestine: Simulations, Confrontations, *Sumoud*” in Feargal Cochrane *et.al.*, eds., Global Governance Conflict and Resistance (New York: Palgrave Macmillan, 2003), p. 118

⁶⁵ Ian J. Bickerton and Carla L. Klausner, Concise History of Arab-Israeli Conflict, (New Jersey: Prentice Hall, 1998), p. 258

⁶⁶ Jonas Gahr Støre is Minister of Foreign Affairs of Norway; member of the Labour Party; former Secretary of State; and former Chief of Staff, Office of Prime Minister Jens Stoltenberg (2000-01). The highlights of his remarks at Madrid + 15 Conference can be accessed at www.commongroundnews.org.

⁶⁷ See highlights of remarks made at Madrid +15 by Gareth Evans, President, International Crisis Group, and former Foreign Minister of Australia at www.commongroundnews.org

⁶⁸ See Roland Dannreuther, “Cosmopolitan Citizenship and the Middle East” in Kimberly Hutchings *et. al.*, eds., Cosmopolitan Citizenship, (London: MacMillan Press, 1999), pp. 143-167

the region, the debate over cosmocracy seems to be premature, at least until a more liberal regional environment can be secured. However, despite the shortcomings regarding the better governance forms, a tendency towards supranationalism is evident in the region. While the concept of regional arrangements as a framework for collective security and cooperation is becoming more popular among the great powers, it is welcomed at the regional level in the Arab world as well. The fact that regional arrangements are constructed not as closed systems connected hierarchically to one of the two great powers as in the Cold War period but as interconnected horizontally in the era of globalization has created more space for regionalization in the Middle East.⁶⁹ Through regionalization, internationalization is increasing. For instance, The Arab Maghreb Union (AMU) was formed in 1989 to cope with the fundamental problems that link its members to southern Mediterranean Europe.

The internationalization of the state is also occurring at a “systemic level”. In other words, Middle East order is being built on the basis of a network of functional regimes, which most notably culminated from the multilateral negotiations in the Arab-Israeli conflict. However the success of internationalization depends on the normalization of interstate relations and regional integration, ‘for no order can be established unless it is based on a common set of values and norms in the conduct of relations among its members and on a community of interest widely defined.’⁷⁰ That is, as put by Nassif Hitti, only with a successful settlement of the Arab-Israeli conflict, regional integration which will boost the process of regional order building and bring with it a greater internationalization of the state in the Middle East can be achieved.

2.4 Global Transformation and the Palestinian Issue

⁶⁹ Nassif Hitti, “The Internationalization of the State in the Middle East” in Yoshikazu Sakamoto ed., Global Transformation: Challenges to the State System, (Tokyo, New York, Paris: United Nations University Press, 1994), p. 101

⁷⁰ *Ibid.*, p. 102.

With the 1993 Oslo Accords, the level of international involvement grew even more as the Oslo agreement established the framework for a five year ‘interim period’ during which various territorial, administrative and security powers would be gradually transferred from Israel to the PA. This period was to end with the signing of the final states agreement based on UN resolution 242, which had called for the withdrawal of Israel from “territories occupied” after the Arab-Israeli War in 1967. In order to prepare for an autonomous Palestinian state, the support of the international community was necessary since West Bank and Gaza was both economically “de-developed” and politically “de-institutionalized” after almost thirty years of occupation.

Responding to these realities the international community immediately began formulating development and reconstruction of the West Bank and Gaza, and for the construction of autonomous Palestinian institutions...[D]onors pledged US\$2.1 billion of aid to Palestinians for the five year interim period...[T]he donor effort for the Palestinians has been one of the largest ever undertaken by the international community... [J]ust as the West Bank and Gaza have been major recipients of international aid, so more generally have they witnessed a wide-ranging attempt to establish governmental institutions and infrastructures in accordance with internationally accepted principles of good governance.⁷¹

The involvement of the UN has been essential to the peace process, both as the guardian of international legitimacy and in the mobilization and provision of international assistance. However the Oslo process and the establishment of the PA, which turned out to compete with the actors outside its control on foreign aid and private investment have shown little sign of revolutionizing the Palestinian economy. In fact the ongoing *Intifada* is a direct outcome of the disillusionment of the Palestinian people with the economic deterioration and the institutional corruption of the PA. The ongoing clashes between the Palestinians and the Israeli military forces leave little room for permanent peace in the region.

The post-nationalist readings of globalization suggest that Israel and Palestine are “irreversibly interconnected”. Accordingly the national order of things- the modernist nation state logic- that guides the Oslo process towards

⁷¹ Jan Selby, pp. 118-9

the solution of the problem with two separate states contradicts with the global cultural and economic transformation. For Dan Rabinowitz, whatever solution to the conflict is attempted, the powerful dynamics of globalization must be taken into account. Rabinowitz attempts to apply global economy and the discourse of transnationalism in order to redefine the “nexus between identity and place in Israel /Palestine”. Rabinowitz underlines that deterritorialization does not mean to announce the end of territorial claims; however it does suggest that personal identity, cultural affiliation, people’s sense of belonging, heritage, solidarity, and destiny are changing and can in fact be imagined detached from bounded place, through which peace could be achieved. He further argues that the involvement of the international institutions in Palestinian economy pulled Palestine towards incorporation into a regional political economy with Israel at its core. Thus according to Rabinowitz, the chaining global economy signals the “inseparability” of Israel and Palestine. Indeed, despite the peace process those parts of the occupied territories that have come under the jurisdiction of the PA have remained dominated by the Israeli economic policies. Rabinowitz suggests that

[T]he realities of globalization and the cultural transformations associated with transnationalism can contribute to deterritorialization and erode the ethno-territorial tendency to sanctify and valorize land. This coupled with an awareness of the ubiquity and growing legitimacy of diasporic subjectivities, could enhance a serious evaluation of nonterritorial solutions as potential blueprints for future reconciliation.⁷²

Before the 9/11 Rabinowitz’s arguments would have made sense. However since the 9/11 the theories suggesting de-territorialization have been refuted by more realistic views of globalization according to which rather than the erosion of borders, the states have reasserted their power and sealed their borders in response to the perceived worldwide terrorist treat.⁷³ Indeed the construction of a security wall, namely the Apartheid wall and the disengagement of Israel from parts of West Bank and Gaza is a good example

⁷² Dan Rabinowitz, “Postnational Palestine/Israel? Globalization, Diaspora, Transnationalism, and the Israeli-Palestinian Conflict”, *Critical Inquiry*, Vol. 26, No. 4. (Summer, 2000), p. 772

⁷³ Anthony McGrew “Globalization and Global Politics”, pp. 25-26

of the tendency towards re-assertion of power and territorial boundaries. That is why it is important to underline that globalization does not imply universalism or a global community. Besides it is impossible to draw a uniform line for the way the world is transforming through. As the 9/11 demonstrated ‘the more the world becomes a shared social space the grater the sense of division, difference and the contest it creates.’⁷⁴ As put by Anthony McGrew, contemporary globalization is highly uneven. In other worlds, ‘it engenders a highly unequal geography of global inclusion and exclusion. In doing so it is as much a source of conflict as of cooperation in word affairs.’⁷⁵

Although the deterritorializing world argument can’t be applied to the Palestine case, we have witnessed increasing room for international institutions in Palestinian domestic politics. The Palestinian institution building took place very much under the supervision and guidance of the international organizations, notably the UN. With that in mind the following chapters will be focusing on the impact of global transformation regarding the increasing role of international organizations in domestic issues.

2.5 Conclusion

My central aim of this chapter has been to explain the transformation of the world politics in the post Cold War era towards a new system of global governance and to characterize a supranational polity in which the international nongovernmental and governmental organizations have a renewed and crucial role for this system of governance. The tendency towards global governance with the aim of bringing about solutions to issues transcending the national borders within a multilateral basis has been very evident in the Middle Eastern context. While the emphasis put by the international community on sustainable economic, political and social development increased, good governance started be seen as *sine quo non* for

⁷⁴ Ibid., 28

⁷⁵ Ibid., 38

development, and to that end democratic forms of institutions have been promoted by the leading international figures especially through international financial institutions. Considering that security is a precondition for development, the global governance project cannot be shaped without the resolution of the Arab-Israeli conflict. Accordingly, with the process starting from the Madrid Peace Conference in 1991 Middle East became one of the key issues of global governance. Indeed strong engagement in the peace process by the wider international community is necessary and unavoidable for the parties will find great difficulty in reaching any deal alone.

After the failure of the peace process, the applicability of peace based on two sovereign states is questioned by scholars inspired by the ideal of global citizenship. Whether the conflict could be resolved in the future under the supervision of international supranational entities is in question, however it is undeniable that along with the new global dynamics, more nonstate actors are becoming involved in the efforts of the resolution of Palestinian-Israeli conflict.

CHAPTER 3

THE WEST BANK AND GAZA IN THE ERA OF GLOBALIZATION

3.1 Introduction

The Palestinian-Israeli conflict is an issue that has occupied the world agenda since its beginning. Throughout the Cold War, then generally referred as the Arab-Israeli conflict, this issue was utilized by the superpowers as a means of shifting the balance of power in the Middle East region. However the end of the Cold War had an impact on this issue like many other issues. For the first time solid steps towards the resolution of the Palestinian-Israeli conflict were taken in the process succeeding the Cold War with the initiative of a wider international community. It was in an era of globalizing economic and political norms, and reducing security concerns that a Palestinian quasi state was established in the West Bank and Gaza. Despite the imposition of liberal economic and political norms, however, there was little achieved in the name of good governance in the West Bank and Gaza. It was anticipated that the implementation of globalizing democratic norms by the Palestinian authority would bring development and thus peace. The realities stemming from the quasi-war, power discrepancy and occupation were the major factors impeding the integration of West Bank and Gaza into the economic and political globalization process. This chapter will shed a light to the historical, social, political and economic factors that made peace through political and economic development impossible for the Palestinians. Accordingly in the first section of the chapter Palestine will be evaluated socio-politically in a historical context. Social and political evolution of the Palestinian society will

be given starting from the Ottoman period until the peace process. In this section the impact of the traditional elements on the political development will be examined basically. In the second section, on the other hand, the focus will be on the peace process and its shortcomings which led to authoritarianism rather than democratic governance in the West Bank and Gaza under the Palestinian Authority.

3.2 Historical Background

3.2.1 Palestine under the Ottoman and British Rules

Patronage politics have long been an important feature of Palestinian political experience. The first sociopolitical organizations under the Ottoman rule in the eighteenth century were representing the interests of urban and rural notables rather than the local inhabitants of Palestine.⁷⁶ The Young Turk revolution in the early 1900s ushered in the most formative generation in Palestinian political development before 1948.⁷⁷ Numerous legal and illegal Arab cultural and political associations were founded between 1908 and 1914 as an outgrowth of the revolution and the transformation of the Ottoman state structure.⁷⁸ While Palestinian Arabs came to view Zionism less through the lenses of their Ottoman loyalties and more through that of the threat it posed to the Arabs of Palestine with the revolution⁷⁹, Palestinian Arab society was too fragmented to build a high degree of activism and institutionalization against the Zionist threat. Zionist movement, on the other hand, had already built its pre-state organizational infrastructure by the end of the First World War.⁸⁰

⁷⁶ Rex Brynen, "The Neopatrimonial Dimension of Palestinian Politics" in *Journal of Palestine Studies*, Vol.25, No. 1 (Autumn, 1995), p.24

⁷⁷ Dona R. Divine, Politics and Society in Ottoman Palestine: The Arab Struggle for Survival and Power (Boulder and London: Lynne Rienner, 1994), p.148

⁷⁸ *Ibid.*, pp.148-151

⁷⁹ Harold M. Cubert, The PFLP's Changing Role in the Middle East (London and Portland: F. Cass, 1997), p. 36

The imposition of the “modern” British administration on Palestine had profound implications for the traditional Palestinian society. British colonial administration tried to undermine the influence of the notables through eroding the attachment of peasant clients to their urban notable patrons. Deprived of their privileged status at the local governmental positions and their monopoly over food and peasant work force, Palestinian Arab notables fought to restore their former status through the creation of social service associations and political parties.⁸¹ Ostensibly these organizations were democratic but in essence they were the implications of a different kind of sociopolitical regime, or a traditional society evolving from a feudal oligarchic and authoritarian system into a more modern political community. Indeed most of the parties and associations formed during the mandate period were controlled by members of the traditional elite. Rather than advocating the adoption of Western-style democracy for their community the party leaders were trying to regain the higher status they enjoyed during the Ottoman rule as the traditional elite. Therefore the established notable families’ access to public and private patronage remained as an important element of Palestinian society⁸², which was reflected in the main “political crystallization” and the evolution of Palestinian national movement under the British Mandate.⁸³ Palestinian national movement against colonialism and Zionism was shaped by the “notables” rather than the ordinary Palestinians throughout this period. Palestinian national movement’s first organizational

⁸⁰ Baruch Kimmerling and Joel S. Migdal, Palestinians: The Making of a People (Cambridge: Harvard University Press, 1994), p.74; and for further information about the formation of Palestinian national consciousness see “The Development of Palestinian Entity Consciousness” by Issa al-Shuaiba in *Journal of Palestine Studies* (Vol. 9 No.1: Autumn, 1979), pp. 67-84.

⁸¹ Dona R. Divine, Politics and Society in Ottoman Palestine: The Arab Struggle for Survival and Power (Boulder and London: Lynne Rienner, 1994), p.207

⁸² Rex Brynen, “The Neopatrimonial Dimension of Palestinian Politics” in *Journal of Palestine Studies*, Vol. 35, No. 1 (Autumn, 1995), p.26 and “The Palestine Communist Party 1919-1948” by Joel Beinen, *MERIP Reports*, (No.55, March 1977), pp.3-4

⁸³ Moshe Ma’oz “Democratization among West Bank Palestinians and Palestinian-Israeli Relations” in Democracy Peace and the Israeli-Palestinian Conflict (Boulder; London: Lynne Rienne, 1993), pp.198-213

structures, most notably The Arab Executive, against colonialism and Zionism were led by the traditional elite families. Furthermore in the aftermath of the Balfour Declaration, the first Palestinian National congress was organized under the leadership of leading Palestinian families.⁸⁴

It was in 1930s that Palestinian political activity spread to the grass-roots level due to the rapid industrialization. In that period huge number of Palestinian peasants left their villages to join the cash economy in the coast cities, which resulted in transformation of the traditional family structures. At the absence of family or clan loyalties, Palestinians in poor urban neighborhoods developed their own political organizations to struggle against British imperialism and Zionism and that gave way to an uprising in 1936.⁸⁵ Yet, dominant political figures coming from elite cast tried to coordinate and control the uprising in order to expand their political base. The fact that traditional elements still dominated Arab society and that class structures had not changed enough to let others participate in political decision making hindered a unanimous, effective grass-roots movement.⁸⁶

3.2.2 Palestinian Arabs after the *Nakba*

By the end of the British Mandate an Israeli Jewish state was declared on the land of Palestine, which ushered in the Arab-Israeli war of 1948, or *Nakba* which means disaster in Arabic. The defeat of the Arab armies in this war had deep impacts for the Palestinians. With the expulsion of approximately one million Palestinians from their homes, a quarter of the entire Arab population

⁸⁴ With Balfour Declaration, British Government pledged support for the establishment of a Jewish national Home in Palestine, ignoring the aspirations of Palestinian people for independence and self determination in 1917. It is noteworthy that at the first Palestinian National Congress after the Balfour Declaration there was no idea of establishing a Palestinian state separate from Syria at the congress. In most simplistic terms Palestinian Arabs were demonstrating their loyalty to Faisal of Syria. Until the fall of Faisal, the idea of a separate Palestinian state did not occupy central ground at the Palestinian national congresses.

⁸⁵ Kenneth W. Stein "The *Intifada* and the 1936-39 Uprising: a Comparison" *Journal of Palestine Studies*, Vol. 19, No.4 (Summer, 1990), pp.65-70

⁸⁶ Joseph Nevo, "The Arabs of Palestine 1947-48: Military and Political Activity" *Middle Eastern Studies*, Vol.23, No.1 (1987), pp. 5-6

in Palestine was displaced and traditional Palestinian society was scattered between the states.⁸⁷ Almost complete depopulation of Haifa and Jaffa marked the end of urban coastal Palestinian society and an independent Palestinian economy.⁸⁸ The dramatic expulsion of the Palestinian Arabs from Palestine marked the beginning of a conflict which would remain unresolved for decades after the war.

Palestinians were no more able to play an independent role in shaping their destiny. It was the Arab states hosting the Palestinians which played “pivotal role” in shaping the types and directions of the Palestinian organizations for their own political purposes.⁸⁹ Jordan and Israel, though apparently enemies, would often adopt similar hostile and restrictive policies towards Palestinian civil associations to thwart independent political or economic activities and an emerging separate Palestinian identity.⁹⁰ Since Palestinians were dispersed and lacked the resources to establish a national entity, it was not surprising that in the 1950s and early 1960s many Palestinians were attracted by the ideas of Pan-Arabism rather than Palestinian nationalism.

As mentioned previously, the political life before 1948 was basically led by local traditional elite. However after the *Nakba* (disaster), Palestinian social structure went through a historic transformation. As a result of the dispersal of the traditional agricultural society, elite families lost their control over the Palestinian society as land owners. As was in the earlier period, clientelistic patterns played an important role in the functioning of political organizations, as a controlling mechanism of the hosting governments, however the political formations were also engaged with a Palestinian political movement dedicated to a program of national reconstruction and

⁸⁷ Salim Tamari, “Palestinian Social Transformations: the Emergence of Civil Society” *Civil Society: Democratization in the Arab World* (8:86, Summer, 1999), p.5

⁸⁸ Kimmerling and Migdal, p.152

⁸⁹ Muhammad Muslih, “Palestinian Civil Society”, p.247

⁹⁰ Kimmerling and Migdal, p.156

liberation after the *Nakba*.⁹¹ Notably, there was hardly a linkage whatsoever between democratic or quasi-democratic trends among Palestinian political organizations. The reason of their existence was inception of an Israeli state on the Palestinian land.⁹²

While territorial issues started haunting Israel in the aftermath of its victory in 1967, the defeat of Arab armies against Israel in 1967 ushered in changes in the Palestinian national movement strategy and operating methods.⁹³ In the first place, Pan-Arabism lost its appeal among Palestinians. Secondly, *Fatah*- a Palestinian resistance organization operating in Diaspora with the idea that the Palestinians had the right to act independently from other Arab countries- started dominating the Palestinian Liberation Organization (PLO).⁹⁴ Lastly, violent action, or terrorism, became the key element of the struggle of Palestinians against Israel.

As discussed previously, after the *Nakba* Palestinians didn't have a significant military and political role in the Arab-Israeli conflict. Instead neighboring Arab states Egypt, Syria and Jordan were trying to shape the destiny of Palestinians, and putting restrictions and bans on the political organizations advocating a separate Palestinian state. However after the defeat of Arab armies in 1967 and the occupation of West Bank and Gaza, the pan-Arabist ideology completely lost its appeal among Palestinians. The ideological transformation that occurred within the PLO after 1967 was documented through the amendment of the first Palestinian National Covenant in 1968. The covenant which had been drafted in 1964 placed Palestinian goals and operations within a pan-Arab context and defined Palestine as an Arab homeland whereas the 1968 version of the covenant

⁹¹ Muhammed Muslih, p. 247

⁹² Moshe Ma'oz, p.222

⁹³ Harold Cubert, p. 47

⁹⁴ PLO was formed as an umbrella organization with the initiative of Egypt in 1964 to keep several Palestinian organizations and the Palestinian national movement under control.

described Palestine as the homeland of the Palestinian Arab people.⁹⁵ Additionally, in that covenant liberated Palestine was implied to be a secular democratic state. Accordingly article six acknowledged Jews who were living permanently in Palestine until the beginning of the Zionist invasion to be considered Palestinians, and article twenty four acknowledged the Palestinian Arab people as believing in the principles of justice, freedom, sovereignty, self determination, human dignity and the right of people to exercise them.⁹⁶ The democratic discourse within PLO was probably a strategy to get the support of the democratic camp of the Cold War. However, the emphasis on terror paved the way to the delegitimization of Palestinian national claims in the Western public opinion.⁹⁷

Fatah led PLO placed its headquarters in Jordan. The presence of the PLO in Jordan as a state within a state was disturbing Jordanian authorities. At the end of a civil war in 1971 Jordanian forces succeeded in banishing the PLO and its guerilla groups from Jordanian land, which resulted in a shift of gravity in the Palestinian national struggle from the diaspora to the occupied territories. PLO leaders realized that an autonomous territorial base was necessary to ‘shield the Palestinians from the...vulnerability of the external pressure and intervention.’⁹⁸ Therefore the idea of a state in the whole Palestine was given up and a Palestinian state on any part of the Palestinian land to be liberated was adopted. In 1974, at the eleventh session of the Palestinian National Council (PNC), PLO leaders announced their intension to direct attention to organization and support of masses in the occupied territories. The Israeli war against PLO in Lebanon in 1982 reinforced this idea and finally with the outbreak of *Intifada* in 1987 the “subjective

⁹⁵ Moshe Shemesh, The Palestinian Entity 1959-1974 (London;Portland: Frank Cass, 1996), p. 154; and Ian J. Bickerton and Carla L. Klausner, A Concise History of the Arab-Israeli Conflict (New Jersey: Prentice Hall, 1998), pp.181-183

⁹⁶ Moshe Shemesh, The Palestinian Entity 1959-1974 (London; Portland: Frank Cass, 1996), p.154

⁹⁷ Kimmerling and Migdal, p. 227

⁹⁸ Jamil Hilal “PLO Institutions: The Challenge Ahead” *Journal of Palestine Studies*, Vol.23, No.1 (Autumn, 1993), p.49

conditions” for a state in West bank and Gaza were met.⁹⁹ However PLO was not the only element of the resistance movement. There was also a separate resistance movement developing within the occupied territories, which will be examined below.

3.2.3 Palestinians under Occupation, post-1967

In the aftermath of the war of 1967 Israeli government chose not to extend its sovereignty over West Bank and Gaza; however the imposition of Israeli rule in West Bank introduced a web of administrative and legal arrangements to shape economic, social and political activities in a way that suited Israeli interests.¹⁰⁰ First of all, the rapid industrialization in Israel brought about a need for additional labor force and accordingly Palestinians from rural or urban West Bank and Gaza started commuting to cities in Israel to meet the demand for cheap labor in the factories and construction sites. Secondly, West Bank was doomed to remain in a political limbo where two major forces – the PLO and the pro-Jordanian traditional elite – continuously competed. For Israel, it was useful to maintain certain Jordanian political links within West Bank because Jordanian regime was an indispensable “interlocutor” in any negotiations that might take place.¹⁰¹ Hence, Jordanian administration was allowed to continue financial assistance to economic, social and municipal institutions registered in Jordanian records and law. PLO tried to prevent the emergence of an alternative national leadership within the territories through funding the existing civil associations or forming its own organizational network in the territories. However pro-Jordanian elite continued playing

⁹⁹ Amal Jamal, The Palestinian National Movement: Politics of Contention, 1967-2005, (Bloomington : Indiana University Pres, 2005), pp. 43-44

¹⁰⁰ Israel faced a “hegemonic crisis” in the aftermath of the War in 1967 because possible annexation of West Bank and Gaza meant a treat to the Jewish character of Israeli state. That is why Israeli leadership avoided extension of Israeli sovereignty over these territories. For details see Ilan Peleg, “Israel Enters the Twenty-First Century: Hegemonic Crisis in the Holy Land” in R.O. Freedman ed., The Middle East Enters Twenty First Century (Gainesville: University of Florida, 2002)

¹⁰¹ Issa Al-Shuabi “The Development of Palestinian Entity-Consciousness: Part II” *Journal of Palestine Studies* Vol.9, No.2, (Winter, 1980), pp. 55-60

influential role in Palestinian national movement and challenged a unified resistance movement under PLO leadership until Jordan officially gave up its claim on West Bank in 1980s.

On the other hand, imposition of a repressive state apparatus in Gaza enhanced Israeli authority's illegitimacy in the eyes of Palestinian population in Gaza. The serious split between the authority and the Palestinian society precluded any shared space between authority and the population in Gaza. Gazans established their own associations to provide services to the community and to substitute for the absent national government. Among the quasi-governmental associational forms were the municipal and village councils and nongovernmental organizations which mainly included charitable societies, cooperatives, labor and professional unions, a chamber of commerce and mass based voluntary organizations, notably women's work committees. Political parties were banned in 1967, as was the nationalist activities. Thus nongovernmental organizations provided the only outlets for the organized Palestinian nationalist activity after 1967.¹⁰² Accordingly, it possible to say that certain aspects of the civil society was strengthened and enhanced through Palestinian population's collective response to challenge of occupation. In fact the Israeli occupation facilitated the development of mass organizations and mass organizational frameworks, notably popular committees of *Intifada*, allowing public participation in decision making process.¹⁰³

As mentioned previously, before its depletion from Jordan, PLO viewed the occupied territories as providing a supportive role rather than as the main arena of national struggle. However, after losing Jordan as its base in the region, PLO sought to increase its influence inside the occupied territories as a political force. Membership in the PLO and other nationalist organizations had long been outlawed by Israel. Thus PLO took up an

¹⁰² Sara Roy, "Civil Society in the Gaza Strip: Obstacles to social Reconstruction" in A.R. Norton ed., *Civil Society in the Middle East Volume Two*, (New York; Köln: E.J Brill, 1996), p. 227

¹⁰³ Jamil Hilal "PLO Institutions: The Challenge Ahead" *Journal of Palestine Studies*, Vol.23, No.1 (Autumn, 1993)

institutionalization policy utilizing non-militarist grassroots organizations in the occupied territories. To prevent the rise of nationalist leadership within the territories which would be an alternative to the political elite in exile, PLO leaders followed an ambivalent strategy that involved contradictory ends and means. ‘The political elite in exile managed to maintain its dominant position and integrate the elite of the occupied territories into the national political system by co-opting some central figures, marginalizing others, and nurturing rivalries between individuals when the first two tactics did not work.’¹⁰⁴

The Islamic groups which had been marginalized by the nationalists started to take part in what came to be known as “war of institutions” in the early 1980s. Along with the rising Islamic political trends led by Muslim Brotherhood in the Arab states as a whole, the Islamic elite in West Bank and Gaza started establishing a new organizational infrastructure in the early 1980s, especially at the universities. While the competition between Fatah and the other leftist factions had taken place within the framework of the PLO, Islamic groups posed a threat to the representative character of PLO itself.

It is noteworthy that associational activities which had been led by the traditional elite in the previous periods gained grassroots character and turned into mass movements with the rise of PLO in the occupied territories. In that sense prevalent factional politics contributed to the formative experience of mass civil society initially after the *Intifada* broke out.

3.2.4 *Intifada* and the Peace Process

The Palestinian uprising known as the *Intifada* started in December 1987 as a reaction against the occupation and its attendant deprivations. ‘It was built on a series of emerging institutions of civil society that represented every social sector, as well as on the willingness of a new generation to stand up to Israel and demand an end to the occupation.’¹⁰⁵

¹⁰⁴ Amal Jamal, p. 30

¹⁰⁵ Cheryl A. Rubenberg, The Palestinians: In Search of a Just Peace (Boulder, Colorado: Lynne Rienner Publishers, 2003), p. 25

By the mid-1970s Palestinians were becoming more aware of what it meant to be occupied as the Likud government was trying to render the occupation permanent by increasing land confiscation and implementing draconian measures towards Palestinians.¹⁰⁶ Moreover, after its depletion from Lebanon -PLO's second base after its expulsion from Jordan-, Palestinian people's trust in PLO eroded to a great extent. These facts persuaded Palestinians in West Bank and Gaza that it was pointless to hope a solution from outside.¹⁰⁷ However it was actually the economic frustration rather than the desperate political situation that brought about the uprising. As mentioned previously, Israeli government opened its market to Palestinians of West Bank and Gaza in the late 1960s due to labor shortages. Palestinian workers encountered new levels of economic prosperity, despite being paid less compared to their Israeli counterparts. By mid-1970s Palestinians of West Bank and Gaza were almost completely dependent on Israeli economy and the remittances from the Palestinians working in the oil rich Gulf States.¹⁰⁸ Economic prosperity and improvement of life standards prevented many Palestinians from apprehending the dangers posed to them by the occupation. However, when the Israeli economy underwent a recession in the late 1970s, Palestinians, lacking an economic infrastructure that could mitigate the difficulties, started expressing their dissatisfaction with the occupation.¹⁰⁹

Although *Intifada* broke out as a spontaneous insurrection of a frustrated generation of Palestinians against Israeli rule, it could continue as a popular rebellion due to the mass organizational infrastructure of mainly the leftist factions of PLO starting in mid-1970s, and PLO's adoption of the perspective that local and national institutions had to be built to ensure

¹⁰⁶ Robert F.Hunter, The Palestinian Uprising: A War by Other Means, (London : I.B.Tauris,1991), p. 42

¹⁰⁷ David McDowall, Palestine and Israel : The Uprising and Beyond, (London: I.B.Tauris, 1989), pp.102-103

¹⁰⁸ Robert F. Hunter, The Palestinian uprising : A War by Other Means, pp. 38-39

¹⁰⁹ Ibid., p.51

communal survival after its military retreat from Lebanon.¹¹⁰ It is untrue to claim that pre-*Intifada* activism produced the uprising but it's undeniable that the popular movement started in the early 1980s was the *modus operandi* essential to *Intifada*'s continuity. By 1987, a large number of people had already participated in community activities. While the health, agriculture and voluntary work committees remained social rather than political in their programs, they blazed a trail that others, notably the leftist PLO factions, widened into a "national highway".¹¹¹

As Israel systematically closed community service institutions once the *Intifada* broke out, Palestinians viewed voluntary group actions as an attractive way to alleviate their suffering. In virtually every neighborhood of the occupied territories, semi-clandestine, cross-factional popular committees were established with specific functional responsibilities such as public hygiene, health, education, security and food aid to those in need.¹¹² The rise of self reliant popular committees implied a successful disengagement from Israeli civil service.

Initially popular committees were relatively spontaneous and autonomous however later these voluntary mass organizations were united under the Unified National Leadership of the Uprising, (UNLU).¹¹³ Thus people's committees that had been formed spontaneously in different refugee camps and towns came under the control of political elite in exile. It is noteworthy that PLO utilized UNLU to reassert its legitimacy as the representative of Palestinians under occupation, which was questioned after its depletion from Lebanon.¹¹⁴ UNLU's plan was disconnecting Palestinian society from the economic structures of the occupying power through a series

¹¹⁰ Salim Tamari, "Limited Rebellion and Civil Society: The Uprising's Dilemma" in *Middle East Report* No. 164/165, pp. 4-8

¹¹¹ David McDowall, *Palestine and Israel: The Uprising and Beyond*, pp.117-118

¹¹² Muhammed Muslih, p. 225

¹¹³ David McDowall, p. 118

¹¹⁴ Samih K. Farsoun and Christina E. Zacharia, *Palestine and the Palestinians*, (Boulder: Westview Press, 1997), p. 237

of civil disobedience tactics.¹¹⁵ However, despite the initial unification under UNLU, *Intifada* started to be diverted by the activists of different political factions and lost its grassroots and nonviolent character in its second half.¹¹⁶ Especially, there was a fierce competition over control and legitimacy between Hamas and PLO factions. The crisis in the secular nationalist movement after the expulsion of PLO from Lebanon to Tunis gave Hamas an opportunity to challenge PLO's dominance from within the territories. Operating within the territories, Hamas turned its organizational infrastructure into a mechanism for generating support, whereas the national elite in exile were not able to assist Palestinian society. The insistence of Hamas on the armed struggle strategy and rejection of Israel's right to exist was at odds with PLO's compromising pragmatist policy and representative claims. However, despite gaining a significant foothold inside the occupied territories, Hamas had to face a common Israeli-PLO interest. 'Both Israel and the PLO sought a political deal that corresponded to their aims.'¹¹⁷ PLO participated in the peace process with Israel in 1993 as the official representative of the Palestinian people. With the "territorialization" and "institutionalization" of PLO in the West bank and Gaza in accordance with the peace process, Hamas didn't have much political room until the collapse of the peace process.

Consequently, despite the setbacks stemming from factionalism and the devastating effects of Israeli policies on the Palestinian economy, *Intifada* helped return the long neglected Palestinian issue to the Arab, and to a lesser extent, to the international political agenda. What is more, it unexpectedly and considerably reenergized the Palestinian national movement and managed to alleviate PLO's diplomatic and political isolation on the international level. In fact the mass Palestinian resistance in the territories rescued the PLO from the relative obscurity into which it had fallen after losing its territorial base in 1982 and brought it into prominence again. In 1988 PLO was declared to be

¹¹⁵ Amal Jamal, p. 92

¹¹⁶ Ibid., pp. 97-99

¹¹⁷ Amal Jamal, pp. 115-118

responsible for Palestinians living under occupation by the Arab states. Thus the leadership of PLO in the occupied territories was legitimized.¹¹⁸ Furthermore, harsh Israeli response to *Intifada* enabled PLO to take diplomatic initiative through publicizing the Palestinian case on the world stage.

Significantly the *Intifada* triggered the need to achieve practical political solutions based on “territorial compromise” on both Israeli and Palestinian camps. The chairperson Arafat’s main goal was to take advantage of international repercussions of *Intifada* and to ensure PLO’s involvement in a future political deal with Israel as the sole representative of Palestinian people. To that end in 1988 PLO’s legislative body PNC officially adopted two-state solution based on UN resolution 242 and declared an independent Palestinian state.¹¹⁹ Furthermore PLO renounced terrorism in accordance with Arafat’s pragmatic approach. Therefore, the idea of replacing Israel by a secular democratic Palestinian state faded away. This development was the very first step towards peace with Israel on the Palestinian side. On the other hand, the idea of territorial compromise was spreading on the Israeli side since Israel’s existence was no more in question after PNC’s official adoption of two-state solution. Besides, the ongoing *Intifada* was undermining Israel’s military preparedness to respond external challenges. As the West Bank and Gaza were becoming a heavy burden on Israel every other day, Israeli government had to think about getting rid of the burden.¹²⁰

Along with these internal developments, some external factors were also altering the prospects for a settlement of the conflict. The end of Cold War dramatically shifted the balance of power in the world, and that had dramatic impacts on the Middle East. While the idea of pan-Arab unity was completely shattered by the Gulf War, the United States tried to direct the

¹¹⁸ Erika G. Alin, “Dynamics of Palestinian Uprising: An Assessment of Causes, Character and Consequences” *Comparative Politics*, Vol.3, No.4, (July, 1996), pp.479-498

¹¹⁹ Bickerton and Klausner, pp. 236-233

¹²⁰ Mark Tessler, A History of the Israeli-Palestinian Conflict (Bloomington: Indiana University Press, 1994), pp.709-711

changes towards peace in the Middle East as an extension of its new world order agenda. To that end Madrid Peace Talks started in 1991 under the sponsorship of the US and Russia on multilateral and bilateral tracks of negotiations. Although the negotiations ended up with total deadlock on both tracks, the coming of Labor Party, which had an agenda on protecting both democracy and the democratic character of Israel after the elections in 1993 raised hopes for peace with Palestinians through territorial compromises. In light of these developments, a number of informal initiatives emerged and finally the Israeli government and the PLO reached an agreement on Declaration of Principles (DOP) after secret negotiations in Oslo in 1993. DOP was revolutionary in the sense that it brought together the main adversaries of the Palestine conflict into a direct mutually recognized relationship for the first time, albeit within the existing power disparities.

Inception of the Oslo Peace Process was far from a unanimous Palestinian decision. Arafat's utilization of the "symbolic capital" of the PLO to promote a very controversial political program provoked an angry reaction from the opposition groups within the PLO such as DFLP and PFLP, and Islamic resistance groups outside the PLO. In fact, Oslo text was contrary to what the PLO had long been struggling for; it contained no Israeli commitment on Palestinian nationalist aspirations for self determination and statehood. It was only comprised of vague stipulations with regard to mechanism and deadlines for a step by step implementation of peace.¹²¹

The partial transfer of civil government and partial security from Israel to Palestinian control took place following the Interim agreement in 1994. Correspondingly the head of PLO, Yasser Arafat became the chairperson of the newly established Palestinian Authority (PA) in Gaza and Jericho. Subsequently several agreements on economic and territorial issues were signed, however the multiple-level final status agreement which had been proposed in the DOP was never realized. By 1999 Israel reneged on all the commitments made in previous agreements. Thus after seven years of

¹²¹ Norman G.Finkelstein, Image and Reality of the Israeli-Palestinian Conflict, (London ; New York : Verso, 2001), p.87

negotiations, there was no progress towards peace. The failure of all these negotiating tracks highlights the fundamental flaws in the Oslo formula stemming from the incrementalist and vague nature of DOP itself and the power discrepancies between Israel and PA.

3.3 The Search for Good Governance in Palestine, 1993-2003

Significantly the formation of the Palestinian quasi state coincided with the initiative of the global governance. Considering that fact that good global governance requires the promotion of good governance forms at the national levels in order to create a harmonious world system, it was not surprising that attempts were made by the international community in order to create a future Palestinian state that would be based on the principles of democracy and liberal economy. However several factors which will be discussed below hindered the promotion of good governance in Palestine.

3.3.1 Formation of Palestinian Quasi-State

Only after the territorialization of the political elite and the establishment of the Palestinian Authority (PA) in parts of the West Bank and Gaza “governance” by Palestinian themselves could emerge in the West Bank and Gaza. However it was hard to talk about good governance in the Palestinian case. Once the unitary model of PLO changed in order to govern society, its latent authoritarian traits quickly came to surface. Following the formation of PA, Arafat sought to establish his political and legal order as the only possible model of state building and invested PA’s political resources in buying legitimacy and imposing control over Palestinian society in the West Bank and Gaza. No sooner a neo-patrimonial, bureaucratic regime under the supreme authority of one leader was formed in parts of West Bank and Gaza.

It is necessary to underline that it was the requirements of the Oslo agreement itself which hastened the developments in the Palestinian political system towards what looks like a one-party system. A centralized system of power was established before a necessary system of checks and balances was put in place. This established a ‘prior position of strength for the executive

branch in relation to the legislature, the judiciary and nongovernmental organizations.’¹²²

In fact, the transfer of power from Israeli administration to the PA did little to change the fate of Palestinians with regard to democracy and development. As neoliberal institutionalism has demonstrated, political democracy depends not only on economic and social conditions but also on the design of political institutions. Accordingly, a balance between the legislative and executive is the necessary condition if democratic rule is to prevail. Following the political structures utilized in several post colonial states, a presidential system with an active parliament was chosen for the Palestinians. Palestinian Legislative Council (PLC) and presidential executive branches were formed in 1996 based on the Interim agreement signed in 1995. The new political structure raised public expectations for democracy in Palestine. However the Interim Agreement did not clearly define the formal authority of the Palestinian representative bodies. Instead, it commingled the legislative, executive and judicial powers, and the responsibilities of the new state institutions. In fact the ‘authority of PLC was limited by existing laws and military orders, as well as by the legislative powers of the president.’¹²³ Thus, PLC was not a sovereign body and was subject to the DOP and the Interim Agreement. Its authority was confined to areas under the PA jurisdiction. Furthermore, the blurred principle of separation of powers resulted in a situation where the executive branch, in particular Arafat, showed fragrant disrespect for the courts and their functionaries. This involved a range of problems, from interference in the judicial process to disregard of court decisions by the executive branch.¹²⁴

The first Palestinian elections in 1996 and the electoral system were also based on the Interim Agreement with Israel. The elections -presidential

¹²² Jamil Hilal, “The Effect of the Oslo Agreement on the Palestinian Political System”, in George Giacaman *et al.*, eds. After Oslo: New Realities, Old Problems (London and Chicago: Pluto Press, 1998), pp. 121-125

¹²³ Amal Jamal, The Palestinian National Movement: 1967-2005, p. 123

¹²⁴ Cheryl A. Rubenberg, The Palestinians: In Search of a Just Peace (Boulder and London: Lynee Rienner, 2003), p. 251

and parliamentary- were important for Israel as a procedural act that legitimized the PA as a partner in the peace process. On the other hand, for Palestinian leadership, elections were a source of authority and support for its policies. However it is noteworthy that the elections came after the establishment of a Palestinian executive authority. In other words, executive power, with its security, police, administrative and ideological structures and apparatuses, was established prior to the establishment of other state structures. Thus prior to the elections, the PA, as the acting government, was able to weaken the secular and Islamic opposition. In this, the PA was aided by the Oslo Agreement and the international recognition it received, and the financial aid and loans diverted to it by donors. What is more, the division of West bank and Gaza into sixteen districts tipped the scales in favor of the large families and tribes and led to the consolidation of their power in the new political system. The district based winner take all electoral system shut out political parties that would have won up to six seats in the parliament if the PA had chosen the proportional representation system. This electoral choice was made in order to avoid creation of a disobedient parliament and ensure the support for Arafat in every issue.¹²⁵

3.3.2 Institutionalization of Neopatrimonial Power

Whereas before Oslo contentious Palestinian politics concentrated on Israeli occupation, after the inception of the PA, protest and contention were directed against the PA representing Israeli indirect rule. NGO sector was viewed as a secure way to form a unified opposition considering the growing hostility of the PA towards political parties. Having lost most of their power, secular nationalist fronts, namely PFLP and DFLP, diverted their energies to establishing an NGO infrastructure expressive of democratic and civil rights under the banner of a “democratic building movement”. ‘These NGO activists attempted to turn the emerging NGO organizational infrastructure into a self

¹²⁵ Ibid., 139

sustaining civil sector countering the centralization policies led by rising governmental bureaucracy of the PA.’¹²⁶

These NGOs have historically comprised a counter-hegemonic, nationalist bloc against the occupation, an infrastructure of resistance that not only developed in the absence of state structures but were politically defined by that absence. Palestinian NGOs thus drew legitimacy not from actual state power in the territories- the Israeli military government- but from the “surrogate power” afforded by the PLO and from national and community struggles generally. The existence of a PA, a quasi governmental structure, in Gaza and West Bank has meant that these organizations not only have to sort out their novel political and legal relations with it but also have to redefine and relocate their role in the national struggle. Given these peculiarities, it was clear from the moment the DOP was signed that relations between the incoming PLO administration and the NGOs were going to be tense.¹²⁷

Indeed in the run up to Oslo, PLO was a proto state containing within its structure civil society organizations ranging from professional unions to NGOs. As mentioned before, especially during *Intifada* a number of popular committees-they would be referred as NGOs hereafter- with responsibility for public services such as health, housing and education were established. These committees and associations were thought to represent a permanent structural change in the form of organization of Palestinian society and were anticipated to function as democratic structures of local organizations within the Palestinian state to be established. After the inception of the PA, however, NGOs were perceived by the PA-personified by Arafat- as a challenge to the emerging state structures and as a source of competition to the PA ministries.¹²⁸ Arafat did not want to commit himself to the existing NGO infrastructure and instead either promoted the establishment of alternative organizations to counterbalance the existing Palestinian civil society organizations or co-opted the existing ones. Some Palestinian NGOs like the

¹²⁶ Amal Jamal, p.145

¹²⁷ Graham Usher, Palestine in Crisis: The struggle for Peace and Political Independence, (London: Pluto Press, 1995), p. 46

¹²⁸ Yossi Shain and Gary Sussman., “From Occupation to State Building: Palestinian Political Society Meets Palestinian Civil Society.” in *Government and Opposition* Vol.33, No.3 (Summer, 1998), pp. 279-303

Health Services Council, which ran as many as sixty clinics in West Bank and Gaza, ceased independent operations and merged into the structure of the PA.¹²⁹ The logic behind the growing hostility of the PA towards NGOs was to undermine the inside elites' ability to challenge PA's power.¹³⁰

Especially when foreign donors diverted financial aid to PA's ministries and municipalities in an effort to support the emerging structures of the PA¹³¹ independent NGOs, especially those opposing the PA, were hit hard and their services half ceased.¹³² On the other hand, NGOs which continued rivaling PA's departments in terms of receiving foreign funding were accused by the PA loyalist of exploiting donor funds for their own enrichment. Especially when a World Bank initiative to create \$15 million Palestinian NGO trust fund was launched in 1995, NGOs became an actual political threat challenging the financial hegemony of the PA.¹³³ The quest for financial and political control manifested itself most noticeably in PA's proposed NGO law, also known as the "Act concerning Charitable Societies, Social Bodies and Private Institutions". This law aimed at enforcing Palestinian NGOs' registration with the authorities thereby facilitating the PA control over their activities and financial sources. The proposed NGO law would force NGOs to register with both the relevant ministry and ministry of social work. The target of the Law was ostensibly the elimination of duplication of services and controlling the Islamic opposition, however the PA faced strong criticism

¹²⁹ Dennis J. Sullivan, "NGOs in Palestine: Agents of development and Foundations of Civil Society" in *Journal of Palestine Studies* Vol. 25, No.3 (Spring, 1996), pp.94-95

¹³⁰ Glenn Robinson, "The Growing Authoritarianism of the Arafat Regime" in *Survival*, Vol.39, No.2 (Summer, 1997), p. 47

¹³¹ International assistance to NGOs fell from \$170-240 million at its peak in the early 1990s to \$100-120 after the signing of the Oslo. See Dennis J. Sullivan, "NGOs in Palestine: Agents of development and Foundations of Civil Society" in *Journal of Palestine Studies* Vol. 25, No.3 (Spring, 1996), pp. 96-99; and R. Brynen, "Buying Peace: A Critical Assessment of International Aid to the West Bank and Gaza" in *Journal of Palestine Studies*, Vol. 25, No.3 (Spring, 1996), p.82

¹³² M. I. Jensen, "Peace, Aid and Renewed Anti-Colonial Resistance: Development of Secular Palestinian NGOs in the Post-Oslo Period" *DIIS Working Paper*, 2005/7

¹³³ Rema Hammami "Palestinian NGOs Since Oslo: From NGO Politics to Social Movements" *Middle East Report*, No. 214 (Summer, 2000), p.17

from the foreign donors and Palestinian NGOs. Palestinian NGOs prevented the adoption of the first draft by successfully lobbying at local and international level against the proposed NGO law. However PA sustained its control over NGOs having them monitored by the general intelligence.¹³⁴

Civil society is left to fend in a structural vacuum without any sustainable platform from which to influence the course of the peace process or the character of emerging institutions. Interventions aimed at procuring short term stability in the autonomous areas have incorporated Palestinian social atomization, economic paralysis and vulnerability to coercive incentives into authoritarian modalities of social control. In short stability has been conceived in a negative, static sense [...] It is within this context that the long term effectiveness of interventions designed to promote stability in the Palestinian areas must be evaluated [...]¹³⁵

In the absence of formal structures of law, constitutionalism, separate and independent branches of government and with a personalistic, centralized and authoritarian regime enhanced by multiple internal security services, the nature of political system was inevitably undemocratic. Instead a neopatrimonial system which was based on the combination of the informal social structures of patrimonialism with the formal and legal structures of quasi-state emerged in the West Bank and Gaza. In such a system formal lines of responsibility was overwritten by patronage and clientalism, and the boundaries of public role and private interests were blurred.¹³⁶ In fact most of the public institutions turned out to represent private interest. Simultaneously with the establishment of PA, its top officials assumed control over the essential sector of the economy through monopolies that would provide personal wealth.

The omnipotence of Arafat and the absence of any role for the most important collective bodies in the PLO were exacerbated by the way the PA officials were chosen. The selection of the PA officials was based on the

¹³⁴ Dennis Sullivan, pp. 98-99

¹³⁵ Christopher Parker, Resignation or Revolt: Socio-political Development and the Challenges of Peace in Palestine (London and New York: I.B. Tauris Publishers, 1999), p.119

¹³⁶ See Rex Brynen, "The Neopatrimonial Dimension of Palestinian Politics" and C. Rubenberg, The Palestinians, pp. 251-2

desire to co-opt families and extended clans, and to strengthen their roles. Moreover patrimonial politics were consolidated through a couple of laws enabling associations based on family ties to take role in the Palestinian state building. Thus state building was based on neopatriarchy -the continuity of the governance patterns from the family through the state.¹³⁷

While Arafat bolstered the strength of tradition, he also weakened the political organizations including Fatah, which is the movement that he founded and over which he presided. In order to weaken Fatah, the process of democratization within the movement that would facilitate its transformation from a revolutionary faction into an effective political party was stymied.¹³⁸ Through that way Arafat was “personalizing” his control over the political arena through fragmenting politics instead of destroying organizations.

In the absence of any agreement on the final objective, the peace process was depended on the intentions of the Israeli government and ‘when the government of Israel changed, the reading of the agreement changed too.’¹³⁹ Likud government reinterpreted the accords ‘to transform its direct military control into indirect domination over the Palestinians.’¹⁴⁰ Israeli government was determining the nature and borders of the Palestinian entity unilaterally on the pretext of its security. Israeli government did not stop imposing closures and curfews as a measure to curtail Palestinian violence. Moreover it constructed new settlements and settler bypass roads. In general, the attitude of the Israeli government caused serious deterioration in the living conditions of Palestinians living in the West Bank and Gaza.

Due to the power disparity, the PA, the first politically autonomous authority entity to ever exist on Palestinian soil, couldn’t take initiative

¹³⁷ Hillel Frisch, “Modern Absolutist or Neo Patriarchal State Building? Customary Law, Extended Families and the Palestinian Authority” *International Journal of Middle East Studies*, Vol. 29, No. 3. (Aug., 1997), pp. 341-358

¹³⁸ *Ibid.*, p. 351

¹³⁹ Azmi Bishara, “Reflections on the Realities of the Oslo Process” in George Giacaman et al., eds. *After Oslo: New Realities, Old Problems*, (London, Chicago: Pluto Press, 1998), p. 212

¹⁴⁰ *Ibid.*, p. 215

against the violation of the Oslo accords. Ironically, Oslo process enabled Israel to create a co-opted Palestinian leadership, which would work in accordance with Israeli interests. Arafat and the PA were acting as Israel's policemen arresting Israel's most wanted.¹⁴¹ The setting up of special state security courts which supercede any independent judicial system was the best example to illustrate how the PA was becoming the policeman of Israel. These courts were created in accordance with the US and Israeli pressures to enable the PA to deal as harshly as possible with Palestinian opposition, particularly the radical Islamic groups.

In an environment where security forces were functioning above the law, individuals had little choice but to rely on their families for protection and survival, which resulted in the reemergence of tribalism. Despite the proliferation of security services, individuals did not feel secure. Due to the dysfunctional nature of the justice system, people formed militias based not only on political or religious affiliation but on ties of kinship or friendship. These groups mechanism offered protection not available officially. This social dynamic suggests that the notion of a larger collective identity began to weaken and Palestinian society, always fragmented, became even more fragmented.¹⁴²

3.3.3 De-Developed Economy¹⁴³

What is curial to understand the sociopolitical developments in the West Bank and Gaza during the peace process is the fact that Palestinian labor force was incorporated into the Israeli economy starting from 1967. In the three decades of Israeli rule over territories Palestinian economy was integrated into the

¹⁴¹ C. Rubenberg, p., 97, and Graham Usher, "The Politics of Internal Security: The Palestinian Authority's New Security Services" in George Giacaman et al., eds. After Oslo: New Realities, Old Problems, (London, Chicago: Pluto Press, 1998), pp. 158-9

¹⁴² Sara Roy, "Palestinian Society and Economy: The Continued Denial of Possibility", *Journal of Palestine Studies*, Vol. 30, No. 4. (Summer, 2001), pp. 8-9

¹⁴³ Sara Roy defines Palestinian economy as "de-developed", see Sara Roy, "De-Development Revisited: Palestinian Economy and Society Since Oslo", *Journal of Palestinian Studies*, Vol. 28, No. 3 (Spring, 1999), pp. 64-82

Israeli economy and any growth effects were cancelled by the desertion of the commercial bourgeoisie to Jordan. Initially the Israeli rule gave rise to a stratum connected mostly with labor contracting, construction and real estate transaction but it did not change the character of the local bourgeoisie.

Private investment in the West Bank and Gaza reflected changes in the volume and pattern of trade with Israel. After the Israeli occupation in 1967, West Bank and Gaza's external trade, previously limited mostly to neighboring countries, became limited to Israel, an economically more advanced country. The opening of Israeli markets to Palestinian employment and, to a lesser extent, to commodity exports, resulted in growth of Palestinian economy between 1969–79.¹⁴⁴ Israeli-Palestinian joint enterprise emerged in the form of sub-contracting firms in textiles and construction. However the increase in private investment was devoted almost entirely to residential construction while real investment in machinery and equipment grew by less than 1 percent a year. The concentration of private investment in residential construction meant investment was driven largely by growth however it contributed little to growth. Therefore the growth rates soon started to decline in the late seventies due to the political uncertainty for business transactions. Employment in Israel was the only crucial variable of Palestinian economy under these conditions. Thus Palestinian economy was almost totally dependent on Israeli economy and when Israeli went through an economic stagnation in 1980s, Palestinian economy, dependent and unprotected, was hit hard.

The skewed composition of private investment was stemming from several factors. The first and most important of all, there were no barriers to Israeli exports to the West Bank and Gaza Strip, but Palestinian exports of agricultural and industrial products to Israel were restricted. This retarded the development of West Bank and Gaza's "domestic productive base" (agriculture and industry) while encouraging services. Second, the financial sector in the West Bank and Gaza Strip was underdeveloped and therefore

¹⁴⁴ Oussama Kanaan, "Uncertainty Deters Private Investment in the West Bank and Gaza Strip" *Finance and Development*, Vol.35, No.2 (June, 1998), available at <http://www.imf.org/external/pubs/ft/fandd/1998/06/kanaan.htm>

the savings were channeled towards investments (for example, in residential construction) that could be “self-financed” or financed by small groups of savers through informal channels. That also means that the savings were channeled away from investments in sectors (notably, modern farming and industry) that required longer-term risk capital. Third, the Israeli authorities provided little support for private investment. Public investment in infrastructure was inadequate and a legal and regulatory environment favorable to private investment was not developed. Fourth, the threat of political instability further stifled private investment in the productive sectors.¹⁴⁵

Despite the inception of Palestinian rule in some parts of the West Bank and Gaza those parts of the occupied territories that came under the jurisdiction of the PA remained dominated by the Israeli economic policies. The Oslo process promised to usher in an economic and political environment in which constraints on private investment would be relaxed or eliminated. The trade regime envisaged by the Paris Protocol on Economic Relations along with peace process was to encourage the expansion and reorientation of West Bank and Gaza’s productive base towards agricultural and industrial export production and was to gradually reduce dependence on the export of labor. The protocol also gave Palestinians greater—albeit still limited—flexibility in determining their own import policies and tariff structures.¹⁴⁶ However, like the Oslo Agreement, Paris protocol ignored the issue of Palestinian sovereignty over land. Rather than guaranteeing Palestinians the freedom to import and export without Israeli supervision, Paris Protocol restricted the PA to specific quantities of goods that can be exported and imported. The protocol also created a joint economic committee to deal with all economic affairs giving Israel veto power over PA requests. That is, Palestinians were unable to put forth development strategy especially in

¹⁴⁵ Ibid., <http://www.imf.org/external/pubs/ft/fandd/1998/06/kanaan.htm>

¹⁴⁶ Emma Murphy, “Stacking the Deck: The Economics of the Israeli-PLO Accords”, *Middle East Report*, No.194/195 (May-Aug., 1995), pp. 35-38

agriculture, the main economic sector.¹⁴⁷ Furthermore movements of goods and labor into and out of the West Bank and Gaza have been subject to strict security controls. On several occasions the borders were totally closed after security incidents in Israel.

The extremely adverse trade environment and additionally weaknesses in the financial sector, slow implementation of the public investment program, and an inadequate legal framework prevented the surge of private investment as expected. In fact the decreasing living standards, dependence on Israel, fragmented territory and the corrupt policies of the PA - exacerbated by military closures of the territories - paved the way to the rejection of Oslo by the Palestinians and outbreak of the second *Intifada* in 2000.¹⁴⁸

3.3.4 An Emergent Rentier State

In order to support the institution building process, foreign aid, both multilateral and bilateral, flowed to the newly established PA and NGOs. Initially the foreign aid was a kind of “peace rent” and it was far from helping sustainable development.¹⁴⁹ In fact major donors, particularly the US chose to aid an authoritarian PA for the sake of the peace process despite her very commitment to promoting democracy.

As a matter of fact, the pressures of foreign donors turned the grass roots organizations into organizations of professional elite serving more to their employees rather than the targeted people. Donors imposed conditions that seemed to exclude the sort of grassroots activism that had been the hallmark of the 1980s. (These conditions included long-term planning, measurable "outcomes," and strictly apolitical management.) In short

Palestinian NGOs were ceasing to become agents of social change. Instead, they risked becoming the lackey of foreign donors – donors who wanted to

¹⁴⁷ Adel Samara, “Globalization, the Palestinian Economy and the Peace Process” in *Journal of Palestine Studies*, Vol. 29, No.2 (Winter, 2000), pp. 20-34

¹⁴⁸ Leila Farsakh, “Under Siege: Closure, Separation and the Palestinian Economy”, *Middle East Report*, No 217 (Winter, 2000), pp. 22-25

¹⁴⁹ Michael Irving Jensen, “Peace, Rent and Renewed Anti-Colonial Resistance” *DIIS Working Paper* No. 2005/7, p. 10

end the uprising and dampen opposition to Israeli occupation. This view was so widespread that foreign-funded research centers became derisively known as *dakakiin* (shops).¹⁵⁰

Previous funding for long term institution-building projects in health and housing were cut significantly, as was the support for Palestinian voluntary organizations. Instead more rapid job creation projects were supported.¹⁵¹ Many donor organizations devoted considerable effort to short term job creation schemes with little development effects like spending millions of dollars on cleaning up Gaza's dirty streets.

Unfortunately, when the reprogramming occurred, the politic and economic difficulties stemming from the realpolitik such as closure of the territories and the neopatrimonial tendency of the PA were underestimated. PA's corruption and financial mismanagement of donor funds prevailed as the leadership operated in secrecy and without accountability. In fact PA leadership could not be questioned¹⁵² and it had parallel budgets, one public and one covert, the latter containing hundreds millions of dollars of public money distributed to buy loyalty for the regime rather than going into development or building infrastructure. Indeed the PA was able to create a huge bureaucratic structure numbering more than a hundred thousand civilian and military personnel totally dependent on and therefore loyal to the regime. In that sense PA resembles oil rich Arab regimes steered by a rentier economy.¹⁵³ However, unlike the oil regimes the PA lacked the resources to

¹⁵⁰ "Palestinian Civil Society Under Siege: From resistance to Empowerment" in *OTR Palestine* Volume 15, Issue 2 June 1, 2001 at http://www.advocacynet.org/news_view/news_163.html

¹⁵¹ Rex Brynen, "Buying Peace: A Critical Assessment of International Aid to the West Bank and Gaza" in *Journal of Palestine Studies*, 25:3 (Spring, 1996), p.83

¹⁵² Adel Samara, p., 24

¹⁵³ Rentier economy frees the state from dependence on the production capacity of the society. State gains legitimacy through the allocation of the mass of financial inflow, not through a social contract based on taxation and representation. Thus there is no ground for democratic forms of governance. Recently the rentier character of Arab states have been put forward as another factor that played a prominent part in the consolidation of the authoritarian regimes in the Middle East. Accordingly oil or strategic revenues, remittances and foreign aid have reinforced the external and superimposed position of the state in relation to societies.

sustain such a state apparatus to buy legitimacy for the regime. That is why the PA remained dependent on the aid from international community. The dependency on international community including Israel ushered in unresponsiveness to social concerns and people's dissatisfaction from the peace process. In fact, it is ironic that major democracies of the world were helping to build another authoritarian state in the Arab world by directing so much of their aid directly to the PA treasury for the sake of sustaining the peace.¹⁵⁴

3.4 *Al-Aqsa Intifada* and the Reform Efforts

Although the spark that ignited the flames for the *Al-Aqsa Intifada* was Ariel Sharon's visit to Haram Sharif (Temple Mount) and the subsequent killing of six Palestinian demonstrators at the site in September 2000, *Al-Aqsa Intifada* was the inevitable consequence of three interrelated factors: 1) Deeply flawed nature of peace accords 2) Israel's policies, 3) Palestinian leadership's failure to meet its people's basic needs and its corruption and repression.¹⁵⁵

In the process up to *Al-Aqsa Intifada* Israel continued to engage in practices that further dispossessed Palestinians of their lands, their homes and their livelihoods. From the signing of the Oslo agreement to the start of the *Al-Aqsa Intifada*, Israeli government confiscated ten of thousand of acres of Palestinian land for Israeli settlement expansion and road building. Similarly the number of Israeli settlers almost doubled in seven years between 1993 and 2000. Moreover 250 miles of settler bypass roads were built on expropriated lands encircling and truncating them.¹⁵⁶ Furthermore Israel retained full

For further information see Giacomo Luciani "Allocation vs. Production States" in Hazem Beblawi and Giacomo Luciani eds., The Rentier State(London: Croom Helm, 1987); and Ghassan Salame "Introduction: Where are the Democrats?" in *idem* eds. Democracy without Democrats, (London ; New York : I.B. Tauris Publishers, 1994), pp. 13-16

¹⁵⁴ Glenn E. Robinson, "The Growing Authoritarianism of the Arafat regime" *Survival*, Vol.39, No. 2, (Summer, 1997), pp. 42-56

¹⁵⁵ Cleryl A. Rubenberg, The Palestinians: in Search of a Just Peace, (Boulder and London: Lynne Rienner Publishers, 2003), p. 330

control over the Palestinian economy by virtue of its control of key factors of production -land, labor, water and capital- and of external and internal borders. Poverty rates kept increasing and unemployment rose 60% after the inception of the peace process as a result of physical and demographic separation of the Palestinian from Israel through the closures.¹⁵⁷

Prospects for a permanent peace were diminished. The disillusionment caused by the Israeli government's regressive policies towards implementation of the agreements and increased economic despair gave way to a decline in public support for peace negotiations and rise in support for military activities. As a result of the growing support for military resistance as a way of dealing with Israeli policies, Hamas's aggressive policies were legitimized and its popularity increased.¹⁵⁸ However, it is important to emphasize that it was neither the PA nor Hamas that instigated the second *Intifada*. First and the second *Intifada* are comparable in the sense that they both erupted spontaneously as result of dire socioeconomic conditions. However while the first one was against of the oppression of Israel, the second *Intifada* was against the oppression of both the PA and Israel.

Economic and physical separation, which began as early as 1999, turned into crude application soon after the outbreak of *Al-Aqsa Intifada* through construction of checkpoints, fences and lately an apartheid wall. Wider curfews and virtual "town arrests" isolated Gaza and to a lesser extend the West Bank from Israel, from other external markets and from each other. The isolation resulted in a virtual halt in economic activity and a radical spike in Palestinian poverty rate.

With the reoccupation of the West Bank, the PA was dismantled, delegitimized and discredited. It was powerless to govern its own people or to play any role with external actors. Arafat was besieged in his Ramallah

¹⁵⁶ Sara Roy, "Palestinian Society and Economy: the Continued Denial of Possibility" in *Journal of Palestine Studies* Vol.30, No. 4, (Summer, 2001), p. 15

¹⁵⁷ Salem Aljuni, "The Palestinian Economy and the Second Intifada" in *Journal of Palestine Studies*, Vol.32, No.3, (Spring, 2003), pp. 65-73

¹⁵⁸ Amal Jamal, p. 53

compound. Furthermore, through the systematic destructions of the Palestinian institutions and nongovernmental organizations, years of Palestinian struggle for statehood was erased.

The outbreak of the second *Intifada* put the need to strengthen and reform Palestinian public institutions into the agenda of international community in support of the peace process. Diversion of tax revenue to special accounts, excessive hiring in the civil service and security apparatus and PA's commercial operations and monopolies with no transparency or accountability was continuing to plague the PA in public finance. That brought about demands for reform from the international community, notably the US. Therefore a number of reforms were undertaken in the spring of 2000 which were designed to address the inadequately staffed and controlled financial institutions such as Palestinian Monetary Authority and Central Bureau of Statistics. Although the IMF counseled reforms were agreed in principle and were issued as presidential decree, the actual execution of reforms failed.

The failure to execute major reforms led to a political crisis in May 2002 in the wake of Israeli incursions in the PA controlled territories. Intense discussions within the cabinet and the external pressures prompted Arafat to take immediate actions towards a broad based effort at institutional reform. Therefore in June 2002, in response to increasing domestic and international pressure, a new reform cabinet was appointed and a wide-ranging program including several reform areas was adopted. A number of important measures were taken such as the adoption of Basic Law and legislation on the independence of the judiciary. Furthermore in February 2003, PLC adopted the 2003 budget which was the first budget to be made public. More generally important efforts were made to increase financial transparency and accountability.

It is important to note that how Palestinian people and political parties understand the reform process differs from that of the Washington based financial institutions. While the major actors of international community view successful integration of West Bank and Gaza into world markets through

reforms based on liberal democratic principles as necessary for the solution of the Palestinian problem on a two state basis, the Palestinian reality of occupation and the aspiration of the Palestinians to transform this reality into a viable state has been the determining factor that has shaped the Palestinian vision for reform. For the Palestinian people, the reform process was a necessary step towards improving national and social conditions in order to resist the occupation and diminish the political, economic and cultural dependency that the occupation entails. Thus the reform process was seen as a part of the resistance movement by the Palestinian people with the ultimate goal of independence and sovereignty. Furthermore it was viewed as a prerequisite for improving the conditions of the Palestinians in the West Bank and Gaza by adequately addressing their needs at all levels. For the Palestinian people, the decisive political condition necessary for the success of the reforms was complete freedom to choose priorities and make decisions according to national interests.¹⁵⁹

3.5 Conclusion

The Palestinians have been struggling for a sovereign state for a long time. As the time went by means and discourse of the struggle by the dominant Palestinian national groups changed in accordance with the changing regional and international dynamics. However the main goal of establishing a state for Palestinians has never changed. Palestinian politics and civil institutions have been also shaped to realize this goal.

The political geography of the region had been fixed and there had been little done for peace with a two state solution until 1990s. The end of Cold War and the subsequent initiative of global governance and a new world had great impact on the Palestinian-Israeli conflict. With the growing international involvement several attempts were made to resolve the conflict which had plagued the Middle East for more than fifty years. However neither

¹⁵⁹ Majed Nassar, "Reform and Restructuring in Palestinian Society: Free will of the People or Conditions of Globalization" in Yasser Akawi *et.al.*, eds., From Communal Strife to Global Struggle: Justice for the Palestinian People (Jerusalem: Alternative Information Center, 2004), pp. 103-110

Madrid Peace Conference nor the subsequent Oslo Peace Accords could end the conflict.

Parallel with the general emphasis on good governance by the international institutions, state building process and promotion of democracy was juxtaposed. One of the prerequisites of democratic governance, civil society, has always had more room to operate in the West Bank and to a lesser extent in Gaza compared to other states of MENA. However the initial financial support diverted from the civil society to the PA struck the Palestinian civil society organizations badly.

The fact that the major donors, notably the US and the EU put more emphasis on sustaining the peace rather than strengthening the civil society made the surface of authoritarian and patrimonial traits inevitable. On the other hand, among the PA leadership personal interests were held before the national interests, and that brought about corruption, increasingly bureaucratic state and a Palestinian authority which was unable to resist the Israeli polices violating the agreements. Therefore a combination of external and internal factors led to the end of peace process with a violent uprising. However the involvement of the international community led by the US to the Palestinian-Israeli conflict continued with reform prescriptions.

In brief, the West Bank and Gaza became one of the key sites of global governance project. Throughout the ten year between 1993 and 2003, the presence of international community increased dramatically in the occupied territories along with the state building efforts. However the discourses on democratization and development could not be realized during that ten year period. The efforts still continue, though.

The role of international organizations in the West Bank and Gaza in that period as the major agents of global governance will be the subject of the following chapter.

CHAPTER 4

THE ROLE OF INTERNATIONAL ORGANIZATIONS IN THE WEST BANK AND GAZA

4.1 Introduction

With the end of the Cold War, the reduced security concerns saved room for the international organizations to play new roles in international relations. The peace process was one of the test cases for a renewed UN role in the era of globalization. Not only the UN and its agencies but also other intergovernmental organizations at the global and regional level put the permanent peace in the Middle East and the resolution of Palestinian-Israeli conflict in their agendas.

Indeed in the last two decades the West Bank and Gaza witnessed an increasing number of development projects led by the international agencies. Furthermore the increasing role of the nongovernmental organizations in the world politics has been very evident especially during the state building process in the West Bank and Gaza. Both international and Palestinian NGOs became the means to promote the norms advocated by the Washington based international financial organizations and UN agencies aiming at development in the third world countries through promotion of good governance. Therefore the tracks of global transformation have appeared in the peace and institution building process of Palestinians.

In this chapter intergovernmental organizations in the West Bank and Gaza parallel with their general evolving role will be examined. The focus will be on their role in the state building process after the signing of

Declaration of Principles and the search for good governance. The role of international nongovernmental organizations and Palestinian NGOs in the West bank and Gaza is also presented mainly in terms of their relations with intergovernmental organizations.

4.2 The United Nations

The United Nations has been active in issues concerning Palestine since the end of World War II. UN role to settle the Palestinian issue started with the formation of Committee on Palestine (UNSCOP) which decided on a partition plan that divided Palestine into six principal parts: three were allotted to the “Jewish State” and three to the “Arab State”.¹⁶⁰ It is noteworthy that General Assembly of the UN is not a legislative or judicial body, and therefore its “biased”¹⁶¹ resolution on the partition of Palestine was strongly rejected by the Arab League on the grounds that it violated the provisions of the UN Charter, the principles of Universal Declaration of Human Rights, international law and practice, and the right of people to decide its own destinies. Besides, the Zionists proclaimed the state of Israel in May 1948 without waiting until the UNSCOP took over authority from British mandatory and handed it over progressively to Jewish and Arab authorities. After the proclamation of sovereign independence by the Jews and the succeeding Arab-Israeli War, the UN continued its support for a peaceful solution to the Arab-Israeli conflict with the cooperation of its specialized agencies and other governmental and nongovernmental societies for possible emergency relief of war victims. In fact ‘no other political question has ever received such elaborate attention by international organizations in so short a

¹⁶⁰ Ribhi Halloum, Palestine Through Documents, (Istanbul: Belge International Publishing House, 1988), pp. 174-177

¹⁶¹ The partition plan reflected domestic political standing of the rising political power, the US, rather than being unbiased. The Arab territory was to be the less fertile hill country of central Palestine while Jewish country was to be the more fertile coastal plain from a line south of Acre to a line south of Jaffa. Jaffa, almost totally Arab, was included in the Jewish state. The purpose of the unnatural division was to include all areas owned and inhabited by the Jews into the “Jewish State”, even though this meant the inclusion of large areas inhabited and owned by Arabs.

space of time. Yet in the very period UN lost control of the situation in the Palestine area.¹⁶²

It is noteworthy that as the Palestinian people was not recognized as a nation, the UN attempts to resolve the problem of Palestine took ground on the Arab-Israeli conflict setting comprising the neighboring Arab states and Israel until the recognition of the PLO as the representative of the Palestinian people in 1974. In fact one year after PLO's establishment in 1964, a PLO delegation was allowed to attend meetings of the UN Special Political Committee at the request of some Arab states; however there was no implication of PLO's recognition by the UN. The PLO participated in the discussions of the Committee under the agenda item of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) until 1973. The most important steps taken by the UN towards the recognition of the PLO as the representative of Palestinian people was the resolution 3102, adopted in 1973. This resolution urged that national liberation movements be invited to participate as observers in the Diplomatic Conference on the Reaffirmation and Development of International Humanitarian Law Applicable in Armed Conflicts. In May 1974, the Economic and Social Council (ECOSOC) adopted resolutions inviting representatives of national liberation movements recognized by the Organization of African Unity and the League of Arab States to participate without the right to vote in the World Population Conference and the World Food Conference, respectively. Therefore PLO started to be invited as an observer to several other international conferences. Finally in late 1974 the General Assembly recognized PLO as the representative of the Palestinian people and invited it to participate in the deliberations of the General Assembly on the Question of Palestine in plenary meetings. Accordingly, with the exception of the ceremonial occasion, the chairperson of PLO, Yasser Arafat, was the first representative of an entity other than a member state to address the Assembly. The PLO has established a permanent observer mission since 1974 at the UN headquarters in New

¹⁶² J.C. Hurewitz, "The United Nations Conciliation Commission for Palestine: Establishment and Definition of Functions", *International Organization*, Vol. 7, No. 4. (Nov. 1953), p.483

York and another one in Geneva. Furthermore in 1977, PLO became a full member of the Economic and Social Commission for Western Asia (ESCWA). In 1986, the Asian Group of the UN decided to accept the PLO as a full member. In that sense PLO had a unique status in the UN with extensive and continuing rights of participation. In December 1988, the General Assembly acknowledged the proclamation of the State of Palestine by the Palestine National Council in November 1988 and decided, *inter alia*, that the designation "Palestine" should be used in place of the designation "Palestine Liberation Organization" in the UN system.

After the evolution of the PLO to PA with the start of the peace process in 1993, Palestine gained additional rights and privileges of participation that had previously been exclusive to the member states. Under the General Assembly resolution entitled "Participation of Palestine in the Work of the United Nations" the PA obtained the right to participate in the general debate of the General Assembly, the right of inscription on the list of speakers under agenda items other than Palestinian and Middle Eastern issues at any plenary meeting of the General Assembly, the right of reply, the right to raise points of order related to the proceedings on Palestinian and Middle East issues, the right to co-sponsor draft resolutions and decisions on Palestinian and Middle East issues, and the right to make interventions. Although the PA was not granted the right to vote or to put forward candidates, the resolution changed the seating of Palestine to a location directly after non-member states with the allocation of six seats for delegates - observers get two seats- and made several important improvements related to participation in the debate under different agenda items.

For the first time in UN history an entity that was not a member state obtained the right to participate under *General Debate* item. Palestine also co-sponsored 21 resolutions and one decision. In short, 'the resolution upgraded Palestine's representation at the UN to a unique and unprecedented level, somewhere in between the other observers, on the one hand, and Member

States on the other.’¹⁶³ In 1998 the location of the category under which Palestine was listed was moved and placed immediately after non-member states and before the intergovernmental organizations. The title of Palestine’s category was also changed to “Entities Having Received a Standing Invitation to Participate as Observers in the Sessions and the Work of the General Assembly and Maintaining Permanent Observer Missions at Headquarters”.¹⁶⁴

4.2.1 UNRWA

A variety of UN agencies have been important actors active in the territories, including United Nations Development Program (UNDP), United Nations Relief and Works Agency (UNRWA), UNICEF, the World Health Organization (WHO), United Nations Educational Scientific and Cultural Organization (UNESCO), International Labor Organization (ILO) and others. Additionally, the United Nations Special Coordinator Office (UNSCO) have acted to coordinate these institutions and to facilitate cooperation between the UN, the PA, Israel and the donor countries.¹⁶⁵

The oldest and most important of the UN agencies mentioned above is the United Nations Relief and Works Agency for Palestinian Refugees (UNRWA). International aid to Palestine has been mostly channeled through UNRWA, which is by far the largest organization providing humanitarian relief. UNRWA was established by the UN General Assembly in 1949 as an operational, nonpolitical agency to take responsibility for the humanitarian aspects of the Palestinian refugee problem and thus to promote conditions of peace and security in the Middle East.¹⁶⁶

¹⁶³ UN General Assembly Resolution No.A/52/1002, 4 August 1998, Fifty-second session Agenda item 36, Question of Palestine: *Participation of Palestine in the work of the United Nations* at <http://www.palestine-un.org/info/frindex.html>

¹⁶⁴ Ibid.

¹⁶⁵ Rex Brynen, “International Aid to the West Bank and Gaza: A Primer” in *Journal of Palestine Studies*, Vol.35 No.2 (Winter, 1996), pp. 51-52

¹⁶⁶ Jalal Al-Husseini, “UNRWA and the Palestinian Nation-Building Process” in *Journal of Palestine Studies*, Vol. 23, No.2 (Winter, 2000), pp. 51-64

UNRWA is unique in terms of its long-standing commitment to one group of refugees and its contributions to the welfare and human development of four generations of Palestine refugees. Originally envisaged as a temporary organization, the UNRWA has gradually adjusted its programs to meet the changing needs of the refugees. Today, UNRWA is the main provider of basic services - education, health, relief and social services - to over 4.3 million registered Palestine refugees in the Middle East. Its total budget is about \$57.5 million in the West Bank and \$106.5 million in Gaza.¹⁶⁷

Since the refugee problem partially stemmed from failed Palestine policies of the UN, it was up to UN to assume responsibility for the consequences. Accordingly, agency's assistance program was regarded not just as a temporary international charity venture, but above all as recognition of the refugees' status as refugees endowed with political rights. Thus every decision adopted by the agency was to be scrutinized politically, both through the 'prism of its adequacy with regard to the right of return and since the late 1960s, its value to the Palestinian national movement per se.'¹⁶⁸

Although UNRWA was established with a clear mandate to provide humanitarian and economic assistance to refugees -not protection or political advocacy- its socioeconomic services and activities such as, education, institutional capacity building, development, or infrastructural improvement in and around the refugee camps, went hand in hand with the aspirations of Palestinian people to establish a state of their own. UNRWA played significant role in the Palestinian national movement, albeit not intended. UNRWA's status as a UN organization protected it to some extent from interference by host governments after 1947, and it rapidly became a privileged forum for Palestinian political activism. Members of communist party, Muslim Brotherhood, Fatah, and other Arab nationalist parties secured positions in the agency and turned UNRWA's institutions- especially schools and Youth Activities Centers- into places where Palestinian identity

¹⁶⁷ see <http://www.un.org/unrwa/overview/index.html>

¹⁶⁸ Jalal Al-Husseini, "UNRWA and the Palestinian Nation-Building Process", p.52

survived.¹⁶⁹ UNRWA further played an instrumental role in fostering Palestinian nationalism through education and cultural activities. According to some sources, the interaction between the refugee teachers and the refugee students turned UNRWA schools into places where teachers imparted on students a love of homeland and a desire to return home.¹⁷⁰

When Israel occupied the West Bank and Gaza in 1967 the distinction between agency's humanitarian assistance role and political involvement became more problematic. UNRWA had had difficulties with other host governments before; however after the occupation, the refugees themselves were considered to be enemies by the sovereign power Israel. That is why dealing with Israel was harder than dealing with the previous host governments for UNRWA.

Although UNRWA services were substitute for governmental responsibilities and some Israelis were arguing that UNRWA was lifting a significant part of the financial burden of occupation from the shoulders of the Israeli government, Israel's security concerns and desire to control the economic development in the territories frequently put Israeli government and UNRWA in adversarial relations. UNRWA's installations and activities remained inviolable since it has UN's standard privileges and immunities to which Israel has to agree as a member state. Issues pertaining to military security were exceptions to these privileges, though. Hence UNRWA employees were sometimes arrested or detained, or UNRWA camps and facilities were demolished in some occasions by Israeli forces owing security reasons.

Although it is generally argued that UNRWA serves to the Palestinian interests, it has been criticized not only by the host countries but also by the Palestinian themselves. While the Israelis charge UNRWA with allowing Palestinians to use the agency for their own purposes, Palestinians charge that

¹⁶⁹ Ibid., p.53

¹⁷⁰ See Ghassan Shabaneh, UNRWA and Palestinian National Identity: The Role of the United Nations in State Building, (A dissertation submitted to the Graduate School of Political Science, City University of New York, 2005)

it sometimes cooperates too much with the occupation and is ineffective due to its short term employment schemes, which creates a dependent population. Some Palestinians even argue that UNRWA has been breeding complacency, dependency and undermining efforts to mobilize the refugees politically. The political mobilization during the *Intifada* somehow contradicts with this argument, though.

Under the criticisms from either side of the conflict, UNRWA treads a thin line between collaboration with the occupiers and advocacy for the occupied.¹⁷¹ However it is undeniable that UNRWA had a unique role in Palestinians' creation of state institutions through providing economic and social services. UNRWA started building institutions in the West Bank and Gaza at an early state and began coordinating publicly with the PLO in Lebanon, in financing infrastructural projects inside and outside the camps, establishing pre-state networks and encouraging the organization of Palestinian civil society.

The Palestinian state formation project in the West Bank and Gaza gained momentum with the *Intifada*, and with the peace process. These events profoundly affected the PLO-UNRWA relationship within a developmental approach. In line with this new approach several developmental assistance programs which included PLO in their planning was conducted starting from the late-1980s.¹⁷²

In fact UNRWA's humanitarian assistance evolved into "general assistance" with a political tendency after the outbreak of the *Intifada*. General assistance comprises not only humanitarian aid but the protection of the refugees. Furthermore in response to *Intifada* UNRWA had to relax its restrictions on the distribution of relief supplies. Since, during crisis situations the identification of refugees by examination of identity cards is difficult, and since many other Palestinians are in as much need as the registered refugees,

¹⁷¹ Benjamin N. Schiff, 'Between Occupier and Occupied: UNRWA in the West Bank and Gaza', *Journal of Palestine Studies*, Vol. 18, No. 3 (Spring, 1989), pp. 60-75

¹⁷² Jalal Al-Husseini, "UNRWA and the Palestinian Nation-Building Process", p.57

UNRWA extended distribution of aid to all Palestinians in the occupied territories regardless of refugee status.¹⁷³

In the early 1990s, subsequent with the start of the peace process, there was further emphasis on reducing poverty in Palestine. UNRWA's well organized institutions were used as a prop for the new development projects at the initiative of the UN and the donor countries. Accordingly, UNRWA launched its microfinance and micro-enterprise program (MMP) in the West Bank and Gaza Strip in June 1991. This initiative was taken in response to rapidly deteriorating economic conditions marked by high unemployment and spreading poverty following the outbreak of the first *Intifada* in 1987. The MMP was organized around four revolving loan funds in Gaza and two in the West Bank. These funds made loans to small-scale enterprises in Gaza and the West Bank, to women organized in groups in Gaza only, to micro-enterprises in Gaza and the West Bank, and to workers and low-paid professionals. It is notable that almost 30 percent of the donor-based capital fund for these initiatives was donated by the United States. After 1993, the program intensified its activities in support of the peace process through UNRWA's Peace Implementation Program (PIP). The expanded assistance program sought to empower the refugee community through PIP so that the UNRWA services would gradually be administrated by the Palestinian themselves.

These financial initiatives undertaken by UNRWA aimed at promoting small business development opportunities, create new jobs and safeguard old ones, and help the poorest in the society. It was estimated that by the end of 1999, the program would be fully self-sufficient. However, this target date had to be brought forward due to the budget crisis facing UNRWA and trade constraints imposed by the closures polices of Israel.

4.2.2 UNDP

¹⁷³ Benjamin N. Schiff, 'Between Occupier and Occupied: UNRWA in the West Bank and Gaza', pp. 70-74

United Nations Development Program (UNDP) is UN's global development network organization advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. UNDP started providing assistance to Palestinian People in late-1978, in response to UN resolution 33/147 in support of the economic and social development of the Palestinian people. By this date, the West Bank and the Gaza Strip had endured over 10 years of occupation, which led to increased levels of poverty and unemployment. Hundreds of thousands of Palestinians were living in refugee camps in slum conditions without the most basic amenities. Infrastructure including schools, health facilities, housing, roads, and water and sanitation systems had been allowed to deteriorate despite the steady population growth. Accordingly UNDP launched the Program of Assistance to the Palestinian People (PAPP). A program office was established, initially in New York and subsequently in East Jerusalem. A donor campaign was organized, and field operations commenced in August 1980.¹⁷⁴

Before the formation of the PA, UNDP channeled aid to Palestine mostly through Palestinian and international NGOs. Once the PA was formed, however, the PA came to be seen as an alternative to NGOs which the UN agencies had long worked closely with as their local partners. Bilateral and multilateral donors were committed to supporting the newly established PA. Hence, the UNDP funds were shifted from the NGOs to the PA, and NGOs lost millions of dollars annually from international donors.

By Early 1990s Palestinian NGOs were receiving somewhere between \$140-\$220 million each year from outside sources. By 1994, the first full year of the Oslo process, external support contracted to about \$90 million, and in 1995 and 1996 stabilized at about \$60 million per annum- a loss in external revenue of somewhere between a half and three quarters during a six year period.¹⁷⁵

Notably the US as the major donor changed its program and cut the previous long-term institution building projects in health and housing, and its support for civil society organizations. 'Instead, more rapid job-creation

¹⁷⁴ <http://www.undp.ps/en/aboutundp/aboutpapp.html>

¹⁷⁵ Dennis Sullivan, "The World Bank and the Palestinian NGO Project" p.14; available at website <http://www.pngo-project.org/research/resources.html>

projects were supported ... Increased use was made of UN agencies, particularly UNRWA with its well-developed capabilities in the West Bank and Gaza’¹⁷⁶ This is because achieving peace between Palestinians and Israel in the short term was more crucial than sustained long term development in the occupied territories for the US government. In fact these findings present how realist view of international relations theories reconciles with the reality of Palestine. In that context the UN is able to pursue only a very limited range of tasks that are permitted by the dominant member states.

The overriding political imperative of the Palestinian-Israeli peace process presented both donors and regional parties, namely PA ministries, with unanticipated challenges. As a result of the inadequate organizational infrastructure of the PA in the occupied territories, target aid couldn’t be delivered effectively. To provide direction to the aid effort through local coordination, several structures were established at the initiative of UNDP. One of these structures was the Local Aid Coordination Committee (LACC). LACC – co-chaired by Norway, the World Bank, and the UN - established “Sectoral Working Groups” each working with one or more PA ministry, a donor and a UN agency. The objective was to facilitate coordination between the three. As one of the UN agencies UNDP also cooperated with corresponding donor countries and related ministries to form a working group in the fields like agriculture, communication and transportation, education, employment, institution and capacity building and tourism.¹⁷⁷

UNDP introduced the Transfer of Knowledge Through Expatriate Nationals (TOKTEN) Program to West Bank and Gaza in 1994 as a part of the UNDP /PAPP. The Program is a global UNDP mechanism to attract expatriate nationals, who had migrated to other countries and achieved professional success abroad, and to mobilize them to undertake short-term consultancies in their countries of origin under the UN umbrella. As a result

¹⁷⁶ Rex Brynen, “Buying Peace? A Critical assessment to International Aid to the West Bank and Gaza”, in *Journal of Palestine Studies*, Vol. 25, No.3 (Spring, 1996), pp.82-83

¹⁷⁷ Rex Brynen, “International Aid to the West Bank and Gaza: A primer” in *Journal of Palestine Studies*, Vol.35, No.2 (Winter, 1996), p. 49

of a history written with wars and occupations West Bank and Gaza experienced a severe brain drain. Palestinians living in the Diaspora excelled in various fields of specialization throughout the world. The program sought to transform the brain drain into a “brain gain” through obtaining assistance of such expatriates which can bolster the development of the occupied Palestinian territories. TOKTEN volunteers ranging from strategic planners to public health experts worked with a PA institution or NGO/private sector counterpart for at least three months. In that sense TOKTEN reduced Palestinian dependency on foreign expertise in institution building process to some extent. Since its inception, it has proven to be one of the most successful human resource mobilization projects.¹⁷⁸

Recognizing the strong link between “good governance” and sustainable human development, UNDP launched the Program on Governance in the Arab Region (POGAR) in the early 2000. POGAR aims to assist government actors, civil society, and the private sector to improve governance in the Arab states always with an aim to achieve sustainability. POGAR assists in a governance-augmentation process that is owned and managed by the countries themselves. Within the context of POGARi UNDP offers an array of options, rather than blanket prescriptions, and works in partnership with actors in the region to identify needs and solutions.

POGAR's program does not only relate to financial issues. The prerequisites of good governance- rule of law, participation, and transparency and accountability- are parts of POGAR's sustainable development program. Accordingly, great emphasis is put on civil society which is believed to enhance good governance by strengthening participation, transparency, equity, and accountability. However when it comes to Palestine, there is a question mark about how UNDP will promote good governance in the absence of an autonomous Palestinian state and with a civil society under occupation in the midst of a national uprising.

¹⁷⁸ <http://www.toktenpalestine.org/>

Civil society organizations had long been the part of the Palestinian national movement. Thus the distinction between the civil and the political society has always been blurred. At the initiative of the donor countries some NGOs went through a professionalization which is not necessarily bad since professionalism is supposed to bring about effective forms of transnational networking and advocacy work to convey Palestinian rights internationally; however in the case of Palestine professionalization brought about dependency on foreign funds and specialized people. Therefore professionalized NGOs mostly lost their grassroots characters after the inception of the peace process. Therefore how the Palestinian civil society with its exceptional characteristic will contribute to good governance in the West Bank and Gaza remains as a question mark.

4.3 The World Bank and IMF

Along with other international and bilateral donors, International Monetary Fund (IMF) and the World Bank was engaged in the state building process that started soon after the signing of the Oslo Agreement in 1993. In keeping with its domain of expertise, the IMF concentrated its technical assistance and advised in the financial area, notably on fiscal institution building. The progress that was made in the Palestinian economic institution building was also regularly monitored by the IMF.

The advent of self-rule and the easing of political and social tensions were expected to usher in a period of rapid economic growth and higher living standards for Palestinians. The Protocol on Economic Relations agreed in April 1994 outlined PA's responsibilities in key economic areas and envisaged close economic cooperation between Israel and the PA, which raised the expectations. PA's commitment to institution building and to a private sector-led, outward-oriented development strategy which was to shift the emergency aid towards public investment projects made the donors pledge generous support. However economic conditions in the West Bank and Gaza Strip deteriorated sharply after 1993 due to a number of daunting challenges. According to IMF sources, the first major resulted from trying to provide

adequate education, housing, health care, and employment opportunities for such a young and fast growing population. The second major challenge was doing this simultaneously with building a Palestinian public administration, without which the public services cannot be effectively provided. The third major challenge resulted from undertaking these tasks while coping with the consequences of the conflict: Israeli closure policies and the uncertainty about the final status of West Bank and Gaza.¹⁷⁹

The World Bank has also been actively involved in providing assistance to Palestinians in the West Bank and Gaza. The first World Bank project started in East Jerusalem in 1992 to mobilize international support for economic and social development in the Occupied Territories under World Bank's analytical, technical and financial leadership. World Bank involvement expanded significantly in the aftermath of the signing of DOP in 1993. Since the PA was not a member state of World Bank or IMF, World Bank loaned the West Bank and Gaza through a Trust Fund. World Bank's first allotment was \$50 million in 1994. From 1994 to 2000, total allotment was \$380 million under the banner of the Emergency Assistance Program (EAP). Although EAP's objective was said to provide benefits for the Palestinian population quickly, equably, and efficiently while laying the foundation for sustainable development over the long term, the focus remained on rapid job creation and poverty alleviation due to the vested interest in sustaining peace.¹⁸⁰

World Bank also created Palestinian Economic Council for Development and Reconstruction (PECDAR) whose main function was to disburse the donor funds (\$2.4 million pledged) according to the World Bank directives.¹⁸¹ PECDAR was also responsible for the oversight and

¹⁷⁹ See "International Money Fund, West Bank and Gaza: Economic Performance and Reform under Conflict Conditions" available at <http://www.imf.org/external/pubs/ft/med/2003/eng/wbg/wbg.pdf>

¹⁸⁰ D. Sullivan, "The World Bank and Palestinian NGO Project", pp.13-15

¹⁸¹ Adel Samara, "Globalization, the Palestinian Economy and the Peace Process" in *Journal of Palestine Studies*, Vol. 39, No.2 (Winter, 2000), pp.20-34

administration of the projects. However implementing projects remained the responsibility of the UN agencies and international and Palestinian NGOs.

Despite the huge amount of foreign aid, the fate of Palestinian economy and society was more directly and negatively affected by Israel's imposition of closures which comes to mean that Palestinians and Palestinian goods may not enter Israel unless a permit was obtained.¹⁸² From the signing of Oslo Accords in 1993 to the end of 1997 the economic conditions in Gaza and the West Bank deteriorated and Palestinian economy became weaker than it was during the *Intifada*. Defining its main aim as eradicating poverty, World Bank launched the Palestinian NGO (PNGO) Project in association with the governments of Canada, Italy, Saudi Arabia, and the United Kingdom, the Islamic Development Bank, and the Palestinian Welfare Association in 1997.

The PNGO project displayed that the World Bank saw an important role for the NGOs in helping achieve its main objectives in Palestine, namely promoting equitable economic growth, reducing poverty and protecting the environment. It is important to note that no funding was designed to be channeled through the PA. The Project was an NGO focused World Bank activity which was split into two phases, the first from 1997 to 2001 totaling \$16.67million, and current second phase from 2001 on totaling \$25.2million.

The bulk allotment for the PNGO Project I was channeled as development grants to Palestinian NGOs for providing new services or expanding existing services to Palestinian communities in Jerusalem, the West Bank and Gaza. Through these grants, the project sought to promote NGO practices for development. Project partnerships formed by international NGOs and local Palestinian partners were also eligible for development grants. In this case, the international partner was expected to bring added skills and expertise to the project, and the local partner was responsible for project implementation. During the first phase of the PNGO Project, 109

¹⁸² Cheryl A. Rubenberg, The Palestinians: In Search of a Just Peace (Boulder and London: Lynne Rienner, 2003), p.110

development grants were funded.¹⁸³ While World Bank organizations comprise the international unit for financial assistance, the Welfare Association Consortium was the local administrating unit consisting of Palestinian NGOs. The Charities Aid Foundation (CAF) was the third partner between 1997 and 2004.¹⁸⁴

De facto Israeli agreement for the project to support Palestinian NGOs was noticeable. In fact it was the Oslo Agreement that served a legal framework for World Bank operations in the West Bank and Gaza; however East Jerusalem was not included to the operation area of the World Bank since it was not under the rule of the PA. That is why World Bank funded activities could not take place in East Jerusalem. However, a mechanism was designed to help Palestinian NGOs in East Jerusalem. Accordingly Saudi and Italian co-financing was provided for NGOs in East Jerusalem in respective amounts up to \$1.5 million through the Project Management Organization (PMO). Therefore, as noted previously in this section, no funding under the Project was channeled through the PA and no official PA agency was involved in this project either in Jerusalem or the West Bank and Gaza since the PA is not a member state.¹⁸⁵

4.4 The European Union

Since its early institutionalization with the establishment of European Economic Community, the European Union (EU) has viewed the improvement of bilateral relations with the MENA states as a vital instrument for its economic goals. For instance The Euro-Arab Dialogue was established by the European Community in the aftermath of the 1973 oil embargo with the hope of improving relations with the Arab world through the promotion of economic and cultural ties. However, from the beginning it was overshadowed by issues such as the Arab-Israeli conflict and the

¹⁸³ <http://www.pngo-project.org/programs/phase1.html>

¹⁸⁴ see website, web.worldbank.org/external/projects

¹⁸⁵ D. Sullivan, "The World Bank and the Palestinian NGO Project", pp. 20-22

disagreement between the Arab states and European Community regarding the status of Palestinians and the PLO. In this context improving economic ties with the region has been thought to depend on bringing political stability and security to the region. That is why a democratic, stable and secure Middle East is of economic importance to the European Union. Therefore the resolution of Palestinian-Israeli conflict seems to be a must for the EU to realize its economic aims. Within this context the EU supports a two-state solution for the settlement of the Palestinian-Israeli conflict in accordance with UN Security Council resolutions.

EU's active contribution to the peace process has increased over the recent years. The EU has bilateral relations with the PA (on behalf of PLO). The relationship between the PA and the EU is underpinned by Association or Interim Agreements and Euro-Mediterranean Partnership (Barcelona Process), which remains the only multilateral forum outside the UN where all the conflict parties meet.

The Interim Association Agreement on Trade and Cooperation between the EU and the PA entered into force in July 1997. The main aim of this agreement was to establish the conditions for increased liberalization of trade and to provide an appropriate framework for a comprehensive dialogue between the EU and the PA. Furthermore the Interim Agreement provided for a Joint Committee for European Community-Palestinian Authority on trade and cooperation, which was supposed to meet once a year. The Interim Agreement also provided for regular economic dialogue meetings between the parties covering all areas of macro-economic policy, budgetary policy, balance of payments and monetary policy.¹⁸⁶ Unfortunately the outbreak of the *Al-Aqsa Intifada* and the imposition of closure and curfews within the West Bank and Gaza Strip made the implementation of various aspects of the Interim Association Agreement extremely difficult.

The Euro-Mediterranean Partnership, which is in progress today, was initiated at the November 1995 Barcelona Conference.¹⁸⁷ It is noteworthy that

¹⁸⁶ http://www.delwbg.cec.eu.int/en/eu_and_palestine/overview.htm#1.

it was only with the Euro-Mediterranean process that the primary economic outlook of EU's Middle East policy was visibly supplemented, *inter alia*, by a stronger focus on political issues, such as democracy and human rights. MEDA I democracy program, which provided for the EU assistance to nongovernmental organizations in Mediterranean countries was put in place in 1996.¹⁸⁸ This orientation towards promotion of democracy and human rights is also evident in the Interim Association Agreement between the EU and the PA. According to article two of the agreement 'relations between the Parties, as well as all the provisions of the Agreement itself, shall be based on respect of democratic principles and fundamental human rights as set out in the universal declaration on human rights, which guides their internal and international policy and constitutes an essential element of this Agreement.'¹⁸⁹ The agreement also contains a "conditionality clause" which allows the EU to suspend the agreement in case of serious human rights violations or other breaches of the agreement.¹⁹⁰

Since the signing of the Barcelona Declaration in 1995, the PA has been a full and equal partner of the Euro-Mediterranean Partnership (Barcelona Process). Within this context, the EU tried to contribute to the

¹⁸⁷ The Euro-Mediterranean Partnership is an attempt to address substantive political and security issues, as well as economic and financial ones. Some of the most complex and sensitive matters have been addressed under the Political and Security umbrella--political dialogue and peaceful resolution of disputes; a Middle East free, and verifiably free, from weapons of mass destruction; a commitment to a pluralistic society, democracy and human rights; and ultimately the establishment of a Euro-Mediterranean Stability Pact which would embody both a crisis prevention and crisis diffusion mechanism. Accordingly, EU is to work with its Mediterranean partners to develop good relations, improve prosperity, eliminate poverty, promote and protect human rights, fundamental freedoms, democracy, good governance and rule of law. To that end developing cooperation with civil society, including NGOs is seen as an important element for a stable Middle East. See Rory Miller and Ashraf Mishrif "The Barcelona Process and Euro-Arab Economic Relations: 1995-2005" *Middle East Review of International Affairs*, Vol. 9, No. 2 (June, 2005)

¹⁸⁸ Stephan Stetter, "Democratization without Democracy? The Assistance of the European Union for Democratization Processes in Palestine." *Mediterranean Politics*, Vol.8, Issue 2/3 (Summer/Autumn: 2003), pp.153-173

¹⁸⁹ "Interim Association Agreement between the European Community and the Palestinian Liberalization Organizations" Official Journal L 187 , 16/07/1997 p. 0003 – 0135 available at http://www.bilaterals.org/IMG/html/EU-PLO_FTA.html

¹⁹⁰ Stephan Stetter, "Democratization without Democracy? The Assistance of the European Union for Democratization Processes in Palestine.", p.158

nation building process through confidence building measures, including electoral observation activities funded by the European Commission. Further confidence building measures include the EU monitoring of the proper implementation of the Israeli/Palestinian agreement and the EU assistance to help build up the PA border control capacities, and to create the conditions for a continuous peace, stability and prosperity. The EU assistance to the PA aims to promote Palestinian economic, social and political reforms which include tackling governance issues. Financial and technical aid to Palestine is programmed through the Commission's Europe-Aid Co-operation Office. This office also manages the assistance projects from the identification to the evaluation phase.

The MEDA program is the main program of the EU to provide financial assistance to West Bank and Gaza. Under the MEDA program West Bank/Gaza has been granted so far a total amount of € 387.7 million – € 111 million under MEDA I (1995-1999) and € 276.7 million under MEDA II (2000-2003).¹⁹¹ Following the withdrawal of Israeli defense forces from parts of the Gaza Strip and Bethlehem in 2003, the European Commission urgently delivered a €100 million package of financial assistance to support the implementation of the Road Map for Peace through relaunching the Palestinian economy.¹⁹² Furthermore in order to strengthen the rule of law in the West Bank and Gaza, the European Commission supported the modernization of the Palestinian judicial system with a program launched at the end of 2003. The EU also provides extensive support to the preparation of Palestinian elections. An independent Central Election Commission (CEC) was established with Commission support in October 2002.¹⁹³

In addition to these programs specifically addressing reform issues, the European Commission ensures that part of all financial assistance programs is devoted to capacity-building for Palestinian civil society

¹⁹¹ http://ec.europa.eu/europeaid/projects/med/bilateral/w_b_gaza_en.htm

¹⁹² <http://www.reliefweb.int>

¹⁹³ http://ec.europa.eu/comm/external_relations/gaza/intro/index.htm#2.3

organizations to achieve sustainable development since development of an independent Palestinian civil society is viewed as a medium for respect for democracy and human rights. EU's Civil Society and Human Rights sector aims at developing an independent Palestinian civil society, made up of nongovernmental and service institutions that work independent of but in cooperation with state institutions towards installing the culture of democratic values, good governance and the rule of law. According to the EU authorities NGO diversity in terms of service delivery and participation in the political process embodies a strong element of transformation towards a democratic Palestinian society. Thus the EU works diligently to support Palestinian NGOs that adhere to the principals of transparency and democracy through funding activities. The EU also makes sure that all of these organizations are well managed and have transparent finance systems.

It is important to underline that while the EU emphasises the support for NGO activities, NGOs that are extensions of radical Islamic factions, notably Hamas, is not included to the EU schemes which have the goal of enhancing and encouraging the work done by Palestinian NGOs.

After 1990, around 130 projects were financed in partnership with a wide range of European and international NGOs. A European contribution up to € 20 million was addressed general developmental issues such as education and vocational training, environment, empowering vulnerable groups, and promoting democracy. EU's focus on democracy and human rights called particular attention to social problems such as violence against women and children. Furthermore the Ex-detainees Programme, started in 1995, aimed to aid Palestinian detainees released from Israeli jails through a process of social and economic reintegration. The programme also provided the ex-detainees with services so as to allow them access to the labour market.

EU's attempt to render democracy as an external actor in the Middle East is sometimes criticized since democratization is a domestic issue and without the political will of the leadership and the civil society democratization of Middle Eastern states is unlikely. This might have been different for Palestine to some extent since the PA is heavily reliant on the

EU assistance. Indeed the responsibility of the EU to support the transformation process in Palestine is much stronger than its political responsibility towards the other Middle Eastern states. With that in mind the EU supported more projects in the West Bank and Gaza which meant to improve the social, economic and political situation than in any other Middle Eastern state. However, despite the huge amount of democracy promotion assistance, EU's financial support has often stabilized existing autocratic political structures. This fact reinforces the argument that democratization has to originate from domestic level.¹⁹⁴ Although some scholars argue that rule of law, transparency and other elements of good governance should not be seen as a luxury even in a situation of an ongoing struggle for independence, bringing about democracy externally seems to be impossible in the West Bank and Gaza for the ongoing occupation serves to the interests of autocratic elite and prevents the emergence of dialogue on pluralism, human rights and democracy.

Another significant aspect of the EU assistance to the peace process is to bring together civil society actors from Israel, occupied territories and neighboring countries.¹⁹⁵ Accordingly one of the biggest EU projects is the "EU Partnership for Peace" program which aims to create common ground and dialogue between Palestinians and Israelis. Thus, the main objective of this program is to initiate a clearer understanding about religion, culture, social life, history and political aspirations between the two peoples. The program attempts to break down psychological barriers, historical prejudices and stereotyping, and to enable partners and individuals to agree to the best political arrangement in the region. It is anticipated that EU's support of projects that encourage inter-cultural dialogue and respect for human rights and democracy building may influence and shape nascent state and civil institutions. Such projects might be the building blocks of a future stable, democratic Palestinian state.

¹⁹⁴ Stephan Stetter, "Democratization without Democracy? The Assistance of the European Union for Democratization Processes in Palestine." *Mediterranean Politics*, Vol.8, Issue 2/3 (Summer/Autumn: 2003), pp.153-173

¹⁹⁵ http://ec.europa.eu/comm/external_relations/mepp/index.htm

One of the important roles of the EU is to provide humanitarian assistance to Palestinian refugees. The EU assistance to the Palestinians began in 1971, when the first contribution was made to the regular budget of the UNRWA. This assistance continues today, with contribution to the operations of UNRWA in its main fields of operation, primary health and education. The objective of EU's financial contribution to UNRWA is the improvement of life standards of Palestinian refugees. The total amount committed for this goal was € 97.5 million between 2000 and 2001.¹⁹⁶ Furthermore European Humanitarian Aid Office (ECHO) finances European NGOs, UN and Red Cross for projects in the field of humanitarian aid to the civilian populations of the Palestinian territories. In April 2003, the European Commission adopted a € 15 million aid package to deliver essential relief (food, medicine, water and sanitation) to Palestinian refugees in the West Bank and Gaza Strip as well as in Jordan, Lebanon and Syria. In July 2003, another € 10 million humanitarian aid package was approved to support the victims of the crisis in the Palestinian Territories and Palestinian refugees in Lebanon.

4.5 International Nongovernmental Organizations

As mentioned previously the contribution of nongovernmental organizations (NGOs) to the shaping of the world in recent years has been increasingly acknowledged by governments and international organizations alike. Large numbers of NGOs have participated in the global conferences on social, environmental and economic issues as well as in their follow-up activities since the early 1990s. Today cooperation with NGOs is viewed as an essential element in humanitarian relief missions and in development assistance programs.

NGO cooperation with the UN on the question of Palestine covers the entire spectrum from advocacy and solidarity, on the one hand, to humanitarian relief and development assistance, on the other. Some NGOs, particularly those providing aid to refugees, have been active on this issue

¹⁹⁶ http://ec.europa.eu/europeaid/projects/med/bilateral/w_b_gaza_en.htm

practically since the beginning of the conflict in 1948. Following the intensified efforts to achieve a just settlement after 1967, many new NGOs were established and became active in mobilizing public opinion in support of the Palestinian cause at the international and local levels.¹⁹⁷

A subsidiary organ of the General Assembly, the Committee on the Exercise of the Inalienable Rights of the Palestinian People -would be referred as the Committee hereafter- was established in 1975 to make recommendations for a solution of the question of Palestine based on the exercise of the inalienable rights of the Palestinian people. Subsequent to its inception, the Committee was requested to promote the greatest possible dissemination of information on its recommendations through NGOs. It was later mandated to establish closer cooperation with NGOs and to help expand the network of NGOs active on the question of Palestine, particularly by organizing symposia and international meetings of NGOs.

Since the signing of the DOP in 1993, the Committee has expressed its support for the peace process, which it considers a historical milestone in the long struggle of the Palestinian people to achieve their inalienable rights and to reach a comprehensive, just and lasting settlement of the Arab-Israeli conflict in the Middle East. The Committee has also undertaken activities to promote the effective implementation of the agreements reached by the parties and to mobilize international assistance for the social and economic development of the Palestinian territory.

Several UN agencies and programs have cooperated closely with NGOs active in the occupied territories on the ground that they have long-standing experience in providing development assistance to Palestinians and have played an important role in supporting the growth of Palestinian institutions. Throughout the last two decades several meetings and symposiums were organized with the participation of representatives of NGOs, governments, organizations from Israel and the occupied territories, intergovernmental organizations, and UN specialized agencies and bodies.

¹⁹⁷ See www.domino.un.org/UNISPAL.NSF

For instance The International Nongovernmental Organization Meeting on the Question of Palestine and The European Regional NGO Symposium on the Question of Palestine are held annually focusing more specifically on NGO issues regarding Palestine. Under the general theme of NGO support for international efforts to promote a comprehensive, just and lasting solution of the question of Palestine, participants discuss NGO campaigns against settlements and for the formation of a Palestinian sovereign state.

It is important to note that the role of international NGOs and their growing influence is multifaceted. First of all they function as donors to Palestinian civil society. However their potential for significant influence is limited by their position as intermediaries between states and Palestinian society. These organizations can start to speak up for the Palestinian people and demand clear and effective political solidarity however that might have repercussions on their own budgets and scope of action allowed by the occupation. In other words if they bother any of the related camps -PA, Israel or the international community- their operations in West Bank and Gaza might be prevented.

The US has been one of the major countries providing financial and technical aid to the Palestinian NGOs and the PA both directly and through US government foundations like United States Aid for International Development (USAID) or US based international NGOs. USAID funds and projects have existed in West Bank and Gaza since 1976. In the early 1980s USAID formulated the policy of the “improvement of the quality of life”. This policy opened the doors for various North America based NGOs which had operated in the occupied territories for a number of years to have a new and important role in the forefront of the political and diplomatic developments related to the status and future of Palestinian-Israeli conflict.¹⁹⁸ American Middle East Educational and Training Center (AMIDEAST), Catholic Relief Service (CRS), Holyland Christian Mission (HCM) and Save the Children Fund (SCF) were among the organizations that represented a

¹⁹⁸ M. Pandeli Glavanis, “The Israeli Palestinian Peace Treaty: The Role of New Actors” in *British Journal of Middle Eastern Studies*, Vol.22, No.1/2 (1995), p.121

significant proportion of all non-UN relief activities in the occupied territories. (UN efforts were being channeled through UNRWA).¹⁹⁹

Throughout 1990s, many international NGOs supported the peace process and provided assistance to the fledgling Palestinian institutions. Similar to the Palestinian NGOs, previous support for international NGOs was also reduced especially when USAID changed its program to sponsor short term job creation projects under the PA. However since international NGOs have various different sources of funding and they are not dependent on specific international governmental funds like the Palestinian NGOs, they continued their independent projects.

With the outbreak of the second *Intifada* in September 2000, NGOs again started calling for confronting the root causes of the conflict and ending the Israeli occupation of Palestinian land. Since then NGOs have been in the forefront of the providers of emergency relief. They closely monitor the developments on the ground and introduce ground-breaking, yet modest measures of protection to the Palestinian people.

Oxfam, part of a global movement to build a just and safer world, is one of the international NGOs operating in the West Bank and Gaza. Oxfam is deeply concerned over the suffering of the Palestinians and frequently gives briefings calling all the parties of the conflict – the government of Israel, PA, and the international community - to act urgently to mitigate the impact of conflict on poor people and to provide effective protection to civilians living under conflict. Oxfam also prepares reports on the impact of the Israeli policies on Palestinians. For instance a recent research by Oxfam on the impact of the Israeli government's policy of closure has found that thousands of rural households in the West Bank are on the brink of destitution since farmers are unable to harvest their olives, and water tankers can't pass checkpoints. In light of such researches Oxfam puts humanitarian assistance and development schemes in progress. Currently Oxfam is working in around 40 villages and small towns across the West Bank and Gaza, helping 150,000

¹⁹⁹ Pandeli M. Glavanis, "The Israeli Palestinian Peace Treaty: The role of new Social Actors" *British Journal of Middle East Studies*, Vol. 22, No. 1/2(1992), p.112

Palestinians to have access to clean water, to improve their sanitation facilities, and to produce food for their families. Furthermore Oxfam is helping oil producers' co-operatives to improve their quality and their access to markets. As elsewhere in the world Oxfam is working with civil society in the West Bank and Gaza to promote fair trade, and to change public opinion in favor of a just peace.²⁰⁰

Unfortunately *al-Aqsa Intifada* brought about a direct clash between the Israeli authorities re-occupying most of the West Bank and Gaza, and NGOs operating in the territories. During the 'Operation Defensive Shield' (April, 2002) several NGO offices and research institutions were raided and data banks or related files were confiscated or devastated.²⁰¹ For instance; Israeli forces broke into *Al-Amal* Center for Handicapped Care and Rehabilitation in 22 August 2002. This raid was justified as a search for armed men. Human rights activists were also detained during this *Intifada*. Furthermore an employee of *Al-Haq*, - a human rights organization based in Ramallah- was placed in administrative detention, allegedly because of his involvement in human rights work.²⁰² Many foreign human rights advocates have been denied access to the Occupied Palestinian Territories since the outbreak of the second *Intifada*. There have been several recorded events in which international activists and NGO members were injured and even killed by the Israeli forces.

Despite the setbacks emanating from the security concerns of the Israeli government, different forms of humanitarian action can be found within the occupied territories: passive intervention -International Committee of the Red Cross (ICRC)-, the humanitarian action which combines intervention with the duty of witness -Doctors without Borders and Oxfam-, and finally the new form of activism consisting of popular support and protection of the population under occupation -International Solidarity

²⁰⁰ For further information about Oxfam see http://www.oxfam.org.uk/what_we_do/where_we_work/palterr_israel/programme.htm

²⁰¹ Rubenberg, pp. 351-353

²⁰² Payes, p. 105

Movement (ISM), Ta'ayush (Arab-Jewish partnership), and Physicians for Human Rights- Israel (PHR-Israel), Christian Peacemaker Team (CPT).²⁰³

The activities of the CPT and ISM are remarkable. The CPT grew out of a commitment by members of the Mennonite, Anabaptist, Quaker and the Church of Brethon denominations to utilize their commitment to pacifism, nonviolent intervention, direct action and justice to attempt to make a difference in real world conflicts. They have teams in Afganistan, Colombia, Haiti and elsewhere. CTP basically have had a function as international observer in Hebron since 1995, however CPT also oversaw the development of several projects with their own full-time staff. However the most significant function of CPT has been nonviolent intervention. CPT members put themselves physically between the soldiers with live ammunition and unarmed Palestinian demonstrators.

ISM acts very much similar to the CPT.²⁰⁴ ISM took its inspiration from the divestment drive initiated by antiapartheid activists who worked to transform South Africa from a race based state to secular democracy. ISM sends delegations of activists to work in solidarity with Palestinians, engaging in such activities as dismantling earthen roadblocks, taking over checkpoints, providing medical assistance, delivering food and medicine, escorting people who must move despite curfews and closures, rebuilding demolished homes, and many other services.²⁰⁵ In 2002, during the Operation Defensive Shield, ISM suddenly found itself in a position to do lifesaving work. Throughout the West Bank, ISM members traveled in ambulances to carry food and medicine to Palestinians trapped in their homes and used their passports to move through the streets. That winter the Palestinian NGO network, which includes dozens of medical and agricultural relief committees and local NGOs all over the West Bank and Gaza, established in cooperation with ISM and Dutch,

²⁰³ Sari Hanafi and Linda Tabar "The *Intifada* and the Aid Industry: the Impact of the New liberal Agenda on the Palestinian NGOs" in Yasser Akawi et al., eds., From Communal Strife to Global Struggle, (Jerusalem: Latin Patriarchate Printing Pres, 2004), p.119

²⁰⁴ Rubenberg, p. 167

²⁰⁵ Ibid., pp. 411-412

Italian and French Palestinian advocacy groups an umbrella movement named Grassroots International Protection for the Palestinian People (GIPP). GIPP's objective was to afford the visitors to witness for themselves the various Israeli violations against Palestinian civilians and work to deter Israeli violence.²⁰⁶ The success of these international groups at achieving their objectives considering the reality of occupation is arguable, though.

In fact as put by Sari Hanafi and Linda Tabar, the current *Intifada* represents a unique opportunity to observe the modes of moral-political action of the international NGOs, humanitarian organizations and donors during a quasi-war period as well as the interaction between international institutions and the Palestinian NGOs. This is especially important given that during the peace process most of the Palestinian NGOs withdrew from the national-political question of the occupation and professionalized.²⁰⁷

4.6 Conclusion

As the agents of the global governance international organizations have had an increasing role in the West Bank and Gaza especially since the signing of DOP and the formation of the PA. The operations of the international organizations were mainly focused on development projects as political, social and economic development of the West Bank and Gaza was accepted as *sine qua non* for the continuation of the peace process.

The UN and its agents are the oldest international institutions operating in the West Bank and Gaza. UNRWA has operated to provide humanitarian assistance to the Palestinian refugees inside and outside the occupied territories for over fifty years. UNRWA's role was expanded to support the development projects during the peace process; however the main development projects in the state building process were managed by UNDP. On the other hand, while IMF regularly monitored the economic development

²⁰⁶ Charmaine Seitz, "ISM at the Crossroads: Evolution of the International Solidarity Movement" *Journal of Palestine Studies*, Vol. 32, No. 4 (Summer, 2003), pp. 56-57

²⁰⁷ Sari Hanafi and Linda Tabar "The *Intifada* and the Aid Industry: the Impact of the New liberal Agenda on the Palestinian NGOs" in Yasser Akawi *et al.*, eds., *From Communal Strife to Global Struggle*, (Jerusalem: Latin Patriarchate Printing Pres, 2004), p.119

in the territories, World Bank loaned the West Bank and Gaza through a Trust Fund. Since Palestine is not a member state, the development schemes of the World Bank was mostly focused on civil society organizations. EU's financial assistance to the PA and Palestinian civil society organizations was shaped within the context of Barcelona process.

Not only the role of intergovernmental organizations but also that of international NGOs has increased since 1990s. In fact as the global governance indicates NGOs started to have a voice in the issues concerning the Palestinian-Israeli conflict. Moreover there has been greater cooperation between the INGOs, Palestinian NGOs and IGOs.

CHAPTER 5

CONCLUSION

In the era of globalization we have witnessed the emergence of a supranational polity which has deep implications for the national issues with the international and nongovernmental organizations at its center. This was evident in the shaping of the Palestinian-Israeli conflict by the international community after the end of the Cold War. In fact the peace process launched in Madrid was unfolded in a period when global governance started to emerge. Although the flawed peace process demonstrated that it was too early to talk about global governance that would resolve such a conflict, the increasing role of international organizations was very evident in the Palestinian state building efforts.

The UN and its agencies were the oldest international organizations operating in the West Bank and Gaza. Initially after the conflict began, the UN started its operations in West Bank and Gaza through UNRWA for providing humanitarian aid to the refugees. Parallel to the general tendency of the UN to promote sustainable development in 1990s, the West Bank and Gaza was included into the UN program of eroding the poverty on earth through sustainable development under UNDP. Especially after the signing of DOP, the dominant humanitarian aid turned into developmental aid. Additionally the traditional role of UNRWA as provider of humanitarian aid, health and education services to refugees was extended to aiding small scale enterprise in the West Bank and Gaza. Likewise the role of UNDP increased.

Not only the UN but also the EU was more concerned with the West Bank and Gaza parallel with the belief that the end of Cold War requires new order in the Middle East. Along with the Barcelona Process, which aimed at developing good relations in terms of economy and security with the Mediterranean countries, the EU paid special attention to the West Bank and Gaza. In that context once the PA was formed, the West Bank and Gaza was also included in the program of improving prosperity, eliminating poverty, promoting and protecting democracy and good governance. To that end EU devoted financial assistance programs to capacity-building for the PA and to a lesser extent to Palestinian civil society organizations to achieve sustainable development. World Bank and IMF were also present with financial and technical support for a successful integration of West Bank and Gaza into global economy.

It is important to underline that at the core of the political and economic development schemes of international organizations was sustaining peace. With the belief that peace was dependent upon socioeconomic and political development of Palestinians, several schemes started to be applied in the West Bank and Gaza under the sponsorship of international organizations. However the fact that development projects and institution building was simultaneously done was a disadvantage for the success of the development projects because in the absence of public administration, services could not be effectively provided.

As good governance including democratic patterns is increasingly becoming a norm, international organizations ostensibly operated to create democratic institutions during the state building process in the West Bank and Gaza. However as in the rest of the Arab world external attempts to promote democracy did not bring democratic governance.

Similar to most of the developing states of the region the newly established PA seemed to have yielded to the neoliberal model of development. However there was hardly a tendency towards democracy. The conditions of Oslo Accords constituted the basic obstacle for a democratic system. Rather than being pluralistic, Palestinian political system was very

much like a one-party system. In order to facilitate the state building process, a centralized system of power was established before a necessary system of checks and balances was put in place. Thus there was no separation of powers which is necessary for democratic system.

In fact democratization was a secondary issue, or maybe was not an issue at all for Arafat. Rather Arafat made use of the privileges given to him as one of the leading actors of peace in order to legitimize his rule through clientelistic ties. As the potential president of a future Palestinian state, Arafat's aim turned out to be sustaining the peace with Israel despite the apparent violation of agreements. However there are also more profound obstacles than the PA leadership to democratization. Although there was resistance from the opposition parties and other civil society organizations to the non-democratic traits of the PA leadership, Palestinian civil society was not a component of democracy in Palestine because its agenda was mainly focused on the occupation rather than the political democracy. Without the political will of Palestinian civil society and leadership, which are more concerned with sovereignty, the external efforts were inevitably fruitless.

The socio-political tradition prevalent in the region also ran counter to the external pressure for democratization. National politics knit together with patrimony and tribalism hindered the external efforts for the formation of a political system based on democratic principals. In fact these political traits had been prevalent in the Palestinian National Movement since its beginning. When PLO turned into the PA the inherent patrimonial traits quickly came to surface. Similar to the cooptation of different movements and NGOs inside the territories by Fatah-led PLO during the *Intifada*, PA co-opted or created parallel institutions to the existing ones to undermine the oppositional powers ability to challenge PA's power. On the other hand, due to the dysfunctional nature of the justice system, people started relying more on tribal connections for protection, which effected the result of elections in favor of certain family members.

Although there was not much internal effort for democratization, the PA adopted the wave of liberal economy and endeavored to apply the

economic policies inspired by a free market ideology: no protectionism, no economic regulation no conditions on money transfer, which requires full application of the prescriptions of the international financial institutions that support and sponsor global economic norms. However the test of liberal economy was also not very successful in the West Bank and Gaza due to the economic conditions of the Oslo accords which ignored Palestinian sovereignty over land. The closure polices and the restrictions on Palestinian exports and imports hindered full implementation of development strategies through economic liberalization. Furthermore PA's corruption and financial mismanagement of donor funds resulted in PA monopoly over trade and economy.

The privileges given to the PA to sustain peace made questioning its operations impossible. Operating in secrecy and without accountability, PA could build parallel budgets, one public and one covert, the latter containing hundreds millions of dollars of public money distributed to buy loyalty for the regime rather than going into development or building infrastructure. Here is the external factor that brought about authoritarianism instead of democratic governance. The rise of authoritarianism mostly stemmed from too much emphasis on sustaining peace by the international community. Accordingly the recent discourse of the UN and the EU revolving around strengthening civil society as a component of good governance was contradicting with the focus on strengthening the governing authority for the sake of sustaining peace rather than civil society in West Bank and Gaza.

In fact Palestinian NGOs, the base of Palestinian civil society, had a long history of providing services that the Palestinians under occupation were deprived of. Moreover the international community had long supported Palestinian NGOs financially before the formation of the PA. However, despite the very limited experience of the PA and the general discourse on the efficiency of NGOs in sustainable development, initially after its formation, almost all of the intergovernmental organizations put emphasis on supporting the PA instead of Palestinian NGOs. Due to the overly political nature of the aid industry, grants were mostly channeled through the PA in order to support

the state building process. Especially the UN agents diverted huge amounts of money to support rapid job creation efforts. The reason was the demand of the major donors, notably the US, to increase the support for the peace in the Palestinian public opinion.

After the funds were shifted from the NGOs to the PA once it was formed, Palestinian NGOs -already mostly professionalized and dependent on foreign aid- were left in a very difficult situation. The economic crisis they were in made their cooptation by the PA easier. That is why the initial focus of intergovernmental organizations on creating a strong authority that could sustain the peace process weakened Palestinian civil society. Therefore general tendency of intergovernmental organizations since early 1990s towards involving NGOs in development projects was interrupted with the formation of the PA in the territories. Only after the corruption of PA came to surface, and the peace process came to a deadlock financial support of UN for PA was diminished in favor of NGOs.

As a result of evolving structures of several Palestinian NGOs from local to international, Palestinian NGOs increasingly became professionalized and started to extend their local and international networks. Accordingly starting from 1997 World Bank launched schemes of promoting development in the West Bank and Gaza through supporting the Palestinian NGOs. In fact, since funds cannot be channeled through the PA which is not eligible as a member state, NGOs were the only actors to help the World Bank achieve its main objectives in Palestine, namely promoting equitable economic growth, reducing poverty and protecting the environment. Likewise, after the corruption of the PA surfaced, the EU ensured that part of all financial assistance programs was devoted to capacity-building for Palestinian NGOs.

Not only have the intergovernmental but also international nongovernmental organizations increasingly become present in the occupied territories. Especially during peace process greater cooperation started between IGOs, Palestinian NGOs and INGOs. Several development and advocacy NGOs, started to have greater voice in the UN on issues concerning Palestine. Like Palestinian NGOs several developmental INGOs were

included in development projects in the West bank and Gaza. In fact due to the overly politicized character of most Palestinian NGOs, INGOs were frequently preferred to the Palestinian NGOs. However it is important to note that their potential for significant influence is limited by their position as intermediaries between international community, Israel and Palestinian society. Especially in the quasi war situations like the current *Intifada*, the closures and curfews limit their scope of operation. Furthermore the advocacy organizations, especially the human rights groups, are not always welcomed by Israel under the pretext of security concerns.

In light of this analysis the following points can be asserted with regard to the role of international organizations in the West Bank and Gaza.

1. In 1990s the role of international organizations has increased to a great extent in the West Bank and Gaza. With the idea that development will bring permanent peace, major intergovernmental organizations started sponsoring and operating several development projects. Likewise, parallel with the increasing transnationalism many international developmental and advocacy organizations became more concerned with Palestinian issue and active in the West Bank and Gaza.
2. Contrary to the main discourse of intergovernmental organizations on promoting democratization, the initial emphasis put on creating a strong central Palestinian authority that could sustain peace efforts ushered in authoritarianism. During the institution building process financial support diverted from Palestinian NGOs to the PA enabled leading Palestinian political figures to utilize huge amounts of money to buy legitimacy
3. Since both the PA and the Palestinian NGOs were highly financially dependent on international community; the well being of Palestinian society, especially refugees, is very much dependent on the humanitarian aid from the intergovernmental and international nongovernmental organizations.

4. Recently there has been increasing cooperation between intergovernmental, international nongovernmental and Palestinian nongovernmental organizations especially regarding development schemes. However the realities of the occupation like the curfews and closures hindered the efficiency of these schemes.

Until the Palestinian elections in 2006 several IGOs were continuing to support Fatah government and Palestinian NGOs to rebuild local communities through the provision of educational health and other social services. However, immediately after the Hamas victory in the elections, international organizations decided to halt funding a Hamas-led Palestinian Authority government, and put Palestinian NGOs under a harsh spotlight. Nowadays, NGOs and quasi-NGOs are being assessed not only according to their effectiveness and the focus of their work, but also their ties to Hamas to be eligible to get donation from international community. The EU, one of the biggest aid donors to the Palestinians, maintains some humanitarian aid; however since direct financial support has been suspended, economic and social situation has deteriorated to a precarious level in the occupied territories. One visible consequence of the funding cuts to the Palestinian Ministry of Health is a critical shortage of drugs and medical materials.²⁰⁸ Regardless of the deteriorating human conditions, international organizations and the major donors US, Japan and Canada are reluctant to resume aid unless Hamas renounces violence, recognizes Israel and commits to past peace agreements.

Therefore there lies a contradiction between the commitment of international organizations to promoting democratic forms of government and their practices. Ironically up until the elections in 2006 US and the international institutions championed democratic processes for Palestinians, however after Hamas won the elections in January 2006 major international actors not only boycotted Hamas officials and mobilized cutoff of economic aid but also changed the course of the reform. Washington reversed its policy

²⁰⁸ <http://www.doctorswithoutborders.org/pr/2006/09-21-2006.cfm>

of empowering a prime minister and security reform (pursued while Arafat was alive) and instead sought to strengthen President Mahmoud Abbas vis-a-vis the elected Hamas government and Prime Minister Ismail Haniyya. To this end, in addition to the aid cutoff, the US is now training and arming a Presidential Security Guard that will report to Abbas rather than the Hamas-led Ministry of Interior. Washington is also funding programs to strengthen Abbas' defeated Fatah Party and other independent parties in order to create alternatives to Hamas.²⁰⁹ Once again creating an obedient Palestinian authority that will accept conditions for peace seems to overshadow democratization efforts. In that sense the recent reform policies of international organizations like the UN and the EU are imposed to bring about peace rather than democratic governance. This irony would need further elaboration and opens up new venues to be analyzed for other researchers.

²⁰⁹ Philip Wilcox, "Reform and Peace are Interdependent in Palestine" *The Arab Reform Bulletin*, Vol. 4, Iss. 9 (November, 2006), available at www.CarnegieEndowment.org/ArabReform

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