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Palestine: the Politics of  
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# Undermining Democracy in Palestine: The Politics of International Aid since Oslo



LEILA FARSAKH

After the Oslo peace process got underway in the early 1990s, international donors allocated billions of dollars in aid to the occupied Palestinian territories to kick-start the process of economic development deemed necessary to state building. This article argues that although much of the money was directed at democracy enhancement and civic engagement projects, contrary to stated intentions, it actually undermined rather than promoted those outcomes. Donor countries, led by the United States and the European Union, designed and implemented programs with complete disregard for the reality underlying the Palestinian predicament—the almost 50 years of military occupation and the broader context of Israel's settler-colonial project. Besides their entrenchment of a neoliberal agenda, such projects have contributed to the ongoing fracturing of Palestinian politics and the growing authoritarianism of the Ramallah government, leaving the Palestinian economy less viable and more dependent on Israel than ever.

SINCE THE INITIATION of the Oslo peace process in 1993, the West Bank and Gaza Strip (WBGS) are estimated to have received over \$27 billion in aid, nearly three times the amount of their combined gross domestic product (GDP) in 2014. A plethora of UN bodies and international organizations—most notably the World Bank (WB) and the International Monetary Fund (IMF)—as well as the aid agencies of various European Union member-state agencies and local nongovernmental organizations (NGOs) have deemed this aid necessary for building the foundations of a sound Palestinian economy and laying the basis for the creation of a viable democratic Palestinian state. While aid to conflict areas and so-called peace-transitioning societies is not unusual, the volume of aid flowing into the WBGS over the past two decades has been unprecedented, both in historical terms and in comparison with other developing countries. On average, every Palestinian man, woman, and child was the recipient of \$258 in aid in 2004 and \$624 in 2013. This compares with less than \$110/person for Haiti in 2013 and \$235 for East Timor in the 1990s.<sup>1</sup>

The ability of aid to deliver on its promises has proven limited, however.<sup>2</sup> After more than twenty years since the Oslo peace process set in motion huge aid transfers to the occupied Palestinian territories (oPt), the Palestinian economy remains fragmented, dependent on Israel, and unviable. By 2015, real per capita income was at 1999 levels and unemployment was running above 37 percent in

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Gaza and 17 percent in the West Bank.<sup>3</sup> While some sectors prospered, particularly finance, public employment, and real estate, the productive sectors, namely agriculture and industry, have weakened due to ever-expanding Israeli closure and settlement policies. The new employment generated by the aid flows, estimated to have absorbed 10–12 percent of the labor force,<sup>4</sup> has also created new problems of geographic and occupational inequalities, exacerbating the economy's dependence on external demand and finance. Meanwhile, the split between Hamas and Fatah, the siege of Gaza since 2006, and the entrenchment of the occupation—manifested in the doubling of the settler population and Israel's control of over 58 percent of the West Bank (in Area C)—have jeopardized both the Palestinian statehood project and the aid designated to help realize that project. As Karma Nabulsi, among other scholars, contends, aid has contributed to the rise of an authoritarian regime that not only undermines fundamental Palestinian rights to freedom and civic participation but also threatens the Palestinian national project of liberation altogether.<sup>5</sup>

The aim of this article is to provide a critical assessment of aid programs directed at state-building and democracy promotion in the WBGS. It focuses on the work of the U.S. Agency for International Development (USAID), the WB, and EU donor countries, which have allocated up to 35 percent of their disbursements to good governance projects since the late 1990s. The article explores the means by which these projects sought to enhance democracy and civic engagement in Palestinian society, arguing that contrary to stated intentions, they actually put democracy at risk rather than promoted it. This is largely because democracy promotion projects accept the settler-colonial reality that the Oslo peace process redefined but did not end<sup>6</sup> and they have proven more interested in sustaining the peace process than in empowering the various sectors of Palestinian society to defend their rights and overcome colonial Israeli domination. Typically, democracy promotion projects also held up a neoliberal agenda that established the market, rather than central political institutions, as the main defender of democracy. Their focus on fostering individual rather than associational relations with authority structures and the state therefore weakened, rather than empowered, political parties and other forms of political and civic engagement.

## Democracy and Development

Democracy is a nebulous term that has taken on a variety of meanings and forms. Generally speaking, it is understood as a political system based on the existence within society of alternative and autonomous centers of power and the presence of a representative government chosen through regular competitive elections.<sup>7</sup> Since the early 1990s, the links between democracy and development have become a major concern for international financial institutions. In their aid discourse, the WB, the IMF, and government aid agencies have argued that accountable government and civic participation are necessary for sustainable growth and that the success of development is determined not only by state organization but also by the functioning of society itself, since members of society are part of the production process as well as monitors of the state's responsibility toward its citizens.

Since the mid-1990s, the donor community has focused its attention in the WBGS on three principal elements of democracy: elections, good governance, and civil society. USAID and the WB define good governance as the transparent, accountable, and uncorrupt administration of

government and nongovernmental institutions. After the eruption of the second intifada in 2000 and what was deemed as Palestine Liberation Organization (PLO) chairman Yasir Arafat's failure to condemn violence, conclude peace with Israel, and allow a transfer of power to the Palestinian parliament, good governance projects have focused more specifically on reforming the institutions of the Palestinian Authority (PA). Such reforms have included improving government budget management, human resource development, legal reforms, and anticorruption measures.<sup>8</sup>

The notion of civil society has been particularly important in the debate about economic development and democracy in the Global South since the 1990s. The WB defines civil society as the groups and organizations, both formal and informal, which act independently of the state and the market to promote diverse interests in society.<sup>9</sup> The term was also incorporated into the post-Washington Consensus, a set of social practices and political concepts designed to supplement a broad neoliberal agenda aimed at promoting a free market economy, conservative fiscal policy, and a softly regulated private sector.<sup>10</sup> In this discourse, the locus of development is not simply the economy but society as a whole—in other words, the community, the family, and even the individual—although the fundamental discourse is premised on an atomized view of society that privileges the individual over the collectivity. Conceptualizing the community as an entity of rational individuals who maximize benefits and minimize risks, this model views the modern state as a rational and impartial agent in the service of growth rather than as a body of conflicting interest groups, ~~currently largely~~ biased toward the wealthy.

The focus on civil society has permeated every area of donor work ever since aid flows to the WBGS began in the 1990s, but it became even more significant after 2001.<sup>11</sup> Empowerment, broadly defined as the ability of individuals to express their opinions, participate in the decision-making process, and hold government institutions accountable, has been the word most often associated with projects carried out by beneficiary NGOs working on human rights and other democracy-related initiatives on the ground. What has not always been explored in the Palestinian context is the extent to which such projects truly seek to empower the population to challenge authority rather than to nurture their acquiescence to the ongoing reality of Israel's settler-colonial project and to a neoliberal economic agenda that depoliticizes civic engagement.

## Donor Aid for Democracy and Palestinian Political Priorities

The amount of aid the donor community disbursed on the three areas identified as central to democracy (elections, good governance, and civil society) has changed over the past twenty years in accordance with donors' changing definition of the role of aid in resolving the Israeli-Palestinian conflict and the leadership's definition of Palestinian national priorities.

Since 1988, the PLO has proclaimed as its objective the establishment of an independent Palestinian state. Although the Oslo Accords themselves do not make that stipulation, both the Palestinian leadership and the international community worked on consolidating the institutional structure and power apparatus of a proto-Palestinian state in the WBGS. The stillborn U.S.-backed "road map for peace" in the Middle East (2002) as well as UN General Assembly Resolution 11317 (2012) clearly reference the creation of a Palestinian state in the WBGS as both legitimate and necessary for ending the Arab-Israeli conflict.



PA Prime Minister Rami Hamdallah and France's Minister of Health and Social Affairs, Marisol Touraine, inaugurating the Central Medical Pharmacy in Nablus, a public health project funded by the French development agency AFD and carried out in cooperation with the Palestinian Ministry of Health. (2 April 2016, Jaafar Ashtiyeh/AFP/Getty Images)

## AID IN NUMBERS

Prior to Oslo, donor aid, mainly from Arab countries and through the UN Development Programme (UNDP), was geared toward supporting economic projects and charitable organizations that helped sustain Palestinian steadfastness in the WBGS. During the multilateral Madrid peace talks in 1991–93, the international community expressed willingness to support various aspects of Palestinian rights (refugees, water, and so on) but the Palestinian leadership's decision to sign off on the Oslo Accords redirected donor aid toward supporting the new political reality set in place by the agreements.

State-building and democracy promotion projects, including measures supporting free and fair elections, are a fundamental part of development aid funds allocated to the WBGS. In the decade 2003–13, nearly \$1.5 billion of USAID money and approximately €3 billion in European contributions went toward state-building and strengthening accountability and representation within government and nongovernmental bodies. Those sums represent nearly one third of the total amount disbursed, with the balance going to economic development and humanitarian assistance (table 1).

USAID's share of aid allocated to democracy promotion in 2006, 2008, and 2012 was more than double the amount the agency directed at humanitarian aid (table 2). Humanitarian assistance was the largest single category of aid in 2007, 2009, and 2014, following a donor boycott of the Hamas-elected government and Israel's three wars on Gaza in the seven-year period (table 2).

Development	USAID	EU
Democracy (human rights and governance)	\$0.475 (12.9%)	€3.17 (34.1%)
Economy (economic development, health, education, and social services)	\$1.957 (52.8%)	€2.87 (29.9%)
State (budget support / peace and security)	\$0.9 (23.5%)	€3.3 (35.0%)
Humanitarian / emergency aid	\$0.4 (10.8%)	€9.3
<b>TOTAL</b>	<b>\$4.7</b>	<b>€9.3</b>

DATA CALCULATED FROM: USAID, *Foreign Assistance to the West Bank and Gaza*, various years, [http://foreignassistance.gov/OU.aspx?OUID=389&FY=2006&AgencyID=0&budTab=tab\\_Bud\\_Planned](http://foreignassistance.gov/OU.aspx?OUID=389&FY=2006&AgencyID=0&budTab=tab_Bud_Planned). EU, *European Neighborhood Policy, Country Report, Palestinian Authority of the West Bank and Gaza Strip*, various years, <http://ec.europa.eu/world/enp/pdf/country/pa>.

	2006	2007	2008	2009	2010	2014
<b>Development</b>						
Democracy (human rights and good governance)	24.8 (16.16%)	7.8 (12.30%)	41.9 (10.37%)	36.9 (3.59%)	31.9 (6.42%)	26.5 (9.1%)
Economy (economic development, health, education, and social services)	26 (16.94%)	28.4 (44.79%)	319.2 (79%)	652.5 (63.50%)	318.5 (64.18%)	272.2 (61.1%)
State (peace and security)	95.8 (62.45%)	n.a.	26.4 (6.53%)	233.5 (22.72%)	100.7 (20.29%)	70.5 (14.2%)
<b>Humanitarian / emergency aid</b>	6.8 (4.43%)	27.2 (42.90%)	16.5 (4.08%)	104.5 (10.17%)	45.1 (9.08%)	71.1 (14.5%)
<b>TOTAL</b>	<b>153.4</b>	<b>63.4</b>	<b>404</b>	<b>1027.4</b>	<b>496.2</b>	<b>440.1</b>

DATA CALCULATED FROM: USAID, *Foreign Assistance to the West Bank and Gaza*, various years, calculated from [http://foreignassistance.gov/OU.aspx?OUID=389&FY=2006&AgencyID=0&budTab=tab\\_Bud\\_Planned](http://foreignassistance.gov/OU.aspx?OUID=389&FY=2006&AgencyID=0&budTab=tab_Bud_Planned).

Moreover, the sums allocated to state-building, defined mainly as PA budget support and security (law and order) absorbed 25–30 percent of U.S. and EU funds, the two largest sources of aid to the WBGS (table 3). Interestingly, the sums allocated to state-building were at least two to three times larger than those directed at ~~human rights and governance in 2006, and~~ between 2009 and 2014 (table 2).

## ELECTIONS AS A BAROMETER

Considered the hallmark of any democratic process, Palestinian elections are one of the stipulations of the Oslo Accords, which called for the creation of a democratically elected Palestinian authority. The creation of the PA was an important achievement of the Palestinian national struggle, enabling the exiled leadership to return to part of historic Palestine and to territorialize the entity that the PLO had been seeking to establish ever since the late 1960s.<sup>12</sup> EU parliamentary representatives and U.S. NGOs<sup>13</sup> supervised Palestinian legislative elections in 1996 and 2006, and also monitored the 1996 presidential elections, as well as both the presidential and municipal elections of 2005 in the WBGS. In addition, the donor community provided funds to

Donor Countries	1996-97	2002	2003	2008 *	2009 *	2010 *
<b>League of Arab States</b>		316	124			
Kuwait				100	100	100
Qatar				33	33	33
Saudi Arabia	22			258	258	258
UAE				100	100	100
OPEC				44	44	44
<b>European Union</b>	78					
<b>European Commission</b>		217	187	635	394	228
Germany	23	21	27	96	96	96
Denmark		18		3	3	3
Sweden	21	16	32	110	101	101
Italy		32	40	194	38	38
Spain	20			151	93	86
United Kingdom			43	165	165	165
<b>USAID</b>	66	194	224	404	1027.5	496.2
Norway	43	44	53	166	165	165
Turkey				50	50	50
<b>World Bank</b>	31	37	50	109	50	50

SOURCE: Leila Farsakh, "Democracy Promotion in Palestine: Aid and the 'De-democratization' of the West Bank and Gaza," in *Rethinking Development under Occupation* [in Arabic], ed. Linda Tabari (Birzeit: Center for Development Studies, University of Birzeit, 2014).

help construct a building for the Palestinian Legislative Council (PLC) and its library as well as for staff training.<sup>14</sup>

International support for Palestinian elections was inconsistent, however. Although the monitoring agencies testified to the transparency of the 2006 legislative elections and the absence of irregularities in the process, both the EU and the United States rejected the verdict when the Palestinians returned Hamas as their elected representatives. The donor community in fact boycotted the Hamas government in 2006-7 and has implicitly acquiesced to the Israeli blockade of the Gaza Strip since the Hamas takeover there in 2007. Moreover, the donor community has turned a blind eye to the suspension of the PLC since 2007. The United States and the EU no longer called for new presidential, legislative, and local elections every five years as stipulated by the Palestinian Constitution. Rather, they have accepted the split between Gaza and the West Bank instead of striving to mend it. When local elections were held in the West Bank in 2012, the international community did not monitor them nor did it object to the unconstitutional changes made to the electoral laws that excluded Hamas and others from participating.

In a sense, the international community's response to the 2006 elections reveals in a nutshell how donor assistance is more concerned with sustaining the Oslo process than with ensuring an inclusive and dynamic Palestinian political system. In so doing, the international community sidesteps the settler-colonial reality entrenched by Oslo altogether and pays no heed to the Palestinian tradition of pluralistic political participation.

## PALESTINIAN POLITICAL SYSTEM SINCE OSLO

Up until the formation of the PA, the PLO was the main representative institution of the Palestinian people. Although it did not always function in a democratic fashion, the PLO had historically accommodated different political trends and affiliations, and it represented every Palestinian constituency, whether the diaspora, refugees, the Palestinian citizens of Israel (PCI), or the residents of the WBGs. It was also a channel for popular participation in civic and political life: from 1964 (when it was formed) until 1993 (when the leadership relocated to the oPt), the PLO provided a platform and a forum for a variety of voices to be heard and to participate in the political process, whether Palestinian youth in Lebanon, workers' right groups in refugee camps in Jericho or Yarmouk (Syria), or women's associations in Jordan, Lebanon, and the Gulf, among other places. The concerns of such groups were represented inside different Palestinian political parties as well as on the Palestine National Council (PNC), the Palestinian General Federation of Trade Unions, the Association of Palestinian Women's Committees, and the very active General Union of Palestinian Students. As Jamil Hilal succinctly put it, before Oslo "no one political group or organization ha[d] the monopoly over the means and aims" of the Palestinian political struggle.<sup>15</sup>

Oslo changed the political landscape by privileging the political constituency of the WBGs over the rest of the Palestinian population. The donor community endorsed this prioritization, thereby acquiescing to the exclusion of over 60 percent of the Palestinian population (all those living outside the oPt) from holding the PA accountable. Moreover, the donor community neither sought to revive the PNC, which many political parties called for in the Palestinian arena, nor did it recognize the PNC's supremacy over the PLC in constitutional and representative matters pertaining to the Palestinian people inside and outside the WBGs.<sup>16</sup> Thus, the international community de facto accepted the exclusion of Palestinian refugees and the PCI from participation in defining Palestinian national priorities. For Oslo and the donor community, Palestinian national priorities were confined to creating a Palestinian state without any reference to the Palestinian right of return enshrined in UNGA Resolution 194 of 1948.

Meanwhile, the donor community did not engage Palestinian political parties in the democratic process despite all the rhetoric about the importance of power sharing. It effectively oversaw the creation of a new national political space that both excluded the PLO and marginalized political parties, never addressing the concerns raised by Hamas and the Popular Front for the Liberation of Palestine (PFLP), for example, about the limitations of elections in a context of occupation or about the exclusion of the broader Palestinian community (in the diaspora). It paid no heed to the fact that the electoral system in the WBGs favored larger political parties, such as Fatah, to the detriment of minority or smaller parties. The system militated against the formation of coalition governments, which are better able to represent, and incorporate, a spectrum of political parties.

In addition, the donor community made no attempt to alleviate the polarization of the Palestinian political system between those that supported the agreements with Israel (Fatah, and smaller parties such as the Palestinian Democratic Union, also known as FIDA) and those that opposed them, such as the PFLP, Hamas, and Islamic Jihad, among others. It did little to encourage political parties to reach common ground or to accept the rise of Islamist parties whose popularity soared as they provided both a political space for those disenchanting with Oslo (which



had not ended the Israeli occupation) and much-needed social services. Yet, when Hamas won the 2006 parliamentary elections, the international community rejected its victory despite its insistence on the importance of alternation of power.

Under both Arafat and Abbas, international aid to the PA strengthened the regime's authoritarian tendencies<sup>17</sup> and supported a rentier state structure by virtue of the development of an extensive public sector and aid dependency nurtured by the Oslo process. The patronage system ensuing from Fatah's domination and the economy's strangulation under Israeli closure and settlement construction policies were bound to undermine the very democratic impulses that the international community (and the 1996 elections) had promised to protect.

## Good Governance: Depoliticizing Politics

Rather than encouraging the participation of other political parties in government to stymie the PA's rent-seeking activities, the donor community launched a series of fact-finding missions and good governance projects. In 1999, an EU-funded international task force expressed serious concerns about the PA's patronage system and lack of financial transparency, acknowledging widespread Palestinian complaints about the PA's corruption and human rights violations.<sup>18</sup> From 2002 on, aid allocated to good governance shifted from simply supporting the professionalization of NGOs<sup>19</sup> in civil society to a more top-down approach of implementing state-building initiatives in the WBGS by reforming civic and government institutions.

Donor attention to issues of governance and accountability gained further prominence with the 2002 road map, which called for: reforming government institutions, both financially and structurally; developing a strong security apparatus trained by the United States and Israel; and tighter security cooperation between Israel and the PA, under U.S. supervision. The road map also claimed that it would recalibrate the political system's power centers by reducing presidential powers and strengthening the prime minister's office as well as the parliament. It is notable in this regard that the donor community chose to focus solely on Palestinian responsibility for creating a democratic state and to exclude from its analysis the reality of Israel's colonial enterprise.<sup>20</sup> As a result, both the success of the donor mission and the international community's commitment to Palestinian democratic accountability were put into question.

Since 1993, when the first agreements were signed under the Oslo peace process, aid toward good governance, state budget support, and security has represented 30–35 percent of EU and USAID funding (table 1). That aid category increased after the political rift between Gaza and the West Bank and the establishment of the caretaker government of Salam Fayyad in 2007. The 2008–2010 Palestinian Reform and Development Plan (PRDP) that was launched by the Fayyad government, and was elaborated with the help of the WB and the IMF, clearly reflects the neoliberal priorities of both the PA and its backers. It outlines the Palestinian government's goals as: good governance, defined to include the separation of powers and the creation of accountable government; safety and security, including beefing up the capacity of security services, ensuring their democratic oversight, and improving the rule of law and the judiciary sector; increasing national prosperity by establishing a stable legal framework for the growth of the public and private sectors; and

enhancing quality of life through social policies that empower citizens and ensure access to basic health and education.<sup>21</sup> Thus, the PRDP clearly reflected a post-Washington Consensus discourse in its emphasis on the importance of institutional accountability in fostering market-friendly and sustainable development and reducing the size and role of the public sector in ensuring the welfare of citizens by scaling down on economic provision.

However, the specifics of the PRDP, and the aid steered its way, proved to be mostly geared toward enhancing, if not engineering, the legitimacy of the PA in the West Bank within the straightjacket imposed by the Oslo peace process and in accordance with the exigencies of the Israeli occupation, namely no central bank and no control over tariffs, land, or water resources, all central elements of basic economic policy. With neoliberal principles calling for the restriction of public expenditures, the PA had limited fiscal options. It thus sought to encourage private funding of public utilities and growth through financial borrowing and real estate investment, addressing such problems as nonpayment of utility bills by privatizing the services involved. This, together with the need to raise domestic taxes to avoid large budget deficits increased private indebtedness. Meanwhile, the PA promised the population greater security through promoting investment and economic prosperity.

In the eyes of the PA, as evidenced in its various development plans since 2008, legitimacy was attainable through the provision of law and order and other services to the citizens, not via public debate or at the ballot box. A similar view is reflected in the language and goals of USAID and WB projects. USAID governance projects promise to enhance “the capacity of the PA ministries and institutions, in the delivery of services to citizens in an effort to help the PA prepare for eventual statehood.” This is to be achieved by improving these institutions’ “financial and human resource management,” their “accountability and transparency,” as well as by “enhance[d] communication and coordination among PA, local governments, and civil society organizations.”<sup>22</sup> Good governance aid is directed not only toward ministries in Ramallah but also to local government institutions, municipalities, and governorates, considered key in connecting the Palestinian government to its people (table 4, LDR project). Various other projects address the judiciary, which the PRDP promises to reform; in its own words, USAID seeks to “strengthen public confidence and respect for justice institutions and the rule of law in the West Bank and Gaza” (table 4, PJEP project).

While helpful in providing needed training, education, and management techniques, good governance projects nevertheless remain problematic. They are embedded within a neoliberal understanding of development and democracy that seeks to depoliticize the community rather than to empower it to resist Israeli settler colonialism. Promising transparent institutions and accountability, good governance projects allow people to vent but not necessarily to suggest an alternative to the ongoing political reality. Although citizens are able to express discontent and report on corrupt bureaucrats under such schemes, they are not encouraged or enabled to challenge authority or engage it critically, especially as they became increasingly dependent on it economically, whether through aid, debt, and/or public employment. As Raja Khalidi and Sobhi Samour put it in their description of the PRDP, “underlying its (law and order) technical, neutral vocabulary is the *desire to escape politics*, and indeed the very political nature of the question of Palestine. The statehood program encourages the idea that citizens may have to acquiesce in

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TABLE 4. USAID DEMOCRACY AND GOVERNANCE PROJECTS, 2008–PRESENT			
USAID democracy and governance	Target of project	Timeline	Amount
EPIM (Enhancing Palestinian Independent Media Project)	Aims to develop the institutional and professional capacity of independent media and to promote informed dialogue between the PA and the Palestinian public / Strengthening a professional media for a democratic Palestinian state	09/29/2010–9/29/2013	\$5,999,995
CEP (Civic Engagement Program)	Provides community-focused grants to local governmental institutions that offer viable democratic alternatives to extremism. Provides tools to respond to urgent humanitarian situations resulting from military actions.	09/29/2008–09/29/2011	\$62,500,000
CMM (Office of Conflict Management and Mitigation)	Seeks to promote peaceful coexistence among Palestinians and Israelis, and improve mutual understanding and dialogue between both sides. “People to People” projects.	2004–2013	\$24,734,013(2004–9) \$12,389,797(2009–13)
CPP (Civic Participation Program)	Provides strategic opportunities to civil society organizations to adopt and utilize internal democratic management practices to ensure transparent decision-making and communication practices that will increase accountability of internal governance, quality of performance, and credibility of external outreach.	09/30/2010–09/30/2013	\$17,934,743
LDR (Local Democratic Reform–TAWASOL)	Seeks to enhance the capacity of the Ministry of Local Government (MoLG); strengthen the capacity of partner Local Government Units (LGUs); and expand civic engagement and participation in partner municipalities.	09/30/2005–09/30/2011	\$36,999,952
PACE (Palestinian Authority Capacity Enhancement Program)	Provides technical and advisory support to targeted PA institutions to upgrade capabilities, improve management skills, improve citizen services, and enhance the performance of the public sector institutions and skills of civil servants.	09/26/2008–09/26/2011	\$21,000,000

(continued)

USAID democracy and governance	Target of project	Timeline	Amount
PJEP (Palestinian Justice Enhancement Program)	Aims to strengthen public confidence and respect for justice sector institutions and the rule of law in the West Bank and Gaza. The program directly addresses the priorities and objectives outlined in the PA's Justice Sector Strategy and its Plan for the Thirteenth Government.	09/10/2010–03/28/2014	\$14,994,749

SOURCE: USAID, West Bank and Gaza, *Democracy and Governance Projects*, accessed November 2011, <http://www.usaid.gov/wbg/dgo.html>.

occupation but will not be denied the benefits of smoother running traffic, a liberal education, curriculum investor-friendly institutions, efficient public service delivery and, for the middle class, access to luxury hotel chains” (italics in original).<sup>23</sup>

Moreover, good governance projects have done nothing to lessen the PA’s authoritarianism. Many have argued that what has happened so far is not institution-building but institution preservation and the regulation of the interests of the executive.<sup>24</sup> Despite all the investment in the judiciary, the improvement of departmental finances, as well as PA budget transparency, no separation of power has taken place in the Palestinian political system. Rather, reforms have undermined the project of Palestinian national liberation. By placing such emphasis on state-building while the Palestinian political schism continues and Israel remains unaccountable, aid has effectively emptied the Palestinian statehood project of any emancipatory content.

## Targeting Civil Society: The Power to Exclude and Include

Aid directed toward civil society has proven to be just as directed at legitimizing the PA within a very narrow band of democratic rights pertaining only to Palestinians living under its jurisdiction, and not to any of those outside. In the words of the agency, USAID civic participation programs (CPP), providing 161 grants to over seventy-five Palestinian civil society organizations between 2008 and 2010, sought “to *reinvigorate the involvement* of Palestinian society in the Palestinian Authority *decision-making process, in the monitoring and oversight* of government institutions, and in the broader public sector discourse in order to ensure a more vibrant and robust *democratic dialogue between the government and the citizens of the future Palestinian state*” (italics added).<sup>25</sup>

The declared aim of this aid is to provide a bottom-up approach to empowering Palestinian society to hold the PA accountable. The bulk of it has gone to human rights groups that are concerned with rule of law and protection of citizens’ rights. Women’s groups and youth groups have also been important recipients, as have the media. The EU and USAID have prioritized the media for its central role in providing “dialogue between the Palestinian Authority and the Palestinian public” (see table 4, EPIM project).

Aid to civil society organizations, however, has been selective. For instance, the bulk of aid to women's groups has gone to a few NGOs, rather than to those that need it most. Civil society organizations have been typically professionalized in a way that has enabled them to meet donor requirements rather than their constituents' needs.<sup>26</sup> In this way, international aid to such organizations has created a wedge between NGOs that have the savvy to address a Western audience, and those that have remained more involved in grassroots work but lacked funding either because they are not Anglophone or secular enough. Thus, international aid has fostered rather than reduced inequality within civil society with some Palestinian NGOs becoming complicit in the process, since their staff salaries are largely dependent on international aid. Over the past two decades, a new class of vested interests has emerged in the West Bank, composed mainly of a small middle class of entrepreneurs and professional NGOs that are linked to the PA's neoliberal projects of economic liberalization.

While undoubtedly important in targeting often neglected populations and providing them with useful forums for discussion and training, these civil society projects have proven problematic on several scores. First, they have excluded important groups such as labor groups, trade unions, and charitable organizations that are directly involved in community organizing. Second, even among ostensibly privileged targeted populations, such as women or youth, donors tend to exclude organizations that are close to Hamas or Islamist groups they designate as "terrorist." From the point of view of empowerment and viable development, such an approach is highly questionable: first, many of these Islamist associations are neither politically motivated by Hamas nor financed by the organization;<sup>27</sup> and second, by excluding the whole Islamist sector, which has been active in community organizing for years, the donor community is actually depriving half, if not more, of society of representation as well as of money. Donors' power to decide whom to exclude and include is highly undemocratic and politically biased, and ultimately indicates that donor aid remains tied to supporting Israel's definition of its security rather than to Palestinians' democratic choices. It also undermines the larger sets of Palestinian rights that are protected by international law.

Moreover, civic engagement projects foster an individual relationship to public authority, not an associational one. Although they promise to "teach" Palestinians how to "monitor government institutions" and "establish a democratic dialogue between the government and the citizens,"<sup>28</sup> these projects keep the dialogue on an individual, not collective level. No political parties or trade unions or even the Palestinian NGO Network (PNGO) are leading the conversation or undertaking the dialogue collectively, whether among Palestinians or with the PA. It is simply what are assumed to be "enlightened, democratically trained" individual Palestinians who are expected to hold the PA accountable, each alone in his or her own way. In other words, the conversation is taking place *outside the arena of politics* (parliament, ballot box, political organizing) rather than amid, and with, political organizations (parties, trade unions, community organizations).

Furthermore, these civil society projects are mostly geared toward protecting the Oslo peace process. Among USAID's largest initiatives is the Civic Engagement Program (CEP), which provides "grants to local governmental institutions that offer viable democratic alternatives to extremism."<sup>28</sup> With a \$62 million budget, the project works with fifty-five government entities (ministries, municipalities, and so on) and sixty-five NGOs throughout the WBGS. Interestingly, USAID measures CEP's success as improving humanitarian assistance to the people of Gaza with

the purchase of needed food and medicines and as “the provision of economic and social development grants in Jenin and Hebron.”<sup>29</sup> What is particularly revealing in this regard is how good governance projects do not address questions of democratic accountability, preferring, in the name of transparency, to manufacture legitimacy for the PA mainly through poverty alleviation projects.

Civil society projects have also proven interested in legitimizing Israel rather than challenging its colonial domination. ~~Nearly half of~~ USAID civil society projects are geared toward promoting a culture of peace with Israel thereby pushing toward a politics of normalization.<sup>30</sup> They seek to do so through the development of a peace radio station, a multimedia education program, training in peaceful coexistence, joint Israeli-Palestinian basketball teams, or environmental awareness groups. While some of these projects try to build skills and attitudes that promote conflict mitigation in Gaza through sports and play,<sup>31</sup> especially among children and youth, they fail to address the cause of this conflict, namely continuing Israeli assaults on basic Palestinian human and political rights. For most Palestinians these projects are an obstacle, not a means to, peace as they absolve Israelis of their responsibilities in perpetuating a settler-colonial reality.

Donor aid is directly impacting the content and process of Palestinian civil society’s political engagement rather than respecting and encouraging its autonomy. While many Palestinian NGOs may not function democratically, it is up to the community, rather than donors, to hold them accountable. The donor community has failed to accept Palestinian society’s own critique of the Oslo process and its definition of resistance against the occupation. For example, peace promotion projects run counter to the call by over 170 civil society organizations in the WBGS for boycott, divestment, and sanctions of Israel (BDS), launched in 2005. The BDS campaign has gained momentum both inside and outside the oPt but donors continue to ignore its principles, largely because it opposes the politics of normalization.

## Moving Forward

Anthropologist Raff Carmen has argued that by calling on indigenous populations to participate in projects designed by outside agencies, participatory development and democracy projects can distract them from their known ways of political participation. Such projects end up focusing on creating new social mechanisms of control rather than liberating or empowering the population.<sup>32</sup>

Donor aid to democracy promotion projects in the WBGS have not succeeded in creating the empowerment they promised to deliver. While they provide an opportunity to learn about new management techniques and financial accountability, and have at times provided children and vulnerable groups trapped in Gaza, or behind the separation barrier, with needed food and medicine, they have not necessarily empowered the population. This is largely because these projects have been more concerned with enhancing the legitimacy of the PA than with allowing the population to challenge the PA’s control. These projects have not sufficiently emphasized the centrality of democratic institutions such as a functioning parliament, regular elections, or political parties, among others. Moreover, these projects remain confined to a neoliberal paradigm that places the individual rather than the collectivity at the center of the analysis, making his/her mission and focus the functioning of a free market and prosperous consumer economy. Thus, they

entrench a settler-colonial reality rather than sustain the Palestinian struggle for decolonization and national liberation.

The donor community needs to be up-front as to the extent to which it is interested in promoting democracy or saving its own version of the peace process. If it is true empowerment that it wants to promote, then it needs to listen to Palestinian society's own definition of its political priorities. Civil society in the WBGs has been vocal about its needs, whether through the BDS call, the Stop the Wall Campaign, or the calls for reviving the PLO. Such initiatives need to be respected and supported rather than ignored and offered lip service. Moreover, the donor community needs to address the totality of the Palestinian people, rather than merely focusing on the inhabitants of the West Bank and the humanitarian needs of those in Gaza or Yarmouk refugee camp in Syria. Democracy promotion projects should also be directed toward Palestinian political institutions. Donors need to support Palestinian calls for restoring the PLC, reviving the PNC, supporting trade unions that protect workers, and allowing political parties to form and exercise their right to organize, advertise, and mobilize within nationally agreed-upon rules. International donors also need to accept the diversity and complexity of the Islamist social sector rather than ostracize it. The boycott of the Hamas government in Gaza, as well as the siege of the territory and three Israeli wars in less than six years have not only disempowered the Palestinians further but have also entrenched Palestinian fragmentation. Moreover, the donor community needs to respect a Palestinian model of peaceful resistance and to uphold international law. The 2005 BDS call or the weekly peaceful demonstrations against the separation barrier led by numerous NGOs and associations are just a few of the most recent examples of the kind of peaceful resistance that conform not only with international law but with the Palestinian people's own definition of their needs and chosen methods of resistance.

At the same time, Palestinian NGOs, associations, and community-based initiatives need to speak in a unified voice, specifying their aid priorities and rejecting those projects that are not aligned with those priorities. This in turn entails a larger conversation within Palestinian society about national priorities after the failure of Oslo to produce a unified Palestinian state. Repeated attempts to unify the Palestinian governments in Gaza and the West Bank have failed to materialize, putting further pressure on Palestinian civil society organizations and political parties to find new ways to relaunch political debate and redefine Palestinian political objectives.

Palestinian society is likely to remain aid-dependent so long as the Israeli occupation and Israel's violation of international laws go unhindered. Aid that makes people aid-dependent cannot empower them, nor is denying their right to resistance and political organization conducive to their empowerment. In Raff Carmen's words, "We encourage aid which helps us to do without aid. An aid dependent policy cannot help us to organize. It simply enslaves us and makes us irresponsible."<sup>33</sup>

#### **About the Author**

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## ENDNOTES

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- 2 Michael Keating, Anne Le More and Robert Lowe, eds., *Aid, Diplomacy and Facts on the Ground* (London: Chatham House, 2005).
- 3 See Palestinian Central Bureau of Statistics, *Labor Statistics*, accessed 10 December 2015, [www.pcbs.org/statistics/laborsurvey](http://www.pcbs.org/statistics/laborsurvey).
- 4 See Benoit Challand, *Palestinian Civil Society: Foreign Donors and the Power to Promote and Exclude* (London: Routledge, 2009), p. 72.
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- 7 Philippe C. Schmitter and Terry Lynn Karl, "What Democracy Is . . . and Is Not," *Journal of Democracy* 2, no. 3 (1991): pp. 75–87.
- 8 World Bank, *West Bank and Gaza Assistance Strategy*, at [www.worldbank.org/intwestbankgaza/resources/WBGStrategyFY08-FY10](http://www.worldbank.org/intwestbankgaza/resources/WBGStrategyFY08-FY10), and UNCTAD, *The Palestinian War-Torn Economy: Aid, Development and State Formation* (United Nations: Geneva, 2006), p. 32.
- 9 "Defining Civil Society," World Bank, <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20101499~menuPK:244752~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.
- 10 The Washington Consensus refers to a set of ten relatively specific economic policy prescriptions that were part of the standard reform package offered by Washington-based institutions (most notably the IMF, World Bank, and U.S. Treasury Department) to address the faltering of many developing economies in the 1980s. To its supporters, the post-Washington Consensus alludes to the addition of sustainable and democratic development to the original logic of neoliberalism, including greater concern for the poor and social spending on education and health. Opponents argue that the post-Washington Consensus remains underpinned by the original neoliberal agenda and that social spending and other antipoverty measures were added to the original package to make up for the failure of the market to redress developing countries' economic problems.
- 11 The EU document titled "The EU Role in Promoting Human Rights and Democratization in Third Countries" provided the framework for much of the EU member states' position. See Michelle Pace "Democracy Promotion in the Context of an Occupied Nation? The Case of Palestine," in *Europe, the USA and Political Islam: Strategies for Engagement*, ed. Michelle Pace (New York: Palgrave, 2011), pp. 102–24.
- 12 Yezid Sayigh, *Armed Struggle and the Search for State: The Palestinian National Movement* (Oxford: Oxford University Press, 1997).
- 13 For example, the Carter Foundation, among others.
- 14 Guilain P. Denoeux and Robert Springborg, *Promoting Democracy and State Building in Palestine: Donor Assistance to the Palestinian Legislative Council* (London: Saffron, 2005).
- 15 Jamil Hilal, "Problematizing Democracy in Palestine," *Comparative Studies in South Asia, Africa and the Middle East* 23, no. 1 & 2 (2003): pp. 163–72.
- 16 Karma Nabulsi, *The State-Building Project: What Went Wrong*, p. 120.
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- 18 Anne Le More, *International Assistance to the Palestinians after Oslo: Political Guilt, Wasted Money* (London: Routledge, 2008), p. 157.
- 19 Up until 2002, most of this aid went to support local NGOs in the West Bank and Gaza, considered as the counterpart to the state and the basis of a vibrant civil society. It focused on improving the performance of Palestinian NGOs, in the sense of providing them with training in modern management techniques, becoming accountable to their constituents, and professionalized in pursuit of international grants.
- 20 See, among others, Leila Farsakh, "The Political Economy of Israeli Occupation: What Is Colonial about It?" *Electronic Journal of Middle Eastern Studies*, no. 8 (Spring 2008), and Adam Hanieh, "Development as Struggle: Confronting the Reality of Power in Palestine," a companion piece in this issue.
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