

Conference report

Comparative perspectives on state-building for a future Palestinian state

Summary

The Norwegian Peacebuilding Resource Centre (NOREF) and the Palestinian Government Media Center organised a seminar to examine the Palestinian state-building agenda and compare and contrast this agenda with the state-building experiences in East Timor, Kosovo and South Africa. The Palestinian state-building process is particularly relevant since the Palestinian Authority is planning to propose the declaration of the State to the UN General Assembly in September 2011.

The seminar gathered leading representatives from the Palestinian National Authority (PNA), civil society, and academic experts, internationally-renowned state-building experts, and representatives from the international community to review progress on the PNA's plan and provide recommendations for future actions. This is an updated report on the seminar that was held in Ramallah on 16 February 2011.

This briefing was written by Cairo Arafat of the Palestinian Government Media Center, Ramallah.

The PNA's State-Building Programme

The PNA's Thirteenth Government Program is entitled "Ending the Occupation, Establishing the State" and sets the goal of establishing "a *de facto* state apparatus within two years"¹. The programme aims at meeting the demands of Palestinians for "transparent, accountable institutions that deliver services, social development, economic growth, and career opportunities free from favouritism and wastefulness." The Palestinian National Authority and international partners have remained committed to supporting the implementation of this programme and to bilateral negotiation processes. To date, there have been negligible actions taken regarding negotiations; however,

the PNA continues to steadily move forward on its promise to establish solid foundations for the institutional set-up of a future Palestinian State that should be internationally recognised in 2011.

Prime Minister Salam Fayyad provided an overview of the PNA's commitment to executing its programme that aims at ending the occupation and establishing a Palestinian state. The PNA continues to support the building of well-functioning, transparent, and accountable state institutions that are responsible for providing the basis for the economic development, security, safety, and social development of the country. The PNA has made significant progress in setting up the necessary infrastructure (roads, water and sanitation networks, electricity, schools, clinics, hospitals, public buildings) that support

¹ Published August 2009 and available at: http://www.mop-gov.ps/issues_details.php?pid=15

swift and equitable access to services by the population, particularly in the more-rural regions of the Occupied Palestinian Territories. These include specific targeting of assistance to the sectors and programmes that are prioritised in the PNA's agenda and have resulted in job creation and economic growth of approximately 8-9% annually. These initiatives have been complemented by PNA efforts on budget retrenchment, reduction of aid dependency, increasing the revenue base, and improving tax collection.

The PNA has been able to effectively establish a strong and disciplined security force within the West Bank. This has afforded Palestinians a greater sense of safety, security, and public order. This has been complemented with increasing respect for rule of law and improved functioning in courts within the country. The Prime Minister noted that although these achievements are impressive, more could have been accomplished if the constraints imposed by the occupation did not exist. Economic development and implementation of good governance and rule of law measures throughout the Occupied Palestinian Territories (OPT) have all been hindered by: the fragmentation of the West Bank; the inability to adequately and freely access Area C, Jerusalem, and the Gaza Strip; Israeli incursions into and invasions of the Gaza Strip and West Bank; and the continued rift between the West Bank and Gaza Strip. The PNA will continue on its course of preparing Palestine for statehood, and this will occur in parallel with negotiations, international efforts, and reconciliation processes that are all key elements in ensuring that an end to occupation occurs and the establishment of the State of Palestine takes place.

Participants at the seminar engaged in discussions throughout the day addressing the following issues.

Assessment of PNA progress towards its state-building objectives

The Ministry of National Economy has focused on preparing the necessary legislation and policy, as well as best practices for encouraging local and international private investments. This has required restructuring within the Ministry including streamlining and speeding up the efficiency of business registration alongside improving consumer protection measures. These efforts have been

coordinated with increasing efforts both to identify local and international markets for Palestinian goods and services and to improve trade agreements and arrangements. This has also required that the Ministry take actions to prevent Israeli settlement goods from entering into Palestinian markets. These latter efforts have met with resistance from Israel.

These efforts were complemented with the efforts of the Palestine Monetary Authority that has focused on ensuring that banks are properly monitored and that they apply best practices that improve the quality of consumer services. This has resulted in greater distribution and use of banks by the population throughout the OPT, increased access to loans, and corporate social responsibility programmes.

The PNA has demonstrated significant progress in maintaining a monopoly of force within the West Bank. The police and security forces have been able to ensure increasing safety and protection of citizens, despite consistent attempts by Israel to invade PNA areas and undermine the credibility and legitimacy of security forces. There has been a substantial investment in building the needed security infrastructure and enhancing capacity building for security forces. However, gaps in amending security-related laws and revision of the security structures were identified and noted. The improved security situation was accompanied by increased use of courts as a venue for meting out justice. During the last few years, efforts have focused on increasing the number of judges, providing intensive capacity-building initiatives, improving the infrastructure, and revising the structure of the judicial system to ensure that it is independent, capable, and applies the law in an indiscriminate manner. The rule-of-law efforts were tempered by the inability of rule of law and security to be extended into Area C.

Assessment of domestic legitimacy (political dialogue and reconciliation)

The division between the West Bank and the Gaza Strip (Fatah-Hamas) was a major concern that was raised by a number of participants.² Establishing a Palestinian state requires resolving the rift between the

² On 27 May 2011, the Transitional Government of Egypt opened the Rafah border crossing between the Gaza Strip and Egypt. The border crossing remains open for a few hours each day albeit with several restrictions.

parties and ensuring that reconciliation occurs. The population should have one “legitimate” interlocutor and not be held hostage to separate powers that hold contrary and contradictive perspectives. This is further exacerbated by the continued presence of different sets of laws, policies, and service-delivery mechanisms between the West Bank and the Gaza Strip that risk increasingly dividing the population and undermining the legitimacy of the Palestinian leadership.³

The development of infrastructure and provision of social services were seen as necessary, but insufficient actions, to establish legitimacy within the OPT. The main impediments to establishing state legitimacy were stated as: lack of elections; the strong control and dominance of the executive powers - both the non-functioning legislative branch and the weak judicial system; bias towards elite interest groups (private sector); and limited partnerships and venues for public expression of private and civil society views and partnerships. For the PNA to enhance and improve its legitimacy amongst the population, the following major actions need to be undertaken: resolve the political factionalism between the West Bank and the Gaza Strip; address the needs of the population; and hold public consultations and incorporate the public’s views into decision-making processes.

The importance of establishing social dialogue within the country was highlighted by a number of participants. Citizens need to “buy into” the PNA’s agenda and have faith and confidence in that agenda. Political will must be targeted at reflecting the voices of the people and unifying them. By failing to develop national consensus and citizen support, vying parties and efforts will undermine the PNA’s agenda and could lead to fuelling internal strife and conflict.

Foreign assistance was perceived to play a major role in shaping the PNA’s agenda and the likelihood that “donor agendas” yielded a stronger influence on the PNA’s priorities than citizens’ views did,

was also noted. It was recommended that the PNA continue on its path of retrenchment and reducing foreign aid dependency. However, there was agreement that aid was vital in helping the country to develop its capacity. The essential issue was how and where to use the aid. Establishing a transparent and nationally-agreeable programme of where to target aid and how to prioritise aid interventions was highlighted. The absence of a strong economic framework and vision will result in the use of funds for short-term, politically-biased, and unsustainable financing of programmes that can be easily eroded during periods of instability.

Roles of civil society and private sector in the state-building process

The development of a national strategy and plan was viewed as a positive step in developing the foundations for statehood. However, the failure to adequately involve civil society and the private sector in developing and executing this national plan were criticised. It is not enough to “consult” with citizens, civil society, and the private sector; they must be perceived as partners in the decision-making process and have a voice in determining which direction the country will take. This was reflected in views that noted that civil society and the private sector were critical of many of the strategies identified in the plan and felt that a greater role for civil society should be included in the delivery of services, monitoring services, support for privatisation and decentralisation, and in determining what kind of economic development the PNA should support. Special attention should be paid to the new youth movements that, following the trends of the Arab uprisings, have also been born in Palestine.

There was general agreement that sustainable economic development under occupation was not possible. However, this requires that the PNA work towards establishing the conditions and policies that would support economic growth and skew development in the correct direction. The absence of a pragmatic, realistic, and Palestinian-owned and driven economic strategy was noted. As regards the private sector, there were perceptions that the PNA had opted for an open and free-market system that provided businesses with tax breaks and incentives that are leading to monopolies and are undermining

³ On 27 April 2011, Fatah and Hamas signed a unity agreement in Cairo that includes: the establishment of a government of technocrats instead of the two currently-existing governments headed by Salam Fayyad and Ismail Haniyeh; the holding of general parliamentary and presidential elections in about eight months; a merger and unification of the security apparatuses; the release of political prisoners; and Arab League supervision of the implementation of the agreement.

the ability of small- and medium-sized enterprises to grow. Privatisation of PNA services (health, utilities, etc.) was considered to be a key strategy that requires further discussion.

The increasing rates of inflation, high cost of living, and high rates of unemployment (especially amongst youth) were not being adequately addressed by the PNA. These factors are common in fragile countries and can undermine stability. Although many of these factors are currently beyond the capacity of the PNA to address, action needs to be taken to counter the negative effects of unemployment and use aid to create jobs and long-term employment opportunities within the country. Continuing to use aid to buoy social services is insufficient and inefficient. Developing bilateral links with Arab countries and bypassing Israeli control over the market and labour force is crucial.

In terms of the constraints on civil society, civil society requires more space and freedom to operate, be critical, advocate and monitor PNA policies, practices and achievements, as well as for proposing sectoral policies, needs and priorities, and for having its perspectives and recommendations taken into consideration. There were serious concerns that rule of law and security measures had led to serious and grave violations of human rights.

The PNA needs to ensure that those violating the law be held accountable and not be considered to be above the law. Separation of powers between the executive, legislative, and judicial branches of the PNA needs further elaboration, and efforts to support reconciliation were recommended to allow the legislative branch to function and adopt laws that safeguard citizens' rights and serve and provide oversight to the executive branch of PNA.

Summary points

- Commendable progress has been made in executing the national plan
- Execution of the plan is necessary, but insufficient for establishing statehood
- Palestinian institutions and affairs are currently sufficient to establish a state, provided the occupation ends and sovereignty is established
- Political legitimacy is limited and needs to be developed
- Reconciliation is critical for establishing and maintaining legitimacy
- Citizen involvement, participation, and inclusion in the state-building process is lacking
- A visionary economic development strategy is needed
- Respect for citizens' rights should be a particular focus

