

## Palestinians back on the political stage?

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The Arab Spring significantly increased the coverage of Arab politics in international mass media. Yet, the “usual suspect” that regularly captures the headlines of world affairs in past decades—politics in the occupied Palestinian territories—has been remarkably absent from the headlines of reports on the Arab Spring. Yet, recently, the Palestinians appear to be back on the political stage.

On September 12, 2012, the New York Times reported on a week of major protests in different cities of the West Bank that were directed not (primarily) against Israeli occupation but its own government: mainly Prime Minister Salam Fayyad and, albeit to a lesser degree, President Mahmud Abbas.<sup>1</sup> Less than two weeks later, on September 27, 2012, Mahmud Abbas delivered a highly covered speech at the 67th session of the General Assembly of the United Nations.<sup>2</sup> He thereby emphasized that bilateral negotiations with Israel led to a deadlock and concluded that a Palestinian state should be established. Abbas announced to apply for an upgrade of the Palestinian status in the UN as a non-member state. Between these two dates, the World Bank released a significant report on the fiscal crisis of the Palestinian Authority and economic prospects in the West Bank.<sup>3</sup> In that report, the efforts of the Palestinian Authority to deal with the fiscal crisis are praised. Furthermore, in the report, Israel's occupation policy is criticized for impeding Palestinian development and the international donor community is blamed for having fallen short of its financial commitments to support the Palestinian Authority (PA).

The three abovementioned pieces of information trigger important questions: Is a "Palestinian Spring" ahead? Did Mahmud Abbas turn to be a radical by asking the international community to upgrade the Palestinian status in the UN without prior consultations with Israel? Finally, why is the World Bank critical of Israel and the international community rather than of the PA which, in turn, is under pressure from its own constituency? These questions signify contradictory developments that are to be dealt with in the present paper.

The recent protests in the West Bank are significant. The scope of the protests was quite impressive both in numbers and geographical scope. Thousands of people demonstrated in the major cities of the West Bank such Al-Khalil (Heb-

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<sup>1</sup> Isabel Kershner 2012: Spreading Palestinian Protests Focus on Leaders, in: New York Times September 10, available at: [http://www.nytimes.com/2012/09/11/world/middleeast/spreading-palestinian-protests-focus-on-leaders.html?\\_r=0](http://www.nytimes.com/2012/09/11/world/middleeast/spreading-palestinian-protests-focus-on-leaders.html?_r=0), retrieved on September 12<sup>th</sup>, 2012.

<sup>2</sup> The speech has been put on Youtube in full length and is available at: <http://www.youtube.com/watch?v=1sJXfO7AyZU>, retrieved on September 29<sup>th</sup>, 2012.

<sup>3</sup> The World Bank 2012: Fiscal Crisis, Economic Prospects. The Imperative for Economic Cohesion in the Palestinian Territories (Economic Monitoring Report to the Ad Hoc Liaison Committee), September 13, available at: [http://unispal.un.org/pdfs/WBank09-2012\\_AHLCReport.pdf](http://unispal.un.org/pdfs/WBank09-2012_AHLCReport.pdf), retrieved on September 27<sup>th</sup>, 2012.

ron), Nablus, and Ramallah, which hosts the PA. The demonstrators shouted slogans of the Arab Spring, some demanding Mahmud Abbas to step down from office. At the same time, the causes of the protests in the Palestinian territories were less political than economic, or rather, financial issues. When Salam Fayyad imposed austerity measures as a result of a severe budget crisis, the Palestinians, who already suffer from high unemployment rates and living costs in relation to salaries, directed their outrage against their government. Thus, a point can be made that the Palestinian protest—thus far—resembles the Middle Eastern pre-Arab Spring pattern of “bred riots,” rather than the revolutionary movements in Egypt, Tunisia, Libya, and Syria that demanded not less than regime change. Yet, one should be careful to trivialize the recent demonstrations in the West Bank since the major anti-regime movements in the Arab Spring were also, at least at the beginning, inspired by frustrations on the economic performance of the ruling elites. Nevertheless, the fact that the Palestinian territories remained impressively silent during the heydays of the Arab Spring in 2011, and since the recent events have not reached the level in other Arab countries raises the question: Why so—particularly in the light of the fact that since the 20<sup>th</sup> century, Palestinians have been famous for being the most politicized people in the Arab world?

The strategic situation between the West Bank society and its political leadership is very different from other Arab nations. Due to prolonged occupation of Palestinians, whose territories were conquered by Israel in 1967, the authority of the PA is very limited. The scope of its activities was massively restricted already when launched as a result of bilateral negotiations in Oslo in 1993. Yet, in the first years of the Oslo peace process, hope prevailed among Palestinians that the final outcome of bilateral negotiations with Israel would be a Palestinian state. Since 2010, however, there are few Palestinians left who are confident that there will be a Palestinian state as the result of negotiations with Israel. The Second Intifada, which started in 2000, already signified the termination of the Oslo peace process by the Palestinian people—whereas its leadership was still ready to occasionally resume rounds of bargaining with Israel, which all failed due to the extremely high degree of incompatibility of positions between the two sides. At the end of 2010, when Barack Obama publicly declared that he will not any more put pressure on Israel to commit itself to even a temporary settlement freeze, the curtain was drawn over the approach of achieving a Palestinian state based on bilateral negotiations between Israel and the PLO. At the same time, by no means this was the end of the Palestinian aspirations of having a state of their own.

In August 2009 Salam Fayyad had come up with a plan to build proto-state institutions based on principles of good governance, thereby creating a Palestinian state, rather than talking about it in fruitless discussions with Israel. The Fayyad Plan was approved by the West since it appeared as an appealing pro-Western counter-model to the rule of Hamas that had taken over political reign in the Gaza Strip in March 2007. The World Bank, that assisted and closely monitored Palestinian state-building under the leadership of Fayyad, published a very positive progress report in 2011, which it confirmed in its recent September report:

“(...) a year ago the World Bank reported (...) on its assessment of the institution building efforts of the PA noting that ‘In areas where government effectiveness matters most – security and justice; revenue and expenditure management; economic development; and service delivery – Palestinian public institutions compare favorably to other countries in the region and beyond’. That report also noted that the institutions of the PA ‘... are reasonably effective, both by any absolute standard one might have, and especially in comparison to other countries, in the region or elsewhere.’ The institutional assessment of one year ago remains valid today.”<sup>4</sup>

According to the World Bank, the main obstacle impeding sustainable growth in the West Bank is not the absence of good governance but the lack of private investment. Yet, does the engagement of the private sector remain low, despite a comparatively favorable political environment set by effective proto-state institutions of the PA in the West Bank? To put the answer in a nutshell: Israeli occupation. To be more specific, the West Bank is still sub-divided according to the Oslo formula in areas A, B, and C. Areas A and B comprise the major cities and villages of the West Bank that are governed by the PA (whereby Area A and B differ insofar as internal security is a prerogative of the PA in Area A, whereas it is a task shared between the PA and Israel in Area B).<sup>5</sup> Yet, although the vast majority of Palestinians live in Areas A and B, most parts of the West Bank territory – Area C – is still under full control of the Israeli occu-

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<sup>4</sup> The World Bank 2012: Fiscal Crisis, Economic Prospects. The Imperative for Economic Cohesion in the Palestinian Territories (Economic Monitoring Report to the Ad Hoc Liaison Committee), September 13, p. 4. available at: [http://unispal.un.org/pdfs/WBank09-2012\\_AHLCCReport.pdf](http://unispal.un.org/pdfs/WBank09-2012_AHLCCReport.pdf), retrieved on September 27<sup>th</sup>, 2012.

<sup>5</sup> An exception is Al-Khalil (Hebron) where major parts are still under direct Israeli control (as the whole of East Jerusalem).

pational regime. Area C does not only comprise all settlements and areas that are defined by Israel as relevant to its security, but also areas that cover most resources, particularly infrastructure (e.g. the roads connecting the Palestinian towns and villages with each other) and most of the natural resources (e.g. water). Notwithstanding an Israeli policy oscillating between strict mobility controls organized by military checkpoints and easing restrictions by partially removing checkpoints and facilitating to pass them, the basic problem has remained unchanged ever since the Oslo peace process in 1993: There is no geographic contingency for Palestinians in the West Bank and access to basic natural and technical resources is controlled by Israel.

The leadership of the PA concluded from their successful proto-state building process in 2011 that a fully-fledged Palestinian state should be established. Since bilateral negotiations with Israel had failed, the PA intended to unilaterally declare a Palestinian state and to ask the international community to recognize it. For that purpose, Mahmud Abbas held a speech in the General Assembly of the United Nations one year ago on September 23<sup>rd</sup>, 2011, in which he demanded full membership in the UN. Although the speech was well-received by Arab members and many states of the Third World, the US—backed by some of the most powerful members of the EU—had already previously made clear that they will veto full membership in the Security Council.

Mahmud Abbas concluded from the incident to set his sights lower and announced to just go for an upgrade of the current status as “non-member observer entity” to a “non-member observer state” – the so-called Vatican status.<sup>6</sup> Contrary to full membership, the Vatican status can be granted by a simple majority vote of the General Assembly, leaving no veto power to the US. On the one hand, this move of the Palestinian President was a confession of Palestinian powerlessness, on the other, it was consequent in terms of his approach of symbolic policy. At the same time, it might improve the position of the Palestinians in the international system, particularly since the Vatican status could possibly lead to full membership in the International Criminal Court.<sup>7</sup>

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<sup>6</sup> Al-Jazeera: Palestinians mull observer status at UN, June 8<sup>th</sup>, 2012, available at: <http://www.aljazeera.com/news/middleeast/2012/06/201268223933362503.html>, retrieved on September 15<sup>th</sup>, 2012; Al-Arabiya: Abbas to make bid on Sept. 27 to obtain U.N. status, trades blame with Hamas over unity deal, September 8<sup>th</sup>, 2012, available at:

<http://www.alarabiya.net/articles/2012/09/08/236855.html>, retrieved on September 15<sup>th</sup>, 2012.

<sup>7</sup>See BBC News Middle East 2012: Q&A. Palestinian bid for upgraded UN status, available at: <http://www.bbc.co.uk/news/world-middle-east-13701636>, retrieved on September 30<sup>th</sup>, 2012.

The current situation leaves all political actors involved in an awkward position: Israel because it blocks the realization of Palestinian self-determination by recognizing a Palestinian state—although Mahmud Abbas has not been tired of recognizing Israel in the boundaries of 1949 as a legitimate state and Salam Fayyad has managed to establish fairly efficient proto-state structures; the Palestinian Authority because it failed to deliver what its constituency has been demanding for decades—i.e. an independent Palestinian state. Since the PA faces a parallel reign by Hamas in the Gaza Strip and a major budget crisis that already led to social unrest in the past weeks. Finally, the US—and the West in general—are placed in an awkward position because (even in light of a failed approach of bilateral negotiations between the Israelis and Palestinians) it is not ready to support the request of Palestinian statehood by the pro-Western PA that has proven to be ready and capable of implementing an agenda approved by the West.

When applying the perspective of stability, a strategy that could work in the short to medium run is to increase financial aid to the PA which would put them in a much better position to lower social unrest. This would also be consequent insofar as the Oslo peace process, as it has been based on a systematic way of providing foreign aid to the Palestinians. Whether a Palestinian state with full territorial contingency controlling East Jerusalem, the West Bank, and the Gaza Strip—including a safe passage connecting the two latter areas with each other—would have a fair chance to develop a viable Palestinian economy, without constant influx of political aid, is a matter of dispute. However, there can be no doubt that under the condition of prolonged occupation, Palestinians are prevented from creating sustained growth sufficient to meet the expectations of its comparatively well-educated and highly-qualified people. Although this is common wisdom and even though the World Bank gave high marks to the PA, it should not be taken for granted that the PA will get what it needs to “tranquilize” the Palestinian people. Although the PA met the technical condition criteria for their state-building process, they failed—from the perspective of major Western donors—the political ones insofar as they dared to ask for recognition of a Palestinian state, without approval from Israel. Abbas will likely be cautious enough not to ask for the Vatican status before US elections are held. In this case, there might be a chance for Abbas to convince Barack Obama, if re-elected, for green light for his approach. Since, the West—and even Israel—have a strong interest in keeping a moderate, pro-Western personal on the top of the PA, it will be most interesting to observe in the coming weeks and

months how and whether all sides—the West, the PA and Israel—find common ground for a continuation of their cooperation.