Foreign Aid and the Molding of the Palestinian Space

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Foreign Aid and the Molding of the Palestinian Space

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Foreword by BISAN

This study, titled “International Aid and the Molding of the Palestinian Space”, comes as part of a series of studies on development in the Palestinian Territories. These studies aim at deconstructing the dominant developmental discourse in the Palestinian context and the programs resulting from it, by analyzing the discourses used of main actors in the field of Palestinian public sector, civil society and the private sector. The study focuses on the post-Oslo period, since Oslo was a “historical” moment that marked a change in the Palestinian national concepts and visions, leading the Palestinian society into a complex state of dependency that is different from previous periods. After Oslo a new annexationist element of power relations and dominance was established and institutionalized through political, financial and economical development intervention delivering new tools to reformulate the society and its multiple structures.

This study comes as part of a critical developmental research program, through which several related studies and books are to be issued. In the first phase, we have started with the theoretical and conceptual foundations of the term development followed by an introduction of the four major actors; the government, the private sector, the civil society and the donor community, published under the title “The Illusion of Development”. In the second phase, we continue to deconstruct and analyze the applied programs of these actors; this study focuses on the role of one of the four actors: the donors, particularly the main contributors to the funding of the Palestinian Authority, the civil society and the private sector. These are indeed influential actors, since they determine the policies, design roles for some, and exclude others; which the study is attempting to demonstrate.

The study uses the concepts of space and place as theoretical basis through which it explains the changes in the Palestinian society as
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products of international funders and donors’ development aid. “In this way, the new Palestinian space as it emerges, is produced by internal and local interactions that are intertwined with international relations that have formulated it, and determined its reproduction in this given form.” Moreover, the study addresses the notion of development aid and its background, showing its links to modernism, “everything that was not pulled into the vortex of the “general mobilization” for modernity represents a challenge to it, and for this reason it should be brought to the present, so it can be made suitable for the future. What does not fit with time is relegated to the museum, or some reservation.”

The importance of this study lies in its focus on the impact which the donors’ discourses and visions of the “proposed” form of Palestinian society has on the concrete program implementation. The study seeks to do so through scrutinizing a set of programs implemented by key donors who were interviewed using open - end and in - depth interviews, in addition to analyzing a large part of their documents. This focus on the role of each donor allows us to have a closer look at their conception of development and their contribution to it through the programs they implement in Palestine. We are then able to see the similarities and intersections in the various conceptions and notions carried by the main donors working in Palestine, “the main pillar of development aid was supporting the peace process. Development aid increased proportionally with the acceleration of negotiations and in times when the peace process was halted, the aid decreased.”

In addition to addressing the theoretical background of funding, the researcher looks closely at the politically oriented “measures” of aid and how they increasingly contribute to tighten the grip on Palestinians, “the international aid system was established in the service of the political interests of the donors, rather than in the service of the rights and needs of the recipients; therefore, this system effectively undermines the local leadership and agendas
and the participation of the mass base. It activates this process by making the decisions relating to the use of resources in the hands of foreign personnel, ignoring the local conditions, (including those caused by the Occupation).”

This study discusses the American official development assistance which ranks second after the European in terms of size. Funding from the US to Palestine is subjugated to the policies of “war against terrorism”, preventing any individual or institution from receiving aid, if they were proven to have had any relations with Palestinian resistance factions. Despite this, the United States Agency for International Development - USAID - always proves through its performance in projects and programs that the agency is the primary decision maker concerning the allocation of resources and the mechanisms used, not the local people affected. Thus, the amount of aid distributed to each project is spent on matters that do not create a real developmental impact. In this way, USAID remains “the only beneficiary of these funds, which return to them through employing their own experts to implement the trainings; major parts of the project revenue thus return to them, while the Palestinian takes the role of the mediating contractor, rather than the planner.”

Another important issue raised by the study is the impact of International aid on the Palestinian reality, through addressing three segments / programs: first, the alternate roads which come within the frame of the donor’s planning of the Palestinian place; second, the Palestinian curriculum as a content that is supervised and formulated to form a new Palestinian; and third, the Palestinian elites.

The donors and international aid are subject to a huge debate in the Palestinian society, its institutions and elites. The ordinary Palestinians feel its deep impact on their lives and the traces it leaves. Many realize the danger of this impact; although Palestinians have a right to financial support because of the West’s partial responsibility for the until today existing Occupation and the manifestation and
emphasize of this right in several international texts, Palestinians still do not decide upon the utilization of the development funds and thus upon their own social and developmental priorities.

The study does not negate or deny the presence of Arab and international funders or donors who are in solidarity with the Palestinian cause and in alliance with it, working in its service through relations of partnership with Palestinian institutions and through the political support they have historically given to Palestinians; but any objective treatment of the size and direction of funding realizes the lack of its impact compared to the Western governmental funding and its derivates. The study therefore hopes to lead to a development similar to the experience with the mentioned solidarity groups and Arabs in supporting the Palestinian cause by contributing to the struggle for it and strengthening the steadfastness of the Palestinians on their land.
Introduction

“We must not forget that the Palestinian Question was never at any moment other than a question of space mainly.”

Hassan Nijmi

This study is one of four studies conducted by Bisan Center for Research and Development. The study covers the four sectors of development in Palestine: the public governmental sector, the private sector, civil society and the donor community. Although this study focuses on one of these four sectors, it does not isolate it from the others; foreign aid is one of the main constituting elements on which the other three sectors are based. The study focuses on this sector highlighting its role in formulating the Palestinian space without being limited to one aspect, while at the same time; it leaves room for other studies to carry out a deeper investigation in each of the other sectors.

The study addresses the financial role of donor institutions in Palestine, in addition to their role in reformulating the Palestinian space (in terms of place, culture, and politics, etc.). The study depends on analyzing the discourse of these institutions, investigating the ideology it reflects and the knowledge it produces, which consolidates the power and domination of this discourse because “the conflict between desire and power has the bigger role in this discursive production.”1 This analysis is not separated from reality, the political, economic and social conditions or contexts a discourse is produced by.

The study depends on the publications, annual reports and websites of the donor agencies in addition to interviews conducted with some of the heads of these agencies’ funding programs. The study, also analyzes the role of donor agencies in the Palestinian context by analyzing the mechanisms through which these agencies worked on reshaping the Palestinian space temporally, spatially, and culturally.

The study includes ten interviews that we were able to conduct with different funding agencies, which are:

- Agence Francaise de Developpement (AFD): the French agency for Development.
- Switzerland - Swiss development cooperation (SDC).
- United kingdom - development for international development (DFID).
- American near east refugee aid (ANERA).
- International relief and development (IRD).
- Rule of law programme (NETHAM).
- European Union.
- Agency for International Development Cooperation. (AECID)

These organizations were chosen as a sample representing the major funding agencies which are: the European Union as the main funder, followed by the United States, then the United Kingdom, France, Spain, and finally Switzerland. It should be noted that we tried to contact other relevant institutions for interviews, but they stalled and did not respond. Among these institutions are the United States Agency for Development (USAID), and the German Gesellschaft fuer Internationale Zusammenarbeit (GIZ). In the interviews we used open-ended questions covering three main areas: the definition of the institution, its funding policies, and conceptual aspects of the main questions related to the Palestinian context and development.

**The Structure of the study**

Chapter one: addresses the theoretical framework including:

- Space as a concept: its formation, its definition as an operative concept, the Palestinian space, and the regulating levels of this space.

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• The funding institutions and their relation to the Palestinian context.

Chapter two: covers the funding institutions’ main goals, programs and approaches. Analyzing their relations to the Palestinian space and their role in reformulating it through examining their mechanisms of operation.

Chapter three: discusses the impact of Western aid on the Palestinian context and the relocation of Palestinians as both a group and individuals within this produced Palestinian space. It aims to understand the Palestinian self as constructed by Western actors according to their agendas (political determination) and also addresses the position, role and function of the subordinate Palestinian elite.

Conclusion: analysis, conclusion and a “future perspective”: How can we achieve liberation from the mentality of dependency and subordination?
Chapter One:
Theoretical Framework
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First: On the concept of space

We borrow the concept of space from the field of literature, since the Arab thought did not yet pay attention to it outside this field. We employ it here as an operative concept without getting into its philosophical depths. Space is “the wide world in which beings, things and actions are organized. The human interacts with time as much as he or she interacts with space; we can even say that the history of the human being is the history of its interaction with space mainly.” This means that space is what makes being in its geographical, cultural and political dimensions. Space, as Hassan Nijmi puts it, “entangles the question of history and geography, the question of thought and the question of lived reality.”

In Arabic literature there is confusion around the concepts of space and place; because they are sometimes used interchangeable, despite the difference between the two terms. In most cases, place refers to a geographical entity, which is one constituting element encompassed by space, but the latter cannot be limited to it. Space is “an unlimited medium, where many places wander in the same calculated way, but how do you calculate the movement of wandering spaces?! Space does not frame it, and does not give it an unalterable position.” Therefore, space encompasses but does not determine an unalterable position. In this study, we will use the two concepts without confusing them; addressing place as part of space, and not as a synonym for it, as will be explained later, in the attempt to answer the question about the mechanisms that regulate the Palestinian space. Some scholars argue that space is a product that changes with the transformation of the modes of production that determine it; “if space is produced, if there is a productive process, then we are dealing with history ... since ... each mode of production has its own particular space, the shift from one mode to another must entail the production of a new space.”

4. Ibid.
5. Ibid.
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From what was said above we conclude that space is not fixed, but it rather transforms due to changes in or negations of the conditions that form its existence. These changes take place on all levels, the cultural, the political, the economic and the social level, on specific geographic places that all together constitute this space. Space then has constituents of place, economy, culture, geography and politics that are present as relations which condition and promote its existence in a specific historical period. These constituents are encompassed by space but not fixed or determined by it; they change with changes in the means of production that regulate all these levels.

In discussing the Palestinian space, we need to distinguish between two spaces; the first is the imagined Palestinian space that is based on the Palestinian collective memory, which in turn is based on their feeling of belonging and being part of a collectivity that has its own space, which defines its existence in a specific geographical place: Historical Palestine. The second space is what represents Palestine in the present, which is currently the Palestinian Authority, the space it occupies and on which it establishes its institutions and new symbols. This space, however, is not completely independent, it is still determined by the colonial presence and therefore we will call it “the allowed space”. The Palestinian Authority is not the only power that determines or produces this space. The PA is regulated itself by more powerful relations that determine its scope. In the Palestinian case space is thus determined by three forces: first, the Zionist colonialization of the Palestinian space; which in turn is linked to the Western global capitalist imperialist project, of which it is tool in the Arab region. Second, the dominating, ideological groups inside Palestine with their relations and allegiances to the West.7 Third, the international system that works through the aid

7. We mean by them the ruling groups that seek to impose their ideas and visions on the rest of society, justifying and defending the status quo. These are different from oppressed groups which try to change these circumstances for their advantage making a change in the existing power structure. We call them here groups because the formation of the divided political system between Fateh and Hamas necessitates this terminology. Because of the differences in the Ideological positions of the two parties and the nature and type of their foreign alliances, we do not talk here about a homogeneous ruling class. Moreover, there are interested groups who have the power and influence in the Palestinian system without having to be inside it, these are represented in some of the private sector parties and have a role to perform to protect their interests with the outside and the with colonizer.
network provided to the Palestinians and the colonial entity.

In this way, the new Palestinian space, as it emerges, is produced by internal and local interactions that are intertwined with international relations that have formulated it, and determined its reproduction in this given form. Some may argue that we exaggerate in considering the Palestinian Authority one of the main forces working on reformulating the new Palestinian space and instead limit its role to one of an executor of other main powers’ desires and policies in the process of reformulation. We accept this point of view, but we do not limit the Palestinian Authorities role likewise, since in addition to its oppressive and ideological apparatuses, which were formulated according to the agendas of other influential powers in order to solidify and reproduce these new formulations in the material reality, the PA also influences the imagined Palestinian Space. The role of the mediator is seen to be carried out by Palestinian civil society organizations, imposed by foreign powers through their system of development aid (this will be further explained below).

The Palestinian space, as the one collectively remembered, was absent, or made absent and replaced by another space in which the Palestinian collective was positioned and reproduced on multiple levels, whether on the level of the official discourse of the institutions, the cultural discourse depending on it, or the level of society and lived reality. This replacement was reached through the production and reproduction of a new collective memory that is based on the standards and perspectives of the hegemonic dependent groups and their political project, represented in the Palestinian Authority.

We thus conclude that the identity of the societies based on its collective memory that is subject to changes according to the interests and ideologies of the hegemonic powers in a certain historical period. These hegemonic ideologies claim to represent the national ideology, since “the national ideology is in the end nothing more than a historical product that disappears with the disappearance of the conditions of its production.”

class that is able to seize power for a long period without at the same time exercising its hegemony over and in the State Ideological Apparatuses. By it and on its basis the class is able to hold the state power, but for it to be able to preserve it, it has to practice its ideological influence through the Ideological State Apparatuses.”

Althusser distinguishes between two types of state apparatuses: the oppressive state apparatus and the ideological state apparatus. The oppressive state apparatus is the tool of a system through which it exerts control and power in order to dominate individuals by through direct violent means as explicit force carried out by the police, the military, and the penal laws. On the other hand, there is another mean to exert control and power, which is ideology, or the social unconscious, which is reproduced in different private societal institutions such as religious institutions (churches, mosques, etc.), public and private schools, family, trade unions, media, cultural projects and others.

Here lies the power of the Palestinian political system and at the same time its danger, since it is based on institutions that resemble those of a state while in fact there is no real state; these institutions operate to produce and reproduce the hegemonic groups, through their oppressive and ideological apparatuses,

**The Formation of the Palestinian Place**

The Palestinian place emerged after the dissolution of the Arab project on the hands of the major colonial powers in the beginning of the twentieth century, after the collapse of the Ottoman state and its regional power. The Palestinian borders emerged as the borders drawn by the British mandate. Palestine remained a colonized entity within these borders, after being part of the Great Syria. The British colonization of Palestine in 1917 came in the zenith of the organic crisis of the liberal era, which was manifested in the First World

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War. In addition, the fiscal crisis - which erupted in the center of the capitalism in 1929 - led Britain to encourage a large number of Jewish immigrants to come to Palestine, where they can support its industrial efforts, in anticipation of the rising Nazism in Germany, in addition to handing the country to them later, establishing a colonial Zionist entity, that protects and preserves its future interests in the region, and which, in the same time, solves the Jewish problem in Europe.

This led to radical changes in the Palestinian place and on the level of the means of production that regulate the specific Palestinian space. Colonialism, wherever it practiced its activities, set off some sort of conflict and contradiction between the human and the place in which he or she lived. Especially in the heart of those traditional communities, which were not prepared to accept the changes introduced by colonialism. In the Palestinian case, the seeds of the 1948 collapse of Palestinian place were planted by the British colonialism that exhausted the Palestinian society through its oppressive measures against the Palestinian people during the revolution of 1936 -1939. These measures were directed against the peasants mainly, against those who owned the main means of production in the Palestinian society: the land. “The British economic policy was to enhance the social-economic development of the Jewish sector at the expense of the Arabs. This was achieved through governmental policies that contributed in accelerating the Jewish immigration, such as purchasing Palestinian lands, settlement, and the capitalist development, giving the Zionists the time needed to establish the institutional foundation for a pre-state structure. The British policies also encouraged the proletarianization of the Arab peasants which continued after the mandate.”

After Zionist settler colonialism gained control over the Palestinian land in 1948 and occupied the rest of it in 1967, a huge share of

12. Ibid: 221.
the Palestinian population was uprooted and expelled from its land, which was the main source of production and many became refugees. Most of those who remained residents of the occupied territories lost control over land and resources and thus the conditions of their own reproduction. In this colonial moment Palestine was given new names: the West Bank, Gaza Strip and the Land Occupied in 1948, which they called “Israel”.

The situation continued in this way until the PLO (the Palestinian Liberation Organization) entered the negotiations that led in the early nineties to the establishment of an “emerging quasi Palestinian state entity”. Part of the Palestinian people (those in the West Bank and Gaza) became subject to the rule of an institutional sovereignty, dominated by a local ruling elite, that is directed by interest alliances and in a dependent relation with the dominating Western colonial center that does not allow it to reproduce itself outside the terms set to maintain the colonial entity. The rest of the Palestinian people, those living in lands occupied in 1948, remain under direct colonial rule.

The continuation of the institutional and organizational situation of the Palestinian society in the 1990s, as it essentially was in the thirties of the same century, led to the repetition of the same policies towards the Palestinians. The policies pursued by the British towards the Jewish settlers in Palestine in the thirties are not essentially different from the positions and policies of “donor” states towards Israel in the nineties of the last century until today.  

Palestine thus came to suffer from a complex colonialism; the Zionist colonialism and the Western colonialism as its main tool of funding. This colonialism works through imposing its domination on Palestinian place using various tools. The transformation that took place concerned the tools rather than the colonial structure itself, “Israel” as a settler colonial state dealt with - and still does - the Palestinian place according to its political, economical and security concerns and thus chooses strategies that aim at controlling the Palestinian place through imposing closures and checkpoints,

a division of the West Bank into three different areas (A, B, C), the construction of the separation Wall and the reproduction of the ghetto as a culture and place.

The Zionist colonialism is the main contradiction that needs to be confronted; however it is not the only conflict. There are also internal conflicts over the public realm between the Palestinian Authority and the civil society and in between different civil society institutions themselves, including the political organizations. In addition, the private capital plays a role in forming the geography of the public place (such as coffee shops, restaurants ...) and hence in affecting the possibilities for using this place. The priorities of the private sector focus on opportunities for profit and financial gain rather than on developmental considerations, which is affecting the cultural and urban life negatively; illustrated by the changes that took place in the cities of Ramallah and Al Bireh.\textsuperscript{15}

It is crucial here to remember that the notion of public place as used, is different from the notion of space, because in the Arabic language interchangeable. According to Habermas, the public sphere- is a political concept that has to do with democratic practice, he defines it as “the mediating circle between the civil society and the state, that is the circle of the multiple and contradicting private interests, and the circle of the one and abstract authority, it is thus the open realm in which the individuals come together to formulate a public opinion, and transform them through it into citizens connected by opinions, values, and clear ends”.

The free rational exchange of different perspectives on questions of public interest is what allows the formation of public opinion. According to Habermas, any obstacles that prevent or restrict this free debate leads to a distorted communication. In Western liberal societies, the distorted communication results from the oppressive influence practiced by the authority over the communication of citizens, but this does not prevent the formation of a common understanding and consensus; however distorted communication leads to a fake

understanding and thus manufactures a false consensus which lacks the rational legitimacy and leads, according to Habermas, to the decay of the public sector. In this way, the masses were isolated from the process of public debate and decision-making, hence they were depoliticized.

The citizens thus lost much of their social significance, the laws and legislations were no longer produced as a result of mediated solutions reached by individuals through a process of critical dialogue, or as a result of a consensus that is produced through this dialogue; but as a result of compromises between private economic interests, for this reason, Habermas states: “the de-politicization of the masses, and the decay of the public realm, as a political organization, is a main component of the system of domination, which tends to isolate the scientific questions from public debate, and the bureaucratic practice of the authority corresponds to a public realm that is bound by the ghosts of media and propaganda.”

This is where the role of external actors in controlling the three major local parties, the Palestinian Authority, the civil society, and the private sector, comes in. It attracts the qualified elites from the marginal states and absorbs them. The role of this elite is to spread a culture supporting foreign power interest. It is not limited to influence state structures or official authority only; it reaches out to impact on the private sector and the civil society and is mainly represented in the framework of civil society organizations.

In the end, the centers of the capitalist world control the periphery without force, through these elites; this is what Joseph Nye calls “soft power” instead of “hard power”. “Soft power” is “the ability to acquire what you want through attraction instead of force.” In addition, “the soft power is not similar to influence only, since the influence could depend on hard power of threats and bribes, the soft power is more than mere “persuasion”, or the ability to win people over by an argument, even if this is part of it, the means are all the assets that produce attraction. You can order me to change my preferences, and do what you want me to by threatening me with force, economic sanctions, and you can allure me to do what you

want by using your economic power, by paying me money.”

The process of de-politicization of the masses is not achieved by the political authority only through its bureaucratic power, its ideological apparatuses and the media; there is also another bureaucracy, a civil one, that undertakes this task perhaps even more efficiently than the political authority: these are the non-governmental organizations (NGOs), financially supported by the West. “Foreign mentoring will enable NGOs to foster liberalization and reform without generating social unrest. Bilateral and multilateral assistance agencies and INGOs design projects to strengthen think tanks, human rights organizations, chambers of commerce, environmentalist societies, women’s associations and community centers. Often, even a trickle of hard currency to non-governmental groups raises the stakes in their struggles for autonomy from national regimes.” Consequently, the NGOs do not only represent fragmentation and dispersion among the wide range of grassroots organizations, they also represent the de-politicization and demobilization of political and social activism in the era of post cold war, post Oslo and the new neoliberal Middle East.

The NGOs frequently present themselves as representatives of the masses and their needs, instead of mobilizing or empowering them to pronounce their views and act independently, which is a political act in its essence. Escobar calls this transformation the “professionalization” or the “depolitization of development”, which allowed the disengagement of all problems from the political and cultural realms and their placement in the realm of science which appears to be more neutral.

Moreover, the Palestinian private sector, seeking profit and disregarding developmental and national concerns, became the main entry point connecting the Palestinian context with the world capitalist market and social unrest. Bilateral and multilateral assistance agencies and INGOs design projects to strengthen think tanks, human rights organizations, chambers of commerce, environmentalist societies, women’s associations and community centers. Often, even a trickle of hard currency to non-governmental groups raises the stakes in their struggles for autonomy from national regimes.” Consequently, the NGOs do not only represent fragmentation and dispersion among the wide range of grassroots organizations, they also represent the de-politicization and demobilization of political and social activism in the era of post cold war, post Oslo and the new neoliberal Middle East.

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its culture. In addition, the Palestinian Authority promoted this by its reliance on the open market economy following the directions of foreign donor powers.

The reformulation of the space in Palestine, as described above, resulted in a real change in the original structure of the society, which found itself divided and dispersed geographically inside and outside Palestine, compelled to adopt a new basis founded on the one dimensional world economy, provided by the capitalist paradigm. Hence it lost its previous spontaneous programming and was deprived of its symbolic significations, which used to include a mode of life based on this lost place. Thus the human lost its harmonious relation with his environment, a loss imposed by foreign forces.

This alienation between the human and the environment in which it lives is behind all forms of disturbance, deprivation and insecurity from which the Palestinian human suffers. He or she is doomed to live in an urban place that is designed for achieving the maximum possible profit but not for satisfying the needs of participation and a harmonious relation with its surrounding environment. The dispossession in the Palestinian case is a double one; it is caused by the Zionist colonialism of the Palestinian place on the one hand; and by the capitalist class dispossession brought about by the ideologically and economically dominating groups, which are strategically engaged with the colonial Zionist project, on the other side. Without disengaging itself or ending its other alliances with the West, this class or bourgeois “elite” that constitutes the majority of nationalist movements - as Frantz Fanon showed- gives itself a historical mission that is “mediating” between the colonized society and the colonizers, aiming at reaching a settlement. The reason for this engagement is no specific goal butto maintain the relationship with the colonizers. This role of the agent of the Western bourgeoisie - is not based on the will to change the situation of the nation; it rather seeks the meager profit generated by this relationship. 21 Profit is, therefore the main end that both parties seek.

Second: On the Concept of Aid

Aid is labeled as a mechanism by which the rich countries seek to achieve development and progress in the “underdeveloped” and poor countries. But this is only a slogan that hides other goals Western states seek to achieve through the instrument of development aid, “it has absorbed into its conception of help all the deformations accumulated by the end of the Second World War. It has learned to be calculating. Self-interest is how the decisive factor in the provision of help which - to rid itself of the ugly flavor of exploitation - is termed ‘enlightened and constructive.”

In this sense the modern aid is an aid to modernity, and is linked to one of the main motives of modernity colonialism, which was based in domination. Modernity is associated with colonialism, which is an idea implicit in the thought of European Enlightenment on history, rationality, logic, civilization, and science. Western modernity controls the tools of knowledge to produce an “other”, its own opposite who is irrational, underdeveloped, lacking the ability to produce a scientific knowledge. The colonized are seen as being closer to the human before science, before history, which is the barbarian to Western European. Modernity has divided the world according to the relation of “us and them” and attributes exclusive traits to “the other” produced by this division, thus depriving it from Western rationality and labeling it underdeveloped instead. This is described in Dipesh Chakrabarty’s book, “Provincializing Europe”, which shows how European Enlightenment thought was branded superior in Europe and outside, especially through colonialism, which is at the core of modernity.

Consequently, everything that is backward, everything that was not pulled into the vortex of “general mobilization” for modernity,

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represents a challenge to it and thus should be brought to the present, so it can be made suitable for the future. What does not fit with time is relegated to the museum, or some reservation. This dismissal is done with all the conscience needed for the collector’s historical responsibility and diligence. The criteria through which the task of development is defined are the most advanced organization and the quickest lifestyle; which refers to copying the (self depicted) highly advanced mode of life in industrial countries. The modern aid is an aid to escape; it provides, or at least claims to provide, the ability to free one from the chains of its local culture and align every culture with a universal culture that is carefully organized and modeled on western cultures.25

In this discourse, the colonized groups withdraw from history, and become unable to produce or reproduce their own history, culture, collective and national consciousness outside the framework allowed by the dominating powers and their tools. The cultural system that has been weaved by imperial colonialism over decades through its narratives on the colonized or peripheral-self, established a situation of “cultural impoverishment” of local cultures and replaced it with the Western concepts of democracy, rationality and enlightenment, which are presented as ideas from aculturally, materially, and historically superior. This is done through methods and mechanisms that stunt the local cultures’ own concepts and world views by attributing all that is in opposition to the above mentioned western ideas to them, with the ultimate goal of linking those peripheries to the European liberal democratic model and the capitalist mode of production which produce soft states and cultures that are completely dependent on the outside.27

26. A Concept introduced by Marcuse on the Policy pursued by conservative institutions in capitalist countries against the working and poor classes to ensure the continuation of their domination and prevent the possibility of a liberating revolution. Marcuse Argues that, "impoverishment in Marx's theory means above all deprivation, and failure to meet the vital needs, before all the material ones. When this vision ceased to represent the condition of working classes in the advanced industrial countries, it was reinterpreted to refer to relative deprivation, a cultural deprivation compared to the available cultural wealth". (Marcuse, Herbert. Revolution and Counter - Revolution. Translated by George Trabishi. Beirut: Dar Al Adab. 1973.) p. 23.
27. Soft state “a term used by general Myrdal in the late sixties of the Twentieth century to refer to the readiness of most governments in developing states for corruption, overlooking the rule of law, prioritizing their individual interests on general interest. The soft state is a state =
We thus deal with development aid as an act of “transforming intervention”, meaning that it is the donor that determines the extent and quality of the recipients needs, not the latter’s condition and situation. Hence development aid becomes a focal point for reformulating and transforming the receiver’s goals to match the foreign objectives. The industry of international development aid is the main starting point to that process of “transforming intervention”. According to Albertini: “Imperialism, by making the spread of civilization and the investment of the fruits of the world a means to control, creates the phenomenon of underdevelopment.”

The myth of “combating underdevelopment and poverty” by achieving western modeled development inspired the idea of foreign aid in the fifties and still forms the ideological basis behind the huge increase in aid to Palestine in the last decades. This aid became a new mean to remain relations of dependency, colonial power structures and domination over the abilities of peoples under a new pretext.

Aid is thus assumed to have counterproductive effects in relation to the developmental project since it reinforces a manipulating context that surrounds it, by understanding need according to nominal and strategic values of the dominating states. In a study carried out by William Easterly comparing growth rates of poor states that received aid to others that did not between the years of 1950 - 2001 he found that the growth rate achieved by states which received a higher than average amount of aid was less than the rate of growth achieved by states that received less than the average. In addition, poorer countries, which did not receive any aid, did not face problems in achieving a positive growth rate. This demonstrates that when countries make and follow their own policies that correspond to

= that dismantles and does not build; it leaves building to others, handing over its people to the foreigner to do with them as he pleases.” Jalal Amin also used this term in his book on the soft state in Egypt.

29. William Easterly. The White Man's Burden: Why the West's Efforts to Aid the Rest Have done so Much Ill and so Little Good. (Translated by Marwan Sâd Al Din.) Beirut: Al Dar Al Arabiyah for Science. 2007. p. 45.
30. Ibid. 48.
their conditions without any foreign interference, they achieve more successes than those that depend on the outside. It is clear then that the myth of “underdevelopment and poverty”, which was circulated by the West, is dispelled by reality; we will discuss this further below by refuting this myth and the other grounds on which the donor-recipient interference stands.

**The Evolution of the Declared Goals of Aid**

We can say that with the flow of aid and subsidies, the multiplication of donors and contributors, the logic behind economic development as a justification for developmental aid changed as well. The main economic developmental goal in 1950s was the fast growth in production and income that can be achieved by increasing local and foreign investment. In the sixties foreign currencies became important as capital. In addition, human capital started receiving more attention than mere technical aid, which led to the expansion of subsidies given to education, health and other social services. During the sixties and seventies, aid programs started to include other programs than only those concerning GDP growth: such as the redistribution of income, reducing poverty, providing basic needs and supporting rural development. During the 1980s and 1990s other goals were added to the global aid industry’s traditional goals, such as protecting the environment, realizing sustainable development, empowering women, combating corruption, accomplishing good governance, achieving what is called human development and others that promote a democratic atmosphere in which process of economic and social development is conducted. At the beginning of the twenty-first century the trajectory was changed towards the necessity of directing developmental aid towards achieving the economic millennium goals.\(^{31}\)

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Third: Western Aid in the Palestinian Context

The Palestinians in the Occupied Palestinian Territories receive aid for two reasons; first, they receive humanitarian aid that is considered necessary as a result of the continued military occupation. According to the Fourth Geneva Convention, civilians are entitled to demand and receive official development assistance at times of armed conflict. This right is dependent on the wide commitment of states to respect and guarantee the right to life of all unarmed individuals in conflict zones, including the right to as much normal life as possible and the protection of services and their vital facilities from harm.32

Second, the Palestinians receive aid based on their right to development; which was established in form of the UN Declaration of the Right to Development in 1986. Its first article emphasizes “the right to development, is one of the inalienable human rights, according to which all humans and all participating peoples have the right to contribute to the achievement of economic, social, cultural, and political development and the enjoyment of this development, in which all human rights and basic freedoms are achieved completely.”33

The 1993 United Nations World Conference on Human Rights emphasized these principles in the resulting “Vienna Declaration” and it’s work program, which was based on the idea that “democracy, development, the respect of human rights, and basic freedoms, are related issues, that promote each other; democracy is founded on the will of the people, who express this will freely, to decide its political, economic, and cultural systems, in addition to their full participation in all aspects of life.”34

32. This right is often largely violated in a collective manner. A whole group of individuals or the community as a whole is deprived of the right to receive aids, as happened after the elections of 2006 and the siege on Gaza.
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The United Nations Charter provides all peoples that have not achieved their independence with the right to receive aid, in accordance with the principle “that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present Charter, the well-being of the inhabitants of these territories.” Additionlly, the General Assembly Resolution 1803 on “Permanent Sovereignty over Natural Resources” issued in 1962, states that “the provision of economic and technical assistance, loans and increased foreign investment must not be subject to conditions which conflict with the interests of the recipient State.” It also states in articles six that “International co-operation for the economic development of developing countries, whether in the form of public or private capital investments, exchange of goods and services, technical assistance, or exchange of scientific information, shall be such as to further their independent national development and shall be based upon respect for their sovereignty over their natural wealth and resources.” Besides it considers in article seven the “violation of the rights of peoples and nations to sovereignty over their natural wealth and resources is contrary to the spirit and principles of the Charter of the United Nations and hinders the development of international cooperation and the maintenance of peace.”

Despite the importance of the rights discourse, it does neither apply to reality nor did states adhere to it in the case of Palestine. On the contrary, the discussed about international rights regime is exploited and used as tool of interference and control, it also leads to fall into the trap of liberalism. If this discourse is to be contributing to solve some of the presented problems, it needs to fulfill certain important characteristics:

37. Ibid.
First, the rights need to be understood in their universal sense that applies to all and not in an elitist sense that makes them part of a game of power relations, or a professional duel between the representatives of power centers.

Second, they have to be active and not passive rights. An active right is one that enables the right subject to a certain action whereas a passive right gives the right to receive something by another person or institution.

And third, their goal should be attaining a change through allowing a wide range of real choices, rather than maintaining the status quo, which serves foreign and colonial powers. Change in the countries of the South, including Palestine, has to include in its priorities the elimination of the colonial realities structural fundaments rather than reproducing it.  

The United Nations with its main bodies, resolutions and funding policies, is under the disposal of powerful countries, which use it to dominate and control the world, peoples, states and resources. It is not only a mere U.S. American domination, it is rather the domination of the rich powers of the global north, represented in the Group of Eight—the eight major industrial countries, which was established in 1975. These countries use and employ the United Nations to achieve their goals, whether through controlling its main bodies such as the Security Council, or through funding or not funding the operations of its subordinated organizations, programs and funds and hence controlling the actual scope and feasibility of their work. The United Nations is therefore used as a main tool in reformulating the world and giving it a hegemonic color, preparing it to receive and follow new codes of behavior in the same time preserving the relation between the master and the slave established by colonial regimes and their values. Its founding Charter is not suitable with the current reality, especially in relation to international

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peace, security, and development.\(^{39}\)

Foreign aid to Palestinians is not different in their nature and goals from any other context; as discussed above, the main goal of official development assistance as the Organization for Economic Co-operation and Development’s Development Assistance Committee (OECD DAC) calls it, is to maintain the western hegemony under justifications of confronting poverty and achieving development. In a study that traces foreign aid to Palestinians, it was found that “Though external aid has acted as a constant buttress to Palestinians since the War of 1948, the manner, type and conduits have changed significantly over time. Certainly (...) these shifts coincide closely with political realities here in Palestine and around the world, rather than local development needs”\(^{40}\)

The main support to the West Bank and Gaza before the First Intifada came from Arab states through the Palestinian Liberation Organization, through the Palestinian national fund, which was set up by the Gulf countries from a 5% tax on the Palestinian labor forces’ salaries in these same countries. The fund used to be distributed on the political parties active in the Occupied Palestinian Territories through regional Arab institutions such as the Arab fund for social and economic development, the Arab Gulf program for United Nations Development Organizations and the Islamic Bank for Development. Western support was limited and meager compared to Arab funding. But this fact changed during the years of the First Intifada (1987-1999), when European aid took the lead of supporting the Palestinian NGOs, replacing the Arab funding. Western support came first through representative offices and consulates and then through Western NGOs.\(^{41}\)

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The size, type and actual disbursement of Western funding are linked to a main aim, which is based on protecting the security of “Israel”, safeguarding its existence and achieving its interests. Being the tool of the Western imperial project in the region, it needs to be protected with all “peaceful” and “non peaceful” means. When the Palestinian Intifada erupted in 1987, it was necessary for these powers to take action to protect its tool and project in the region. They intervened through financial aid, sponsoring “the peace process” and pushing the PLO to join it at any price. It could be said that the situation produced by the Oslo Accords, with the complicity of the PLO as the sole representative of the Palestinian people and with international blessing, is what opened the door to justify “interventions” since 1993 under the slogan of “the development of Palestine”, the search for stability and security in the region, which means the security of “Israel” in the first place.

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42. In the same time there was some aid given by solidarity groups, especially the European leftist ones, to some Palestinian parties and organizations, but it was ineffective and did not leave any impact on the Palestinian reality compared to the quantity and kind of transformative funding. 43. Khalil Nakhleh. The Myth of Development in Palestine: Political Aid and Sustainable Deceit. (Translated by Albert Agazrian) Ramallah: Muwatin, The Palestinian Institute for the Study of Democracy. 2004. p. 24.
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Foreign Funding to the PA

The donor countries started providing aid to the Palestinian Authority, after convening a joint donor conference in Washington October 1993 in which 42 states and international organizations participated and in which they promised to provide financial and technical support to the Palestinian people and the “peace process” through supporting the Palestinian economy, the principles of democracy and human rights. In addition to the containment of the causes of tension and the threats that face the peace process.\(^4\) The main foundation for aid was thus the support of the peace process. Accordingly, aid increased proportionally with the activation of the negotiations and in times when the peace process was halted aid decreased. In this light, the director of the European Commission in the West Bank, John Kjaer, said in September 2007 “the amount of economic support given to the Palestinian people is dependent on the progress of the peace process between the Palestinian and Israeli parties.”\(^5\)

The hidden goal of this aid is the protection of the Zionist colonial project under the title of “the peace process”, which reflects the process of transformative intervention undertaken by these countries and their donor agencies in the Palestinian context; it also reflects the contradiction in mission statements made by these agencies and their actual performance. When Hamas won the Legislative Council elections in 2006, which were described as free and fair by the election supervising committees; the Quartet was quick to demand that Hamas recognizes the conditions of the Quartet, which are: recognizing the agreements signed between “Israel” and the PLO, recognizing “Israel”, denouncing violence and terrorism and endorsing the existing agreements and obligations including the Road Map, which aims at establishing a Palestinian State next to “Israel”, in exchange for providing development aid for

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the Palestinian people. When Hamas refused the conditions of the Quartet, Europe and the United States did not only cut off the aid given to the Palestinian people; but they also used the legislations resulting their declared “War against terror”, to impose a boycott against the Palestinian government formed by Hamas. This policy led to the reinforcement of the division in the Palestinian society, on geographical, political, and economic levels, through the deprivation of one party as opposed to giving generous funds to the other, which adheres to the external preset policies.

This political division resulted in two systems; each of them with its own political, economic and social vision. Hamas proposes Islam as an Ideology, while Fateh follows the somewhat secular heritage of the PLO. Furthermore this division promotes the social and geographical fragmentation imposed by the Occupation through the policy of separation and isolation pursued since the 1948 occupation. The strategy applied is to prevent any geographical or demographical continuity in the occupied Palestinian Territories; the West Bank - including Jerusalem - is under direct Israeli settler occupation while Gaza is under Israeli siege and the Palestinians in “Israel” face systematic racism, which led to severe restrictions on movement of people and goods.

Foreign aid worked to aggravate this geographical and demographic fragmentation as well as the social and economic divisions between local areas and communities. The absence of comprehensive Palestinian social and economic policies led to negative effects on the employment opportunities and basic services; the differences in wealth between Gaza and the West Bank increased since the establishment of the PA, mainly because of the emergence of a relatively wide middle class in the West Bank, with the availability

47. It is a middle class that carries the name without the content since its position is deteriorating because of its dependency on the banks and the high indebtedness from which it suffers. People in the West Bank are indebted to the banks with almost 3 billion dollars, these are mostly the debts of the middle class in the West Bank. This indebtedness is a result of the policies of the PA; the ministry of finance has lowered the rate of foreign employment of banks as a result of the world financial crisis from 65% to 55%, which went to people in the form of loans instead of being invested in productive projects. The banks were instructed to open the doors for loans =
of work opportunities in the PA institutions, the NGO sector, which grew significantly after Oslo, in addition to the emergence of the modern private sector (Banks, communication companies, insurance agencies ...). In the West Bank, uneven distribution of wealth and income can be seen between central cities, villages and refugee camps and between the north and the south of Palestine. But the major cleavage is between Gaza and the West Bank; since Hamas established its rule on Gaza in June 2007, the percentage of families living under the poverty line - measured on basis of real consumption and not income - reached in 2008 51.8% in the Strip in comparison to 19.1% in the West Bank. The continuing siege, especially the huge destruction caused by the “Israeli” occupation forces' attack on Gaza 2008 - 09, led to the exacerbation of poverty. The Palestinians in Gaza still live in the remaining ruins; prohibited from bringing in any material necessary to rebuild their houses or the infrastructure; and the siege still tightly upheld which prevents Palestinians from rebuilding their economy and take measures against the spreading poverty and unemployment themselves.48

The donor countries are as much responsible as “Israel” for the deterioration of the economy and the mislead development in the Occupied Palestinian territories, since they played their part in wasting huge amounts of money designated for Palestinian development, through tying the disbursement of aid to the use of European equipment and technical expertise. The European Union, for example, requires that all equipment needed to execute the projects should be brought from European Union countries as a precondition for funding. The percentage of technical aid differs from one state to another; but in the Palestinian case it reaches 85% up to 90%; sometimes the salary of the expert from the European Union reaches four times the highest salary in the institutions of the PA. Most frequently, the costs of equipment and salaries of experts

reached 70% of the total amount of aid; the salaries of advisors and experts alone made up a fifth of the total aid, whereas the Palestinians’ share of the contribution was merely tons of papers filed in offices and closets.\footnote{Previous source. Towards a More Effective Use of International Aid to the Palestinian People. p. 34.}

In addition, the method of distributing aid to the various economic sectors has been problematic because it has not been in the service of building a strong Palestinian economy. The total amount of aid given by donor countries between the years 1994 - 2005 was about 7000 Million Dollars, in addition to 400 million dollar given to the UNRWA. According to the data of the Palestinian Ministry of Planning, the social sector received with 40.8% of the total aid provided the highest share of aid in the period between 1994 - 2005, the sector of construction ranged second with receiving 21% of the total, while the productive sector was promised 10%, but actually did not receive more than 6% of all aid given between 1994 - 2000; the agricultural sector received only 1.84%, the contribution to the industries amounted 0.87% and 3.8%, to the productive sector. This numbers show that the main sectors to which international donors found investment important were unproductive ones.\footnote{Ibid: 26.}

These numbers were reflected in the Palestinian Authority’s budget for 2008 - 2010 in what was called the “Reform and Development Plan”, which were proposed by the Palestinian Prime Minister Salam Fayad to the donor’s conference. The table below shows the distribution of general revenues and foreign aid allocated to the sectors by the Palestinian National Authority, as stated in the “Reform and Development Plan” during the years 2008 - 10: the social sector received with 40% most, then the sector of security and rule of law 30%, while the economic sector (industrial, agricultural, and productive), received only 7% in the best cases.
The political character of the funding becomes visible by the fact that the social sector received the highest percentage of aid while productive sectors received only marginal amounts. This also implies that the donor states were not interested in achieving development by building a strong self sustaining Palestinian economy and that the main goal is nothing more than to carry out the responsibilities of the Occupation and to support the process of political settlement. It also confirms the policy of “social architecture”, which the donor states seek to realize inside the Palestinian society and its institutions, through “rebuilding” social, educational, legal policies and the media. After constructing the model of a dependent political entity on the level of the PA, it tries to create something similar on the level of the society to reach its goals and implement its policies.

Although the social sector receives the highest funding (most of which is spent on running expenses, especially on social sectors salaries), the execution of their developmental plans and policies depend on their conformity with the donors suggestions and approaches to development and politics.

“In this context, the Palestinian social developmental plans and policies, during the transitional period 1994 - 2000, did not stem from a clear and well defined social developmental philosophy. These plans and strategies did not adopt any of the acceptable philosophies in defining its social policies, it rather chose to adopt the elitist model

### Table: Sector-wise Distribution of Foreign Aid

<table>
<thead>
<tr>
<th>Sector / year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure sector</td>
<td>5.5%</td>
<td>7.4%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Economic sector</td>
<td>5.9%</td>
<td>6.2%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Governance sector</td>
<td>10.6%</td>
<td>10.4%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Security and rule of law</td>
<td>33.5%</td>
<td>32.2%</td>
<td>30.7%</td>
</tr>
<tr>
<td>Social sector</td>
<td>44.5%</td>
<td>43.7%</td>
<td>43.9%</td>
</tr>
</tbody>
</table>


38
in policy making in which policies are made from top to bottom; as it was made by a work team in the ministry of International Cooperation and Planning, without allowing the participation of other governmental or non-governmental organizations. In addition, these programs and policies were not presented to the Legislative Council before being presented to the donor states, which shows that the preparation of these plans is only a tool to acquire support and aid from these states; and since the international support for the PA was and still is subject to political considerations in the first place, these countries did not require advanced, impervious or participatory developmental plans; they were satisfied with “shopping lists” justified by some of the fragmentary and incoherent projects and programs.”

The donor remained the highest decision maker in the realm of planning, including the definition of project funding priorities. This translates into the direct supervision of the program and project planning phases, into deciding which projects are to be funded, with how much money and according to which conditions. The donors are present in all developmental plans made by the Palestinian Authority (the three-years development plan 1998 - 2000, the five-year plan 1999 - 2003 and the two middle-term plans 2005 - 2007 and 2006 - 2008), on two decisive levels: the technical support through provision of experts and direct funding. This kind of technical support allows the funders to observe and direct the process of planning and institution building through having experts of their own agencies present in different PA institutions whose judgments constitute the actual quality of planning on the one hand and the distinctive scaling of the projects on the other. This transforms task

52. Ibid: 95.
53. Concerning the previous programs of the middle-term plan 1998 - 2000, they were prepared directly by the donors, especially by the World Bank, which prepared the emergency assistance program in 1994 and submitted it to donor countries. In the following year, two papers were prepared; one by the PA and the other by the World Bank and IMF; the two papers were presented to the donor meeting. The program of 1997 was prepared by the PA in cooperation with the World Bank and donor countries, this one was an extension of the previous program. (Development Studies Program. The Economic Planning In Ramallah. Ramallah: Birzeit University. 1998. p. 15).
of development into a set of technical measures that are not based on organized and systematic participation of the local social forces. In addition, the expert leaves with his / her expertise, without giving the opportunity to the PA to gain experience in planning themselves.

The same applies for the development plans for the years 2008 - 2010, or what was known as “the document of state building on the road to peace and prosperity”. This document was issued after the end of the economic and political siege over the Palestinian people, which coincided with a new so-called “emergency government” under the leadership of Salam Fayad that replaced the national unity government under the leadership of Ismail Haniyeh. The plan was presented to the donor conference in Paris in 2007. Although the plan claimed to represent a Palestinian achievement, the fingerprints of the World Bank, the International Monetary Fund and the DFID were clearly visible in many parts just as the Palestinian self-censorship that developed as a result of years of dealing with donors.\(^5^5\)

All these plans and slogans raised by donor institutions proved to fail in capturing Palestinian reality. PCBS data shows that poverty among Palestinian families reached up to 34.6% during the decade of 1997 - 2007, with a poverty rate of 22.4% in the West Bank and 35.6% in Gaza.\(^5^6\) In 2009, the poverty rate in the occupied territories amounted to 21.9%, (15.5% in the West Bank and 33.2% in the Gaza Strip).\(^5^7\) This numbers show a compared to other countries relatively high poverty rate. Even though these numbers reflect an actual decrease, if one keeps in mind that more than 50% of all employed persons are working for the PA and their salaries are paid through development aid, it is to doubt if this decline in poverty is sustainable, as it is not based on employment in productive and self-sustaining sectors.

The until today high rate of the poverty in West Bank and the Gaza

\(^{57}\) PCBS. 2010.
strip is due to the occupation, the siege, and a result of the continuing destruction of infrastructure, homes and land; in addition to the manner in which international aid is distributed and decided upon. Although the social sector receives the highest budget support, it does not serve social issues and programs, since the proposed plans for development it is spent for, do not serve a real development. Aid is characterized by its political character shown through its utilization and priorities, for example resembled in the fact that an important part is spent on salaries of foreign experts and local elites working. What also illustrates the political nature of aid is that the security sector receives the second highest percentage of funding, with almost 30%. The reason of supporting and building up the Palestinian security forces is assumed to be the protection of “Israel”s security mainly. This becomes evident in the fact that Palestinian security forces joined Occupation forces in 2009 alone in 1297 activities against militant Palestinian groups, which means an increase of 72% compared to the previous year. Moreover, the support given to the Palestinian security forces transform it into a security force that is able to perform an internal oppressive function, in addition to the security tasks it fulfils on behalf of the Occupation, while this money could otherwise be used to serve a real development for the Palestinian society, which is its declared task.

We see clearly here the contradiction between the slogan of “human rights” called for by donor states and the “neo-security doctrine”. This doctrine became a central and dominating part of the neo-liberal politics, occupying a prestigious position in the list of goals for aid in the South acting as a regulator of their plans.

Linking the promotion of human rights to politics aiming a security reform in the countries of the South makes the human rights system the fig leaf behind which the violence of security reform politics hides. Convincing the poor and the sick, political parties and movements that civil and political rights have a priority over their social and economic conditions is possible only by abstracting

those priorities from an extremely alienated reality, which leads to a false perception and thus makes the colonized a defender of the tools of the colonizer, embracing the latter’s discourse, adopting his priorities, believing in the utopian possibility of achieving his urgent needs after the colonizer is done realizing his list of priorities that are believed to lead to the colonized urgent needs.\textsuperscript{60}

\textbf{The Civil Society}

The donors describe civil society as a mechanism to achieve a set of foreign and local political goals, by mobilizing the active elites and institutions in the civil society, as representatives of the masses to speak on their behalf. They aim to realize politics of market liberalization and privatization, which open the door for foreign intervention in the Palestinian economy. After they created a dependent model on the level of the state, their politics also create new social consumer formations, whose customs are based on the Western culture and adopt its discourse on rights and freedoms.

Dealing with the most “active” parts of society, which are the elites working in NGOs, makes a debate on political interests and the will of the people an unlikely and disapproved matter. NGOs, for example, address human rights, just as other areas on which international donors spent their ODA on, through technical instruments; thus translating a political issue into a legal one, confining it to a limited but controllable framework. In this way, “human rights” become a hardly comprehensible topic to the masses and thus alienate them from their natural rights instead of being a recognized collective demand and tool for liberation. Thus human rights become a question that needs study and knowledge to be addressed and are presented as a service given by professionals working in the field of human rights to the “beneficiaries”. This leads to the de-politicization of these rights, the origins of its violations and the focus on the legal aspects of it.\textsuperscript{61}

Through NGOs, the civil society functioned as a medium that

\textsuperscript{60} Ibid: 10.
\textsuperscript{61} Ibid.
transmits the concepts of global power and domination to the local community. With the establishment of the PA, it became possible to describe the Palestinian situation as “post-conflict” and in transition towards building a Palestinian state. On these bases, the NGOs have been working to establish new concepts of the formation of the Palestinian subject. The main social statement carried by these NGOs is that Palestinian Individuals and the collectivity need to change their conceptions of themselves as both individuals and human collectivity. But unfortunately, this change is not made according to the desires of Palestinians, but according to the standards of the clear and explicit discourse of neo-liberalism represented and promoted by the Western donors. Oslo, as the moment of displacement and double social alienation, was the perfect moment for the entrance of these organizations to the Palestinian social space, aiming at reproducing the individual and his conception of itself and society in a certain direction. The Palestinian has to be rational, tolerant, enlightened, open to dialogue, peace loving and non-violent; traits which create an environment that contributes to the solution of the colonial struggle peacefully, while maintaining the relations of dependency to the West and the control in the hands of “Israel”.  

The most alarming consequence of foreign aid is the transformation of the perception of Palestinians from subjects entitled to rights into mere beneficiaries of rights, clients of donors and organizations promoting these rights. This is resembled in practices that replace a metaphysical definition of the human by an abstract one that transforms the individual into a passive recipient of human rights services and knowledge; thus creating a new hierarchy with a conscious human being in control of its destiny on the top of the ladder and a “victim” that lost his humanity and dignity, and lives hoping to be liberated from his harsh condition, while the relations of domination are reproduced under new deceptive titles on the bottom. 

The interest in transmitting the neo-liberal discourse to the Palestinian context is evident in the focus on rights and their promotion, which is reflected in the amount of aid distributed to non-governmental organizations working in this sector. NGOs that work in the field of agricultural development, water, environment, vocational training and similar fields, which constitute 12% of all NGOs, receive 21% of the total amount of aid, while the NGOs that work in the field of human rights, democracy promotion, and good governance, which also constitute 12% of all NGOs, receive 30% of foreign aid. Those working in the field of social services in contrast, (which constitute more than 36% of the all NGOs) only receive a quarter of the total aid.\textsuperscript{64} 

Moreover, it seems that the percentage of aid given to social services is declining in favor of supporting the fields of “democracy” and “peace”. The director of the Palestinian Medical Relief Committees, Heidar Abu Ghosh, said in the program “Raya Fm”, Public Opinion, broadcasted by Watan T.V., “there is a problem in funding all health organizations, as a result of the tendency of foreign funders to support democracy, human rights and peace promotion projects at the expense of health projects...”\textsuperscript{65} 

The current proposals to solving the Palestinian problem, through what is called “the peace process”, aim at putting the Palestinian society into a situation in which the Palestinian human is alienated from its history, reality, values, and national interests; and in which it is turned into a mere consumer of commodities. Since alienation is an imperial tool par excellence, it is condensed in the Palestinian case in a way that requires a dissection of the discourses directed towards the Palestinian, which aim at creating a “new Palestinian”, promoted by the American. The American funding today seeks to create “the new Palestinian” through supporting both the Palestinian Authority and Civil organizations.\textsuperscript{66} The attempt in this course was

\textsuperscript{64} Previous source. Tracking External Donor Funding to Palestinian Non Governmental Organizations in the West Bank and Gaza . p. 46. 
\textsuperscript{65} http://www.wattan.tv/hp_details.cfm?id=a1103610a1241227&c_id=1 
\textsuperscript{66} Several months after the end of the attack on Gaza, Dayton, who is in charge of training and reproducing the security forces, spoke in front of a group of politicians in “the Washington Institute for Near East Policy”, boasting about his mission’s accomplishments: “building a force that has worked against Hamas in cooperation with “Israel” during the war. Creating =
Theoretical Framework

successful in terms of supporting the Palestinian security apparatus, and it is to be spread to other governmental and social sectors, as the U.S. ambassador to the Zionist entity, Michael Oren, demanded.67

The international aid system was established - as previously mentioned - in the service of the political interests of the donors, rather than in the service of the rights and needs of the recipients; therefore, this system effectively undermines the local leadership and agendas and the participation of the mass base. It activates this process by putting the decisions related to the usage of resources in the hands of foreign personnel on site, turning a blind eye to the local conditions, (including those caused by the Occupation). In the next part of the study we will see how this is resembled in the discourse of donors in the Palestinian Territories, which will be addressed in the next part of the study.

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67 = “new men” through training Palestinian forces. He also said that the “Israeli” military leaders asked him about the possible speed in which he can produce more of these men.” Thrall, Nathan. “Our Man in Palestine”. Wijhat Nathar. Issue 141, 2010. p. 13.
67. Ibid: 12.
Chapter Two:
The Discourse of Donors in the Palestinian Territories
First: The American Funding

The U.S. is the second major donor to the Palestinian people after the European Union. Since 1994, the United States Agency for International Development - USAID - has given more than 3.3 billion US dollars to the Palestinian people in the West Bank and Gaza Strip, supporting projects that aimed at limiting poverty, improving the educational and health situation, building infrastructure, creating work opportunities and promoting concepts of democracy and good governance. The U.S. American aid to the Palestinian people is given either directly to the PA, or through USAID projects on site. The funding of the latter can be described as conditional, which means it is for example tied to signing an anti-terrorism document in order to receive funds. USAID executes its projects through American corporations and nongovernmental organizations, which work in the Palestinian Territories; each specializing in a certain sector. These organizations include:

1- (International Relief and Development) IRD

An American, non-profit and non-governmental organization with its headquarters in Virginia, U.S.A. It has around 35 offices in Africa, the Middle East and Eastern Europe. IRD operates mainly in conflict and post conflict areas, such as Palestine, Iraq and Afghanistan. The organization implements projects on behalf of USAID in the fields of democracy, agriculture, nutrition, health, relief and infrastructure; however, in Palestine it only works in the field of infrastructure, mainly in road construction, the water system and building schools. In 2009, for example, it has rehabilitated 70kms of roads in the West Bank.

The vision of this organization is based on the consideration that “the success of development depends on the participation of the community; this is the basis of real development that creates the

68. Interview with Lubna Ghanam, IRD, Ramallah, Palestine. 31 August 2010.
69. Celebrating 10 year of international relief and development (1999 - 2008).
70. IRD annual report, 2008. page 11.
Foreign Aid

sustainability of any project. We essentially believe in this idea, which is why we create partnerships with local organizations; we work on improving the capacities of our partners through capacity building projects so they can perform the job in the best way. For example, in the field of infrastructure, we have local contractors as partners, but their capacities were limited, so we worked on building their capacities in communicating with us and the community; we also worked on improving their writing and reporting skills, in addition to the quality of work.”

This vision shows the approach of these organizations, that confines development to the realm of service provision and the rehabilitation of infrastructure, which, albeit although important, do not constitute a main starting point for economic development. Moreover, confining development to some administrative skills, such as writing reports and communication skills empties it from its meaning. What is demonstrated here is that this organization does not seek to create real and sustainable impacts on the ground, and therefore spends the estimated project costs on things that do not lead to actual developmental effects. In this way, the donor organizations are the only beneficiary of these funds, which return to them through employing their own experts to implement the trainings; while the Palestinians take the role of mediating contractors, rather than the planners.

The vision of this organization endorses the Reform and Development Plan, and the establishment of a Palestinian state; thus it does what is useful for the achievement of this purpose, which is mainly targeting the infrastructure. But the infrastructure that IRD seeks to build is that which perpetuates the current limitations of the PA and the areas it controls, creating some kind of continuity between these areas and making them a de-facto reality of a future Palestinian state. (This point will be discussed in detail, besides examining alternatives for U.S. funding.) In Gaza IRD’s work is limited to relief projects demonstrating its political position towards Hamas and thus consolidating the reality of political and geographic fragmentation

71. Interview with Lubna Ghanam, IRD.
72. Ibid.
on site. This is the same position taken by all American organizations working in Palestine, which follows the political position of the mother country.\(^73\)

2- Netham project

This project started in 2000 and its first phase ended on September 2010. Between 2005 and 2010 is cost 14 million U.S. dollars.\(^74\) This project is implemented by the U.S. American consultancy organization DPK, which provides technical and management services to developing countries. DPK is responsible for technical tasks such as formulating the project proposals, strategic plans and conducting its implementation.\(^75\)

“The Netham project aims at assisting justice institutions “which are part of the justice system and include: the Supreme Judicial Council, the courts under its administration, the ministry of justice and legal education.” through this project many activities were implemented in cooperation with the college of law in Al-Quds university. Additionally they implement activities related to civic education together with the Ministry of Education, in which activities were included such as evaluating the civic education curriculum for grades 1- 9; the preparation of a civic education manual for the training of teachers and the training of a group of directors and supervisors from all districts of the West Bank to enable them to train civic education teachers, in their turn.”\(^76\)

The main goal of the project is “promoting the principle of rule of law so that the system of law is strengthened and spread among the people.” In addition, the work of the organization is committed to the American decision to boycott Gaza. The project seeks to promote the rule of law on all official levels; on the level of the justice and the social sector (through impacting curricula and civil society), which in a way allows it to regulate and control all levels that build the

\(^73\) Ibid.

\(^74\) “Rule of Law, Justice and Enforcement.” Netham fact sheet, p. 2.

\(^75\) Interview with Bassam Yassin. Head of the project Cadre. Netham project. Ramallah. 19 August 2010.

\(^76\) Ibid.
identity of the Palestinian individual, influences the perception of itself and others; thus, preventing it from constructing another vision. Nethams’ work is not only confined to the official PA institutions, it also addresses the curricula in the Palestinian schools, colleges and civil society organizations, through the following activities:\(^77\)

1. 14 grants were awarded to civil society organizations, which contribute to promoting a better understanding of and respect for the rule of law.

2. The development of four courses in the Law School at Al-Quds University, which include the subjects of legal ethics, legal technology, legal writing, and a moot court course. Besides providing a computer lab, renovating the law library, providing of a moot courtroom and four classrooms.

3. Evaluating and revising civic education textbooks for grades 1-9 together with the Ministry of education. Furthermore a training manual for civic education was prepared for teachers to enhance the curriculum and teaching methodologies.

This focus on education stems from its function in reproducing the power that, in turn, will guarantee the reproduction of its legitimacy, no matter whether this power is internal or external. The institutions and the cultural model of the dominating groups is reproduced by the educational system, and thus serves the reproduction of society, as Bourdieu argues: “The specific structural and functional characteristics of any educational or institutional system are due to its ability to produce and reproduce by the special means possessed by institution, requirements and the institutional conditions that must exist and continue to exist, (the reproduction of the institution), whether because it undertakes its function of institutionalization, or the function of reproducing a cultural model that it is not its own production (cultural reproduction), that contributes to the reproduction of established relations between groups or classes (social reproduction).”\(^78\)

The main purpose of the curricula is therefore, the naturalization of the culture of the dominating system or class in a society. which is a process of socio-political *habitus*, since it transmits the social values and customs (social function). The knowledge given in these curricula are guided and inhabited by the ideologies of the dominating groups in order to create a citizen who conforms to a certain socio-political model, (political function). The school, thus, resorts to several concepts related to real circumstances and situations. These concepts take us to one main goal, which is influencing deeply the life of the individual, to achieve his conformity or socio-political *habitus*, based on a vision, which presents itself in the intervention of donors in the curricula. In the following chapter we will address the Palestinian curriculum, and the image of the Palestinian reflected in it.

**3- American Near East Refugee Aid (ANERA)**

ANERA works in the Palestinian Territories since 1968. Its work has four main pillars: health, education, agriculture, and infrastructure. The organization seeks to improve the lives of Palestinians and their living standards through these four areas. It started off with refugees as it target group but today perceives all West Bank communities in need as recipients. The organization works on behalf of USAID, especially in the area of maternal health and nutrition.

In the field of agriculture ANERA wants to help small farmers to gain access to the main markets. In the field of education, the organization supports kindergartens in the areas of Nablus and Bethlehem and provides training for school teachers. It plans to widen the scope of beneficiaries from these programs with the possibility of reaching Gaza, where its work has been confined until now to humanitarian relief only. According to ANERA, its most important projects are those concerning early childhood education, since it is in this age that problems arise. The importance of this stage lies in the fact that it shapes the child’s personality and marks the beginning of its cultural constitution.

79. Interview with Ken Lizzio director of ANERA at Jerusalem - Jerusalem. 25/10/2010.
80. Ibid.
81. Ibid.
In the area of infrastructure, the organization works on building hospitals, schools and water pipes extensions. In addition to USAID, ANERA receives funds from rich Palestinians, mainly American passport holders. It has also received one million dollars from Kuwait in 2002 to support pre-school education and to provide milk and biscuits for children between the ages three and five. Who benefits from ANERA programs depends on the type of the program, but since the biggest share of their programs are kindergarten, school and child nutrition programs, children are benefiting the most.\textsuperscript{82}

In sum, we notice that these programs do not aim at creating a sustainable development but are rather of a relief nature that aims to mitigate the effects of the Occupation and carries the burden of its responsibilities, while achieving material and political gains for the organization itself. The conditions ANERA sets as pretext for a co-operation with local organizations are mainly political ones; they should have the ability to administer funds, a good standing with the “Israeli” authorities, no political allegiance, especially those working in Gaza, to ensure that there is no “illegal” framework with any external entities, in addition, they are prohibited from having any connection or communication with the Palestinian government in Gaza.\textsuperscript{83} ANERA’s approach is “to bring change through change”, in the first place through training or technical assistance,\textsuperscript{84} which brings high income to the organization itself which provides the training experts and technical tools.

The developmental vision of ANERA is that “the goal behind development is the independence of states and their self-reliance, which are clearly manifested in individual projects, which grow and grow and live.”\textsuperscript{85} This vision reflects the method of work of ANERA through individual projects, which do not create an integrated and sustainable impact, however, they are promoted as the ones that are more sustainable than others. The director of the

\textsuperscript{82} Ibid.
\textsuperscript{83} Ibid.
\textsuperscript{84} Ibid.
\textsuperscript{85} Ibid.
organization sums this approach in the proverb: “you can bring the horse to the water, but you cannot make it drink”. He then adds, “the Palestinians have to be active and more organized on the civil level.” This reflects the arrogant and orientalist position of the organization and its development aid, which is manifested in his view of Arab Palestinians and their nature that prevent them from being civilized, even if they had the material resources to achieve it. Thus they have to follow European civilization’s rules and learn from its experiences in order to be able to climb their same ladder.

Second: The French Funding

The establishment of the French development agency in Jerusalem in 1998 and its final opening in 1999 were among the first activities of France within the Oslo accords framework that aimed at resolving the “Israeli Palestinian conflict”.  

The Agency considers the situation in the Palestinian Territories as a unique case in which it provides official development assistance, for several reasons, among them:

- The political and geographical fragile area with a population of over 3.7 million inhabitants is not run by a State.
- The Gaza Strip is isolated which means its population suffers from harsh living conditions. Poverty has reached record levels and the overwhelming bulk of vital needs can increasingly only be met through the help of international organizations.
- In the West Bank the separation barrier and drastic restrictions on the movement of goods and people are a huge brake to the economy and its growth and add further to the population’s reliance on international aid.

It is of note here that there is no reference to the Occupation, and its responsibility for the creation of these conditions; as if they

were structural causes inherent in the nature and composition of the Palestinian context; and thus relieving the Occupation from any legal or ethical responsibility, at least from their perspective. On the contrary, the aid came in harmony with the “Israeli” tone and vision of a political solution. Aid is according to AFD based on two main principles: the continuation of the support for the peace process, despite the difficult and hazardous context and the creation of suitable conditions for sustainable development. This principle should be implemented through the establishment of a viable Palestinian state, via strengthening the institutions, creation of conditions for sustainable development and contributing to preserving cohesion and social peace through focusing on three sectors: First: water and sanitation; second, municipalities, communities and the development of infrastructure; third: supporting the Palestinian private sector, so that it forms a cross-cutting support for all projects.

The AFD envisions the Palestinian state based on the already existing institutions that represent the current situation of the PA and the areas under its control as a “a viable state” or “available Palestinian state”, a vision that implicitly carries a political connotation of aid. This vision for a state is based on the organization being “a French governmental organization whose decisions conform to those of its State, that supports the two state solution which envisions the establishment of a Palestinian state in the West Bank and Gaza with East Jerusalem as its capital.”

The borders of this “viable” state are situated “in” the West Bank and Gaza, turning it into a state built not even “on” the borders of 1967; which means maintaining the status quo and the temporary solution on the basis of which the PA was established, which represents the “Israeli” position. The role of such a state would be mainly provision of services and thus alleviating the burden of the Occupation, which is legally responsible for these services.

87. Ibid.  
88. Ibid.  
89. Interview with Simon Goutner, Head of the programs in the French Development Agency, Jerusalem, 19 November 2010. (in English)  
90. Ibid.
This is achieved through the second goal of realizing sustainable development, or improving the lives of Palestinians; building the institutional structures and infrastructure of a future state, supporting the government in the infrastructure sectors and its provision of public services (water, electricity, and the strategic plans of municipalities). The organization works with “the ministry of local governance, the ministry of national economy, the ministry of health and the Palestinian Water Authority; these are the main partners.”

The AFD also contributes to “the municipalities’ fund” of the ministry of local governance, which was established by the ministry to “improve the work of the municipalities, develop their performance, improve good governance, and encourage the municipalities to adopt main work strategies.”

The agency signs agreements with the ministry of planning through the methodology of framework contracts. It discusses the projects with the ministry, if these projects serve the national priorities they will be supported. Agreements are made mainly with the ministry of planning, which presents the complete work plan for all ministries through the development plans it makes, or lately through the overarching “Reform and Development Plan”. This three year plan is a reference for all donors, including the AFD, whose “funding policies are consistent with the national development plan which was made by the Palestinian government; it is our main reference and we are waiting for the new development plan which will be the basis of our future work as well.”

Gaza and the Civil Society outside the Project

The analyzes above sought to show that Western donor organizations have excluded Gaza from their funding and the institutional support through which a state is to be built. The project of achieving peace and a viable state became “increasingly difficult following the second Intifada which erupted between 2000 - 2001, then, with the political
crisis that followed the elections of 2006, and finally with Hamas seizing power in Gaza in 2007. As a consequence for all these events, the economic and social situation worsened, and thus development aid was partly redirected towards increasing the field work, to create local employment, as a result of these conditions. The agency continued funding the heavy infrastructure, which is indispensable for the achievement of sustainable development. Maintaining high levels of funding to the Gaza Strip, which suffered severely from the deteriorating political situation, became a source of serious concern for the AFD. The focus of the agency thus became to involve the civil society, mainly that engaged in relief work, “through working with the Palestinian Red Crescent and its branches in the West Bank.”

This meant the lack of providing any real development aid to Gaza and excluding it from the formulation of the development plan.

On the level of civil society, the French agency works modestly in the area where it can hardly intervene, such as in Jerusalem and Gaza. In Gaza, for example, the agency works through the Palestinian Red Crescent and its branches in the West Bank. It also has a project with “Tatwir center” - (development center) for the support of civil society organizations, to complementing the services provided to the PA, through providing the financial and technical support for these organizations through Tatwir Center.

The director of the French agency attributes the causes of concentrating the support on the governmental sector at the expense of the civil society to several reasons; for example because NGOs in his opinion receive huge amounts of funding from other resources, they are not close to the masses and focus on areas that are easy to reach, such as Ramallah, which distinguishes them from other actors. In addition, the number of NGOs in Palestine is very high with 2000, they differ in the fields they work in and the size of their budget, one can even find NGOs with double the budget of a ministry. The huge number of NGOs implies the danger of overlapping or double provision of public service.  

These justifications emphasize the political nature of aid, they focus

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94. Between urgency and development.
95. Interview with Simon Goutner.
on the building of viable state organizations to alleviate the burdens of Occupation, and solve its security problem with the Palestinians. Civil society organizations are supposed to be closer to social classes and representing their will, since their work stems from their needs. Furthermore there are many other programs can be funded on the level of civil society than those of public services that; but the emphasis on them proves the political nature of the agency’s work. As discussed above, the development and the state as planned are not sustainable and do not achieve any kind of development because it ignores the colonial reality on the ground, and the imposed closures and siege on the Palestinian Territories, which is to be called “a state.”

As for the current condition of development in Palestine, the director of the AFD says, “I believe that we need more coordination to reach a good level of ownership for Palestinians. The agency conforms to “the Paris declaration of aid effectiveness”, and the facts created by donors’ support, which should conform to the national priorities and the Palestinian projects or it will not have any sustainable effect.”

Here appears the contradiction between the rhetoric used in theory and the actual performance in reality, the aid provided does not serve the national priorities of the Palestinian people as much as it serves the political project of a state that lacks sovereignty, “a viable state” or “allowed state”, which is to be achieved as a fact on the ground, as an end solution for the Palestinian Question. At the same time there is the economic goal of linking the Palestinian context to the global market, as a new consumer market, while maintaining its dependency on the Occupation.

**Supporting the Private Sector in Palestine**

The AFD supports the private sector, which is hindered by the restrictions imposed on movement by the Occupation. It is considered one of the priorities of the development plan; but this sector cannot be revived, according to the AFD, without easing the restrictions imposed on movement in the West Bank, and the siege on Gaza. France participates in preparing and supervising the private sector conference in Bethlehem (Palestine Conference for Investment).
Besides it implements infrastructure projects in partnership with private sector corporations, attempting to create employment opportunities in this realm, by establishing special programs. The agency also participates in a program to support the Palestinian exports through the development of an oil industry implemented by the local agency, the Palestinian Trade Center, Pal-Trade.\(^{96}\)

But the main reason behind supporting the private sector and the interest in it is the attempt to link the Palestinian economy with the global market economy. This was expressed in the agency’s list of goals in the region; among them, was the goal to “strengthen the development and convergence of the Southern and Northern Mediterranean economies. The amount of loans granted to governmental and nongovernmental parties in the region has been more than half its committed aid. The amount of these commitments was 160 million Euro in 2002, and 650 million Euro in 2007; added to this is the contribution of the branch “PROPARCO” for the benefit of the private sector, which reached in 2007 almost 108 million Euro.”\(^{97}\)

It appears that the goal of this convergence is “dependency”, the economies of the South - specifically the Palestinian - cannot compete with those of the North; it will rather be a consumer to the latter’s surplus production; which means maintaining the status of political and economic dependency of these countries.\(^{98}\)

### Third: The British Funding

Department for International Development (DFID): This organization was established in Palestine in 1997, aiming to support the peace process in the Middle East and the Occupied Palestinian Territories, through supporting the institutions of the PA, and combating poverty.\(^ {99}\)

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96. Between urgency and development.
99. Interview with Jeffrey Tudor. The vice president of the British Development Agency in Jerusalem, Jerusalem. 9 November 2010.
The vice president of DFID in Jerusalem, Jeffrey Tudor, said in an interview conducted in 2010: “we support the PA through directly supporting their budget, so it can pay the salaries, and provide basic health and education services. Our support concentrates on the social sector, with the aim of enabling the people to have access to services and justice. We also work in the realm of combating violence against women. We seek to work in refugee camps and are engaged in work with the security sector and the governmental sector through assisting the Palestinian institutions to work better with the people for whom they are responsible. In Gaza, we support humanitarian work and the private sector, by providing support to companies which try to revive their business with a 50% funding in the West Bank and 30% in Gaza Strip.” He also added, “we support the building of the PA institutions, the security sector and the promotion of the values of democracy. In addition, we provide direct support for the PA budget. How the money is used in the social sector, such as for education or health and which mechanisms are to be used is up to the PA itself.”

The contradiction here is obvious, how can we combine supporting democracy with the focus on supporting the security sector, while paying much less attention to the social sector; leaving it entirely in the hands of the Palestinian Authority. Most of the support to this sector, goes to running expenses such as salaries and the fees of consultants for making plans and budgets; the emphasis on this policy becomes evident in their definition of development, which was declared by the vice president in the following statement: “we want to see that we follow the systems of the country we do not believe in hundreds of projects that create problems. We want the government to lead the policies and then we follow. This is why there is a need for a good financial management and a good system; our vision for development is to support programs that are as national as possible.”

We notice here that the definition of development is based on its administrative aspects, which is linked to the nature of programs

100. Ibid.
101. Ibid.
102. Ibid.
the organization funds; since it funds institution building’s focuses on sound management and a good system due to DFID’s evaluation. The issue of the government leading the policies is a yet-to-be-achieved principle; since it is still in the building phase and has not yet reached the stage of taking the initiative and leading the process of making policies. Attempts of the DFID to support national programs depend on how strongly they match their own agenda which are considered a priority. The goals of the organization can be summed in the following realms:103

A- The building of state and economic development:

DFID helps in building the institutions of the future Palestinian state through the:

- financial help it offers to the PA: so that it is able to provide the basic services, pay the salaries of public sector employees in the West Bank and Gaza. The amount of aid provided was around 30 million dollars in 2010.
- Supporting the PA ministries: assisting them in planning and formulating the budget more effectively. The PA received for this purpose 2.43 million Euros in the period between 2009 - 2010.
- Training and equipping the Palestinian civil police: the amount contributed was 155,000 Euro during 2009 - 2010.

In addition it works on promoting the growth of the Palestinian economy in the Occupied Palestinian Territories through:104

- Providing financial support for Palestinian businesses in the West Bank and Gaza to help them compete in the global market and develop new products. 28 new enterprises entered the market and 17 new products were developed, generating 9 million dollars in incremental exports and local sales. DFID invested three million Euros in this program over three years.

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103. Ibid.
104. Ibid.
• Funding a multi-donor program to stimulate the residential construction sector by increasing the availability of mortgages; through this initiative 35,000 job opportunities are to be created in the field of construction. DFID committed to contribute 13 million Euros during the period of 2010 and 2011.

B- conflict prevention and progress towards peace:

DFID supports conflict prevention and progress towards a negotiated two state solution through:105

• Endow the PLO’s Negotiations Affairs Department with technical aid so it can provide expert policy and legal advice to negotiators. This knowledge transfer was financed with 473,000 Euro by DFID during 2009 and 2010.

• Provide training for the Palestinian security forces by the British military; this program is funded by the Conflict Prevention Pool (CPP) and the expenses for 2009 - 2010 amounted to two million Euro.

• Funding “Israelí” civil society organizations to promote equality and human rights, build trust between the local societies and reduce the violence inside the Occupied Palestinian Territories (these projects are managed by the FCO).

C- Humanitarian Assistance:106

“We respond to humanitarian needs and support vulnerable Palestinians by providing basic services to Palestinian refugees through funding UNRWA, as the second largest donor. Thus DFID contributed to the education of more than 482,000 school children in 2009 - 2010”. Besides DFID provides health care facilities, and giving assistance to cases of social hardship. The amount of funding for these fields was 19 million Euros in the period of 2010 - 2011.

We can see that aid, in the realm of state building and economies,

105. Ibid.
106. Ibid.
Foreign Aid

was overwhelmingly service oriented and was not invested in programs that would achieve development. DFID confines its official development aid to administrative tasks, running costs, such as salaries, and consultative services in the field of budget preparation, conducted by foreign experts hired by the donors, which lets funds returns back to them. Additionally it remains questionable whether providing the Palestinian police with equipment will serve development or democracy, or rather consolidates the grip and efficiency of security. A report prepared by The Middle East Studies Center on human rights violations committed by PA security forces in the West Bank, showed that the PA arrested its political opponents without any legal criminal or security charges. Hundreds of prisoners have been arrested since the beginning of July 2008. The Palestinian security apparatus targeted legal institutions, the press, social, charitable, religious and cultural organizations; closing some and prohibiting the activities of others. The PA shut down 107 charitable organizations, including those providing social, educational, health and cultural activities for tens of thousands of people in need which the PA in turn cannot provide sufficiently. Moreover, the PA security forces used violence against political protesters, the press and mass groups. The PA security apparatus still practices torture against its political opponents; a report of the Palestinian Legislative Council, issued on 22/11/2008, states that all prisoners have been psychologically tortured, 90% of the prisoners were severely tortured, 70% very severe and 85% suffered from diseases, injuries or were released due to their suffering by them. 107

Economic growth as fostered by DFID, especially through export-orientation, is ultimately benefiting European markets by subjugating the Palestinian product to the nature of external demand rather than to local market demands. Furthermore, the creation of new job opportunities in the construction and service sector does not serve the goal of sustainable development; it merely solves the problem of unemployment temporarily, making it under-employment. The third focus area of DFID, conflict prevention and progress towards peace, reflects the political motivation behind the ODA payments. It

supports means to the end of finding a resolution to the Palestinian Question that preserves the Zionist entity, guarantees its security, consolidates its power and presence in the Arab region and gets support by a Palestinian security ally that helps in achieving this tasks through internal oppression that maintains this equation.

Moreover, giving aid to “Israeli organizations” that work in the field of equality and human rights allows those organizations to interfere in the Palestinian society and its institutions, creating a parallel culture that promotes the idea of a “peaceful coexistence” and suppresses any resistance against it. Humanitarian aid is part of the donor states obligations towards the International Organization and its apparatuses, specifically the UNRWA.

The following table presents DFID’s allocation of aid by sector:  

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<tr>
<th>Aid according to sector: 2008 - 2009</th>
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<tr>
<td>Governance sector</td>
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<tr>
<td>Humanitarian aids</td>
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<tr>
<td>Growth</td>
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<tr>
<td>Others</td>
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This strong gradient demonstrates the political nature of aid, it’s focus on the protection of the Oslo project, its reinforcement as foundation for a resolution of the Palestinian question and a mean for peace in the region.

**Four: The Swiss Funding**

The Swiss Agency for Development and Cooperation (SDC) is part of the Swiss ministry for foreign affairs. It established its office in the Occupied Territories in June 1994 after the enactment of the Declaration of Principles in September 1993 in Washington. Since then it has been supporting different programs with multiple

108. The website of the British Agency: http://www.dfid.gov.uk/Where-we-work/Middle-East--North-Africa/OPT/
partners, governmental and non-governmental, through bilateral or multilateral cooperation.

The planning and implementation of programs is generally conducted in coordination with SDC’s main partners, such as the PA, civil society organizations, UN agencies, the World Bank and in coordination with other donors that share a similar vision. Additionally the Swiss Government has been providing support for Palestinian refugees since 1948, mainly through funding relief and humanitarian aid programs carried out by UNRWA and the ICRC. The declared main goal of the agency is to “support the Palestinian people in their efforts for development, establishing a state and therefore contribute in promoting the prospects for peace.”

“The Swiss presence in the region and the direct assistance to the Palestinian people followed the signing of the Declaration of Principles in September 1993 in Washington D.C. The prospects of new dawn of peace in the region prompted the Swiss government, along with the rest of the international community, to support a Palestinian development and state-building efforts as a commitment to building peace in the region.” Accordingly development aid is perceived as a tool to support the Oslo project, which protects and maintains the colonial entity under the slogan of “peace.”

On The first and main goal: “promoting the aspirations for peace”

The purpose here is to enhance the respect of human rights, so that “the people know their rights and duties; the civil society organizations provide legal assistance; in addition to raising people’s awareness of human, economic, social and cultural rights, promoting the culture of peace and tolerance in the society, guiding the process of networking and building capacities of the youth and women.” The agency

110. Ibid.
111. The Swiss Agency’s Website: http://www.swiss-cooperation.admin.ch/gazaandwestbank/ar/Home
112. Ibid.
also supports “Israeli” organizations that work in the field of human rights, to serve this purpose in the Palestinian society. The main aim of promoting human rights is turning it into a culture rather than a political goal; in order to habitualize the Palestinian mentality to submit to the reality of the Zionist colonialism presence. This “culture of peace” serves and strengthens the colonial interests, the dissolution of the Palestinian collective identity, its national culture and political rights in favor of the colonial project. This is resembled in the “released prisoners project”, a project under the umbrella of promoting a “culture of peace”; which aims at social and economic integration of Palestinians who spent long periods of imprisonment in “Israeli” jails. This project cooperated with the PA, the private sector and Palestinian NGOs in providing education, vocational training and family support. Besides it involved a loans program for self-employment and other support services such as providing psychological consultation and health insurance.

This program came as a contribution to peace building through integrating marginalized people in the social and economic development of the “future” state. The aim is then to eliminate the culture of confrontation and resistance to the colonial project and substitute it with the culture of peace through material and cultural tools under the slogan of “human rights” and development. Instead of educating the released prisoners, they should confront the root cause of the problem, which is to actually activate the principles of human rights and protect Palestinians from the continuing violations of their rights by the Zionist occupation, which affects all layers and groups of the society.

In this case aid functions as a tool to realize the agency’s political goals of strengthening its presence and efforts even after the 2006 elections with Hamas as its winner. This victory represented an obstacle to the achievement of the main goal of “peace building”, which caused SDC to make efforts to overcome it “the vision of the SDC program was based originally on it being one of

113. Previous source, Interview with Terry Bullata.
the tools of Swiss foreign policy to promote peace building, and therefore there was a need to coordinate it with the “second and fourth divisions”; after the sweeping victory of Hamas in 2006, this cooperation needed more strengthening.”

Consequently, the strategy of agency’s cooperation in the years between 2006 - 2010 in the Occupied Palestinian Territories was based on the following four main principles:

- From crisis management to peace building.
- From emergency support to sustainable development.
- Commitment to state building.
- Aid Harmonization.

On the partnership with the private sector

The SDC works on achieving sustainable development through partnership with the private sector mainly, “A partnership with the Palestinian private sector is envisaged in the implementation of a program that aims at creating immediate short-term employment and training opportunities for youth through forging relations and enhancing the interfacing between the private sector (businesses and industries) on one hand, and the education / training system on the other. The placement of graduates through an internship program at local, regional, and international businesses and industries is a pioneer way of creating immediate employment and transferring earned income to young Palestinians, thus giving them hope, competencies, and linkages for future long-term employability. This partnership will allow Palestinian businesses and industries to fulfill their social responsibilities, particularly towards the youth, and to promote their active involvement in human resource development in the occupied Palestinian Territory. It will also allow businesses to better structure, deliver, and monitor apprenticeship and internship programs at their institutions. In addition, it might also expose them to similar experiences of other businesses that have a good track record in this field, as well as give them the opportunity to work with

116. The Swiss Agency’s website: http://www.swisscooperation.admin.ch/gazaandwestbank/ar/Home/SDC_s_Strategy_for_the_Occupied_Palestinian_territory_OPT
education and training institutions whether universities, colleges, or vocational training institutions.”

The provision of short-term job opportunities does not create a sustainable development, but a class of submissive technocrats, who are able to keep pace with technology and globalization and get integrated in the open market as experienced; especially if this was accompanied with an education apparatus that works on creating this orientation among the youth sending them to the market as a labor force equipped to serve this purpose. This aim is expressed in the following statement of the agency: “The keys to this positive scenario are stable trading relation with the rest of the world, removal of internal barriers to trade, and a financially sound PA capable of providing internal security and business friendly environment.”

“On the developmental level the agency depends on the plan and goals of the ministry of planning. Aid is thus coordinated according to the general national goals and plans that are based on human rights, international law and the do-no-harm principles. The agency also states, it ensures that there is a Palestinian ownership of these plans, their implementation and the outcomes of these projects.”

“Development is the outcome of the country’s natural and human resources and capacities. In the Palestinian case, there is no control on these resources because of the Occupation. Thus we think of development, through planning developmental projects to help the people build their state.”

We can see from the above statements that the developmental vision and intervention policies are linked to the agency’s goals, such as creating “opportunities for peace” under the slogan of “Palestinian ownership of national plans” and linking the Palestinian economy to the global economy disguised as realizing human rights, the right to self-determination and development.

118. Previous source. p. 7.
119. Ibid.
120. Ibid.
Foreign Aid

**Five: The Spanish Funding**

The Spanish Agency for International Development Cooperation (AECID) works within the Spanish consulate. It is “a governmental institution that works on providing support to the Palestinian civil society in general; it also works on supporting the building of a Palestinian state by working in the fields of democracy, peace building, and the rule of law, which is accompanied by technical assistance to the PA in the field of administration.”

There are three main lines for the work of the agency in the Palestinian context, which combine the developmental and relief work.

1. Governance: including the rule of law, human rights, health and education.
2. Peace building: including human rights, culture, health and education.
3. Economy: focusing agriculture and water.

The fields of health and education stand out here as sub-lines in the previous three main lines. “Emergency humanitarian aid is offered through support to the UNRWA; we - in addition to the European commission - are its main funders; the amount of our support reaches between 13 to 15 million Euros yearly.”

In addition to the three main sectors, the organization assists the Palestinian Authority in regular expenses through PEGASE, a tool which provides channels for direct support to the PA’s Central Treasury Account, which is run by the European commission, of which Spain is one of the main donors. Thirty million Euros are given annually through PEGASE covering mainly civil service salaries in the West Bank and Gaza.

AECID is not different from the other European organizations we have described above; its main goal and strategy of its official development

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122. Ibid.
123. Ibid.
124. Ibid.
assistance is “peace-building” and the promotion of a “peace culture” in the Palestinian society, through supporting the governmental and non governmental institutions in the realm of education and others. It seeks to reinforce this goal and culture through several entry points, among them human rights. The main goal of working on the cultural level is it being “a means to peace building in the region, and the development of Spanish culture in Palestine.”

This support is paralleled with support given to “Israeli civil society” organizations, which work in the field of peace building in the Palestinian society for the same reasons. AECID’s funding of civil society organizations is linked to the extent of the conformity of these projects with its goals and priorities, essentially with its main goal of seeking to “build a peace culture”; hence, “the main criteria of selecting the beneficiaries of aid is based on the priorities of AECID and depending on the quality of the projects; the nature of support is material, in addition to some technical support to Palestinian organizations,” which makes aid a targeted support for a specific goal and purpose.

Six: The European Union’s Funding

The European Union has been one of the most significant funders of the PA since its establishment. The High Representative of foreign policy in the European Union, Javier Solana, said in an article, that since the signing of the Oslo agreement, The European Union has entered “a partnership with the Palestinians in order to build the institutions of their state, the financial and technical aid was formulated to a large extent according to our vision of this goal.”

A study prepared by the “NGO Development Center” in cooperation with the Palestine Economic Policy Research Institute (MAS), showed that the European Union is the largest among the donors

125. Ibid.
126. Ibid.
to the West Bank and Gaza, furthermore, when the contributions of its member countries are included, The European Union’s official development aid amounts to almost 54% of the funding given from the largest 20 donors since Oslo.\textsuperscript{128}

But this policy has changed since the elections of 2006, when Hamas started the formation of the new Palestinian government. The Middle East Quartet was quick to give Hamas two months to recognize its conditions, which are: recognizing the agreements signed between the PLO and Israel, recognizing Israel and denouncing “violence and terrorism” in exchange for the continuation of aid given to the Palestinian people. When Hamas refused the conditions of the Quartet, Europe and the United States not only cut the aid and support given to the Palestinian people; they also used the anti-terrorism laws to impose a boycott on the Palestinian government. Listing Hamas (and other Palestinian parties and their affiliated institutions that are prevented from receiving funds for the same reasons) as “terrorist organization” facilitated the imposition of this boycott. As a result the banks refused to transfer any amount of money to the new Palestinian government’s account, because any bank that interacts with this government would lose the ability to deal with the Euro or dollar according to anti-terrorism laws. The Palestinian government led by Hamas was thus unable to pay the salaries of its employees.

The European Union realized afterwards that the Palestinian Authority needs direct financial aid to be able to pay the salaries of its employees and cover the expenses of its operations. It thus decided to give support through a new mechanism, so that the PA can fulfill its obligations and sustain itself; otherwise the PA would collapse and with it the peace process which the EU supports. The new strategy was the preservation of minimum living standards for the population in order to prevent any rebellion on the one hand, and to punish them for electing Hamas on the other.

After the elections in 2006 the European Union established “the

\textsuperscript{128} Previous source. Tracking External Donor Funding to Palestinian Non Governmental Organizations in the West Bank and Gaza 1999-2008. p. 21.
temporary international mechanism”, for aid (TIM), which tried to fulfill the basic needs by channeling the money in a way that would not let it pass through the safes of the Palestinian government led by Hamas. In February 2008, after six months of establishing the Emergency Government, the TIM was replaced by the PEGASE mechanism, which is the Palestinian-European mechanism to manage the social and economic aid; it is “a new mechanism to deliver aid in a way that is suitable to the main priorities of the Palestinian “Reform and Development” plan. PEGASE channels aid through five different systems of payments which are categorized according to activities, the donors can contribute to any of them, each according to their specific priorities and demands.”129

As stated by the European Commission: “The European Union is strongly committed to support the Palestinian Authority’s reform and development priorities aiming at boosting the economy and improving the life of all Palestinians. PEGASE will provide greater stability and predictability to our action as the largest donors to the Palestinians and emphasize the ownership of the Palestinian Authority in the process of reform and development.”130 Most of the European Union’s aid is given through the PEGASE mechanism, which was launched in support of the reform and development plan which was adopted by the PA; in addition to assisting the PA in covering a substantial part of its running expenses. The European money also supports important reform and development plans in the key ministries and assists the PA in preparing for the establishment of a state in accordance with the plan proposed in August 2009 by the PA cabinet headed by Salam Fayad.

Since February 2008, the European Union provided through the PEGASE mechanism more than a billion Euros as direct financial support; additionally the European Union gives aid to the Palestinian people through UNRWA and civil society organizations.131

129. Ibid. p. 15.
130. Ibid.
On the level of civil society, the EU has given support mainly to NGOs that work on promoting the “culture of peace” in the Palestinian society and in the field of democracy. “2005 saw a big move into peace education and forums (67%), categorized here as Liberal Arts Education. 2006 ironically saw the greatest amount of funding to activities falling under Democratization.”132

We clearly see here the transformative nature of the European aid that works on creating a culture in the Palestinian society that suits the fragile political project, which is designed to be become a state, while it lacks any sovereignty. In the envisioned culture, based on principles of democracy and peace, the image of the colonizer is transformed into the image of the neighbor and partner. The year 2006 represented a challenge when the Palestinian electorate chose Hamas as their political representative, which adopts a path that is different from that of conflict settlement. It was thus necessary to work on changing this culture and transforming it towards giving up the Palestinian national project and the confrontation of the colonizer under the banner of democracy. The goal of civil society is “to direct governance and observe human rights in the Palestinian Territories. Before Oslo, the civil society was responsible for providing the main social services, but now we have a Palestinian Authority which should assume these services.”133 This means emptying the Palestinian civil society of its content. Instead of expressing the civil society’s needs and will and being a political awareness tool working with the masses, it now plays the role of the observer rather than the actor. This results in the de-politicization of the masses and the NGOs and confining them to a tool of surveillance of human rights and the political system; despite the capacity of these organizations to form social protection during times of crisis.

Humanitarian Aid: UNRWA

“The EU’s principal objective in delivering support to Palestine refugees is to contribute to the “just resolution” of the refugee issue as part of a comprehensive settlement of final status issues. In doing so, the EU ensures that the essential humanitarian and development needs of the Palestine refugees are met. It delivers most of such assistance through its partnership with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The EU has been UNRWA’s largest donor since 1970. The bulk of EU financial support is devoted to UNRWA’s core funding enabling it to provide essential education, health, and social relief services to Palestine refugees.”  

The EU’s position to the question of refugees is noteworthy; it is based on “the just solution within a comprehensive settlement”, and not on the right of return as affirmed by the UN General Assembly’s 194 resolution. The EU’s position remains within the framework of the settlement project that would liquidate the question of more than 4 million Palestinian refugees inside the Palestinian territories and the Diaspora. One of the scenarios of this liquidation was the settlement of Palestinian refugees in the hosting countries and compensating them, which would mean dissolving the essence of the Palestinian question and the historical injustice that befell them by uprooting them from their land, its occupation and their dispersion around the world. The aid does not help the Palestinians in realizing their national project; they rather assist the colonial project in consolidating its presence and enforcing its will on the ground.

The Private Sector

The EU’s support has been concentrated during the last years on supporting the private sector in Gaza, especially after the last Israeli aggression on Gaza in the beginning of 2009 “The European Union has contributed over €1.2 million (c. US$ 1.6 million), out
of a total package of €22 million, to the third payment under the Palestinian Authority’s “Private Sector Reconstruction in Gaza” (PSRG) programme. This programme is the first large-scale initiative in support of the private sector in the Gaza Strip. The Palestinian Authority (PA) established the PSRG programme in the aftermath of Israel’s “Operation Cast Lead” to provide financial support to private sector businesses that were destroyed or damaged during that Operation. It targets businesses that need to restore any damaged assets necessary for production - funded items include machinery, office furniture and equipment, as well as building and business premise material. The ultimate objective is to revitalize the economic activity in Gaza and provide for sustainable livelihoods for its people. ”

But the aid and support that was given to the private sector is meager compared to the amount of funds given to the PA since Oslo until now. The nature of funding the private sector in Gaza is based on funding the infrastructure of some institutions and does not create job opportunities or sustainable developmental projects in the Strip, which suffers from highest rates of poverty and unemployment in the world. The developmental vision of the EU is based on the presence of institutions that plan according to national plans and local needs; referring to the ownership of the plans by the countries themselves.

Fabienne Bissonne, head of the social sector in the European Commission in Jerusalem, pointed that, development “should be sustainable, led by a local authority in each country, based on plans developed by the country and foreign aid should be based on these plans.” He also added: “I believe that we should not wait for a political solution to achieve development under occupation, since there is a need to support the Palestinian people. The PA has made great achievements in the realms of development and institution building. The European Union also shares the opinion of the World Bank, that the PA is ready to make a complete state, considering the good situation that it had reached on financial and planning levels.”

136. Interview with Fabienne Bessonne.
But the Palestinian reality is very different from this image; the local development plans are all made under the supervision of foreign experts, according to the agendas of the donor states, which chose to fund those sectors that meet their goals with the absence of a Palestinian mechanism to coordinate aid and determine its distribution in a way that guarantees the achievement of real and sustainable development in the Palestinian context. Instead a European mechanism, known as “PEGASE”, was founded to regulate aid according to the sectors chosen by donor states and not according to local agendas. These agendas serve only one purpose, which is the continuation of “the peace process” and the establishment of a weak state on the current borders of the PA under the banner of “the state project and ending the occupation”.

Local ownership decays to a mere buzz-word used in project proposal rhetoric but in reality the development process is owned and determined by the practices of the European Union itself, along with other donors who share the same discourse. The EU requires that applicants of grants have experience in submitting applications and implementing them.\textsuperscript{137} This requirement is hard to be fulfilled by Palestinian organizations - both governmental and nongovernmental - due to their dependency on foreign experts to formulate the plans and strategies, created by the nature of aid itself, which has always come through foreign experts in the realms of planning and implementation, whether these experts were individuals or institutions.

The other obstacle lies in recycling, “Though never admitted on record, the use of indirect partnerships through home country INGOs is a useful way for donor countries to recycle international aid back into their own economies. The administrative costs of these intermediaries support a number of salaries of donor country expatriates.”\textsuperscript{138} In this way, the states achieve their goals in the countries targeted by aid, while at the same time achieving financial gains. The poor countries, on the other hand, pay the price for this aid both materially and morally.

\textsuperscript{137} Previous source. Tracking External Donor Funding to Palestinian Non Governmental Organizations in the West Bank and Gaza 1999 - 2008. 73.
\textsuperscript{138} Ibid.
Foreign Aid

In conclusion we see that the establishment of most of donor institutions in the Occupied Palestinian Territories coincided with the Oslo accords. Oslo represented an entry point for their presence and the beginning of a phase of direct intervention to establish “the culture of peace” and integrate the Palestinian society in the globalized world economy through direct transformative intervention. Both the American and European donors agree on the main goals of development aid; the most significant among these are: support for “the culture of peace” and building a Palestinian state according to Fayad’s vision, although this state would mean a police state oppressing its own society in order to prevent it from producing a hostile culture and protect “the Israeli security”. Besides they seek to create a Palestinian open market economy, which is dependent on the occupation’s economy on one hand and the global market economy on the other.

Most of the American aid in the West Bank and Gaza Strip is directed towards reforming the security sector; while the remaining funds are allocated to international organizations, governmental or nongovernmental organizations. Compared to European donors, only a small portion of the American aid reaches Palestinian NGOs through direct partnerships with organizations such as ANERA, IRD and other American NGOs.

Western donor agencies overlook important issues in their funding of Palestinian development, especially in their support of the private sector; such as the increasing unemployment rate and the availability of qualified human resources, which are wasted. They also ignore the oppressive and arbitrary Occupation measurements against the Palestinian economy, such as blocking exports and encircling the Palestinian market with repeated closures. If these are mentioned, it is not out of a genuine position that seeks to put an end to these measures, but rather one that seeks to mitigate their effects while at times maintaining or reinforcing them. An example of this reinforcement can be seen in the allocation of 50 million dollars official development assistance, originally envisaged for the Palestinian people, to the “Israeli” plan to redevelop checkpoints and crossings along the Separation Wall under the justification of facilitating the passage of Palestinians and goods (see chapter 3,
alternate roads). Moreover, this aid was not given according to a comprehensive developmental plan, in which’s design the Palestinian Authority has participated; but rather according to the vision of donors and studies prepared by their experts according to a list of projects made by the Palestinian ministry of planning. This vision usually contradicts the needs of the Palestinian people; for example, allocating 40% of all aid to social sectors did not achieve any valuable and sustainable benefits for the Palestinian economy, because most of it goes to the support of running expenses such as employee and expert salaries.

The purpose behind the continuation of paying salaries and the provision of humanitarian relief services by the donors in Gaza after its political isolation from the Palestinian project, is the fragmentation of the national project and thus the absence of a national political vision through the establishment of the reality of a political division by creating two entities which have only relative ability to survive. What reinforces this reality is that support is mainly directed to the plan of “state building and ending the occupation”, which excludes the Gaza Strip of the donor development aid framework, while concentrating on West Bank projects, on the grounds that Gaza is “outside legitimacy” because of the “coup”, as stated by the prime minister Salam Fayad.

The relief aid given to the Gaza strip does not positively affect the economy, but rather creates a dependency on aid and underemployment, because it does not enter the local economy cycle. Moreover, there is a serious problem in the manner of employing aid, because a huge part of it stays in consultancy offices and with experts sent by donors to supervise and implement projects. International development aid often focuses on consumer and relief aspects rather than creating a productive economic structure that achieves a sustainable development. In the Palestinian case this is reflected in funding policies that focus on the private sector as means to implement liberal agendas as the integration in the global market economy.
Foreign Aid
Chapter Three:
The Impact of Aid on the Palestinian Reality
The previous chapters discussed the impacts of intervention on the political and social levels; this chapter discusses the models of intervention to reshape the Palestinian space on both the spatial and cultural level. We will thus address the alternative roads, the “allowed” reformulation of the Palestinian place; which is prepared for the establishment of the future Palestinian state, and the accompanying culture which positions the Palestinians inside this new space on its cultural, political, social and economic levels; in addition to the implementation of this reformulation through the tools of curriculum, cultural and functional elites in the Palestinian society.

1- **The alternate roads**

Colonialism frequently made necessary planning of the colonized place; appropriating it for itself and its settlers. In Algeria, for example, the French colonialism spread a number of pentagonal villages on top of fortified defense locations that would prevent the crawling of Arabs and their infiltration towards Algiers, the capital. The colonial situation in Palestine is not very different; the “Israeli” planners sought to divide the Palestinian place in the West Bank, by creating two separate and overlapping geographical places according to principles that prevent direct crossing or the convergence of the colonizers and the Palestinians. In such a planning of place, the areas of the colonizers are on top, spread on the overlooking hills, carefully selected and connected with good new roads, while less strategic areas are left for the Palestinians; these constitute the crowded cities, the towns and villages down the hills, on the slopes of mountains, in the valleys and the low lands.

Later, Ariel Sharon developed within the disengagement plan, as part of “Israeli security” institution’s road map, the project to build a network of more than seventy tunnels and bridges, which would all be under full Israeli control. These crossing points were designed for Palestinians to bypass “Israeli-only” infrastructure. The project was presented to the international donor community for funding; 35 new passages were opened, 26 tunnels and bridges have been built up until now, while another 19 passages are being planned
and prepared. The aim of this project is to consolidate the separation between the two sides, and lessen, according to the “Israelis”, “the dangers” resulting from contact between settlers and Palestinians and enable the settlers to reach “their areas” and the Palestinians theirs, without contact or waiting.  

**An article discussing the alternate road plan shows how this plan is just another way to perpetuate the Occupation:**

Although this plan promises “the Palestinians a contiguous transportation system in a region corresponding to Area A and Area B, however this system would lack any economic logic. (This region constitutes less than half of the West Bank, does not include the Jordan Valley and is carved up with blocs of Jewish settlements.) Besides lacking economic logic, the construction of two separate and parallel road systems also lacks logic from a transportation and environmental perspective. The main roads that have naturally linked the cities of the West Bank for decades will become part of the road system servicing the settlements, linking even the smallest of them to “Israel”, and this will require the construction or upgrading of long and circuitous Palestinian roads.” “The Dutch geographer Jan de Jong, an adviser to the support unit of the PLO’s Negotiation Affairs Department, incorporated the planned “Israeli” passages in the map shown for the first time in Haaretz (...). According to de Jong, the passages “Israel” is proposing would ensure that, in the framework of the disengagement plan, “all of the settlements in the West Bank, even the smallest of them, would be sustainable at the expense of the chances of a viable Palestinian state”. That is, the proposed transportation separation would enable Israel to continue to develop all of the settlements and to create Israeli territorial contiguity in the West Bank, while at the same time Israel could claim that it is fulfilling its promise to grant the Palestinians territorial contiguity.”

“According to de Jong’s analysis and an analysis by the Palestinian Planning Ministry, the proposed passages would divert Palestinian transportation from the existing main roads - which would be

139. Amira Hass. “Map of road system shows Israel will keep, expand settlements. PA: Road Map system shows Israel intends to keep settlements.” http://www.fromoccupiedpalestine.org/node/1464
perpetuated as roads for Israelis only - to secondary roads, including some that already exist and some that would need to be built. These roads would be less efficient, circuitous and have limited capacity. Travel on these “Palestinian” roads would take longer and be more difficult. For example, de Jong’s initial calculations indicate that travel time between Tul Karm and Nablus would be nearly doubled due to the routing of Palestinian traffic to secondary roads. Instead of a 40-minute ride over the existing 27-kilometer road, the trip would take 73 minutes and be over a hilly and circuitous secondary road of 40 kilometers. In a normal situation, the road between the two cities could have been upgraded to cut travel time to 22 minutes over a 28-kilometer stretch of highway.”

“De Jong’s assessment is that the passages would enable the “Israel Defense Forces” to remove many of the checkpoints manned by soldiers today, as well as many roadblocks at village entrances. The official political status of the passages is still not clear but de Jong is convinced that “Israel” would be able to close them to Palestinian traffic at any given moment. This, says de Jong, is territorial contiguity via a “shoelace” that “Israel” could sever at any time. The Habla passage, which has already been constructed, demonstrates this: All traffic through this passage can be blocked by closing a gate.”

“The plan for passages and alternative roads that Israel asked the donor countries to finance was originally drafted as a response to the demand to lift the closure imposed on Palestinian areas, which constitutes the main obstacle to the revival of the Palestinian economy. Perhaps, de Jong says, transportation contiguity offered by the plan would enable some very short-term economic recovery after four years in which entire regions were cut off from each other. But the system of alternative roads offered to the Palestinians, de Jong says, would raise the cost of Palestinian transportation and the marketing of Palestinian agricultural and industrial products. This would have a negative impact on the chances of reviving and developing the Palestinian economy. On the “Jews-only” roads, “Israeli” merchants could easily transport “Israeli” products to Palestinian communities,
at the expense of competitiveness of Palestinian goods.”

The Applied Research Institute Jerusalem (ARIJ) shows that USAID has funded 23% of these “alternate” circuitous roads which were planned by the Occupation government in 2004. Most of them are located between the areas B and C, which constitute more than 80% of the West Bank area under the military control of the Occupation, which supervises all road projects. These roads creep like snakes in the depth of the valleys in the West Bank and slide above the slopes of its hills, constituting a source of developmental pride as the government of Fayad boasts about them as if they were his achievements; Fayad even boasts that the roads cut through areas B and C, considering them Palestinian projects that “challenge” the military division of the West Bank, according to the Oslo agreements.

In its turn, USAID promotes these passages as one of the main achievements of the American facilitation of the movement of Palestinians under occupation, while in reality they are among the main achievements of the occupation state in its plan to perpetuate the settlements and judaize Jerusalem with American money. This discourse seeks to transform the Palestinian into a non-existent human, stripped of his homeland, material existence and right to exist in his country, putting him outside the visual and mental space, exactly as the colonizer who established the settlements, walls and tunnels wanted it to be.

The policy of checkpoints and tunnels has dangerous implications not only on the material level, but also on the temporal one as well. Since its occupation in 1948, Palestine was divided spatially and temporarily; the Palestinians were barred from free movement in time and place, their movement became subject to permits issued by the occupier. On the other hand, the Zionist groups were able to move freely, spatially and temporarily. The wasting of Palestinian time on checkpoints and alternate roads is valueless compared to the colonial time, just as the resulting postponement of the

142. Ibid. (quotes added).
development of the society and economy. In addition, the wasting of time on checkpoints and alternate roads leads to the expropriation of the value of time among the colonized, which leads to the negation of the value of their lives, ultimately subjecting it to the violations.

Through the development of checkpoints and their transformation into “crossings” - as called by the Occupation - which are similar to cross points between states, the discourse of the temporariness of Occupation is promoted under the pretext of the “Israeli desire” to reach a real separation between “Israel” and Palestine. Even the direct contact between the Palestinians and the occupation soldiers on checkpoints is barred through preventive spaces that separate the soldiers from the Palestinians. The crossings are equipped with advanced electronic surveillance devices; the Palestinians pass through tunnels while the occupation soldiers observe them from conditioned glass rooms.

The replacement of checkpoints with cross points creates a delusional impression of the end of an emergency situation by making the conditions of crossings “humane” and more considerate, making them appear as locations that are subject to normal rules. But it is a matter of drawing images, the cross-points consolidates the “temporariness” of the occupation and exposes the privacy of the life of Palestinians. They are in fact clean war zones, as in postmodern wars in which murder is committed from a distance and without a bad conscience.\textsuperscript{144}

These acts reflect the complicity of foreign aid with the Occupation and its political project. They emphasize its political and transformative aspect of the Palestinian space in favor of the colonial project. In 2006, The United States withdrew 50 million dollars of the Palestinian Authority’s budget after the victory of Hamas in the elections; these funds were supposed to go to the ministry of education but instead were transferred to the building of Qalandia checkpoint.\textsuperscript{145}


\textsuperscript{145} Land Research Center: http://www.poica.org/editor/case_studies/view.php?recordID=582
Foreign Aid

The attempt to transform the Palestinian place by the Occupation is supported materially and morally by foreign powers, which demonstrates the falsity of the slogans raised by them about their desire to support the Palestinian people and the building of its state and institutions. The awaited state is the state created by the Occupation for the Palestinians. It is a state of siege imposed as a reality on the Palestinians and supported by the foreign policies of the donor states.

This process of producing the place imposes an alienated situation on the Palestinians after isolating and excluding them from their place. The geographic place is supposed to be a social production with all what the phrase means, because it represents the products of work organized and adopted by the society, which seeks to realize its goals and purposes. The process of “organizing the space and preparing it is supposed to derive its basis and roots from the will of the human that seeks to achieve the life plan and its purpose: a collective purposeful plan behind which stands the collective or the state which determines its own destiny through experimental methods or theoretical prediction. It is a plan led by the group that controls the means of production and imposes it on the whole society.”

In the absence of a local sovereignty and the colonizer’s and foreign powers’ control of the means of production, the colonized local political elite plays the role of an agent who implements those policies on the ground. The mission of this elite is to perpetuate this place, the remainder that was left by the Occupation and get the community that occupies it to adapt and conform to its functional demands. In this case is has to make some changes in its organization, behavior and value system. The donors have worked in fulfilling their part very well, they have worked on reformulating the place and its accompanying system to conform with this new situation. The changes made to the Palestinian curriculum are a good example for this.

2-The Palestinian Curriculum

Althusser considers the school as the first ideological apparatus, which works on reproducing the means of production and replaced the church in its function of the old ideological apparatus of domination in Europe. According to Althusser, the “school-family” unit replaced the “church-family” unit, because the school pools children from all social classes at a very young age and teaches them, whether in modern or traditional methods, the rules of behavior as designed by the dominant ideology. This happens in an age in which the child is trapped between the “state-family” apparatus and the “state-school” apparatus, and is susceptible to the influence of dominating ideology’s material: civic education, philosophy, literature and history. In addition, it is considered the only apparatus that enjoys a forced audience for five to six days a week and eight hours a day.\textsuperscript{147}

Through the educational system the institution and the cultural system of the hegemonic class is reproduced and thus the society; in addition to supplying human resources of cadres, employees and even theoreticians. We can say here that the role of education on this level is to produce and reproduce the dominant culture and by this reproduce the relations between the groups and the place in which they live.

The problem that confronts us in studying the curriculum is the same problem which produced the whole Palestinian system; it is a product of internal and external forces caught in a network of interest relations that stem from a main commitment by these forces, which is the protection of the Zionist project in the region from any imminent danger. This is at the expense of building a Palestinian curriculum that expresses the needs of Palestinian students, their society and national project. It has never been the case before that the curriculum of any school is subject to intervention and scrutiny as is the case with the Palestinian school curricula.

Many international and Zionist research institutions analyzed in detail the Palestinian curriculum. On its part, the General Consulate

\textsuperscript{147} Previous source. Ideology and Ideological State Apparatuses. p. 93-96.
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of the United States in Jerusalem commissioned studies on the curriculum by the “Israel / Palestine” Center for Research and Information (IPCRI) and in Europe the Georg Eckert Institute facilitated research. Research papers have also been published in international fora such as the Hebrew University’s Harry S. Truman Research Institute for the Advancement of Peace, the Palestine-Israel Journal of Politics, Economics and Culture, and presented at the Oslo Coalition on Freedom of Religion or Belief.

On the political level, a U.S. Senate subcommittee on Palestinian education and a political committee from the European Parliament held hearing sessions around the issue. In the end the European Union issued a press release stressing that the new schoolbooks are empty of any provocative content against “Israel”. The IPCRI report for the year 2003 showed that the overall approach of the curriculum is peaceful and does not incite hatred or violence against “Israel”, Judaism, Zionism or the Western Judeo-Christian values and traditions.148

These evaluations came as a result of funders’ supervision of the preparation and production of the curriculum, especially the material related to identity building and collective memory, such as civic education, national education, and history. This supervision was predominantly American through the supervision of the preparation of the curricula on civic and national education by the “Netham project”.

The donors consider the protection of the Zionist entity and the prevention of the creation of “a hostile culture” as the main goals of scrutinizing and evaluating the curriculum. Another desire is to connect the Palestinian with the global system by focusing on the liberal values of tolerance, non-violence, individual freedoms and equality. The new Curricula also focus increasingly on encouraging interest in natural and technical science. Among the five main elements of the second five-year plan of the Ministry of Education and Higher Education, was the statement that its goal is “to prepare a Palestinian human who is proud of his religion, nationality, homeland

and Arab Islamic culture; and is able to contribute to the advancement of his society, seeking knowledge and creativity, interacting positively with the requirements of scientific and technological development, and is able to compete in scientific and practical fields.”

This approach is justified by its ability to create a realm of knowledge and a number of graduates, who are able to implement the developmental approaches of the system and keep track with the progress of technology and globalization. Thereby a class of submissive technocrats is created, who are able to guarantee maximum effectiveness of the prevalent system. Thus “preparing a Palestinian human who is proud of his religion, homeland and Arab Islamic culture” reveals as only a slogan with the purpose of producing individuals consenting to the context in which they grew up and realizing a false self through an inherited mental structure under the slogan of authenticity.

Consequently, the Palestinian curriculum became for some a model to be implemented in other colonial contexts, such as Iraq and Afghanistan. According to Roger Avenstrup, an international education consultant, “if the White House, in its policy to rebuild Iraq and Afghanistan, is looking for a modern education within positive Islamic values, which promotes peace and conflict resolution, it must look at Palestinian textbooks as model for this.” Education repositions the collectivity according to the reality imposed by the dominating power. In the case of Palestine this becomes most evident in the programs on history, civic and national education; history was reformulated as a knowledge that supports the official prevalent culture and its images of the nation and its citizens. A study on the curriculum of history in elementary and preparatory grades, demonstrates how history of

149. The Ministry of Education and High Education website: http://www.mohe.gov.ps/S(lopsaqikffgqv45srjbrt55)A(EH7qKhiuywEkAAAANDQ1NDAxYzAtODgzMi00YjA5LTg5YTQtZDdkZTNINzk5NTQ30_q-Uuw4z35WJOITt2f7P1eiis1))/ShowArticle.aspx?ID=166&AspxAutoDetectCookieSupport=1
Palestine was not taught while the history of different civilizations such as the Greek, the Canaanite, the Egyptian (Pharaonic), the Pre-Islam Arab, the Islamic civilizations, the history of the Middle Ages and the relations between Europe and Arabs were. It is only at ninth grade that history textbooks address the modern Arab history that includes the history of the Ottoman Empire, its collapse and the following colonial periods, until it reaches by the very end the Palestinian question in a very short and brief part, within what is called the book “Contemporary Arab issues”.

The History of Palestine appears again in the eleventh grade curriculum, under the title “the Modern History of Palestine”. The process of absence and elimination of Palestine continues, but this time in place, memory and events. In the curricula, the borders of Palestine are defined as those of the West Bank and the Gaza Strip. The cover image of the two parts of the textbook contents a map of Palestine showing the West Bank and Gaza Strip traced in a clear distinctive manner with a different color, while the rest of Palestine disappears behind the image of the Covenant of Umar ibn al Khatab\textsuperscript{152} the first part and behind the numbers that refer to the international resolutions regarding the Palestinian question: 181, 194, 242, 338 on the second part of the book. Both covers carry an implicit political message of, the first showing the Covenant of Umar ibn al Khatab delivers a message of tolerance and acceptance of the other, while the second picturing the resolution’s numbers, refers to the source of the absented Palestine. Between these two forms, the absented Palestine appears between the tolerance thought and its historical basis, which is imposed on this question, disregarding the difference in the situation, circumstances and power relations, not to mention the historical context, focusing the idea of acceptance of the Other - the partner, that is “Israel”.

\textsuperscript{152} Umar was the second successor, or caliph, to the prophet Muhammad. He took on the caliphate through the covenant of Abu Bakr in the year 13 AH. Under Umar's leadership Islam made its largest expansion to Syria, Jerusalem, Egypt, Libya, Iraq and Persia. The covenant of Omar (Al-'Uuda' Al-Umariyya) is a treaty ratified between Islamic caliph Umar ibn Khattab and the Patriarch of Jerusalem, Sophronius. It outlines the rights and limitations of Christians as “people of the book” or “people of protection” to enjoy religious tolerance under Muslim rule.
The borders of West Bank and Gaza are further emphasized in the map of Palestine drawing exercises. Moreover, the term Nakba is absent in the treatment of the historical period between 1949-1967, which is the period between the occupation of the first part of Palestine, and the occupation of the rest, by Zionist groups. The expulsion of thousands of Palestinians from their homeland, which made them refugees until today, is taught as a consequence of “Israeli Arab wars”, as if the Nakba was merely a war between armies and its natural consequence is the forced immigration of the population. The Nakba and the occupation of Palestine were done by an unknown agent. Moreover, the focus is rather on the truce signed at the time, than on Palestinian refugees, and if they are pictured they appear as recipients of generous donor aid - food and tents.

The June 1967 war - the Naksa - is reformulated as a war that erupted as a result of a border conflict that has nothing to do with the occupation of Palestine and its liberation. In addition the term Naksa, which is one of the main concepts in the Palestinian collective memory, is absent. Rather it discusses settlement policy, bypass roads, land confiscation and other occupation policies that have transformed the colonization of Palestine and the continuation of the Zionist Occupation into a problem of negotiation disagreements between two conflicting parties. This is followed by the discussion of “the peace process”, where the document recognizing “Israel” is mentioned, and the Oslo Declaration of Principles and its terms are described in a manner that sells the treaty as a magic stick that will “rescue the region from an unknown disaster”.

Another study of examples from the education curricula from the first to the eleventh grades,\textsuperscript{153} demonstrates that they are not different in content from that of history. In the curriculum of first grade, the study shows an absence of Palestine as the homeland, referring to it as only some cities, thus ignoring Palestine and replacing it with the Palestine of Oslo. It does not address the refugees or their cause, it does not explain what the Occupation is or “Israel” as a colonial

entity. In the second grade curriculum, there is a limited coverage of Palestine, its history, cities, and geography; while the focus is clearly on the areas of the West Bank and Gaza Strip, an extensive discussion of Jenin and Gaza while plains and the cities occupied in 1948 are overlooked and the Palestinian Cost is defined as the Cost of Gaza with no mention of Haifa, Acre, or Jaffa. The third grade curriculum introduces the notion of homeland and belonging, but this homeland is the West Bank and Gaza. The focus is on Palestinian districts under PA rule; the sectors of agriculture, industry, health, tourism, transportation and environment, linking them to the roles of ministries in these fields.

The process of erasing the Palestinian memory continues in the following grades; in the sixth grade curriculum the notions of citizenship, democracy, human rights, tolerance, equality and rule of law are promoted in a way that leads one to think that Palestine is an already established state. The ninth grade curriculum discusses Palestinians in the Diaspora, the places of their refuge and their right of return guaranteed by International Law. It does also discuss the destroyed Palestinian villages ending with international resolutions, especially the resolution 242 and 338 which mean accepting the reality of Occupation and regarding the Zionist entity as a partner with whom there could be negotiations over rights, percentages and shares, with no reference to the problem of the basis of its existence. This vision is also reflected in the tenth grade curriculum, which treats the question of “conflict” with “Israel” according to an agenda that seeks to achieve the acceptance of the idea of its existence through the replacement of Words such as Nakba and Naksa by studying “peace treaties and agreements”.

“Intellectual, cultural and scientific issues are discussed with unjustified “reverence” to the Western civilization and its achievements.” The purpose behind all this is to create an individual alienated from its own culture, fascinated by the culture of the West, remaining in the margin of dependent relations, not daring to think of a way out of these relations, because the West is seen as the role model, the more powerful and dominating culture.

This is also evident in the civic education curriculum, which was evaluated by Salah Sobani, an expert and researcher in the ministry of education. This evaluation shows that education in the Palestinian schools lacks national purposes and if they are existent they are not clearly put. The lack of interest in formulating them, led to copying foreign interests and their implanting in the Palestinian society without any consideration of the concrete Palestinian reality. Besides the teacher training programs for integrating the notions of civic education in educational guidance did not achieve its goals, whether on the cognitive level, the level of developing the trainees perspectives or improving the level of their daily practices in class, school and outside. But the problem here is not the trainees but the manner in which the content is presented, which is irrelevant to the lived reality.\footnote{Jibril Sa'adeh. “The Civic Education Curriculum in Palestine: Between Training and Moral Dimensions,” in Al Sheikh, Abd Al Rahim (ed.). The Palestinian Curriculum: The Problems of Identity and Citizenship. Ramallah: Muwatin: The Palestinian Institute for the Study of Democracy. 2008. p. 421.} It rather pertains to the educational philosophy by the donors and “Israel”, in order to satisfy the Western superiority drive, in alignment with the logic of globalization, while ignoring the Palestinian national and cultural specificity.

In conclusion, it is obvious how Palestine was made absent from the Palestinian curriculum; the same applies for the Palestinian identity and nationality, which were replaced by a new culture that reduces Palestine in this produced reality into parts of the West Bank and Gaza. In this curriculum a Palestinian Individual is one resident in the geographical entities of West Bank and Gaza who is subject to the PA rule. This means the transformation of the collective memory from one of the homeland into one of non-memory, or the substitution of a new memory that stems from Eurocentric values such as tolerance, citizenship, and coexistence.

**3- The Palestinian Elite**

The political process introduced by Oslo and the accompanying foreign political and material aid led to the transformation of the Palestinian society’s class structure. The Palestinian society
changed from an agricultural society, that relies also on some crafts and industries, into a society in which large segment makes a living as technocrats in PA ministries and NGOs, who abandon the land and move into the center of the PA.

Joseph Massad sums this transformation up in five classes produced by Oslo and what accompanies it. These are:156

- **The Political class**: Split between those who were chosen to serve the Oslo process, whether in the Palestinian Legislative Council or the executive authority (mainly the position of the Palestinian Authority president) and those who were appointed to serve the elected ministers and the officials in the PA president’s office.

- **The police or security class**: numbering tens of thousands and who’s mission is to defend the Oslo process in face of the Palestinians who try to abort it.

- **The bureaucratic class**: Those bureaucrats attached to the previous two classes; this class constitutes an administrative apparatus of tens of thousands of employees who implement the decisions of those who were elected and appointed to serve the process.

- **The NGO class**: Another class of technical bureaucratics, whose funding depends wholly on the extent of serving the Oslo process and ensuring its success through planning and services.

- **The businessmen class**: a class constituted of expatriate and resident Palestinian businessmen (especially members of the political, police and bureaucratic classes), who make their incomes from economic investments in the Oslo process and from expedient bargains facilitated by the PA.

It is important here to remember that the concept of class used by Massad is not the contemporary sociological concept of class that

refers to a group whose members share the same functional and social position. Here, these are not homogeneous groups, but rather social strata, with each stratum having its own interests and position in the Authority, material and intellectual production, status and the power. Each one of them has its discourse and tools in producing values and ideas in the society. But what characterizes them all is their rent income, as they derive their status from exploiting the available opportunities and their affiliation with the Authority.

These strata or classes receive foreign funding to ensure their survival, depending completely on this support. This support is conditioned on the extent of serving and conforming with Western and “Israeli” interests; the position of Western funding parties to the elections of 2006 and the victory of Hamas is a clear evidence of this.

The number of civil servants in the PA in 2010 was 81,000, 50,000 of whom are employees in the West Bank, constituting 61% of the total number of employees. The number of employees in the Gaza Strip is around 31,000 employees, constituting 39%. The security apparatus employs around 60,000 employees who work in Presidential security, intelligence, police, preventive security, military intelligence and national security forces. The number of employees in the civil sector in 2009 was almost 31,735 employees distributed between the West Bank and the Gaza Strip.

This huge inflation of the states’ bureaucratic apparatus was accompanied by a widening of the middle class. This class is one that carries the name without its content, since the position of this class is deteriorating because of its dependency on the banks and high indebtedness from which it suffers. People in the West Bank, mostly from the middle class, owe the banks almost 3 billion dollars. This indebtedness is a result of the PA’s policies; the ministry of finance has lowered the rate of foreign employment of banks as a

result of the world financial crisis from 65% to 55%, which went to people in the form of loans instead of being invested in productive projects. The banks were instructed to open the doors for loans for individuals, and to relax the regulations on them. Today one can receive a 100% funding of the value of a real estate or a car, in addition to obtaining a personal loan that is 30 times the salary.  

The bureaucratic class (on the level of the PA and the civil society) is of functional importance to the neo-liberal project in the region, at the same time the working and peasant classes are being marginalized. This is because the former class fosters the horizontal widening of capital on an international level. Besides, inside the neo-liberal system, they take over the role of regulating the bottom classes to allow for the expropriation of their economic surplus, which then is transferred to the center of the international system. Furthermore they isolate both the leadership and the organic intellectuals from the mass base to hinder performance of their role and to undermine their radicalness.

This class is distant from the national project; the employees of the PA became dependent on the PA and the Oslo project, confined to the political leadership’s opinion towards it. The civil society elite in its majority tries to link the Palestinian context to the globalized world through using their notions; this is what Sari Hanafi and Linda Tabar call “the Globalized Palestinian Elite.” This elite can be defined as a local structure that is closely influenced by global debates and agendas, that acquires information from the global surrounding and


161. Elite refers to a group that plays the role of mediator in the process of formation and thinking, representing the others in this process. At certain times it goes as far as appropriating their right in culture and knowledge in all fields and acts of life. The notion of elite is also linked to the field of knowledge it represents; there could be as many elites as there are fields of Knowledge. This is in addition to the relations that prevail among the individuals of each elite group, or between different elites, or with the public, whether these were positive or negative relations. The negative ones could be seen in forms of influence, control and domination which denies the Other’s right in participation and change, making itself the center and the rest subordinate peripheries and margins as a way to solidify its authority in the society.

maintains relations with it, although it does not necessarily play a role in making those agendas.

The increase in developmental aid to Palestinian NGOs and the decrease of aid coming from Arab or solidarity groups created a new hierarchy between these organizations. Moreover, this elite was formed in the context of competition over funding and was able to outperform the old elite constituted by agents such as voluntary charity organizations and rural are a leaders. This globalized elite reflects the new phase Palestinians undergo in the context of the peace process and foreign aid given to assist in the transition to a post-conflict arrangement.\textsuperscript{162}

Furthermore, this elite is, with minor differences, organically linked to the “peace process” and in a position of contradiction with the armed struggle. It is also characterized by “professionalism”, it claims experience in its field of specialization and is centered in the big cities such as Ramallah, Jerusalem and Gaza.\textsuperscript{163} Based on these characteristics, it has presented itself many times as an alternative representative who is able to speak on behalf of the masses and their needs; instead of mobilizing these masses or empowering them to voice their opinions and work independently; this in itself is a political act.

\textsuperscript{163} Ibid. 253.
Conclusion

The process of criticizing foreign aid in the Palestinian context does not necessarily mean boycotting it completely; development is a natural right for all peoples. The Palestinian people under Occupation has the right to receive development aid, guaranteed by international law. However, this should be accompanied by demanding and working on full and equal participation in controlling and using resources within the principles of sovereignty and independence. After the failure of funders’ policies to achieve development and poverty reduction, the initiative should be given to the receiving peoples, so that they can determine their development policies, needs and distribution of aid.

Moreover, the conditioned funding is not an unavoidable fate that cannot be escaped. There are many alternatives that could replace it, mainly Arab and solidarity funding (such as the funding of some leftist groups in Europe and Latin America). There are many Arab funds and institutions which support development in the Arab world, such as the Arab Fund for Economic and Social Development in Kuwait, the Jedda Development Bank, the Arab Monetary Fund, OPEC fund, Qatar NGO Committee, Qatar Charity Society and the Bahrain Chamber of Commerce and Industry. In addition, there is an Arab resolution that 10% of the GDP should be allocated to these funds, which amounts to 50 -100 million dollars. Palestine is the only country that receives these funds as grants because of the absence of the state, while generally Arab funds are giving money to states in form of developmental loans.\(^\text{164}\)

These donations are given to the Palestinian people through two methods:

- First, direct disbursements from these funds for established projects, such as the constant funding allocated for university loans and Palestinian students. This fund was established in 2004 with 20 million dollars annually.

- Second, disbursing grants through the Palestinian Welfare

\(^{164}\) Interview with Najad Ghanem. Supervisor of projects funded by Arab Funds in the Welfare Association. 20/12/2010.
Association, which in the beginning had a developmental aspect, but in the second Intifada turned to finance relief or emergency work. Recently, however, we see a commitment to a combination of both aspects: relief work with gradual transition towards developmental work.\textsuperscript{165}

Arab funding is very important in the Palestinian context, on both the qualitative and quantitative levels because of its unconditioned nature, which makes it independent of any political prices, in contrast to Western funding. In addition, it does not have the transformative nature in the Palestinian space. The only problem with Arab funding is the absence of real policies to employ it in the Palestinian context whether on the level of the PA or NGOs. But in all cases the experience of the Welfare Association is considered pioneering and constitutes one of the most significant and successful experiences outside the Western funding context.

The Welfare Association

The Welfare Association is a Palestinian developmental organization established by expatriate Palestinian businessmen in 1983. The organization aims at strengthening the steadfastness of Palestinians and achieving sustainable development. The organization works in seven sectors, the three main ones are: education, socio-economic development, culture and art. The other four sub-sectors are: health, law, transportation and emergency aid.\textsuperscript{166} The organization’s work covers the West Bank, Gaza, 1948 Occupied Lands, and Palestinian refugee camps in Lebanon.\textsuperscript{167}

A large portion of the association’s funding relies on self-funding since the organization has an annual endowment of 70 million dollars, that comes from membership fees in addition to members’ contributions and donations. The association has more than 130 members and its endowment is invested in global markets. 6 Million dollars are

\textsuperscript{165} Ibid.
\textsuperscript{166} Interview with Ahmad Hmeidan, director of programs in the Welfare Association. 5/12/2010.
\textsuperscript{167} Ibid.
Foreign Aid

allocated annually for the association; in addition to funding coming from other parties such as the Arab Fund, the Kuwait fund and Arab financial organizations.\textsuperscript{168}

In the field of education, the Welfare Association seeks to assist in capacity building of human cadres working in the education sector to improve its services. This should be achieved through introducing supplementary education, overcoming educational difficulties, building schools and contributing to improving the educational environment.

In the field of culture and art, the organization supports the development of skills and talents among children mainly. It also supports the program of reconstructing the old cities in Jerusalem and Nablus, which aims at repairing historical buildings, preserving its historical value and making it usable as either residential or public places.

In the field of socioeconomic development, many programs are implemented, such as: employment of the youth in Palestine, assisting marginalized groups or groups with special needs, helping them get access to health services or provide them with treatment sessions or recreational activities.

In the field of health, the Welfare Association contributes to the improvement of the health situation of Palestinians on both the quantitative and qualitative levels, in all areas where the organization works, focusing on marginalized groups, especially children.\textsuperscript{169}

In the field of law, the organization contributes to supporting the efforts to build, develop and implement developmental policies and legislations; raising Palestinians’ awareness of their rights and advocating the efforts to defend them. The organization plays an important and active role in translating and passing its knowledge and experiences to achieve the largest impact in this field.\textsuperscript{170}

\textsuperscript{168} Ibid.
\textsuperscript{169} Welfare Association website: http://welfare-association.org/ar/content/view/23/41/
\textsuperscript{170} Welfare Association website: http://welfare-association.org/ar/content/view/24/42/
In the field of emergency and humanitarian aid, it aims at responding quickly and effectively to relieve Palestinians in emergency situations that endanger their lives and ensure their survival, preserve their dignity and protect those living under emergency situations by responding quickly to their needs inside and outside Palestine.\textsuperscript{171}

The work of the Association in the 1948 Occupied Territories focuses mainly on supporting education programs, especially alternative education programs implemented by educational institutions and schools inside the Green Line, in addition to Palestinian civil organizations that seek to go beyond the official education system by introducing additional curricula that strengthen the Arab Palestinian cultural identity among the youth inside the Green Line. Furthermore, the Association implements programs in the fields of culture and identity, which focus on issues of Arabic language, history, and more. Furthermore it supports the program of combating “civil service”.\textsuperscript{172}

In this way, the Welfare Association creates a distinctive paradigm for confronting the dominating colonial culture, whether that of the Occupation or that of the Western donors, materially, in the same areas of intervention (law, education, and development). But this does not mean that the funding given by the Welfare Association or Arab funding in general does is free from any critique: decisions about its application take place without a real participation from the parties that work actively on development in the Occupied Palestinian Territories, in order to set common priorities for directing the funding. Additionally, some funding priorities need to be refocused, especially related to economic development. Moreover, there is a need to look for new funding sources apart from Euro-American centrisrn and its culture, looking for new options in Latin America and Asia, in addition to Arab funding.

The Palestinian economy has been transformed by Western funding to a service economy that is dependent on the Occupiers’ economy and foreign markets. It was turned into an exhausted economy in which salaries constitute the highest percentage of the budget, making

\textsuperscript{171} Welfare Association website: http://welfare-association.org/ar/content/view/26/44/
\textsuperscript{172} Previous source: interview with Ahmad Hmeidan.
it almost impossible to re-allocate foreign aid to support the budget and cover expenses. The Palestinian economy suffers from an urgent need of restructuring and returning to the development of our own capacities, reviving steadfastness so that we are able to confront any foreign pressure that aims at twisting our will, especially in relation to land and agriculture, which is the main source of living and could be a secure and stable economic income for the Palestinians. In addition, the land and agriculture have been the two main elements constituting the Palestinian identity and existence, they have to be preserved and protected from the destruction and appropriation by the Occupation through introducing the plans and strategies that will activate this sector in a real and effective manner.
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The Manufactured Palestinian Space:

This study addresses the role of donor organizations in Palestine, their financial activities as well as their role in reformulating the Palestinian space, through analyzing their development discourse and its implications for the Palestinian reality. In the first chapter it defines the concepts of space and place and the mechanisms of its formulation. The study then seeks to define the Palestinian space and the areas of intervention that led to its formulation in the Palestinian context, specifically, the role of Western funding in this realm, without separating it from the colonial context of the Palestinian case. We have studied what we have called “the process of transformative intervention”, carried out by foreign funders in the new Palestinian space, by analyzing the development discourse of eight donor countries, that are among the largest 20 funding organization in the Palestinian Territories. We have also investigated the impact of their development aid on actual reality through looking at the mechanisms through which these organizations have been working on reformulating the Palestinian space on its institutional levels (the cultural, political, economic, and social levels, in addition to the geographic place), repositioning the Palestinians as a collectivity and as individuals within this manufactured Palestinian space.

The study also addressed the subject of alternate roads and the reformulation of the “allowed” Palestinian space prepared for the establishment of the future Palestinian State, and the culture that is to accompany it and which is to position the Palestinians within this new space on all its levels: the cultural, political, social, and economic; achieving this through the tools of curriculum, cultural and functional elites in the Palestinian society.