



# **Palestinian State-Formation: Prospects and Challenges**

Report from a Symposium at  
Chr. Michelsen Institute, Bergen, Norway  
24 – 25 May 2004

**R 2004: 9**

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Chr. Michelsen Institute *Development Studies and Human Rights*

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## Acknowledgements

The CMI–Muwatin Symposium: *Palestinian State-Formation: Prospects and Challenges*, was jointly organised by the Chr. Michelsen Institute (CMI) and Muwatin - the Palestinian Institute for the Study of Democracy. The intent of the Symposium was to explore political and institutional developments that have taken place in the PA within the framework of the Oslo Agreement, and to explore both internal and external challenges to Palestinian state-formation.

The symposium was supported financially by the Norwegian Agency for Development Cooperation (NORAD). In addition to the participants from CMI and Muwatin, the symposium was attended by invited guests from the Norwegian Ministry of Foreign Affairs, the University of Bergen, and the Norwegian University of Science and Technology. The organising committee consisted of May Jayyusi, executive director (Muwatin), George Giacaman, general director (Muwatin), Henrik Lunden, researcher (CMI), Are Knudsen, senior researcher (CMI), Bård Kårtveit, conference co-ordinator and Guri Stegali, treasurer (CMI). The conference report was written by Bård Kårtveit.

## Executive summary

The CMI - Muwatin symposium, held in Bergen on 24-25 May 2004, addressed both internal and external challenges to Palestinian state-formation and identified important issues for future research in the PA.

Institutional developments within the Palestinian Authority (hereafter the PA), and the resurgence of political Islam were seen as challenges internal to Palestinian society. Political corruption, institutional mismanagement, clientelism and the emergence of neopatrimonial structures were emphasised as developmental traits within the Palestinian Authority (PA). Institutional mismanagement, combined with a collapsed peace process and the failure of a policy of negotiations were considered important factors in explaining the current decline of political support for the PA. The resurgence of Islamic movements in the Palestinian territories was identified as a serious challenge to the PA and its efforts towards state-formation within a secular nationalist framework. A number of participants addressed the social, cultural and political basis for the growing support of Islamic movements in general and Hamas in particular. The provision of welfare and social services by Hamas, the encouragement of female activism within the organisation, and its focus on militant activism were all pointed out as decisive factors in explaining the political ascendancy of Hamas.

Israeli policies and political conditions set by the Oslo Agreement were pointed out as external challenges to Palestinian state-formation. Within the framework of Oslo, the PA has been subject to a strategy of asymmetrical containment in relation to Israel, involving an exclusion of Palestinian labour and production from Israel and a continued building of Israeli settlements in the occupied territories. This policy has undermined the political and economical viability of the PA, created a situation of stagnation and political crisis in the PA and strengthened some of the internal challenges to Palestinian state-formation. Facilitation of trade monopolies and other aspects of PA-governance have faced international criticism, but such practices may in fact have strengthened economic developments in the PA. The Palestinian context demonstrates the shortcomings of an analytical framework of *good governance* and the need for new economic models of development and state performance.

The future research will focus on the prospects for Palestinian development and state-formation and the role of the PA. The future of the PA will depend on the viability of a two-state-solution and this makes it important to examine the political and economic conditions under which the PA can function as a governing body. If the two-state-solution is dismissed, future research must focus on alternative scenarios for political development in the PA. These issues will constitute the agenda for future research to be conducted in co-operation between researchers at CMI and Muwatin.

## Background

In 1995, Muwatin, the Palestinian Institute for the Study of Democracy in Ramallah, the PA, and the Chr. Michelsen Institute (CMI) in Bergen, Norway, entered into a formal three-year co-operation on a research programme funded by the Norwegian Ministry of Foreign Affairs. This programme was extended for the period 1999-2001, and handed over to NORAD's administration on 1 October 1999. The third phase of this co-operation for the years 2002–2004 has been funded by NORAD. This co-operation has helped establishing Muwatin as an independent research institution in the PA, and it has produced a wide range of visible and influential academic results. As a leading research institute in the PA, Muwatin has developed into a centre for national dialogue and an important lobbyist for democratic reforms in the various institutions of the Palestinian Authority. Furthermore, the research collaboration has contributed to develop Norwegian expertise on the PA and the region.

The third phase of this co-operation, entitled “State building and rent-seeking in the PA” was initiated in 2002. On this project, researchers at Muwatin, SOAS and the Chr. Michelsen Institute conducted research on governance and institution-building in the PA, with a special emphasis on the problem of corruption. Contributions from this project have been put together in a forthcoming book entitled *State formation in Palestine. Viability and governance during a social transformation*. This book has been edited by Mushtaq Husain Khan (SOAS), George Giacaman (Muwatin) and Inge Amundsen (CMI), and was published at Routledge in July 2004. The CMI–Muwatin symposium held at the Chr. Michelsen Institute on 24-25 May 2004, marked the end of the third phase of co-operation between the two institutions. The intent of the symposium was to highlight the results of this research, and to identify an agenda for future research projects to be conducted in co-operation between CMI and Muwatin.

## Introduction

The symposium explored both internal and external challenges to state-formation in the PA. Special emphasis was put on political and institutional developments within the Palestinian Authority (PA), and the strengthening of political Islam as a significant force in Palestinian society. The conference program was divided into five sessions. The first three sessions were held on 24 May and two sessions were held on 25 May. Each session was followed by a roundtable discussion, drawing together issues addressed in different presentations.

The conference started with opening speeches by Gunnar M. Sørbø, Director of CMI and by George Giacaman, General Director at Muwatin. In the first session, Professor Mushtaq Khan from SOAS held the keynote lecture, presenting his own contribution to “*State-formation in Palestine: Establishing Good Governance and Democracy through Social Transformation*”. Introducing new models for evaluating state-performance, Mr Khan analysed the effects of internal and external political constraints on Palestinian state-formation and economic development. In the second session, Muhammad

Nasr (Muwatin), Odd-Helge Fjelstad (CMI) and Inge Amundsen (CMI) presented their works on government reforms, taxation and political institutions in the PA. These presentations were based on their contributions to the already mentioned book. In the third session, Muwatin researchers Jamil Hilal, Lena Jayyusi, Raja Bahlul and Linda Tabar gave presentations based on individual research projects, dealing with issues such as the Islamisation of Palestinian politics, international human rights discourses in relation to the PA, the cultural and historical basis for a Palestinian national community, and the place of memory and narratives within a Palestinian national identity.

In session four, presentations were given by Rema Hammami and Islah Jad, researchers at Muwatin and Birzeit University, and by Henrik Lunden and Are Knudsen at CMI. Ms Hammami focused on the discourse of development guiding the work of Palestinian NGOs within the framework of Oslo, while Ms Jad focused on the recent growth of Islamic movements, and the emancipation of women within these organisations. Mr Lunden talked about the socio-economic profile of Hamas-supporters, and the political context in which Hamas is gaining support, and Mr Knudsen gave a presentation on the historical and ideological background of Hamas. In the fifth session, Mr Khan summarised important themes and lessons from the symposium, and suggested new issues where further research is needed. His summary and comments were followed by a roundtable discussion that was aimed at identifying a future collaborative research agenda between Muwatin and CMI. The symposium was concluded with closing remarks by Mr Giacaman.

This report will give a brief account of the issues that were presented and discussed in each session, and point out some of the ideas for a future research agenda that were discussed in the final session.

## **Session one: Keynote Lecture by Mushtaq Khan**

The session consisted of a keynote lecture held by Mushtaq Khan, based on his contribution as editor and co-author of *State formation in Palestine. Viability and governance during a social transformation*. Mr Khan analysed the economical development and the process of state-formation in the PA prior to the Second Intifada, in relation to internal governance within the PA and Israeli strategies in relation to the PA. In his presentation, Mr Khan challenged the widely held view that the PA collapsed because of internal governance failures, lack of commitment to democracy and the problem of corruption. He argued that the analytical framework of 'good governance' is not appropriate for assessing state performance in developing countries, especially in conflict situations. While good governance is the *goal*, the mainstream approach does not identify the institutional and governance conditions that are necessary to eventually achieve these goals. Instead, it misleadingly presents these goals as *means* for achieving economic prosperity. Within the framework of good governance, economic growth is assumed to take place if certain political conditions are met, such as institutional transparency, democracy and a minimum level of corruption. History on the other hands exemplifies that institutional transparency depends on economic development and the institutional conditions that promote this and not vice

versa. However, different types of states demand different sets of political conditions and incentives for economic development. These are the conditions that need to be identified to assess the viability of an emerging state. On this matter, identifying the effects of specific institutions and of specific types of corruption and democracy can be very useful for identifying reform priorities.

The Palestinian Authority as a unique type of quasi-state was initially set up under the Oslo Agreements as a “client state” of Israel. By this we mean that a number of critical politically controlled resources were controlled by external powers, and in particular Israel, for an indefinite interim period. It is in this context that both the governance successes and failures of the PA have to be assessed. As a client state of Israel its political viability depended on which strategies Israel would apply in relation to it. In relation to the PA, Israel could have chosen an integrationist strategy, allowing the Palestinian economy to grow through integration with Israeli markets, and this may have given the PA an opportunity to grow into a viable political entity. Through this strategy, Israel could have ensured political compliance from the emerging Palestinian state on the basis of economic interdependence. Instead, Israel chose a strategy of *asymmetrical containment*, excluding Palestinian labour and production from Israeli markets while simultaneously building new settlements in the occupied territories. This strategy created a situation of economic stagnation and political crisis in the PA and in the end failed to deliver security for Israel.

In our work we identify three types of governance problems in the Palestinian territories during this period. First, there were a number of governance failures that were directly the result of this client state architecture and the asymmetric containment that Israel sought to construct. These failures were part of the design of the Oslo institutions, and it is wrong to blame the PA for these failures. Nor could the PA correct these unilaterally. Secondly, there were some governance failures that could indeed be addressed within the PA, and policy attention should have been focused on these. But these failures, while not insignificant, would not by themselves explain the growing unviability of the Palestinian state formation exercise. Finally, there was a third type of apparent governance failures that had to do with some aspects of executive centralisation, the creation of some monopolies, and so on, that paradoxically *increased* the viability of the Palestinian quasi-state, given the conditions of underdevelopment and asymmetric containment. Here, the policy response should have been to strengthen these state capacities, particularly given the relatively good economic performance of the Palestinian territories in any comparative analysis with other developing countries.

In trying to understand the Israeli strategy of asymmetric containment, reference is usually made to Israeli security concerns and the difficulty of removing settlements. But a more fundamental problem may be that the only other way for the Israeli state to have influence over an emerging Palestinian state would be to have a high degree of economic integration and the opening up of a much wider range of Israeli capital and labour markets to the Palestinian economy. In Israel, this scenario was probably found too threatening, because in the long run this would imply a high degree of political integration. If integration is then ruled out, the only method of exercising control is through asymmetric containment, and this in turn leads to the governance challenges identified in our research. If asymmetric containment is

to continue, it is vital that the analysis of governance priorities in the Palestinian territories is based on a realistic model of viability rather than a utopian notion of good governance.

## Session two: State-formation in the PA

Following up on some of the issues outlined by Mr Khan, Mohammad Nasr gave a presentation on state monopolies and PA-reforms, Odd Helge Fjeldstad talked about taxation and state-formation in the PA, and Inge Amundsen spoke about political institutions in the PA.

Mr Nasr focused on the 100 days reform plan presented by the PA in 2002, placing it within a model of shock and response, where external demands for reforms (shock) led to PA driven reform plans (response). Due to lack of institutional transparency and strong support for trade monopolies, the PA has been strongly criticised by outside observers and international donors since its establishment. As a response to this, Mr Arafat appointed a new government lead by a prime minister and a reform committee in 2002. In June 2002, the reform committee issued the “100 days plan”, an ambitious plan for political and institutional reform within the PA. These reforms were to include a clear separation of legislative, executive and judicial authorities, preparation for elections at different levels, transparency regarding public spending and distribution of international donations and improved government capacity to provide welfare, social services, and security for its citizens. An international task force has since evaluated the steps taken and strongly criticised the PA for lacking any real commitment towards reform. The PA’s implementation of the 100 days plan was also discussed in Mr Nasr’s presentation.

Mr Fjeldstad’s presentation focused on the politics and administration of taxation within the PA in 1994-2000. He focused on how the PA policies and practices of taxation were shaped by the socio-economic structures of Palestinian society, the institutional capacity of the PA, Israeli constraints and the influence of particular interest groups. His presentation stressed the extent to which the Paris Protocol on economic relations with Israel limited the PA’s control of its own fiscal policies.

Mr Amundsen’s presentation focused on institutional developments within the PA, stressing a number of worrying tendencies. Mr Amundsen described a PA characterised by neopatrimonial traits such as presidentialism, clientelism and a lack of distinction between formal and informal institutions. Presidentialism is found in the position of Mr Arafat as the holder of unrestricted personal power within a state apparatus where the lines between legislative, judicial and executive powers are blurred. Clientelism is found in the form of informal networks and power relations based on personal relations. Political positions and economic privileges are allocated through personal connections, and rents are collected to satisfy a sizeable security apparatus, PLO-officials and local strongmen. A lack of distinction between informal and formal institutions leads to corruption at all levels and in all political bodies, and through corruption, large amounts of money are channelled out of the country or into private consumption. According to Mr Amundsen, these dynamics contribute to a process of *state-deformation*, undermining the formation of a viable Palestinian state. In the long run, the result of this process may be a “bantustanisation” of the Palestinian

territories, in which towns; lead by local strongmen may gain some degree of autonomy within the framework of a continued Israeli occupation. The lack of international objections to Israel's undermining of the Palestinian state-building project might be seen as partially resulting from the PA's failure to build a fully functioning democratic polity.

### *Discussion*

In the following discussion, the connection between the lack of stronger international criticism of Israeli policies and the internal governance of the PA was strongly contested by a number of participants. A number of participants argued that the democratic merits of the PA had little or no relevance to Israel's strategies in relation to the PA. The use of "corruption" as an analytical term was discussed, and one of the participants stressed the distinction between *political corruption* as referring to clientelism and irregular satisfying of core groups and *institutional corruption* referring to mismanagement of resources and mixing of different roles and institutions. One participant also brought up the question of whether a total elimination of corruption is a possible or even desirable objective. Referring to comparative findings from a number of countries, one participant stressed the consistent correlation between poverty and corruption, arguing that all countries at certain levels of poverty and at certain stages of development are always ridden with corruption. The comparative lesson is that corruption cannot be fought until a certain level of wealth and economic development has been achieved. This lesson is highly relevant in the context of the PA, where the necessary level of wealth and development has yet to be achieved.

### **Session three: Democracy: Global and Local Dynamics**

This session contained presentations by Jamil Hilal, Lena Jayyusi, Raja Bahlul and Linda Tabar.

Mr Hilal gave a presentation focusing on the growth of political Islam, and the declining support for secular nationalism among Palestinians. Between 1994 and 2004, popular support for Hamas, the Islamic Resistance Movement, had increased from 13% to 38% according to independent polls. In comparison, the support for Fatah had declined from 40% in 1994 to 27% in 2004. Mr Hilal argued that this development is strongly related to the collapse of the peace process, the deterioration of the Palestinian economy and the continued weakening of the PA. A general islamisation of Palestinian politics and a continued worsening of social, political and economical conditions were also stressed as important factors behind the growing strength of political Islam. A main issue he raised was whether Palestinian politics had irrevocably turned a corner, substituting secular nationalism for religious nationalism.

Ms Jayyusi's presentation focused on the global human rights discourse in relation to the PA. She argued that this discourse is characterised by an asymmetrical use of language in dealing with Israeli and Palestinian violence. Whereas Palestinian suicide attacks are condemned as atrocities, Israeli attacks against Palestinian civilians are commonly characterised as failure to safeguard civilians during defensive operations. This discursive pattern is set within a

colonial framework, in which Palestinians are subject to colonial attitudes and structures of domination. As individual rights are increasingly disconnected from collective rights, this discourse further facilitates a policy of containment in relation to the PA. This human rights discourse was also seen in relation to the military nature of the Israeli occupation and in relation to Israel's position within a global military industry.

Mr Bahlul's presentation focused on the cultural and historical basis for a Palestinian national identity. The notion of a national identity was seen in relation to traditional identities and loyalties based on family ties, village affiliation, regional belonging, religion and sectarian divisions. The significance of different identities has shifted with historical and political changes, from the Ottoman period until today. He discussed whether Palestinian national identity can be seen primarily as a reactive identity developed in opposition to external enemies or as an identity developed from within. He also discussed the role of collective narratives of suffering in shaping the content of Palestinian nationalism. Mr Bahlul also reflected on what kind of cultural characteristics define the content of a Palestinian national community, and discussed whether these characteristics constitute a basis for the formation of a viable Palestinian Nation-State.

Ms Tabar picked up the issue of narratives and memories of the past as central to the formation of Palestinian identities. The Oslo Agreement was described as a political turning point that facilitated a transformation of Palestinian political discourse and rhetoric, from a focus on liberation to nation building, from resistance to accommodation and from a nostalgic longing for a homeland to a realistic focus on the present. Based on fieldwork among Palestinian refugees, Ms Tabar addressed the role of memory in shaping individual and collective identities. It was stressed that Palestinian memories cannot be homogenised, and that the past, the present and the future is intertwined in the sense that the experience of the present and prospects for the future are shaped by the past. A refusal of closure is seen as an important aspect of Palestinian identity and memory. Also, a denial of the right to narrate the Palestinian story is seen as part of a collective Palestinian experience. A Palestinian national narrative has also been undermined in academic research, where Palestinian refugee-narratives are often treated as myths, in great contrast to the testimonials from survivors of the Armenian genocide or the Holocaust.

### *Discussion*

The following discussion focused mainly on the presentation given by Mr Bahlul. One participant stressed the distinction between Palestinian nationhood and Palestinian identities at different levels, arguing that individual Palestinians hold a number of identities based on family, village and hamulah-affiliation, religious background and class, and that such identities are combined with a national Palestinian identity. Throughout the discussion, relations between national identity and other social identities were addressed, as well as processes of development and the impact of both external and internal factors in shaping a Palestinian national identity. The role of political Islam within a Palestinian nationalist discourse was addressed, and this was also the main issue of discussion in session four.

## Session four: Islamic Politics in the PA

In this session, presentations were given by Rema Hammami, Islah Jad, Henrik Lunden and Are Knudsen. The last three presentations all focused on political Islam in the PA.

Ms Hammami's presentation focused on the shift between different discourses of development to which Palestinian NGOs and political organisations have accommodated. Until the first Intifada (1987-1993), NGOs worked within a discourse of development and national mobilisation. In the wake of the first Intifada, which had a devastating effect on Palestinian society, NGOs emphasised the need for a reconstruction of society, and development was seen primarily as the reconstruction of civil infrastructures and social institutions. After the Oslo Agreement was signed, local discourses of development were replaced with an external discourse in which development was de-linked from the political context, and society was seen as a manageable, depoliticised entity. NGOs pursued their own agenda within this discourse, an agenda of decolonisation. There were great hopes for the emergence of a Palestinian government that would be blessed with both social and political awareness. However, as the PA turned out to be a security apparatus more than anything else, NGOs sought to limit the role of the PA in Palestinian development. Within the Oslo-discourse of development, the Israeli occupation was considered unimportant for understanding poverty and other problems of underdevelopment. Instead, the PA was held responsible for delivering development and erasing poverty in The PA.

This discourse of development fitted well with the politics of containment integrated in the Oslo-agreement. Since the early 1980s, there has been a number of Islamic movements that have worked within their own discourses of development. These movements have gained financial and professional support through alternative NGO-networks. Because of this, they did need to relate to discourses of development that were imposed from the West. As a result, they kept their close contacts with the Palestinian society and were therefore in a better position to respond to local needs. This difference in Palestinian NGOs has become more important now during the second Intifada - where Palestinians see more of a need for humanitarian assistance than a need for awareness building. Forsaking developmental goals, the Islamic organisations have been better placed to answer these particular needs.

Ms Jad's presentation focused on political Islam, and she addressed the success of Islamic movements in gaining women's support from the 1980s until today. In relation to gender and family issues, Islamic movements are commonly seen as conservative and anti-modernist, while secular nationalist movements are seen as progressive and modernist. Islam and Palestinian nationalism have also been assumed to belong to two different spheres. In her presentation, Ms Jad challenged the static notion of gender discourses and practices within Islamic movements, and the rigid separation between Islam and Palestinian nationalism. Islam has always been a part of Palestinian nationalism, and secular nationalist movements have included Islamic idioms in their political rhetoric. Through a combination of discourse and action, Hamas has obtained considerable support from women. Hamas has established a women's actions department, and have taken steps to make

room for women and encourage women to play an active part within the movement. Through these efforts, Hamas have constructed a “new Islamic woman”, combining deference regarding patriarchal values with female activism. Typically, the new Islamic women are educated, resourceful and outspoken, often wearing an Islamic dress which symbolises their religious awareness and political position. Similar efforts to integrate women have been absent within Fatah and the other secular nationalist movements. This must be taken into account if we want to understand the declining support for Fatah, and the growing support for political Islam among women. Hamas has focused on activating women within their organisation, and according to Ms Jad’s analysis, they seem to be rewarded for this in terms of popular support.

Mr Lunden’s presentation focused on the following questions: Who support Hamas and why? His presentation was part of a co-operation between Mr Hilal at Muwatin, who has conducted a poll analysis, Mr Lunden, who has conducted in-depth interviews, and Mr Knudsen, who has conducted a literary review of the history of Hamas. Mr Lunden started his presentation by pointing out some general tendencies: Most supporters of political Islam are less than 45 years old, and political Islam has its strongest supporters among women, in refugee camps and in village communities. People working within the public sector tend to support Fatah, while students and housewives tend to support political Islam to a larger degree than Fatah. Political Islam enjoys stronger support in Gaza than in the West Bank and in the northern and southern parts of the West Bank, while Fatah has its stronghold in the central West Bank. Mr Lunden sought to provide an understanding of the general circumstances facilitating the growth of Hamas, the individual motives of people who support Hamas, and to identify some common features among them. The collapse of the peace process, the weakening of the PA and the economic crisis in the PA were all seen as circumstances contributing to the growth of political Islam. In general, Hamas supporters tend to be people who are disillusioned with the peace process, who are poor, who come from families that are religiously conservative and who live in rural areas where village mosques have been central social institutions. Hamas supporters tend to emphasize the moral qualities of Hamas leaders, qualities that are assumed to be lacking among Fatah-leaders. Hamas activists tend to be educated within technical studies and engineering.

Concerning individual motives for preferring Hamas, Mr Lunden divided Hamas supporters into three categories. The first category consists of “the thinkers”, who support Hamas on religious grounds and regard Islam as the fundamental basis on which a Palestinian society should be built. The second group are “the traditionalists”, who see Hamas as promoters of a Palestinian way of life in accordance with traditional family values and religious ideas. The third group are “the thrill seekers”, who are attracted to Hamas as agents of armed resistance against Israel. Mr Lunden stressed that these are idealised categories, and that most Hamas sympathizers have more than one reason for their support to Islamist movements such as Hamas. This presentation was based on a study in progress, and one ambition of this study is to shed light on the political and cultural bases in Palestinian community for the support of Islamic organisations such as Hamas.

Mr Knudsen gave a presentation on the history and background of Hamas, tracing its origins back to the Muslim Brotherhood, established in

Egypt in 1928. Within the Muslim Brotherhood there were supporters of evolutionary Islam, advocating a spread of Islam by non violent means, focusing on social welfare and on the need for reinterpretations of the Quran. But the Brotherhood also contained supporters of revolutionary Islam, advocating violent upheaval against secular political powers.

A Palestinian branch of the Muslim Brotherhood was established in 1946, and in 1973 an Islamic centre was established in Gaza, providing social services and welfare to the Palestinian community in Gaza. This centre had strong ideological links to the Muslim Brotherhood. After the six-day war in 1967, pan-Arabism declined and an Islamic resurgence swept the region throughout the following decades, marked by events such as the Iranian revolution and the Islamic resistance to the Soviet-invasion of Afghanistan. The first Palestinian Intifada in 1987 led to the formation of Hamas by the same group of men who started the Islamic centre in Gaza in 1973. This organisation advocated a revolutionary Islam, declared a holy war on Israel, and demanded the return of the entire Mandatory Palestine. Nonetheless, ideologically Hamas is more of a populist than an extremist organisation, and it advocates an Islamic form of nationalism. Mr Knudsen stressed that contrary to popular perceptions, Hamas has been characterised by ideological ambiguity and flexibility rather than rigidity, and the ideological aims of the movement have been subject to some modifications.

### *Discussion*

In the following discussion, the main subject of debate was the resurgence of Islamic movements in the PA. One participant stressed the distinction between a religious field and a political field, arguing that Islamic movements like Hamas can operate in both fields, while secular nationalist movements such as Fatah are more or less confined to the field of politics. This distinction was contested by other participants who argued that the lines between religion and politics have been blurred, and that Islam has gained a stronger place within a Palestinian nationalist discourse in general, including Fatah. It was also pointed out that the secular nationalist movements have adopted an Islamist discourse by invoking Islamic symbols as part of their political strategy. One participant argued that this may have undermined, rather than strengthened the position of secular nationalist movements. The practice of activating women within Hamas, and the absence of similar practices within Fatah was again emphasised as an important factor in explain the popularity of Hamas among women.

### **Session five: Future research agendas in light of the presentations**

Mr Khan opened the last session by sharing some general reflections based on the presentations held at the symposium and by pointing out some emerging issues for future research. He stressed the danger of conducting fragmented analyses on the process of state-formation in the PA, as such analyses are scientifically incomplete and easily subject to political abuse. He emphasised that the Israeli occupation affects all aspects of Palestinian society, and

therefore cannot be kept out of such analyses. Mr Khan pointed out that the “good governance-model” of development and state performance is not applicable to the Palestinian case. Developmental states have other demands than developed states, and the World Bank economists of today do not know how to make development and capitalism work in a Palestinian context of containment and occupation. New and alternative models of development must be applied to this context, particularly those that relate to history as a prime source of inspiration, as the World Bank theories of development following implementation of good governance theories are basically flawed.

Future research must also focus on the future and the role of the PA. What role should the PA have in the future development of Palestinian society? The answer to this question will depend on the future of the two-state solution. If the two-state solution is abandoned, then the PA will most likely function as an interim arrangement that will be replaced by other service delivery institutions within the framework of a continued Israeli occupation and containment. If, however, the two-state solution is still considered viable, then the institutional developments within the PA, including practices such as the facilitation of trade-monopolies, must be encouraged rather than denounced by the international community. Such institutional practices may be needed in order to attract foreign investments to the territories and facilitate economic development in the PA. Mr Khan also mentioned the role of Islam in Palestinian politics and nationalism as an important subject for future research. Secular nationalist-movements must present alternative strategies to those of political Islam. In pursuing a secular Palestinian state, there is also the question of what kind of secularism should be facilitated in a Palestinian context. Khan separated between an institutional secularism, in which religious forces are confronted and contained within a public sphere, such as in France, and a practical secularism as seen in Great Britain, in which religious forces are accommodated, but not allowed to set the terms for political organisation. In the following discussion, a practical model of secularism was described as the most appropriate form of secularism to be sought in a Palestinian society.

## Concluding remarks

Some important issues were addressed by a number of participants, and these issues constituted a common framework for the symposium. One of these issues was the political terms and conditions for Palestinian state-formation that were set within the framework of the Oslo Agreement and the peace-process. A number of participants addressed the importance of the Oslo process in facilitating certain political, institutional, economical and institutional developments within the PA, and in the Palestinian society at large.

A second issue addressed at the symposium was the social, political and cultural basis for the resurgence of political Islam in The PA. A number of participants linked the resurgence of political Islam to the collapse of the peace process, the economic crisis in The PA and the failure of the PA at achieving Palestinian statehood and independence.

A third issue, addressed in the final part of the symposium, was the future prospects for Palestinian development and state-formation. The future

role of the PA was pointed out as a main issue for further research. It was stressed that the continued existence of the PA would depend on the viability of a two-state solution. Within the framework of a two-state solution, it is important to examine under what political and economical conditions the PA can function as a governing body. If the two-state solution is dismissed as no longer viable, we must examine alternative scenarios for the political development in the PA. The final discussions revealed a general consensus that these issues should be on the agenda for future research and for future co-operations between our research institutions, possibly in the form of a follow up project to *State-Formation in the PA*.

## Appendix: Programme



Chr. Michelsen Institute  
*Development Studies and Human Rights*



Programme: CMI – MUWATIN SYMPOSIUM

Title: PALESTINIAN STATE-FORMATION: PROSPECTS AND CHALLENGES

Date: 24 – 25 MAY 2004

Venue: Chr. Michelsen Institute (CMI), Fantoftvegen 38, N-5036 Fantoft

### Day one:

09:00 – 09.30 Registration

09:30 – 10:00 Opening remarks: **Gunnar M. Sørbo** (CMI) and **George Giacaman** (Muwatin)

**I Session:** 10:00 – 10:45: Keynote lecture: **Mushtaq Khan** (Muwatin/SOAS):  
"State-formation in Palestine: Achievements, Constraints and Prospects"  
Discussion: 10:45-11:00 (Chair: Gunnar M. Sørbo)

Coffee break (15 min)

### II Session: 11:15 – 12:30 State-formation in Palestine

1. **Muhammad Nasr** (Birzeit University): "State Monopolies and PA Reforms"
2. **Odd-Helge Fjeldstad** (CMI): "Taxation and State-formation in Palestine 1994-2000"
3. **Inge Amundsen** (CMI): "Political Institutions and State-formation in Palestine"  
Discussion: 12:30-12:45 (Chair: Henrik Lunden)

Lunch buffet (1 hour)

**III Session: 13:45 – 15:30 Democracy: Global and Local Dynamics**

1. **Jamil Hilal** (Muwatin): “Problematising Democracy”
2. **Lena Jayyusi** (Muwatin/Zaed University): “The Globalisation of Human Rights Discourse: the PA and the Colonial Parallax”
3. **Raja Bahlul** (United Arab Emirates University): “Stateless and (possibly) Nation-less: How Can Palestinians Experience Democracy?”
4. **Linda Tabar** (Muwatin/SOAS): “Memory, Ethics, Sovereign Power: Rethinking Oslo, Relocating Palestinian Memory”

Coffee break (15 min)

Discussion: 15:45-16:00 (Chair: May Jayyusi)

Evening dinner in Bergen at Fløyen Folkerestaurant (20:00)

**Day two:**

**IV Session: 09:30 – 11:15 Islamic Politics in Palestine**

1. **Rema Hammami** (Muwatin/Birzeit University): “Power, Development and the Space of Oslo”
2. **Islah Jad** (Birzeit University): “Islamist Women: Between ‘Fundamentalism’ and Nationalism”
3. **A. Knudsen/H. Lunden** (CMI): “Islam, Politics and Popular Support: Who supports Hamas and Why?”  
Discussion: 11:15-11:30 (Chair: Inge Amundsen)

Coffee break (15 min)

**V Session (plenary): 11:45 – 13:00 Future research agenda in light of the presentations**

Chair: **Gunnar M. Sørbø**

Discussant: **Mushtaq Khan**

Closing remarks: **George Giacaman**

Lunch buffet (1 hour)

\* \* \*

**Organising committee**

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Henrik Lunden, Researcher (CMI)

Are Knudsen, Senior researcher (CMI)

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# Summary

The CMI - Muwatin symposium, held in Bergen on 24-25 May 2004, addressed both internal and external challenges to Palestinian state-formation.

Internal challenges that were addressed were the problem of corruption, institutional mismanagement and the emergence of neopatrimonial structures within the Palestinian Authority. These institutional developments combined with the collapse of the peace process and the failure to achieve Palestinian independence by way of negotiations has undermined the legitimacy of the Palestinian Authority and facilitated a resurgence of political Islam in Palestinian society. The growing support of Islamic movements such as Hamas, must also be explained with reference to its provision of health and welfare services, and its encouragement of female activism within the organisation.

Israeli policies and political conditions set by the Oslo Agreement were pointed out as external challenges to Palestinian state-formation. Within the framework of Oslo, the PA has been subject to a strategy of asymmetrical containment in relation to Israel, involving an exclusion of Palestinian labour and production from Israel and a continued building of Israeli settlements in the occupied territories. This has undermined the political and economical viability of the PA, created a situation of stagnation and political crisis in Palestine and strengthened the internal challenges to Palestinian state-formation.

Future research will be focused on the prospects and viability of a two-state solution as the road towards Palestinian statehood. A high priority for further research will be to examine the political and economic conditions under which the Palestinian Authority can function as a governing body in Palestinian society. If the two-state-solution is dismissed, future research must focus on alternative scenarios for the political and institutional development in Palestine.

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