



PALESTINIAN ECONOMY, SOCIETY, AND THE SECOND INTIFADA

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This article analyzes the Palestinian economy and related social issues during the 1990s which played a role in the outbreak of the second intifada in September 2000. After an initial "honeymoon" period, the Palestinian public began demanding increased accountability from its leadership, and eventually placed the blame for the overall economic deterioration which occurred between 1993 and 2000 on its shoulders. Many Palestinians felt disconnected from their political leaders. Thus, while a quasi-state was instituted, people saw few rewards from this process.

In examining the breakdown of the Israel-Palestinian peace process, the outbreak of violence in 2000, and this problem's future, it is useful to look at Palestinian domestic politics and especially economic issues as they affected the situation and Palestinian public opinion.

ECONOMIC AND QUALITY-OF-LIFE DEVELOPMENT

Support for Arafat's Fatah faction declined steadily during the Oslo years, although Arafat's personal popularity remained relatively strong. Despite Arafat's continuity as a central figure in the national imagination, the decline in Fatah's backing reveals a deep sense of disenchantment among the public.

One explanation for this disillusionment might be the economic challenges faced by the Palestinians during the Oslo period. Between 1993 and 1999, the Gross Domestic Product (GDP) per capita fell almost 8 %.(1) In 1994 and 1995, the Palestinian economy suffered sharply, with GDP per capita falling 4.9% and 9.6%, respectively.(2) Likewise, unemployment spiked in 1996 at almost 24%.(3) These problems were related to sporadic violence and the Israeli response of closures.

During the quieter period between 1997 and the first half of 2000, however, the economy

did far better. Still while real GDP rose approximately 20% during the overall Oslo period, the per capita figure also fell rapidly due to rapid population growth.(4) Deep problems remained. While gross disposable income per capita was slightly higher in 1999 than in 1993, the rise reflected the significant role of foreign aid in the economy.(5) Still, after seven years of negotiations, quality-of-life lagged far behind expectations.

The economic situation can be linked with two separate issues. First, the inability or unwillingness of the Palestinian Authority (PA) to stop anti-Israel violence, which led to costly Israeli retaliation, and the PA's own management of the society and economy. The question becomes to what degree Palestinians held the PA responsible for these problems. Between 1993 and 1996, employment of Palestinians in Israel and its settlements fell 33.4%, 9.6%, and 12.8%, respectively.(6) Further, the Israeli closure policy, initiated following a string of deadly suicide bombings, continued to debilitate the Palestinian economy.(7) Beyond their immediate impact on the 18% of the Palestinian GDP drawn from labor income in Israel, closures also fragmented the economy, discouraged new investment, forced firms to duplicate functions, and favored very small businesses.(8)

However, it first appears that the deterioration in Fatah's support does not correlate to the economic ups-and-downs during the Oslo period. In an in-depth analysis of polling data from the Center for Palestinian Research and Surveys, Mark Tessler and Jodi Nachtwey report that support for Fatah remained relatively consistent during the first three and a half years of the PA's rule, even while the economy suffered.(9) The popular view may well have seen the PA as a positive force responding to Israeli-driven problems.

In response to the mounting unemployment problem, the PA increased its payrolls at least 10% each year between 1994 and 1999.(10) Public sector employment spiraled from 31,140 in 1994 to approximately 110,000 in 1999.(11) However, after 1997, Fatah's support decreased significantly, often to below 40%. This trend occurred despite an economic resurgence. Thus, it is not clear that economic developments related directly to public discord with the direction adopted by the political leadership.

Another interpretation of the falling support for Fatah, however, could be made. After the leniency of an initial "honeymoon" period, accountability for economic deterioration was placed more clearly on the Palestinian leadership. Considering that the economic downturn in 1994-1996 can be traced to substantial Israeli cuts in the employment of Palestinians, the PA could, in the early years, distance itself from responsibility for such economic problems. The serious decline in

Fatah's support after 1997 could be attributed to the awareness that economic conditions had not recovered enough to reach 1993 levels and that the PA was increasingly accountable for the economic situation.

There were certainly disappointments for which the PA was clearly responsible. Fischer, Alonso-Gamo, and von Allmen assert that "one of the most important failures throughout 1994-9 was that a significant amount of revenue controlled by the PA was not paid into the Finance Ministry, being rather under the direct control of [Yasir Arafat]."(12) One of the results is that public investment was financed almost completely by foreign aid. Donor disbursements during 1994-1998 of \$2.3 billion surpassed the amount pledged in 1993.(13) Again, there was keen public awareness of this reality, with relatively accurate public opinion of donor countries' contributions (See Table 1).

Despite the usefulness of foreign aid, however, dependence on it could have been another source of criticism toward the PA. On one hand, Palestinians appreciated this help but on the other hand it could have been seen as undermining independence, an idea strengthened by anti-American sentiments and distrust of Western cultural influences. A public opinion poll from the Center for Palestinian Research and Surveys in February 2000 shows that Palestinians most valued donor support in areas such as education, health care, and water supplies.(14) The least valued areas were women's programs, police and security,

Table: Actual Aid Disbursements in relation to Perceived Contributions (15)

	Aid Disbursements as Percentage of Total Disbursements, 1994-99	Perceived Contribution to Palestinian Economic Development, 2000
European Union	42%	25%
United States	15%	11%
Japan	13%	13%
Arab Countries	8%	8%
Others	20%	10%

road construction, and democracy-building. Even while recognizing that they required aid in certain crucial spheres, Palestinians might have seen this deep donor involvement—and sometimes criticisms—as showing that something was deeply amiss in the economic policies of their own leaders.

There is also a general consensus that the PA's heavy handed involvement in the market—including important commodity monopolies, corruption, and tight control over foreign investment, credit sources and protected areas of the economy—essentially constituted a transfer of income from poorer groups to the political elite.(16) Sara Roy suggests the lack of accountability, transparency, and judicial recourse in the economic administration discouraged potential investors and undercut the emergence of the private sector.(17)

Furthermore, Fatah's centralization process following the Oslo Accords came at a cost to the quality of life of the individual Palestinian. Palestinian civil society had maintained a strong presence before the Oslo Accords, providing about 60% of all primary health care services and 30% of the education network.(18) But after the PA's establishment the process of centralization siphoned international funds toward the fledgling ministries, which lacked the infrastructure to provide services.(19) Did individual Palestinians view this policy as a matter of transition—a government still in flux? The international community played a heavy role in providing these services, and its popular acceptance as a long-term presence had already been questioned.

Public sector employment did not necessarily result in public support for Fatah's economic leadership. Opinion polls suggest that there was public awareness that the lag in economic development was being masked by the growth in the PA ranks. The February 2000 Palestinian Center for Policy and Survey Research (PCPSR) poll also reveals that 86% of respondents believed *wasta* (personal or familial connection) was needed for obtaining

employment.(20) Further, 60% of respondents believed corruption existed in the PA.(21)

The coalescence of the bloated public sector employment in the face of abusive economic management tended to alienate the professional middle class. Composed of teachers, lawyers, and public servants, the professional middle class often suffered from not receiving salaries because of the PA's financial woes. Further, these individuals may have also been disenchanted with the political patronage and *wasta* that were so pervasive in the public sector. Tessler and Nachtwey argue that these Palestinians who “believe that they will be among the principal beneficiaries of a transformation which attaches importance to technocratic skills and seeks to replace family and political connections with personal qualifications as criteria for leadership.”(22)

Thus, it is not surprising that in a June 2001 poll conducted by the Birzeit University Development Studies Programme, professionals and students gave Arafat the least favorable marks in his performance.(23) Issues surrounding the distribution of economic development during the Oslo period thus fueled disenchantment with the political leadership.

SOCIAL REVOLUTION

The low marks Yasir Arafat received from professionals and students can also be tied to other interests this group felt were at stake. These individuals constituted the core of the new political elite that had emerged during the 1970s and 80s and led the grassroots' mobilization that eventually developed into the first *intifada*. After the Oslo Accords were signed, one of Arafat's main political tasks became undermining this new political elite. In so doing, Arafat stifled the broad mobilization that had driven the first *intifada*. The social revolution that had begun in the early 1970s fell short of completion, and its constituents were left in constant tension with the remnants of the old social order. Glenn Robinson argues that this regression from mass participation and the disempowerment of the new political elite have distanced Palestinian politics from the polity

and endangered long-term hopes for effective democracy.

The rise of the traditional “notable” elite can be traced back to the mid-19th century, when the restructuring of the Ottoman Empire placed prominent local figures as intermediaries between the Empire and local communities.(24) These “notables” were later coopted by the Jordanians and again by the Israelis and again used as intermediaries. In the 1970s and 80s, however, a new political elite emerged from university graduates and student movements. This new elite was younger, better educated, less urban, and from poorer families than the old notables.(25) It turned to nationalist, leftist-nationalist, or Marxist ideologies. The Voluntary Works Program, initiated in 1972 by Birzeit University students as a literacy project, served as a connection between the rural and urban populations.(26) Though the new elite was more village-based than the old notables, it also included the new professional middle class—nonlanded urban professionals.(27)

Robinson argues that the revolutionary process was a derivative of the structural change that preceded it. The decade prior to the first intifada saw broad grassroots mobilization as the expression of the new elite’s ideology. These “politically tinged” social programs transferred momentum to non-governmental and local organizations (NGOs) when the intifada began.(28) During the uprising, decision-making became intensely decentralized, which helped to sustain collective action.(29) Popular committees (*lijan sha’biya*) were formed in neighborhoods in response to concrete problems, and quickly became responsible for service provision such as food distribution during Israeli-imposed curfews.(30) Community-based mediation, judicial, and education committees were also prominent.

Following the model of popular committees, the United National Leadership of the Uprising (UNLU) was formed in the early weeks of the intifada to coordinate activities and communicate local initiatives.(31) UNLU

consisted of local PLO grassroots cadres, even while the PLO leadership in Tunis worked to undermine this alternative leadership. It was only in March 1991, however, that the Tunis leadership was finally able to claim real control over decisionmaking by replacing grassroots leaders with traditional factional heads such as Faisal al-Hussayni of Fatah, Zuhara Kamal of the Democratic Front for the Liberation of Palestine (PFLP), and Ghassan Khatib of the Communist party.(32) The first intifada can thus be read as including an effort to move toward culminating a social revolution by decentralizing control to the grassroots level.

Some of this mobilization during the 1980s included Islamist organizations. Large parts of the population that had previously been excluded from political participation became open to political recruitment by Islamist organizations because of expanding education and urbanization.(33) Simultaneously, the influence of Islam grew substantially during the decade at a variety of levels, including changes in social practices and rapid institution building.(34) The Islamization of Palestinian society propelled a process that paralleled secular social change. Robinson asserts that it was a “well-educated, younger, poorer, and more activist middle stratum within the Islamist movement” that took over the leadership role.(35)

Often sprouting from the Islamist intelligentsia and university student blocs, Islamist institutions combined religious activities with social services.(36) This new Islamist leadership saw the broad mobilization undertaken by the PLO as a means to widen resistance to the Israeli occupation. They shared the dual struggles against the occupation and the old socio-political elite, but this new Islamist elite also saw grassroots expansion as an opportunity to establish a viable alternative to the secular nationalism of the PLO.(37)

The PLO leadership, meanwhile, struggled to maintain legitimacy from its exile in Tunis. The distance between this leadership and the occupied territories raised concerns over its

credibility. The degree to which these leaders were viewed as outsiders rather than the immediate victims of the occupation might have led to questions over representation. From the leaders' standpoint, if the local activists took over direction of the movement they would no longer be needed. The Tunis leadership thus worked very hard and with a fair degree of success in maintaining their control.⁽³⁸⁾ But concern over this local leadership's rise—including its Islamist elements and demands by some that the PLO move toward negotiations and compromise with Israel in order to end the occupation—were among the factors propelling Arafat toward the Oslo agreement.

The Oslo Accords initiated a new period of both centralization of political power and cooperation between the old elite social class and top PA officers, creating a conservative and anti-democratic ruling alliance. Arafat pursued an intense consolidation of power, and, by 1995, he had concentrated personal authoritarian control over the extensive bureaucracy, courts, and overlapping and competing security apparatuses.⁽³⁹⁾ The Fatah leadership viewed the creation of the PA as an opportunity to expand its political base, and the ranks of the new PA security forces quickly swelled. By 2001, nearly half of all PA employees performed a security function.⁽⁴⁰⁾

However, the duplication of responsibilities and fragmentation among these forces meant that while the patronage machinery continued to roll, no unified alternative leadership would emerge from its ranks. To maintain control over the Islamist fronts that had sprouted from the broad mobilization of the preceding era, the PA installed its own institutions, including the Ministry of Waqf and Religious Affairs, appropriating Islamic concerns and undermining the salience of the grassroots opposition.⁽⁴¹⁾ Likewise, the old notables were reinstated into public positions in return for their loyalty and passiveness. Throughout the Oslo period and especially after the 1996 elections of the Palestinian Legislative Council, Arafat exercised his power to replace particular

Fatah members who were more popular and independent with meeker ones.⁽⁴²⁾ The housecleaning included the marginalization of the active younger leadership.

The intense centralization imposed by Arafat during the Oslo period countered the process of decentralization that had emerged during the *intifada*. Participation in neighborhood committees and the prominent role of nongovernmental organizations during the *intifada* had served as the core of popular mobilization. As Graham Usher explains, NGOs derived legitimacy not only from actual service provision, but also from the support of the notion of a communal struggle.⁽⁴³⁾ Even as the *intifada* raged on, however, the exiled leadership had begun to undermine these grassroots activities, neglecting to support local movements that had not been initiated by the Tunis leadership. After the signing of the Oslo Accords, the PA diverted funds from NGOs and even drew up a draft law that would have given it control over the existence of every NGO.⁽⁴⁴⁾ The draft was dropped after the international donor community expressed its outrage at such blatant marginalization. On the other hand, charitable societies, which were led primarily by the notables and politically conservative elements, continued to maintain good relations with the PA.⁽⁴⁵⁾

Arafat's consolidation of power caused the disaffection of the emerging political elite, but it also came at a cost to the individual Palestinian who had been served by this younger leadership before and during the first *intifada*. Robinson asserts that Fatah's demobilizing stance represents a regression in Palestinian politics, which had become the most liberal in the Arab world because of the leftist ideology of the new elite of professionals and students.⁽⁴⁶⁾

However, it is not clear to what degree individual Palestinians outside of this class see this process as a regression. After all, he was still the virtually unchallenged leader of the movement with a high degree of legitimacy. Despite the fact that Arafat has worked to dismantle the emergent leadership that had

roots in the poorer classes, Tessler and Nachtwey report that these economically disadvantaged individuals were disproportionately likely to support the mainstream political establishment.(47) Tessler and Nachtwey explain that these people “apparently believe that Fatah and Arafat offer the best hope for the kinds of change that will improve their life circumstances.”(48) Furthermore, Tessler and Nachtwey suggest that “a partial explanation may be that poorly educated young residents of Gaza believe they were neglected by the traditional elite of the West Bank and Gaza, and they accordingly have more confidence in the PLO leadership that relocated from Tunis.”(49)

This argument counters the idea that sees social revolution as a source of tension in Palestinian politics. The degree to which the PLO leadership was seen as being outside of the intifada struggle can be questioned, as can the degree to which the new elite was seen as a distinct group not serving the general population. Tessler and Nachtwey’s analysis also means that the notion of the social revolution may have been overshadowed in the Oslo period by the high expectations of new institutions and imminent independence. However, the growing disappointment of these expectations in the latter years of the Oslo period suggests that the question of social structure may have regained relevance.

POLITICAL CONSCIOUSNESS

The strategy of political consolidation and centralization led to the public’s disengagement from political participation. The drop in support for Fatah in the latter half of the Oslo period can, in part, be understood as the disaffection of the masses with the political mainstream. An August 2000 poll by the Development Studies Program (DSP) at Birzeit University showed that 44.1% of respondents did not support any of the existing political groups.(50) That figure is up from 27% eight years earlier.(51) One might ask whether such a trend is not inherent in transitions from a

movement to a state. The evolution of liberation ideology into institutional politics might naturally lead to the dissipation of political fervor. Such a normalization process would likely not have led to a massive uprising in the fall of 2000. Normalization often includes political dormancy, but it is clear that those who were disaffected were hardly resigned to life outside the system.

Furthermore, the situation is complicated by the transitional phase Oslo entailed. In a situation where a state is instituted, liberation rhetoric and political fervor are traded in for the rewards institutions and normalcy bring. However, in the Palestinian case, the trade-off was problematic. While a quasi-state was instituted, people saw few rewards from this process. It is not surprising, then, that many Palestinians continued to lean on liberation ideology during the Oslo period that transformed all frustration into the need for an independent state. Their view, an Independent Task Force of the Council on Foreign Relations reports, was that “the shortcomings and tensions arising from institution-building during the Interim Period can be remedied only in the context of sovereign statehood.”(52) This was also the position taken by the PA and its leadership to encourage the ongoing struggle and lower immediate expectations.

This balancing act gave Arafat a great deal of room to maneuver—the political process did not need to be fully democratic because it was not permanent. It is again not surprising that the PA leadership thus manipulated the format of the 1996 general elections to benefit Fatah. Instead of a single district, proportional representation vote, the election was a multi-district, winner-take-all vote.(53) This format excluded smaller opposition parties and allowed tribal and family connections in small districts to return a predictable outcome that exaggerated Fatah’s support. Clearly, Arafat and his Fatah supporters parlayed the transitional cushion and the need for a united front for negotiations into political gains.

The leadership's policies in the transitional context also skewed the state-society relationship by again emphasizing unity over pluralism. The official Palestinian media quickly became a political agent rather than a journalistic one. Barry Rubin explains that despite the PA's 1995 press law guaranteeing freedom of opinion in the press, the PA commonly used appeals to patriotism to quiet legitimate criticism.⁽⁵⁴⁾ Palestinian journalist Ruba Hussari points to the fact that the press had begun as "a political tool dedicated to communicating information from the exiled PLO leadership," and that it provided jobs for PLO activists.⁽⁵⁵⁾ When appeals to the importance of national unity did not quiet dissenters, the PA relied on economic subsidies and repressive pressure.⁽⁵⁶⁾ With the media firmly entrenched in the politics of Fatah and the PA, it is not surprising that Fatah supporters trusted official Palestinian stations' coverage more than Hamas supporters.⁽⁵⁷⁾

Rubin also asserts that "Arafat's new control over patriotism and patronage gave him power to reward or punish every Palestinian."⁽⁵⁸⁾ At the same time, Arafat's political survival required constant accommodation of Fatah members and other political leaders. Arafat's charismatic regime was based on political patronage, and coopting possible rivals was key for Arafat's consolidation of power. He was keen, however, on limiting pluralism to marginal levels. Arafat marginalized anyone who voiced opposing opinions. The result, Ehud Ya'ari explains, is that "flattery rules."⁽⁵⁹⁾ Despite its relative inclusiveness as a political patronage machine, the PA clearly maintained a unitary direction, whereby criticism that might require actual changes in policy was quickly dismissed.

The broad sense of Arafat as representing Palestinian aspirations and preferences even without fully representative institutions also gave Arafat and Fatah a cushion. If Arafat and the PA represented the broader goals of the Palestinian people regarding the present and future, the fact that these popular decisions

were made without a democratic process would be less important.

Arafat's personal image and symbolism reflect this sense of broad representation. For most of the Oslo period, Arafat was able to maintain a halo, protecting him from Fatah's declining support. In 1996, despite receiving low marks for his management of the peace process, the economy, and decision-making, Arafat secured an 87.1% victory with relatively good voter turnout.⁽⁶⁰⁾ During those elections, 60.9% of respondents considered him symbolic of the national cause.⁽⁶¹⁾

In fact, Arafat's charismatic regime consolidated his image by being simultaneously both inclusive and exclusive. In 1999, over one-quarter of all Palestinian Legislative Council members had served in one of Arafat's cabinets.⁽⁶²⁾ However, having so many personalities coming through the rotating door ensured that none of them would become dominant enough to pose an alternative to Arafat. Barry Rubin asserts that Arafat attempted to control the diverse political spectrum by avoiding confrontation and building a unified front.⁽⁶³⁾ This type of limited inclusiveness worked to further his position as the indispensable representative of Palestinian concerns.

However, as such a representative, Arafat became increasingly—though not necessarily intentionally—accountable to the Palestinian polity for the conditions of the Palestinian territories during the Oslo period. As the PLO changed from a revolutionary movement to a state-like authority, it became responsible for the conditions of the status quo rather than in opposition to them. As with most transitions, the "honeymoon" period included a period of leniency from expectations with the understanding that many of the problems were remnants of the preceding government. However, such an allowance generally dissipates, as exemplified by Fatah's deteriorating support after Oslo.

THE CONTEXT FOR THE UPRISING

When linking a series of possible explanations to address a central question, concerns for the limitations of these explanations certainly come into play. In this case, there are several points one should raise. First, to what degree can popular support for Fatah be used as a proxy for perspectives on domestic policy and the PA? Second, to what extent can one link broad domestic frustration with the September 2000 uprising? The first question addresses the limitations of popular opinion data, while the second asks how such opinions are connected to events and the actions they involve.

Opinion polls serve as valuable indicators of the composite of individual attitudes and leanings. In a transitional entity, other modes of measuring public opinion—such as the media—are often less accurate. As previously noted, the Palestinian media served as a political element rather than a purely journalistic one. Popular support for Arafat, as has been noted, incorporated his indispensability as a central figure in the minds of many Palestinians.

Fatah, on the other hand, remains the group most closely identified with the political mainstream and the PA. The shifts in its popularity reflect the process by which Palestinians related to the PA. Tessler and Nachtwey suggest that in the first three and a half years of the Oslo period, Fatah maintained a consistent level of support.⁽⁶⁴⁾ This stability persisted despite increasing complaints about power abuses and corruption. Tessler and Nachtwey assert that, during these years, it was supporters of Islamist and leftist movements who decided that they were not satisfied with these groups and turned their endorsements to “none of the above.”⁽⁶⁵⁾ However, in the latter part of the Oslo period, this sense of disengagement seeped into Fatah’s supporters as well. “In contrast to the trend during an earlier period, however, [Fatah’s dropping popularity] now appears to reflect a defection from Fatah rather than from opposition

factions,” Tessler and Nachtwey argue.⁽⁶⁶⁾ This shift can be understood, in part, as an increasing accountability—again, not necessarily conscious—for the frustrations Palestinians harbored.

The fact that many of these frustrations were responses to Israeli policies—even if these policies were themselves responses to Palestinian actions—strengthens the claim that Fatah and the PA were connected in Palestinian minds with the status quo. Any distinction for Palestinians between domestic and foreign affairs was very much blurred during the transitional Oslo period. The existing authority was associated broadly with current problems, not necessarily with specific policies. Again, the context of quasi-statehood proved problematic, especially because border and sovereignty issues occupied such a primary space in the Palestinian consciousness, transcending categories of domestic and foreign.⁽⁶⁷⁾

The nearly non-existent delineation between the foreign and domestic spheres also explains how individual opinions regarding the course of domestic politics could be connected to externally directed violence. Fatah’s control over the media and public discourse meant that criticism and expressions of frustration were clearly limited. As part of the rhetoric of liberation, domestic failings were attributed to the lack of a sovereign state—or directed at agents other than the PA. These problems could be addressed only in the context of a sovereign government argued the PA and its supporters. The unique situation of the Palestinians again meant that domestic and foreign politics were inexorably tied and inseparable from a public perspective. Thus, frustrations that were internal in origin (PA) became directed at an external target (Israel).

Public opinion surveys also show, however that this linkage is not as simple as it might appear. These show that, over the course of the Oslo years, Palestinian frustrations with the PA and with Israeli policies did not explicitly come to bear on support for the peace process.

Tessler and Nachtwey document that support for the peace process rose in the later years rather than declined, reaching 75% in November 1998.(68) Khalil Shikaki reports that this figure remained at 75% in July 2000, and fell only 2 % even a year after the new uprising had begun.(69) Clearly, many Palestinians felt, even in the later years of the Oslo period, that the peace process offered the best opportunity for progress. How does one reconcile this hope with the reality of the uprising in the year 2000?

Shikaki suggests that the simultaneity of these elements reflects a distinction between short- and long-term orientations. "It seems that for short-term needs," Shikaki explains, "high threat perception among the Palestinians elicits a highly emotional and hard-line response. But when dealing with long-term issues, rational thinking prevails."(70) This explanation works reasonably well but either dynamic can still prevail at a particular point in time.

To what extent did frustrations over the stagnation of quality-of-life, corruption, and severe institutional problems—as opposed to the appeals of the leaders responsible for some of these same problems—lead to the outbreak of violence in 2000? Obviously, both factors are present and mutually reinforcing. But the context in which many Palestinians could reject the long-term mindset of peace certainly fueled the widespread support for a new, violent, stage.

Yet even if channeled, at least for a time, into this new conflict, the domestic complaints also reemerged in 2002 when it was clear that a revolutionary war of independence was not succeeding. Critics in the PA are voicing intense concerns over the political efficacy of the Authority, including Arafat's role in its debilitation.

Part of the support for these frustrations comes from disappointment over Arafat's failure to mount a substantive defense against Israel's military operations in the West Bank in the spring of 2002 but there is far more involved in this anger: the sense that the reign

of the PA has not delivered what the people need. Again, these domestic complaints are often justified in "international" terms. Hussein al-Sheik, a Fatah leader in the West Bank, for example, warned that if the Palestinians do not put their political house in order, they would be susceptible to the demands and dictates of the United States and Israel who would impose a type of reform that would damage Palestinian interests.(71)

The underlying point, however, is that reform can no longer be put off until a state is achieved but was a process required in order to obtain a state. Ahmad Deik, a Fatah member of parliament and reform advocate, argued that "the important thing for us is to know when we can build a modern Palestinian political system."(72) This in turn translated into pressure, though not necessarily sufficient to force change, on Arafat to reorganize security forces and end government corruption.(73) The United States made reform a condition for its supporting a Palestinian state while the European Union has declared new financial aid to the PA to be conditional on increased accountability and other reforms.(74)

Given this perspective, the failure of Arafat and the PA to create real and sustained social service delivery, legal authority, and economic viability became a much more important issue. Palestinian trust in Arafat fell to about 25%.(75) Arafat responded to these complaints, at least in cosmetic terms. In May 2002, he told the Palestinian Legislative Council that "there have been signs of mismanagement here and there that are impossible to conceal from public opinion," and called for a "re-evaluation of all our administrative and ministerial bodies [and] the security apparatuses."(76)

Clearly, the course of events was influenced by many factors. Among them was Palestinian frustration with Fatah and the PA over the long-term stagnation of incomes and the unequal distribution of economic benefits. Those Palestinians that had emerged as new political elite during the 1970s and 80s recognized their marginalization in the institution-building

process. Some Palestinians who had been mobilized by the rise of this class during the intifada now felt disengaged and under-represented. Finally, expectations of political achievements and institutionalization went unmet, and Fatah, and later Arafat, became increasingly responsible for these failures.

In the year 2000, these disappointments with domestic developments convinced many Palestinians that compromise with Israelis would not yield tangible benefits. It remains to be seen whether in some later year it would produce a similar conclusion regarding their own government or lead to some turn in the situation.

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NOTES

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