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"Towards A Palestinian State : Is Institution Building Succeeding?" *The United States Institute of Peace and the Carnegie Endowment for International Peace*

**Carnegie Endowment, 1779 Massachusetts Ave.
September 29, 2010, 9:00am-11:00am**

On Wednesday, the Carnegie Endowment for International Peace and the United States Institute of Peace co-hosted a panel discussion titled "Towards a Palestinian State: Is Institution Building Succeeding?" The discussion was moderated by **Lucy Kurtzer-Ellenbogen**, a Program Officer in USIP's Center for Mediation and Conflict Resolution. The panelists were **Nathan Brown**, a Nonresident Senior Associate of the Middle East Program at the Carnegie Endowment, **Neil Kritz**, the Senior Scholar in Residence in the Center for Mediation and Conflict Resolution at USIP, **Ghaith Al-Omari**, Advocacy Director at the American Task Force on Palestine, and **Howard Sumka**, Acting Deputy Assistant Administrator for the Middle East for USAID.

In his prepared remarks, Sumka pointed out that before discussing the state of institution building in the Palestinian Territories, we must first know what we are trying to accomplish – in other words, what does a state need to do to provide for its people? To put Palestinian institution development in context, Sumka noted that economic development is relatively low in the Territories, and that Palestinian governance structures are still quite young. In addition, Israeli occupation complicates the task of developing institutions, as do deep internal political divisions. **He contended that if the Palestinian Territories had clearly-defined borders and were a contiguous land mass, the existing governance structures would probably "stack up well" against other states.** Sumka also pointed out that Palestinians need to build proficiency in state building *before* their first day of independence – as such, preparatory steps to build solid institutions are important.

For the Palestinian government to be viable and legitimate, it must ensure basic security for its citizens, implement a reliable rule of law regime that provides prompt and just adjudication and protects rights, provide social services, and sustain itself economically. Sumka discussed USAID's role in facilitating these processes. He described, in particular, an initiative to improve the Palestinian education system. In 2007, the Palestinian Ministry of Education laid out a five-year plan to improve school facilities, review pedagogical techniques, modernize teaching methods, improve community-school relations, enhance vocational education and training, introduce different technologies into the classroom, and improve higher education. Sumka stated that USAID helped support this strategy and sought out ways to invest strategically in line with the guidance from the Ministry of Education.

Sumka also described USAID's efforts to help the Palestinian Authority build capacity across government sectors. In general, these projects sought to extend and improve citizen services. For example, USAID helped improve the Ministry of Transportation by streamlining services and computerizing databases. **In Sumka's view, these improvements convey to Palestinians that their government is doing something for its citizens. Sumka predicted that the Palestinian government**

and people will continue to see tangible progress in governance and be increasingly able to manage their own affairs.

Neil Kritz spoke next, and focused primarily on how to measure success in state- and institution-building. He said that Palestinian institution building needs to be measured: 1) relative to where it was in the past, and 2) relative to other states.

Kritz pointed out that merely announcing the creation of a new institution is not enough: in the past, government agencies were just “empty shells” staffed by employees that acquired their jobs through “political patronage.” **He asserted that these agencies need to go through a process of professionalization, focusing on improving “the ducts of the system.”** In the judiciary, for example, the government has instituted new merit-based systems and training programs for judges and prosecutors. Compared to a few years ago, the judicial system is much more efficient and effective – whereas many people did not bother filing cases through the court system in the past (because it was viewed as dysfunctional), recent improvements in the system have meant that cases are adjudicated more efficiently and fairly. Kritz cited a USAID public opinion poll that found that about 75% of West Bank Palestinians have confidence in the judicial system. Their increased willingness to use the court system to adjudicate civil conflicts, according to Kritz, reflects this new confidence.

Kritz noted that building an effective state apparatus is about more than simply moving a high volume of court cases through the system, however. He cited improvements in police-civilian relations, a prominence of civilian courts as opposed to military tribunals, and new respect for high court decisions as evidence that the rule of law system is improving in significant ways. He also pointed out that improving state function is not only about building new institutions, it may also require dismantling them. Recent efforts to consolidate competing and disjointed security agencies, for example, have improved government efficacy.

In general, Kritz concluded, Palestinian bureaucrats are exhibiting a new “service mentality” in which they approach their jobs as a service to the people. **He noted that “the enterprise is still fragile” – after years of stagnation in Palestinian governance, however, he finds recent trends encouraging.**

Nathan Brown offered a more pessimistic view of the condition of Palestinian institutions. He challenged the claim that institutions are really being built, and argued that Palestinian institution building is not making a meaningful contribution to the Palestinian-Israeli peace process. Brown asserted that there was more institution building in the 1990s than there is today. In the 1990s, the Palestinians built the Ministry of Education, designed a curriculum, and organized viable teachers unions. Although the process was messy and incomplete, it was an example of real, meaningful institution building. **Today, in contrast, the government is merely making cosmetic changes and administrative improvements to existing institutions.** In part, according to Brown, this failure is due to the fact that the Palestinian government cannot truly write new legislation – rather, leaders are ruling by decree and institutions are merely “being kept alive.”

Is the institution building taking place in the Palestinian Territories state building? No, in Brown’s view, because there is a general absence of a viable political process. He asserted that the political party system has essentially disintegrated, and that professional organizations are generally weak. In addition, the international community is interested almost exclusively in security and fiscal affairs – other areas of governance, Brown asserted, are not impressive.

The leadership in Ramallah, he contended, is shaky and ultimately authoritarian. **The Palestinian Authority lacks legitimacy, and can only issue technical improvements to existing legislation.** Moreover, there is no adequate mechanism for public input in governance, and the political process is largely dependent on international donors and support.

Brown concluded that the system is “basically dysfunctional,” and to treat institution building as real progress towards statehood is to “fool ourselves.” He pointed out that if there were a peace agreement with Israel tomorrow, the Palestinian Authority would have no way to implement it. For Brown, this demonstrated that fixing the Palestinian political system must come before any meaningful peace agreement can be achieved.

Ghaith Al-Omari stated that in his view, **the progress that Palestinians have made in institution building is “significant and transformative.”** He disagreed with Brown’s assessment that the 1990s were more fruitful year for Palestinian institution building than today: during that time, the government was essentially a social security system (a “very Egyptian” one, he quipped) that sought to mask high levels of unemployment and other systemic problems. Now, in contrast, real changes in institutions are being made.

Regarding the issue of legitimacy, Al-Omari pointed out that no Palestinian governing body has legitimacy, and that this is nothing new. He said that we can bemoan the absence of elections in the Palestinian Territories, but that it will be a “fact of life” for a while. In a related vein, he contended that Fatah leaders have resisted the rationalization and professionalization of some institutions because it takes power from Fatah party members.

Al-Omari also asserted that the **institution building process has changed the political culture in the Palestinian Territories.** While this change is unquantifiable, he argued that the political culture was previously one of victimhood, and is now becoming one of self-assertion and responsibility. Moreover, the institution building process is being increasingly perceived as an important political process, rather than a development project.

Although the process is taking root, Al-Omari cautioned, Palestinian institutions continue to be very fragile. **The process of building institutions must be seen as moving Palestinians closer to statehood – at the same time, however, the progress in building institutions must be separated from the periodic ups and downs of the negotiations in the peace process.** That is, if the negotiations stall, institution building must continue.

During the question-and-answer session, one audience member asked whether the transformations we are seeing in the Palestinian Territories are an example of administrative capacity-building or state building, noting that the efforts to improve governance are premised on the belief that a Palestinian state is on the horizon. Al-Omari reiterated that the process of improving institutions must be seen as leading to statehood; Sumka agreed, pointing out that no one wants to see improvements in security without concomitant improvements in other sectors – otherwise, it appears that the Palestinian Authority is merely doing Israel’s work.

Al-Omari also stated during the Q & A that in general, large-scale transitions in societies are always disruptive. **To have “anchors” (i.e. sound institutions) helps stabilize that transition.** Brown argued that a **“political horizon” is necessary to provide meaning to the institution building process, and that the process is unsustainable if there is no wider goal in sight.** Kritz agreed, commenting that

leaders' commitments to improving institutions will wane if it becomes clear that there is no Palestinian state in their future. In response to a question about how the government is perceived by Palestinians, **Brown argued that to people in the West Bank, the PA appears authoritative, desperate, and overly-concerned with placating international donors.** Regarding internal Palestinian divisions, Brown indicated that Fatah's suppression of Hamas factions is another component of the institution building process, since a viable state cannot be built so long as there remains a major political split in the Territories. **Brown also expressed concern that the U.S. seems to lack a long-term plan for engagement in the region and in the process of Palestinian state building.**