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**PALESTINIAN INSTITUTIONAL CONFIGURATIONS  
IN THE WEST BANK AND GAZA  
UNDER FOUR AUTONOMY SCENARIOS**

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NEAR EAST BUREAU

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## EXECUTIVE SUMMARY

This interpretive essay outlines the major Palestinian institutional clusters in the West Bank and Gaza Strip, and demonstrates the potential ramifications of four different autonomy scenarios on these institutions.

Most major Palestinian institutions, especially in the health, agricultural, and industrial sectors, are affiliated with one of the principal factions of the Palestine Liberation Organization (Fatah, PFLP, PPP, and the two wings of the DFLP). That is, each faction has its own medical committee, agricultural committee, women's committee, federation of trade unions, etc. A small number of institutions are affiliated with the Islamic movement. While some sectors have an abundance of institutions - perhaps an overabundance, given the frequent duplication of services - other sectors have virtually no institutional presence. This is particularly true of the financial and investment sectors.

The single most important fact affecting the future of Palestinian institutional development in the occupied territories is that *Fatah is currently seeking to monopolize and control all major development sectors in the West Bank and Gaza in preparation for autonomy*. Its attempts at institutional centralization are based in Fatah's recent creation of Higher Councils in virtually all sectors, and subsequent pressure on outside donors to direct all developmental aid through the relevant Higher Council.

Fatah's recent success in positioning itself to control developmental aid through its own institutions has created a dilemma for the institutions of factions opposing the current negotiations, primarily the PFLP and DFLP(H). Both factions have built a relatively sophisticated network of grassroots institutions in the West Bank and Gaza. By maintaining their opposition to the current negotiations, these factions remain true to their constituencies but risk losing substantial funding for their projects. If they reversed their opposition, funding

would likely increase, but they would be alienated from their supporters. Thus, the argument within these institutions is whether to soften their opposition to the negotiations, even at the risk of falling under Fatah hegemony, in order to save the institutions themselves.

The second section sketches the impact of four different autonomy scenarios. The scenarios are derived from two variables: the speed of implementing an autonomy agreement (slow versus rapid) and the extent of autonomy implemented (full versus limited). Each of the four autonomy scenarios would create a different pattern of *institutional* "winners" and "losers" because each would create a different set of *political* winners and losers. The scenarios can be summarized as follows:

**Scenario A: Institutional Monopoly.** A full autonomy slowly implemented would provide the time and space for Fatah to effectively consolidate its position during autonomy. Non-Fatah grassroots institutions would slowly be starved of resources as power becomes increasingly centralized.

**Scenario B: Institutional Pluralism.** Rapid implementation of full autonomy would preserve the current institutional pluralism by freezing in place the institutional balance between political factions, and between centralized and grassroots authority. Opposition is limited. A pluralistic political entity is likely.

**Scenario C: Institutional Paralysis.** A limited autonomy rapidly implemented would create a stalemate between Fatah institutions and non-Fatah institutions which would actively oppose the agreement, and between national and local authority. Fatah would seek a coalition with Jordan. Civil war is possible.

**Scenario D: Millet Model.** A limited autonomy slowly implemented would reflect an Israeli-Jordanian condominium over the occupied territories. Palestinians offered limited municipal authority. Intifada continues.

## LIST OF ACRONYMS

**CIVAD** - Civil Administration. Wing of Israel's Military Government which governs all activities in the West Bank and Gaza Strip.

**DFLP(AR)** - The Abd-Rabbu wing of Democratic Front for the Liberation of Palestine, a major faction of the PLO. Ideology is nationalist-leftist. Supports current negotiations.

**DFLP(H)** - The Nayaf Hawatma wing of the Democratic Front for the Liberation of Palestine, a major faction of the PLO. Ideology is nationalist-leftist. Opposes current negotiations.

**Fatah** - The principal faction of the PLO, led by Yasir Arafat. Umbrella of nationalist ideologies. Institutions tend to be patronage and personality based.

**GFTU(DF)** - General Federation of Trade Unions, affiliated with the DFLP.

**GFTU(PP)** - General Federation of Trade Unions, affiliated with the PPP.

**GFTU-F** - General Federation of Trade Unions, affiliated with Fatah, and led by Shahir Sa'd. Largest trade union movement in occupied territories.

**Hamas** - The Islamic Resistance Movement. Recent offshoot of the Muslim Brethren. Has limited institutional foundation but wide popularity.

**HSC** - Health Services Committee. Fatah's health organization.

**PARC** - Palestinian Agricultural Relief Committee. The PPP's agricultural organization. Largest agricultural organization in occupied territories.

**PCP** - Palestine Communist Party. Now known as the Palestine People's Party, or PPP.

**PFLP** - Popular Front for the Liberation of Palestine. Second largest faction of PLO. Nationalist-leftist ideology. Opposes current negotiations.

**PLF** - Progressive Labor Front. The coalition of trade unions associated with the PFLP.

**PPP** - Palestine People's Party. Faction of PLO. Nationalist-leftist ideology. Formerly known as the Palestine Communist Party.

**Shabiba** - A youth organization affiliated with Fatah.

TCAS - Technical Committees for Agricultural Services. Fatah's agricultural organization.

UAWC - Union of Agricultural Works Committees. The PFLP's agricultural organization.

UHCC - Union of Health Care Committees. The DFLP's health organization.

UHWC - Union of Health Works Committees. The PFLP's health organization.

UNRWA - United Nations Relief Works Agency. UN body designed to serve the needs of Palestinian refugees. Runs a number of clinics and schools in occupied territories.

UPFC - Union of Palestinian Farmers Committees. The DFLP's agricultural organization.

UPMRC - Union of Palestinian Medical Relief Committees. The PPP's health organization.

UPWC - Union of Palestinian Women's Committees. The PFLP's women's organization.

UPWWC - Union of Palestinian Working Women's Committees. The PPP's women's organization.

VWP - Voluntary Works Program. Factionalized committees which organize secondary and university students to undertake various development projects harvesting assistance in rural areas. Is required of students by most universities.

WAC - Women's Action Committees. The DFLP's women's organization.

WCSW - Women's Committees for Social Work. Fatah's women's organization.

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## *Introduction*

The purpose of the following essay is to explore the ways in which various autonomy scenarios in the West Bank and Gaza Strip would impact the capacities of Palestinian institutions in selected sectors. The paper is broken down into two sections. The first section examines relevant institutions in five sectors: agriculture, health, finance/investment, industry and education. The analysis concentrates on the political alliances of these institutions (Fatah, PFLP, etc.), their strengths and weaknesses, and the character of their structures (decentralized, grassroots versus centralized, national). The second section deals with four plausible autonomy scenarios and the likely political-institutional consequences of each. Each of the four autonomy scenarios would create a different pattern of *institutional* "winners" and "losers" because each would create a different set of *political* winners and losers. This section is designed to guide the reader through changes in institutions based on changes in the political configurations on the West Bank and Gaza.

On the Palestinian side, the negotiations in Washington are being conducted by individuals associated primarily with Fatah, the dominant faction of the Palestine Liberation Organization (PLO), and, secondarily, with the Palestine People's Party (PPP, formerly Palestine Communist Party, and a member of the PLO), the Abd Rabbu wing of the Democratic Front for the Liberation of Palestine (hereafter DFLP(AR), a member of the PLO) and notable personalities affiliated with Jordan. The current negotiations are opposed by the two main PLO factions outside of Fatah: the Popular Front for the Liberation of Palestine (PFLP) and the Hawatma wing of the Democratic Front for the Liberation of Palestine (hereafter DFLP(H)). In addition, the Islamic Resistance Movement (Hammas) is opposed to the negotiations.



## **Part One: Institutional Clusters and Capacities in Selected Sectors.**

Part One of this essay is designed to identify the major institutional clusters of the principal political actors, and to evaluate the strengths and weaknesses of these institutions. Table I provides an overview of the relevant institutional clusters in the West Bank and Gaza.

Virtually all meaningful institutions in the West Bank and Gaza are clustered around particular political interests which seek to influence or control Palestinian society. By cluster, it is meant the family of institutions associated with one political faction. Each major faction has its own institution in each sector, and cooperation between institutions across sectors is almost always done along ideological lines. For example, the PFLP's medical committee will work with the PFLP's women's committee on certain projects, but not with Fatah's women's committee. The major political interests discussed below are Fatah, the PFLP, the PPP, the DFLP (both factions), Hamas, Israel (primarily through the Civil Administration, or CIVAD, a wing of the military government) and Jordan. Each significant political actor has attempted to build an institutional base of support or control in the occupied territories, which has often led to redundancies in some sectors.

Additionally, restrictions imposed by Israel over the years have led to severe unevenness in the development of Palestinian institutions. Some sectors, like health care, have a number of competent institutions at different levels, while in other sectors, like finance, there is a complete dearth of Palestinian institutions. Thus, political factions all tend to have representatives in the same sectors, and all are likewise unrepresented in other sectors.

While the institutions noted below are widely known to be affiliated with one or another political faction, and are discussed as such by both Palestinians and Israelis, they are not formally and openly so affiliated. In fact, people

involved in these institutions would deny such factional affiliation. The reasons for this are twofold. First, it is illegal under the laws promulgated by Israel's military government in the occupied territories to be associated with any PLO faction or Hamas. To be so openly invites closure. Second, these institutions often seek professional credibility, which is perceived to be in conflict with any open political affiliation.

The single most important fact affecting the future of Palestinian institutional development in the occupied territories is the following: *Fatah is currently seeking to monopolize and control all major development sectors in the West Bank and Gaza in preparation for autonomy.* Its attempts at institutional centralization are based in Fatah's recent creation of Higher Councils in virtually all sectors, and subsequent pressure on outside donors to direct all developmental aid through the relevant Higher Council. Such efforts have already paid off for Fatah as the European Community has recently agreed to channel all developmental aid through Higher Councils. The World Bank may be following suit. It is expected that institutions affiliated with factions other than Fatah would not receive proportional funding from the Higher Councils.

Fatah's recent success in positioning itself to control developmental aid through its own institutions has created a dilemma for the institutions of factions opposing the current negotiations, primarily the PFLP and DFLP(H). Both factions, and especially the PFLP, have built a relatively sophisticated network of grassroots institutions in the West Bank and Gaza. By maintaining their opposition to the current negotiations, these factions remain true to their constituencies but risk losing substantial funding for their projects. If they reversed their opposition, funding would likely increase, but they would be alienated from their supporters. Thus, the argument within these institutions is

whether to soften their opposition to the negotiations, even at the risk of falling under Fatah hegemony, in order to save the institutions themselves.

**TABLE I**  
**INSTITUTIONS BY POLITICAL AFFILIATION**

|                         | <u>Agriculture</u>       | <u>Health Care</u>                   | <u>Sector Finance</u>                  | <u>Industry</u>  | <u>Education</u>                                     |
|-------------------------|--------------------------|--------------------------------------|--|--|--|
| Fatah                   | Higher Committee; TCAS   | Higher Committee; HSC                | (Higher Committee)                     | Higher Committee; Union of Indust.; Merchant Assoc; Assoc of Chambers Commerce GFTU(F); WCSW | Higher Committee; Shabiba; VWP                       |
| PFLP                    | UAWC                     | UHWC                                 |  | PLF<br>UPWC  | Student bloc; VWP                                    |
| PPP                     | PARC                     | UPMRC                                |  | GFTU(PP)<br>UPWWC  | Student bloc; VWP                                    |
| DFLP (both)             | UPFC (TCAS)              | UHCC                                 |  | GFTU(DF)<br>WAC  | Student bloc; VWP                                    |
| Islamic Movement/ Hamas |                          | Selected clinics                     | Zakat committees                       |  | Student bloc   |
| Israel/ CIVAD           | Min of Agric.            | Public hospitals and clinics         | Credit institutions (limited)          |  | K-12 public schools                                  |
| Jordan                  | JCO                      |                                      | Cairo-Amman Bank; waqf                 |  |  |
| Other                   | University-based centers | Private hospitals and services UNRWA | Bank of Palestine; money lenders; NGOs |  | UNRWA schools; private schools and univ; Tamer Inst. |

### *The Fatah Institutional Cluster*

While Fatah is by far the largest Palestinian political faction in the West Bank and Gaza, its emphasis on patronage and personality-driven politics has led to a relatively weak set of institutions. The importance of Fatah institutions is based on the fact that they have been the best funded of any institutional cluster over the past decade. The personalized nature of Fatah-affiliated institutions has undercut merit-based allocations of resources. Often, these institutions were established as a response to the actions of other political factions. Despite its revolutionary rhetoric, Fatah remains a socially conservative movement. The resulting institutional cluster is well-funded but poorly organized, and tends towards the centralization of power rather than its diffusion.

As was noted above, the most important Fatah institutions currently are the recently created Higher Councils in all major sectors. The Higher Councils are, in effect, shadow ministries being positioned to assume actual ministerial responsibilities during or after autonomy. Dr. Sari Nusseibeh has been the brainchild of this strategy. For the purposes of this essay, there are Higher Councils of Agriculture, Health, Development, Industry, Education, in addition to the more established Council for Higher Education. While the latter has a solid professional reputation based on years of service, virtually all other Higher Councils do not have strong roots.

Fatah's more established presence in the agricultural sector is represented by the Technical Center for Agricultural Services (TCAS), an agricultural extension service with its headquarters in Hebron. TCAS was established in 1986 by Majdi Muhtasib when he left the Palestinian Agricultural Relief Committee (see PPP below). While TCAS is principally a Fatah institution, it also incorporates elements from the DFLP(AR). TCAS is a credible agricultural extension institution which would undoubtedly expand significantly under most

autonomy scenarios. However, it is doubtful that the TCAS could efficiently utilize a sudden expansion of resources.

Fatah is similarly situated in the health sector. Currently, institutions affiliated with Fatah, particularly the National Health Plan Commission, are leading efforts to coordinate the provision of health care in the occupied territories in anticipation of autonomy. Such coordination is arguably long overdue, given the duplication of services in some regions and the absence of health care in other. However, it is seen by some non-Fatah institutions, particularly the important UPMRC (see PPP below), as another attempt by Fatah to control and centralize a key sector.

In addition, Fatah established the Health Services Committees (HSC) in 1984 as a response to the establishment of similar health care committees founded earlier by rival factions in the PLO. Unlike the grassroots nature and primary health care focus of other such institutions, HSC is much closer to the medical "establishment" and emphasizes the role of major health centers. It has established 74 clinics, 10 medical centers, and employs 87 full time or part time doctors. A number of the clinics have apparently been closed as HSC shifts resources to the health centers. HSC has come under heavy criticism in recent years for the uneven quality of its clinics. Members of HSC have been actively participating in the push for a national health care plan, and would likely be prominent in an autonomy government's health ministry.

The industrial sector in the West Bank and Gaza is highly politicized at three levels: management, labor, and the women's movement (which grew out of the labor movement). At the level of management, Fatah has recently created a Higher Council, which is supposed to coordinate industrial activity in the West Bank and Gaza. This first step toward central planning has been opposed by some industrialists, notably those in the Ramallah/al-Bira area. Other

management institutions generally allied with Fatah - and, to a lesser degree, Jordan - include the Union of Chambers of Commerce, the Union of Industrialists (both in the West Bank and in Gaza), and a number of small, usually regionally-based associations. The various industries in the occupied territories are all privately owned, and one would expect the owners to make their peace with any political authority during autonomy.

Fatah's General Federation of Trade Unions (GFTU-F), established a decade ago, has supplanted the PPP's General Federation of Trade Unions (GFTU-PP) as the dominant coalition of labor unions in the occupied territories. GFTU-F claims a membership in the West Bank of 55 unions comprising nearly 88,000 workers. While there exists no independent confirmation of these figures, the first figure likely includes a number of "paper unions" (i.e. they exist only on paper), while the latter figure is almost certainly inflated significantly. Still, there is little doubt that the GFTU-F is the largest coalition of labor unions in the occupied territories. The head of the GFTU-F, Shahir Sa'd, has long been closely associated with Fatah. In fact, he has already been informally named the Minister of Labor in the Palestinian shadow government.

The surprisingly strong women's committees in the occupied territories were initially formed as separate entities within Palestinian labor unions. Since that time, they have been active not only in issues of labor, but also health care, agricultural development, educational and cultural projects, and economic cooperatives. Fatah's women's committee, the Women's Committee for Social Work (WCSW), claims the largest membership but is the least active of the four major committees. It claims 38 branch committees throughout the occupied territories, comprising 4,500 members. It appears to be more closely related to some charitable organizations than the other women's committees.

### *The PPP Institutional Cluster*

The Palestinian People's Party, formerly the Palestine Communist Party, has an institutional presence in the West Bank and Gaza highly disproportionate to its diminutive political standing among the Palestinian population. While surveys routinely show that a scant two to three percent of the West Bank/Gaza population view the PPP (or PCP before) as their preferred political faction, the PPP has arguably the strongest grassroots institutional presence in the areas of agricultural development, primary health care, labor, and women. It is an indication of their general professionalism that the PPP institutions are not often viewed as simply factional fronts, enabling them to attract a greater following. While the PPP has supported the current negotiations, and may be rewarded for doing so during autonomy, a number of PPP officials worry that eventually Fatah will attempt to gain control of these institutions through funding manipulation. There is a structural antagonism between Fatah's and the PPP's institutions: while Fatah is top heavy and encourages centralizing authority, the PPP is grassroots oriented and seeks a more diffuse distribution of authority.

The PPP has four principal institutions in the sectors under discussion. First, in the agricultural sector, the Palestinian Agricultural Relief Committee (PARC) is probably the largest provider of agricultural extension services in the West Bank today. Initiated in 1983 by a number of agricultural engineers, PARC was the first and is by far the most prominent of any of the factional agricultural extension services. PARC employs close to 50 agronomists and agricultural engineers, in addition to having a large number of volunteers with whom it works in the occupied territories. While the expertise of PARC's work with private farmers has been criticized by others in the past, such concerns have diminished in recent years as its workers have gained greater experience in the field.

The Union of Palestinian Medical Relief Committees (UPMRC) was the first grassroots, primary health care-oriented institution in the occupied territories. It remains the most professional of the factionally-affiliated health care institutions. UPMRC has established 24 clinics, 10 first aid stations, a blood donor system of 25,000 individuals, and works with 850 mostly volunteer health professionals. The UPMRC has resisted the recent attempts to centralize and coordinate activities in Palestinian health care, primarily the work of the National Health Care Commission. While the reasons given for refusing to participate in the Commission's work are numerous, it seems clear that the UPMRC fears losing its independence in a Fatah-dominated entity, and will continue to resist attempts to fully coordinate health care policy.

The Palestine Communist Party long held a monopoly on union representation within Palestinian society. While that monopoly was broken over a decade ago, the PPP still retains a strong influence among labor unions. The PPP's coordinating body in the labor arena is its own General Federation of Trade Unions (GFTU-PP). The GFTU-PP contains a membership of 35 local unions throughout the West Bank and Gaza.

Emerging out of the GFTU-PP in 1979 was the PPP's women's committee, the Union of Palestinian Working Women's Committees (UPWWC). While the labor movement was its midwife, the UPWWC has been active in facilitating a number of development projects in health care, agricultural development and local cooperatives, in addition to being an advocate on a number of women's issues.

#### *The PFLP Institutional Cluster*

As the second largest faction of the PLO, but with perhaps the most disciplined and energetic membership, the PFLP has built a potent institutional



foundation throughout the West Bank and Gaza during the past decade. The strength of the PFLP's institutions is its capable, decentralized grassroots presence. Its principal institutions are in the fields of agriculture, health, labor, and the women's movement. Because it has vocally opposed the peace negotiations as currently formulated, the PFLP's institutions are threatened with the loss of significant resources if a Fatah-dominated autonomy emerges (scenarios A and C below). Such an outcome would adversely effect the prospects for effective economic (and political) development in the West Bank and Gaza under autonomy and beyond.

The PFLP's agricultural extension services are provided by the Union of Agricultural Work Committees (UAWC), based in Bayt Hanina. The UAWC was founded in 1986, and expanded rapidly during the Intifada. Among the factionalized agricultural committees, the UAWC would rank behind PARC in terms of extent and effectiveness, but well ahead of TCAS. During 1992 UAWC was involved in about 30 different projects in the West Bank and Gaza, including support for various cooperatives, the building of greenhouses for vegetable production, animal husbandry projects, and land reclamation services. UAWC is currently facing the prospect of diminished funding because of the increasing control by Fatah over all funding decisions through its Higher Councils.

The PFLP's health care network is coordinated by the Union of Health Work Committees (UHC). The UHC is more widespread than the UPMRC, but is less well funded and the quality of its services is more variable. Of its 38 clinics some, like the Polyclinic in Bayt Sahur, are first rate facilities. Others are more make-shift operations. As a significant provider of health care during the Intifada, the UHC has an extended network of supporters and volunteers throughout the West Bank. Of all the factionalized health care committees, the UHC has the greatest presence in the Gaza Strip. Thus far, the UHC has

been more successful than the UAWC at maintaining its 'market share' of development aid in the current posturing, although its prospects under most autonomy scenarios are not bright.

In the industrial sector, the PFLP's institutional presence is limited to a cluster of unions and a women's committee. Like both Fatah and the PPP, the PFLP has its own bundle of labor unions, known as the Progressive Labor Front (PLF), which is neither as large nor as strong as its rivals. Because labor unions are not nearly as dependent on outside sources of funding as either the agricultural or medical committees, it is likely that the PLF would retain a significant presence during autonomy.

The PFLP's women's committee, the Union of Palestinian Women's Committees (UPWC), is perhaps the weakest of the three leftist women's unions, but is certainly more active than its Fatah counterpart.

#### *The DFLP Institutional Cluster*

The recent split in the DFLP has had institutional ramifications which are still not completely settled. The split centered on divisions over the PLO's "peace offensive", concerning both the decision in November 1988 to formally accept a two-state solution to the question of Palestine, and the discussions over the rules governing negotiations with Israel throughout 1990-91 (i.e. Mubarak's "ten points", Baker's "five points" and finally the Madrid formula for participation - no PLO, no East Jerusalem, and no negotiations over a final solution). The Abd Rabbu faction of the PFLP joined forces with Fatah in pressing ahead with negotiations based on those terms, while the Hawatma faction of the DFLP rejected the terms as a capitulation. As a result of the larger political split, the DFLP's institutional base also split in a very acrimonious way. As a general rule, the institutional leadership of the DFLP joined with Abd Rabbu while much of

the rank and file membership continued to support the Hawatma faction. The division has greatly weakened the DFLP on the ground in the West Bank and Gaza, and has politically marginalized an already small faction.

Prior to the split, the DFLP's health committee, the Union of Health Care Committees (UHCC), was relatively active in the provision of primary health care in the West Bank, and less so in the Gaza Strip. Prior to the Gulf war, UHCC had established 26 clinics; however, a significant number have now been closed due to financial problems. The leadership of the UHCC split, with Dr. Muhammad Jadallah staying with Hawatma, and Dr. Qasrawi taking his facilities and supporters over to Abd Rabbu. Such a split was not entirely ideological: Qasrawi is married to the sister of Zuhera Kamel, the former head of the DFLP's women's committee, a leading member of the Abd Rabbu faction of the DFLP, and a member of the Palestinian negotiating team. The Jadallah faction of the UHCC appears to have retained the lion's share of both the clinics and the membership. However, it is to be anticipated that during autonomy Fatah would favor the funding of Qasrawi's faction as a political payoff for its support in the negotiations.

The split appears to have forced the DFLP to drop out of the agricultural development arena. Prior to the split, TCAS incorporated both Fatah and DFLP elements. The DFLP's presence is now diluted, at best, and would be limited to Abd Rabbu supporters. The Union of Palestinian Farmers Committees (UPFC), a project affiliated with Hawatma supporters, had only recently been launched when the split occurred. It is not known how great its current grassroots support is.

The split has also substantially weakened the DFLP's labor movement (GFTU-DF), which was never as large as its competitors, and its women's committee, the Women's Action Committees (WAC), which was once the most

active and best organized women's movement. Depending on who is telling the story, Zuhera Kamel and certain key allies either left WAC after the DFLP split or were thrown out by its members for undemocratic behavior. In either case, WAC has been significantly damaged by the split.

### *The Islamic Institutional Cluster*

The Islamic movement in general and Hamas in particular have a far weaker institutional presence in the West Bank and Gaza than any of the major PLO factions. Moreover, the kinds of organizations built by the Islamic movement are generally not well-suited for development. Much of the organized Islamic presence, such as the *waqf* and the office of the Mufti of Jerusalem, is controlled by Jordan, not Hamas. These organizations are affiliated with a number of charitable groups, and fund some private schools, clinics and related activities. They have no substantial presence in the sectors under discussion.

Hamas, an offshoot of the Muslim Brethren, has built a modest institutional network in the areas of health care and education, but has little organized presence in agriculture, industry (it does sponsor a handful of cooperatives), or finance. In health care, Hamas has built a number of primary health care clinics, principally located in the Gaza Strip. No survey has been undertaken to evaluate the effectiveness of these medical services. Likewise, Hamas has come to virtually control the Islamic University in Gaza and, to a lesser degree, the two *shari'a* colleges in the West Bank. However, funding for these schools does not come from Hamas. Hamas does fund a handful of small private schools, again principally in Gaza.

While the Islamic movement does not have an institutional framework for the promotion of economic development, and thus could not efficiently use

development aid during autonomy, its level of popular support could certainly inhibit the transfer of power to Fatah during autonomy. As a result, Fatah may seek to co-opt parts of the Islamic movement during autonomy in order to weaken the rest. Since many of the leaders of Fatah originally came from the Muslim Brethren in Gaza, such a policy may be feasible. The determining factor would be the type of autonomy deal actually struck: a full autonomy rapidly implemented would provide a greater opportunity to undermine an effective Islamic movement veto.

#### *Non-Palestinian Institutions in the Occupied Territories*

Israel through its CIVAD, UNRWA, and Jordan also operate significant institutions in the occupied territories. While policy is determined by others, Palestinians generally staff the offices of these institutions. UNRWA is particularly active in the health and educational sectors as it administers a large number of clinics and schools. However, since its operations would probably not change significantly during any autonomy scenario, UNRWA's institutional cluster will not be further explored.

Jordan's institutional presence in the occupied territories has virtually disappeared during the Intifada, although Jordan still maintains responsibility for many of the Islamic institutions in the West Bank, has a hand in some of the cooperatives, and is the home base for the Cairo-Amman Bank which operates in the West Bank. However, Jordan remains important - but not for institutional reasons. Jordan's political importance comes through the patronage it distributes in the West Bank and its ties to some leading West Bank families. In addition, there is a close relationship between Jordan and the conservative wing of Fatah. Fatah may well seek to use Jordan as a balance to both leftist factions of the PLO and Hamas, and Jordan would seek to use Fatah as a tool to politically "re-enter"

the West Bank. Indeed, Jordan figures rather prominently in three of the four autonomy scenarios sketched below. This in spite of the fact that opinion surveys taken in the West Bank regularly show no significant support among Palestinians for King Husayn, and even less desire to be ruled by the Hashemites again. To reiterate: even more than Fatah, Jordan's political importance under autonomy would be based on patronage networks, not institution-building.

While Israel has never been unduly concerned with promoting economic development in the West Bank and Gaza, its CIVAD does control a number of important institutions in the sectors under review. Many of these institutions are expected to be transferred to the Palestinian interim authority during autonomy. Virtually all of the institutions mentioned below are actually staffed by Palestinians, while ultimate policy decisions remain in Israeli hands at CIVAD headquarters.

Officially, Israel's Ministry of Agriculture is responsible for the provision of agricultural extension services to Palestinian farmers. There are several branch offices of the ministry in the occupied territories. The number of agronomists and agricultural engineers working for the Ministry of Agriculture steadily declined in the 1980s as government funding for extension services dwindled. The Intifada reduced the number of Palestinian employees of the Ministry of Agriculture to a handful. Today, virtually no significant extension services are provided by the Ministry of Agriculture. However, its infrastructure remains, and would undoubtedly be transferred to the interim authority early in the autonomy period. Presumably Fatah would seek to merge the remaining Palestinian elements of Israel's Ministry of Agriculture with TCAS, and possibly PARC, in order to staff its own agriculture ministry.

The CIVAD operates most hospitals and a number of clinics in the occupied territories. Israel has already broached the subject of an early

Palestinian take-over of the entire health care sector. Such a move may be linked to the perception that government health services are the biggest money loser for the Israeli treasury in its generally profitable occupation. Given the economic burden of running the health care system under autonomy, this sector should be given central consideration in any development plan adopted.

#### *A Note on Financial and Educational Institutions*

The financial and educational sectors are far less institutionally politicized than the other sectors discussed above, and the spectrum of institutional configurations under autonomy is narrow. Primarily, this is due to a virtual absence of Palestinian institutions in these sectors. The finance/investment sector in particular is devoid of meaningful Palestinian institutions, primarily because such institutions were prevented from developing under occupation. A single branch of the Bank of Palestine operates in Gaza, as does the Cairo-Amman Bank in the West Bank, but both have been heavily restricted in their activities. Recently, restrictions on Palestinian banking have been somewhat eased in preparation for autonomy. Sources of capital for development have come principally from family members, money changers, cooperatives, and modest loans from Non-Governmental Organizations.

The limited nature of the capital pool helps explain the virtual absence of industry in the West Bank and Gaza. The Economic Development Group (EDG), based in Bayt Hanina, has taken modest strides to correct this problem. The EDG had a \$3 million capital outlay in 1992 for loans and investments, and plans to increase that amount to \$5 million in 1993. The EDG is managed by Samir Hleileh, a senior delegate to the multi-lateral negotiations, and thought to be associated with Fatah. Like health care, the financial sector must be significantly supported in any serious development plan under autonomy.

While student blocs and the voluntary works program (VWP) at many schools and universities are factionalized politically, the education sector as a whole is not. Most K-12 schools are run by the CIVAD or UNRWA, with a handful of private schools. All Palestinian universities are funded privately. Presumably, the administration of the UNRWA schools, the private schools, and the universities would not change significantly under autonomy. However, the government schools can be expected to be turned over to the Palestinian interim authority during autonomy.

There is a small handful of modest Palestinian institutions which are designed to combat illiteracy. The most innovative is probably the Tamer Institute in Shu'fat. Others include the Self Learning Project administered by the Friends School in Ramallah, and the Books on Wheels project of the Palestinian Center for the Study of Non-Violence.

#### *A Note on Palestinian Institutions Not Mentioned*

There are a great deal more Palestinian institutions in the West Bank and Gaza than have been mentioned above, including significant and well-regarded charitable associations like *In'ash al-'Usra* based in al-Bira. Surveys of these institutions already exist, both in Arabic and English. There are two criteria for selecting the institutions discussed above. First, they had to be relatively significant (in the past two years creating one man institutions has been a cottage industry in the West Bank). Second, they had to be politically connected. The autonomy period will be highly political, with the dominant party working to consolidate its position. Those organizations which are not politically tied, especially foreign NGOs, United Nations' institutions, and non-partisan charitable associations, will be somewhat peripheral to the highly political process of distributing resources. The greatest institutional movement - up or



down - during autonomy will occur in these factionally associated groups. Thus, the analysis concentrated on them.

### Part Two: Four Autonomy Scenarios

The interim autonomy period is scheduled to last five years between the conclusion of successful negotiations and the implementation of the permanent solution (negotiations for which are to commence during the third year of autonomy at the latest). The two most important variables affecting the institutional configurations in the West Bank and Gaza are the *extent* of autonomy allowed and the *speed* with which it is implemented. Full autonomy is defined as an arrangement which gives Palestinians authority over virtually all spheres of administration, including land and water use; in other words, a nearly sovereign state in all but name. Alternatively, autonomy may be limited to certain municipal functions, devoid of a national authority, and applied exclusively to people, not land; in other words, an updated version of the Ottoman *millet* system.

The speed with which autonomy is implemented will have a significant impact on the institutional configuration during - and after - the interim period. This spectrum ranges from rapid implementation (a matter of weeks) to a gradual implementation covering the entire interim period of five years.

The reason why these two factors - extent and speed of autonomy - can lead to widely varying outcomes is political: because only some Palestinian political factions are participating in the negotiations, but all have an institutional base, certain institutional clusters will be rewarded and others hurt by the type of autonomy actually agreed upon. For example, one autonomy scenario would enhance Fatah's ability to limit the resources going to the PFLP's institutions, while another scenario would force Fatah for pragmatic reasons to accept and

work with the PFLP's institutions. The extent and speed of autonomy will determine in large measure which of these two institutional relationships between Fatah and the PFLP emerges. This same dynamic applies to all politically-affiliated institutions in the West Bank and Gaza - which means virtually all institutions - during autonomy.

In addition, some institutions are highly centralized, while others are more grassroots oriented. Hence the speed of implementation will have an impact on the subsequent institutional configuration. As a general rule, the more slowly an agreement is implemented, the more likely would be the centralization of institutional power by a national authority, undermining local institutional power. This dynamic will be explained more fully below.

In sum, there are four principal types of autonomy which may be implemented: a) a full autonomy slowly implemented, b) a full autonomy rapidly implemented, c) a limited autonomy rapidly implemented, and d) a limited autonomy slowly implemented. These four alternative scenarios are summarized in Table II, and are expanded on below.

TABLE II  
FOUR AUTONOMY SCENARIOS

Speed of Implementation

Slow

Rapid

Extent of  
Autonomy

Full

*Institutional Monopoly*  
Centralized, top-down,  
Fatah dominated

*Institutional Pluralism*  
Decentralized, bottom-up  
Factional balance

Limited

*Millet Model*  
Israel-Jordan Condominium  
Intifada

*Institutional Paralysis*  
Fatah-Jordan Coalition,  
Gridlock

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### *Scenario A: The Institutional Monopoly Model*

An expansive autonomy agreement which is slowly implemented would lead to a highly centralized, Fatah-dominated, "top-down" institutional configuration. The logic for this proposition is straightforward: a full autonomy would give Fatah - the dominant political faction, made stronger by an agreement - the space and power necessary to consolidate its own position through vastly enhanced patronage resources which are sure to follow any agreement. Institutions associated with political factions other than Fatah would not receive significant resources under these circumstances. In fact, there is already evidence that Fatah is strongly encouraging NGOs to direct development monies exclusively to institutions associated with Fatah. In addition, the relatively slow transfer of authority would give Fatah the necessary time to bring grassroots institutions under centralized (i.e. Fatah) control. More locally-based, decentralized institutions would be gradually starved of resources, and thereby made increasingly marginal.

The PPP (formerly PCP) has the oldest and best developed institutional structure in the West Bank, and would initially benefit from this type of autonomy scenario because of its partnership with Fatah in the negotiations. In other words, because the PPP is supporting Fatah in the current negotiations - in fact, several negotiators, including Haydar Abd al-Shafi', have their political roots in the PCP/PPP - it is likely that Fatah would "reward" PPP institutions during the early stages of autonomy. The same holds true for the DFLP(AR)-affiliated institutions, as they too have supported the negotiations. However, in the course of Fatah-led centralization, it should be expected that resources would slowly be diverted away from institutions associated with these two factions, forcing their closure or their merger with Fatah institutions.

Conversely, institutions associated with the PFLP - which are quite significant - and the DFLP(H) would be immediately deprived of substantial resources during this interim arrangement. While they may continue to be centers of opposition to the autonomy agreement, these institutions would be unable to significantly shape events on the ground during most of the interim period.

Institutions supported by the Muslim Brethren, and, by extension, Hamas, would constitute the greatest challenge to Fatah-centered institutional hegemony. Fatah would probably use a "carrot and stick" approach to co-opt, or at least politically neutralize, Hamas institutions. If Fatah succeeds, it is conceivable that certain elements in the Islamic movement could actually become junior coalition partners with Fatah. A number of leading Fatah figures both inside and outside the occupied territories cut their political teeth as members of the Muslim Brethren, so there is a degree of ideological overlap between Fatah and Hamas. If Fatah fails to co-opt the Islamic movement, these institutions would become the primary locus of opposition, easily surpassing those of the left. The key variable in this potential struggle is the degree of Fatah's control over the financial sector - principally the banks, which are beginning to emerge as autonomy comes closer. (As mentioned above, only the Bank of Palestine and the Cairo-Amman Bank currently operate in the occupied territories, and under severe restrictions. However, in the past six months, Israel has agreed in principle to expand the Arab banking sector in the West Bank and Gaza). Fatah would not be able to completely deprive Hamas institutions of resources, but it could limit them significantly.

It is primarily for this reason that Fatah would probably seek Jordan as a junior partner in this arrangement. The financial sector in the West Bank and Gaza would almost certainly be dependent on Jordan in large measure. Since

both Jordan and Fatah would have an interest in containing Hamas, each for their own domestic interests, a partnership in this area seems natural.

Finally, institutions overseen by the Israeli Civil Administration (CIVAD) would be gradually transferred to Palestinian authority during the interim arrangement. What this would mean in practice is a slow transfer from Israeli control to Fatah control, leaving the latter with more resources at its disposal to consolidate and centralize its authority.

A full autonomy slowly implemented would inevitably lead to a centralized national authority under Fatah control, and the subsequent institutional configuration would reflect and enhance that reality. Ensuing economic development can be expected to be driven by national elites through central planning.

#### *Scenario B: The Institutional Pluralism Model*

An extensive autonomy rapidly implemented would lead to greater institutional pluralism in two ways. First, the rapidity of the transition would inhibit the consolidation of institutional power by denying Fatah the necessary time to starve its competitors of resources. The reality of the institutional vibrancy outside of Fatah would, in effect, be politically "locked in" by a quick transition. Second, the extent of the autonomy in conjunction with a quick transition would make the local grassroots institutions indispensable for the provision of social services. In such circumstances, centralized power would not have time to consolidate and, at the same time, effectively oversee the allocation of social resources.

The institutional byproduct of this scenario is the creation of rough balances between centralized "top-down" authority and decentralized "bottom-up" authority, and between Fatah-allied institutions and institutions affiliated

with other political currents. In other words, such a scenario would lead to greater decentralization and institutional pluralism than any other autonomy scenario.

As in the institutional monopoly model, Fatah again would seek to consolidate its power through enhanced patronage resources, and would try to bring non-Fatah institutions under its control. This has already begun to happen with the creation of various higher committees and shadow ministries dominated by Fatah personalities. However, the immediate status gained by more decentralized and non-Fatah institutions would make a complete consolidation of power by Fatah highly improbable.

Under this scenario, it is assumed that Israel would completely divest itself of the CIVAD, turning responsibility for its institutions over to the Palestinian interim authority. While it would play the major role in such a transition, Fatah would be unable to completely absorb CIVAD institutions so quickly. Hence it would seek out other partners by necessity. The first partners - and perhaps the biggest winners in this scenario - would be the PPP and DFLP(AR).

At the same time, institutions associated with the PFLP and, to a lesser extent, DFLP(H) would be largely deprived of centralized funding. However, due to the grassroots nature of the PFLP institutional network, and to the greatly enhanced roles of pre-existing institutions in such a rapid transition, the PFLP institutional network would remain strong. It is conceivable that the sheer magnitude of tasks involved in such a full and rapid transfer of authority will force Fatah out of necessity to work with PFLP and DFLP(H) institutions, thereby retaining the institutional pluralism currently in place.

The biggest losers in such a scenario would be Jordan and Hamas. In this scenario, Jordan would be frozen out of any significant decision-making

responsibility, and its local clients would remain largely marginalized. Hamas would lose on two grounds. First, because its institutional network is far less developed than the PLO's, it would be in no position to assume significant functional responsibilities given the extent of the autonomy foreseen here and the rapidity with which it is implemented. Second, such a scenario would split Hamas into two camps: those people who would be co-opted by Fatah and would participate in the autonomy arrangements, and those who would continue to be "rejectionists." Such a fault line is already apparent, and this autonomy scenario would break it open.

In sum, this autonomy scenario would prevent the complete consolidation of power at the center by Fatah, and would produce a more decentralized and pluralistic institutional model than any other scenario. National authority would be forced to accommodate local authority, as Fatah would be compelled to seek political allies among other factions.

### **Scenario C: The Institutional Paralysis Model**

A limited autonomy rapidly implemented would produce institutional paralysis between, on the one hand, Fatah and Jordan as the centralizing and patronage-driven dominant partners and, on the other hand, the more developed and decentralized institutions of the opposition. The limited scope of autonomy would engender a great deal of opposition within the Palestinian community, meaning Fatah would have significantly more problems in forging Palestinian alliances. Thus, Fatah would need to bring in Jordan as a junior partner to insure its position. Because of the speed of implementation, the more decentralized institutions would be able to maintain their social space but, unlike in the pluralistic model described above, would be actively in opposition to limited



autonomy arrangements. Institutional gridlock and political infighting would likely occur.

Presumably, Fatah would agree to such a limited autonomy only under severe pressure from other parties, primarily other Arab states, and with the hope of achieving a better deal during the negotiations over a permanent solution. Nevertheless, Fatah would be harshly criticized by other factions, and may well split its own ranks for accepting such a deal. As in the other scenarios described above, Fatah would be the dominant - if beleaguered - political faction and would immediately seek to consolidate its position through a program of institutional centralization. In addition, the same outside parties that pressured Fatah to accept the arrangement would provide resources to Fatah in order that it might strengthen its patronage networks and build alliances.

Since Fatah would be unable both to break the back of the decentralized grassroots organizations because of the speed of implementation and gain significant political allies among non-Fatah factions because of the limited scope of the autonomy, Fatah would seek to bring Jordan on deck as a junior coalition partner in order to enhance its political position. Since such a development would be viewed positively in Washington, Tel Aviv and Amman, this scenario must be considered the most likely one. Jordan would seek to revive and enhance its (mostly non-institutional) bases of support in the West Bank, marginalized by the Intifada.

This scenario would politically empower the institutions associated with the opposition (PFLP, DFLP(H), and Hamas) as dissent to the autonomy accords can be expected to be wide-spread. In addition, the rapid nature of the transition would help to consolidate the positions of decentralized institutions. However, while the institutions of the opposition would become more popular, the ability to obtain outside sources of revenue - clearly the central authority would resist

financially supporting opposition institutions - would become more problematic. Fatah and Jordan may be able to financially strangle these institutions over the long term, but that is far from certain. Israel has already tried and failed to do so. In the meantime, the oppositional institutions would provide an effective on-the-ground veto of Fatah/Jordanian policies.

The limited nature of the autonomy would mean, in practice, Israel's retention of most CIVAD institutions, particularly those relating to security (including the court system) and land/water use. The health care system would be offered to the interim authority, as it already apparently has been once before.

The biggest uncertainty in this scenario is the role of the PPP and DFLP(AR). It is unclear whether they would support Fatah and endorse the decision to accept limited autonomy, or whether they would reject the offer, be overruled by Fatah, and go into opposition with the PFLP, DFLP(H), and Hamas. However, neither scenario would have much of an impact on the level of paralysis predicted here. Once Fatah joins forces with Jordan, the PPP and DFLP(AR) would be marginalized by necessity, even if they had initially supported limited autonomy. If they opposed the autonomy agreement, their fate would be the same as the other opposition: enough grassroots institutional strength to provide an effective veto over Fatah/Jordanian policies; not enough political power and resources to fully implement their own strategies over the opposition of Fatah and Jordan.

Thus, an autonomy agreement that is limited in scope but quickly implemented would most likely result in institutional, economic, and political paralysis.

### *Scenario D: The Millet Model*

The millet system in the Ottoman empire provided religious minorities administrative autonomy over many of their own religious and civil affairs, but denied these groups any independent political power or sovereignty. A version of the millet system would result from a limited autonomy which is slowly implemented. As this is the least likely scenario, its description will be brief.

No Palestinian faction would accept a limited, slowly implemented autonomy; thus, the millet model represents an Israeli-Jordanian condominium over the West Bank and Gaza, implemented without the agreement of any faction of the PLO or Hamas. If agreements are reached between Israel and Syria, Israel and Lebanon, and Israel and Jordan, with only the Palestinian issue unresolved, it is possible that the Arab states, Israel and the US might agree to a unilateral Israeli imposition of a restricted autonomy in conjunction with Jordan. The end result would be an autonomy similar to that advocated by the Likud party in Israel for the past several years. Palestinians would gradually be granted restricted authority over many municipal functions, including education and health care, but overall authority would clearly rest with Israel and, to a lesser degree, Jordan.

Opposition to this arrangement in the Palestinian community would be nearly total, and one would expect a continuation of the Intifada if it were implemented. However, Israel would be less constrained in its handling of the Intifada because of the implied acquiescence of the Arab states and the US in the arrangement. Because this scenario closely resembles the status quo, the current institutional configuration would not likely change significantly.

The above breakdown of various autonomy scenarios is intended to provide the reader with an easy reference guide to the probable winners and

losers in the West Bank and Gaza under different negotiated results. Which scenarios are the most likely? It is the estimation of the author that an autonomy model resembling either A (institutional monopoly) or C (institutional paralysis) is the most likely to emerge. The most optimistic scenario, B (institutional pluralism) is possible but not likely given the domestic political constraints in Israel which mitigate against implementing such an autonomy. While the final scenario, D (the millet model), is the most remote prospect of the four, it is not out of the realm of possibility.

By way conclusion, a word of caution is necessary. It is quite possible that the parties to the conflict will not reach an agreement, or that momentous and unforeseen developments - for example, the overthrow of a regime, or the death of a key leader - will irrevocably disrupt the negotiations. Therefore, it must be remembered that the preceding autonomy scenarios for the interim period are perhaps the most likely outcomes of the present negotiations, but they are far from being preordained.