Contents

Palestine
Jordan
Israel

*Building
a Base for
Common
Scholarship
and Understanding
in the New Era
of the Middle East*

PASSIA, the Palestinian Academic Society for the Study of International Affairs, is an Arab, non-profit Palestinian institution, with a financially and legally independent status. It is not affiliated with any government, political party or organization. PASSIA seeks to present the Question of Palestine in its national, Arab and international contexts through academic research, dialogue and publication.

PASSIA endeavors that research undertaken under its auspices be specialized, scientific and objective and that its symposia and workshops, whether international or intra-Palestinian, be open, self-critical and conducted in a spirit of harmony and cooperation.

The papers presented in this publication represent the free expression of their authors and do not necessarily represent the judgment or opinions of PASSIA. This publication is presented as part of a project jointly undertaken by PASSIA, the Moshe Dayan Center for Middle Eastern and African Studies at Tel Aviv University, and the Center for Strategic Studies at the University of Jordan, Amman. The joint project was kindly supported by the Dialogue Fund of the Canadian Embassy in Tel Aviv and Amman.

INTRODUCTION

The three players at the heart of the transformation process the Middle East is undergoing are Palestine, Jordan and Israel, yet despite the importance of internationally applauded agreements reached between them during 1993 and 1994, the real process of achieving durable peace among the people has only just begun. There are many obstacles that could prevent the peace process from reaching the conclusions broadly aspired to: moreover, misunderstandings and mistrust generated by decades of conflict still exist in the general outlook of each of the societies involved.

Against this background, three institutes - one Palestinian (PASSIA), one Jordanian (Center for Strategic Studies) and one Israeli (Moshe Dayan Center) - consulted together and decided that a significant contribution can be made to resolving differences and promoting understanding by pooling their resources and their expertise through a program of dialogue, presentation of position papers, and workshops.

The three institutes found that the comprehensive amount of knowledge accumulated on each of the entities independently regarding their separate identities and existence, their histories and their relationship to others in the region, too often remained the exclusive preserve of each individual country. The workshops were designed to address particular subjects and to develop a forum for open, multilateral dialogue that promotes an analytical approach to the relevant issues.

The Partner Institutions

THE PALESTINIAN ACADEMIC SOCIETY FOR THE STUDY OF INTERNATIONAL AFFAIRS (PASSIA), JERUSALEM

PASSIA was established in 1987 as an independent non-profit making Palestinian institution, unaffiliated with any government, political party or organization, which undertakes studies and research on the Palestine Question in its national, Arab and international contexts. PASSIA has accumulated considerable experience in academic research, publishing and hosting seminars on issues of specific importance to the Palestinians and related international concerns. It has produced numerous publications, whilst always ensuring that research undertaken under its auspices be specialized, scientific and objective.

PASSIA also pioneered a series of seminars focusing on *Strategic Studies*, *Diplomacy and Conflict Resolution*, the *European Union*, and the *Question of Jerusalem*. Working connections and academic scholarly exchange have been established with institutions, and scholars in Europe and North America. Thus, PASSIA has access to an extensive pool of Palestinian academic expertise as well as links with Israeli and international institutions. It has a proven record of dialogue, symposia and workshops - international, inter-regional and intra-Palestinian - which have always been open, self-critical and conducted in a spirit of harmony and cooperation.

THE MOSHE DAYAN CENTER FOR MIDDLE EASTERN AND AFRICAN STUDIES AT TEL AVIV UNIVERSITY, TEL AVIV

The Moshe Dayan Center for Middle Eastern and African Studies is a research center devoted to the study of modern history and contemporary affairs in the Middle East. It was first established as the Shiloah Institute in 1959 under the auspices of the Israel Oriental Society. In 1965, it was incorporated into Tel Aviv University, while 1983 saw the establishment of the present center, which combined the Shiloah Institute and various documentation units dealing with the Middle East. The center is funded by the University of Tel Aviv and by its own endowment.

The Moshe Dayan Center seeks to impart a better understanding of the Middle East - past and present - to academic and general audiences in Israel and abroad. Some of its conferences have dealt with *Shi'ism and Politics*, *Iranian Foreign Policy*, *Central Asia, the Middle East,*

Minorities in the Middle East, the *Intifada*, and *Demography and Politics in the Region*. Since 1976, the center has produced the *Middle East Contemporary Survey*, an annual account of political, socioeconomic change in the Middle East. The center also contains an outstanding documentation center, which includes the most comprehensive collection of post-1950 Arabic press in the world. The center is the largest of its kind in Israel with some 25 research associates and a large number of support staff.

CENTER FOR STRATEGIC STUDIES AT THE UNIVERSITY OF JORDAN, AMMAN

The Center for Strategic Studies was established in 1984, and its first director was Dr. Kamal Abu Jabr. The objectives of the center have always been to conduct research studies in the fields of politics, economics, social science, and military issues.

The center succeeded, together with the Al-Ahram Strategic Studies Center, in holding the first Arab conference on strategy and following this success, held two more. Three years ago, the center turned its attention to redefining the concept of strategy in line with new regional and global developments. It paid special attention to Jordanian related issues and strongly promoted the necessity of more far-sighted and long-term planning. The general direction of its research then became more focused on issues such as political change, the economy, democracy, demography, and the environment, and it was the first institute of its kind to conduct and publish a variety of wide-ranging polls. The center established a unit for Israeli studies in order to study Israeli society and its development from an objective scientific approach.

ROYAL UNITED SERVICES INSTITUTE FOR DEFENSE STUDIES (RUSI), LONDON

As part of the project, a conference was to be held in London. In order for the conference to succeed, the fourth partner involved in this project was the coordinator and facilitator of all activities in London on 1-2 July 1996. RUSI already had connections with PASSIA and the Dayan Center through previous programs and it is currently developing contact with the Center for Strategic Studies in Amman.

RUSI is a long-established, independent professional body based in London with a worldwide membership of individuals and organizations, dedicated to the study, analysis and debate of issues affecting defense and international security. One of the oldest institutions of its kind in the world, RUSI has been at the forefront of contemporary political-military thought through debates, public and private seminars, conferences, lectures and a wide range of publications.

INTER-UNIVERSITY CONSORTIUM FOR ARAB STUDIES (ICAS), AT MCGILL UNIVERSITY, MONTREAL

The Inter-University Consortium for Arab Studies (ICAS), established in 1989, is a collaborative undertaking of McGill University and the University of Montreal together with other associated Canadian research institutions. It seeks to promote and facilitate research on issues concerning the Middle East and the Arab World as a whole.

In order to achieve this, ICAS has pursued four mandates dealing with the following:

- the encouragement of academic and research cooperation;
- providing research resources to students and scholars;
- conducting specific research projects on the contemporary Middle East;
- supporting training and research of an emerging generation of Canadian scholars.

Encouraged by the Canadian Embassy in Tel Aviv as well as by the substance of the project, the Department of Political Science of the McGill University approached PASSIA in 1994, proposing to be the fifth partner involved in the project.

The Project

The intention of the project was to draw on the expertise of each of the three regional institutions and to allow specialists to meet on an equal footing in order to discuss specific issues of mutual interest.

The emphasis was on domestic developments in the three societies, an understanding of the countries and the people among whom peace is intended to prevail is a prerequisite for any conflict to be truly resolved, and gaining an objective awareness of the outlook in societies next door is part of the process. Each of the eight workshops was to involve nine scholars, three from each institution, chosen according to their expertise on each of the designated topics. One scholar from each team would then present a paper, followed by a discussion with the remaining participants.

The publication presented here comprises the proceedings of the eight workshops held throughout 1995 and 1996 (for a list of topics and participants see *Appendix*). Where available, the full research paper as submitted by the author is presented; in other cases, only the minutes taken during the various sessions were available and subsequently edited and put in article form.

I. DOMESTIC CONSTRAINTS ON MIDDLE EAST NEGOTIATIONS

Domestic Constraints On Middle East Negotiations - A Palestinian Perspective

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Introduction

The late 1980s witnessed major changes in the international balance of power and the centralization of the political decision-making in Washington with the full consent of Europe.

In the light of the Gulf crisis and war, the Arab World became more divided than ever before, with each Arab capital pursuing its own domestic agenda. At the same time it became obvious that the Palestine Question was no longer a central issue for the Arab countries and Israel began to enjoy open diplomatic venues with India, China and East European countries, as well as a gradual normalization process with the Arab states.

In the midst of this political environment, the Palestinian people and their leadership lost their international allies, most remarkably Moscow, mourned the retreat of brotherly Arab support, and found themselves at the doorsteps of an unknown future.

Negotiation Options

Learning from their experiences in the bilateral and multilateral negotiations in Madrid, Washington and Moscow, the Palestinians

realized that they had been left with only three political options, which were as follows:

1) to negotiate the initial Israeli agenda, i.e., the Autonomy Plan, which was the maximum the Israeli Government - whether Likud or Labor - was ready to offer;

2) to negotiate the American agenda advocating a transitional phase towards self-rule in the OPT, with the eventual objective of reaching arrangements for a future confederation with Jordan. The political scenario Washington put before the Palestinians had not changed since the Reagan Initiative of September 1982;

3) to negotiate a Palestinian national plan that had gradually developed in the Palestinian political thinking throughout several stages, from the 1964 PNC resolution calling for an independent state in the whole of Palestine, to a confederation with Jordan (February 1985 Palestinian-Jordanian accords), to the 1988 PNC Declaration of Independence, calling for a Palestinian state in the West Bank and Gaza Strip, with Jerusalem as its capital.

At one stage US Secretary of State Baker told the Palestinians that if they did not present their own negotiation agenda they would be left with only the Israeli proposal (Autonomy Plan) as a basis for negotiations. After 22 months of negotiations in Washington, the Palestinian negotiating team delivered the PISGA (Palestinian Interim Self Government Arrangements) Plan, which basically consisted of a transitional phase ruled by a national authority, Palestinian elections, and Israeli military withdrawal.

Constraints Concerning the Current Process

1. The Question of Jerusalem

The Declaration of Principles (DoP), signed by the PLO and Israel in September 1993, states that the permanent status negotiations will commence no later than the beginning of the third year of the interim period and will cover all remaining issues including Jerusalem. Article V, 4 reads: "The two parties agree that the outcome of the permanent status negotiations should not be prejudiced or preempted by agreements reached for the interim period." In the Oslo Agreement, the Palestinians agreed to defer the status of Jerusalem in exchange for

an Israeli commitment to preserve the territorial integrity of the West Bank and Gaza. Despite this and notwithstanding international condemnation of Israeli measures and unilateral actions taken to change the *status quo* of the city, the Israeli Government is constantly violating its commitment by stressing that Jerusalem will remain undivided under Israeli control and the "eternal capital" of Israel and by trying to create more facts on the ground before the commencement of the final status talks, thus leaving nothing to negotiate about.

When the Palestinian negotiators went to Oslo they made it very clear from the beginning that the Palestinians' minimum demand was an independent state in the West Bank and Gaza Strip with Jerusalem as its capital. Their perspective on the question of Jerusalem that they presented to the Israelis was as follows:

- Jerusalem is divided. The Western part has been under unilateral Israeli control since 1948 without anyone's consent while the Eastern part has been occupied by Israeli military forces since 1967 - the two parts are not united;
- East Jerusalem is geographically and demographically an in-separable part of the West Bank;
- no party should have exclusive sovereignty over the city;
- no party should control the city at the expense of the other party;
- the political and religious dimensions of the city are inseparable for they deal with people and their rights and beliefs as well as the holiness of Jerusalem and its holy places.

The Israeli negotiators responded in Oslo by saying that they understand the Palestinian position and are very aware of the sensitive nature of the Jerusalem issue and the symbolism of the city, as well as the strong attachment to Jerusalem felt by both peoples. In acknowledgment of this, they drafted Article V of the DoP. Palestinians showed their goodwill by agreeing to this Article.

Meanwhile, however, the Palestinians have realized that the Israeli "threat" regarding the city of Jerusalem still exists, first and foremost in terms of land: less than 14% of the total land of East Jerusalem remains for the Palestinians; 34% of East Jerusalem land has already been confiscated and 52% of the land has been classified by Israel as

'Green Land' on which building is forbidden. As for the Old City, the Jewish Quarter is the only part to have benefited from the development schemes of the West Jerusalem Municipality.

The second threat is of a demographic nature: today, there are 330,000 Israelis living in West Jerusalem, while 160,000 Palestinians and 140,000 Israeli settlers (or 160,000 according to Israeli statistics) live in East Jerusalem. The continuing settlement policy has helped to maintain the population ratio at 1967 levels. Palestinian Jerusalemites are treated as second-class citizens and face numerous regulations, all of which aim at driving them out of the city.

The third threat to Palestinians is the ongoing Israeli closure policy and the subsequent isolation of Jerusalem from the rest of the Palestinian territories. Jerusalem is the center of Palestine, but the land's symbolic meaning for all Palestinians is lost without the city. As a result of the ongoing closure, Ramallah and Gaza are potentially capable of replacing Jerusalem as the center.

When Israel and Jordan signed the Washington Declaration, in which both sides re-affirmed the present special role of the Hashemite Kingdom with regard to Muslim holy shrines in Jerusalem, they agreed, "When negotiations on the permanent status will take place, Israel will give high priority to the Jordanian historic role in these shrines." With this agreement, Israel and Jordan bypassed the Palestinians and their rights in the city and divided them into ethnic-religious groups by excluding the Christian holy places, marking the first official separation of the Muslim Palestinians from the Christian Palestinians and of the religious dimension from the political one. The agreement also opened the door for foreign churches to make new claims regarding rights and custodianship.

The complexity of the issue is one of the reasons why future scenarios concerning Jerusalem have never been seriously considered by the Palestinian leadership or the Israeli Government.

2. The Question of Palestinian National Legitimacy

Palestinian national legitimacy is institutionalized in the PLO with its various bodies. Since Oslo, however, the authority of the PLO as the sole legitimate representative of the Palestinian people has been

challenged by the new institutions established on national soil. The Palestinian National Council (PNC) with over 450 appointed members assembles 'outside'. The PLO Central Council with its 100 members is another example of an outside institution that has remained in the Diaspora and not become part of the new inside structure. The Executive Committee, which has always been the central decision-making body in the PLO, is fading away as the PA becomes established. The overall question is whether these long-time national bodies will maintain their roles and functions or whether their future role will be limited to the Diaspora. Will the Palestinians have two representative bodies, one inside and one outside, or will Chairman Arafat as the head of both be able to merge them under his direct authority?

The conflict of interest between the inside and the outside since Oslo cannot be denied. Previously, the PLO maintained 'harmony' between both sides, but now competition dominates, due to the fact that the agreement is not fully accepted by all while a new official internal leadership is emerging.

What many people now regard as acceptable would be for the PLO to play a role from the Diaspora as the Jewish Agency did in the pre-state era of Israel. The PLO created another option during the *Intifada* in the form of the UNLU [Unified National Leadership of the Uprising], which united and linked the inside with the outside.

Another main question relates to the Palestinian leadership, which is in a serious crisis. If we look at recent academic polls relating to the names of Palestinian leaders we hardly find any name other than 'Arafat'. This is a big constraint since the absence of a leadership means no representatives and no legitimacy. The new Arafat-appointed figures are not real leaders, neither are they recognized as such. Only elections can legitimize leaders; elections deliver new faces, new blood and new thinking. But as of now, we have only leading notables, faction representatives, professionals, and businessmen.

Another constraint in the Palestinian national political agenda is the advancement of local interests and concerns at the expense of national unity. The Palestinian towns and districts are separated under the recent Israeli concept of re-deployment, which not only divides them into Zones A, B and C, but virtually isolates them from each other.

This aims at the 'ghettoization' of Palestine, i.e., the loss of the territorial integrity and opens the door for local agendas that may widen the gap between the people. Hebron, for example, is a special case with many specific problems and issues. The daily life of Hebronites is so dominated by the confrontation with radical settlers and the Israeli Army, which affects schools, businesses and institutions, that they have become less concerned with wider national issues. The cause of cities and towns threatens to replace the national cause. Such 'special city cases' make it almost impossible to unite everyone under one agenda. Gaza is another example: I, as a Palestinian Jerusalemite, now need an Israeli-issued permit to enter Gaza! There is not one place left to which everyone has access and where all Palestinians can meet to discuss and exchange their ideas and plans for the future or to follow up on a dialogue or united national agenda. This geopolitical fragmentation is leading to a national fragmentation of the people, and to division and competing interests.

3. The Question of the Performance of the PA

The 'non-performance' of the PA is a serious constraint since the PA is losing credibility day by day, which is a big obstacle to the continuation of the peace negotiations and to making any progress on the Palestinian-Israeli track, as it weakens the legitimacy of the authority. We have police forces, ministers, institutions, civil servants and so on - but nothing moves.

There is also no consistency in the negotiations. The PA Executive functions in an autocratic manner, and no one knows if the negotiator of one round will still be in that position for the next round of talks, not even the negotiator himself. Nabil Sha'ath, for example, started to negotiate on elections, but now it is Abu Ala's turn; Faisal Husseini, meanwhile, began the talks on detainees but was then replaced by Nabil Sha'ath. Maybe things will improve and become more organized once we have elections. The basic problem was and remains, that since Oslo, the PLO resigned from armed struggle and became a negotiator, but one in a weak position. Confusion and instability prevail with regard to spending, accountability and legal matters and no one really knows what is going on or who is responsible. The drafting and passing of a Basic Law should therefore be a top priority on the agenda of the to-be-elected members of the PA assembly.

4. The Question of the Legal System

The current legal system in the West Bank, Jerusalem and the Gaza Strip is still a 'jungle', combining Egyptian, Jordanian, Israeli and British (Mandate) laws and bylaws. At the same time, there are still many open questions regarding the shape of a future Palestinian constitution: Will it be according to the old PNC charter? What will the state be like? What will the security arrangements be? What will be the role and position of religion and will there be secular or Islamic laws? These uncertainties do not help in building confidence in the current interim phase among the people.

In terms of internal security we have the 'Jericho example', i.e., military people such as Jibril Rajoub with their followers taking control. In Gaza, Arafat governs and rules, while in the West Bank, it is still the Israeli security apparatus that is in control. The unanswered questions are: Who will take over, when and how?

5. The Question of the Israeli Agenda

Amongst the biggest obstacles to peace are the settlements and settlers. The settlers are partly backed by Israeli army generals who are against leaving the OPT and who want to maintain full control over the Palestinian Territories. The Palestinians have repeatedly stressed that without finding a real solution to this problem it will be impossible to reach stability, security and a lasting future agreement.

Another item on the Israeli agenda is the plan of 'zoning' and dividing the West Bank under the cover of redeployment (Zone A, B and C). The aim of the Israelis is to cripple the PA and to separate and fragment the West Bank even further. What is Ramallah, for example, without its surrounding and neighboring villages? Real re-deployment is not likely nor expected; most people anticipate that even after the 'withdrawal' the Israeli presence in the Palestinian Territories will continue in a modified way. What we will witness is not withdrawal according to the true sense of the word but military rearrangement within the Palestinian territories in accordance with Israeli security interests.

The fact that Israel is not as seriously committed to the peace process as it would like to make the world believe is reflected by the current situation of the prisoners and detainees who are still in Israeli jails, despite the signed agreements. How can Palestinian negotiators convince the people to progress on the Palestinian-Israeli track if there is hardly a Palestinian house without a family member still behind Israeli bars?

6. The Question of the Economy

The Palestinians attach very high priority to the need to restructure economic relations with Israel on more equitable grounds, so that they are based on free choice and inter-dependency, and not on subordination and unilateral dependency. Yet, a great majority of Palestinians would still perceive continued economic interaction with Israel to constitute the cornerstone of their economy, at least for many years to come. However, while people continuously hear about projects, donor conferences, funds, new banks and financial institutions, their socioeconomic situation has undoubtedly deteriorated since the signing of the DoP. Palestinian laborers have been replaced by foreign workers, and commerce and trade in the Palestinian territories is crippled by the Israeli-imposed restrictions on movement. Moreover, foreign and Palestinian investors are reluctant to invest in the region in the light of the prevailing political situation.

As for the future of the Palestinian economy, there are two main schools of thought: One is calling for a clear divorce from the Israeli economy and to revive economic relations with the Arab countries in the region. Its adherents argue that the Palestinian economy cannot continue to depend solely on Israel and that a separate economic system and structure must be developed. The other school of thought advocated the Benelux model (future regional cooperation between Palestine, Israel, and Jordan) as a separate Palestinian economy is not viable.

7. Conclusion

Taking into consideration the various above mentioned constraints on the Palestinian domestic level, the following potential future scenarios

for the current peace process as well as for the future of the parties involved are thinkable.

If the current peace process will proceed and achieve some success in spite of the delayed implementation of what was agreed upon or the expected difficulties and obstacles that may emerge regarding certain issues, the Palestinian national struggle will reach its objectives of freedom and independence. The Palestinians, therefore, will be able to enjoy self-determination and build the new Palestine in the territories of their homeland that was occupied in 1967.

However, if the Israeli Government will retreat and not fulfill its commitment to the Oslo Accords, continues to challenge the Palestinians on major issues such as the question of Jerusalem, land confiscations, settlement expansion, and make further attempts to weaken the PA, this will open the door for division among Palestinians and lead to a state of chaos and possibly a Palestinian civil war. As a result of this, Israeli forces will continue to occupy the OPT, while the Palestinians will continue to be deprived of their independence, freedom and self-determination. A potential outcome of such a scenario is the existence of a *de facto* bi-national state, in which the Palestinian people will always have less rights and opportunities than the Israelis, and the situation will be similar to that which exists within an 'apartheid' system.

Another possible scenario is that the Israeli Government will push for the achievement of a revised 'Jordan Option' in such way that Jordan will have a say in the future of Palestine and its people. Jordan will avoid these attempts for various reasons: first and foremost in order to maintain its sovereignty, independence and to prevent the establishment of a Jordanian-Palestinian state on Jordanian soil. Palestinians, also, will reject such attempts.

Domestic Constraints On Middle East Negotiations - A Jordanian Perspective

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Before I start I would like to make clear that when I say "we" I refer to Jordanians and Palestinians.

A first constraint to normalization on the part of Jordan is a lack of information. For example, Jordanians were not aware about Jordanian land occupied by Israel until Madrid, when this issue was put on the agenda. The issues of the past were Jaffa, Jerusalem, etc. Then the peace process began and now, after the peace treaty signed between Jordan and Israel, the Jordanians do not see any changes in the Israeli attitude towards them, no corresponding shift from the former stereotypical perception. Nothing has changed to the advantage of the Jordanians.

Secondly, the expected economic dividend has not been felt. Now it is even denied that it was ever promised. For the people it is as if they contributed to the solution of the Arab-Israeli conflict but did so while failing to settle the refugee problem or the Jerusalem question, and by selling out the Palestinian people on the West Bank. At the beginning, the peace treaty was highly supported and there were high expectations although the people still mistrusted Israel. Now, however, the mistrust has increased and even prevails. Before, more than 80% believed that an economic boom would result from the peace treaty, but we all know that nothing occurred. The support for normalization has declined considerably.

A third constraint is the government's - here I mean the King as well as Majali - attitudes and policies. The King panicked; he wanted to settle the peace treaty with Israel and he did it in secret. Since last summer, we have seen a lot of censorship and other forms of oppression on the part of the government. On TV and radio programs, for example, the newly emerged democratic debates were replaced by discriminatory, tribal and antiquated ceremonies and parades praising

the King's efforts toward peace. This kind of control has shifted even more people towards the opposition. Last summer, the opposition was in defense and adopted an attitude of "we accept you are signing the treaty but don't expect us to support it". Now the government is in defense and the opposition takes action; some - especially from the Islamist camp - call on the King to cancel the peace treaty. For many others there is no reason to support the peace treaty (anymore) since nothing has changed and the government even steps backwards, dropping certain democratic achievements. Nevertheless, the agreement remains intact and has made the Jordanian-Palestinian relationship inside Jordan, which had declined notably since the Gulf War anyway, worse than ever.

I think the King enjoys at least 40-50% support among the Jordanian population, but this support is not necessarily connected with the peace process. The peace treaty has definitely isolated him and the core of the Jordanian state has gone backwards, emphasizing tradition and old forms of control, which were believed to have been overcome. These developments have not contributed positively to the King's popularity, but they concern the new invention of old mechanisms rather than the peace treaty itself.

Additionally, the links between Israel and Jordan are not cut, only hidden. Every side just looks at what's in it for them. On the other hand, Arafat's standing is not too great; were there elections, the King would win with a clear majority against Arafat. The King is very aware about the possibility or alternative of the Palestinian link but he is also scared - just remember the events in the 1950-60s. He appreciated, though, people like Hanan Ashrawi and Faisal Husseini with their modernity, wishing he had more people like them at his own disposal. The fact is, the King and Arafat mistrust each other and that is a big obstacle.

As for what comes after the King - honestly, I don't know. But I can say that the more democratic Jordan becomes and the more it is regarded as Pan-Arab, the better are the chances and prospects for the future of Jordan, and the more democratization slows down and the Pan-Arab approach declines, the worse it will be. We need to be more innovative. You cannot stress Jordanization, for example, since there are also Palestinians. We have to be more open and liberal.

The political elite will not be able to lead the Jordanian state into the 21st century. Economically, we have to reduce the army, we have to fight unemployment and to push economic development, and we also have to be open to the Palestinians in terms of employment and political representation. The shape that the Jordanian state takes today must and will fade away and be replaced according to Jordan's demographic structure and needs. And within this, there is no place for the old elites and their attitudes. This is why Jordan has to be transformed and adjusted to the political and demographic requirements of the future.

The Israeli issue in Jordan is very difficult. Hence, I was shocked by the maturity of negotiations in South Africa between the ANC and the Afrikaans. Their common goal was a better future for all and to work equally together to achieve this end. This should be taken as a precedent for us. It is time now for us to go beyond Pan-Arabism, and for the Israelis to go beyond Zionism.

I do not think Jordan is a democratic and social welfare state. It is not. The distribution of the cake was nothing except a measure to secure support through the establishment of a wide patron-client system. The King has taken people he trusts and who owe everything to him. He wouldn't take the risk of involving people of whom he is not one hundred percent sure. And now, for some reason, he has stopped the process of democratization and modernization.

The law of order and the rule of law are increasingly taking over in Jordan. They are being applied in all spheres of life, replacing tribal law. Basically, fragmentation is promoted by stressing Jordanian and Palestinian, south and north, instead of combining and uniting things. By the way, just the other day I listened to the PLO Radio and lost all my hope. It's worse than Amman!

Internal Constraints On The Arab-Israeli Peace Process: An Israeli View

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I. Introduction

I wrote the first draft of this paper several months prior to the May 1996 Israeli election and it is no longer clear whether I should be writing about the internal constraints on the road to peace or on the internal Israeli factors that have sabotaged the peace process.

The opening sentence may sound overly pessimistic. Doubt, however, is not a prognosis. Only the future will show whether the desire for peace has, in all camps, overcome its opponents. Healthy skepticism may, however, serve as a tonic for clear thinking. For the peace process to succeed, it must remain the top priority on the national agendas of Israel and the Arab nations for a long time. As I will detail below, there is no lack of other values, aspirations, and interests that may shunt peace aside if given the opportunity.

Clearly, it is not solely Israel's internal politics that will determine whether the peace process continues. There are obviously ideologies, interests, and people in the Palestinian camp that have the potential for torpedoing it as well. But while I will, during the course of the analysis, refer to some Palestinian obstacles, the focus of the article is the obstacle within Israel. I believe that the dialogue between Israelis and Palestinians will lead to the greatest benefits if each of us first looks after the briars growing in one's own backyard. Furthermore, my own work of many years with Israeli society has trained me to direct my gaze inward, even if the view outside is no less interesting and relevant.

II. One Hundred Years of Animosity

More than Israel and its neighbors have caused the conflict between them, they have been shaped by it. At the beginning of this century,

there was a Zionist movement (which had the allegiance of only a small minority of European Jewry), but there was no Israeli nation. Zionism took form as part of the effort to settle Palestine with Jews. These attempts were met with the opposition of the local residents. The need to oppose Jewish settlement, or to counter that opposition, became the major motive in the establishment of both national movements, and later in the emergence of three peoples - the Israelis, the Jordanians, and the Palestinians. Students of Israeli society could hardly overlook the contribution of the external conflict to the creation of their nation. The conflict made it possible to recruit both material and political support from Diaspora Jewry and friendly governments; the requirements of national security could be used by the government to silence or at least moderate criticism. Everything, from the estimation of economic feasibility to the fine points of democratic legitimacy, from the demands of universal morality to the strict standard of Western culture, was made contingent on the need to ensure security and survival. Security needs thus became a kind of 'environment' to which Israeli leaders in all areas had to adjust as a precondition for their success. Whoever did not prove his ability to contribute, if only indirectly, to Israel's military strength generally did not succeed in reaching the political top and staying there. The minuscule influence of great men like Martin Buber and his associates shows how little people who were not involved in the security enterprise could affect Israeli society, while the important place former commanders and generals play in the country's political and economic leadership shows how the military aura has given such men influence in all walks of life[1].

The senior officer corps' penetration of leadership echelons in so many fields can be traced back to the decision made in the mid-1950s by David Ben Gurion and Moshe Dayan to keep the army young by discharging senior officers when they reached their early 40s. These young but seasoned men, equipped with a modest but stable income, and with the glamour of their association with a powerful and victorious organization, were assets that could hardly be disregarded by enterprises that were then just beginning to develop. Like many successful processes, this military penetration of the political and business communities became a self-perpetuating phenomenon. When the first generation of former officer leaders needed aides, deputies, and

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[1] See Ben Eliezer, A. [1995], *A History of Israeli Militarism 1936-56.*

heirs, they turned quite naturally to their deputies and adjutants from their army days. An army man could be expected to succeed in a place where a mere civilian would fail, especially when he was being judged by another former army man.

During one hundred years of Arab-Israeli conflict, the military tenaciously gained vested interests not only in leadership positions, but also in all other areas of life. The defense system is one of the largest customers of Israeli industry. The army wanted to reduce its dependence on weapons supplies from overseas, and was therefore willing to pay the prices necessary to ensure the local production of weapons that could compete with foreign products. Afterwards, in order to cover, or at least minimize, these industries' losses, the government encouraged massive exports to almost any country that was willing to purchase them. Unfortunately, these countries underwent a process of 'negative selection', and were often those states whose international stature (determined in many cases by their internal regimes) did not permit them to purchase weapons on reasonable terms from one of the western industrial states.

Military activity and the sale of 'commercial' weapons sustained each other. Israeli weaponry was tried in battle again and was identified as a factor contributing to victory' simultaneously overseas arms sales allowed continued production and development of new generations of weapons. An ever-growing portion of the Israeli economy became dependent on the state of tension and enmity between Israel and its neighbors. Thus the economic, political, and military profits of war became part of the price of peace.

III.   External War and Internal Conflict

It is well known that nothing subdues internal conflicts like a common enemy. Such is the case in families, communities, countries, and even in entire regions (for example, west-European unity in the face of the threat from the east). It is almost inevitable that political elites will exploit real or imaginary external dangers in order to rally the public around them. Every foreign policy move has implications for internal policy, and *vice versa*. Let us explore the actual effects of these general principles in the Israeli context.

Immigrant societies are by definition pluralist. Ethnic groups are formed by immigrants according to their country of origin. Such ethnic groups emerged in the pre-state Jewish community in Palestine. During the 1950s and 1960s these dozens of groups consolidated into two major blocs: Orientals (Sephardim) and Ashkenazim. This division was given religious sanction as early as the era of Turkish rule, when the government appointed two Chief Rabbis, each of whom headed, and still heads, his own administrative and juridical system. Later, the definition of the blocs changed, de-emphasizing the religious and historical background and focusing on the geographic origin: Jews from Asia and Africa versus Jews from Europe and the Americas. Under either definition, the majority of Sephardim are people with an Arab cultural background, in contrast with the Eastern European background of most of the Ashkenazim. As the Arab World was publicly defined as 'The Enemy', mid-Eastern Jews faced a choice: to align themselves unambiguously with the largely Ashkenazi Jewish community or to remain, in the long run, a marginal group whose political loyalty was in doubt. The low (collective) status of the Arab minority in Israel may have been an indication to the mid-Eastern Jewish immigrants of the hardships faced by 'enemy affiliated' ethnicities. The Oriental response to this situation was far-reaching. Their unequivocal adherence to the Israeli nation was expressed by manifestations of alienation and animosity towards Arabs in Israel and outside it. The Arabs became a negative reference group at which the members of minority groups could throw any 'disadvantages' they wished to divest themselves of. Many Orientals tried to rid themselves of the remnants of Arabism that interfered with their full acceptance into Israeli society, by adopting nationalist political positions.[2]

It was the Oriental vote that made the Likud first into the main opposition party and then, between 1977 and 1992, into the ruling party. In this way the majority of Orientals strengthened a political force who became identified with a hard line towards the Arab World in general and Palestinians in particular.

The relations between the Oriental community and the Likud became in time complex and symbiotic. The Likud leadership, most of which was still of Eastern European origin, used the Oriental community as a

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[2] See: Michael, S. [1974], *Equal and More Equal, Tel Aviv,* Bustan Publishers; and Y. Peres [1977], *Ethnic Relations in Israel,* Tel Aviv, Sifriat Poalim.

constituency while the Orientals used the Likud as a channel towards political power, to the point of shunting aside the historical leadership of the Labor party. The Likud's hawkish nationalistic character facilitated the attraction of Oriental-Jewish voters without becoming identified in the process as an ethnic party that plastered an ethnic label on its members and voters. The identification of the majority of oriental Jews with the right-wing in Israeli politics thus became one of the major internal obstacles on the road towards peace.

IV.   A Matter of Consistency

Both Zionism and Palestinian nationalism seem to be more ideological and dogmatic than other national movements. Ostensibly they do not fight just for their national interests, but rather for 'sacred universal values' that cannot be compromised. Why?

In order to survive, and all the more so to win, both the Israelis and the Palestinians (and even the Jordanians) need external support. Israel's closest circle of support consists of the economically and politically advanced Jewish communities in the West; beyond that is a circle containing the Western democracies, centered on the US. The Palestinians' circles of support also begin with its own Diaspora and proceeds with the Arab World and large parts of the Afro-Asian 'Third World'. Over the years, each side has made many attempts to penetrate the rival's circles of support. Thus Israel developed aid and advisory relations with various countries in Asia and Africa, while the Palestinians penetrated various radical groups in the West and enlisted their political, and in extreme cases also military, support.[3]

It should be noted that these attempts at penetration generally did not lead to lasting achievements. The support that each side was able to depend on in its hour of need still comes from its traditional sources. The Israeli-Palestinian conflict was thus like a play presented on the world's stage. To keep its circles of support, each side had to keep its public both interested and convinced. This demanded constant activity: violence of all types, provocative, mutual boycotts, expressions of

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[3] Especially interesting in this context is the concept of indirect responsibility that was developed by leftist groups in Germany. The Israeli refusal to repatriate Palestinian refugees in 1948 was possible, according to this doctrine, because of European guilt feelings towards the Jews after World War II. This being the case, Germany and the Germans are indirectly responsible for the plight of the Palestinians and for rectifying the injustice done to them.

poverty, distress and tragedy. All this was meant to prevent the Israel-Palestinian issue from slipping from the global agenda. Such activity was necessary but not, however, sufficient. To maximize the impact of these continuous national campaigns they had to be located within an ideological context that supporters could identify with. So, brick by brick, a system of key concepts was built, one appropriate to Western culture (in Israel's case) and to the Third World, including leftist supporters (in the Palestinians' case).

The Israeli concepts included the following assertions:

- The Jewish people has both a need and a right of self-determination.
- The land of Israel belongs to the Jews on the basis of a divine promise recognized by the three monotheistic religions. This promise is not limited in time thus occupation of the land by another nation, even for hundreds of years, cannot nullify it.
- The first Israelis were pioneers who settled on empty land (or one inhabited by primitive nomads without any unique national identity).
- The Israelis are entrepreneurs who contribute scientific, economic, and social progress to a backward region.
- Israel is the only democracy in the Middle East.
- Israel is a place of refuge for the wandering and persecuted Jews.
- Israel is a center and guardian of Jewish culture. Each circle of support for Israel can identify with at least some of these slogans; even post-colonialist developing nations can derive some useful ideas or practices.

Palestinian national ideology, meanwhile, sounded in the beginning like an emotional manifestation of protest against the concepts and practices of Zionism. However, in the 1960s, a Palestinian national myth evolved that looks like a mirror-image of the Zionist-Israeli parallel:

- The Palestinians never immigrated; they have lived in Palestine since time immemorial (the ultimate form of this argument is the claim that the Palestinians are descendants of the ancient Canaanites, who were victims of the Biblical Israel invasion).
- The Zionist invasion is by nature colonialist so are its goals: the exploitation and/or eviction of indigenous populations.

- Just as the Zionist invasion is part of the European attempt to take over Asia, Africa and Latin America, so is the Palestinian resistance a component of the Third World's self-defense.
- European colonialization will end in failure, even if it scores impressive successes along the way.
- Israel must be replaced by a secular democratic state in which Jews and Palestinians will have civil rights as individuals.

A cautious analysis of each national myth will reveal a wealth of half-truths and internal contradictions. However, the explosive might of these ideologies is independent of their logical or historical validity. The main source of the credibility of such belief systems is in their completeness, so that compromise on any particular principle calls all the others into question.

If there was indeed a divine promise, as the Jewish claim goes, it applies to the entire land between the Jordan and the Mediterranean (and some would also say to present-day Jordan). If, however, the State of Israel is no more than a branch of European imperialism, as the Palestinian creed argues, then any compromise other than a 'secular democratic state' cannot be more than temporary. If the Israelis are the vanguard of the Jewish people and of secular values such as democracy and progress, then any concession or compromise contains at least an element of betrayal of those who supported Zionism and the values that lay behind that support. What turns the game the Israelis and Palestinians play on the global stage into something so authentic and persuasive is the huge investment in property, life, thought, and emotion guided by these two contradictory heroic mythologies. A leadership that compromises 'too hastily' conveys, involuntarily of course, the message that the past sacrifices were in vain. According to rational considerations, the horrible costs of war should be strong incentives to peace, but cognitive dissonance may turn rational thought on its head. A present compromise casts doubt on our righteousness in the past, and therefore also on the validity of our demands in the future. I will demonstrate this way of thinking by citing an internal debate in which the Israeli right over Sheikh Munis and Hebron were compared.

Sheikh Munis is the name of an Arab village on whose ruins Tel Aviv University was built in the 1960s. There is no evidence of the existence

of an ancient Jewish settlement on this site; on the contrary, a Philistine city has been uncovered on nearby Tel Kasila. Right-wing intellectuals have ironically 'proposed' returning Sheikh Munis to its Palestinian owners but holding on to Hebron and Bethlehem, which were Jewish in biblical times.[4] In other words, the quest for consistency requires acting today in a way that will justify actions taken in the past and demands which might be put forward in the future ...

In the complex reality of Israel/Palestine, in which two peoples occupy a small area, there are no internally consistent compromises from which both parties will emerge faithful to the doctrine they have preached to themselves and to others over the years. The inclination to be consistent is thus one of the forces that perpetuates the conflict.

V.   The Masada Complex: A Matter of Honor

High above the Dead Sea towers Masada, the last outpost to be captured by the Romans after they destroyed the Temple and the city of Jerusalem. Why should a fortress destroyed in the first century be a barrier to peace at the end of the twentieth century? As with any complex, this is a convoluted story that touches on the most sensitive and painful points of Jewish and Israeli identity. The uniqueness of Masada is that its defenders did not go into exile like the rest of the nation, but rather killed themselves, their wives, and their children. The message of this deed and of the speech that accompanied it is unquestionable:[5] survival of the individual, and even of the nation, are not supreme goals that override all others. Honor and freedom are to be preferred over life itself. Proud people do not go into exile so long as

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[4] See R. Pasternach & S. Zidkiahu (eds.), *A New Era or a Loss of Direction*, pp. 109-114.

[5] The only source for the Masada story is the history Josephus Flavius, himself a traitor and collaborator with the Romans. Since all the defenders of Masada, with the exception of two frightened women and a child, died on the mountain, Flavius could not have heard the speech he quotes verbatim. It is reasonable that a man who had chosen life with the Romans over death in war against them, constructed a noble rhetorical monument to those who had taken the opposite path. After 1900 years of mystery, this combination of poetic imagination and guilty conscience became a "historical document" symbolizing tragic Jewish heroism. In recent years several books have been published that include an in-depth and comprehensive discussion of the conditions under which the Masada myth was created and its revival in our times:

1. Ben-Yehuda, N. (1995), *The Masada Myth, Collective Memory, and Mythmaking in Israel,* Madison, Wisc., University of Wisconsin Press.

2. Zerubavel, Yael (1995), *Recovered Roots, Collective Memory, and the Making of Israeli National Tradition,* Chicago, University of Chicago Press.

they, or their bodies, can remain on the land. Obviously the symbol of Masada opposes the 'survival strategy' of the Jewish Exile, which perceived dispersion as destiny to be endured until the Messiah's arrival. Zionism challenged the ethos of the eternal Exile and aspired to replace it with a vision of revival and homecoming. The debate between the Zionist camp and its critics continued until the Holocaust buried most of the critics and most of their arguments - the strategy of survival through dispersion (and through lowering one's profile in order to avoid provoking the gentiles) has not proven its merit. Paradoxically, 50 years later it seems as if the Zionist solution did not provide a more complete sense of security than Western nations for their Jewish citizens. The only dimension that differentiates the existential anxiety that became part of the 'cultural genotype' of European Jewry from anxiety prevalent among Israelis boils down to a deeply felt, ever-present sense of pride. This bitter pride easily transforms into the conviction that 'the whole world is against us' and therefore 'we should stand up against the whole world'. Why is the Masada Complex a barrier to peace? Because it leads to a combination of suspicion and over-reaction. Every anti-Israeli expression or deed is perceived as a threat to the country's very existence, which in turn 'justifies' almost any response.

VI.   Electoral Considerations: A Matter of Balance

In many democratic regimes, the voting public is divided more or less equally between the party (or group of parties) in power and opposition. Political scientists explain this phenomenon in terms of the tendency of both major parties to 'conquer' the *center* of the political map. If the distribution of voters between political attitudes is more or less symmetrical and the major parties (or candidates) meet in the center then each of them will be supported by approximately 50% of the electorate.

Beginning with the elections of 1973 (which took place a short time after the October 1973 War), Israel entered the ranks of those democracies whose voting publics are 'balanced'. No government that has ruled since then (with the exception of the national unity governments in which both major parties participated) has had a secure parliamentary majority. At about the same time the future of the territories had become the dominant issue that determined the

country's political contours. These two processes - the focus on foreign policy and defense issues and the balance between the two major political blocs - created opportunities for relatively small political parties to serve as 'tie-breakers' and to exert a major influence on policy. I define a tie-breaker as a party that can, politically and psychologically, join a coalition with either of the main camps, and whose number of voters is greater than the difference in votes received by the two camps[6].

The ultra-orthodox political parties are ideally suited to be tie-breakers. They have a clear individual and public commitment to the strict orthodox shade of Judaism. Being able to live an orthodox life for themselves and to instill at least part of this way of life into the Israeli Jewish public is much more important to them than foreign policy issues so central to other Israelis. In abstract terms an extremely dogmatic stand on one issue makes rather opportunistic conduct on all other issues inevitable. This combination of firmness and flexibility gained, for the orthodox parties political power, far beyond their share in the electorate. To preserve their outstanding influence the tie-breakers have done their best to preserve the balance between the two large camps. Until very recently they have refrained from expressing a committing attitude. In fact, the weakest political position is that of the adjunct parties that not only belong to one of the camps but have developed a more consistent and clearer version of the camp's strategy. Since their platform and their voters make it impossible for them to support the other side (by outflanking the left-wing camp on the left or the right-wing one on the right) they have no political room for maneuver. The stagnation of the balanced system and the disproportional strength of the ultra-orthodox parties were the major motivations for the recent electoral reform that provides for the direct election of the prime minister. It remains however to be seen if the reform will achieve this objective and at what price. Up to this point it may seem as if the structural balance is neutral with regard to the peace process - it does not allow either of the major parties to stray too far from the *status quo*. If, however, we recall that the *status quo* of the last 29 years has been one of occupation, we will realize how much the electoral equilibrium burdens peace initiatives, which by nature involve

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[6] See; Y. Peres [1988] 'Structural Balance in Israeli Politics', *Middle East Review,* Vol. 20, No. 4, pp. 27-42.

huge changes. One of the principles of democratic procedure is that a decision on change (especially a large change) requires a larger majority than a decision on maintaining stability. Under conditions of electoral equilibrium and in a system of proportional representation, it is difficult to put together a large majority. Therefore, all that the hawkish camp needs to do in order to tie the dovish camp's hands is to instill in the public the norm that 'a critical decision cannot be made by a majority of a few votes'. Since the two large camps are composed of a variety of parties and population sectors, it is always possible to disqualify one of them in order to restrict the majority's decision-making power. In the Israeli context, the right-wing leaders expressed their doubts as to whether Arab voters, and those parties whose voters are largely Arabs, can cast the deciding votes in a critical political conflict.

Two justifications have been raised in support of these doubts. First, the State of Israel was created in order to be 'the Jewish State' or 'the State of the Jewish people' (a formulation recently confirmed by the Knesset). The debate over the country's borders may thus be seen as an internal Jewish matter. Second, the position on the issue taken by the Arab representatives, it is alleged, is predetermined and motivated by alien interests - the very same interests the State of Israel was founded to protect the Jewish people against.

It should be noted that the Right-wing did not propose to abolish the Israeli Arabs' right to vote. Instead, they demanded that territorial concessions be conditioned on a majority so large that even the enlistment of all the Arab votes in favor of them would not allow it to pass. The problem of equality in civil rights is only one among many aspects of the dilemma between western-type democracy that endeavors reconciliation and peace in contrast to 'ethnic-democracy' committed primarily to the doctrines of Zionism.

If the State of Israel is characterized as having a mission that stands above the wishes of a majority of its citizens, sooner or later restrictions will have to be introduced. There will be residents who may not become citizens, and/or citizens who may not vote, and/or people whose political positions disqualify them from being elected to public office. Up until now, each of these possibilities occurred only on a small scale. Israel's political system maneuvered with impressive success between the fear of losing its Jewish-Zionist identity because of

demographic change (the birth rate of Israeli Arabs is still 75% higher than that of Israeli Jews) and the erosion of democracy.

In collaboration with my colleague, Professor Ephraim Yuchtman-Yaar, I have conducted several examinations of the Israeli Jewish public's preferences for Zionist values versus democratic values (in cases where there is an unbridgeable contradiction between them). It turns out that in almost all cases (over different formulations of the questions and over time) there is a slight majority that favors democratic values. Nevertheless, we cannot ignore the fact that the fundamental balance between the hawkish-religious camp and the dovish-secular one has to contend with the extend and nature of democratic practices along with national strategies. When the debate on democratic procedures overlaps (even partially) the substantive political struggle, there is an erosion of the majority's base of legitimacy. This is particularly true if the majority is a rather small one. These deliberations bring us close to the toughest dilemma which confronts any Israeli government when establishing its relationship with the Palestinians: peace at home and war outside versus peace outside but war at home.

The genuine nature of this dilemma was tragically revealed immediately after the assassination of Prime Yitzhak Rabin. On the face of it, the emotional response to the murder was a victory for the peace camp. A second look led most observers (and more importantly, most of the political elite) to an extremely different conclusion: Israel had come dangerously close to a complete split that might descend into civil war. The use of murder as a means of settling internal dispute is not only a deviation from democracy and national solidarity, but also a message from the extreme right to the Labor-Meretz government that it has reached the limits of its tolerance. It claims that the Rabin government took unreasonable advantage of the majority's right to make decisions. A move so decisive and irreversible as a withdrawal from populated territory which turns Jewish settlements there into 'islands' should according to this view have been made only with the support of a massive majority. In the context the Camp David Agreement (which concluded peace with Egypt at the price of withdrawing from the Sinai Peninsula) is often mentioned. That agreement was approved by 90 (out of 120) members of the Knesset.

Rabin's willingness to pursue a policy of 'territories for peace' without such a broad national consensus led to personal attacks on him that

reached their climax when, at a Likud party rally, some people waved posters of the Prime Minister dressed in an SS officer's uniform. According to this interpretation, the Prime Minister's assassination rose out of the heart of the religious-right camp, and not just out of its Iunatic fringe. This notion cannot, of course, be proven. Neither is it necessary to prove it, because the mere possibility is frightening enough. Nevertheless, I wish to provide an example of this claim by re-calling a marginal episode that is not well-known outside Israel. A few months after the assassination, an organization of supporters of Bar Ilan University - a university with a religious character located in the Tel Aviv area - put out a fundraising booklet outlining the university's achievements. The booklet (which has since been recalled) contained more than ten photographs of law student Yigal Amir, the Prime Minister's murderer. The university's administration worked hard to persuade the public that this was an innocent mistake by the booklet's editors (who live in the US). But a minor error in an organization's publications can at times reveal deeply held values far better than well-considered, edited statements. The murderer's appearance in the booklet as a model student is an indication that he was not a marginal fanatic but someone well-regarded by his social environment. Among the condemnations of the murder voiced by right-wing and religious groups there was a whisper that became more and more clear as time went by: If such a positive boy did such a negative thing, hasn't provocation gone too far?

VII.   The Settlements: A Matter of Self-Entrapment

The Israeli settlements in the occupied territories are the heaviest burden weighing on the shoulders of the peace process. The issue involves not anxieties or principles but human beings whose fate will be determined by the direction in which Israel's relations with the Palestinians develop. About 120,000 Israelis live today in the West Bank, with an approximately equal number in east Jerusalem that came into Israeli hands in 1967. For all the settlements, or the great majority of them, to remain within Israel would mean a convoluted border that will require both Israelis and Palestinians to travel along 'impossible' detours in order to get from one of their settlements to

another. The settlement's security, and the special roads paved to them, will require the long-term presence of Israeli forces, which in time will frustrate Palestinians and motivate them to attack and harass the settlements. Most of the settlers are employed within sovereign Israel, since the employment possibilities in the settlements themselves are limited. This fact requires them to commute daily between the settlements and Israel-proper. Thus, the preservation of the settlements must create dangerous Palestinian-Israeli friction.

How did we get to this point? What was the rationale behind the establishment of settlements that rob Israel of its freedom to maneuver?

One of the answers is that this was precisely the intention of the planners, if not of the settlers themselves - to block the path towards an agreement of 'land for peace'. The settlement tactic served several other strategic goals as well, some of them contradictory, others controversial.

- The leaders of the Labor party, who considered the territories to be first and foremost bargaining chips in a 'territories for peace' agreement, saw that the Palestinians were in no hurry to enter into negotiations. The settlement process was meant to show them that time was not in their favor.
- A similar approach saw settlements as indications of what territories Israel intended to keep even after peace is achieved. Israel might claim this land for strategic, religious, or historic reasons.
- Finally, there was the approach that saw the settlements as a basis for claiming all the occupied territories. This approach, that of the settlers themselves, gradually took precedence over all others.

The settlements reshaped the image of religious Zionism in Israel. The archaic Hebrew mythology was restored as the mountainous swathe of land that stretches from Hebron in the south to Nablus in the north was the first area in which the ancient Hebrews settled, whereas modern Zionist settlement was concentrated on the coastal plain. The return to the cradle of ancient Hebrew culture became an exhilarating religious precept unique to religious Zionism. The establishment of

settlements in the face of opposition from the Palestinians, and at time also from the Israeli government, gained an aura of heroism in the religious Zionist community and was looked on with respect in other sectors. Graduates of religious youth movements turned from being marginal both in the secular camp (where they had been considered 'not pioneering enough') and in the religious camp (where they had been considered 'not religious enough') into a central force that realized the combination of religion and patriotism. Simultaneously, these new pioneers were given tools and resources - spacious areas to live in, weapons for self-defense, funds for educational and cultural institutions, and more. Gradually, settlement of the territories turned from being a political means into an end in and of itself. The talk about splitting away from the hedonist State of Israel with its weak national will in order to found a pious and proud 'State of Judea' should not be seen as 'a political program', but it expressed an ideal. The possibility of giving up what had been achieved over years of toil and struggle seems to the settlers totally unacceptable. Today, 25 years after the first settlements, there are young people who were born and educated in the settlements and who know no other home. Why, these young people ask, does the Left consider the transfer of Arabs from the territories to Arab lands 'criminal deportation' when, at the same time, it considers our transfer back to sovereign Israel as just and even desirable?

One does not have to be a Palestinian to understand that leaving the settlements where they are will cause incessant ferment in the future of Palestine, and one does not have to be Israeli to understand that dismantling the settlements is liable to lead to severe and long-term chaos in Israel.

VIII.   Peace, A Matter of Social Change

After comprehending the multitude of internal Israeli constraints on the peace process, and adding a parallel list of Palestinian constraints, the reader might despair. If the obstacles to peace are rooted firmly in the history of the struggling nationalities, if these nationalities were actually shaped by their mutual animosity, how can this terminal reality be changed?

To help the reader recover, I will tell an old story. A learned rabbi who had rejected all the trivialities of this world, spent his entire life

studying and teaching. When he had reached old age, in a moment of weakness, the rabbi gave in to the pleadings of his grandson and went with him to the zoo. When the two of them reached the giraffe's cage, the rabbi gazed at the strange creature for several long moments. Then he issued his ruling: ôThat can't be!ö

The fact that 'that', meaning the peace process, exists and is even progressing, shows that some developments that seem implausible, nevertheless can be. Powerful forces have developed that are countering the obstacles and pushing the Israelis and the Palestinians toward each other.

The spiraling cost of modern warfare and the diminishing chances of coming out of it whole, the close supervision of an international community under the leadership of a single great power, the limitations of force under the existing circumstances - these are only some of the motivations for peace. But the major source of optimism in the face of such a pessimistic history lies in the fact that the Israelis and the Palestinians are changing, and want to change[7]. Past-oriented nationalism that isolates itself, and spends its time licking its wounds, is being pushed into the margins of history. Just as the beginning of the next century does not allow victory (because the world, almost automatically takes up the cause of the 'underdog'), so it looks with favor on the shattering of walls and on the establishment of flexible boundaries. It becomes increasingly clear that territorial compromise does not exhaust the price of peace, nor does it express the meaning of the process. Territorial concessions are only the down payment.

For two nations who have fought from their very inception, adjustment to peace means the initiation of major changes in respective national identities. A national identity is, perhaps the most powerful guardian of that nation's unity and continuity. Thus, introducing socio-cultural change exposes both nations to internal risks. Peace may be almost as risky as war. On the other hand, the benefits of peace are also more comprehensive than traditionally expected. For Israelis and Palestinians making peace *now* means exploiting a rare opportunity to adjust to a new world-order while benefiting from world-wide consent and

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[7] See Peres, Y. [1994], 'What Will Peace Do to Israeli Society' [Hebrew], in: R. Pasternak and S. Yermiyahu [eds.], *A New Era or a Loss of Direction: Israelis Speak About Peace*, Tel Aviv: Itayav Publishers.

cooperation. The American and international interest in the resolution of the eternal conflict in the Middle East gives both these small nations an opportunity to transform themselves from a burden into an asset to the rest of the world. Striving for peace is by no means costless, but it still remains a sound investment.

II.   THE OPPOSITION AND ITS ROLE IN THE PEACE PROCESS

The Opposition and Its Role in the Peace Process - A Palestinian Perspective

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Thank you very much for inviting me to take part in this workshop. I was asked to prepare a paper on 'the opposition and its role in the peace process'. To summarize in one sentence, I can say the following: there is no role for the opposition.

I have tried to look retrospectively at the traditional role of the Palestinian opposition and how this role - including their participation in the current peace process - has developed to date. In doing so, I have divided my paper into six parts.

1.   The Concept of Opposition in the Palestinian Political Context

To begin, I can say a classic Palestinian opposition has never existed. One reason for this is the fact that we have never had elections, and thus no government-opposition situation. What we call 'opposition' is still under the umbrella of the PLO, which nowadays represents the peace process. That is one reason why it is difficult to define 'opposition' in a Palestinian context. Although there is a Palestinian authority (PA) in the making and although there is some sort of opposition to the PA, their respective roles are mixed and there is no clear division between the two sides.

Secondly, if an opposition does exist, then it usually does so in relation to *specific* issues, for example the peace process; there is no *general*

opposition. Some PLO factions define themselves as opponents of the peace process, but in relation to other matters the picture changes and they no longer constitute an opposition. Take for example the issue of Jerusalem; those who oppose the peace process are not an opposition, but sit with the PA and work as one team! The position of the various factions always changes according to the topic that is under consideration. Other issues, such as refugees, can immediately turn a faction from an opposition to an ally. Therefore, opposition in Palestine is limited to specific issues.

Thirdly, the Palestinian opposition lacks experience; it does not know how to behave as an opposition, or how to play the role properly. This lack of experience leads to the confusion that is reflected in the opposition's statements.

The outside was always presented as *the* leadership while there was much less trust in the inside. Moreover, the inside was always loyal to the outside, while the opposite was not the case. A good example concerns the leaflets that were distributed at the beginning of the *Intifada,* calling for a boycott of Israel. The Gaza leadership passed a clear message, saying a boycott would cost a certain amount of money; only if this was provided by the outside, would they make sure that no one would leave Gaza to work in Israel.

2.   The Concept of Opposition in Palestinian Public Opinion

The Palestinian people did not develop nor materialize in any form any special feeling for the 'opposition'. As mentioned above, separation between factions occurs only in relation to certain issues but disputes always end with a reconciliation. The occupation has played a very important role here and has created an excellent atmosphere for this situation: differences between the factions faded in the struggle against the common enemy. For example, the Islamic movement, on the whole, never presented a threat to the PLO as the sole representative of the Palestinian people. It emerged relatively late, in the 1980's, while other factions have much longer histories.

Furthermore, the concept of opposition found no space within the PLO system, which is based on, and functions by consensus. Therefore, even during the last 18 months, perhaps with one exception (the November 1994 clashes), the public never witnessed a serious confrontation between the PA and the opposition. Relations were characterized rather

by the seeking and developing of a dialogue between the two camps. Thus, with few exceptions, the public never felt that the PA-opposition relationship posed a real threat. The public's view of the opposition is determined by two main issues:

(1) The theme of the opposition is becoming more complicated. The newly emerged and widely debated idea of 'civil war' - which is instantly related to the opposition - is a totally new phenomenon. Without a strong opposition, however, civil war should not be a major concern of the public.

(2) The emergence of a reconciliation process after every disagreement over the last two decades makes people feel that whenever a crisis occurs, it will only be a matter of time before it is settled by the conflicting parties. Since solutions are always found, people don't know whether to regard the opposition as initiators of crises, which will be solved anyway, or as the potential perpetrators of civil war.

As a result of these circumstances there are two options for the opposition in the future; they could find an entirely new role or alternatively, continue their traditional role with some possible extensions. In the event of them choosing the first option, the threat of a civil war might become more likely, whereas in the second scenario, the cycle of crisis and solution will continue.

The opposition at the moment, as I see it, has opted for the its old role with certain extensions. The opposition's behavior in the last months vis-a-vis the PA has shown very clearly that they will not try to destroy what the PA tries to build. Rather, they 'swallow' policies and decisions rather than openly oppose the PA.

This gives the public the impression that neither side is taking the other seriously, and thus, is doing nothing significant in order to harm or challenge the other; were the two sides to take each other seriously, the opposition would become stronger. Now it is a *loyal opposition* at best. The PA, of course, is interested in maintaining the opposition's traditional role since this allows for a degree of co-option. Accordingly the PA has no interest in a new definition of the relationship with the opposition.

If the current situation does not change, reconciliation between the PA and the opposition will continue and become stronger. If, on the other hand, relations become more hostile, the use of arms - which are

available everywhere - could lead to chaos and insecurity. Therefore one can say that neither side is interested in the deterioration of the relationship.

3.   The Historic Position of the Palestinian Opposition Towards the Concept of Peace

There are three main events in Palestinian history that have highlighted the opposition's attitude towards peace: the Geneva Conference of 1974, the Camp David Accords of 1978 and the Amman Agreement of the mid l980's.

The relevant question here is whether the historical position of the opposition was always positive/supportive or negative/preventive with regard to peaceful solutions to the Arab-Israeli conflict. In other words, did the opposition work towards or against peace?

The three events mentioned above have shown that the opposition had a substantial influence in preventing any peace initiative that they regarded as failing to achieve justice and the recognition of Palestinian rights.

From Madrid to Oslo

In order to evaluate the opposition's stand, their behavior in the current peace process must be examined. Does their attitude nowadays differ from previously, for example towards Camp David?

I believe that after the Gulf War and the disappearance of the Soviet Union, new realities have emerged that makes it impossible to talk about a 'just' and 'peaceful' solution to the Israeli-Palestinian conflict. Now, the opposition is forced to find new expressions; 'just' for example, can no longer mean historical Palestine. This altered situation made the opposition look at Madrid in a different, new way. Their new view could best be described as the *concept of phases.* This became a Palestinian concept in general and one of the opposition's in particular: the distinction was made between an immediate Palestinian state and different *mahalia* (phases) towards this goal. The opposition's way of thinking became more pragmatic and more receptive to the idea of having various stages that will eventually lead to a Palestinian state. During the *Intifada* leaflets were distributed (in particular leaflet 26) that mentioned the necessity of a staged process leading to Palestinian

independence. Today, the opposition sees two stages in the existing peace process:

- the Jerusalem-Madrid-Washington stage; and
- the Oslo/post-Oslo stage.

In this context, the first stage is considered the *'premature stage'* since Israel and Palestine were always dependent on the interference of a third side, the US. Consequently, the Oslo-stage is seen as the *'mature stage'*: both sides decided to get rid of the third party, perceiving themselves as 'mature' enough to go ahead alone.

During the Jerusalem-Madrid-Washington stage, the opposition was still in the making, that is, the concept of opposition towards the peace process did not materialize in terms of actions and/or statements.

The leaders of opposing factions attended PLO meetings in spite of the Madrid talks. We also used to attend briefings with the negotiating teams. I believe that the opposition always looked at this stage as another Geneva, convinced it would also fail. Therefore, they didn't attempt to mobilize support for their stand, which was totally against the talks. I remember George Habash saying at a PNC meeting that Arafat will never cross a certain line. In short, it was not felt that there was a need to develop a real opposition.

Then the Oslo Agreement came and created the real rupture! Following Oslo, the opposition boycotted the PLO Executive Committee meeting. Some people - including myself - even boy-cotted Orient House. With the shock of Oslo, the opposition felt for the first time that they had to respond and to articulate their opposition. Tension accumulated and led to disintegration, which is well reflected in the leaflets distributed at that time: it was a period of mutual animosity and blame. Oslo was the turning point at which the opposition began to take action.

The measurement of opposition activity can be seen in two dimensions:

- political versus military actions;
- the progression from the Jerusalem-Madrid-Washington stage to the Oslo stage (time factor).

Following Oslo, both mainstream and opposition political activity increased considerably: meetings, discussions and lobbying took place

everywhere in order to create public opinion that was either for, or against, the agreement. The focus of both camps was on mobilizing people. With Oslo, military actions were also launched, initially on the part of the Islamic opposition rather than the PFLP or DFLP. Oslo can be seen as the climax in terms of decisive action, mutual accusations and lobbying. At this stage, the position of the opposition could be best described as 'rejectionism'. As things developed and the PA established its offices and departments, however, opposition activity declined.

A major role in this context was played by the PA, which adopted a policy of detaining members of the opposition groups, marking the beginning of the opposition's surrender. Apart from occasional demonstrations and statements, no other action was taken, or expected to be taken, by the opposition.

The DFLP and PFLP were always attached to the PLO system and expressions, and they are still opting for the old quota system. I believe that this is one of the reasons why they have opted for 'contained confrontation', that is confrontation, but with clearly defined limits. Further evidence of their rather hesitant position is that the leadership of the PFLP and DFLP were very reluctant with regard to increased military activities. They did not want their relation with the PA to reach a point of no return. In contrast, Hamas and Islamic Jihad were not used to the existing style and codes of the PLO and its leadership (Arafat) nor bound by traditional ties, and thus went beyond certain limits, launching numerous military attacks on Israeli targets.

4. The Opposition's Relationship to the PA and the Effects of the Opposition on the Peace Process

The secular opposition have no clear program, and they do not appear to have formulated a clear stand on certain issues regarding the peace process. They haven't been able to choose their way at this juncture. On the other hand, they do acknowledge that the situation is not to their advantage and that they are unable to present an alternative agenda. Instead, they have stuck to their traditional programs. We are witnessing a very deep organizational crisis within these factions as far as their ways of functioning, decision-making and implementation are concerned. Hegemony remains and prevails. No 'perestroika' has taken place. Inside, the issue of self-criticism has reached the factions, but the outside wants to preserve the centralization of power in their hands. The dilemma is, that, at the same time, they want to show some sort of

democratic commitment in order to satisfy their members. But when the DFLP and PFLP decided to transfer the decision-making process to inside the Occupied Palestinian Territories, the leadership of both the inside and the outside were reluctant, fearing a loss in power and prestige.

Following the Israeli-PLO Agreements, people from outside could return to the inside and a new opportunity was given to balance the inside and the outside. Since, however, the power remained in the outside's hands, a serious crisis developed within the factions. The leaders - even inside - love their positions but the members began to demand changes and a new phenomenon within the DFLP and PFLP emerged: *mustanqif* (freezing of leadership and membership activities) as a new form of protest. Today, 90% of PFLP members and supporters are *mustanqif,* while only the remaining 10% are still active. Thus, the majority have a problem with their leadership and its policies, but this doesn't mean that they have shifted to Fatah or any other faction. I believe that if the leadership was to change, most of these 90% could be re-activated/mobilized. The clear distinction between leadership and members, whereby the latter are currently totally paralyzed, is the main cause of the present crisis. The people as well as the factions themselves know that they are still there but only on the basis of their past fame. The old leaders could re-emerge, but only if they first realize that they have to adjust to the new circumstances. It would appear at the moment, however, that they are refusing to accept this fact.

Immediately after Oslo, the opposition began to discuss among themselves and with the PA the new relationship between the two sides. Initially, the opposition decided not to deal with the PA at all, but when pressure started mounting the leadership outside was forced to revise its position. The new directive was that some sort of contact with the PA was allowed if it promised to be of advantage for practical reasons. With the pressure still mounting, the order was changed once again, allowing for meetings with any PA member except Arafat. The next change came when it was decided that, if any problem could not be solved without the involvement of Arafat, it was permitted to contact even Arafat himself.

The economic aspect plays another important role: during the *Intifada,* there was always enough money, which is not the case now

that the leadership have discovered that their investments are not paying off. In addition, Arafat has stopped allocating funds to the opposition, as did other Arab states. Now they have only donations and funds from individuals, which is nowhere near enough to run a fully structured organization. The financial crisis has forced them to release hundreds of thousands of full-time employees and to close various organizations and kindergartens, etc. Naturally, this has contributed to the decline of local support. For the same reasons, there are also no funds available for election campaigns. With such a comprehensive crisis on all levels, it is unreasonable to expect the opposition to deliver effectively.

The only group that meets Arafat on an official level is Hamas; all others see him only as an unofficial member in meetings of a 'private' nature. The relation between the PA and the opposition was basically limited to the Islamic movements, although they have no traditional relation to Arafat.

The fact that the PA wanted to meet with Hamas, though maybe due, in part, to pragmatism, was to a great extent due to its desire to put an end to the group's military actions, which were regarded as being counterproductive. Thus, the need for dialogue was mutual. Another reason was the Hamas initiative (of Musa Abu Marzouq, April 1994) offering a dialogue and mentioning the possibility of Hamas attacking Palestinian targets. All this put pressure on the PA to start a dialogue with Hamas while there was still no need to do so with the traditional opposition.

5.　　　The Opposition and the Final Status Negotiations

Many people see that things are changing and the Authority is being established, but they reject the idea *per se.* For them, the *barnamaj watani* is still meaningful and they hold on it, e.g., by maintaining the same behavior (such as being in the underground, implementing without thinking, leaving no room for democracy). According to their way of thinking, their refusal to change things now is excusable.

Anything that can be said on this topic now is prediction more than anything else. The opposition are still very busy and preoccupied with more pressing issues such as Oslo I and II or the coming elections, so

that they have not yet had time to discuss the permanent status negotiations and their respective role.

Consequently, it can be assumed that the opposition's role will be very limited, even if they decide to be incorporated into the negotiation process. There are several reasons for this assumption:

(1) The burden of the negotiations will be on the shoulders of the legislative and executive bodies.

(2) Due to the existing sense of continuity as far as the negotiators are concerned there is no place for the opposition.

(3) Fatah wants to and will dominate the negotiations; the opposition therefore, will self-limit its role to different forms of protest.

(4) Due to Israeli disapproval of any assigned role to the opposition, the latter's role is interpreted as slowing down, rather than speeding up, the negotiation process.

Should it transpire that the opposition will not be incorporated in this process, especially if they decide not to participate in the elections, their role will be even more marginal. The opposition themselves see their future role more in relation to representation in local councils (i.e., village or municipal councils). They believe that they will have a better opportunity to articulate on such a basis, from where they will be able to disrupt/slow down the negotiation process.

In this context, the options for the opposition can be summarized as follows:

(1) The opposition will use its influence from the municipal and village level; if successful, this could enable them to create civil disobedience with regard to the negotiations.

(2) If the opposition believe that the civil disobedience strategy will not work, a minority from within the opposition might opt for violence.

(3) The majority of the opposition will try to focus on certain issues such as elections and push for referenda.

6.   Conclusion

Firstly, the opposition see peace as a risk, which they do not want to take. Moreover, they also see that there is a price for peace, which they are not ready to pay.

Secondly, despite the fact that the traditional opposition (DFLP, PFLP) tried to be among the leading parties within the PLO, they do not want to accept responsibility for making decisions: thus Fatah decides, takes the risk and pays the price while the opposition feel more comfortable with seeing what happens and then deciding if they agree with or oppose a decision.

Finally, regardless of whether or not the current peace process continues or even accelerates, the weight of the opposition will be minimal. In brief: the opposition will not play any role with regard to the outcome of future negotiations.
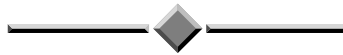
The Opposition and Its Role in the Peace Process - A Jordanian View

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The process of political development and participation in Jordan has unique characteristics deriving from the origins of the state in the collapse of the Ottoman Empire following World War I. Jordan is a state that has developed from without, while other states are usually built from within. At the end of the Mandate in 1946, due to the scarcity of resources in Jordan, the regime was able to become interventionist, authoritarian and centralized due to its monopoly on these resources.

After 1950, there was a short period of liberalization due to the unity between the West and the East Banks, with the participation of the Palestinian elite and more accountability and reforms. The era from 1953-57, following King Abdallah's death and King Hussein's succession, was characterized by openness. Politics was linked to the Palestine Question and party platforms were set up accordingly. The interplay of internal and external factors put an end to this era.

Another new and crucial process began with the elections of 1989, accompanied by an unprecedented democratization campaign, calling for accountability and denouncing corruption as well as the existing regime. In April 1989, it became clear, however, that the Palestinian community was out of the game, as Palestinian groups rejected participation in the elections, which they saw as an internal Jordanian matter. Today, we see the phenomenon of increased potential support by Palestinian voters for Islamist groups. Already in 1989, the Palestinians felt politically discriminated against, which led many Palestinians to adopt an Islamic identity versus a Jordanian one. The Gulf War was viewed by many as an important test according to which they were forced to re-consider their political stand.
By 1993, the King was hoping to formally end the Arab-Israeli conflict. He was not only concerned about the social-demographic agenda, but also about the Islamists who gradually increased their

interference in secular life (e.g., regarding alcohol, co-education, swimming-pools and the like). Against this background came the move to change the election law. This marked the first step back from the democratization process and the beginning of the 'erosion' of the King's popularity. Additionally, Jordan's economic opening to the West, which was followed by a political opening, might have strengthened the government but was not necessarily approved by the people.

With the increased support for the Islamic camp, the King badly wanted to put an end to the old election system, which favored big parties. The new election law strengthened all forms of tribalism and alliances and *a priori* undermined the parliament as a representative body. The Islamic parties' representation was reduced to half. When the parliament approved and passed the King's peace initiative, they did so only upon the King's insistence.

All this left a sense of uneasiness in the country. Those opposed to the peace process were initially on the defensive; they stated their understanding of Jordan's need for peace as well as the need to be realistic, but stressed that they could not agree due to their own points of view.

The government became increasingly authoritarian, banning the opposition almost entirely from the printed media, TV, radio and from holding meetings under the pretext of wishing to secure the peace treaty.

A poll conducted in August 1994 showed that 66% of the population supported the Washington Declaration [of July 1994, ending the state of war between Israel and Jordan]. Although the people were very doubtful about Israel's seriousness, the sense of realism and hope was stronger.

Again in Jordan, the opposition could not be mobilized to stop or influence the peace process. The Islamists effectively have a pact with the King, accepting that the King was bound to sign a treaty, but insisting on articulating opposition to the treaty. The secular opposition - Nasserists, Ba'athists and Jordanian nationalists - cannot mobilize their constituencies.

Meanwhile, mobilizing Palestinians in Jordan in regard to Palestinian or Pan-Arab issues is a difficult undertaking since most Palestinian groups have collapsed. Surveys also indicate clearly that support for the traditional political parties is constantly declining. The main reason for this is that the tradition of tribalism is being preserved and, due to Jordan's social structure, people vote not according to political positions and interests but to family ties. One of the unique experiences of Jordan is that political topics, including democratization, are introduced by tribes: sometimes entire villages vote together.

The Palestinians are not divided along these lines; vis-a-vis Jordanians, they rather represent a single community and act as such. With regard to tribalism, I am basically speaking about non-Palestinian Jordanians.

Jordan suffers from political underdevelopment: in Jordanian elections, it is almost impossible to campaign on issues. The two main influences on voting behavior today are services - patronage - and tribalism.

It is easy to see that such a situation does affect the opposition considerably. Another factor that plays a role in this regard is the Palestinian-Jordanian relationship. Jordanization has failed, and there are two communities. Even those Palestinians who feel quite comfortable to be Jordanians are, after all, Palestinians. This self-defense mechanism is attributable to the exclusion of Palestinians from the entire Jordanian bureaucracy and public sector apparatus. In the past, this discrimination policy forced many Palestinians to emigrate to the Gulf countries.

A recent study carried out by the Center for Strategic Studies has confirmed that 83-84% of Jordanian private sector capital is Palestinian-owned. According to the economic pattern that emerges from this background, the public sector is almost entirely Jordanian occupied, while the private sector is to a large extent in Palestinian hands. The government capital has a share of 5-10%. The researcher for our study went through all registration files at the Ministry of Economy in order to check capital and ownership. The result was that some 83% is Palestinian property! One reason for this is that when Palestinians were widely excluded from the public sector, they had to get involved in business. Now they are blamed for their large share in the private sector.

In the past, the remittances from the Palestinians in the Gulf made up one quarter of Jordan's GDP, but this fact was never appreciated. I think, in the future, the business community and private sector will become more influential and will have a bigger say in domestic matters in two ways: firstly, the public sector has to be reduced sooner or later and this will basically affect the Jordanians; secondly, the private sector will become more powerful and thus, will have a stronger voice. How this will affect the democratization process remains to see. Reforms will be necessary anyway: we need to become more innovative, to develop more forms of property rights, etc. That would also have a positive effect on the redistribution of the domestic income. The current problem is, however, that such reforms need state intervention, that is, to be initiated by the government, which, in turn, doesn't show any movement in this direction.

Jordan is a typical Third World country with resources being pumped in with money from outside. The state must open to Palestinian participation; we cannot exclude them forever. Today, there is not one Palestinian of refugee camp origin in any high position in the state bureaucracy. Historically, the first Jordanian government not based on status was formed only in 1985, and it subsequently embarked on a process of dismantling the public sector. The government was made up of people with different social backgrounds, who were willing to give a chance to the private sector.

We see class formation taking place based on economic prosperity in front of our eyes. While Abdallah created a state of Bedouins, Hussein patronizes the state. Within this context, the concept of 'middle class' is problematic as it is very wide-ranging in Jordan: from agriculture to lower bureaucracy and academics. It depends very much on economic conditions, influence, etc. A recent problem is that since many professionals are against peace with Israel, in order to push the peace process forward, the King wants to destroy the professional unions.

The peace process has had many different impacts on Jordan, socially, economically and politically. The King couldn't convince the domestic scene and didn't really want to *('harwale')*. Since the Jordanian opposition doesn't move, the Palestinians could be a potential source of disturbances - if they organize themselves quickly. But there is also a lack of movement on the Palestinian track.

First, Israeli tourists coming to Jordan was a shock and the government feared that attacks might happen; now, they are seen everywhere in the country and nothing happens. The people try to make money out of them and that's it. Slowly felt economic benefits and a booming tourist sector makes the opposition literally shut up.

There is also a scenario that sees a fertile ground for socio-political explosions in the fact that Palestinians are gaining power economically but are still excluded from the public sector - this is why I have repeatedly said we need changes; reforms need to be implemented and we need innovations, new forms of participation and the like. Strangely, there is more anger about the current de-democratization process outside than inside. *Harwale* is not very popular. For example, when anti-Palestinian statements occurred, the King went to the troops himself speaking very much in favor of the Palestinians. Of course, the Palestinians liked his statements. The King knows very well how to deal with people.

Now, the King is playing solo: he is not playing to the domestic scene at all. That makes him more arrogant and patriarchal in dealing with others: 'I know what is good for you, so I do it - and you shut up'. A good example was his attending and crying at Rabin's funeral. Meanwhile, the opposition are handcuffed, unable to mobilize any anti-forces.

Regarding the issue of modernization and democratization, the King cannot use the same governing tools used during the 1930's, 40's and 50's. He loses popularity simply because the population is much more mature today than it was before. The King, however, fails to consider this.

The bases for the Jordanian state were laid by Abdallah in 1921, and the roots of Jordanian identity lie in these early days of the creation of a Jordanian society in the state of Jordan. The roots of the anti-Jordanian ideology of the Palestinians can be traced back to anti-*Hashemite* feelings, which derived from Abdallah who was perceived as disloyal and a traitor. The events of 1948 were the turning point, when Jordanian troops were accused of being pro-Israeli because they were equated with the Hashemites who were seen as pro-Zionists. Between 1950-65, the Jordanization of Palestinians worked because at that time the Palestinians followed the Pan-Arabist track and felt that Jordan

was first and foremost an Arab country. This fact partially laid the groundwork for the period after 1968-69.

We have to distinguish between early and later Jordanization attempts. In the beginning, there was no support for the idea of excluding Palestinians from certain positions. Domestic stability was the most important issue for the King. The process of excluding Palestinians began in 1969 with a tribal meeting. The tension was already there. With the outbreak of fighting, the King decided to break the backbone of the PLO for the sake of his political survival. The process of cleansing Jordan of Palestinians began, marking also the beginning of the Palestinian identity as a separate identity in Jordan. The King mobilized the Jordanians domestically, knowing that, for the time being, he couldn't expand his political alliances to the West Bank. As for the Palestinians, they reconsidered Hashemite policy for the first time in the mid-1970s.

A recent problem was that, while the Palestinians displayed reluctance with regard to Oslo, the King simply went ahead and went to Washington to make his own deal. Domestically, people initially wanted to wait and give Oslo a chance. But among those who are not totally against Oslo are many who reject the Washington Declaration.

As for the Islamic opposition in Jordan, their influence has declined. They don't play a crucial role. The support for Islamic fundamentalism comes mainly from the middle class, and the Palestinian component is dominating. During the past two years, the government has practiced intimidation and I was very surprised that it worked.

I think the level of Palestinian integration in Jordan is quite higher than generally believed and perceived. It is the King's nightmare that the Palestinians will leave and take all their businesses and infrastructure with them. The King has in no way given up his dream to incorporate the West Bank.

The King has to clean his own house on the East Bank. He is obsessed with security, and he would never take a risk. He follows his instinct as he always did, which invariably proved the correct thing to do. In short, he plays a one-man show.

Israel's Political Parties and the Peace Process

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Historical Perspective

Political parties have traditionally played a major role in the formation and functioning of Israeli society and politics. This tradition is rooted in the decades preceding the establishment of the State of Israel in 1948, when the institutional foundations of the nascent Jewish community in Palestine were laid and took shape. Even though the British Mandate was the legal political authority during most of the pre-state period, the Jewish population engaged intensively in the process of nation-building and developed its own collective identity and infrastructures, albeit under obvious constraints.

Politically, this process involved the creation of various institutions that derived their legitimacy from normative rather than formal legal authority. The normative framework was provided by the Zionist ideology that was shared, with few exceptions, by the entire Jewish population of Palestine. Indeed, most Jews who lived in Palestine during the pre-state era were immigrants who had settled in Eretz Israel (the Land of Israel, Palestine) under the influence of and in identification with the Zionist movement.

Ever since its inception in Europe about a century ago (the first Zionist Congress was convened in 1897), the Zionist movement has invoked the principle of proportionate representation as one of the foundations of its commitment to a democratic political system. From a practical viewpoint, this principle facilitates maximum representation of political actors in policy-making institutions, thus enhancing their legitimacy in the eyes of ordinary 'citizens'. It is important to note in this context that Zionism had been but one of several competing ideologies that emerged among the Jewish communities of Europe at that time, each offering its own solution to the 'Jewish problem'. By adopting the

principle of proportionate representation, the Zionist movement hoped to gain wider support and participation within those communities.

Accordingly, it conducted biennial general elections in which the main competitors were party 'lists' that had been formed among movement members in Palestine and the Diaspora. These parties were typically created on the basis of ideological orientations, the main features of which are set forth below. However, it is important to note that during the British Mandate period these parties immersed themselves in a variety of activities that transcended the ordinary functioning of political parties in democratic systems. Specifically, they helped their members obtain entrance visas ('certificates') to Palestine and arranged work, housing, health care, and the like. Even schools and various cultural activities were organized and provided along party lines. In other words, the party played a central role in the spiritual and material lives of its members and their families.

At the collective level, the importance of the parties derived from two main sources. On the one hand, given the strong ideological commitment of the Jewish community, they represented a highly involved electorate. It is precisely because of this commitment and involvement that the pre-state period has been characterized as the 'pioneering era' in Israeli history. On the other hand, by participating in the elected national institutions, the parties were the prime movers in the community's political action and social and economic policies. The influence of the parties in these spheres was facilitated by the centrality of the Zionist national institutions in the raising and allocation of funds for the attainment of collective goals. For example, decisions in the purchase of land and its settlement by Jewish immigrants were made by the leadership of the dominant political parties.

The pre-eminent role of the parties declined when Israel declared its independence, because the political institutions and bureaucracy of the state took over many of the parties' erstwhile functions. Nevertheless, Israel may still be characterized as a *Parteien Staat*, a term used by Professor B. Akzin in his classical 1955 essay. The import of this concept is that political parties play a more significant role and have greater influence in Israel than in other Western democracies. In particular, the ideological orientations of Israel's main parties and their constituencies are still perceptible. This characteristic probably

accounts for the parties' continuity since the pre-state era as well as for the changes they have undergone in the intervening years.

In view of this background, we may discuss the main ideological differences among the Jewish parties in the pre-state era and their relevance to party politics at the present time. To identify the ideological orientation underlying the formation of parties in the Zionist movement, it is necessary to conceive of them in terms of three analytically different dimensions:

(1) their socioeconomic vision of society;
(2) their strategy in achieving the national goals of Zionism;
(3) the secular-religious schism.

The first dimension categorizes the parties according to their identification with socialist or capitalist ideology. To understand the importance of this dimension, it should be noted that for its founding fathers, Zionism had goals other than the principal aim, the creation of a Jewish homeland in Eretz Israel. In particular, it emphasized the idea that in the course of fulfilling national aspirations, the Jewish socioeconomic fabric must be transformed so that the new Jewish community would resemble other modern nation-states. However, the concept of 'normalization', invoked to capture this idea, was invested with different significance depending on the social ideologies of its users. Because Zionism was born in Europe, its leaders were influenced by the spectrum of social ideas that had prevailed there since the middle of the 19th century. Thus, some ideologists advocated the capitalist model of free enterprise and a market economy, while others embraced various versions of socialism, including Marxism. These differences affected the policies and organizational structure of the parties throughout the pre-state era and thereafter.

The socialist parties, for example, displayed greater cohesion than non-socialist parties and were more effective in using their power jointly in order to develop a network of institutions under the umbrella of the Histadrut, the General Federation of Jewish Labor. The Histadrut had considerable influence on the community's social and economic development before and after the establishment of the state.

For the reader's convenience, the parties of the 1940s are grouped below in terms of the socialist-versus-capitalist distinction. Importantly, nearly all of these parties have undergone many transformations in subsequent years due to numerous splits and mergers. For example, Mapai, the largest party during most of this period, was the predecessor of today's Labor Party, and the Revisionists and General Zionists parties metamorphosed in several cycles to become the core of today's Likud.

Socialist	Capitalist
Mapai	General Zionists
Achdut Ha'avoda	Revisionists
Hashomer Hatzair	Hamizrachi
Hapoel Hamizrachi	Agudath Israel

The second ideological dimension differentiates among the parties in terms of their strategies in attaining the political goals of Zionism. At the risk of oversimplification, we may rank the parties in this regard by their degree of national militancy. In the pre-state era, the main issues underlying this dimension were twofold: policies toward the British government and policies toward the Arabs. With respect to the first issue, the dilemma the Zionist movement faced was how to respond to the government's anti-Zionist policies, especially after Jewish immigration was severely restricted in the 1930's and 1940's. While the majority of the Zionist parties generally adopted a strategy of active but mostly nonviolent resistance vis-a-vis the British, those on the far right, namely the Revisionists and its military wing, the Irgun Tseva'i Le'ummi ('Etzel' in its Hebrew acronym), engaged in violent activities. In fact, a few radical members of Etzel, regarding this faction's policies as too moderate, broke away in the late 1930's and formed the 'Stern Group', the most militant Jewish organization in the British Mandate period.

The national militancy criterion also applies to policies regarding the Jewish-Arab conflict. Most of the Zionist parties sought solutions based on compromise and mutual accommodation, including the partitioning of Palestine between Arabs and Jews. The Revisionists, in contrast, demanded an independent Jewish state in Palestine as a whole, which they construed as including Transjordan (the 'East Bank'), historically part of Eretz Israel and, during the early years of the British Mandate, part of Palestine. The nationalist policy of the Revisionists was also ex-

pressed in military actions against Arab targets, carried out by Etzel and the Stern Group, especially in the form of reprisals during the Arab revolt of the 1930's. However, most of the military efforts of these underground organizations were aimed at British targets, particularly in the aftermath of World War II. Historically, it should be noted that with the exception of the Revisionists and their affiliates, all the Zionist parties, including the General Zionists, have followed the moderate policies of Mapai, the dominant party during the 1930's and 1940's, rather than the aggressive Revisionist stance.

The third criterion that differentiates among the pre-state parties is the religious-secular schism. To begin with, it should be realized that the Zionist ideology is essentially secular, having drawn its ideas from European and American visions of modernism, secularism, and democracy. Therefore, a majority of Orthodox Jews rejected the political goals of Zionism for two related reasons. First, they objected to the secular political mechanism invoked by Zionism to attain the goal of gathering Jewry in the promised land; the return to Eretz Israel, they said, should be the result of a Divine act manifested by the coming of the Messiah. Second, Orthodox Jews envision Jewish society as being a religious one, dominated by the prescriptions of halacha, religious law. Hence most of the Orthodox community spurned the Zionist ideological vision of a secular, modern democratic Jewish society in Eretz Israel.

However, some moderate religious leaders came to terms with the Zionist movement, arguing that its activities should be interpreted as a sign of the first efflorescence of full (i.e., Messianic) Jewish national redemption. Under the influence of these leaders, the Zionist movement was able to attract quite a few Orthodox Jews, who subsequently formed two religious parties, Hamizrachi and Hapoel Hamizrachi, which eventually merged to form the National Religious Party. Orthodox Jews who refused to join the Zionist movement created an anti-Zionist party, Agudath Israel.

In anticipation of further discussion, it is worth emphasizing that in their national policies, the religious parties adopted the moderate attitudes of Mapai during the pre-state era and the first two decades of Israeli independence. Only after the Six-Day War in 1967 did Orthodox Jewry (The National-Religious Party) thoroughly revise its

attitudes towards the resolution of the Israeli-Arab conflict, gradually becoming the spearhead of militant nationalism.

Contemporary Party Politics and the Peace Process

At first glance, the three ideological dimensions that anchor the Israeli political-party spectrum seem to have retained their pre-state relevance to the present time. In the last three decades, however, Israeli society has experienced several substantive events and developments that must be considered in order to understand the politics of Israel's parties in recent years.

First, the socialist-capitalist axis has become practically irrelevant as an ideological barometer. Its decline began in the early statehood years, when Mapai, the ruling (Labor-Socialist) party at the time, explicitly abandoned its ideological rhetoric of commitment to 'class struggle' in favor of a capitalism-oriented policy of national economic development. The abandonment of socialism as the basis of socioeconomic policy was connected with the adoption of a pro-Western foreign policy under the leadership of the US. Moreover, even Mapam, a pro-Marxist party in the 1940's and 1950's, has gradually softened its adherence to socialist doctrines and in recent years has become practically indistinguishable from the Labor Party, (the successor to Mapai). This ideological realignment, however, has not stanched the decline of Mapam in the eyes of the Israeli electorate: from 14.7% of total votes to the Knesset in 1949 to a mere 2.5% in 1988, the last time that it ran as an independent list. Before the 1992 elections, Mapam formed an alignment with two non-socialist parties in order to run jointly under the name of Meretz.

Second, in regard to developments in national policies, the most critical event in Israel's post-1948 history was the Six-Day War and its aftermath. Since that war, the internal political scene has been dominated by an intense debate over the resolution of the Israeli-Arab conflict. The heart of the debate has been the policy toward the occupied territories and the Palestinians' claim to statehood. More recently, the cleavage underlying this ongoing debate has been aggravated by controversy over the future of the Golan Heights and the implications of this dispute for the prospects of making peace between Israel and Syria.

To understand the political parties' attitudes toward the Israeli-Arab conflict, it should be realized that the conquest of the West Bank (Judea and Samaria) ignited a new spirit of nationalism among most Israelis, a trend fueled by secular as well as religious sentiments. Consequently, for the first time in Israel's history, the nationalist camp, which proclaims Israel's right to retain all of the occupied territories indefinitely, has been composed of secular and religious parties alike. The secular parties, led by the Likud, base this policy chiefly on national-security considerations. For the Orthodox, especially the religious Zionists, this justification is secondary only to the religious duty of Jews to settle in all parts of Eretz Israel, the land promised them by God. In fact, some rabbis have deemed withdrawal from any part of the territories to be a breach of a religious commandment under halacha. Consequently, they consider it is morally correct to resist withdrawal and evacuation of Jewish settlements in Judea and Samaria even if such resistance clashes with a decision made by the legally competent authorities of the state. Therefore, in their construct, religious laws take precedence to legislation enacted by the secular government of Israel.

Although these views are not shared by all the Orthodox leadership, they have been widely accepted by most members of the religious community, including those who traditionally had been anti-Zionist. The consequence of these developments is that this community has evolved since the Six-Day War into the spearhead of militant nationalism. At the same time, it must be noted that several secular parties match the Orthodox in their ultra-nationalist views. One of the most extreme is Moledet ('Fatherland'), known mainly for its advocacy of 'transfer' of all Palestinians from the occupied territories to other, Arab, countries. Another extremist secular party is Tsomet, headed by a former Chief of General Staff, Rafael Eitan ('Raful'). The Tsomet agenda, which concerns itself almost exclusively with issues of national security and the Israeli-Arab conflict, depicts the occupied territories and the Golan Heights as vital strategic assets. Accordingly, it opposes territorial compromise and espouses annexation of the West Bank to Israel.

Note that the Likud, the central player in the nationalist camp, vehemently opposes transfer and annexation. Its own policy consistently prescribes some form of Palestinian autonomy in a West

Bank and Gaza Strip, which remain under Israeli political and military control. Faithful to this policy, the Likud refrained from formally annexing the occupied territories when in power between 1977 and 1988. On the left side of the political spectrum, we may distinguish among three main groupings of parties in terms of willingness to compromise. The far left includes two parties - the New Communist List (Rakah) and the Democratic Arab Party (Mada) - that draw almost all of their support from Arab citizens of Israel. Despite important differences between them they both whole-heartedly accept the PLO demand for independent Palestinian statehood in the entire area of the West Bank and the Gaza Strip. Predictably, they have ardently supported the Oslo agreements and the ensuing peace process. Similarly, they advocate an Israeli-Syrian peace agreement based on a total Israeli withdrawal from the Golan Heights.

The next grouping on the left comprises three Jewish parties - Mapam, the Citizens Rights Movement (Ratz), and Shinui - which, as noted above, formed a joint list (Meretz) that first ran in the 1992 Knesset elections. The creation of this alignment, despite some noticeable ideological differences among its founders in socioeconomic affairs, was stimulated by the leaders' common view that Israel should compromise more extensively in order to resolve the conflict with the Arabs. Before the 1992 elections, these parties envisioned Meretz as a natural partner in a Labor-led coalition government, on the assumption that Labor would emerge with a plurality. The joint list earned 12 of the 120 Knesset seats in 1992, as against ten in the 1988 elections when the three parties ran separately. In the wake of this significant success, the expectations and strategies of the Meretz leadership were fully realized, and Meretz has indeed played a major role in the peace process initiated by the incumbent government headed by the Labor Party.

The third and most important grouping on the political left is composed of one party only: Labor. In the 1992 election campaign, Labor phrased its policies on the Israeli-Arab conflict much more cautiously than those of Meretz. Labor's strategy was to win as many votes as possible from the political center. Consequently, while being explicit about its intentions to make a serious effort to conclude peace agreements with the Arabs, it avoided public commitments that might appear excessively lenient. In fact, the replacement of Peres by Rabin as the new leader of Labor, in party primaries held before the 1992 elec-

tions, was motivated by the desire to convince the Israeli voter that a Labor-led government would not sacrifice national-security interests in any peace agreement that it negotiated. As is well known by now, this strategy was evidently quite effective, as Labor trounced its main rival on the right, the Likud, and - more importantly - has moved swiftly and meticulously in its efforts to implement its commitment to the conclusion of peace accords with the Arabs. An indication of the success of these efforts is the steady advancement of the peace process with the Palestinians, facilitated by the Oslo breakthrough; the signing of a comprehensive peace treaty with Jordan; and continued dialogue with the Syrians.

These achievements notwithstanding, it should be emphasized that the parliamentary opposition to the incumbent government's peace policies embraces nearly half of the Knesset. To illustrate this fact, the table below distributes the parties according to their attitudes towards the peace process and the number of Knesset seats earned in the 1992 elections.

For the peace process		Against the peace process	
Party	Seats	Party	Seats
Labor	44	Likud	32
Meretz	12	Religious	16
Arabs	5	Tsomet	8
		Moledet	3
Total	**61**	**Total**	**59**

As the table shows, the government's slim majority depends on the support of the Arab parties. Indeed, the opposition has exploited this situation to argue that the government's policies are not supported by the majority of Jewish parties in the Knesset. Following this rationale, several members of the opposition parties have gone so far as to challenge the legitimacy of natio-nal-security decisions that rest on Arab votes. However, this claim has been rejected by the Likud leadership and has had little impact on the parliamentary and public political discourse. It is perhaps a testimony to the strength of Israel's democratic system that despite the fierce opposition to the government's peace policies from the parties on the rights, all of them have consistently adhered to the rules of the political game. This as-

sessment is not invalidated by the assassination of Prime Minister Yitzhak Rabin on November 4, 1995. On the contrary: this tragedy united almost all parties in a vote of confidence for the new government that, under the Israeli law, was formed by Rabin's second in command, Shimon Peres (The vote was unanimous for the choice of Peres to form the new government.)

Public Attitudes

In view of the impact of ideologies in Israel's political culture and the centrality of the Israeli-Arab conflict on its political agenda, it is hardly surprising to find a strong correlation between the attitudes of the parties' leaders and followers. In other words, the disagreements among the political elite with respect to the peace process are clearly reflected at the grassroots level. Thus, the Israeli public is divided into two roughly equal camps in its support or rejection of the peace process. Of no lesser relevance is the observation that the dichotomy of doves and hawks has been relatively stable over time. Thus we find that the public's attitudes hardly changed after dramatic events such as the ceremonial gathering in Washington where the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip ('Oslo II') was signed, or after tragedies such as the massacre by Islamic terrorists of civilian bus passengers in Tel Aviv.

However, the nearly even distribution of doves and hawks in attitudes toward the peace process may be misleading insofar as the final resolution of the Israeli-Palestinian conflict is concerned. For example, in a countrywide poll conducted shortly after the signing of the 'Oslo II' agreement, respondents were asked if they would support the evacuation of Jewish settlements from the occupied territories in order to conclude a comprehensive treaty with the Palestinians. The answers were distributed as follows :

Strongly support	7.9%
Tend to support	22.4%
Undecided	17.9%
Tend to oppose	20.1%
Strongly oppose	31.8%
Total	100.0%

Thus, there is a clear majority against evacuation of Jewish settlements in the West Bank. This observation correlates with the finding that only 37.3% of Israelis believe it impossible to conclude a peace treaty without the evacuation of most Jewish settlements. The rest are either unsure (14.9%) or of the belief that such an agreement may be possible even without evacuation (47.8%). Moreover, there seems to be considerable internal disagreement among supporters of the peace process, stemming from distrust of Palestinian behavior and intentions in the short and long terms. Thus, a large majority of Israeli Jews - over 70% - are disappointed with the Palestinians' implementation of the Oslo agreements; a majority of similar magnitude believe that the Palestinians would annihilate Israel if given the opportunity.

Notwithstanding these trends, polls taken shortly after the assassination of Rabin showed a significant upturn in public support for the peace process. However, it is quite possible that this change reflects an emotional response to the atmosphere of national trauma caused by the assassination. On the other hand, the same polls pointed to a perceptible increase in the popularity of the Labor Party at the expense of the Likud. This transformation may suggest that Rabin's assassination created a genuine change in public attitudes, so that the current majority in favor of the peace efforts is here to stay. It remains to be seen which of these interpretations will prove valid.

III.   RELIGION AND STATE

Features of the Governing System in Islam

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In the Name of Allah, the Compassionate, the Merciful

Introduction: Pre-Islamic Society

Before we talk about the system of governing in Islam, we should first tackle briefly the conditions in which the people of the Arab Peninsula were living at the time when Islam appeared. This will enable us to understand the deep transformations that occurred in the life of Arabs at that time. Those who lived outside the Arab Peninsula were marginalized and did not know security or stability unless allied with another power; robbery, raids, ignorance and oppression practiced against the weak by the strong controlled life at this time.

Islam came to transform the marginalized Arab, who had no civilized characteristics, into a human being with real initiative. Islam did not only win sovereignty inside the Peninsula, but its influence surpassed it and spread to the whole world.

To discuss 'the Governing System in Islam', it is essential to quickly look at a number of important issues to see the real conditions that existed in Arab society before Islam. By looking at the similarities, differences and matching features, the picture becomes clearer.

Pre-Islamic society in the Arab Peninsula was distinguished by the following features:

1) *Ignorance*:

Sociologists and historians differ in their definitions of the word 'ignorance' in this context. It could mean the opposite of knowledge or it could mean intolerance. Scholars who argue for intolerance refer to a verse written by the poet Amru Ibn Kulthum that reads:

"No one should treat us with ignorance; otherwise, we will be more ignorant than him."(1)
(If he is not tolerant of us, we will be much more intolerant.)

They also refer to Muslim's Sahih in which A'isheh, God be pleased with her, describes an action of Sa'ad bin 'Ubada. She says:

"The head of Al-Khazraj tribe, Sa'ad bin 'Ubada, who was a virtuous man, stood up with rage as ignorance controlled him."(2)

Thafer Al-Qasemi mentions many more arguments for this interpretation in his book *Chapters in Language and Literature*, pp. 12-16.(3)

2) *Previous Civilizations*:

The Arab Peninsula was a theater for many different civilizations before the appearance of Islam. These civilizations have yet to be studied, and very little is known about them. Sculptured stones that date back to 1,200 years before Christ, peace be upon him, prove that there had been civilizations there which have since disappeared. We do have proof of monarchies on the edge of the Arab Peninsula. To the north, Al-Ghasasena monarchy was established. It had a semi autonomous system under the protection of the Byzantines. A number of historians called its monarchs, who are from the Jifna tribe, the 'lament' monarchs(4). Under the protection of the Persians, Al-Hira monarchy lived in Iraq. The establishment of the protected monarchy of Al-Ghasasena by the Romans is one of the few clues to life in this civilization. Such monarchies prove that there had been a few basic systems that set the rules for society despite the existence of an ignorant governing system.

Most probably, these monarchies acquired from each other a governing system within the wider context of systems that already existed there. In general, such systems linked the social life with the political one. The following discussion (mentioned in *Tarikh Al-Tabari*) between Khalid Ibn Al-Walid and a man called Amru Ibn Abdul Masih describes the situation in Al-Hira at that time.

Khalid: How old are you?
Amru: One hundred years.
Khalid: What is the most astonishing thing that you have ever seen?
Amru: I have seen villages allocated along the way between Damascus and Al-Hira. A woman travels from Al-Hira taking with her only one flat loaf of bread.
(At first, Khalid thought that Amru was feeble-minded, but as he talked to him, he discovered that he was a cunning man) (5)

> Khalid: A man can be killed in a strange land; a man can destroy a place he knows; and kinsfolk are more knowledgeable of these situations.

3) *The Character of Al-Hijaz:*

Al-Hijaz is distinguished by the fact that the honorable Al-Ka'aba was established in its most famous city of Mecca. Before Islam, the Arabs used to travel to it - to honor and glorify it - through performing the Hajj. They used to visit the place (Ka'aba) where Ibrahim and his son Isma'el, peace be upon both of them, built its base.

> "Thus Ibrahim along with Isma'el laid the foundations for the House: our Lord, accept this from us... ."(6)

It can be inferred that the people who visited Mecca for pilgrimage must have created a system to govern their behavior in this holy place. Having special traditions - of which Islam accepted some and rejected others - is an indication of having the features of a civilization and political system. The spread of markets in this period shows that there had been a system of government whilst giving us an idea about some of the Arab social habits. Agreements on the rules for custody of the Ka'aba, and the offices of the gatekeeper, water supplier and building in Mecca support this argument.

Ibn Sa'ad in his book, *Al-Tabaqat*, said:

> "The Koreishites chose Hashim Ibn Abd Manaf Ibn Qass, who is a rich man, to be in charge of the office of water supplier and the saddle clothing. When Hajj came, Hisham used to stand in front of the Koreish and say: 'Oh kin, fellows of Koreish, you are the neighbors of God, and the people of his house. In this season, the visitors of God come to you to glorify the sanctity of his house. They are God's visitors; and the visitor has the right to be well hosted. God encouraged you to do so and honored you with this responsibility.'"

The existence also of the town council (*Dar Al-Nadwa*), alliances and the strengthening of the customary tribal laws are proof that there was a governing system for the people's internal and external relations.

When Islam came, it gave the Arabs the responsibility to spread the new religion - which includes a doctrine, a worship and a system of life - to the farthest nations. The cohesion that exists between the three pillars - doctrine, worship and system of life - was the most important

factor in enhancing the new society's stability and strength in encountering difficulties. This cohesion also supported continuity of government and laid the basic foundation for justice, security and stability in people's lives. The new system was founded by the Prophet Mohammed, God bless him and grant him salvation, before he migrated to Medina; this proves wrong those who claim that he addressed the rules for governing and the meaning of statehood only after he moved to Medina.

The Islamic Governing System's Foundations

Any governing system has to have foundations and pillars that it depends upon in building its state and establishing its system. The governing system in Islam is set up on a solid foundation where there is only room for movement within the space the Wise Legislator (God) has specified. The most distinguishing feature of the Islamic governing system is that the source of legislation is God, the Supreme Lord. This means that God is the source for all authorities' legislation, and the foundation of general laws with which no man has the right to interfere. The *Mujtahid* (diligent) can make a judgment based on the interpretation of the four *usal* only within specified boundaries. This is perhaps the secret behind the continuity of this legislation and its strength as it does not follow people's inclinations or the mood or the times.

The most important foundations for governing in Islam are:

a) *Freedom of Religious Belief*

The system of freedom in Islamic society is precise and balanced. It protects man's freedom of thought, belief and behavior on condition that this freedom does not violate the freedom of others. Possibly, Islam was the first system to confirm the concept of freedom in society. Islam mandated the freedom of the individual, freedom of religious belief and social and political freedoms 1,200 years before human laws (dictated by the desires of their legislators) did. In the Holy Koran, the Supreme God says:

> "There should be no compulsion in religion."(7)

According to Ibn Katheer's interpretation, it means:

72

"Don't force anyone to enter the religion of Islam."

Another Qur'anic verse says:

"So will you force mankind to become believers?"(8)

These verses illustrate the respect for religious freedom in Islamic society.

Other stories from the Sunna and the biographies of the Prophet Mohammed, may God bless him and grant him salvation, also prove the protection of religious freedom. One such story is that of Rayhana: In his biography of the Prophet, Ibn Hisham said:

"The Prophet, may God bless him and grant him salvation, chose a female prisoner for himself called Rayhana Bent Amru Ibn Khunafa, who was a woman from the Qurayda tribe. The Prophet, may God bless him and grant him salvation, proposed to marry her and asked her to wear the veil (hijab). Rayhana refused and asked the Prophet to let her alone, and he did. When she was captured, she rejected Islam and refused to deny Judaism. As a result, the Prophet, may God bless him and grant him salvation, isolated her. Later, as he was with his friends, he heard the sound of footsteps coming from behind. He said: "Tha'alabah came to announce that Rayhana entered Islam." Tha'alabah came to God's prophet and said: "Rayhanah entered Islam." The prophet was happy for her." (9)

Islam came while surrounded by monotheistic religions. Their believers were described as 'People of the Book'. Despite the fact that Islam came for all people, it protected the principle of freedom of other religious beliefs. The story about the Christians of Najran illustrates this. Ibn Hisham said in his biography of the Prophet that:

"The heads of Najran wearing silken wraps came to the Prophet, may God bless him and grant him salvation, while he was inside the mosque as he prayed the middle prayer. When their prayer time came, they stood up in the Prophet's mosque to pray. The Prophet said: 'Leave them while they pray to the east'."

This is the utmost possible respect for the freedom of religious belief.

b) *Political Freedom*

Islam guards freedom of political thought in the Islamic society. Special attention was given to ensuring that this freedom was not curtailed; since, if such a thing were to happen, intellectuals would be prevented from freely contributing their ideas.

The story of 'Umar and the day of Al-Hudaybiya proves this. On that day, the Prophet, may God bless him and grant him salvation, sent 'Uthman to Abu Sufian and the masters of Mecca to tell them that the Prophet did not come to launch a war, but to visit the Ka'aba, praising its holiness. After negotiations, the Koreish sent a man called Suhayl Ibn Amru to negotiate with the Prophet and told him:

> "Make a settlement with Mohammed by which he will not enter Mecca this year. In the name of God, we will not allow the Arabs to say that Mohammed entered Mecca by force."

Some of the settlement's conditions agreed upon were as follows: if anyone from the Koreish came to Mohammed without permission from his patron, he must send him back to the Koreish. Whoever came to the Koreish from Mohammed's group, the Koreish would not send back. As the agreement was finalized, except for the signature, 'Umar Ibn Al-Khatab came to Abu Bakr and said to him:

> Isn't he the messenger of God?
> Abu Bakr: Yes.
> 'Umar: Aren't we Muslims?
> Abu Bakr: Yes
> 'Umar: Aren't they infidels?
> Abu Bakr: Yes
> 'Umar: Why then do we accept this inferior position to our religion?
> Abu Bakr: Oh Umar, you have to abide by what the Prophet says. I certify that he is the messenger of God, may God bless him and grant him salvation.
> 'Umar: I certify that he is the messenger of God.

As 'Umar was not convinced by Abu Bakr, he went to the Prophet to discuss the matter with him. He mentioned to him what he discussed with Abu Bakr. The Prophet, may God bless him and grant him salvation replied:

> "I am the servant of God and his messenger. I will not violate His orders and He will not abandon me."

Later, 'Umar used to say:

> "I still give alms, fast, pray and emancipate slaves as expiation for what I did on that day."

This is not the only incident in which political freedom in Islamic society was guaranteed. Such freedom was also guaranteed during the periods of the Orthodox caliphs, the Ummayad and the 'Abassyds. This freedom became a course of action in people's lives despite some aberrations that cannot be considered part of basic Islamic governing system.

c) *Al- Shura* (Consultations)

For things to be right and stable in any society, it is important to have agreement on the foundations that people accept and refer to when they disagree - foundations that make people feel that they are in safe hands whether in their day-to-day matters or on crucial issues. To do so, Islam legislated the great principle of *Al-Shura* as a basis for organizing people's lives. *Al-Shura* is a great principle that is essential to any organized group. I do not think that any system or basic law in the world does not include *Al-Shura* or denies it, even when ways of application differ. (10)

Al-Shura means examining closely different ideas and viewpoints concerning an issue and testing them by intellectuals so as to choose the best one. (11) This facilitates the best results. The Holy Koran confirmed the principle of *Al-Shura* as a basic concept to stabilize justice and to activate people's minds. The Holy Koran tells the Prophet, may God bless him and grant him salvation: "and consult with them on the matter" (12) and "whose business is conducted through mutual consultation among themselves." (13)

The Prophet himself, God bless him and grant him salvation, practiced the process of *Al-Shura* and applied it practically. He asked the advice of his friends concerning fighting on the Day of Badr. He said to them: "Oh people share with me your points of view..." and he repeated it more than once. His friend, Al-Habab Ben Al-Munther, advised him to change the location of their camp. The Prophet, may God bless him and grant him salvation, saw that there was wisdom in his suggestion and accepted it.

He used *Al-Shura* also in the days of Uhd and Al-Khandaq. (14) His friends, God be pleased with them, did the same. When the Prophet, peace be upon him, died, his friends gathered in *Bani Sae'eda* shelter to see who will take command after the Prophet, may God bless him and

grant him salvation. Using *Al-Shura*, they reached the decision to give Abu Bakr, God be pleased with, the command.

Many 'Ulama and jurisprudence have sayings that emphasize the importance of *Al-Shura* such as:

> "Making a wrong decision as a result of using *Al-Shura* is more righteous than making a right decision out of individualism and suppression." (15)

In his book, '*Kalileh Wa Dimna'*, Ibn Al-Muqafa' said,

> "It is essential for a king to have an honest advisor with whom he can share his secrets and who can help him with his viewpoint."

A poet said in this context,

> "If a matter cannot be decided on without *Al-Shura*, ask for a clever viewpoint or discreet advice."

'Umar also said,

> "There is no virtue in something that was decided upon without using *Al-Shura*."

In Islam, *Al-Shura* is not a superficial performance. It is an obligatory duty of any ruler. By referring to the verse "and consult with them on the matter," Al-Fakhr Al-Razi said that it is an obligatory duty to apply *Al-Shura*.(16)

There is no space in this article to explain *Al-Shura* fully and go into its more beautiful features.

d) *Justice and Equality*

Islam came while people in the ignorance period had been part of different classes with confusing relationships. There had been the classes of the masters and the classes of the slaves where the slaves were forced to serve the masters without compensation. Islam brought the concepts of justice and equality regarding rights and duties. It also clarified that the principle of piety is the foundation for judging people. The Supreme says:

"Mankind, heed your Lord Who has created you from a single soul, and created its mate from it, and propagated so many men and women from them both."(17)

Allah also says:

"O mankind, We have created you from a male and female, and set you up as nations and tribes so you may recognize and cooperate with one another. The noblest among you with God is that one of you who best performs his duty."(18)

At the end of a speech (*Khutba*) made by the Prophet, may God bless him and grant him salvation, he says:

"Oh people, your God is one, there is no favor to an Arab over a foreigner, to a foreigner over an Arab, to a black over a red, to a red over a black except in piety. The most favored is the most pious."(19)

Only after the concept of social justice based on piety was established did the social balance in the Arab Peninsula become stabilized. Islam confirms that people are equal like the teeth of a comb and that the measure for judging people is the degree of commitment to God's rules.

Justice was not only practiced between Muslims but also included all members of the society inside the Islamic state; Muslims and non-Muslims. Examples to prove it are many, one of which is the incident where the caliph 'Umar Ibn Al-Khatab asked a Coptic boy to beat the son of Amru Ben Al-a'as, the distinguished ruler of Egypt, because he hit him in a horse race for riding ahead of him.

Establishing a just system is a duty that the Holy Koran confirms. Allah says:

"God orders you to give back the depositions in trust to their owners and if you judge between people, judge with justice."(20)

One of the greatest fruits of justice and equality between people is stability and with stability, the feeling of security and peacefulness.(21) In addition, justice and equality promote society's prosperity. The Prophet, may God bless him and grant him salvation, says:

"This nation stays in good condition only if when it says the truth; when it judges, it passes just verdicts; and when it pleads for mercy, it acts with compassion."(22)

Conclusion

These are some of the features of the governing system in Islam. The conflict between the Islamic viewpoint and the ruling regimes in the Arab and Islamic World is due to two major reasons: First, ignorance on the part of the regimes of the governing system in Islam and the nature of Islam; second, the rulers' fear of losing some of the privileges that they have wrongfully grabbed.

The absence of security and safety in today's societies - and the absence of trust between the ruler and the ruled - are due to the fact that oppressive and suppressive regimes are prevailing in the states. The world of today is in severe need of reassessing the governing systems that exist: the world's economic system should be reassessed and corrected so as to eliminate the phenomenon of poverty; and the world's social and political systems also should be reassessed and corrected.

People need to take a moment to reassess what is going on in the states of the world in terms of the violation of moral values and noble concepts. While they use the slogans of civility and progress, they must not forget the laudable ideas of religious values. Yes, we are in severe need of correcting the minds, the spirits and the hearts of people everywhere.

Endnotes:
1. Diwan Amru Ibn Kulthum
2. Acted with ignorance as he became angry and lost his temper.
3. Sahih Muslim, section 4, p. 2134
4. Al-Qasemi, Dafer, *Al-Nitham Al-Hukm fi Al-Sharia wa Al-Tarikh Al-Islami*, section,1, p.9.
5. Farrahu: examined him, Al'ad: cunning person
6. Sura Al-Baqara, verse no. 127
7. Sura Al-Baqara, verse no. 256
8. Sura Yunis, verse no. 99
9. Sura Ibn Hisham, third section, p. 256
10. Al-Qasemi, Dafer, *Al-Nitham Al-Hukm fi Al-Sharia* wa *Al-Qanun Al-Islami*, first section, p. 64
11. Abu Fares, M., *Al-Nitham Al-Siyassi fi Al-Islam*, p. 79
12. Suar Al-'imran, verse no. 158

13. Sura Al-Shura, verse no. 38
14. Abu Fares, M., op.cit., p. 83
15. Abu Fares, M., op.cit., p. 82
16. Fakhr Razi's interpretation, second section, p. 67
17. Sura Al-Nisa, verse no. 1
18. Sura Al-Hujurat, verse no. 13
19. From Al-Baheeqi's Sunan
20. Sura Al-Nisa, verse no. 58
21. Abu Fares, M., op.cit.
22. Al-Razi mentioned in his interpretation 10/141

The Relationship Between Church and State:
A Christian Point of View

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Discussing the Church and State in Christianity is a difficult matter in that it raises many interrelated issues. In this brief paper I will attempt to look at the Christian stance on the question of the Church and State in a general way, as well as the historical relationship in practice. Finally, I will concentrate on the Palestinian point of view with regard to this subject.

The Church's Position on the State

The Bible:

Reading the Bible, we find several verses on the relationship between political and spiritual life. Among these are verses we read from the Gospel of Mark and the Gospel of John and the holy letter from Paul to the King of Rome:

   One)"Render to Caesar the things that are Caesar's, and to God the things that are God's" (Mark 12:17);

   Two)"When Jesus therefore perceived that they would come and take him by force, to make him a king, he departed again into a mountain himself alone" (John 6:15);

   Three)"Jesus answered, 'My kingdom is not of this world: if my kingdom were of this world, then would my servants fight, that I should not be delivered to the Jews: but now is my kingdom not from hence.'" (John 18:36);

It is impossible to understand the verse from the Gospel of Mark unless we interpret it within its proper context. This verse appears at the end of the initiation of the Jewish leaders when they sent some Pharisees and Herodians to catch Jesus saying something or taking a stand that contradicted Jewish teaching.

"And they send unto him certain of the Pharisees and of the Herodians, to catch him in his words. And when they were come, they say unto him, 'Master, we know that thou art true, and carest for no man; for thou regardest not the person of men, but teachest the way of God in truth: Is it lawful to give tribute to Caesar or not? Shall we give, or shall we not give?' But he, knowing their hypocrisy, said unto them, 'Why tempt ye me? Bring me a penny, that I may see it.' And they brought it. And he saith unto them, 'Whose is this image and superscription?' And they said unto him, 'Caesar's.' And Jesus answering said unto them, 'Render to Caesar the things that are Caesar's, and unto God the things that are God's.' And they marveled at him."(Mark 12:13-17)

Analysis of the Story:

Who were the Pharisees and the Herodians? The Pharisees were a group of Jews who were extremely zealous in keeping the law of Moses and the practices of the ancients in matters of ritual purity, observing the Sabbath, the Ten Commandments, etc. They were opposed to pagan Roman rule. As for the Herodians, they were among the followers of Herod and supported his rule, which was granted to him by the Romans. This meant that this group was waiting for Jesus to say something against the government of Caesar so they could report it to Caesar.

Therefore, when the rabbis and wise men of the Jews sent the Pharisees - who were conservative in keeping the Law of Moses on the one hand, and the Herodians, who leaned in favor of the Romans on the other hand - they actually wanted to trap Jesus into making a political statement or taking a political stance with regard to the question posed to him. We should also clarify here that at that time the faithful Jews considered the rule of the Romans to be an attack against them because it was not the rule of God, and its laws were not the laws of God written in their holy books. It was understood that anyone who was against the rule of God was against the rule of faith and that those who leaned toward the pagan imperialist Romans were against faith in God. But we understand from the response of Jesus - "render unto Caesar the things that are Caesar's and unto God the things that are God's" - that faith in God is not faith in a particular political system or in a particular state, because God and faith are above politics and the specifics of particular periods in time. Meanwhile the believer, in his role of citizen, must bear his political responsibilities without bringing God into the matter. With his response, Jesus overcame the long-standing theocratic

mentality that characterized that period, announcing a new system when he spoke to Pilate, saying:

> "My kingdom is not of this world: if my kingdom were of this world, then would my servants fight,... but now is my kingdom not from hence."

In this world, citizens must deal with Caesar according to the principles of a temporal authority, while they must deal with God according to the principles of dogma and faith. Jesus clarified this position to his followers who witnessed his wonders and miracles, who heard his teachings, and who fervently wanted Jesus to be their worldly king to free them from the Roman Niro. And the Gospel of John tells us that when Jesus learned this was the will of the people he departed and went to the mountains alone. (John 6:15)

Relations between Church and State
in the History of the Church

In the first three centuries the Church was separate and far from the State and politics, because Jesus' vision was the kingdom of God and the Beatitudes - "blessed are the poor, the merciful, the meek..." - and spiritual considerations are contradictory to the considerations of the State. This was an important reason why the Roman State's position towards the followers of Christ was "they have no right to exist" and must be caught and eliminated wherever they are. Indeed, the Christians at that time suffered severe forms of torture and were even put to death for their Christian faith. Hence, these first three centuries of the Church's history are called the centuries of faith and martyrdom. The Church's position on the Roman authorities was tied to two principles: first, "All authority is from God" and must be obeyed; second, "God is more worthy of obedience than men," which means that it is not the place of the State to interfere in the affairs of the Church and in the freedom of Christians in embracing and expressing their faith.

However, after the Roman Empire's conversion, Christianity's situation changed dramatically. The Empire put all its means at the disposal of the Church in its effort to spread the Christian faith. In regards to the relation of Church and State, we can say that the Church set out on an errant path as the Church and the State became one. The Roman emperor kept for himself authority over religious matters, and the interests of the emperor and of Christianity thus became one. Consequently,

when there was religious dissent, the emperor was blamed for it because every religious dispute reflected on the unity of the empire. This is evidenced throughout history in various emperors' calling for the convening of ecumenical religious conventions and intervening in the designation of the Bishop. Examples abound: Constantine, the king who headed the ecumenical convention in Niqia in the year 325; King Theodosius's calling for the holding of the ecumenical convention in Afsas in the year 431; Marqianus agreeing to the holding of the Khalqidunia convention in the year 451, etc. In contrast to this, we see some Bishops who wanted to preserve the independence of the Church and its non-integration into public life. An example of this is the metropolitan of Milano Saint Ambrosius and Pope Jilasius who wrote in one of his letters to the Emperor Ithnasius the following:

> "Your Highness the Emperor,
> The world is ruled by two principles: the authority of the holy clergy and the authority of kings. The mission of the Bishops is becoming more difficult because they must stand before God's judgment on behalf of themselves and the kings. As your grace knows, although your position puts you above all people, it is your religious duty to bow your head in front of those responsible for matters of God as long as you are expecting them to offer you a means of salvation. In order to receive heaven's secrets and to deal with them properly, as you also know, one must obey the dictates of Christianity not to lead or assume temporal authority. And thus in this matter you are subject to their judgment and must not try to make them to submit to your will. Indeed the religious leaders, according to the laws of the land, recognize that the empire has been given to you from on high and they obey your decisions as final. Thus you must obey those who are dedicated to the service of the heavenly secrets."

It is worth mentioning that the integration between Church and State was carried out first under the authority of the State: this was the first model of integration between the two. As for the second, it occurred when the Church was controlling the State. We see this in the Western Roman Empire, where the Church found itself filling the vacuum of authority after the dissolution and division of the Roman Empire between East and West. Pope Bonifasius VIII expressed this position in his edict 'One United Church' of 18 November 1302, in which he wrote that the Christian world - State and Church - formed one body with the Pope as its head.

Yet despite these efforts at integration, conflicts continued between the Church and the State. The most famous of these was that between the German Emperor Frederick Barbarosa and his resistance against Pope Iskander III. The other important conflict was between King Henry IV and Pope Gregorius VII.

During this period when the Church and the State were one unit, a number of religious wars took place and it is in this period that the Inquisition returned. This tension and conflict remained in Europe until nations and national entities began to form at the expense of the Holy Empire. Some Popes held onto the dream of a Holy Empire until the period of the rise in interest in human sciences and the beginning of the reform movement within the Church itself. However, the Church remained tied to the State in one form or another until the beginning of this century. In the Latrun Agreements between the Vatican and the government of Italy in 1929 the Church finally lost all its temporal authority but retained its spiritual freedom.

In the present day, there are still a number of Christian states that consider Christianity the official state religion. However, the distinction between clergy and secular officials has become clear, and there is a clear definition of the fields of work in which they operate.

The Church's Position Today

The Church today sees the State as an independent entity with jurisdiction over temporal matters and as having sovereignty over its own laws and objectives that are not tied to the spiritual realm: the State as an institution is not subject to the Church.

The Church is a spiritual institution with its own independent existence. Its role is to take care of the spiritual realm, which includes not only the relation between people and God, but also relations between human beings. The Church carries a spiritual message, which is subject to the sacrament of redemption that Jesus carried.

Consequently, there are differences between the Church and the State in the means they employ. For example, the Church does not use the kind of measures that a state uses in security matters, and thus the State does not have to accept the same repression that the Church does. The Church has one great message: love everyone, even your enemy.

States have a specific political system, whereas the Church is not tied to any system and can coexist with any system, regardless of its political ideology. Thus, the Church is also not tied to any political party. Christianity is a faith and not a political or party ideology: it is for every person and all peoples. Meanwhile, politics is limited to a specific idea and a specific group. It is my view that there are no Christian political programs, although there are political programs that the Church may reject because they go against the fundamental moral faith and principles, or that the Church may accept because they are compatible with general Christian principles. On this subject, the Vatican II says, "The Church rejects political forms that stand as a barrier in the face of civil or religious freedom as is the case in some regions." The faithful are like all other citizens in that they can oppose or support any political program in accordance with their fulfilling their national duties. Their political activity may be affected by their moral, religious convictions, and their deepest internal convictions, but their political choices remain tied to national factors and are not of a religious or sectarian nature.

It is clear that despite the independence of both the State and the Church in their fields of activity, there remains between them some points where they overlap, joint fields of work, and a continuing dialogue. Several factors account for this: first, the Christian citizen is one person who is tied to two institutions; second, the duty of the State is the complete general interest which includes all aspects of human beings in their material and spiritual pursuits; third, the temporal realm, even if it is independent, remains subject to moral measures, as do all human activities.

In a speech on 11 January 1973 to members of the diplomatic corps to the Vatican, His Holiness Pope Paul VI summarized the Church's position on the State:

> "The Church is far from political activity as such, but it is present at each meeting between people and in every discussion on justice. The Church works in the service of the people and in fostering conscience and cooperation, according to its own way, including cultural and social growth and progress. We have no other way but that which Christ outlined: 'Render unto Caesar what is Caesar's and to God what is God's.'"

So the distinction between the spiritual and the temporal systems is clear in this period. It is not the responsibility of the followers of the Christian faith to point out a political course or specific worldly paths the citizen must follow.

Yet there is a deep connection between the two systems. Therefore, we cooperate in working towards the general interest of every country and of all of humanity, and we are not neutral observers, for the Bible forbids us from remaining silent when people are exposed to material or spiritual danger, or when the law itself is in danger.

Religion and the Believer

We must distinguish between religion and the believer. Religion is from God and God is above both the issues of man and the stands he takes in religion's name. Often religion is exploited and given a false political interpretation because the believer wants to serve his own interests, which differ from the teaching and interests of God. Many mix the two matters. And for this reason we say that the believer is not allowed to carry religion to false conclusions. In our time we have seen many acts of extremism and violence happening in the name of religion and with religious slogans, knowing that the monotheistic religions are innocent of any call for killing and violence and oppression and that they all call for tolerance, love, justice, and peace. If we look at history, we see many wars and acts of evil that were undertaken with religious slogans and in the name of God even though they had nothing to do with religion or God. In our time, the Church must strengthen peace between peoples through adherence, faith and devotion to the Bible and through implementing its message in the world, because it is the Church's calling to encourage and establish in the human community justice, good and beauty.

The Church demands the separation of itself from the State and it demands that the believer respect authority that faithfully serves its citizens. The Church encourages intellectual and religious pluralism in all societies in the hope that democracy will be realized, which will make all citizens equal before the law. When we turn our attention to duties and services that will provide security, stability, and social justice for all, if the State serves and helps the Church and the believers, and its policies do not contradict the principles and morals of the believers, then it is no problem if the official state religion is that of the believers.

But if the state religion is the religion of the majority of the citizens, our question is: What about the minority and its rights? What about equality between citizens? I say this because in cases like these, there will no doubt be constraints and limits imposed by the majority and the State on the minority, who will become deprived of its rights. Thus the minority will be oppressed and equality among the citizens will be prevented.

The political community and the Church are independent, neither of the two is tied to the other in any field. Besides that they both serve, in their different roles, the individual and societal needs of the people. And they shall do this service for the good of all with maximum efficacy and in a constant effort to cooperate positively according to the circumstances of the time and place.

This does not mean that the Church is not interested in the nation and the citizens and it does not mean that the Church stands watching what is happening without interest, especially if there is political or social oppression. I say this because the voice of the Church that calls for right, justice, equality, and respect for all must be a lofty prophetic voice and must be heard. And it must do everything possible for the dignity of human beings, who were created in God's image. The Second Vatican tells us:

"In order to assure a truly humanitarian political life, it is essential to foster the growth of the concept of justice in the conscience of man and to foster the growth of the notion of goodness and sacrifice on the path of the general interest... there also must be great importance placed on national and political education to enable all citizens to play their role in social and political life."

This means that the Christian must participate seriously in public life. The Christian must not marginalize himself or withdraw into his shell, for doing so is the devil's work and not of the teaching of God, who called for opening up, communicating, and giving. It is thus incumbent on the Christian to undertake all possible efforts to realize social justice and the dignity of the human family.

Finally, I repeat what the Patriarch Sabbah said on this matter:

"The issue of the relationship between Church and State is multifaceted and deals with the nature of man himself, his relationship with

God, and his relationship to the community. In summary, it is the is-
sue of the freedom of the individual *vis-à-vis* society, whether it be the
Church or state. The scale of judgment on this subject is the degree of
respect for the God-granted freedom of man: Does the State take it
back without proper justification? Or does it respect it? The State
should protect its security without dragging the Church or God into
the matter. The matter is not in its essence a matter of religion and
state, but rather of the human being, who is the subject of the Church
and state together, and it is for him there is a state and it is for him
that there is religion."

The Palestinian Church

As a Palestinian Christian, I demand that the presence and role of the
Palestinian Church in political and social life be greater than what it is
today and that its voice be heard louder and more clearly. The pro-
phetic voice of the Palestinian Church should be heard by the Chris-
tian, the Muslim, and the Jew, and may the Palestinian and Israeli
politicians and the whole world hear it. The prophetic voice demands
justice, right, the refusal of oppression and the refusal of degradation of
the dignity of man. The prophetic voice should speak out in criticizing
both itself and the society to which it belongs with the goal of building
social justice, and the dignity, freedom, and independence of the citi-
zen. The Church must speak about what is right and demand it for its
Palestinian sons in order to contribute to just and peaceful solutions in
a land of peace, the land of the heavenly prophets. This is because jus-
tice and peace are the essence of the calling of Christianity and the
Church. This does not mean that we deny or forget all that the local
churches have done in giving and serving and dedicating themselves to
their sons, but we demand more of it because we know that it is capa-
ble of more and of communicating Palestinian suffering to churches
and peoples all over the world. The Church which bears witness to
right and justice must remain the voice of right that sends out succor
to the political voices demanding right, justice, peace, and equality for
all citizens.

State and Religion in Jordan

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Introduction

Probably, one of the most important questions that was posed to newly emerging Arab states was that of religion. These states faced an identity crisis over the question of a religious versus a secular orientation. What modes should be chosen to achieve *Al-Nahda* and depart from *Al-Takhalf*? The centrality of the question of religion mainly has to do with whether the political institution (the state) views it as simply a cultural heritage or whether it is a collective reference point.

Therefore, the religious question had a central place in the political and institutional set up of the states that emerged after the colonial era (between the two world wars). There were clear differences even among those who gave religion an important role in politics. After decades of ideological employment of religion, or resistance to it, religion became an integral part of the social and political landscape; it became part of the state building process as a strategy to gain legitimacy and achieve unity within the society. The recent spread of Islamic movements across the Arab and Islamic Worlds, which culminated in the Iranian revolution, has brought back the centrality of religion to politics as it vies for power in society[1]. The Jordanian State, like other states, finds itself obligated to deal with religion as a political force as it tries to build a modern society and attempts to democratize the country's political institutions. The issue of religion and state, however, is not a simple one and it will be examined through the following dimensions: the role of religion in the state formation of Jordan, the relationship between the State and religion at the constitutional level, the relationship between the State and religious political movements, and the relationship between the State, religion, and society.

1. State, Religion, and Legitimacy

A careful analysis of the history of the Jordanian State reveals that it used, and continues to use, religion to its benefit. Since the establishment of the monarchy of Trans-Jordan in 1921, religion was one major source of legitimacy for the State, the other being Arab nationalism. The State derives its religious legitimacy by declaring Islam as the official religion of the State and by tracing the origin of the Royal family back to the Hashemite family of the Prophet. This latter linkage not only gives the State political legitimacy to rule, but also, maybe more importantly, it gives the State legitimacy to represent Islam more than any other group or party in the country.

However, in practice, the emphasis of these Islamic credentials is mainly used to ward off attack rather than using Islam as source of policy[2]. Therefore, the State continuously gives an Islamic character and justification to policies even though they might be of foreign origin and necessary for practical considerations. This is done, of course, to make policies acceptable to the people. In Jordan this is clear in the highly religious symbolism displayed at critical junctures of the State's formation and existence, as well as in everyday life. This has led to the transformation of religion into the official ideology of the State.

This is also clear through the subordination and nationalization of religious institutions. This was done through the financial dependence of religious institutions on the State, and through the control of the administration and organization of the religious institutions through the Ministry of Religious Affairs (*Al-Awqaf*). This process helped to integrate religious teaching and practices at the national level, which was important to the State and societal formation at the same time.

The result of the subordination of religion to the State is obvious and mainly serves to provide political support to the State and further legitimize its policies and practices without any major challenge. Furthermore, the alliance between official Islam and the State has been used as a major weapon in the competition with the Islamic movements and groups in the country, by presenting a distinct and specific interpretation of Islam.

Religious symbolism is used by the State at all levels. In its attempt to build the Jordanian modern State and to offset the influence of competing groups in the country, the State resorted to the following:

1) Encouraging a traditional, deeply historic, and metaphysical mode of thought which makes it possible for the State to make religion an integral part of the State's political ideology. This is evident in the use of Islamic rhetoric in the political discourse of the State.

2) The transformation of religion into formal institutions that are controlled by the State, which further meshed religion into the State structure. Therefore, a religious interpretation is presented that is in tune with the understanding and views of the state.

3) The use of religion and religious groups as major weapons in the fight against all the secular political trends in the country throughout the history of political formation of the state - such as leftist and nationalist groups.

4) The use of religion and religious values as the basis of obedience on the part of the people to the State.

2. State, Religion, and the Constitution

Jordan is formally a constitutional monarchy with three separate authorities: the Government, the Legislative, and the Judiciary with the King as the head of the three branches of the State. The Jordanian Constitution can be termed a semi-liberal constitution since all Jordanian citizens are equal before the law. The Constitution can be called semi-religious as well, as it is only partially based on religious doctrine. It states that Islam is the official religion of Jordan, but it does not stipulate that the Islamic Sharia be the source of legislation.

Furthermore, the Constitution guarantees and protects freedom of religious practices for other religions in the country. However, it cannot and should not be inferred from this, that there is a separation between the State and religion or that religion does not influence the legal system or the actual practical life of the people. On the contrary, religion is present in almost every aspect of life for the State and its citizens.

Article 99 of the Constitution divides the courts into three types: civil/regular courts, religious courts, and special courts[3].

The first type of courts deals with civil and penal issues with the exception of issues and cases that are deferred to religious courts. The religious courts are divided into two types: the Sharia (Islamic) courts and

the non-Islamic courts. The religious courts have jurisdiction over personal status issues such as marriage, divorce, inheritance, custody, etc.

It can be argued that it is in this domain that religion plays the greatest role in people's lives because religious courts (Islamic and other religions) derive their laws directly from religious doctrine in the strictest manner. There is no alternative for people to choose another type of legislation for these matters if they wish, as is the case in some countries.

Additionally, in 1990 and as part of the return to democracy in the country, a National Charter (*Al-Mithag Al-Watani*) was drafted and accepted by all the national charter political groups in the country. The National Charter does not have the status of the Constitution, but it represents a compromise of sorts on the part of all groups in the country. Although, legally non-binding the charter reflects a consensus of all groups on the morals and values of the land. Article Four states that "Islam is the official religion of the State and Islamic Sharia is the major (main) source of Legislation." This represents a retreat from the Constitution regarding the role of religion and it indicates the strength and the influence of the Islamic movement at the time. However, the National Charter does not have the force of law and it is not binding for the State[4].

3. The State and Religious Institutions/Movements

The Official Level

At the official level, all Islamic religious activities and religious affairs are coordinated and controlled by the State through the Ministry of Religious Affairs, which has control over the Islamic Waqf and responsibility for religious teaching and the appointment of imams for the mosques. There are no separate independent religious institutions in the country. The State has control over the religious institutions, which have virtually become an appendage to the State.

The State and the Islamic Movement

The discussion of Islamic movements will be restricted to the Muslim Brotherhood (MB), and its political offshoot the Islamic Action Front (IAF), because they represent the largest political and most influential Islamic group in the country.

The MB - which was established in Jordan in 1945 - can be considered to be competing both religiously and politically with the State. The IAF, meanwhile, aims at establishing an Islamic state and the application of the Islamic Sharia.

It must be clear from the outset, that the MB/IAF had historically enjoyed relatively good relations with the State. They had never posed a real threat to the State - on the contrary, their position had been consistently to incorporate their religious ideology and doctrine into state institutions, rather than trying to present themselves as an alternative political system to the Jordanian State. The position of the majority of members has historically been to participate in the legislative and executive branches of the Government. In this period of cooperation they always insisted on taking the Ministry of Education portfolio where they were able to incorporate their members into the Ministry, thus having a great influence on the educational system[5].

However, more recently a decision was made to not participate in the government. This is still a source of contention within the movement.

The manner in which the State dealt with the MB/IAF in the past can be characterized as the policy of the carrot and the stick (with more carrots than sticks). Historically, the MB had enjoyed almost complete freedom to work overtly while all other political groups were banned from overt political activity. As a matter of fact, there was an unannounced, *de facto* alliance between the Jordanian State and the MB. The axis of this alliance was as follows: the MB helped the State by working actively against communist and nationalist groups at the ideological level; in return, the State allowed the movement to work at the social, financial, and political levels and gave the MB the opportunity to spread its ideas through state institutions (i.e., the educational system).

Therefore, the MB never posed a threat to the State but tried to use its relationship and alliance with the State and the state's Islamic character to influence the overall culture of the society. This is evident from the MB's insistence on and preference for the Ministry of Education every time they participated in or were negotiating entrance into the executive branch of the Government. But this should not imply that all is well in the relationship between the State and the MB. The State was always suspicious of and monitoring the activities of the MB. After all,

it is a political group and had links with external groups, the activities of which cannot be totally controlled (i.e., the MB's link with the Egyptian Muslim Brotherhood). Also, the MB has been publicly critical of the West and the warm relations the Jordanian State enjoys with the West. These minor differences never spoiled the working relationship between the State and the MB, nor did they ever reach the point of total confrontation over these issues.

However, the MB succeeded in mobilizing more people and increased its followers through widespread patronage and religious teachings. When they participated in the 1989 parliamentary elections they were able to secure 33 out of 80 seats, thus forming the largest political and organized group in the parliament. The MB wanted to enjoy its political power and began to appear as a threat by pushing its more radical views into the political arena. In the legislative body they tried to enact certain laws that were more true to their political and religious agenda (i.e., sex separation in schools). The State realized that a new chapter in its relationship with the MB had been opened. The initial strategy of the State was to observe and monitor their activities while avoiding conflicts. The attempt was made to incorporate them into the political structure and process. Later, however, the Government became more reluctant and arrested several members of the MB.

The political marriage between the State and the MB has, without a doubt, strengthened the State - not only against other political groups in the country but also against the MB itself. Because of MB practices in the parliament, and their inability to fulfill their promises, they lost credibility and much of their popular support. They came to be viewed as part of the establishment. The peak of the MB's strength was at the time when Jordan was facing serious economic problems during and after the Gulf War.

Later on, when political parties were legalized, the MB (which is not registered as a political party) formed its own political party - The Islamic Action Front. More recently, and after the signing of the peace treaty with Israel, the influence of the MB/IAF has been in relative and gradual decline. After the 1993 parliamentary elections, the number of IAF seats was reduced to 16 and it can be argued that it is no longer the party representing the establishment of an Islamic state in Jordan, but has been reduced to a political party that plays the democratic game like any other party. This caused a rift within the movement

whereby new and younger party leaders took a hard-line position toward many issues, particularly the peace process.

4. The State, Religion, and Society

The high place of religion within the State's structure and in society stems from two main sources; the first being the identification of the State with the Islamic religion and second, the influence of the MB through its participation in government (especially by controlling the Ministry of Education for a long time), and by it acting as a pressure group when it was not participating in the government. Some illustrations of the high place of religion in the State apparatus and society are as follows:

1) During the Holy month of Ramadan work time is reduced significantly in all institutions, restaurants are closed, eating, drinking, and smoking are not allowed and violators are subject to punishment by arrest.

2) Calls for prayers are aired on television and radio stations at all times and all programs (with the exception of the news) are interrupted for that purpose.

3) In all public institutions there are places for prayer for men and women in spite of the fact that mosques might be nearby. Individuals are allowed to take time off work for praying.

4) In high school religious texts, the reference to other religions (i.e., Christianity) treats them as *mushrikeen*, that a holy war should be waged against them. There is no reference to current Christians. No change has taken place in the way Christians are viewed since the time of the first Islamic Republic.

5) Religious symbolism is displayed in all State activities and on all religious occasions.

6) The influence of religion is very strong in personal status laws governing marriage, divorce, etc., and religious freedom. This is apparent in the following:

   6.1 Muslims are prohibited from changing their religion and violators are subject to punishment.

   6.2 Muslim women cannot marry a non-Muslim but Muslim men can. In any case, members of other religions must convert to Islam when marrying a Muslim. There are no civil marriages, only religious ones.

6.3 Regarding inheritance, women obtain a lesser share than men. A non-Muslim cannot inherit from a Muslim in case of marriage.

6.4 Women cannot transfer citizenship to non-Jordanian husbands.

7) Other religious minorities are guaranteed religious freedoms and practices. They also have representation in various levels of state apparatus through formal and informal quotas. However, many argue that in the long run this only affirms their minority status. Additionally, there are many positions that are not within the reach of members of religious minorities - not by formal regulations, but by informal customs and practices.

These practices have created a very strong religious consciousness in Jordanian society; religion governs the value and belief system.

Conclusion

In Jordan, religion is an integral part of the state political ideology. Although the State does not interfere directly in religious practices, it adopted several policies that gave religious character and political legitimacy to the State's role.

Second, the State played and continues to play a very important modernizing role regarding religion. This role is played through a modern and moderate interpretation and use of religion, and religious tolerance in general. In fact, the State is able to play this role because of its religious credentials. This role might prove to be a very significant one in the future evolution of the role of religion in society and its relationship to the State. Consequently, the Jordanian State can be characterized as semi-secular, semi-liberal, or semi-religious depending on which half of the glass one looks at.

Thirdly, it can be argued that the State was never a dovecote of Islamic discourse, nor was it ever active for a particular Islamic doctrine, except when religion became a direct threat to the State's authority. In this case, it was imperative for the State to protect itself from what was perceived as a threat from a Islamic movement. But the defensive strategy was transformed into an aggressive policy by presenting a different vision and interpretation of Islam - a convincing alternative to the one that seemed to threaten the State.

But the State also needed an Islamic/religious policy even when it was not threatened by the Islamists. In this instance, it used a pragmatic approach to secure a balance between the different groups. So, the State's position depended on the source of the threat - if it was secular, then it resorted to religion, and if the threat was from the religious groups, it used the other camp. Therefore, it can be said that the State does not have a clear or principled policy towards religion. As such, religion itself does not have a clear or principled position towards the State.

Finally, the question must be raised about the future relationship between the State and religion. Can the formula that worked in the past work in the future? Does religion pose a dilemma to the State in its attempt to further modernize itself and society through the re-introduction of democracy and emphasize the values of equality and human rights? There are no easy and clear cut answers. Yet, these questions are posed because they need to be addressed as major issues for the future. One thing needs to be said here: the previous form of the relationship can not continue to work as it has. Neither the State nor religion can continue to be hostages of each other, and of course society is a hostage of both. For the State to evolve into a full democracy it has to rely less on religion as the basis of its legitimacy. It must be able to possess legitimacy in and of itself. Also, freeing religion from politics will allow religion to grow and flourish and in fact be stronger in society. However, this dilemma is not restricted to Jordan but is facing many Arab and Islamic countries. But without separating the sphere of the state and the sphere of religion - continuing the linkage between state and religion as it has been in the past - further progress for the State, society, and religion itself will be impeded.

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Religion and State in Israel[*]

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Nation and Religion

In Israel the problem of 'Religion and State' (in Western countries called 'Church and State') is in fact a problem of 'Religion, Nation and State' because for the Jewish majority, Jewish religion and Jewish nationhood are hardly separable. The Jews are a one-religion nation and Jewish religion is a one-nation religion. Even most non-religious Jews often regard religion as a vital component of their national identity. They will not recognize those who converted to another religion as members of the Jewish nation and they will accept newcomers to the Jewish nation only if they have converted to Judaism in a religious ceremony. The Israeli Declaration of Independence, though written by socialist and 'secular' Jews, nevertheless talks about the Jewish "religious and national identity," about the Bible and the prayers of the Jewish People and about "*Zur Yisrael*" (the Rock of Israel) - a traditional synonym for God. In the State of Israel many national symbols are of religious origin. For example, the white and blue colors of the flag are the colors of the *talit* (prayer shawl) and the state symbol is the *menorah* of the Tabernacle (a seven branched candelabrum), which was a prominent feature in the Jewish Temple.

Almost all the official holidays are Jewish-religious although some of them (e.g., Passover and Hanukka) have been 'nationalized' as secular holidays commemorating national liberation by exodus (Passover) or rebellion (Hanukka). Jewish-religious marriage and burial rites and the traditional Bar-Mitzvah (a ceremony marking a boy's maturity) are also accepted by most secular Jews. We may indeed say that almost all Jews adhere to a 'civic religion', a national tradition partly based on religious symbols and ceremonies, which - at least for the non-religious Jews - have lost much of their religious meaning.

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[*] This article deals mainly with Jewish religion in Israel defined by law as Jewish State.

Because nation and religion are deeply interwoven, a separation of state and religion in a Jewish nation-state is difficult to imagine. Jewish religion also fulfills a unifying role in the Jewish nation because it is

common to Western (Ashkenasi) and Eastern (Sephardi) Jews and because the Jewish religion assured the survival of the Jewish people in the Diaspora.

Divisions: State and Religion

Although religion plays an integrative role among Jews inside and outside Israel there is a deep divide between various population groups, according to their religiosity and their attitude to the question of state and religion. There are five major such groups - the Secularists, the Liberals, the Traditionalists, the National Religious and the Ultra-Orthodox. All of them see themselves as part and parcel of the Jewish People, but their *Weltanschauung* on state and religion is worlds apart.

The Secularists are those who are really secular (a good part of the Liberals and even Traditionalists calls itself secular without really being secular), which means they are wholly non-observant and non-believing. Though the Secularists, who comprise 10-15% of the Jewish population, accept Israel's civic religion, they actually support a wholly secular state based on a strict separation of religion and state.

The Liberals are different. They may be moderately Orthodox, Conservative or Reform. They also support a separation of religion and state, however; they do so not for atheistic reasons like the Secularists, but for the liberal reason that religion has to be 'privatized'. Some Liberals may support a 'European solution' (e.g., German or Belgian) to the religion-state issue, which means state support for all religions on a non-discriminatory basis but without infringing on the rights of any non-believer to enjoy all citizen's rights without being forced to accept any religious law, institution, ceremony or sanction. The Liberals are no more than 10%-15%, so that the Secular-Liberal Camp comprises all in all not more than about a quarter of the population.

The largest group - about 40%-50% of the Jewish population - are the Traditionalists, who reject the idea of a secular state and strongly oppose a separation of religion and state. They support the '*status-quo*' - no civil marriage, no legal recognition of Conservative and Reform Judaism, no import of non-kosher meat. The Traditionalists are divided among themselves on issues like public transportation on the Sabbath or civil marriage for those prohibited to marry according to Jewish law.

The National (or Zionist) Religious population comprises about 20% of the Jewish population. The National Religious want a Jewish State in the religious sense. They see in the creation of the State of Israel God's design and the 'beginning of salvation.' To them Israel is not yet a Jewish Religious State but as salvation comes 'step by step', so the character of the state will gradually become more and more Jewish-religious. In the long run the National Religious see Israel as a state governed by Religious Law (the *Halacha*). They support religious legislation of the Knesset while accepting the necessity of obeying non-religious laws, as long as the latter don't collide with the *Halacha* (many people in the National-Religious Camp regard withdrawal from Judea and Samaria as a case where the *Halacha* collides with the State's policies, laws and regulations!). Currently the bulk of the National Religious Camp supports, for religious reasons, the 'Whole Land of Israel' concept.

The National Religious are fierce Zionists and share with the non-religious Zionists all the major tenets of Zionism - the nationhood of the Jews, the need for statehood, the vision of the 'ingathering of the exiles' and the critique of exile (*Galut*). As Zionists, the National Religious have always been willing to cooperate by formal coalitions or informal arrangements with the non-religious Zionists. As Orthodox Jews they do from time to time cooperate with the Ultra-Orthodox non-Zionists.

The Ultra-Orthodox (*haredim*) are the most extreme religious group. They include about 5%-10% of the population but they often have the power to tilt the political power either to the 'left' or to the 'right'. They are opposed to Zionism, which they see as a 'betrayal of God's kingdom'. For them the State of Israel is not a 'Jewish State' but a state of heretics devoid of any religious sanctity. The *haredim*, who are particularly strong in Jerusalem, do not celebrate the 'Zionist' Day of Independence and disregard the symbols of the State, such as the flag and the anthem. The Ultra-Orthodox do not serve in the army and insist on having an independent (non-state) school system. They even refuse to have - as the National Religious do - prayers for the well-being of the State and its leaders.

The mainstream *haredim* nevertheless vote in elections, sit in the Knesset and participate in coalition governments. They pragmatically accept the very same state that they ideologically reject. They do so for utilitarian reasons: the need for funds for their schools and religious

institutions and their need to have political power in order to prevent the State from drafting their men for military service.

A smaller group of fundamentalist *haredim* (e.g., the *Neturey Karta* of Jerusalem) rejects any pragmatic contacts with the State. They boycott all state institutions - elections, laws, central and local government and the courts (including the rabbinical courts!). They will not accept any financial aid from the state for their schools and institutions. For them the Day of Independence is a day of mourning because to them the creation of Israel was an act of heresy.

Religion, State and Democracy

In the past few centuries democracy and religion have been on a collision course in many countries. In the liberal West, democracy has won and it is now accepted that for democracy to exist there has to be freedom *of* religion and freedom *from* religion. Freedom of religion means freedom of worship and freedom to do what religion demands and allows (as long as it does not conflict with basic human rights). Freedom from religion is the freedom not to be religious and observant and the freedom to enjoy all citizen's rights without being forced to accept religious institutions, ceremonies, declarations or commitments.

With regard to freedom of religion, Israel continues the liberal tradition of the Ottoman Empire and the British Mandate. All religious faiths, denominations and groups enjoy freedom of worship. One issue that was contested legally is polygamy but the High Court of Justice decided that, according to its version of freedom of religion (to do what religion demands), the prohibition of polygamy does not interfere with freedom of religion although it collides with the other version of religious freedom (to do what religion allows) both in Judaism and Islam.

The democratic credentials of Israel are less convincing with regard to freedom from religion. The law on marriage and divorce compels all Jews in Israel - citizens and non-citizens - to have marriage performed in a religious ceremony. A similar legal situation exists with regard to all other religious communities. This limits the freedom of conscience of non-believers. Freedom of marriage is thus limited because marriage across the religious divide is legally impossible. It is also limited for those who are prohibited by the *Halacha* to marry each other (e.g., a 'Cohen' of priestly origin and a divorcee). For some people who have no

religion according to Religious Law (e.g., those born to a Jewish father and a Muslim mother are according to Judaism and Islam neither Jews nor Muslims), even the right to marriage is affected.

The legal monopoly of Orthodox Judaism and the legal non-recognition of Conservative and Reform Judaism is a serious deviation from the democratic principle of Equality before the Law. Conservative and Reform Jews do not enjoy legal equality. Their rabbis cannot perform legally recognized marriages or divorce, they have no legitimate rabbinical courts and they cannot serve on the existing Orthodox Rabbinical Courts, the Army Rabbinate or the local Religious Councils. Conservative and Reform communities also do not receive any financial aid from the State to build synagogues, to pay their rabbis, or to provide religious services.

Women do not enjoy equality before the Religious Law, which is the State law in matters of marriage and divorce. Women cannot sit as judges *(Dayanim)* in Rabbinical Courts and the all-men courts discriminate against them in procedure (women cannot testify in rabbinical courts) and substance (Religious Law makes it easier for men to divorce and remarry). Women are hardly represented in the Religious Councils (which are in charge of providing local religious services) and in the assemblies that elect the Chief Rabbinate and the local rabbis (it goes without saying that there are also no women rabbis).

Other religious laws that are enacted by the Knesset and are problematic from a democratic point of view are laws that prohibit the raising of pigs [for their meat and all other purposes] and the sale of bread on Passover or the law that prohibits 'tempting' people to convert by proposing marriage.

The Status Quo

The *status quo* is a set of arrangements and compromises on state and religion that have been in force since the foundation of the State. A letter written in 1947 by the Jewish leadership in pre-state Palestine to the Ultra-Orthodox Agudat Yisrael (AY) Party is widely regarded as the beginning of the *Status Quo*. In this letter Ben Gurion and his colleagues promised that in an independent Israel, the Sabbath would be respected as the day of rest, that all state institutions (e.g., the army) would have kosher food, that matters of marriage and divorce would be

left to the jurisdiction of the Rabbinate and that the Orthodox (National Religious) and the Ultra-Orthodox would be allowed to have their own autonomous school system. The '*status quo* Letter' was written in 1947 in order to enlist Ultra-Orthodox support in the diplomatic struggle for the foundation of the State. Since then many components have been added to it, e.g., the exemption of religious girls and Ultra-Orthodox Yeshiva students from army service and the prohibition of public transportation on the Sabbath.

The motivation for the *status quo* arrangement was to prevent a *Kulturkampf* between Orthodox and non-Orthodox Jews and thus to assure internal peace and stability. The assumption, proven right so far, has been that the bulk of the Jewish population will accept the *status quo* as the only possible live and let-live compromise between the different camps on state and religion.

An important ingredient of the *status quo* are techniques for conflict-resolution. One technique is 'localization' - making a dispute a matter for local municipal compromise instead of state-wide decision. Matters like public transportation or the opening of cinemas on the Sabbath indeed vary from town to town and the difference reflects the configuration of the population and the political strength of the religious and non-religious parties in each town. By transferring the locus of decision-making to the municipality, a head-on collision is avoided. In essence 'localization' means dissecting a large conflict into many smaller ones, a technique which is both moderating and stabilizing.

Another *status quo* technique for conflict management in disputes is 'legalization', which means transforming political conflicts on state and religion into purely legal conflicts. In this case the arena for conflict resolution is transferred from the Government and the Knesset to the courts. Courts have indeed managed to settle disputes that have erupted on issues such as television on the Sabbath, the right of women to sit on Religious Councils and the legality of conversions performed by Reform rabbis. The 'legalization' technique is effective in defusing potentially explosive conflicts although in some cases, however, the judicial verdict itself has become a matter of dispute resulting in pressure to change the law (e.g., 'Who is a Jew' and the importation of non-Kosher meat).

The cooperation of Orthodox (National Religious and *haredim*) and non-Orthodox (Secularist, Liberal and Traditionalist) elites is another

widely used technique to avoid an all out collision on religion and state issues. Elite cooperation means that the Orthodox minority shares in almost all local and national coalitions. It further means that the non-Orthodox majority respects Orthodox spheres of autonomy in education and religious affairs. There is a tacit understanding that on some of the most sensitive issues (such as civil marriage and legislation on the Sabbath) the Orthodox will always enjoy a 'minority veto'.

Although the *status quo* literally means 'the situation as it was before', in reality the *status quo* is not static. The most important rules (e.g., the laws on marriage and divorce) are stable, but other arrangements have 'moved' either in the Orthodox direction (e.g., on the 'Who is a Jew' issue, El-Al flights on Shabbat and autopsies) or in the opposite, more liberal, direction (e.g., female representation on Religious Councils and cinemas on the Sabbath).

Religious State Institutions

The institutional set-up of the state-religion relationship is based on the Recognized Communities Model. Religious communities recognized by the State enjoy institutional autonomy and have jurisdiction in matters like marriage and divorce. The institutions of the major recognized communities (e.g., the Jewish, Muslim and Druze religious courts), are state institutions, financed by the state and manned by religious dignitaries who are officials of the state. The recognized communities are the following: Jews, Muslims, Druze, Bahai and nine different Christian denominations.

The major Jewish religious institutions are the following:

1) *The Chief Rabbinate* composed of 16 Rabbis and headed by two Chief Rabbis. The Chief Rabbinate functions both as the Supreme Rabbinical Council, which gives directives to the local Rabbis, and as the Highest Rabbinical Court, which functions as a Court of Appeals of the Regional Rabbinical Courts. Until the 1980s the Chief Rabbinate was completely controlled by the National Religious Party (NRP) but the influence of the major Ultra-Orthodox parties - the Sephardi Torah Guides (SHAS) and AY - greatly increased in the early 1950s.

2) *The Local Rabbinates* headed by Local Rabbis. The Local Rabbinates were also under NRP control until the 1980s although the dominant parties (Labor since the 1950s and Likud since the 1970s) have a lot of influence in the election of the Local Rabbin-

ate. Since the 1980s the three Ultra-Orthodox parties - SHAS, AY and Degel Hatorah (DH) - have gained influence in the local rabbinates.

3) *The Rabbinical Courts* whose judges (*Dayanim*) are appointed by the State President. They rule according to Religious Law, but are subordinate to the High Court of Justice, which decides on the limits of their jurisdiction.

4) *The Religious Councils* are in charge of providing religious services in every town and region (dietary food, registration of marriages, religious slaughter, burial sites, synagogues, etc.). The Religious Councils are politically important on the local scene because they provide jobs and control a sizable budget. The members of the Religious Councils are partially appointed by the municipality (45%) and partially by the Ministry of Religious Affairs (45%) and the local rabbinate (10%). Six parties usually compete for seats in the Religious Councils - the NRP, SHAS, AY, DH, Labor and Likud Parties.

5) *The Ministry of Religious Affairs* is in charge of providing funds and services to all recognized communities. The Ministry also plays a major role in the appointment of the Religious Councils and in the election of the Chief and Local Rabbinates. The Ministry is an important locus of power and patronage. For many years (1948-1992) the Ministry was in the hands of the NRP. Since 1992 it has been manned by ministers from SHAS (1993/94) and Labor (1995/96).

6) *The Religious School System* in which more than 30% of Israel's school-children study is of great importance. It is divided into the National Religious State School System (about 20% of all school children) and the Ultra-Orthodox Independent School System (about 10% of all school children). Both systems are wholly state-financed and both have almost complete autonomy in matters of curriculum and staff. The National Religious School System is the more 'modern' one, in the sense that in addition to the religious Jewish subjects it also teaches 'secular' history, literature and science. The Ultra-Orthodox Schools are deeply traditional and do not prepare their students for a modern career, neither in the social sciences and humanities nor in science and technology.

Contested Issues

1. 'Who is a Jew?'

The 'Who is a Jew' issue may sound strange to non-Israelis but it is a hotly contested issue in Israeli politics and has already brought down governments. It was the major reason for the formation of the National Unity Government in the 1980s. The 'Who is a Jew' issue concerns the disagreement about the definition of a Jew in the Population Registration Law and the Law of Return. The Orthodox definition says that a "Jew is born to a Jewish mother and belongs to no other faith or was converted according to the *Halacha* (Orthodox Religious Law)." The Secular-Liberal definition puts less emphasis on biological descent ("born to a Jewish mother") and more on the wish to be Jewish, the consciousness of being Jewish and a Jewish way of life. According to the Secular-Liberal approach, it makes no difference whether the mother or the father is Jewish, as long as the child is raised as a Jew. Secular Jews do not insist on a religious conversion to Judaism and both Secular and Liberal Jews accept a conversation based on Conservative or Reform (and not Orthodox) Religious Law. The Orthodox argue that a 'soft' definition of a Jew will result in a flood of non-Jewish immigrants (according to the Orthodox definition) and will destroy the 'unity of the Jewish people' by creating two peoples ('real' Jews and 'so-called' Jews) who cannot intermarry. The Secular-Liberal approach is based on the assumption that the Orthodox view is even more harmful to the survival and unity of the Jewish People because it rejects many Jews and alienates the Reform and Conservative Jews who make up 80% of American Jewry.

The current Israeli law, which was enacted in the early 1970s is closer to the Orthodox position (it says that a Jew is someone "born to a Jewish mother and does not belong to another faith or was converted"), but in the crucial question of conversion the law does not say that only an Orthodox conversion is legal. The current battle is over the attempt by the Ultra-Orthodox and a good part of the Traditionalists to add to the law the specification that any conversion has to be 'according to the *Halacha.'* This Ultra-Orthodox demand is fiercely rejected by Conservative and Reform Jews and their Secular and Liberal allies in Israel.

2. Marriage and Divorce

The Orthodox Camp defends the *Status Quo* while the Secular-Liberal Camp demands the introduction of civil marriage for those who need it (couples who are prohibited from marrying according to Religious Law

and couples who marry across the religious divide) or want it (couples who are non-believing or opposed to the Orthodox Establishment).

3. The Sabbath Issue

Disagreements concern public transportation (buses, trains, airlines); the closure of streets in religious or 'mixed' neighborhoods; the opening of cinemas, theaters, museums, restaurants, swimming pools, soccer stadiums and gas stations; radio and television; business activities and the operation of vital activities (electricity, water, telephone, etc.).

4. The Status of Conservative and Reform Jews

The contest over the status of Conservative and Reform Jews covers a wide area of conflict - their non-recognition by the state, the prohibition on Conservative and Reform rabbis performing legally valid marriage ceremonies, their exclusion from the Rabbinical Courts and the Religious Councils, and discrimination against them in matters of funding by the state.

5. Army Service

The Ultra-Orthodox Yeshiva (colleges of higher religious studies) students don't serve in the army. Formally they get a deferment from year to year for educational reasons. The real reason for the refusal of the Ultra-Orthodox men to serve in the army is their alienation from the 'heretical' state and the fear of their religious leaders that in the army they may be tempted to 'break out' from their closed Ultra-Orthodox world. Most people in Israel from the National Religious to the Secular resent that the Ultra-Orthodox do not share the burden and risks of defense, but all Israeli governments have had to give in to the political demands of the Ultra-Orthodox and fear that enforcement of the draft will be met by violent resistance.

Religious girls (both Orthodox and Ultra-Orthodox) do not serve in the army either. The contested issue is not the military service *per se* but the National Service as a civilian alternative. The Secular-Liberal Camp would like to see all religious girls serve in the National Service (e.g., in civilian schools, hospitals and old-age homes), but the Ultra-Orthodox reject any type of service for girls, whether military or civilian. The National Religious support a voluntary National Service and many of their girls do indeed serve in this alternative service.

6. Kashrut (Dietary Food)

Crises erupt periodically over the growth and sale of pork, the importation of non-Kosher meat and *Kashrut* in restaurants and hotels.

7. Autopsies

A battle was waged for decades by the Ultra-Orthodox to limit autopsies to a bare minimum. The Medical Association, supported by the Secular-Liberal Camp, sees in this limitation a danger to the high quality of the medical profession in Israel.

8. Abortion

As in other countries the abortion issue is hotly contested by Orthodox pro-lifers and Secular-Liberal pro-choice supporters (with the Traditionalists divided on this issue).

9. Burial Sites

Up to now burial sites have been monopolized by the Orthodox burial companies. Seculars and Liberals demand alternative sites for non-believers, 'non-Jews' (according to Orthodox Law) and 'mixed' couples. These demands are also supported by the Reform and Conservative communities.

10. Archaeological Digs

The Ultra-Orthodox wage a fierce battle against archeological digs in what are regarded as ancient burial sites. The archeologists insist that almost all archeological sites contain burial sites. They claim that Ultra-Orthodox demands seriously limit archaeology and freedom of research.

11. 'Jewish Democratic State'

Recent basic laws have defined Israel as a 'Jewish Democratic State' but it is very much contested what that means in case of conflict. Does it mean that democracy has priority over 'Jewishness' or that 'Jewishness' has priority over democracy?

Appendix 1

Party	Position on State and Religion
Neturey Karta	Extreme Haredi
Agudat Yisrael	Mainstream Haredi
Degel Hatorah	Mainstream Haredi
SHAS	Moderate Haredi
National-Religious Party	National-Religious
Likud	Traditional
Labor	Traditional-Liberal
Zomet	Liberal
Shinui	Liberal
MAPAM / Meretz	Secular
Citizens Rights Movement	Secular
Communists	Secular

Appendix 2

Religious Attitudes towards the State

Position	Extreme Haredi (Neturey Karta)	Main-stream Haredi (AY)	Moderate Haredi (SHAS)	National-Religious (NRP)	National-Religious Kibbutz Movement ('Hakibutz Hadati')
Attitude towards Zionism	__	_	_	+	+
Pragmatic Acceptance of the State	__	+	+	+	+
The State as "Beginning of Salvation"	__	_	_	+	+
Participa-tion in Coalition	__	+	+	+	+
Participation in Government	__	partially	+	+	+
Voting for Knesset	__	+	+	+	+
Integration in Religious State School System	__	_	_	+	+
State Funding for Schools	__	+	+	+	+
For Army Ser-vice	__	+	+	+	+
For Army Service of Yeshiva Students	__	_	_	In princip-le yes, but against compul-sory draft	+
Acceptance of funds from the National Insur-ance	__	+	+	+	+

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IV. ECONOMICS AND DEMOGRAPHY

Demography, Economic Growth and Job Creation in the West Bank and Gaza Strip

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I.   Demographic Trends

When I was first approached about giving this presentation, I was a little hesitant about accepting; I am not a demographer, nor even a labor economist. When I finally agreed to do it, I offered to speak on the capacity of the Palestinian economy to create jobs for a rapidly growing labor force. In doing so, I stayed within the range covered by the workshop without straying too far from my own area of expertise.

The natural rate of increase of the Palestinian population is very high [see figure below]. For most of the 1970's and 1980's, however, the Palestinian economy did not have to absorb much of this increase into the labor force due to emigration and job opportunities in Israel[1]. For the period 1972-81, the rate of natural increase in the West Bank and Gaza Strip averaged 3.2%. In the same period the average rate of net emigration was .8% , resulting in an average rate of population growth of 2.4%. Net emigration slowed down in the second half of the 1980s as a result of lower oil prices that significantly decreased job opportunities for Palestinians in the Gulf, with the average for the period 1981-90 decreasing to .6%. The average rate of natural increase in the same period rose to 3.6%, putting the average rate of population increase at 3%. During this period, the Palestinians were still able to rely on the Israeli market as a source of jobs. For the period 1972-90, the Palestinian labor force increased by 64%. In the same period,

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[1] Israeli demand for Palestinian labor was limited almost exclusively to unskilled labor. The more educated Palestinians found jobs mostly in the Gulf.

domestic employment rose by only 28%. The difference was absorbed mostly by the Israeli labor market[2].

Population Growth Rates
in the West Bank & Gaza Strip
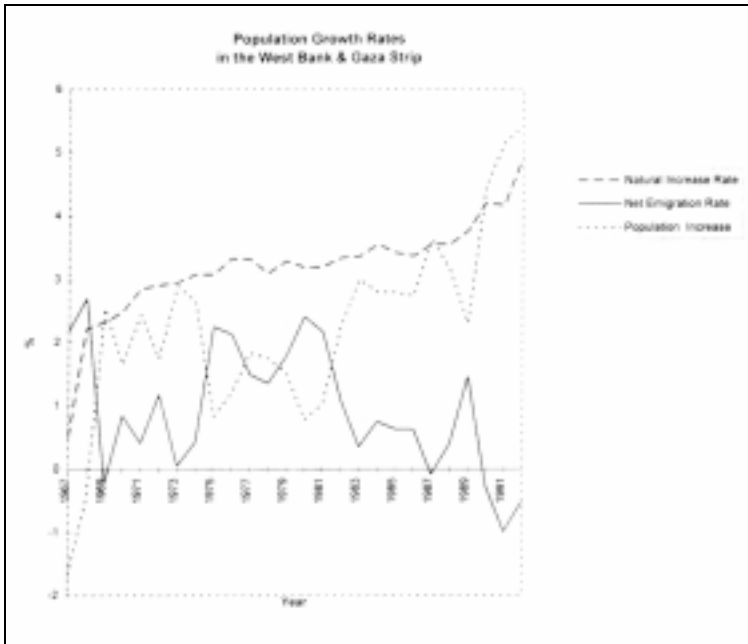
With the 1991 Gulf War, which displaced most of the Palestinians in Kuwait and made it extremely difficult for Palestinians to find jobs in other Gulf countries, the outflow of people from the West Bank and Gaza Strip has been more than offset by reverse migration, resulting in net negative migration[3]. This trend has accelerated in the last two years because of the return of PNA officials and their dependents. As for Palestinian workers in Israel, their numbers declined sharply in the last two years. Presently, only a few thousand Palestinians work in Israel, due to the closure imposed in March 1996 following a series of suicide bomb attacks in a number of Israeli cities. Even before the present closure, the

[2] The employment figures are taken from Naqib [4]

[3] In 1991 and 1992 the rates of net emigration were .98 and .51, respectively.

number of workers was only around 50,000, compared with 109,000 in 1987. The number of Palestinian workers in Israel is expected to stay relatively low for the foreseeable future because of strong political sentiment in Israel against employing Palestinian workers and their steady replacement by workers from Southeast Asia and Eastern Europe.

II.   Long Term Economic Growth

In the 1970s and 1980s, the export of labor services to the Gulf and Israel provided the Palestinian economy with its main source of growth. With the sharp decline in the export of labor services to both markets, the Palestinian economy must now find an alternative engine of growth. Palestinian agriculture can no doubt expand a little, especially if restrictions on exports to Israel and the rest of the world are relaxed. The long-term growth potential of Palestinian agriculture and its ability to create jobs, however, is limited because of water scarcity and the need to use labor saving techniques to stay competitive in regional markets. The tourism sector has some long-term potential to create jobs, especially if a comprehensive regional peace settlement is reached, thus expanding regional tourism. But the job creation potential of tourism is hardly enough to absorb the rapidly expanding Palestinian labor force. The only sector with the potential to absorb the labor force is the industrial sector.

The Palestinian industrial sector stagnated during the occupation years due to political uncertainly and Israeli restrictions on industrial investment. So, by 1990, the share of the industrial sector in the West Bank and Gaza Strip was only 7.4%, compared to 6.7% in 1967. Hence, this sector has to expand very rapidly if it is to act as an engine of growth. Some of the expansion can no doubt take place in industries that cater to domestic consumption, like food processing, which were negatively affected for years by Israeli restrictions. The focus, however, should be on export-oriented industries. If export-oriented industries are to provide the new engine of growth, the type of industries in which they can successfully compete need to be identified.

If the West Bank and Gaza Strip were to focus on low-tech commodities, would it be able to compete with the low-wage

countries of Southeast Asia in the international markets? The answer is probably not, taking into account the present wage structure, which is still strongly influenced by the Israeli labor market[4]. The situation may change, however, if present restrictions on labor mobility between Israel and the West Bank and Gaza Strip become permanent.

If the West Bank and Gaza Strip were to concentrate instead on high-tech industries, does it have the necessary skilled labor? Although the Palestinians invested enormously in education over the last four decades, the stagnation of the Palestinian economy during the occupation years forced most college educated Palestinians to work outside the West Bank and Gaza Strip. In addition, the educational system has deteriorated significantly since the *Intifada.* Hence, if the West Bank and Gaza Strip are to count on high-tech industries to act as an engine of growth, Palestinian policy makers need to make serious efforts to attract skilled Palestinians back to the region. They also need to invest heavily in the local educational system to repair some of the damage incurred during the *Intifada.*

III.   Economic Growth in the Transition Period

A. Introduction

Prospects for private investment in the transition period are not very encouraging. This is particularly the case for investment in industrial projects, which tend to have relatively long gestation periods. The main factors inhibiting industrial investment in the transition period are economic and political uncertainties, the lack of direct access to international markets, and the unbalanced economic relationship with Israel. In the absence of significant industrial investment, a potential source of growth in the transition period is investment in infrastructure. Other potential sources of growth are tourism and agriculture.

B. Economic Uncertainties

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[4] At present wage structure, Palestinian manufacturers can't compete with other countries either. See Makhoul, [3].]

Prevailing political and economic arrangements in the West Bank and Gaza Strip are supposed to be temporary. Based on Israeli-Palestinian agreements, permanent arrangements should be instituted by 1999. The temporary nature of present arrangements creates uncertainty for investors, especially with regard to projects with long gestation periods. For a business to make long-term investment, it needs to have a clear idea about its costs and the size of potential markets so as to determine the comparative advantages of the economy. The sources of uncertainty about potential markets of Palestinian products include fluctuations in the Palestinian national income[5], frequent closures that affect the movement of Palestinian labor and goods to Israel, and future trade arrangements between the West Bank and Gaza Strip on the one hand and Israel and the rest of the world on the other. The main sources of cost uncertainty can be summarized as follows.

First, the wage structure in the West Bank and Gaza Strip over the occupation years was influenced heavily by the Israeli labor market. While the number of Palestinian workers in Israel was reduced substantially in the last few years, wage expectations in the West Bank and Gaza Strip are yet to adjust completely to the new situation and the degree of labor mobility between Israel and the West Bank and Gaza Strip in the post transition period is far from certain[6]. This makes it difficult to know the relative cost of Palestinian labor, which determines the labor intensity of investment in the region and the competitiveness of the Palestinian economy in attracting foreign investment.

Second, the West Bank and Gaza Strip are not resource rich. Most of the raw materials currently used are imported. Sources and the prices of raw materials are therefore greatly influenced by the prevailing tariff structure and trade agreements. Currently, the Palestinians effectively fall under the Israeli trade regime and the

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[5] In a study by Hamed and Shaban [1] it was shown that the Palestinian economy in the WBGS is much less stable than the Israeli economy despite close links between them. This was explained by the one-sided economic integration of the WBGS with the Israeli economy.

[6] The adjustment in wage expectations tends to be slow. Before accepting a lower paying job, the unemployed worker wants to make sure that the probability of finding a job at his old wage is very low. Otherwise, he may opt to stay unemployed. Hence, former Palestinian workers in Israel are not expected to lower their expectations until they give up on reclaiming their jobs in Israel.

sources of Palestinian imports as well as their prices reflect prevailing Israeli tariff structures and trade agreements with the rest of the world. This situation may change once final status negotiations are concluded.

Third, the PNA has so far maintained the tax system that was in effect under Israeli occupation. Except for tariff rates and the value added tax, changing the Palestinian tax structure is within the powers presently exercised by the PNA. Significant changes in the tax structures cannot therefore be ruled out, but these can only take place at the end of the transitional period, once the PNA has the opportunity to make a thorough assessment of the present structure. This complicates cost calculation for potential investments and will most likely result in a delay in investment.

C.   *Unbalanced Palestinian-Israeli Economic Relations*

Since 1967, Israeli products have had free access to West Bank and Gaza Strip markets. In comparison, West Bank and Gaza Strip exports to Israel have been severely restricted to prevent direct competition with Israeli producers. Over the same period, Palestinian foreign trade has been subject to the Israeli trade regime. This regime may have been suitable to the economic development needs of Israel but not necessarily to that of the West Bank and Gaza Strip. This was apparent in a recent study done by Makhoul [3] on the competitiveness of three Palestinian industries. In this study, it was found that constraints imposed by Israeli trade agreements impose substantial costs on Palestinian manufacturers, thus reducing their competitiveness[7].

Palestinian-Israeli economic relations in the transition period are governed by the economic protocol the two sides agreed to in 1994. While many imbalances in the economic relations between the two sides were not touched by the protocol[8], its full implementation would no doubt be of great benefit to the Palestinians. Many aspects of the protocol, however, were never implemented. A case in point is the mobility of goods. The pro-

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[7] As a result of these agreements, Palestinian manufacturers are forced often to import their raw materials from more expensive countries.

[8] The WBGS still follows the Israeli tariff structure. The only exception to this is a limited list of commodities the Palestinians can import directly from other countries.

tocol called for removing all trade barriers between the two sides. The removal was supposed to take place immediately, except for agricultural products where the removal was supposed to be phased out over several years. Two years after signing the protocol, the movement of Palestinian exports into Israel is far from being free while Israel still enjoys unrestricted access to West Bank and Gaza Strip markets. In the meantime, the movement of Palestinian workers to Israel is severely restricted, despite a clear stipulation in the agreement that there should be free mobility of labor between the two sides[9].

D. Access to International Markets

Presently, all Palestinian foreign exports have to go through Israel. The flow of goods and services between Israel and the West Bank and Gaza Strip, however, is constantly interrupted by Israeli closures[10]. This makes it extremely difficult for Palestinians to establish and maintain markets abroad and highlights the importance of direct access to international markets. Moreover, Palestinian exports cannot be transported directly to Israeli ports. They must instead be transferred into Israeli trucks before being allowed into Israel. This delays shipping and increases costs, thus reducing Palestinian competitiveness on international markets.

The West Bank is landlocked, and its goods will continue to go through other countries, though not necessarily Israel, even after the Palestinians gain control over the West Bank and Gaza Strip borders. The Gaza Strip, on the other hand, can have direct access to international markets, even before the end of the transition period, assuming a port is built there. Apart from giving Palestinian exporters direct access to international markets, the port could act as a major source of economic growth for the Gaza Strip[11]. First,

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[9] Discussion with some members of the Palestinian delegation to the economic talks with Israel indicates that labor mobility was one of the most essential elements of the agreement. The Palestinian delegation had to forego other demands in return for labor mobility.

[10] Palestinians who want to enter Israel need special permits. These permits, however, are invalidated by closures. A closures could be for one day, as is the case on some Israeli national and religious holidays, or it could last for weeks, as was the case following the March 1996 suicide bombings.

[11] The economic arguments for building a port in Gaza Strip benefited from discussions I had with Radwan Shaban while we worked together at the Palestine Economic Policy Research Institute.

the construction of the port will involve a large number of workers. So, if it begins in the transition period, it will compensate for the lack of investment in the productive sectors of the economy during this period. Second, the opening of the port will create an opportunity for setting up a free trade zone around it, thus encouraging the development of export-oriented industries in the Gaza Strip. Third, the port eliminates the need for trucking Gaza exports through Israeli territory, which reduces transportation costs and makes these exports less vulnerable to Israeli closure. This will go a long way towards facilitating Gaza Strip exports, even to Israel[12].

Israel strongly resisted the building of a port in the Gaza Strip and tried to convince the donors that it was an unnecessary venture. The excuse used by Israel was the presence of the port at Ashdod, which Palestinians, they claimed, could use for their import and export purposes. Since then, it has been discovered that Israel has ambitious plans to expand Ashdod port. So, if capacity is to be increased, then why not build a port in Gaza? The argument of the Israeli Government was further weakened by constant Israeli closures. Hence, the donors agreed recently to finance a small port in Gaza. This port, however, is too small to act as an engine of growth for the Gaza Strip and is not capable of handling containers.

E.   Sources of Growth

A possible source of growth in the transition period is infra-structure. Palestinian infrastructure was neglected over the oc-cupation years. Hence, major investments in roads, telecom-munications, electric grids and sewage are needed if the Palestinian economy is to take off. Yet, PNA revenues are too limited to embark on an ambitious investment program in infrastructure. The bulk of these investments should therefore be financed by foreign donors. Such investments represent a much more efficient use of donors' funds than the present tendency toward financing PNA current expenditures. Committing funds to infrastructure development not only creates jobs in the transition period when

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[12] The port could facilitate exports to Israel because it reduces security risk. After all, it is much easier to conduct a security search for one ship than for tens of trucks.

few are being created by private sector investment, but it also facilitates private sector investment and job creation in the post-transition period.

Tourism and agriculture may also represent sources of growth in the transition period. Palestinian agriculture will no doubt benefit from the downward pressure on wages resulting from the closure and the removal of some arbitrary Israeli restrictions on planting following the transfer of authority over civil affairs to the PNA. The growth potential of this sector, however, is limited due to water souring and the lack of foreign markets. The tourist sector should also benefit from a recent increase in the number of tourists visiting the region. Substantial growth in the sector, however, will come only after heavy investment in hotels and site development, which is not expected in the transition period.

IV.   Sources of Capital

A. Introduction

Some of the capital needed for increasing the job creation capacity of the Palestinian economy may be mobilized locally. The rest needs to come from abroad, either as foreign aid or investment. In the transition period, capital formation is expected to be limited because of political and economic uncertainties, which are expected to limit foreign investment as well as the portion of domestic savings invested in the West Bank and Gaza Strip. This increases the importance of foreign aid as a source of capital in the transition period.

B. Domestic Savings

Until two years ago, there was hardly any financial intermediation in the West Bank and Gaza Strip. The banking system then consisted of the Bank of Palestine, which had five branches in the Gaza Strip, and the Cairo Amman Bank, which had nine branches in the West Bank[13]. Other financial intermediaries hardly existed then. Most of the savings of the Palestinians in the West Bank and Gaza Strip in this period were kept in cash or deposited in banks

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[13] Data about the Palestinian banking system was taken from Hamed [2]

located outside the area. In either case, the savings were not invested in the local economy.

With the signing of the Oslo Accords, the Palestinian financial system in the West Bank and Gaza Strip expanded substantially. Much of the expansion took place in the banking sector. By the end of September 1995, the West Bank and Gaza Strip had 12 banks with 49 branches. Of these, only three banks with 11 branches were chartered in the West Bank and Gaza Strip.

The expansion of the Palestinian banking system in the last two years made it possible for West Bank and Gaza Strip residents to repatriate their savings. By the end September 1995, total deposits in the West Bank and Gaza Strip reached $1,013 million, compared with $219 million at the end of 1993. A great number of West Bank and Gaza Strip bank deposits, however, are still not invested locally. At the end of September 1995, the lending deposit-ratio in the West Bank and Gaza Strip was only 23%.

The main factors that inhibit bank lending in the West Bank and Gaza Strip are the lack of acceptable collateral and political and economic uncertainties. For the situation to change, the final status negotiations will need to reach a successful conclusion. An increase in bank lending needs therefore to come about largely by increasing the availability of collateral. If that is to happen, a serious overhaul of the Palestinian legal system will be needed.

C. Foreign Investment

There was hardly any foreign investment in the West Bank and Gaza Strip over the occupation years. The economic environment of that period was not hospitable to foreign investment while the Israeli military authorities were not interested in attracting investors. Official attitudes towards foreign investment have changed in the last two years. Unlike the Israeli military authorities, PNA officials seem to appreciate the role of foreign investment in the Palestinian economy. However, this has not yet led to significant foreign investment. Even following a successful conclusion of the final status negotiations, the West Bank and Gaza Strip will have to compete with other areas of the world, like Southeast Asia and Eastern Europe, for foreign capital. To do that

successfully, a serious effort should be made to rebuild the West Bank and Gaza Strip infrastructure. Legal and regulatory infrastructures should also be made hospitable to foreign investment. This should include capital mobility and transparency in government regulation.

The most promising source of foreign investment for the West Bank and Gaza Strip is the large number of Palestinians in the Diaspora. Unlike other potential foreign investors, many Diaspora Palestinian have roots in the area, thus making it easier to identify investment opportunities and to carry them out. This also puts them in a better position to enter into joint ventures with current West Bank and Gaza Strip residents. Like other foreign investors, Diaspora Palestinians, nationalist sentiment not withstanding, are not expected to make substantial investments until the proper infrastructure, legal institutions and regulatory regimes are in place. To attract Diaspora investors, the PNA needs to make serious efforts to reach them and to acquaint them with investment opportunities in the region; it should also encourage them to re-establish their roots in the West Bank and Gaza Strip. Towards this end, the PNA should give Diaspora Palestinians a right of return comparable to the one granted by Israel to Jews worldwide.

D. Foreign Aid

Since private investment in the commodity-producing sectors of the Palestinian economy is not expected in the transition period, special emphasis should be put on investment in the infrastructure as a source of economic growth and job creation. Apart from its value as a source of jobs, investment in infrastructure increases the chance for private investment in the post-transition period.
PNA resources are presently too limited to finance substantial investment in the infrastructure. Some of the funds needed for investment in infrastructure projects can no doubt come from the private sector[14]. The bulk of these funds, however, can only come from foreign aid.

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[14] A case in point is the phone system, where a newly established private sector company is already in the process of doing so.

Following the signing of the Oslo agreement between the Israeli Government and the PLO, donors pledged to contribute $2.4 billion over five years towards developing the Palestinian economy in the West Bank and Gaza Strip. The bulk of this money was supposed to be used in rebuilding the infrastructure, which was neglected over three decades of Israeli occupation. By the end of 1995, about a third of this amount was actually disbursed under various mechanisms. Only a small fraction of this money, however, was invested in rebuilding the infrastructure.

V.   Concluding Remarks

Job opportunities for Palestinians in both Israel and the Gulf have dried up in the last few years. This makes it necessary for the Palestinian economy in the West Bank and Gaza Strip to increase its capacity to create jobs. The chances for doing so in the transition period are not encouraging because of political and economic uncertainties. Long-term prospects, however, are more promising.

The main engine for long-term growth in the West Bank and Gaza Strip can be provided by export oriented industries. Some of the investment funds needed for developing these industries can no doubt be mobilized locally. The bulk of these funds, however, must come from abroad.

An important ingredient for long-term economic growth in the West Bank and Gaza Strip is the contribution of Palestinians in the Diaspora. In the absence of alternative investment opportunities, Palestinians invested heavily in education over the last four decades. The stagnation of the Palestine economy in this period made it impossible, however, for the Palestinian economy to make proper use of its enormous investment in human capita, thus forcing a large number of Palestinians to seek job opportunities abroad, particularly in the Gulf. Over the same period, Palestinians in the Diaspora amassed substantial financial capital. If the PNA manages to attract a significant portion of Palestinian human and financial capital from the Diaspora, it will go a long way towards enabling alleviating the current economic problems and those of the future.

Political and economic uncertainties make it highly unlikely that substantial foreign investment will be made in the West Bank and Gaza Strip in the transition period. These uncertainties also limit the role of domestic savings as a source of investment. As for foreign aid, it was supposed to be a major source of investment in this period; at least that was the declared intention of major donors to the West Bank and Gaza Strip. So far, that has not happened, and most of the funds committed have gone to current expenditures. This ought to change if the West Bank and Gaza Strip are to create jobs in the transition period and rebuild the infrastructure needed to attract substantial private investment in the post-transition period.

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Demographic Conditions and the Jordanian Economy

Structural Characteristics and International and Regional Variables

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Introduction

The population element and demographic structure in Jordan, which has been the scene of several major waves of immigration, have been influential factors in the development of the economy of contemporary Jordan. Their influence becomes evident whether we analyze the historical development of the Jordanian economy since the 1940s, study the current realities governing the Jordanian economy, or examine the various scenarios governing the development of Jordan's economy in the future.

In a similar manner, the unique features of the Jordanian economy have left their imprint on the demographic structure of contemporary Jordan. There is domestic immigration in Jordan, whereby the population tends to be concentrated in the central part of the country. Other unique features of the Jordanian economy at present are related to manpower and the fact that the work force has a relatively high education, while the country's labor market is simultaneously a provider and recipient of labor.

In fact, population and the economy in Jordan have a reciprocal relationship, whereby it is difficult to separate one from the other, or to consider one as a constant factor and the other as a variable. Both population and economy in Jordan are variables that for the last half-century have been affected by regional conditions. They can be viewed either separately or simultaneously as being directly affected by the consequences of the Arab-Israeli dispute, other regional conflicts, such as the first and second Gulf wars and the prevailing economic and political conditions in the Arab World.

Jordanian economic literature highlights the negative aspects of the flow of immigration waves resulting from the Arab-Israeli wars. These wars are viewed as an enormous economic burden - which they are. However, these wars have, in a different way, also contributed significantly to the formation of contemporary Jordan. They are responsible in one way or another for Jordan's economic growth and social development in the last few decades, irrespective of how we view the pattern of this development or limitations.

Similarly, there are diversified possibilities for the future. Certainly, Jordan will be affected by the final settlement of the problems of the refugees and evacuees. Whether the consequences of such a settlement are negative or positive, a just solution of the problem of the refugees should crown the peace that has been reached between the Palestinians and the Israelis. Coexistence should follow, because it is one of the most significant goals sought by the current peace process along with political stability and regional security of the states of the region. During its short history, Jordan has experienced different types of demographic, and even geographic changes. The existence of the country has never been threatened by these changes, although they have, at times, been violent changes, such as the Israeli occupation of the West Bank in June 1967 and the earlier mass immigration of the Palestinian refugees in 1948. These waves of immigration have caused the population of Jordan to triple since 1948. The most recent instance was the forced repatriation of Jordanians living in the Gulf states during and after the second Gulf war.

With this reciprocal relationship between the demographic and economic dimensions in mind, this paper will first review the population developments, because they, at least from the historic point of view, preceded the growth of Jordan's contemporary economy, and because the solutions offered to settle the refugee problem will have a direct and clear impact on the Jordanian economy. The paper will then discuss the most prominent features of the Jordanian economy and the impact of the international and regional changes on its subsequent growth.

I.   Population and the Demographic Changes

A. Jordan's Total Population:

Jordan's population, according to the 1994 census, totaled 4,139,458 people. Thus the population increased sevenfold between 1952 and 1994, with an average population growth of 4.7% per year.

Although the large rate of population growth in Jordan was due to numerous factors, such as natural growth, fertility and mortality rates, this rate was directly affected by the immigration factor, particularly the waves of immigration that resulted from the wars of 1948 and 1967 and the forcible return of Jordanian expatriates from the Gulf states in the aftermath of the second Gulf crisis in the summer of 1990.

Table 1 and 2 below show population growth in Jordan according to the aforementioned census for the period from 1952 to 1994.

Table 1: Population Growth, 1952-1994 (Censuses)

Period	Growth Rate (%)
1952-1961	4.8
1961-1971	4.8
1979-1994	4.4
From 1952 till 1994	4.7

Table 2: Inhabitants of Jordan, Changes 1952-1994

Year of the census	Number of inhabitants
1952	586200
1961	900800
1979	2132989
1994	4139458

Before we review the various demographic indicators and features, we will take a quick look at the impact of the various waves of immigration and the different categories of refugees flowing into the country.

B. Palestinian Refugees in Jordan

- *The 1948 War Refugees:*

  The International Economic Survey Team, which visited the Arab countries of the Middle East in 1949, estimated that the number of the Palestinian refugees who immigrated to the neighboring Arab countries totaled 774,000 people. Of these, some 70,000 refugees came to Trans-Jordan. Others were settled in the West Bank, the Gaza Strip, Syria, Lebanon, Egypt and other countries. As a result of the immigration from the West Bank to the East Bank between 1948 and 1967 and other factors, such as the natural growth of the refugee population, the June 1967 war and the waves of immigration that followed, the number of Palestinian refugees in Jordan rose to 1,193,339 people, according to the estimates of the UNRWA.

  It is noteworthy that these figures exclude the families that departed from Palestine immediately before or after the out-break of hostilities of the War of 1948 and managed to survive without the help of the UNRWA.

- *The Evacuees of the 1967 War:*

  The number of evacuees from the West Bank and the Gaza Strip in the aftermath of their occupation by Israel in the June 1967 war was estimated at 234,000 people, according to the report of the UNRWA commissioner general, which he submitted to the UN's 22nd session. This figure does not include some 100,000 refugees from West Bank refugees camps, who became refugees for the second time.

Government authorities in Jordan classify the several categories of refugees and evacuees in the following manner:

- *The Evacuees of 1967*:

  These are some 100,000 Palestinian evacuees, who became refugees for the second time in 1967. They had originally settled as refugees in the West Bank and the Gaza Strip after the War of 1948, but evacuated to Jordan in the aftermath of the War of 1967. They also include first-time evacuees from the

cities and villages of the West Bank and the Gaza Strip after the War of 1967.

- *Palestinians Living in the Villages of the Armistice Line*:

  These people departed from their front-line villages adjoining the armistice line after their villages were demolished by Israel, or they were deported by Israel from these villages and prevented from going back to them. Some of them left on a temporary basis to work in other places, and some were forcibly deported by Israel for political reasons.

- *Persons who left the West Bank for Jordan either in order to study or work using Israeli-issued documents and permits:*

  These people were unable to renew these permits and conse-quently, they lost their right to return to the occupied West Bank according to the Israeli military orders.

All in all, Jordanian sources estimate the *total* number of evacuees to be about 900,000 persons, half of whom are classified as refugees.

Table 3: Refugees, Distribution by Host Countries, 1994

Country/Region	Number of Refugees
Jordan	1193339
Lebanon	338290
Syria	227288
The West Bank	504070
Gaza Strip	643600
Total	3006587

Source: UNRWA, 1994.

- *Expatriates returning from the Gulf states:*

  These are the people who were compelled to leave Kuwait, Saudi Arabia and other Gulf states under the pressure of the Gulf crisis and war. Some of them are evacuees, and some are refugees, and some can be classified under the two categories of refugees and evacuees simultaneously. They originally left Jordan for the Gulf states before or after the War of 1967. They have one thing in common: they do not need the services of the UNRWA. The number of expatriates returning to Jordan from the Gulf states during or after the second Gulf crisis and war is

estimated at 300,000 persons. Most of them are either Palestinian refugees or evacuees.

C. Current Demographic Features

The population structure in Jordan has undergone several important changes in the last two decades. These changes can be summed up as follows:

- The number of Jordanian families doubled in the period between 1979 and 1994 as a result of a high annual growth average estimated at 5% per year during that period. In contrast, the average family size dropped from 6.7 to 6.2 persons during the same period. The biggest drop was in the governorates of the central part of Jordan (Amman, Zarqa and Madaba).

- The age structure of the population witnessed a noticeable drop in the category of people below 15 years of age. People below 15 years old represented 41.4% in 1994 compared to 50% in 1979. In contrast, people in the productive age of 15 to 64 years old represented 56% of the total population compared to 47.3% in 1979. This meant a drop in the overall average of persons who support other members of the family from 1.1 persons in 1979 to 0.8 persons in 1994. The decrease included both people below and above 15 years old.

- The gender structure of the population showed a continued increase of the ratio of males to females, i.e., 100 females for each 109 males. Often this was a reflection of the impact of immigration on the gender structure of the population.

- The 1994 population census showed that 38% of the total population of Jordan live in the Amman Governorate. This is followed by the Irbid Governorate where 18.2% of the total population of the country live, then the Zarqa Governorate where 15.4% of the total population of Jordan reside. It is noteworthy that 63% of the total population of Jordan live in four governorates in the central part of Jordan - Amman, Balq, Zarqa and Madaba.

- According to the census, 92.4% of the population of Jordan have Jordanian citizenship, while 7.6% of the population have non-Jordanian citizenship. However, the declared results of the

census did not show the ethnic and religious distribution of the population. Nor did the census indicate the number or ratio of Jordanian citizens of Palestinian origin.

- According to the 1994 population census, the total number of Jordanian nationals who returned home from the Gulf states stood at 216,133 people constituting 5.2% of the total number of returnees. Returnees from Kuwait constituted 87% of these people, while returnees from Saudi Arabia constituted 7% of the total number of returnees. Of the total number of returnees, 48% returned to Jordan in 1990, 38.1% in 1991, and the remainder some time afterwards.

- As for the educational standard of the population, the 1994 census showed that illiteracy rates dropped sharply between 1979 and 1994. The drop was most noticeable with regard to females, with the illiteracy rate dropping from 48.2% in 1979 to 20.6% in 1994, while the illiteracy rate for males dropped from 18.9% in 1979 to 9.8% in 1994.

  Similarly, the rates of holders of secondary school certificates rose to 37.2% in 1994 compared to 19.1% in 1979 for males, and to 31.8% in 1994 compared to 10.2% in 1979 for females. This phenomenon could be interpreted by the increased demand for education and the expansion of educational services in the last two decades. The rate of illiteracy in Amman was 10.9%, which was much lower than in rural areas such as Ma'an, Tafileh, Karak and Mafraq where educational development has been slower. Generally speaking, the rate of female illiteracy was much higher than the rate of male illiteracy.

Going back to the survey that accompanied the 1994 population census, it is noteworthy that the survey was conducted three weeks before the initiation of the census and included a sample of about 67,000 families, or about 10% of the total number of families in Jordan. Consequently, we can recognize a number of important population features from the survey:

- As far as education is concerned, the survey shows that 7.4% of the population of Jordan who are above 15 years old are university graduates and that 9% are graduates of university colleges (two years of university after high school).

- The survey also indicated a high rate of participation by people above 18 years old in the economic activities of the country. The rate of participation reached 50.3% for both sexes (83.9% for males and 16.5% for females). This rate was 46% in 1991 (77% for males, 13% for females). The highest rates of participation were for people in the age group 25 to 29 years old and the age group 30 to 34 years old where the rate of participation reached 61% and 60.3% respectively.

- The 1994 population census showed that the number of people who are 18 years old or older totaled 1,882,000. This figure includes 947,000 males and 935,000 females. Judging from the averages of participation in the economic activity of the country, the labor force in Jordan consists of 949,000 people, including 795,000 males and 153,000 females.

- According to the survey that accompanied the population census of 1994, the rate of people who were born in Jordan and changed the place of their residence to outside the governorate in which they were born totaled 9.7% of the total number of population. Of this figure, 58.1% went to reside in the governorates of Amman and Zarqa, 9% resided in the Irbid Governorate, and 7% resided in the Mafraq Governorate. The three governorates of Amman, Zarqa and Irbid also recorded the highest rates of migration to the other governorates.

- The survey also showed that the rate of disability among the population of Jordan is 1.3% of the total population. In other words, there are seven disabled people for every 100 families in the Jordanian society. Physical disabilities constitute some 28% of the total number of disabilities, while hearing and speech disabilities constitute 16%, mental disabilities constitute 12% and chronic diseases constitute 12.8% of the total number of disabilities.

   The survey also indicates that well over 50% of the reported disabilities were very severe cases, while medium disabilities constituted 31% and minor disabilities constituted 15%.

II.   The Economic Structure in Jordan

In view of its size and characteristics and in view of Jordan's geopolitical location and strong link with the facts of the Arab-Israeli conflict, the Jordanian economy has been for the last one half-century greatly affected by the regional and international developments that have been taking place. The Jordanian economy, as a model of a small, open economy has been historically affected by the various shocks and the changes that have taken place within the regional and international framework. The Jordanian economy has sustained the long-term impact of Jordan's confrontation with Israel with its demographic, economic, social and cultural dimensions. This confrontation has left strong imprints on the structure of the Jordanian economy and its current characteristics, and has left it with a number of structural bottlenecks.

A. *The Major Characteristics of the Jordanian Economy:*

- *The Jordanian Economy as a Small-Size Economy:*
  We indicated a while ago that Jordan's population reached 4.1 million in 1994. Thus Jordan belongs to a group of countries that have small-sized economies with limited domestic markets. The limited Jordanian domestic market is further aggravated by a low per capita income. Consequently, the purchasing power of the individual is low and trade exchange operations, which are still being done in a traditional way, are limited.

  Unlike several other Arab countries, Jordan has no important natural resources that might help offset the small-sized domestic market or provide high incomes for the country. Oil has not been discovered in Jordan in commercial quantities despite all attempts at oil exploration. Jordan also suffers from an acute shortage of water resources. Nevertheless, Jordan has an important extracting industry that depends on the raw phosphates, potash and other less important raw materials. Meanwhile, like other neighboring countries, Jordan has a wealth of historical and archeological sites and elements of tourist attraction. But they have not been exploited on a large scale. The high educational and professional standards of Jordanians constitute an additional advantage for the Jordanian economy. Jordan has utilized this advantage to encourage immigration to the oil-producing Gulf states and managed to obtain important revenues in hard currency from the

remittances of Jordanian expatriates in these countries. Jordan has also promoted its medical and educational services in the last few decades in order to improve its external resources.

- *The Jordanian economy is an economy that relies heavily on foreign assistance and resources:*

The distortions of the modern Jordanian economy began when the Jordanian entity was formed in the early 1920. These phenomena accompanied the Jordanian economy until the late 1940s. The rise of the modern economic sectors in Jordan was linked with spending by the state, the civil bureaucracy and the army. This spending in turn was dependent on the annual British subsidy given to Jordan. Jordan's trade in commodities with other countries was very limited, and until the end of the 1940s, the balance of trade was negative. The deficit in the balance of trade continued year after year. However, the distortions that where characteristic of the Jordanian economy became increasingly evident after the War of 1948 as the state's civil bureaucracy and the army were inflated by the impact of this war and the large-scale Palestinian immigration to Jordan.

The War of 1948 was followed by a merger between Jordan and the West Bank, and the population grew by threefold. Pressure intensified on various social services, such as education, health, housing and others. This in turn created a larger state bureaucracy in order to cope with the services in demand. The state doubled the size of its spending. The number of people enlisted in the armed and security forces increased significantly. The same applied to military spending.

Generally speaking, the basic developments that accompanied the emergence of the Palestinian problem have caused an increase in demand for wide-scale infrastructure services and a raise in demand for consumer and investment commodities as well as services pertaining to trade, construction and transport. Cities and domestic markets grew on a very large scale.

As a consequence, two parallel phenomena became evident. First, there was a rapid growth of the deficit in the balance of trade and in the balance of payments as a result of the expansion of imports and the limitations of the traditional Jordanian exports. Second,

the deficit increased in the state budget as a result of increased spending and poor state revenues from the various domestic sources.

The deficit in the balance of trade and balance of payments have been offset in the last four decades by revenues generated by remittances from Jordanian expatriates working abroad and by the domestic revenues of tourism and non-commodity exports. Meanwhile, foreign loans, grants and aid were used to offset the budget deficit. Until the early 1990s, British and then American and European aid and finally Arab aid was used to offset the deficit in the Jordanian budget.

- *The inflation of the state role in economic operations:*

With the unique growth of the Jordanian economy within the context of the Arab-Israeli confrontation and the inter-Arab cold war, the sector of government services, management and defense played an important role in the economic process. Meanwhile, the circumstances of the Arab-Israeli conflict and the emergence of the Palestinian problem dictated an inflation in the size of the armed and security forces. Moreover, the same circumstances dictated the inflation of the state bureaucracy that had to undertake the major and direct responsibility for public services, such as education, health, water, social welfare, and transport, and to establish infrastructures and provide maintenance services for them. The state also undertook direct responsibility in the sectors of reconstruction, housing, air and maritime transport and intervened in the pricing of basic consumer commodities, providing subsidies to some of these commodities. It also took over the management of the social security corporation and the vocational training corporation, etc.

In view of the extreme expansion of the role of the state, the participation of the state in the economic and social sectors was called "unnamed socialism." The state is regarded at present as the largest single employer of manpower, and it is believed that the state employs about half of the working force in the country, by employing people in the various state bureaucracies, public sector corporations and various other independent corporations affiliated with the public sector.

- *The limited contribution of the commodity sectors in the Gross Domestic Product:*

Since the early 1960s, government development plans have been seeking to overcome the structural bottlenecks in the Jordanian economy. These bottlenecks were mainly evident in the weak participation of the commodity producing sectors in the Gross Domestic Product (GDP) and the exaggerated expansion of the services sectors. The 1970s and the first half of the 1980s were considered the golden period of intensive and centrally planned development. Enormous resources were allocated to finance development projects. Nevertheless, the relative importance of the commodity producing sectors in the overall economic activity rose by only 5.5%, or from 31% in 1972 to 36.5% in 1985. The major contribution to the generation of national income remained the responsibility of the services sectors at rates ranging from 69% in 1972 to 63.5% in 1985. There has been no substantial change in this situation in the last ten years.

Despite the successive development plans, the Jordanian economy was lacking in diversity in the production sectors. It could only produce a limited number of commodities designated for export, such as the extracted commodities, agricultural produce, processed foodstuffs, medicines and chemicals.

- *The rise of consumption spending by rates that exceed the national income and the dependence of investment on external financing:*

In the 1970s and the first half of the 1980s, spending on consumption exceeded the GDP by rates ranging from 9% to 30%. The rising consumption spending was financed from external remittances, particularly remittances transferred by Jordanian nationals living in the Gulf states.

While long-term savings and deposits were deposited at banks to finance the activities of the non-commodity sectors, particularly foreign trade transactions, retail trade, real estate and lands, the share of the commodity sectors in the overall activities of the economy was much less than the benefits that would be reaped from the credit facilities offered by commercial banks. Meanwhile, the state's development projects were dependent on foreign loans. Although most development loans were offered at easy terms as far as interest rates and repayment periods are

concerned, they have contributed to raising the domestic demand for commodities and services and created an inflationary situation.

The dimensions of the foreign debt crisis only became clear in the late 1980s, when there was an increase in borrowing from commercial banks. High-interest short-term loans that were used to cover the deficit in the state treasury for several years exposed Jordan's inability to service its foreign debts, which stood at US$11 billion in 1988, compelling Jordan to enter into negotiations with the International Monetary Fund (IMF) to reschedule the foreign debts. As a consequence, a harsh program of structural adjustment was applied, and it is still enforced to date.

- *The Jordanian economy as a provider and recipient of labor:*

Despite the relative improvement in the rate of economically active people in recent years, Jordan remains a country that has a large number of young people among its total population. This explains the low rate of economic participation of females at the working age and the delay of the entry of young people (15 years old and above) in the labor market as they enroll in schools and universities for high school, community college and university education.

Furthermore, the labor force is suffering from an imbalance in its sectional and professional distribution, as this labor force is concentrated in the services-producing sectors at the expense of the commodity-producing sectors. The government's services sector and state corporations attract the larger part of the economically active labor force. Needless to say, the state bureaucracy and corporations are the main places where covert unemployment is so clearly evident.

In the last ten years, unemployment averages increased drastically as a consequence of the economic recession that Jordan has suffered, particularly since the mid-1980s. Economic conditions continued to deteriorate after the Gulf crisis and war in the aftermath of the return of hundreds of thousands of expatriates to Jordan.

The problem of unemployment has historically been associated with the Jordanian economy. The years when Jordan had no overt unemployment, namely the second half of the 1970s, were extraordinary and exceptional years. Unemployment is an inevitable reflection on the structure of the Jordanian economy. The proposed way out of the problem was expansion in education and vocational training and rehabilitation to qualify Jordanians for employment in the Gulf markets. However, this strategy began to lose its effectiveness as oil-producing Gulf countries were completing the building of their government bureaucracies. Furthermore, the intensive development momentum in these countries was consumed by the end of the 1970s, and the Jordanian labor force was encountering increasing competition in the Gulf markets from Asian labor and other Arab labor forces.

Meanwhile, the Jordanian labor market was turning into a recipient of labor starting in the mid-1970s as a result of the increased demand for skilled and trained workers in the Gulf states. The consequence was an acute shortage of domestic supply of labor in a number of professional categories. In fact, the extensive demand for education and the improvement of salaries in certain sectors of the Jordanian economy has gradually emptied the rural areas of the cheap labor force that was there in abundance. Other low-wage economic sectors followed the example of the agricultural sector. Meanwhile, there was an increasing demand for foreign labor, particularly from Egypt, Syria and some Asian, low-wage countries.

Thus what appeared to be a limited phenomenon in the mid-1970s became a permanent feature of the Jordanian labor market. It has become a strong supplier of Jordanian workers. Similarly and with the same intensity, it has become a strong recipient of foreign workers.

Conclusion

The main conclusion of this study is that the Jordanian economy needs a qualitative change in its sectional structure and in the general environment of investment. This includes the need to reduce the role of the state in economic activity, the updating of laws in order to make them more capable of attracting investments,

simplifying measures and procedures and encouraging the trend to turn the Jordanian economy into an export economy.

This conclusion is based on a number of facts:

1. The Jordanian economy needed and still needs a qualitative structural adjustment. Since the early 1980s, the Jordanian economy has been undergoing a period of recession. The only way out of the recession is to place the economy in a position that can generate a local productive income that can meet the demand for consumption and investment. The Jordanian economy should be able to do so depending on its own resources.

2. International economic policies in the 1990s press on the Jordanian economy new challenges manifest in the fact that it should be more open to international markets and should be more competitive in terms of quality and price.

3. The deteriorating inter-Arab relations and the attrition of resources as a consequence of the Gulf war has weakened the capability of the Arab countries to fulfill their commitments to assist Jordan economically and financially.

4. The entry of the Arab-Israeli conflict into the phase of a peaceful political settlement dictates that the countries of the region, and Jordan in particular, restructure their economies. In the case of Jordan, it should minimize the inflating role of the state in economic activity, reduce the extended size of the government bureaucracy and the public sector, reduce military spending, and allocate more resources for infrastructure and development projects. The private sector should be encouraged to take the initiative to oversee economic growth and to attract foreign investment.

5. The bottlenecks that are a consequence of unemployment and poverty need genuine solutions. An appropriate atmosphere for economic growth and attracting foreign investments should be provided. This requires the following:

- The peace process should reach decisive results on its Palestinian, Syrian and Lebanese tracks.

- There should be an effective political and administrative reform of the state bureaucracy, and the introduction of the principle of

competence and equality of opportunity among all citizens in government appointments and in all other aspects of life.

- The democratic process should continue and should be freed from obstacles placed by the government or the state bureaucracy. Legislation governing the political life of the country should continue to be reformed and democratized.

- The social security law should be updated and modernized and the umbrella of health insurance should cover the entire population. The new labor law should be expeditiously endorsed and the taxation system should be improved. The employment of people should be undertaken in accordance with the criteria of competence and equality of opportunity and the huge gap between incomes should be narrowed. Self-confidence should be restored and the young should be taught to view the future with optimism. Furthermore, economic stability should be provided to the middle class and the work environment in general should be improved.

Annex: Selected Economic Indicators

Economic Indicator	1980	1995	Changes (1980=100)
Inhabitants (thousands)	2215	4096*	185
Work force (thousands)	420	859.3**	205
GNP	1213.7	4039.2*	333
Building permissions (1000 m^2)	1949.4	5144.9	264
Maximum cost of living (1980=100)	100	248	248
Quantities of electricity consumed (MW/hour)	877	4329.7*	494
Exchange rate (US$)	3.4	1.4	41
National income of the government (millions of Jordanian Dinars)	226.1	1306.4*	577
External income of the government (millions of Jordanian Dinars)	280.9	383.6*	136
Balance resulting from external debts (millions of Jordanian Dinars)	---	4612.6*	Unknown
Balance resulting from internal debts (millions of Jordanian Dinars)	197.8	966.1	488
Exports (millions of Jordanian Dinars)	120.1	1004.5	836
Imports (millions of Jordanian Dinars)	716	2590	362
Deficit in the balance of payments (millions of Jordanian Dinars)	543.3	1362.4*	251
Transfers made by Jordanians working abroad (millions of Jordanian Dinars)	236.7	763.7*	323

*   Figures of 1994
**   Figures of 1993
Source: Made by the researcher based on the publications of the Central Bank

The Israeli Economy

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Between 1990 and 1995, the Israeli economy grew rapidly, by an average rate of 6% a year. Investment rose by an annual average of 14% (see *Appendix, Table 1*). This growth was made possible by a number of factors.

The first factor was the high level of immigration from the former Soviet Union. Between the end of 1990 and 1995 over 600,000 immigrants came to Israel. They added to the level of demand and to the supply of labor (see section on demographic developments below).

The second factor was the peace process, which increased confidence in Israel and resulted in a major improvement in its image abroad. With the crumbling of the Arab secondary boycott, foreign firms and banks became willing to do business with Israel. This opened new markets and sources of supply. During the first half of the 1990s, Israel established, or significantly improved its diplomatic relations with India, China, Korea and Japan, as well as the countries of the former Soviet Union and Eastern Europe, and these countries became new and fast-growing markets for Israeli exports.

The peace process also enabled Israel to import capital on a large scale and on favorable terms, which helped to balance the deficit. This was vital given the imbalance between supply and demand in the domestic economy. Israel imports much of the capital equipment that it uses and the current investment boom has been funded by supplier credits and loans that were often facilitated by using US guarantees.

A third factor, related to the peace process, was the reduction in the defense burden, which released resources for civilian uses, including investment (see *Appendix, Table 1, 5th column*). In 1980,

total defense spending accounted for 23.2% of the GDP; in 1990 for 13.5%; and in 1994 for 10.3%. This included spending abroad funded by the US (see *Table 2*).

<u>Table 2:</u> Defense spending as a share of the budget

1986	24.0%
1995	17.8%
1996	16.4%

Coupled with the reduction in the defense burden was a fall in debt-related spending, which freed more resources for other uses (see *Table 3*).

<u>Table 3:</u> Shares of the total budget

	1986	1996
Debt and defense	64.0	48.6
Investment and credits, transfers, supplements, and civilian consumption	36.0	51.4

Between 1990 and 1993, the high rate of growth, which occurred as a result of rapid investment in infrastructure, did not cause a deterioration of the balance of payments. Aid from the US and other transfers from abroad were large enough to cover the deficit on trade in goods and services. Since 1994, Israel has had to supplement these sources by borrowing from abroad, which has increased the foreign debt. However, given the favorable developments described above, Israel's credit rating has improved. (Standard & Poors increased their rating for Israel from 'BBB+' to 'A-' in December 1995.) The improvement in the credit rating was due to the decline in the debt burden, accompanied by the perception abroad that there is a consensus in Israel on the need for a low budget deficit. The role of US loan guarantees has been significant in boosting confidence and has made foreign borrowing easier.

The net effect of the above was that in 1984, the total debt equaled approximately 75% of GDP; by 1994, the total debt came to about 25%. This dramatic change was a function of two things: the economic stabilization program of 1985 and of the growth of the

GDP since 1990. The first reduced the need to borrow and the second increased the denominator and thus reduced the ratio of debt to GDP.

The main sources of growth in 1995 were the trade and service sector, which grew by 12% in real terms, industry, which grew by 7.5% and construction, which grew by 7%. Within the services sector, tourism did particularly well, with a 72% rise in foreign currency earnings between 1992 and 1994. There have also been large increases in investments in roads and telecommunications, which have led to the growth in the transport and telecommunication sectors. The high growth rates show that the Israeli economy has not yet reached full maturity.

House building has experienced a major boom since 1990 as a result of the large scale immigration. At present about 80,000 immigrants are coming to Israel each year. This, together with the natural increase in the population and higher living standards, has boosted demand for housing. The annual level of housing started in 1990-94 was 140% above its 1987-89 level.

Industrial production rose by an annual average of 7.3% between 1990 and 1995. Within industry, the high technology sector has done particularly well. Its success has been helped by the continued move from military to civilian applications in many companies, something that has increased the marketability of products and has enabled the sector to increase exports.

The economic picture is not without problems. The deterioration in the balance of payments has been the result of a number of factors. First, the level of demand in the economy has been high: private consumption (see *Appendix, Table 1, 8th column*) has grown and the government's budget deficit in 1995 was estimated at over 3.5% of GDP compared with a planned level of 2.75%. This resulted in a strong demand for imports and may have acted as a disincentive to exports for those companies where sales involve both local and foreign markets.

Second, the virtually unchanged shekel-dollar exchange rate in 1994 and most of 1995 resulted in a real revaluation of the shekel and made exports to the US less competitive, given the faster increase in the rate of inflation in Israel, as opposed to in the US. It

also reduced the relative price of US imports in Israel. The shekel became overvalued against other currencies, although to a lesser extent, with similar effects but on a smaller scale.

Another factor that reduced the economy's competitiveness was the slow growth in productivity. Most of the increase in output during the 1990s, in both the economy as a whole, and in industry in particular, has resulted from increases in inputs (labor and capital) rather than increases in productivity (the efficiency with which they have been used). This is not necessarily a problem if it is a feature of the period of fast growth in inputs and is then followed by a period of consolidation. The open question is whether output will continue to grow rapidly if and when input growth slows down.

Aggregate figures, especially regarding productivity, do not reveal trends within different sectors. The electronics industry has increased its output by 15% a year in the last three years and it now equals $6 billion. A total of 40,000 people are employed in knowledge-based industries, including 13,000 with an academic education. Only 30% of electronics output is accounted for by defense.

Three trends that have become apparent in recent years bode well for the future. The first is a gradual move towards lower government spending as a share of the GDP. In the period 1980-1985, government consumption (including that of local authorities) averaged 24.3% of the GDP. Partly because of the volume of total government spending, and also because of the large deficit, this became one of the causes of a major economic crisis in 1985. The major economic stabilization program carried out in that year reduced government consumption, which averaged 20.9% of the GDP in the years 1986-1989.

Due to the high level of immigration, in the period 1989-1990 the Ministry of Finance decided to increase government spending, and, at least temporarily, suspend the move towards a lower share of government spending in GDP. Yet, despite this, provisional, official figures show that in the period 1990-1995, the share of government consumption expenditure in GDP fell to 20%. In 1995 there was,

however, an increase in spending and the budget deficit, but this may be reversed in 1996 or 1997.

The second trend has been the increased internationalization of the economy. This has resulted from the opening up of the economy to imports from South and South East Asia, with decreasing levels of protective duties. The implementation of the World Trade Organization, Uruguay Round, agreement has meant that Israel is now ending quotas on processed food imports and replacing them with tariffs that will gradually be reduced. Israel also has agreements with a number of other countries, such as Russia and Turkey, to increase trade. The share of imports in GDP rose from 45.7% in 1990 to 48.3% in 1995, mainly as a result of high domestic demand, but the share of exports fell from 34.7% to 32.1%.

Israel has traditionally/historically benefited from very little foreign investment. This has not prevented the development of local technology, but has affected the ease of marketing of Israeli products abroad and the quality of management at home, increasing Israel's level of self-reliance.

Although the international financial and industrial community partly boycotted Israel until recently, Israel was able to maintain scientific and educational links abroad. It continues to educate and train scientists and engineers, partly but by no means wholly because of military demand.

A number of American high tech companies invested in Israel, despite the boycott because of Israel's skilled labor force and also because they had no significant Arab markets.

The level of foreign investment can be an important variable in the development process. This is especially true in countries that have been unable to raise the skill levels of workers and management to a point where they can absorb foreign technology without the need for foreign investment. The models for this self-sufficient pattern of development, which discouraged foreign investment were Japan and South Korea. Israel was, therefore, an unwilling member of the low foreign investment club. It developed its own technological base and imported capital equipment to meet its needs.

Foreign investment has been rising, both passively on the stock exchange and actively through direct investment in companies. In the period 1998-1990, average annual foreign direct investment was $281 million. In the period 1991-94, it averaged $694 million. Israelis were allowed to invest abroad with increasing ease as a result of the liberalization of foreign exchange regulations. This, together with the internationalization of Israeli business, has brought about an increase in direct investment abroad from an annual average of $125 million in 1988-90, to $722 million in 1991-1994.

The third trend has been a high level of spending on civilian research and development (R&D). At present Israel invests about 2.3% of GDP in R&D, a high level by international standards. In 1991 R&D equaled 2.1% of GDP compared with 3.0% in Japan, 2.7% in Germany and 2.1% in the US. Canada, Italy, the UK and France all spent smaller percentages than Israel.

The employment of skilled manpower, in particular engineers, scientists and technicians, in industry has increased. In 1970-71, 1.91% of all employment in industry consisted of professionals in R&D. In 1975-76 this was 2.38%; in 1990, 4.95% and in 1993, 7.54%. R&D as a share of industrial revenues rose from 0.57% in 1970-71, to 0.62% in 1975-76, and to 1.63% in 1990 and 1.73% in 1993. The figures were higher for the high-tech sectors. In 1993, 10,700 people were employed in industrial R&D. This included 9,800 engineers, scientists and technicians of whom 900 had immigrated since 1990.

Between 1989 and 1994, the Ministry of Immigrant Absorption accepted a total of 10,400 scientific workers for special training programs that the ministry itself organized. 7,500 of them started within that period, 6,100 with the help of the ministry.

This reflects a national recognition of the importance of education (and in particular scientific and technical education) for economic development, something which has been reinforced since 1992. One result is that there are now computers in all compulsory, state kindergartens for five-year olds.

Israel's high technology industries are export industries. The so-called 'advanced industries', which use relatively sophisticated

capital equipment and skilled manpower, (e.g., electronics, metal products, chemicals) have a concentration of R&D. Table 4 shows how the structure of exports changed between 1970-94. In 1970, electrical/electronics exports accounted for 1.6% of total exports; in 1980, 5.2%; in 1990, 14.7%; and in 1994, 19.2%.

Table IV: EXPORTS, BY ECONOMIC BRANCH (in $ Million)

Economic branch	1970	1980	1990	1993	1994
Grand Total	778.7	5,537.5	12,079.8	14,825.5	17,005.7
Agricultural exports - total	129.6	555.7	656.2	547.4	591.6
Citrus fruit	86.1	231.1	180.5	120.8	126.4
Other	43.5	324.6	475.7	426.6	465.2
Industrial exports - total	638.7	4,955.5	11,058.4	15,844.2	15,844.2
Mining & quarrying	41.8	158.4	269.8	267.6	292.2
Food, beverages & tobacco	63.0	298.1	647.1	551.4	576.8
Textiles	44.4	152.9	232.2	267.3	281.4
Clothing & made-up articles	53.6	313.3	545.1	644.8	716.7
Leather /leather products	3.5	7.2	10.2	17.9	21.5
Wood & its products	9.0	43.2	59.7	59.5	44.7
Paper & its products	2.6	14.8	26.0	36.0	45.7
Printing & publishing	5.3	21.3	28.2	30.8	31.6
Rubber/plastic products	23.5	128.2	368.6	484.1	566.7
Chemical & oil products	60.9	722.6	1,449.7	1,888.0	2,096.2
Non-metallic mineral products	3.0	16.1	24.7	28.6	51.1
Basic metal	7.9	97.4	114.7	80.8	122.6
Metal products	22.1	377.3	691.0	651.1	741.5
Machinery	18.1	91.4	317.4	338.5	606.6
Electrical & electronic equipment	12.8	287.1	1,772.3	2,941.3	3,261.2
Transport equipment	9.1	398.0	596.5	1,030.2	1,088.9
Diamonds, worked-gross	244.6	1,615.1	3,236.1	3,6451	4,374.6
Thereof: net	202.0	1,409.1	2,783.4	3,013.8	3,553.5
Miscellaneous	13.5	213.1	686.1	861.5	924.2
Other exports – total *	10.4	26.3	338.2	453.6	569.6
Thereof: unworked diamonds	-	-	271.1	398.2	525.6
Returned exports	-45.1	-245.6	-476.7	-742.5	-954.8
Thereof: returned diamonds	42.6	206.0	452.7	687.5	885.7
NET EXPORTS – TOTAL	733.6	5,291.9	11,603.1	14,083.0	15,929.2

*Incl. also industrial goods which were not produced in Israel and were sold abroad

In the winter edition of its publication *International Finance,* the Union Bank of Switzerland (UBS) analyzed international competitiveness. UBS stated that the link between raising living standards and international competitiveness is explained in the recently developed 'endogenous growth theory'. This states that economies develop best when they compete on international markets. By buying resources that they do not possess they can concentrate on the production of goods and services in which they have a comparative advantage. Comparative advantages can be natural resources, skilled labor, cheap labor or even a favorable climate. The fastest growing economies are therefore those that compete most effectively on international markets. They are attractive places to invest in and are quick (or relatively quick) to develop new products; they are also good at adaptation and thus ensuring lower costs. In so doing they create competitive pressures for other producers. Growth is driven by investment but this must be financed by savings either at home or abroad, which is often problematic. The quality of the investment and of the decision making associated with it is vital. The technology incorporated in that investment is another important ingredient in the growth process and here R&D and skilled labor plays an important role.

According to the UBS, Israel is one of the most technologically open countries in the world, after Singapore and Malaysia and before Thailand, China, Switzerland, Korea, Brazil, Japan, Germany, the US, the UK and others. It came 23rd in the UBS list for competitiveness, scoring highly on innovation indices (R&D/GNP, capital goods/imports, export growth) but less well on policy indices (inflation, government consumption/ GNP and real exchange rate).

Having reviewed recent developments in the economy, I would like to take up a number of issues that are often neglected. It is sometimes asserted that the achievements of the economy are not real because Israel receives so much foreign assistance.

'Myths':

1. It is certainly true that Israel receives assistance including grants and other gifts but it should be pointed out that these provide

partial compensation for a very high defense burden. This was estimated at 14.3% of GDP in 1993 if the hidden costs of conscription and the costs of the reserves are included (see *Table 5 below*).

Table 5: Defense Spending in 1996 (Shekels, millions, 1996 prices)

Total defense spending		39,425
From domestic sources		29,737
of which:		
Defense budget in shekels		19,772
Defense budget in dollars		622
Non-budgetary costs		7,510
Shelters and stores	350	
Law for demobilized soldiers		597
Changes in territories		336
From other sources of which:		9,688
Aid in foreign exchange		6,588
Other aid	1,800	
Export revenues		420
Other revenues		900

Although the defense burden has fallen, it remains high at about $9 billion. If aid from abroad is added to GDP, thus giving a notion of total resources available to the economy, then the share was still 9%. Israel is still paying interest and principal on loans from the US before military aid from the US was converted into grants.

2. The costs of the Arab boycott have mainly been felt via the secondary boycott. This was the boycott of firms in the third countries trading with Israel. It was the most effective part of the boycott because many firms, especially in Europe, were unwilling to trade with Israel. This limited foreign investment in the economy and exports to those firms. By refusing to sell their products in Israel these limited the range of supply and thus caused an increase in prices above the competitive level. Many calculations have been made of the costs of this to the economy, but they are all problematic because they are hypothetical. Despite this, it is clear that the damage was large, even if, as suggested, foreign investment is not a cure-all.

The economy has been able to strengthen itself in two key ways. First, the coverage of imports by exports has improved over a long period, although in recent years it has deteriorated:

Table 6: Exports as a share of imports (%)

1949	11.0
1975	50.4
1980	73.5
1985	73.0
1990	78.0
1994	72.0

Second the burden of debt has been reduced. Table 6 shows that the ratio of debt to GDP fell by over 50% between 1984 and 1994, following a 20% rise in the period 1976-1984. Interest payments on the debt as a share of GDP also declined. Finally, the absolute size of the foreign debt in current dollars (measured here net of foreign assets) rose by 21% between 1982 and 1988 and then fell between 1988 and 1990 by 13%. The rapid growth of the economy since 1990 only resulted in a 17% increase by September 1995. In real terms the foreign debt is now much smaller than it was at its peak in 1984-1985.

Table 7: Total debt in GDP (%)

1976	53.9	1985	73.5
1980	51.7	1990	27.7
1984	79.1	1994	21.7

Interest payments on government debt as share of GDP (%)

	Domestic	Foreign	Total
1989	3.4	5.3	8.7
1990	3.0	5.0	8.0
1991	2.4	4.8	7.2
1992	2.2	4.3	6.5
1993	2.2	4.3	6.5
1994	2.1	3.9	6.0
1995	1.7	4.2	5.9

Net foreign liabilities ($m) (End of year)

1982	15,005	1991	16,032
1985	19,213	1992	16,209
1988	18,160	1993	16,826
1989	15,746	1994	17,721
1990	15,824	Sept. 1995	18,466

3. Another cost that is often ignored is that of immigrant absorption. The arrival of hundreds of thousands of immigrants from the former USSR has been a major gain for the economy. It boosted demand (only with government assistance to the immigrants) and increased the supply of labor. Not all the immigrants work however.

Between 1990 and 1994, there were 532,000 immigrants from the former USSR (there were also thousands of others from Ethiopia and elsewhere). A total of 113,400 of the former Soviet immigrants were aged 0-14 years (21.3%). A total of 41,427 were aged 70+(7.8%). This meant that nearly 150,000 (30%) were dependents. The 70+ age group receive Israeli national insurance pensions and are covered by the national health services, part of the welfare state. Many of the working age immigrants have been unemployed and receive state benefits in lieu of earnings and nearly all immigrant families benefit from housing subsidies and other benefits.

Table 1 *(see Appendix)* puts some of this into perspective. It shows that GDP as a percent of total resources increased from 62.6% in 1980 to 67.8% in 1995. This is a current price estimate and is biased upwards by faster inflation in Israel than abroad, the latter being reflected in the import figures. Private consumption rose by 8.6% of total resources while government consumption fell by 5%. Investment rose by 3% but exports fell by 6.5%.

Prospects

The rate of economic growth is expected to slow slightly in the coming years. Relatively high levels of research and development (R&D) coupled with the increased internationalization of the economy, through exports, competition from imports and investment by foreign companies in Israel and Israeli companies abroad, will be positive factors, but a more deflationary policy is expected after the elections in May 1996, designed to improve the balance of payments. Progress in the peace process will also be a crucial factor in maintaining and increasing domestic and foreign optimism and investment. Much will depend on the outcome of general elections to be held during 1996.

Demographic Trends

I would now like to make a few brief comments about demographic trends. The figures presented here show a number of trends. First, between 1994 and 1995 the population increased by 2.5%, which is a very high rate for a developed country (See *Table 8 below*). This was much slower, however, than the average rate of growth for the period 1948-1994. Excluding immigration, the rate of increase between 1994 and 1995 was about 1.3%, which was much faster than that in the European Union, for example. It was similar to the rate of growth in some of the slow population growth countries of Southern Europe.

Second, birth rates have fallen over a long period, but the death rate for the population as a whole has not declined. The immigrant population from the former USSR has a smaller average family size than the average native-born Israeli family and there may be some increase in their family size over time. Given that these immigrants constitute about 12% of the total population (or 15% of the Jewish population) the overall effect will not be large.

The birth rates in the Jewish population fell by the nearly 30% between the period 1955-59 and 1994, that in the Moslem population by 20%, among Christians by nearly 50% and among Druze by 40%. The death rate among the minority communities fell sharply over the same period while that in the Jewish population increased. Since 1960, the Jewish population has grown more slowly than the minority populations. As a result the Jewish share of the total population has declined continuously since 1960, with the exception of 1990 when it rose by 0.4%. This was the result of the exceptionally high level of immigration that occurred during that year.

Table 8: Population by Population Group

	De facto population		De Jure population					
	Average	End of period	Average			At end of period		
			Arabs & Others	Jews	Total	Arabs & Others	Jews	Total
1989	4,587.7	4,651.8	830.1	3,688.1	4,518.2	842.5	3,717.1	4,559.6
1990	4,738.7	4,891.9	857.5	3,802.8	4,660.2	875.1	3,946.7	4,821.7
1991	4,999.1	5,153.6	894.8	4,054.3	4,949.1	914.3	4,144.6	5,058.8
1992	5,215.0	5,328.0	933.7	4,189.8	5,123.5	953.4	4,242.5	5,195.9
1993	5,393.3	5,503.6	972.7	4,288.7	5,261.4	992.5	4,335.2	5,327.6
1994	5,584.8	5,706.9	1,011.3	4,388.0	5,399.3	1,030.4	4,441.1	5,471.5
1995	-	-	1,050.7	4,489.8	5,540.5	1,070.9	4,538.6	5,609.5
1993 III	5,337.2	5,342.7	961.2	4,259.8	5,221.0	962.8	4,263.5	5,226.3
IV	5,360.5	5,378.3	964.2	4,266.9	5.231.2	965.8	4,270.2	5,236.0
V	5,379.8	5,381.3	967.3	4,273.7	5,241.0	968.9	4,277.2	5,246.1
VI	5,387.4	5,393.6	970.4	4,280.7	5,251.1	971.9	4,284.3	5,256.2
VII	5,395.0	5,396.5	973.6	4,288.0	5,261.6	975.3	4,291.7	5,267.0
VIII	5,407.9	5,419.2	977.1	4,296.4	5,273.5	979.0	4,301.1	5,280.1
IX	5,407.3	5,395.3	980.7	4,305.5	5,286.2	982.4	4,309.9	5,292.3
X	5,437.6	5,479.8	984.1	4,314.0	5,298.1	985.8	4,318.2	5,304.0
XI	5,477.7	5,475.7	987.5	4,322.2	5,309.7	989.1	4,326.3	5,315.4
XII	5,489.7	5,503.6	990.8	4,330.7	5,321.5	992.5	4,335.2	5,327.6
1994 I	5,500.8	5,498.1	994.5	4,338.5	5,333.0	996.6	4,341.8	5,338.3
II	5,510.9	5,523.7	998.6	4,344.4	5,343.0	1,005.5	4,347.0	5,347.6
III	5,526.3	5,528.9	1,002.4	4,350.4	5,352.8	1,004.3	4,353.8	5,358.1
IV	5,548.4	5,567.8	1,006.0	4,357.3	5,363.2	1,007.6	4,360.8	5,368.3
V	5,568.1	5,568.4	1,009.7	4,363.9	5,373.5	1,011.7	4,367.0	5,378.7
VI	5,573.7	5,579.0	1,013.2	4,371.4	5,384.6	1,014.6	4,375.8	5,390.5
VII	5,580.6	5,582.2	1,016.2	4,380.6	5,396.8	1,017.7	4,385.5	5,403.2
VIII	5,598.8	5,615.5	1,019.0	4,391.3	5,410.3	1,020.2	4,397.1	5,417.3
IX	5,614.3	5,613.1	1,022.1	4,401.7	5,423.8	1,024.0	4,406.3	5,430.2
X	5,643.8	5,674.6	1,025.2	4,412.3	5,437.5	1,026.5	4,418.3	5,444.8
XI	5,667.9	5,661.1	1,027.3	4,424.3	5,451.6	1,028.0	4,430.4	5,458.4
XII	5,684.0	5,706.9	1,029.2	4,435.8	5,465.0	1,030.4	4,441.1	5,471.5
1995 I	-	-	1,032.1	4,445.1	5,477.2	1,033.7	4,449.1	5,482.8
II	-	-	1,035.2	4,452.1	5,487.3	1,036.6	4,455.1	5,491.7
III	-	-	1,038.2	4,459.0	5,497.2	1,039.8	4,462.9	5,502.7
IV	-	-	1,041.3	4,466.3	5,507.6	1,042.8	4,469.7	5,512.5
V	-	-	1,044.4	4,473.4	5,517.8	1,046.0	4,477.1	5,523.1
VI	-	-	1,047.7	4,480.7	5,528.4	1,049.3	4,484.3	5,533.6
VII	-	-	1,051.0	4,488.1	5,539.1	1,052.7	4,492.0	5,544.7
VIII	-	-	1,054.6	4,496.8	5,551.4	1,056.5	4,501.6	5,558.1
IX	-	-	1,058.4	4,506.4	5,564.8	1,060.3	4,511.1	5,571.5
X	-	-	1,062.1	4,515.7	5,577.9	1,063.9	4,520.3	5,584.3
XI	-	-	1,065.7	4,525.0	5,590.7	1,067.4	4,529.7	5,597.1
XII	-	-	1,069.2	4,534.1	5,603.3	1,070.9	4,538.6	5,609.6
1996 * I	-	-	1,072.6	4,542.3	5,614.9	1,074.3	4,545.9	5,620.3

Source: Monthly Bulletin of Statistics, February 1996 (CBS, Jerusalem

The share of the population increase due to immigration has fluctuated sharply and has now fallen to about half.

Table 9: Population (end of year, thousands)

8.11.1948	872.7
1950	1,370.1
1960	2,150.4
1970	3,022.1
1980	3,921.7
1985	4,266.2
1986	4,331.3
1987	4,406.5
1988	4,476.8
1989	4,559.6
1990	4,821.7

Table 10: Source of population growth, 1948-1994

Natural increase		2,669.4
Total migration balance		1,951.3
Immigration	2,453.4	
Total growth		4,620.7

Annual average rate of growth 4.2%
Migration as share of growth 42.2%

Source of population growth, 1983-1994

Natural increase		879.3
Total migration balance		558.6
Immigration	742.7	
Total growth		1,437.9

Annual average rate of growth 2.6%
Migration as share of growth 38.8%

Table 11: Migration as share of growth 1987-1994

1987	8.5%
1990	79.1%
1991	76.5%
1994	52.9%

Table 12: Birth Rates, death rates and natural increase of
population, 1950-1994 (per 1,000 of population)

a. Total population

Period	Birth rate	Death rate*	Natural increase
1955-59	27.7	6.2	21.5
1960-64	25.4	6.0	19.4
1965-69	25.4	6.6	18.8
1970-74	27.4	7.1	20.3
1975-79	26.4	6.9	19.5
1980-84	23.9	6.8	16.2
1985-89	22.8	6.6	16.2
1990	22.2	6.2	16.0
1991	21.4	6.3	15.1
1992	21.5	6.5	15.0
1993	21.3	6.3	15.0
1994	21.2	6.2	15.0

b. Jewish population

Period	Birth rate	Death rate*	Natural increase
1950-54	31.0	6.5	24.5
1955-59	25.6	5.9	19.7
1960-64	22.5	5.8	15.8
1965-69	22.5	6.7	17.0
1970-74	24.3	7.3	17.0
1975-79	23.6	7.2	16.4
1980-84	21.8	7.3	14.5
1985-89	20.5	7.2	13.4
1990	19.4	6.8	12.6
1991	18.6	6.9	11.7
1992	18.7	7.2	11.5
1993	18.5	6.9	11.6
1994	18.4	6.9	11.5

c. Moslem population

Period	Birth rate	Death rate*	Natural increase
1955-59	46.3	8.0	38.3
1960-64	51.7	6.4	45.3
1965-69	51.0	6.1	44.9
1970-74	49.5	5.8	43.7
1975-79	44.5	5.0	39.5
1980-84	37.2	3.9	33.3
1985-89	34.9	3.5	31.4
1990	36.8	3.3	33.5
1991	37.1	3.2	33.9
1992	37.0	3.4	33.6
1993	37.5	3.1	34.4
1994	37.1	3.0	34.2

d. Christian population

Period	Birth rate	Death rate*	Natural increase
1955-59	34.4	7.3	27.1
1960-64	34.9	6.9	28.0
1965-69	30.4	5.9	24.5
1970-74	26.9	7.0	19.9
1975-79	24.5	6.3	18.2
1980-84	20.4	5.9	14.5
1985-89	21.5	5.4	16.1
1990	22.2	4.8	17.4
1991	19.9	4.4	15.5
1992	18.9	4.6	14.3
1993	18.5	4.3	14.2
1994	18.7	4.3	14.4

e. Druze population

Period	Birth rate	Death rate*	Natural increase
1955-59	48.0	8.2	39.8
1960-64	46.7	6.8	39.9
1965-69	43.6	5.3	38.3
1970-74	42.7	5.3	37.4
1975-79	41.8	5.0	36.8
1980-84	35.9	4.1	31.8
1985-89	30.8	3.3	27.5
1990	31.0	3.4	27.6
1991	29.1	3.5	25.6
1992	30.5	3.6	26.9
1993	30.3	4.0	26.3
1994	29.2	3.2	26.0

* excluding war deaths

Table 13: Average annual increase in population, 1950-1994

	Total	Jews	Arab & others	of which Moslems
1950-60 4.6	4.7	3.6	3.7	
1960-70 3.5	3.1	6.3	7.0	
1970-80 2.6	2.4	3.8	4.2	
1980-90 2.1	1.9	3.2	3.1	
1990-94 3.2	3.0	4.2	3.6	
1993-94 2.7	2.4	3.8	4.0	

Table 14: Shares in the total population

	Jews	Moslems	Christians	Druze
1950	87.8	8.5	2.6	1.1
1960	88.8	7.7	2.3	1.2
1970	85.4	10.9	2.5	1.2
1980	83.7	12.7	2.3	1.3
1988	81.7	14.2	2.4	1.7
1989	81.5	14.4	2.3	1.8
1990	81.9	14.1	2.4	1.6
1991	81.9	13.9	2.5	1.7
1992	81.6	14.0	2.7	1.7
1993	81.4	14.1	2.8	1.7
1994	81.2	14.3	2.9	1.6

Table 15: Immigration, 1989-1995

1989	25,000
1990	195,600
1991	171,169
1992	70,683
1993	68,715
1994	69.262
1995	65,719

Sources:

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APPENDIX: Table 1: Resources and Use of Resources

	Uses of resources									Resources		
	Exports of goods & services	There-of: Fixed capital formation	Gross domestic capital formation	General government consumption expenditure				Private consumption expenditure	Total	Gross domestic product	Imports of goods and services	Total
				Defense imports (B)	Domestic defense consum. (B)	Civilian consum.	Civil and defense (A)					
1980	27.6	13.8	14.3	5.8	8.6	11.2	25.2	32.9	100.0	62.6	37.4	100.0
1981	26.6	14.0	13.4	6.7	8.8	11.0	26.0	34.0	100.0	62.4	37.6	100.0
1982	24.3	14.7	15.2	4.3	9.4	11.0	24.3	36.2	100.0	63.6	36.4	100.0
1983	23.1	15.4	15.9	3.1	9.0	11.2	22.9	38.2	100.0	65.2	34.8	100.0
1984	26.1	13.4	14.5	4.6	8.8	11.3	24.4	34.9	100.0	64.4	35.6	100.0
1985	28.2	12.0	12.2	5.4	7.7	10.1	22.9	36.6	100.0	63.2	36.8	100.0
1986	26.0	11.9	12.5	3.2	7.2	10.2	20.2	41.2	100.0	65.7	34.3	100.0
1987	25.1	12.7	12.3	5.2	7.2	9.8	21.7	40.9	100.0	63.7	36.3	100.0
1988	23.8	12.3	12.3	3.8	7.3	10.8	21.5	42.5	100.0	67.6	32.4	100.0
1989	25.3	11.6	11.8	2.3	7.3	11.2	20.3	42.7	100.0	68.7	31.3	100.0
1990	23.4	13.1	13.8	2.5	7.1	11.4	20.6	42.3	100.0	68.6	31.4	100.0
1991	20.6	16.5	17.5	2.8	6.6	11.3	20.3	41.5	100.0	68.8	31.2	100.0
1992	21.4	16.4	17.2	2.0	6.3	11.6	19.6	41.8	100.0	69.2	30.8	100.0
1993	22.4	15.4	16.4	2.7	5.5	11.3	19.3	41.8	100.0	67.2	32.8	100.0
1994	22.1	15.8	16.5	1.7	5.5	11.7	18.8	42.6	100.0	67.4	32.6	100.0
1995	21.1	16.0	16.8	1.7	5.8	13.2	20.5	41.5	100.0	67.8	32.2	100.0

(A): Less income from sales of goods and services.   (B): Before deduction of sales of the Defense Ministry.

162

V. STATE-BUILDING, IDENTITY, PLURALISM AND PARTICIPATION

Identity, Pluralism and the Palestinian Experience

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The historical, geographical and demographic entity called Palestine is an integral part of the Arab homeland. It was governed for over four centuries by the Ottomans. As early as 1904, the Palestinians joined the other Arab peoples in sharing a heightened consciousness with regard to their various interrelated identities - i.e., religious, cultural, national, political and regional - and thus became a part of what is commonly referred to as the 'Arab awakening'. The 'awakening' resulted in the struggle against Ottoman-Turkish rule in order to achieve a recognized Arab entity on Arab soil and widespread cultural freedom.

National movements in Egypt, Iraq, Syria and other parts of the Arab World succeeded in achieving self-determination, and consequently established a recognized state. For Palestine, it would have been only a matter of time, were it not for the fact that the Palestinians were confronted with the interests and resulting policies of the Western allies, most of which reflected their strong support of the Jewish question, embodied in the Zionist movement.

The British occupation and the subsequent mandate over Palestine, which lasted from 1917 to 1947, were favorable to the establishment of a Jewish entity in Palestine as opposed to the interests and well-being of the Palestinian people. During those years, the national consciousness of the Palestinians, especially with regard to a shared identity, was reflected in three dimensions:

1) a sense of belonging to the Palestinian territory and sharing the Palestinian aspirations regarding statehood;

2) the Arab heritage of the people, rooted in the Islamic culture; and

3) widespread rejection of and resistance against the policies of the British Mandate and Zionist immigration to Palestine.

The first dimension was crystallized in the formation of political parties, the convening of national conferences, and the legitimization of a political leadership comprising the intellectual elite and religious notables.

The second dimension was expressed in an advanced Palestinian media, and was discussed in conferences and cultural institutions that called for Arab support of the Palestinian cause, whilst warning that if Palestine were to fall in the hands of the Zionist movement, the rest of the Arab countries would be at stake. Another aspect of this dimension involved an atmosphere of reciprocity, according to which Palestinians took part in the defense of other Arab countries whilst continuing their state-building processes. They participated, for example, in the Syrian struggle against the French Mandate, in particular in the 1925 revolt. They were also involved in the building of the political, social and cultural system of Jordan in the early days of 1921.

The third dimension was manifested in the various Palestinian revolts and uprisings against both British and Zionist police, namely in 1921, 1933, 1936, and 1939.

All three components mentioned above played a vital role in shaping the Palestinian identity.

By November 1947, the partition solution was advocated and imposed on Palestine against the will of its people. Palestine was to be divided into two states - one Jewish, one Arab - while the heart of the country, Jerusalem, was to be internationalized. The first Arab-Israeli war of 1947/48 ended not with the establishment of a Palestinian state, but with the defeat of the Arab armies and the uprooting, expulsion and dispersal of the Palestinian people. Having thus become stateless and homeless, the Palestinians found themselves either governed by the Arab armies on the West Bank or the Egyptian forces in Gaza, or refugees in neighboring Arab host countries.

During the years 1948-67, the international community addressed the Palestine cause as a refugee question. Meanwhile, the Palestinians in Gaza formed the All-Palestine Government, while those on the West Bank accepted Jordanian citizenship, due to their belief in the power of the Arab identity to protect them, pending the realization of Palestinian self-determination and the liberation of Palestine.

In the Arab countries, we witnessed the Iraqi Government establishing a Palestine army, the Egyptians supporting the *fedayeen* in Gaza, and the Jordanians replacing the Palestinian Salvation Army with a national guard, to be deployed along the borders of the new Israeli state. All these efforts, however, failed to meet the Palestinians' aspirations. All Palestinian thinking was preoccupied with the hope of return, in spite of the fact that there were no political frameworks or venues to allow such a return to take place. At that time, the Palestinians did not call for an entity, nor for an independent or bi-national or democratic-secular state; they merely wanted to return to their homeland and rest their cause in the hands of the Arab states. From the outset, they were treated as refugees to be taken care of by the UNRWA and the governments of the host countries in which they lived under miserable conditions. For the refugees, even the mention of the word Palestine led to painfully nostalgic memories of a house, a garden, a mountain, or a seashore, and many clung on to both the keys to the homes from which they had been cast out and dreams of an imminent return. The phase of Arabizing the Palestine cause and *de facto* inter-Arab differences was characterized by slogans relating to Arab unity and the impending liberation of Palestine.

In October 1956, when Israeli forces occupied the Gaza Strip, the direct confrontation between Palestinians and Israelis was re-launched after a decade-long war of words and rhetoric between the Arab states and Israel. During the resistance to the Israeli occupation of Gaza throughout 1956/57, a new Palestinian cadre was born, and it was determined to reshape and reorganize the Palestinian identity in the refugee camps and amongst Palestinian communities in the Diaspora. In 1957, ten years after the partition of Palestine, a new organization was established by the youth of the Palestinian *naqba* (disaster): Fatah (*Harakat At-Tahrir Al-Filastiniyyeh*), the Palestinian Liberation Movement. Fatah called for the Palestinization of the struggle against the Jewish state, while the Palestinians on the West Bank remained

active in Arab political parties, fully convinced that the Palestinian cause could only be strengthened through Arabization.

In the early 1960s, Palestinians spoke openly and with confidence about their legitimate right and need to establish a Palestinian entity. Their demands represented a revolutionary new way of thinking in the national movement to liberate the homeland. The early Palestinian organizations of the 1960s built their alliances with Cairo (Gamal Abdul Nasser), Baghdad (Abdul Karim Qassem), and Riyadh (King Saud) in an attempt to organize, mobilize and obtain financial support for the establishment of a Palestinian entity.

In March 1959, Egypt called on the Arab League to discuss ways and means to help reorganize and mobilize the Palestinian people as one nation, as opposed to refugees scattered in a number of foreign countries. The deliberations of the Arab leaders in the first Arab summit of January 1964 revealed major differences in the various Arab countries' positions and interests regarding the realization of an independent Palestine: Algeria (President Ben Bella) and Tunis (President Habib Bourqiba) called for the formation of a national liberation front; Saudi Arabia (King Saud) called for the formation of a Palestinian government; while Syria (Amin Al-Hafez) called for the formation of a Palestinian entity on the West Bank and in the Gaza Strip. Jordan (King Hussein), meanwhile, opposed the Syrian request and accepted, albeit reluctantly, the Egyptian call to delegate the Palestinian representative at the Arab League in Cairo, Ahmad Shuqeiri, to begin consultations with the Arab governments in order to establish a sound base on which to organize the Palestinian people and facilitate their role in the libation of Palestine. The Arab League subsequently delegated Shuqeiri, who started his mission in February 1964. In his first address to the Palestinian people, Shuqeiri summarized the Palestinian situation by saying,

> "We are a people without an entity, we are a national cause without leadership; therefore, we must take on our shoulders the responsibility for comprehensive reorganization and a total mobilization of our people."[1]

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[1] Issa Al-Shuaibi, *Palestinian Statism: Entity, Consciousness, and Institutional Development.* Beirut: PLO Research Center, 1979, p. 102.

Shuqeiri's words reflected the reality of the Palestinian people, the desire to put an end to their suffering and the hope to rebuild the Palestinian entity with Arab assistance. The question of armed struggle and the mobilization of the political elite, businessmen and economists was confronted with the policies and interests of the Arab host countries. When Shuqeiri toured the Arab countries to consult with Palestinian communities and personalities, his trip concluded in the convening of the first Palestinian national conference in Jerusalem on 14 May 1964, under the auspices of King Hussein. The conference endorsed a Palestinian charter, which established the PLO as an institutional entity with a flag (the Arab revolt flag of 1916), an oath, and a national anthem, in addition to the formation of military units known as the Palestinian Liberation Army. In order to calm the doubts of the Arab governments, Article 24 of the Palestinian National Charter stated that the PLO would not exercise any territorial sovereignty over the West Bank of the Hashemite Kingdom of Jordan, nor over the Gaza Strip, which was under Egyptian rule, nor over the region of Al-Himma, then under Syrian rule.

One year after the formation of the PLO and its headquarters in Jerusalem, the PNC convened for the second time in Cairo. At this meeting, several Palestinian associations joined the PLO, i.e., The General Union of Palestinian Laborers, the General Union of Palestinian Women, the Writers' Union, and the General Union of Palestinian Students. At the same time, there were reservations and objections within the Palestinian communities that were based on a fear of relying on the Arab governments for the formation of the PLO, which reflects the pluralism within the Palestinian house. A group of Palestinian intellectuals objected Shuqeiri's style and decisions by saying, "The people's cause should not be in one man's briefcase."[2] In opposition to Shuqeiri's appointment of certain personalities to positions within the PLO Executive Committee and the PNC, they called for Palestinian elections in various Palestinian communities.

Several Islamic groups as well as Fatah objected to the continuous Arabization of the Palestinian cause and demanded the Palestinization of the struggle. This position was reflected clearly in the following statement of Abu Jihad (Khalil Al-Wazir):

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[2] Mahdi Abdul Hadi, *The Palestine Question and Political Peaceful Solutions, 1934-1974.* Beirut 1974.

> "The armed struggle is the way to rebuild our nation and to expose its national identity to achieve the objectives of return and the liberation of the land."[3]

Thus, Palestinian pluralism was reflected by the following tracks:

- the Arabization of the cause, headed by Shuqeiri;
- the democratization of the cause, advocated by intellectuals and professionals; and
- the Palestinization of the cause, demanded by Fatah and Islamic groups.

The manner in which the PLO was established reflected the Arab weakness and incompetence in confronting Israel, which often resulted from widespread disunity and a conflict of interests. At the same time, the PLO was caught between the positions of Riyadh, Cairo and Amman. The latter was very clear in its reservations, objections and worries about the future development of the PLO and its possible impact on Jordan's independence and the Arab state's role on the West Bank. Shuqeiri's favorite slogans (e.g., "We are one people, not two people," and "We are one country, not two countries") were one of many reasons why Amman was reluctant in its support of the PLO. The War of June 1967 and the three years that followed gave Fatah and other *fedayeen* organizations the credibility, the legitimacy and the responsibility to lead the Palestinian resistance movement within the various Palestinian communities.

Many university students, professionals and refugees joined the resistance movement in contrast to the experience of 1947/48. Palestinian academic Hisham Sharabi criticized the attitude of his generation during the War of 1947/48 as follows:

> "I ask myself now, after many years have passed, how we could have left our homeland during the war, while the Jews were prepared to take it over. It never occurred to us in our thinking to postpone our studies and to stay at home to fight. There were others to fight instead of us, those who fought in the 1936 revolt, and those who will fight in the future: the peasants, who do not need specialization in the West as

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[3] Quoted in *Palestine Affairs,* Issue 152/153 (November 1985): p. 14.

their natural place is here, on the land. But us, the intellectuals, our place is somewhere else. We struggle on the intellectual front."[4]

Within three years, the resistance movement took over the PLO, and Fatah, under the leadership of Yasser Arafat, gained full control over the PLO's infrastructure. This marked not only the total Palestinization of the cause but also the beginning of the development of two Palestinian realities, identities and agendas, i.e., the 'inside' and 'outside'.

The 'inside' was unable to compete with the 'outside's' military resistance, and chose, for the time being, the strategy of *sumud* (steadfastness) and non-cooperation with the occupying power. On the leadership level, however, its members were very clear in demanding a role. Qadri Touqan, a leading Palestinian politician from Nablus, expressed this demand as follows:

> "If the PLO leaders come to us through liberation, we will go to Jericho and meet them with flowers and carry them on our shoulders, as they would indeed be our leaders. But if they come through political negotiation, then we are the ones who have the right to lead and govern, for we are the ones who know more, if not better, than they."[5]

During the first decade of Israeli occupation, the Palestinian 'outside' was identified with the PLO, its infrastructure, and the wider Diaspora, all of which supported armed struggle as the only means to achieve the liberation of Palestine. At the same time, there was a struggle for power within the Arab host countries, mainly in Jordan. This confrontation reached its peak with the 1970 civil war between the PLO and the Jordanian army, and ended with the departure of the PLO to Lebanon, where it established its mini-state.

In 1974, ten years after the establishment of the PLO and various Palestinian organizations, the mobilization of numerous Palestinian communities, and the daily confrontation with Israeli policies and practices, there was a major change in the way of thinking concerning the balance of power, and in the awareness of the overall living conditions of the Palestinian people. This was reflected in the PNC's

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[4] *Memoirs of Arab Intellectuals*. Beirut: Ibn Rushd Publications, Arabic Edition, 1970, pp. 11-12.

[5] Mahdi Abdul Hadi, *The Palestine Question and Political Peaceful Solutions, 1934-1974*. Beirut 1974.

call for the establishment of a "Palestinian state in any part of the occupied areas, once they are evacuated by Israel." This was followed by the Ten-Point Program of the PLO announced on 12 June 1974, which outlined the goals of the struggle for self-determination in an independent Palestinian state whilst dropping the call for a democratic, secular state in all of Palestine. On 28 October 1974, Resolution 3110 of the UN General Assembly recognized the PLO as the representative of the Palestinian people; thus, international and Arab official recognition of the PLO marked the legitimization of attempts by the Palestinians to resist the occupation and their right to self-determination. The Arab Summit in Rabat added to this recognition the affirmation of the right of the Palestinian people to establish an independent national authority in any Palestinian territory to be liberated. Eight years later, in September 1982, the Arab League Summit resulted in the Fez Declaration, which affirmed the right of all states to exist within recognized borders and called for a peaceful settlement, in order to allow for the establishment of a Palestinian state with Jerusalem as its capital.

With the outbreak of the *Intifada* in December 1987, another major development in the political thinking of the Palestinians was reflected by the call for a two-state solution. This *Intifada* thesis was endorsed by the PNA during the 1988 meeting in Algiers, and was regarded as the minimum demand capable of guaranteeing the re-establishment of an entity and the maintaining of the national identity.

Four years into the *Intifada,* Palestinian-Israeli negotiations began on an official level, based on UN Resolutions 242 and 338 and the 'land-for-peace' formula. The negotiation process exposed a leadership crisis that evolved as a result of growing disagreement over who should be represented by whom, and who exactly should eventually go to the negotiation table. It was the 'inside' who convinced the 'outside to go ahead and overcome the humiliating conditions that the Israeli Government had imposed on the Palestinian people by going to the Madrid Peace Conference. The 'inside' was active and productive in two different respects, namely, in confronting the occupiers on the ground and in drafting scenarios and proposals for an interim period. The 'outside', meanwhile, became worried about the future role of the 'inside' and opened secret channels with the Israelis, one of which led to the Oslo Accords. As we all know, Oslo did not bring a final solution,

but it did lead to a major breakthrough inasmuch as mutual official recognition was finally achieved.

The whole world is well-aware of the fact that 'autonomy' throughout a transitional phase will not satisfy the Palestinian yearning for an independent state. The Palestinians are still facing historical challenges with regard to their institution-building processes and statehood, namely to develop and unite their ranks under one national identity on the soil of Palestine - the West Bank, the Gaza Strip, and Jerusalem, the capital - in order to build a democratic system, i.e., elected representatives, an elected president, and an executive authority to govern society.

State-Building, Identity, Pluralism and Participation in Jordan

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The process of state-building in Jordan bore many similarities to the pattern of state-building in Third World countries in general. In the particular case of Jordan, it lacked two important 'ingredients': an economic surplus and an elite other than the Hashemite dynasty stemming for the Hijaz, although both of these, at one point, were temporarily provided by the British authorities. In its attempt to develop as an independent state, Jordan relied heavily on outside help and its evolution was basically the result of the act of decolonization.

For the majority of Jordanians, their sense of 'collectivity' has more to do with their attachment to a certain region than with their Jordanian nationality. The Hashemite dynasty is a fact and has never been seriously questioned, which has allowed the royal family to maintain its position, including its hold over the government and its entire bureaucracy, from the very beginning. Moreover, the Hijaz and Hashemite issue never led to a serious cleavage in the country.

Historically, it was the country's most important people who were given the top positions in the governmental bureaucracy as well as in the military. Most of them belonged to the small nascent group of Jordanians that promoted 'Jordanianism'. People such as Majali, Al-Fayez, and Arra are typical examples; all three demanded that power be given to the ôsons of the land.ö At the same time, the exclusion of non-Jordanians from relevant positions in the state bureaucracy began. Lawrence of Arabia also played a role in this regard; when he gathered people to support the anti-Syrian line and to lobby against Damascus in the 1920s, he contributed to the 'separate entity' identity-building of the Jordanians.

The next step in the state-building process was to Jordanize the Palestinian population of Jordan but what was intended to be an integration process turned into a series of conflicts and clashes,

including over political positions. During the 1950s and 1960s, relations between the Jordanians and Palestinians were relatively calm, and there were even a few Palestinian members of parliament. This changed, however, with the War of 1967, when Fatah, then led from Gaza, brought a lot of unrest into the country and disturbed the process of harmonization. It was Fatah that was responsible for the situation whereby we suddenly had general unions of *Palestinian* students, women, etc., in addition to the existing general unions of *Jordanian* students, women, etc. As a consequence, the exclusion of Palestinians from positions of power and discrimination against them reached a peak.

Today, we can speak to a large extent of integration although there are still certain important issues that need to be addressed, including the sense of 'dual identity' amongst Palestinians. I personally believe that it would be possible for Jordanians and Palestinians to maintain their respective identities, but perhaps only as sub-identities.

I think it has become clear to many of Jordan's neighbors, including Israel, that the Jordanian society is much more mature than they previously thought. The question that is often asked, however, relates to why the King resorted to violence in 1989. The answer of the King's advisor was that it was never meant to happen and that violence and viciousness are not the Jordanian 'way'; on the contrary, the state aims to be open and modern. Unfortunately, an excellent opportunity for improving relations between Palestinians and Jordanians was lost during the Gulf crisis, and all we can do now is to wait and see where the current round of mutual analysis will lead. As for the future of the Jordanian-Palestinian relationship, I do not foresee a confederation with the Palestinians in the near future, although I am confident that we will continue to have a say on the West Bank.

With regard to Jordan's many other problems, I am concerned about the internal/domestic Jordanian developments, especially with regard to the democratization process. Democracy in Jordan has faced many setbacks as far as political participation and pluralism are concerned, and it would be fair to say that Jordan is to some extent still totalitarian and authoritarian. The state is able to introduce and promote decentralizing technologies in the civil society, such as faxes, e-mail and other means of communication. Why not let even the opposition groups publish what they want? This could only have a

positive impact on the society inasmuch as it would help pinpoint the internal reforms that are needed. The King has taken some steps in this direction, and it would be fair to say that he is, by and large, considered popular. The Hashemites are lucky as there are no real opposition forces with a desire to destroy the country. Nevertheless, we need to develop our political culture.

The Jordanian government is clearly adept at dealing with its problems. If the peace process appears to be going through a stage of regression, for example, the government gives incentives for progress by 'opening' here and there. For Jordanians, real long-term peace is linked to Israel and the Israelis' performance within this process. Jordanian-Israeli bilateral relations will develop but there is also the possibility that they may freeze or be put on hold. It all depends on Israel. It will certainly be difficult to go ahead if the so-called dividends of peace are not felt, which is currently the case.

In the political spectrum, we are currently witnessing the main party lose ground. The Islamic movement is more sound than in other Arab states; it is rooted in the middle class and not so much a protest movement as one that promotes Islamic ideas and beliefs. A major problem, however, is that of tribalism and strong communal relations. From the Jordanian point of view, the Arab-Israeli conflict has formally come to an end, and no major protest has occurred. Political activism, political participation and political mobilization are all regarded as being less fruitful than in the 1960s, and more difficult to implement. As for elections, they are run along tribal lines and other clan linkages, which are usually based on patterns of land distribution. Political parties exist but not as formal institutions as in the West. At some time, tribal links will become democratic in terms of voting patterns, but the long-term impact of such a change on the Jordanian civil society is unclear.

All these factors make it difficult for the system to proceed but one can say with confidence that a democratization process has begun and that the Palestinian issue is not a big problem in Jordan. What speaks for Jordan's strength is that it has succeeded to prove its ability to survive two major crises: the Gulf War and the peace process it entered with Israel.

Domestic systems and policies, as well as their implementation and impact on socio-economic structures, in addition to the image of Jordan abroad, are important issues that we now need to study and analyze. We need to work constructively to bridge the critical gap between the people and civil society on the one hand and the government on the other.

From 'State Within A State' To State

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The topic I have been asked to try to deal with prompts discussion on at least two levels. There is, necessarily, a comparative aspect of great interest and importance, but also of great complexity. It may well be, that this is the aspect which the sponsors of this conference had most clearly in mind as central to the issue as a whole, or at any rate as one that lies very close to its center. Nevertheless, I shall make no attempt to deal with it, not directly, at all events; and certainly not *ex cathedra.* I believe it would be more useful if I restricted myself to an aspect of the subject which, for all its own inherent complexity and many ramifications, is more amenable to the compact treatment demanded of a participant in a meeting of this kind. It is the one that has to do with the fact - a curious fact in itself - that the independent State of Israel was up and running on the 15 May 1948 - precisely on schedule, that is to say, and in a form, moreover, which it has retained to quite a remarkable extent and without interruption ever since.

It will be recalled, that there was no orderly transfer of power from the imperial authority to the emerging state of Israel - nor indeed, although for quite different reasons, to the Arab state that was supposed to find its place alongside. There was no ceremonial lowering and raising of flags in May 1948, no bands playing national anthems, no dignitaries exchanging salutes and pious messages of hope and amity, no be-medalled and tiraded representatives of the British royal family present. Palestine, a political unit unknown before the British arrived, was simply evacuated and, upon evacuation, dissolved. Moreover, as a consequence of high policy dictated in London and much local, bitter bloody-mindedness, the country had been reduced to a condition of semi-anarchy in the last few months of British presence. The dominant mood in which its rulers left their charge was one of grim satisfaction at being at long last shot of the mess. The general conviction among them - laced, in some cases, with positive relish - was that a very bad state of affairs was about to turn a good deal worse. The

common expectation (in Washington, no less than in London, be it noted) was that one consequence of the chaos was that the new state of Israel would be crushed - if not immediately, then within a few months. And while it was not wholly unreasonable to think so, the fact that so many highly intelligent and experienced people, all of whom were presumed to be exceedingly well-informed, *did* think so remains an enduring (and, I think, sadly neglected) part of the general puzzle. I mention all this not, I should emphasize, to jeer retrospectively at so much human frailty and prejudice on display, but rather because it helps to put the questions I propose to deal with here and now in something like their proper historical context.

They are two:

1) How was it, given the circumstances that prevailed from about the end of November 1947 to the middle of May 1948, that a functioning state did promptly emerge after all. And, by extension,

2) How was it that modern Israel turned out to be, from the first, not only an authentic, but an enduring parliamentary democracy?

It may be worth remarking, that these questions are prompted not only by consideration of the immediate circumstances in which Israel was born - or, perhaps more precisely, re-born - but by the evident, cardinal fact that the greater part of the Jewish people had, for the greater part of their long exile, been devoid not only of a central, sovereign government of any kind of their own, but of any generally recognized and encompassing structure of authority, secular or clerical. They had, that is to say, no king, no prince, no pope,[1] no established supra-communal council of elders, no hereditary aristocracy, no clans and clan leadership, no bishops, and, more fundamentally, and often with dire consequences for themselves, no method for identifying and agreeing on common interests and, even in the face of the greatest and most pressing of public dangers, no way at all of first deciding upon a common course of action and then proceeding to implement it. The seeming oddity about all this lay in the fact that the essential characteristic of the Jews was in no way affected: they continued to constitute a distinctive, observable, and coherent social entity, a nation that both saw itself and was seen by others as one of the constituent peoples of eastern and south-eastern Europe and the Near East. Linguistically, culturally, religiously, and historically distinct, they differed from the other politically submerged peoples of these vast regions only in

three important, seemingly contradictory respects. They were no longer a *territorial* people. They lacked, as I have said, at least for the greater part of their Dispersion, an overarching, supra-communal authority.[2] And there was a sense in which it was possible, admittedly at high moral cost, for individual members of the Jewish people to contract out of it, so to speak, if they so desired. The result was, that on the one hand, membership in the Jewish people and obedience to such *internal* authority as there might be - setting aside matters of religious belief and conviction - was to a certain extent voluntary and conditional. And, on the other hand, that in their communal affairs, they were throughout the greater part of their history and, in the decisive case of what may be termed the heartland of Jewry in eastern Europe down to the period immediately preceding World War II, remarkably autonomous. It is indeed here that some of the clues to the puzzle of modern, contemporary Israel as a viable democracy lie. For side by side with their invertebrate political condition nationally, they did none the less have the benefit of centuries of experience in the running of their own affairs and conducting their own public business communally. They did so, moreover, at least until modern times and the emergence of the bureaucratic state, on a basis that virtually excluded the participation of the sovereign power, let alone the imposition of its will - except of course *in extremis* and by sheer brute force. This was possible because in general - and I would emphasize the phrase 'in general' - this division of powers was acceptable to both sides. It enabled the Jews to maintain their separate national cultural, religious, and social identity. It made it a great deal easier for the sovereign power to collect taxes from them, recruit them for military service and forced labor if and when it so wished, and, of course, to keep them apart so far so possible from all others who were subject to its authority if that was its desire.

But the essential point about Jewish internal autonomy is that the authority of the internal, communal leadership - and hence its efficacy - was of a rare kind in its day. It depended ultimately on a *moral* hold over the community: on the degree to which members were prepared to trust it and rely upon it - *not*, that is to say, on force, nor, in final analysis, on such powers, if any, as had been delegated to it by the sovereign power. And given the general prohibition on ownership of land by Jews and their exclusion from the estates of the realm under the Old Regime in Europe and their no more than tolerated existence

in the Islamic World, Jewish leadership was unusual too in that it could not be aristocratic or hereditary or military. Nor could it even be priestly. It was drawn from two sources: the rabbis on the one hand - not priests at all, but men of learning who function as judges; and the men of material substance on the other. It was therefore oligarchic, to be sure: not populist, nor necessarily popular. What was crucial was that it needed in all cases to be perceived as legitimate; and that there was really no way in which it could function for very long once it had been perceived as illegitimate. There is, of course, a great deal more that could be said about the manner in which this double-headed, clerical *and* lay system of communal self-government worked in various countries and at various times over an immensely extended period. There are, however, three general points to be made about it that seem to me to be especially relevant to the present subject.

One is the Jewish society at all levels was first and foremost a society accustomed to being bound by *law* - the law of the land, to be sure, but more profoundly, by its own law, that which all in Jewry took to be the Law of God and which it was, indeed, the central function of the rabbis to propound. Law, authentic, universally binding Law is, as I need hardly say, at once the foundation of democracy and the antithesis of despotism.

The second point is that Jewish society was for this reason inherently conservative, but not for this reason alone. Its conservatism owed much to the fragility and vulnerability of its special circumstances. There had been induced in the Jews a deeply ingrained wariness of change: change being intuited as apt to be change for the worse, a venture into a dangerous unknown. Its conservatism owed a very great deal too to the fact, that the governing rule of rabbinical judgment was itself one of very great caution: never stray too far from what was commonly accepted by the majority of one's fellows, always keep within whatever it was that passed for the mainstream of opinion. The marginal, the eccentric, the minoritarian positions - all these were to be avoided.

The third point is that in all circumstances communal leadership had ultimately to be consensual and, in an important if certainly restricted sense, democratic. Social, no less than rabbinic wisdom was encapsulated in the Biblical injunction much relied upon by the Jewish Sages: *aharei rabim lehattot* which, somewhat crudely translated, may be taken as meaning 'follow the majority'.

For all these reasons - and for others which time and space do not allow me to elaborate upon - traditional Jewish society must be understood as having long been in important respects a free one. It was a society, that is to say, in which the many varieties of coercion on which non-Jewish polities commonly relied upon in one degree or another were unavailable.[3] It was also - a matter crucial in the present context - one in which the ruling oligarchies, no matter how firmly situated, were subject ultimately to two sanctions: that of the Law by which all Jews abided and which, more than anything, kept them together as a coherent social body; and that of public opinion. Leaders, no matter how great their learning or their material wealth or their influence at (the alien) court or the sheer power of their personae, had always to present themselves (or be presented by others) as, in some real and fundamental sense, servants of their community and/or, in exceptional circumstances, that of the Jewish people as a whole. Commonly, the rabbi's concern might be more with the strict letter of the Law than with his flock's moral and religious, let alone material condition; and the lay notable's concern might be, and probably would be, with his own political or economic interests and vulnerabilities before all else. In all cases, nevertheless, what was said and done had to end by being at any rate consistent with the health, continuity and, above all, the values of Jewry as a whole as well. The moral authority of all leaders, lay as well as clerical, hinged on their being thought to know what those values were and on being regarded as having them genuinely to heart.

Traditionally, and at their deepest roots, the values in question had much to do with profound and unquestioning religious belief. So long as this was present, the extraordinarily effective disciplinary hold enjoyed by the masters of the traditional Jewish community over their respective communal flocks is in great part accounted for. And it is true, that the effect of the processes of modernization and secularization (where they were operative) were very precisely to reduce the hold of the community - through its elders - on the individual. Nonetheless, in the increasingly wretched circumstances of the greater part of European Jewry in the later 19th and early 20th century these did relatively little to undermine the two central operative principles on which Jewish society needed to be led if it were to be led at all: that social action must in all cases be substantially free and voluntary; and

that leaders were in all cases answerable to those they presumed to lead and subject at all times to public criticism.

It is for all these reasons, that parliamentary democracy not only came naturally to the Jews in the course of their transition from traditional to modern social forms; it was to all intents and purposes the sole form of government that, within a strictly Jewish context, was conceivably acceptable to them. What was lacking was that structure of overall, *supra*-communal leadership that they had not had since late Antiquity at least. Organizations founded for very strictly philanthropic purposes (the Paris-based Alliance Israϴlite Universelle, founded in 1860, for example) and such as functioned on an essentially orthodox and traditionalist religious basis (notably Agudat Yisrael, founded in 1912) constitute partial exceptions to this rule. But the great and historically decisive deviation from it was, of course, the Zionist movement - the essential, unifying tenet of which was that it was incumbent on the Jews to leave the lands of their dispersion altogether if they were to preserve their honor, their safety, and the perpetuation of their national identity and cohesion. It was the insight of the founder of the movement, Herzl, that for this revolutionary program to be implemented it was necessary to establish a sort of government-in-exile which would assume the twin tasks of rallying the Jewish people behind its banner and, at the same time, represent it in the international political arena vis- -vis such states and nations as might be relevant. Here we come, needless to say, to the very heart of the present matter.

Despite the fact that the Zionist movement in its early days formed no more than a small fraction of the Jewish people world-wide, the system of government invented for it by Herzl was relatively elaborate. A small executive committee (known as the Smaller Actions Committee) presided over by Herzl himself was authorized to handle the affairs of the movement on a day-to-day basis. This Actions Committee, later to be termed the Executive, would be elected by a fully democratic, regularly elected parliament. This parliament, the Congress of Zionists, composed of several hundred delegates, men and women, was to meet annually, later bi-annually. Any Jew, man or woman, who subscribed to the basic program of the movement was entitled to participate in the elections to it as candidate or voter. An intermediate, smaller body, the Greater Actions Committee, elected by the full Congress and reflective of party divisions within it (as the Executive needed not to

be), but meeting more frequently, would deal with major questions of policy that arose between sessions of the Congress itself. This was the skeleton of government. It would be fleshed out in the course of a very few years in two ways. A small departmental bureaucracy was set up to deal with the press and the nuts and bolts of settlement, finance, immigration, and the like. And, rather more significantly, there evolved a range of ideological and regional parties and associations of all kinds - socialists and middle-of-the-roaders, secularists and orthodox, proponents of this or that line of political action - all striving to elect their delegates to the Congress, all seeking the support of the Jewish public at large.[4]

The general point to be made here is that the line of succession from Herzl's small, powerless, virtually moneyless and, above all, unrecognized simulacrum of national government, to the government established in 1948, and indeed to the Government of Israel today, could not be clearer. The major political parties in modern Israel, the Knesset itself, the Cabinet system as it has operated until now - all these have their origins in their analogues in the Zionist movement founded 99 years ago. Thus in form - notably and very noticeably the electoral system (PR) and parliamentary procedure; thus in political and operative substance; thus too, in style and spirit.

Historically and institutionally, the link between the Zionist movement as it emerged in the Diaspora and the present Government of Israel was provided, as is well known, by the so-called Jewish Agency. The Agency, established under the terms of the League of Nations Mandate for Palestine[5], was led by an Executive which, over time, became almost identical for all practical purposes with the Zionist Executive itself.[6] It is, indeed, the Jewish Agency which provides the greater part of the answer to the primary question with which this paper is concerned. It does so by virtue of the statutory functions devolved upon it under the Mandate. It does so *a fortiori* in consequence of its efficacy in fulfilling. But it does so above all because that same efficacy was founded on the willing support and loyalty of the overwhelming majority of the Jewish population in Palestine as articulated through the parliamentary mechanisms provided by the Zionist Organization. It was both dependent, utterly so, on its public and, at the same time, in day to day practice, able to a remarkable extent to rely upon it. In sum, there was combined in the Jewish

Agency/Zionist Executive, for the first time in very many centuries, a form of national-political leadership, the bases of which were precisely those which are, as it seems to me, crucial to the present subject: territorial on the one hand; fully and freely representative in the modern, essentially western sense of the term on the other.

But this was not all. The special efficacy of the Jewish Agency/ Zionist Executive lay no less in its standing at the peak of an entire network, or pyramid, of interlocking social, economic, financial, educational, and military institutions, chief of which were the elected Va'ad Leumi (or Representative Council) of the Jewish population of the country (as opposed to the *world*-wide Zionist Organization), the Histadrut workers' organization, and the semi-clandestine military arm of the *yishuv,* the Haganah. To some or all of these the great majority of the Jewish inhabitants of Mandatory Palestine - although never all - ad-hered: at once supported and were dependent upon. Taken together, these and other institutions provided the majority of the Jews of Palestine with trade union protection and often with work itself, with schooling, with health care, and with defense. Taxes were collected. Funds were budgeted and disbursed for public purposes. And all this and indeed more with barely minimal reference to the Mandatory government, or none at all, or, in notable cases, in direct defiance of it. Thus internally. The other side of the coin was the Jewish Agency's recognized external, representative capacity vis- -vis the Mandatory Administration and, of course, the Imperial government in London, but also, when necessary, elsewhere - in Turkey, in the US, in certain European capitals.

In sum, in a manner analogous to that of any truly sovereign government, it served both as the central political motor force of the community over which it was placed - or, as some would say, placed itself - and as the spokesman for the community in that community's external relations with the fully sovereign governments of the day, that of the United Kingdom before all others. The authors of what is, to my mind, much the clearest and most penetrating analysis of the so-called Palestine Problem ever written, the Report of the Peel Commission of 1937, wrote of the Jewish Agency, that

> ôallied as it is to the *Va'ad Leumi,* and commanding the allegiance of
> the great majority of the Jews in Palestine, it unquestionably exercises,

both in Jerusalem and in London, a considerable influence on the
conduct of Government.

Speaking generally, it may be said that the Jewish Agency has used to
the fullest extent the position conferred on it by the Mandate. In the
course of time it has created a complete administrative apparatus. This
powerful and effective organization amounts, in fact, to a Government
existing side by side with the Mandatory Government.ö[7]

The rapidity with which the Jewish Agency/Zionist Executive assumed
this role offers the central clue to the puzzle - if puzzle it is - of the
smooth transition from 'State within a State' to the State of Israel itself.
But there are two further points that need to be made.

The first is that while the *yishuv* was politically divided, it was none
the less the case, that the greater part of it - notably that part which
was integrated into, and covered by the ramified institutional structure
I have alluded to - came rapidly to be led by a single, remarkably
effective and well-organized party. This, of course, was the moderately
- some would say, nominally - socialist Mapai, transmogrified in the
course of time into what is now the Israel Labor Party (which needs to
be understood as barely a shadow of its old self). Neither the
unquestioned, in many ways remarkable political cohesiveness of the
yishuv despite the deep party-political divisions within it, nor the
consequent efficacy and influence - indeed power - of its elected lead-
ership, can be accounted for without paying due attention to the
strength of Mapai as a structured party. It was Mapai - in coalition
with several other, lesser parties to be sure - that through the dominant
presence it achieved in all the relevant institutions - the Zionist
Organization, the Histadrut, the Va'ad Le'umi, the Jewish Agency and,
by extension, in the major social services and in the Haganah as well -
that largely pulled everything together. It was the basis on which the
cardinal role played by David Ben Gurion, to a very great extent the
creator of the party and of course its long-time leader, and the im-
mensely important role he was to play in the conversion of the *yishuv*
into a fully autonomous state rested.

The second point to be made, is that, as hardly needs saying, all this
occurred at a time when the issues facing the *yishuv*, but also the
Jewish people generally, were exceptionally stark. The impact upon it,
first of Arab, then, especially after 1939, British opposition to the
central national political purposes to which the overwhelming majority

of the Jewish population was firmly wedded did as much as anything else to weld it together. This was the case well before the outbreak of World War II. It was doubly the case thereafter. But it is worth noting, that the particular issue around which, it is no exaggeration to say, all in the *yishuv* were absolutely united was not so much independence as a matter of absolute and immediate priority as immigration. It was the issue of immigration too, that, for obvious reasons, had been continually stoking the fires of the triangular Jewish-Arab-British conflict as well. At all events, so far as the Jews of Palestine were concerned, the immense, steadily growing public pressure throughout the world of Jewry to ensure that those in dire need of escape from Europe be allowed to enter the country was seen as, at once proof positive of the validity of the Zionist analysis of the desperate condition and absolute needs of the Jewish people and, at the same time, a matter which transcended Zionism altogether. On this, then, there was absolute consensus; and the effect was to give the Jewish Agency/Zionist Executive as free a hand as it could wish and to ensure that it would be followed in essentials by virtually the entire Jewish population of the country. Indeed, its chief problem would be the difficulty of coping with those who wished to go much further and faster than it itself thought politic at particular times.

In this connection, the views of Sir Harold MacMichael, High Commissioner between 1938 and 1944 are of special interest. Sir Harold was no friend of the Jewish people or of the *yishuv,* or of the Zionist movement in particular. He was the man, moreover, whose primary job it was to implement the White Paper of 1939 - hated by the Jews of Palestine because it had been designed to put an end, once and for all, to Jewish dreams of political independence and plainly envisaged their eventual subjection to an Arab majority. MacMichael, as might be expected, had begun his time in Palestine as a firm enemy of the idea of partition. Six and a half years later, however, in contrast to the views of the Foreign Office in London, the British Ambassadors in the Middle East, and the military commanders in Cairo, it was the solution he had come round to recommending. He still had some reservations about the Peel Commission Report. But on the whole he had learned to think highly of it and to consider that in essentials its authors' judgment had been correct.

MacMichael's own argument for partition, seven years on, rested chiefly on what he knew of the continuing pressure of Jews to immigrate and on his belief that this pressure was likely to continue, even intensify, after the war. It might be added here, parenthetically, that no shadow of what is now termed the holocaust is apparent in the High Commissioner's argument. He must have had some idea of what was going on in the European death camps. But it in no way affected his views. These hinged exclusively on what he judged would be best for *Britain* in the Middle East. In any event, what worried MacMichael was that he thought the pressure to enter the country would be all but impossible to stem and that, at the same time, if acceded to, the impact on British interests, more specifically on British-Arab relations, would be dire. He thought, however, that that impact could be substantially reduced if the entry of Jews into the country was limited in practice to a very small part of it, a part that could be hived off from the rest and allowed to turn into a Jewish state. Immigration would then be the responsibility of a Jewish government and Britain would be, if not entirely, at any rate substantially quit of the problem and the responsibility.[8] What, however, is most interesting - and most relevant to our topic - is that it is evident, that MacMichael did not doubt, as the authors of the Peel Commission's report did not doubt, that a Jewish state in Palestine, whatever frontiers might be allotted to it, would be intrinsically viable.

As with so many people concerned with Palestine in one way or another, a thin thread of what may, I think, be legitimately termed controlled paranoia ran through the High Commissioner's opinions when he came to deal with the purposes and abilities of the Jews in Palestine - or indeed anywhere else. But in this particular respect, his wisdom was very much that of the man on the spot. Like the Royal Commissioners seven years earlier, he knew what he was talking about.

Notes:

[1] Partial exceptions to this general rule were the Babylonian Exilarchy that flourished in late antiquity and the post of *Hakham Bashi* (or Chief Rabbi) that was created by the Ottomans.

[2] Exceptionally in the history of the Jewish people in Europe - where there had never been any equivalent to the Babylonian Exilarch or the Ottoman *Hakham Bashi,* a 'Council of the Four Lands' was allowed to function in Poland-Lithuania towards the end of the 16th century. It may be said of it, that, characteristically enough, it owed its existence chiefly to the promise it

appeared to hold out for the Polish authorities as an instrument for the extraction of taxes from the Jewish population. When the increasing impoverishment of the Jews rendered it useless for any such purpose, the Polish Sejm (parliament) dissolved it (1764).

[3] It is true, that traditional communal authority, while rarely coercive in the usual sense, was not entirely powerless. Police, prisons, executioners, and so forth were of course the monopoly of the (invariably non-Jewish) sovereign power in the land. But communal elders did have the powerful weapon of excommunication, for example. Life under ban of excommunication for one who would not, or could not, bring himself to apostatize was rendered intolerable, in many ways impossible. There could be no marriage, no divorce, no schooling for one's children, no burial of the family's dead, no effective observance of the dietary laws for the living. Other Jews would be duty-bound to refrain from professional or economic - and of course social - relations with the excommunicant. In brief, to be under the ban was to be cast out, condemned to a terrible loneliness, and in all likelihood to poverty too, in a world that had become doubly and, so long as the ban was enforced, irredeemably hostile. It followed, that the power to place its members, however well-placed and protected they might be on other counts, under the ban was power enough to induce all but the most determined and rebellious to knuckle under to those who held what all others in the community accepted as legitimate authority. But that said, the principle that authority within the Jewish collectivity had in all cases to be exercised - and therefore, in practice, perpetually justified and renewed - in *its* name and in *its* interests remained fundamental to the Jewish ethos.

[4] The rules governing the Zionist Organization, as amended from time and in force on the eve of independence, will be found in *Hukei ha-histadrut ha-zionit* (Jerusalem, 1947), a population of the Organization Department of the Zionist Executive.

[5] The wording of the relevant articles of the Mandate was as follows:

Article 2: ôThe Mandatory shall be responsible for placing the country under such political, administrative and economic conditions as will secure the establishment of the Jewish national home, as laid down in the preamble, and the development of self-governing institutions, and also for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion.ö

Article 3: ôThe Mandatory shall, so far as circumstances permit, encourage local autonomy.ö

Article 4: ôAn appropriate Jewish agency shall be recognized as a public body for the purpose of advising and cooperating with the Administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish national home and the interests of the Jewish population in Palestine, and, subject always to the control of the Administration, to assist and take part in the development of the country.

The Zionist organization, so long as its organization and constitution are in the opinion of the Mandatory appropriate, shall be recognized as such agency. It shall take steps in consultation with His Britannic Majesty's Government to

secure the cooperation of all Jews who are willing to assist in the establishment of the Jewish national home.ö

It may be worth noting, that it was proposed in 1923 that a parallel Arab Agency - ôexactly analogous", in the language of the then Secretary of State for the Colonies to the Jewish Agency - be established. This was rejected by the effective leaders of the Arab community on the grounds, presumably, that to agree to the provision of such an instrument would be indirectly to recognize the legitimacy of the Jewish Agency.

[6] Not without some difficulty, however, and in defiance of non-and anti-Zionist opposition. For a recent account, see Herskovits, Aviva, 'Ya'adeiha shel 'ha-sokhnut ha-yehudit le-ma'an Erets Yisrael' - behina mehudeshet', *Zion: Riv'on le-heker toledot Yisrael*, Ix, 4, 1995, p. 425

[7] Palestine Royal Commission, *Report,* Cmd. 5479 (London, 1937), p. 174.

[8] For an analysis of MacMichael views and details of the actual, exceedingly complex way in which he thought the country could be divided between Jews, Arabs, and Great Britain itself, see Gavriel Cohen, 'Harold MacMichael u-she'elat 'atid Erets-Yisrael', *Ha-Mizrah he-hadash,* xxv, 1-2 (98-97), 1975, pp. 52-68. For an amended, English-language version of G. Cohen's original article, see 'Harold MacMichael and Palestine's Future', *Zionism: an International Journal of Social, Political History* (Tel Aviv), 3, Spring 1981, pp. 133-55.
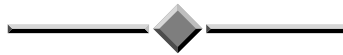
VI.   PALESTINE, JORDAN AND ISRAEL IN THE MIDDLE EAST

Palestine in the Middle East

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This paper addresses the issue of the role and place of Palestine and the Palestinians in the Middle Eastern region. It starts by reviewing the emergence of the Palestinian national movement and its gradual transformation. This will be followed by a review of Palestinian goals and current perceived threats. The self-perceived role of the Palestinians and the their possible contribution to the region is the subject of the last part of this paper. The latter will encompass the various factors that may affect the role of Palestine in the region.

Introduction

Since 1948, there have been three basic elements guiding the Palestinian decision-making process: Palestinian national ideology; Palestinian perception of the regional balance of power; and, the nature of the domestic balance of power, or the structure of Palestinian socio-political life. The respective weight given to these three elements in 1948, with an emphasis on ideology, prompted a fatal misjudgment that led to Palestinian defeat, making the Palestinians prisoners of the Arab balance of power.

The 1970's witnessed the weakening of ideology, the development of a more realistic assessment of the balance of power, the emergence of a new regional alliance system, and the transformation of the internal Palestinian socio-political balance of power. This last development is of particular importance: the formerly leading Palestinian mercantile class, pro-Jordanian in its attitude, lost power as a result of changes introduced by the Israeli occupation of the West Bank, particularly the proletarianization of the peasantry and the radicalization of the urban youth. The marginalization of the mercantile class led to the emergence

of a Palestinian national bourgeoisie, which gradually took over the leadership. The national bourgeoisie articulated the goal of the establishment of an independent Palestinian state in the West Bank and Gaza.

The 1980's witnessed more changes in the internal balance in response to Israeli initiative: the Likud government sought in the early 1980's to weaken and replace the national bourgeoisie with a rural-based elite, the so-called 'village leagues'. The national bourgeoisie was weakened but the 'village leagues' failed to gain any grassroots legitimacy. This again led to a transformation within the Palestinian national movement, which laid the foundation for a new leadership, a grassroots, national and fictional-based one. The second important Israeli contribution in the early 1980's came as a result of the 1982 war in Lebanon. The collapse of the PLO's mini-state in Lebanon made the focus of Palestinian politics shift to the inside. This had a tremendous effect on Palestinian national reconstruction efforts, which now focused on the Occupied Territories. The combination of the shift in focus and the emergence of the popular-based leadership led to the eruption of the *Intifada* in 1987. The next turning point came with the Oslo initiative. The Diaspora PLO leadership came to the inside and dealt for the first time with Palestinian national aspirations and demands from within.

Palestinian Goals

Palestinian priorities have changed during the past few decades. The most important change occurred in the mid-1970's when the PLO accepted the notion of Palestinian independence in a state in the West Bank and Gaza. Today, the Palestinian objectives for the coming decade can be summarized as follows:

(1) *Independence:* The Palestinians seek to build an independent state in the West Bank and Gaza. This includes today's national reconstruction and state-building efforts, but it also implies the recognition and acceptance of Palestinian sovereignty and national identity by others, notably Jordan and Israel.

(2) *Establishment of an open and stable political system:* The Palestinians seek to establish an open, democratic and stable political system. Palestinian elections have been seen as a first step towards this goal. Stability requires a balance between the interests of the

various socio-political strata (the mercantile class; the middle class or bourgeoisie; the factions; and the returnees). Another dimension of a stable balance seeks to protect the interests of the Palestinian Diaspora.

(3) *Economic prosperity:* The individual standard of living has to be improved; the Palestinian economy has to be developed in order to reduce its dependence on Israel and, though to a lesser extent, on Jordan. Currently, the prospects for the Palestinian economy are not very promising and even deteriorating, not least of all because of the devastating impact of the Israeli-imposed closure.

(4) *Relation with neighbors in the region:* The Palestinians see their interests lying in the establishment of stable and secure political ties within the region.

Elements of Perceived Threat

In seeking to achieve their goals, the Palestinians perceive the following threats:

(1) *Threats to Palestinian existence within a state:* This is perhaps the most fundamental threat facing the Palestinian national movement. Palestinians long for an independent state but the recent victory of Netanyahu has reinforced Palestinian fears concerning their future. The result of the Israeli elections has confirmed the trend perceived by the Palestinians that the Jewish majority in Israel is becoming more radical, and is not willing to pay the price of peace.

(2) *Threats to the integrity of the Palestinian Territories:* The unity of the West Bank and Gaza Strip is very crucial for the Palestinian entity. Threats, like the planned annexation of parts of the West Bank to Israel, have always existed under both Likud and Labor. According to Palestinian perception, Israelis seek to sever the links between the two geographically separated areas of the West Bank and Gaza Strip. For example, the opening of a safe passage between Gaza and the West Bank, as agreed upon in the Declaration of Principles (DoP), has been delayed for over two years and no agreement seems to be in sight.

(3) *Threats to the right of return to the Palestinian state*: The fate of refugees, displaced persons and other returnees is still unclear. The recent Likud guidelines stated 'no return of Palestinians to the west of the river'. The Palestinians fear that such a position may lead to the de-Palestinianization of the Diaspora.

(4) *Security-related threats:* These threats emanate from the presence of armed settlers and the Israeli army.

(5) *Threats to national identity:* The geographic separation of the Gaza Strip and West Bank also isolates the populations of these areas. This goes along with attempts by Israel to reintroduce the 'Jordan option' in an attempt to disunite the Palestinian people and to limit their common agenda. The Jordanian desire to play a role in the West Bank, and particularly in Jerusalem, goes far beyond the role the Palestinians are ready to accept.

(6) *Outside intervention:* There is widespread anticipation that the political viability and existence of the Palestinian entity will always be questioned. Both Israel and Jordan are perceived as having a common interest in reducing Palestinian independence in all regards and will therefore seek to interfere in Palestinian affairs.

(7) *Internal threats:* These include:
- economic strangulation and deterioration, which causes un-certainties and instability;
- increased polarization within the society both religiously and politically;
- rivalries among security services;
- changes in public attitudes towards the peace process, violence, the opposition etc., which may negatively affect the state and institution-building process;
- a stagnated peace process with no prospects, which may cause more dissatisfaction, more suppression, an increasingly authoritarian leadership and less chances for a transition to democracy .

Regional Role

With goals and perceived threats in mind, one can now turn to the possible role Palestine may play in the region and look at its potential contribution. There are three basic ways in which Palestinians can shape the future of the region:

(1) minimizing the potential for conflict, violence and war by contributing to increased security and stability in the region;

(2) contributing to political stability, mutual acceptance and recognition, and 'normalization' in the region, especially with regard to ways and means of dealing with Israel, Jordan and the issue of Jordanian identity;

(3) resolving the Palestine Question and dealing with the above-mentioned threats will facilitate the process of normalizing political and socio-cultural relationships in the region and help facilitate building a base for economic cooperation and integration.

Factors Affecting the Regional Role

The Palestinian future role in the region and the way in which the Palestinian position within the Middle East will be determined depend on three main factors:

(1) *The nature of the entity to emerge*: The three possible scenarios involve a sovereign Palestinian state, a self-rule entity, or Palestine as part of a confederation. The entity will also be shaped by other factors such as the nature of the political system (democratic or authoritarian) and the socio-political forces that will emerge. In other words, who will be the players? And what will be their roles? Today, we can distinguish four main groups:

- the commercial class that vanished during the *Intifada* but is now back;
- the national bourgeoisie (predominantly middle class);
- popular factions (mainly represented by the lower middle class and lower class); and the returnees (from all kinds of social/professional backgrounds).

(2) *The nature of the regional structure:* The following four main components of the regional system will significantly contribute to determining the place and role of the Palestinian entity:

- What is the regional distribution of power and who will be the main political and military actors? For example, will they be Israel, Egypt, Syria, and Saudi Arabia? Or will the list include others such as Turkey, Iraq and Iran?
- What will be the shape of the emerging alliance system? For example will an Israel-Jordan-Turkey axis be formed? And who might form an opposing alliance? Will an Arab bloc emerge?
- With regard to the role and influence of outside powers, will the US remain the dominant power or will it disengage (e.g., as a result of ongoing attacks on its bases)? What will happen in either case? What role will Russia play? Will the EU/Europe play a more independent role or remain in the shadow of the US?
- How will any outcome of the trilateral Palestine-Jordan-Israel relationship affect the region as a whole and/or the above mentioned Palestinian objectives and threats.

(3) *The nature of the regional challenges:* What are the challenges of today, and what will they be tomorrow? The following challenges mutually reinforce each other:

- First, security challenges in the form of proliferation of missiles and non-conventional weaponry. Limited war and terrorism represent another security challenge. Security is the most important and valuable commodity in the Middle East today. It is the guarantee for stability and the precondition for development. The question for the Palestinians relates to their ability to maintain security in the short term, despite the political and economic impediments.
- Second, challenges to political stability in radical forms of Islamic fundamentalism, demands for political participation and liberalization, and internal elite rivalries.
- Third, the ability of governments in the region to develop their economies, improve living conditions for their people, handle population issues, and reduce poverty.

Jordan in the Middle East

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Since the establishment of the state, Jordan's foreign policy orientation has been determined by the following three factors:

(1) The key factor is the location of Jordan, which was also a main reason why the creation of Jordan as a new Arab entity had been encouraged. The geo-political significance of Jordan has been utilized as:

- a buffer zone between Israel and Iraq;
- a dumping ground for potential refugees/emigrants from Palestine;
- an entity to separate Syria from the Peninsula (buffer);
- a bridgehead from Egypt to Iraq.

(2) Due to the lack of natural resources, Jordan was always obliged to search for supporters and aid in order to alleviate its financial crisis. Until 1966, the British provided the necessary means.

(3) Jordan was set up as a counter power regarding the search for an Arab order. Continuously since 1920, Jordan's stand was that of a pro-West, anti-communist Arab state, which played a role in Arab summits and the formulating of common Arab resolutions.

The combination of all these factors also affected domestic issues, alliances and the efforts made towards political liberalization. The critical space between state and society, including civil society and opposition, was affected as well. Since the 1950's, public opinion became a new dimension and contributed its part to the formulation of policies, both internally and externally.

In more recent history, Jordan was unable to object to the Madrid Peace Conference and could not afford to stay away for obvious reasons, which also encouraged other states and parties to attend (e.g., the end of the Cold War, etc.). People started coming up with scenarios and predicting possible outcomes of the conference, but no one really had any idea of where it would lead to; we got on the train without knowing its destination. When we went to Madrid, we had no

separate peace treaty in mind. We could see no problem in going with the Palestinians but with separate delegations, representing separate entities. We went under one umbrella with two liaison officers - one each - who would be responsible for coordination.

Alongside other Arab states, Jordan insisted that the talks resume in Washington after Madrid for two main reasons:

(1) to stress the non-normalization with Israel, symbolized through the geographic distance;
(2) to mobilize and lobby the US administration and American public opinion.

When, after all the talks in Washington and elsewhere, the break-through in Oslo hit the news, Jordan panicked. The mood of that time can be best described as anxiety and fear of what might happen next.

During the negotiations, the Jordanian agenda was the Palestinian agenda, i.e., Jordan had no program of its own. In the first meeting with the Israelis, no bilateral topics were tackled, only issues such as water, settlements and refugees.

The King had intended to postpone elections until the Palestinian elections had taken place but he changed his mind following his September 25th meeting with Rabin. During their encounter in Aqaba, Rabin told the King to forget the Palestinian issue and stressed that Jordan was a priority for Israel. The US also put a lot of pressure on Jordan, which resulted in the Washington Declaration and subsequent peace treaty with Israel. The incentive offered to Jordan by the US was a reduction of Jordan's foreign debts.

Before the Washington Declaration was signed, there was much discussion about the bad state of US-Jordanian bilateral relations. Following the signing of the peace treaty, the new topic was the improvement of US-Jordanian relations. The perception then - from within - was that the King had got rid of his headaches, had made his deal, was at peace with himself and did not have to fear threats from outside anymore (especially from Israel); he did not care about what others thought. It was a courageous move, and the decision not to mobilize the masses too much in support of the peace process was a clever one. The King had positioned himself once more as a player on the West Bank. He also felt that gaining Israel's trust would help him in Washington. The Jordanians, on the other hand, thought that the

King was to lay the groundwork for more formal relations with the West, for example, that he could be a potential coordinator regarding US relations with Iraq. Today, however, it is apparent that he was mislead with respect to this. This may explain the defection, re-defection and assassination of Kamal Hussein's brothers.

The new development resembled a return to the 1950's: the Jordanians felt free and safer than before; they felt they possessed the power to play a role not only on the West Bank but in any regional set up, be it in time of peace or war. And, of course, they hoped for more money. However, no dividends have yet been felt, not have there been any significant changes.

Other Arab states did not like the Jordanian move. The Egyptians (Amr Musa) accused the King most vehemently and attempted to put pressure on him. President Mubarak and King Hussein, and sometimes also Arafat, held frequent meetings. Their last meeting took place in Aqaba immediately prior to the Arab summit in Cairo.

Jordan's position in the region is manifold. The King is not interested in playing a functional role on the West Bank as this would negatively affect his image among the Palestinian public. We have a permanent pro-Palestinian lobby in Jordan, just as there is a permanent pro-Jordanian lobby in Palestine. The King compromised on Jerusalem and accepted the leadership role of Egypt, predicting a greater level of cooperation and coordination with that country. Coalitions and leverages have changed and there has been a complete reversal of premises as far as leadership is concerned. Egypt has taken over a certain role; of course, it is not comparable to the role it held 30 years ago. Jordan's attitude vis-a-vis Egypt has more to do with compromise than appeasement.

Jordan managed to present itself as the only Arab state that is capable enough to deal with Labor and Likud, and the other states, for the time being, were prepared to accept Jordan's role as bridgehead between Israel and the Arab World. The King made serious approaches towards the Gulf, Qatar, Bahrain and, more recently, the Emirates; even the relations with Saudi Arabian have improved. Turkey is still a problematic spot, about which not much is known, but Jordan has something to do with Israeli-Turkish security arrangements, which in turn, disturbs Syria. As for Iran, on a personal level, the King com-

plains about their politics but officially, he is more careful and attempts to end the boycott on and isolation of Iran.

Jordan is still vulnerable but not as much as before. Things have changed. Jordan is still a small state but it now has far more room to maneuver than in the past. The foreign policy resembles that of the 1920's, though different styles and types of language have been adopted. Following Oslo, the late King Abdallah probably turned in his grave. King Hussein's style is less inventory. On the Netanyahu front something will happen soon, I am sure, though I don't know what it will be. With regard to the wider region, I foresee some improvements unless something drastic happens, such as the Crown Prince's assassination by Syria or Netanyahu messing up on the West Bank.

Jordan's strategy involves more than a wish for self-preservation: it includes being one of the pillars of the West in the Middle East and playing a role in the region. with regard to the West Bank, it also involves trying to keep the West Bank Palestinians where they are in order to avoid demographic problems on the East Bank. For the time being, the King is not interested in playing a functional role but wants to have a say, to be able to positively influence developments on the West Bank. In the event of the King's resignation, the Crown Prince would continue on the same track. Predictions other than this for 'what comes after the King' depend on how the Syrian and Palestinian tracks develop. I do not see fundamental changes emerging in Jordan's foreign policy.

Israel's Place in the Region

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The Historical Setting and Corporate Identity

The British Mandate in Palestine and the Arab-Jewish conflict over the fate of this land led to the emergence of three distinct political entities: Israel, Jordan and the Palestinian community and national movement. Though distinct, all three have developed, in so small measure, as functions of the conflictual interaction between them, defining their respective corporate identities largely in reference to their adversaries in a perpetual interlock.

Since these corporate identities have evolved with the Arab-Israeli conflict, historical watersheds in the conflict have been of formative importance. These are, in the main, two: The War of 1948 and the War of 1967 and their respective consequences.

The war of 1948, for the Jews of Israel their war of national liberation, was for the Palestinians their traumatic defeat, which also resulted in their dispersal. This, more than any other single event, was the formative crucible of the Palestinian national identity, powerfully derived from their national setback and tragedy.

Jordan, initially carved out of the original British mandate over Palestine, and thus linked from its very inception to the Palestinian question, now because the home for most of the Palestinian people. The West Bank was unified with the Hashemite Kingdom, and all the Palestinians in the Kingdom, refugees and non-refugees alike, became citizens of Jordan.

Nevertheless, from the late 1950s onwards there has been a steady revival of the Palestinian entity and identity, symbolized by the establishment of the PLO in 1964 and further accelerated by the consequences of the War of 1967.

Jordan's loss of the West Bank to Israel in the War of 1967 arrested the process of 'Jordanization' of the Palestinians and 're-Palestinized' the Arab-Israeli conflict. The deployment of the PLO in Jordan and the tension this aroused with the government there, eventually led to the outbreak of the 1970-71 civil war. This was yet another traumatizing event that sharpened the distinctive corporate identities of both Jordanians and Palestinians. The armed conflict between Jordanians and Palestinians reinforced a separate sense of Jordanianism fueled by a powerful desire of the original East Bank Jordanians to preserve their own political patrimony. King Husayn's old slogan of 'Jordan is Palestine and Palestine is Jordan' was gradually replaced by a new concept of 'Jordan is Jordan and Palestine is Palestine.' Rather than assuming the historical role of inheritor of Palestine, Jordan now sought a partnership with the Palestinians, clearly reflected in Husayn's federation plan (1972), his agreement with 'Arafat on confederation (1985), and his formal disengagement from the West Bank (1988).

Jordanian policy and aspirations, since the early 1970s, have thus evolved from an attempt to restore total unity with the West Bank and to an acceptance of the separate Palestinian identity, to be satisfied within the framework of some form of federative or confederative relationship with the Hashemite Kingdom.

As Jordan's policy evolved so Israel was compelled to recognize Palestinian nationalism. The so-called 'Jordan option' gradually dissipated as a realistic policy and Israel, in coming to terms with the Palestinian national identity, had to redefine itself accordingly. From Camp David (1978) onwards Israel gravitated towards the acceptance of some form of disengagement from the West Bank and Gaza in favor of autonomy or statehood for the Palestinians.

The Oslo Accords and Their Significance

The Oslo Accords have set a process in motion which has essentially put paid to the notion of Greater Eretz Yisrael. After Israel's withdrawal from the main urban centers of the West Bank and from most of the Gaza Strip, Greater Eretz Yisrael now seems irretrievable. The logical dynamics of the Oslo process are paving the way for the establishment of a Palestinian state or entity of one form or another, if and when the final status negotiations are concluded.

The internal balance within the triangle of Israel, Jordan and the Palestinians is changing as Israel begins the arduous process of disengagement from the West Bank and Gaza. How this process will culminate is difficult to foresee but it is worth noting at this juncture some observations on the political and ideological priorities of the Israeli public. Polls conducted since the late 1980s have shown that a clear majority of Jewish Israelis value the preservation of their state as the state of the Jewish people (i.e., a state with a stable Jewish majority) more than they value the concept of Greater Eretz Yisrael. The cultural and national identity of the state and the preservation of this face of the Zionist *raison d'Ωtre* is of greater importance to most Jewish Israelis than the eternal control of the West Bank and Gaza.

If, as a result of this proclivity, Israel chooses to disengage from much of the West Bank, whether by providing for limited Palestinian self-rule or for the establishment of a Palestinian state, this in turn, could have potentially far-reaching consequences for Jordanian-Palestinian relations. The West Bank is landlocked and geopolitically 'sandwiched' between Israel and Jordan. The more Israel detaches itself from the West Bank, the more dependent that territory will become on Jordan. The less integrated the Palestinian territories are with Israel, economically and politically, the more they are likely to develop political and economic links with Jordan, especially considering Jordan's massive Palestinian population and the fact that Jordan will always be the natural major outlet for the West Bank to the hinterland of the Arab East (*mashriq).* Indeed it is unlikely that, in the future, Jordan and the Palestinians will come to an agreement on closer economic and possibly confederative or federative political ties. One may safely assume that both parties would do their utmost to preserve their respective separate identities in such an association. At the same time, however, there is an obvious cultural and social affinity between these two Arab and, predominantly, Muslim peoples.

The Israeli-Jordanian-Palestinian triangle is not symmetrical. Though all three parties are products of the struggle for Palestine, Israel, as the state of the Jewish people, does not share to the same degree in the cultural, linguistic and religious affinity that links Jordanians and Palestinians. It is therefore most unlikely that future bonds with Israel would ever be as close as those that may link Jordanians and Palestinians.

Israel's coming to terms with Palestinians nationalism was not only a function of the dominant proclivity amongst Jewish Israelis to preserve the Jewish majority of their state, and of changes in Jordan's Palestinian policy, but was also a result of the simultaneous transformation of the Palestinian national movement.

In the last decade or so the internal Palestinian political structure has undergone a major change. The 1982 was in Lebanon, the Intifada and the second Gulf War were all instrumental in shifting the center of gravity of Palestinian politics from the external establishment and the Diaspora, the 'outside,' to the 'inside', i.e., the West Bank and Gaza. The PLO suffered a severe military and political setback in the Lebanon war. Having lost its autonomous territorial haven, it lost some of its regional stature and political initiative, which now began to shift into the Occupied Territories. The Intifada was waged by the people of the West Bank and Gaza. Those who were in the past the passive bystanders were now at the forefront of the Palestinian struggle and those who were previously the vanguard now assumed the role of the passive onlookers. The PLO was no longer in an unquestionably morally superior position enabling it to issue dictates to the people in the West Bank and Gaza. It was compelled by events to create a more equal partnership between the outside and the inside leaderships. This was particularly the case in the aftermath of the Gulf War when the PLO's international stature suffered severely as a result of Arafat's support for Saddam Husayn. The PLO's agreement to the Oslo Accords was in so small measure a function of this relative weakness and of its desire to recapture total control of the Palestinian political arena. In so doing, however, the PLO leadership has moved from the 'outside' to the 'inside' for the first time ever. Indeed, never since the Mufti's flight from Palestine in 1937 has the leadership functioned on Palestinian territory.

These changes have greater historical significance than may be readily apparent. They are more than just a shift of the leadership's location. In the evolution of the Arab-Israeli conflict there are two most crucial watersheds: the wars of 1948 and 1967 and their respective consequences and ramifications. Israel, as the state of the Jewish people, will not, one may safely assume, negotiate the consequences of 1948, i.e., its existence as an independent state with a predominantly Jewish majority. It can, however, negotiate the consequences of the

1967 war, i.e., its occupation of the West Bank and Gaza, without infringing upon its very being.

The PLO, as originally established before 1967, and as its name suggests, sought the liberation of all Palestine and totally rejected the right of Israel to exist. The organization sought, in other words, to undo the consequences of the War of 1948. Moreover, as an organization that functioned in the Palestinian Diaspora it tended to represent the political aspirations of that constituency, including their demand to return to Israel proper (to within its pre-1967 boundaries). Particularly during the last decade, PLO positions toward Israel have evolved with the gradual acceptance of a two state solution. However, the Oslo Accords and the movement of the PLO leadership into the West Bank and Gaza are in themselves major historical departures. The PLO as an organization is hardly a functioning body these days. The Palestinian leadership is now almost totally assumed by the Palestinian Authority (PA). What we the PLO is rapidly being transformed into a West Bank/Gaza organization, attuned to and representative of this political constituency, rather than the Palestinian Diaspora, whose concerns have not been abandoned, but have been relegated to secondary importance. The elections held in the West Bank and Gaza in early 1996, by the people of these areas only, for representatives in the Palestinian Council from their own localities left Arafat with little choice but to include or co-opt at least some of the local leadership into the institutions of the PA. This has further institutionalized the condensation of the Palestinian question into a West Bank/Gaza issue. This has facilitated the transformation of the Palestinian question into a manageable problem from the Israeli point of view, as opposed to the situation in which the Palestinian Diaspora, whose national aspirations Israel could not satisfy, was the core concern of the PLO and the Palestinian national movement.

This, however, does not mean that the '1948 file' has become totally irrelevant. There are two main outstanding problems: that of the Palestinian refugees and the question of the Palestinian citizens of Israel. Considerably more is said about the first than about the second. This, however, may not truly reflect their relative importance. As for the 1948 refugees and their descendants, most are situated in the West Bank and Gaza or are citizens of Jordan. This is unlikely to change in any large degree. Israel will not agree to their return and man, if not

most, may not even wish to leave Jordan or the Palestinian state of the future. As for Palestinians displaced in 1967, some may return to the West Bank, but that will depend largely on economic conditions, and will probably not be of much consequence.

The Palestinian citizens of Israel are close to 20% of the country's population. Their nationalist Palestinian identity has been steadily reasserted since 1967. An irredentist potential of some sort or another cannot be discounted. In any event, Israel will have to address the question of its large non-Jewish population and seek ways of integrating them as full equals in what will remain the state of the Jewish people. This may give rise to some crucial questions in regard to Israel's national identity, especially with a Palestinian state right next door.

Integration, Disengagement and the Israeli Identity

The Debate on Identity

Israelis are deeply divided not only on the state's policies and choices in the peace process, but also on the essential nature and identity of the state. These two issues are intimately interrelated. The fundamental question revolves around the definitions of Israel as a 'Jewish State' or as the 'State of the Jewish People.' Zionism, in its originally secularist phase, sought the nationalization of religion and its subordination, as a cultural component of an essentially secular Jewish nationalism. The chief objective was the creation of a state with a stable Jewish majority - the ôState of the Jewish Peopleö.

In the aftermath of the Six Day War of 1967, Israeli politics underwent a profound change. The stunning victory, coupled with Israel's occupation of the core areas of the biblical Land of Israel, provided fertile ground for the growth of an extreme right-wing religious-Zionist trend, which believed in the transformation of Zionism into a vehicle of both religious and ultra-nationalist political revival. This trend is naturally less compromising than its secular predecessor on territorial issues, in its willingness to recognize Palestinian national rights and in its definition of the state as a 'Jewish State.' In the fundamentalist world view of this trend, Israel as a 'Jewish State' ought to show deference to religious law (*Halakha*) rather than the secular legislation and policy determinant of the democratically elected

institutions of the state. It is from the ranks of this trend that Rabin's assassin emerged, and the assassination itself was but the most extreme expression of the dissension in Israel on the very nature of the state: between secular democracy and religious fundamentalism and the obvious implications this conflict has on Israel's pursuit of the peace process.

The Jewish fundamentalists, like their Muslim counterparts are incapable of coming to terms with the dictates of pragmatic policies. In Israel's case, a major pragmatic consideration in the effort to maintain the state as originally founded is demography.

Demography and Disengagement

The Arab-Israeli conflict has evolved into two very different modes of confrontation: the inter-state conflict between Israel and the neighboring Arab states, and the intercommunal struggle between Israel and the Palestinians. The inter-state conflict is essentially a military one and its solution is therefore founded primarily on the military balance of power. In this conflict, one can, in theory, think in terms of conflict resolution, based on the equation of territory for peace, in an era of Israeli military advantage. Israel has returned territory to Egypt in exchange for what is hopefully a lasting peace and the end of their conflict, that is, 'point final'. The same may happen with Syria.

The inter-communal conflict between Israel and the Palestinians has always had a military dimension, yet it has been and still is primarily a demographic struggle, decided very much by the side that has had more people in the right place at the right time. Israel is in the process of withdrawing from the West Bank and Gaza. This is not, as is often argued, because it would be too costly militarily to maintain these territories, but rather due to the realization that demographically and thus politically, the occupation has become an undesirable burden. This withdrawal, however, still leaves major demographic/political issues unresolved: those from the so-called '1948 file,' such as the questions related to the large Palestinian population in Israel or the refugees. These may be the contentious issues of the future, leaving a measure of doubt about where precisely 'point final' of the Palestinian-Israeli conflict will eventually be determined. Moreover, terrorism might remain a facet of reality even after a peace treaty between Palestinians

and Israelis, considering the close proximity of the two populations. Consequently, it is perhaps more realistic to think in terms of conflict management rather than complete conflict resolution, in reference to the Israeli-Palestinian track. This, in turn, might leave questions related to Israeli and Palestinian identity and to the place of the Palestinian minority in Israel, never quite fully resolved to the mutual satisfaction of both parties.

The Question of 'Normalization'

Precisely because of such differences and difficulties, the conflict with Israel has been so protracted, and its solution so problematic. Indeed, the peace process with Israel is much more of a 'pragmatic peace' than the product of an ideological transformation in the Arab World. The Arab World is coming to terms with Israel out of acquiescence in the regional balance of power, far more than as a result of a substantive change in the pervasive delegitimizing ideological perceptions of Zionism.

In the effort to build on this pragmatic peace the parties have to contend with conflicting self-images and a profound perceptual divide. Israelis tend to see themselves and their history as essentially defensive, viewing the Zionist endeavor as a heroic feat of self-defense and collective preservation in defiance of the Jewish fate and against the odds. Having endured the struggle, the Israelis therefore seek reassurance and ideological acceptance of their community and their collective identity in the family of Middle East nations.

The Israeli need for such ideological acceptance is also a function of perceptions of time. On whose side is time perceived to be? Israelis are far more confident about the short-term regional balance of power than they are about the long-term. If peace is but a function of the existing balance of power, and not the consequence of profound ideological change, how would this peace be affected by a shift in the regional balance of power in the longer term? This is more or less a mirror image of the radical Arab perception of time. It is the radicals in the Arab World, such as Hamas, who argue against the peace process, contending that in the long run Israel is doomed to ultimate defeat ('the disappearance of Israel is pre-determined by the forces of history' - *zawal Isra'il hatmiyya ta'rikhiyya*). Why, therefore, hinder this process

by concessions and peace treaties at a time of Arab relative weakness, which is bound to change in the future?

Israelis are consequently perturbed by Arab reservations about 'normalization' since these reflect a reluctance for ideological acceptance rather than just pragmatic, and possibly even transient acquiescence of an historical aberration. For Israelis, diplomatic, economic and cultural ties with the Arab states are of crucial importance as a reflection of Israel's long-term acceptance as a normal and natural member of the region, far more than any strictly economic or other benefit.

The Arab view of these matters, however, is markedly different. Even in countries that have made their peace with Israel, like Egypt and Jordan, there is a widely held view amongst intellectuals that peace with Israel is essentially an admission of historical defeat. Moreover, this is not simply a setback in the narrow confines of a territorial dispute, but yet another and even more resounding defeat in the cultural and civilization conflict in which the Muslim Arab Middle East has been engaged for the last two centuries with the West.

From this point of view, Israel is not a defensive enterprise of formerly oppressed Jews but an aggressive, intrusive, domineering outpost of the West that has imposed itself on the region through the use of force and in alliance with the Western powers. Israel, therefore, is not a 'natural' or 'normal' member state of the region, but a monument to Arab and Muslim failure to cope effectively with the challenges of the Western-style modernity. Israel's quest for normalization, when addressed in this frame of mind, is seen as no more than the thin wedge of further cultural, economic and political 'invasion' (*ghazw)* designed to ensure its own hegemonistic domination.

To Israelis this is cause for apprehension and concern that the peace is but a function of what might be transient political and strategic circumstances, that could be overturned in a different regional environment. Israel therefore deems it absolutely essential to maintain its military and technological edge over any combination of Arab states (and Iran), which is, in turn interpreted in the Arab World as positive proof of Israel's hegemonistic designs. Even economic cooperation is regarded in some not insignificant circles with suspicion as part and parcel of Israel's ambitions for regional domination. What is for Israelis

a defensive posture is seen as yet further evidence of Israel's inherently aggressive nature and thus another barrier to normalization. This is a vicious circle from which there is no simple and straightforward exit.

Israel, the Middle East and the European Union

Even if only out of pragmatic recognition of its military and economic staying power, much of the Arab World is coming to terms with Israel. Israel is no longer ostracized by the region. This poses some new questions for Israel about its collective identity, which it has not had to consider for half a century, since its foundation.

What is Israel exactly? A European state in the Middle East? A Middle Eastern state? Or perhaps a Mediterranean state? Israel is probably best described as a combination of all three, similar in many respects to the other non-Arab Middle Eastern states - Greece and Turkey. Israel is very much like Greece and Turkey in its mixture of Western, Middle Eastern and Mediterranean cultural, social, political and economic influences, though perhaps only more extremely so because of the diverse European and Middle Eastern origins of its population. But to what extent can it integrate with the region and maintain its political, economic and cultural uniqueness? This remains an open question for Israelis to ponder.

In the meantime, however, through decades of conflict, certain realities have become part and parcel of Israel's international orientation. Decades of Arab boycott left Israel with little choice but to build an economy oriented to Europe, North America and the Far East. Moreover, Israel has always maintained strong political ties with the Western powers, both as a strategic necessity and as a function of its special relationship with the major communities of the Jewish Diaspora, especially in the United States. This is not likely to change dramatically.

Economic integration with the Arab World is therefore not a likely development. This is all the more so, considering economic trends in the Middle East. According to a World Bank Study, in the year 2010 the Arab states bordering on Israel will have a population of 130 million compared with Israel's 7 million. However, the GNPs of these states combined and that of Israel will be approximately the same. This does not bode well for a European type of integration. The European

model that would be more applicable is not the European Union of states (which have similar and compatible economies and standards of living, close cultural ties and comparable political systems), but rather the relationship between Europe and the Maghreb. Europe's association with the Maghreb is more akin to disengagement than anything else. A probable exception to this rule in Israel's case would be the Jordanian and Palestinian economies. These are very small economies in comparison to that of Israel. One could imagine an economic association that would be mutually beneficial and substantial in developing the Jordanian and Palestinian economies in the interest of a stable relationship within the Israeli-Palestinian-Jordanian triangle.

Such a relationship would have to be based on the preservation of the distinctive identities of all these parties. Any infringement on the sensitive identity questions of one or more of the components is bound to have a destabilizing effect. Israel is Israel, Jordan is Jordan and Palestine is Palestine.

VII. GOVERNMENT AND CIVIL SOCIETY

Government and Civil Society in Palestine

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This intervention will address the manner in which the issue of identity among the Palestinians in the post-Oslo period has been transformed, not only by the establishment of the Palestinian National Authority (PNA), but also by the developments in civil society that have redefined the relationship between the Palestinians who remained in their homeland and the Diaspora community.

At the risk of oversimplification we can see that prior to Oslo, the images of Palestinian dismemberment and the paradigms of exile dominated the debate over Palestinian identity. After Oslo we notice that juridical aspects of identity (citizenship, the Jordanian dimension, etc.) and the related issues of residency and access to citizenship under a regime of qualified sovereignty began to dominate this debate.

But this dichotomy between the politics of exile and the politics of statehood camouflage a more profound - and more interesting - aspect of Palestinian identity: the question of localized consciousness on the one hand, and the tension that arose due to the Oslo dimension versus the regional dimension in the new Palestinian social formation on the other.

Localized Consciousness

Throughout the 19th and 20th centuries the local community in greater Syria, whether based on the village, city or regional unit, played an overriding role in defining Palestinian - and other Arab - loyalties. These points of reference, together with kinship, took precedence over religious and national identities. Localism was reinforced by a decentralized system of administration and regional markets, and was

expressed through distinct recognizable dialects. Such forms of communal loyalty reached their zenith under the system of *Iltizam* (tax farming) through the rule of Ottoman Mashayyikh and village potentates.

Modernity, marked by the campaign of Ibrahim Pasha and the Tanzimat following the collapse of Egyptian occupation, British colonial rule, and Zionism all contributed to the weakening of Palestinian localism and its contestation by a countrywide national identity, which often transcended the boundaries of modern Palestine, constituting the core of modern Palestinian regional nationalism.

But this regional identity was itself riddled with ambivalence. At the turn of this century this ambivalence resulted from the contestation of regional Palestinian identity by those who felt that their main allegiance was to greater Syria (Bilad As-Sham) and that Palestine was part of Southern Syria (Istiqlal Party), and partly by the Pan-Arab supporters of King Faisal and the Arab Revolt. Both of these currents were the precursors of the Nasserist, Ba'thist and Syrian Nationalist currents that dominated Palestinian political trends in the 1950s and 1960s. And though they were eclipsed by the rise of the PLO, they nevertheless continue to contribute to its wider frame of reference in the cultural domain today. (There is a lot of debate today, for example, about the need to infuse Palestinian culture with an Arab dimension in the cultural periodicals.)

The Politics of Exile and Identity

The decisive marker of contemporary Palestinian identity, however, has been the politics of exile. This is rooted in a social feature of the Palestinian experience, namely, that the bulk of the Palestinian leadership, together with the intelligentsia and its professional base - that is all those who played a critical role in the formulation of Palestinian national consciousness - were either expelled or exiled, or (as in the case of Mahmoud Darwish) chose exile.

The politics and poetics of exile became so dominant in this formative period that the conditions, aspirations and outlook of those Palestinians who remained in Palestine (almost half the total number of Palestinians) were virtually forgotten. They were rendered into an abstract object of glorification and heroism. In practice they were

marginalized, but not only as a component of Palestinian politics: they were also subsumed as a residue, a remnant of a people whose real place was in the Diaspora. Subliminally there was an element of betrayal, due to the fact that they too were not exiled, or chose not to live in exile. This was the height of schizophrenia in Palestinian national identity.

It took two spectacular events to transform this outlook: Land Day (1976), marking the assertion by Palestinians in the Galilee (and later among Israeli Bedouins in the Negev) of their national identity, and the *Intifada* of 1987. The former case established the struggle for equality with Israel society as a legitimate and recognized current within Palestinian politics. It brought more than ever the perspective and aspirations of the Arabs that had remained in Israel to the national conscience of the Palestinians as a whole. The *Intifada*, on the other hand, redressed the imbalance in the hegemony of the PLO over the 'forces of the inside'.

Inside / Outside

The *Intifada* itself was the culmination of a protected process by which the PLO, acting as the torchbearer of Diaspora politics, realized, after years of Arab encirclement and Israeli military subjugation, that it had to re-anchor itself in the emergent political will of the Palestinian homeland. This shift has been recognized, in formal terms, as a shift away from a strategy of liberation, towards adopting a strategy of independence. Such a shift not only required the adoption of the new pragmatic politics of territorial compromise and dialogue with the enemy, but also constituted a radical rupture with the established ideological heritage.

This heritage revolved around the notion of 'redemption through return' as the underpinning of all Palestinian political strategies. Its vision was amplified by a reconstitution of an idealized Palestinian past, which the dismembered Palestinian nation sought to recapture. Its vehicle was a combination of mass mobilization, armed struggle, and the linking of the exiled communities through the leadership of the PLO. The social base of these politics was the refugee camps in the Arab host countries, in addition to the mercantile / professional sectors in the Gulf countries and Jordan.

By contrast, the shift in the 80's towards a 'territorial' strategy was a move in the direction of grounding Palestinian politics into the relatively stable (and conservative) communities of the West Bank and Gaza. Although they contained a large refugee component, these communities, to a large extent, constituted a historical continuity with the peasantry of the Palestinian highlands and their regional elites.

But these stable communities did not constitute a *national* community. They did exhibit a high degree of nationalist consciousness, and increasingly - beginning with the 1970's - began to articulate their political aspirations within the confines of the PLO. But unlike the 'external forces' in exile their leadership remained in the hands of the local regional elites, who derived their power, wealth and prestige from an extended network of kinship and putative identities, rooted distinctively in Nablus, Hebron, Jerusalem and Bethlehem.

State Formation and Identity

The assumption of power by the PNA after the Cairo agreement (1994) was therefore not only the beginning of the process of state-formation, but also the incorporation of those regional social groupings and political elites within a reconstructed national formation. The PLO through its cadres and relocated Diaspora bureaucracy thus performed a crucial integrating role for the segmented communities in the West Bank and Gaza, which the nationalist movement during 29 years of Israeli rule was unable to do. Because this process is still in a state of flux we are sometimes unable to see the forest from the trees. In the current debate about the role of the returnees in the allocation of positions and clout, references are made about familial and regional forces being over - or under - represented. Certainly the PNA (and Arafat) had to take the weight of these forces into account when deciding who to appoint to certain positions. Increasingly, however, we see a new *national polity* asserting itself that is gradually transcending its constituent parts. The main victim of this corporate body has not been the regional elites but the private business sector.

This trend became more distinct during and after the elections for the Legislative Assembly in April of 1996. The campaign itself seemed to signal a return to familism and localism, but eventually the dominant forms of mobilization during the campaign reflected a mix of national and local concerns. The result was clearly the triumph of nationalist

politics over localized localities. This was reflected not only by the program adopted by a majority of candidates - which was mostly rhetorical in content - but also by the background of candidates favored by the electorate, which displayed a clear preference for people with a history of national political activism and former refugees or exiles with a weak or non-existent local social base.

The New Divide

Despite the current hegemony in Palestinian politics - the politics of the 'returnees' - I would argue that the hitherto dominant divide in Palestinian politics between outside/inside forces has been transcended by the current consolidation of the PNA. To the extent that the former divide still persists, it reflects the contestation over clout and patronage by a minority whose politics, social background and ideological predisposition is essentially the same as the 'native' community. One only detects a difference in matters of cultural socialization, with the returnees displaying a background (rooted in their exile experience) that is more urbane, secular, and alienated. The transplanted community is still in search of its hinges.

Palestinian pluralism, as a political form, is highly overrated, but it is nevertheless real; or at least it has a real kernel. It is rooted in the multiplicity of political experience in exile, and in the diversity of forms of resistance to Israeli rule. In the Arab Diaspora it is based on what amounted to a stalemate in the ideological struggle between nationalist and leftist (or what was leftist) currents. Inside Palestine - and also within the Arab community in Israel - it is based on the voluntary coexistence between Islamist and nationalist political tendencies. An important contributor to this persistence of pluralism is a style of leadership, which so far has preferred the politics of co-optation and patronage over the politics of confrontation and one-party control. Today we witness a significant deviation from this tradition in which the institutions of civil society and the variety of communal groupings that emerged during decades of occupation are engaged in a new battle for democratic space against an emergent state power.

Conclusion: Civil Society and the end of 'Embryonism'

During the 1980's the strategy that prevailed within Palestinian mass organizations was one of 'embryonism'. This is the term that refers to a

the perception on the part of a variety of resistance groups that since Israeli occupation is likely to prevail for an extended period, the task of Palestinian resistance inside the West Bank and Gaza was to establish alternative organs of power, both at the institutional level (municipalities, universities, schools, etc.), and in the provision of public services in the arenas of health, credit, day-care, and so on. Politically these institutions and services will ultimately converge in establishing an alternative organ of power to the colonial state apparatus. When the historical moment comes, these 'embryonic' institutions will act as the nascent alternative state in the making. Any future Palestinian state will have to establish its power base on foundations of these nascent organs.

As it happened this strategy proved to be completely mistaken in anticipating the nature of the power arrangement that actually emerged with the establishment of the PNA. At one level the nature of these institutions of civil society were much more attuned to organizing resistance than to establishing sustainable institutions of governance. But basically their 'failure' was due to a willful choice by the PLO to establish its power base on a combination of alliances with local social elites and the returning cadres of the PLO. The emergent state institutions in Palestine have much more in common with neighboring Arab regimes than with institutions of civil society established during years of resistance. Whatever future exists for the residual mass organizations that are still active today would seem to be the search to build an oppositional force that would focus on democracy, civic rights, and political pluralism. The natural arena for this battle includes the legislative assembly, the municipal council, and extra-parliamentary bodies like the media.

Government and Civil Society in Jordan

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The topic of government and civil society is a difficult one from the Jordanian perspective. This is because civil society, which supposedly embraces all organizations that fill the vacuum between the family and the state, is mainly related to urban areas/cities. Following are the three main questions that should be raised with regard to the issue of government and civil society in Jordan:

(1) What does the term 'government' mean in Jordan, as opposed to other countries?
(2) How democratic is the government in Jordan?
(3) How effective is the Jordanian government in carrying out its role?

The above can be answered to some extent by comparing the following theories of political systems:

- *Theory of Democratic Systems*: characterized by widespread participation and freedom.
- *Elites Theory*: policy-making as dominated by a select few.
- *Pluralist Theory*: politics as group policies whereby each group has the chance to be heard.
- *Hyper Theory:* policy-making as a complex that no one really governs: 'government of people by people and through people'.

In Jordan, government is based on a tribal society and a concept of 'state' that has gradually evolved since 1920: a political, military-based regime. A democratization process has begun, but the fact that no substantial efforts have been made has led to several setbacks. Speaking about democracy, we must look at the principle of equality and the degree to which it is applicable in Jordan.

The same goes for the principle of information. Today, Jordan has 24 newspapers, most of which are know to be regime-friendly, while the

others are labeled 'opposition papers'. It is no secret that the three main papers receive instructions from 'above' on what - and what not - to print.

The level of public participation as a feature of democracy can be measured according to the level of participation in voting. In the last elections 50% of voters - but only 0.25% of candidates and 1.25% of parliamentarians - were women. When studying the issue of representation, we have to differentiate between actual versus virtual representation.

The first political party in Jordan was the Independent Party that emerged in 1922 but dissolved itself four years later. Between 1921 and 1948 a total of ten political parties emerged, most of which were formally established but without any democratic substance; they had neither a platform nor a program or agenda.

After 1948, the political spectrum included many active parties and movements. Amongst them were the Muslim Brotherhood, Communists, Ba'ath, Tahrir and the National Socialist Party, all of which were influenced by the new Palestinian-Jordanian relations and by those Jordanians who had returned from studying in Syria and Lebanon.

Between 1967 and 1970, as a result of the war and defeat, most Palestinian organizations returned to Jordan. They found themselves forced to chose between taking a pro or contra position. This situation came to an end with the events of 1970 events and the banishment of the PLO from Jordan. The East Bank/ Jordanian identity began to develop partly as a reaction to the Palestinian issue, that gradually made its way from the sub-conscience to the conscience of the Jordanian people. This situation lasted until 1988, when the King made the first moves towards democracy. The developments on the East Bank coincided with the *Intifada* on the West Bank. When the ban on political parties was lifted in Jordan, several new political organizations emerged.

Professional associations have existed since 1944 when Jordanian law provided a legal frame. The first was the Lawyer's Association, founded in 1950, and it was soon followed by many others. The government felt threatened, especially at a time when the atmosphere was highly politicized and a large number of graduates were returning - full of

new ideas and approaches - after having completed their studies abroad. The professional associations developed politically rather than professionally, which was the reason why they were denied a real mandate. Even today, everyone has to be part of a professional association; the fact that Jordanians do not 'choose' to join directly contradicts the 'civil society' nature of such organizations.

In Jordan we have a hybrid society, and every family and tribe, in one way or another, is a part of the system. Although the system occasionally gives the impression of being somewhat progressive, it is basically based on traditional structures. Despite the fact that the democratization process has been initialed, organizations still develop according to tribal or family lines, especially in terms of loyalty, though the interests of individuals as the smallest units of society vary. The legitimacy of Jordan's political regime is until today determined by religion and tribalism, the religious determination stemming from the fact that the ruling family are direct descendants of the Prophet Mohammed. The tribal structure in Jordan has always been contained and preserved, and the government makes use of it for its own purposes. As tribalism is an obstacle to progress and modernity, Jordanian society does not move forward; in former years, tribalism was a social and economic requirement, whereas today, it is a structure that disturbs reality. The government (cabinet) changes on average every 15 months, which means there is no stability and mandates are not taken seriously.

The image of Jordan's political leaders and the founders of its political parties is tarnished by the fact that many of the latter proceeded to 'hijack' the parties following their formation. Many politicians are well-known figures with industrial backgrounds and professionals. The people, meanwhile, remain wary and suspicious of parties and politicians.

If you fail to 'sell', i.e., apply properly, modern *modi vivendi*, people will turn back to traditions or other means. The *Intifada* in Palestine was imported to Jordan though the media, particularly the television news, which led the Jordanian youth to copy what they saw in an attempt to counter-transform Jordanian society from within. Such things should not be underestimated. Nevertheless, it is important to note that if people are not motivated in the first place, it is impossible for change to take occur.

Israel's State and Civil Society
After 50 Years of Independence

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I was asked to speak about the evolution of Israeli civil society. The subject matter is both conceptually and empirically tied to the evolution of the Israeli 'state' and Israel's 'political society'. My main argument is that the triadic relations between state, civil society and political society in Israel have undergone a critical evolution since Israel's independence. While in the first two decades of the state, civil society and political society were largely subordinated to the power of the state and the overriding concern for survival and consolidation, the state's power (in the post-1967 period) gradually declined and its position in the civil and political sphere has been challenged by newly empowered agents. These agents have contested early state hegemonic ideology and state monopoly over the economy and religion, and have begun to revise the national ethos. As a result the character of Israeli society is a subject of heated debate and the role of the state has been severely eroded. Before I present my thesis I would like to clarify some of the concepts.

The philosophical origin of the term civil society is rooted in the thinking about the evolution of capitalist economy, the bourgeoisie and their relations to political authority. From J. Locke and Rousseau through Hegel and Marx, the economic sphere was perceived by political philosophers as the embodiment of civil society. While for Locke the state was perceived to be a necessary evil intended to regulate unchecked violations of the state of nature, Rousseau and Hegel viewed civil society more as lower spheres of human condition where market transactions define the activity of the selfish Bürger or bourgeois. The state on the other hand was presented as representative of human higher capacities, i.e., reason. In civil society man engaged with others in competitive struggles to improve his lot in the marketplace, while in the state he interacts with his peers as a citizen.

Citizenship prescribed relations of 'shared ethical understanding or mutual recognition.' (Smith 1989:105)

While the distinction between civil society and the state remains the basis for many analyses of human interactions, the idealistic view of states as the embodiment of ethical reason seems anachronistic to many contemporary analysts. In fact, Locke's view remains the basis for liberal thinking about states. Thus social scientists who study civil societies today commonly address them in the context of struggles to limit state power and authority in spheres perceived to be the domain of human freedoms.

In all discussions it is taken as given that states are necessary bodies, and that they are prerequisites for the existence of democratic order. Although it is widely held that democracy requires a vibrant civil society, it is also understood that states have a great role in shaping such a society. In this context civil society is defined as 'the arena of the polity where self-organizing groups, movements, and individuals, relatively autonomous from the state, attempt to articulate values, create associations and solidarities, and advance their interests.'

Civil society can include manifold social movements (women's groups, neighborhood associations, religious groupings, intellectual organizations, etc.) and civic associations from all social strata (such as trade unions, entrepreneurial groups, journalists, or lawyers). A higher degree of civil society autonomy has been the aspiration of many opposition groups that challenged non-democratic authorities. It is also a subject constantly negotiated in democratic societies where free political society is functioning and where the other 'fundamentals' of the modern states are more or less enshrined; including rule of law and a well-functioning bureaucracy. Indeed the last two components are themselves considered critical guarantors of civil society.

Political society is defined as the 'arena in which the polity specifically arranges itself to contest the legitimate right to exercise control over public power and the state apparatus.' (Ibid.8) In a democracy it includes, 'political parties, elections, electoral rules, political leadership, inter-party alliances, and legislatures - by which society constitutes itself politically to select and monitor democratic government.'

Indeed, in all democracies, civil society and political society are mutually exclusive conceptually but are *de facto* complementary.

224

As we have seen the existence of a state is a prerequisite for the functioning of civil society. States are often perceived to be guarantors and facilitators of individual interaction. Indeed states always take precedence over societies but only in so far as they ensure the latter's autonomy.

The question of civil society therefore begins with ensuring the state's sovereignty and integrity. In this regard Carl Schmitt argued that the ultimate goal of the political realm as a confrontation of 'us versus them' is on the mark. According to Schmitt the definition of the collectivity and the preservation of its integrity and autonomy are the ultimate functions of the state 'for only if they are preserved can we perform such other actives as may be appropriate to the spirit of our collectivity.' (Poggi, 1918:6)

Defining the collectivity must be the work of an independent center; according to Schmitt it may be even a single individual. All other normative considerations, however important from the point of view of liberalism, are held in suspension when questions of existential matters are at stake.

The dynamic described above can serve us in understanding the changing nature of the Israeli polity since independence in 1948.

Israel's early years and its struggle for survival have elevated the state to near hegemony in terms of its relations with its society. The 'us versus them' posture prevailed not only with regard to the Arab states but also internally. Emergency laws pervaded Arab-Israeli society until 1965.

The issue of state building and survival, the need to absorb a large influx of immigrants and the urge to quickly develop an economic infrastructure brought the Israeli state to near hegemony in almost all spheres of civil society. Keeping in mind that the official ideology of the state was socialist in its orientation, and that the main forces in political society were themselves almost identical with the state, the Israeli polity evolved, and society, to a large extent, was overwhelmed by the state administrative apparatus. Particularly interesting in this period is the marginalization of segments in the political society that were not part of the dominating elite - they were perceived to be outside the state or indeed felt like it.

Political figures of MAPAI and its offshoots, including the religious Mizrachi party, have acted as agents of the state. Ben-Gurion's decision not to separate state and religion was intended to enable state control over religion while integrating it within the Zionist ethos. The Zionist creed that negated any political platform that was either Ultra-Orthodox or ethnic in nature meant that non-state religious groups were seen as an anomaly (almost a tourist attraction). Ethnic divisions were overlooked or suppressed through political patronage. Certainly the main non-state economic agent, the Histadrut, was fully dominated by the dominating political elite and by extension became an agent of the state. Political parties that were outside the ruling coalition retained very limited civil society agencies. In fact, the state subsumed them through the IDF (which replaced the pre-state military wings) and through exclusive policies that discouraged the free market. Indeed, in its early years Israeli democracy had limited characteristics of a liberal democracy. In addition to domination over the media and popular culture the state, through its political agencies, was able to stem social conflicts on ethnic issues with very few exceptions (Vadi Salib riots). Moreover the school system was fully mobilized in the state project and the ethos of the melting pot in the Zionist state was to a large extent unchallenged.

The hegemonic period of the state (in conjunction with the rule of historic MAPAI as its political arm) started to decline in the mid-late 1960s. No doubt the Six-Day War was a watershed in this dynamic. To a large extent the days before the Six-Day War symbolize the ultimate fusion of state and society. Society was fully mobilized to preserve sovereignty and even historic political differences were brushed aside under the banner of national unity. The survival ethos reached its historical and romantic heights and patriotism was stretched to its zenith.

The victory in June 1967 opened a new era. No longer could 'state survival' be kept unchallenged on the agenda. The manifestation of Israel's power also meant greater demands for societal and political openings. Indeed, such demands were already made prior to 1967, when the state and its political extension seemed to fail in providing adequate solutions - social and economic - the recession of 1966 being one example.

Yet in the post-1967 era we are to witness a gradual decline in the stature of the state and greater divisions vis- -vis its role and penetrating power, as well as its symbolic relations with the ruling political elite.

The decline in public confidence in the state hegemony became powerfully pronounced after the debacles of the 1973 war. It was apparent for the first time that the mighty army of 1967 - the ultimate guarantor of the state - was vulnerable and that its leadership, as well as the political elite so close to it, could no longer be blindly trusted.

In the early 1970's Israel witnessed growing manifestations of civil society discontent that challenged the monopoly of the state via its political proxy, the ruling ethos of the society and a recognition that a growing gap exists between state aspiration and civil society requirements for dramatic change in ethno-economic distribution and in terms of political empowerment and voice. These challenges were manifested in the activities of the Black Panthers that challenged the state social policy and the composition of the political elite, and by those who called for greater accountability of leaders who failed them in the 1973 War. (The protest movement of the post-1973 War brought about the resignation of Golda Meir and Dayan.)

The post-1967 years also resulted in a widening gap in Israeli society stemming from the abrupt end of the recession years and the accelerated economic growth out of which new and relatively small segments of society benefited. Perception of economic inequality combined with corruption involving prominent MAPAI political figures, and in conjunction with an ideological split on political matters (manifested in society by the extra-parliamentary activities of Gush Emunim and later by the Peace Now Movement) undermined the cohesion of Israeli society and changed its ethos from a society fighting for survival, to a divided polity yet to resolve its deep divisions and identity.

The ascendance to power of the Likud in 1977 put an end to MAPAI's hegemony, and ever since Israeli society has remained split down the middle in terms of its political orientation and societal preferences. Under Begin, Israel witnessed a further decline in terms of the state's survival playing as a vehicle for societal mobilization. The peace with Egypt further eroded the state claim for sacrifice. The liberalization of

the economy meant that the early socialist leaning that embellished the ideology of 'togetherness' and 'common destiny' could no longer remain the basis for solidarity.

The political division between Left and Right was also reaching new proportions when the war in Lebanon was perceived by a large segment to be a 'political war' and not a war of 'no choice'. Even as the two main political parties united in grand coalitions - mostly as a result of a deadlock in electoral preferences - the level of societal division grew widely as a result of economic inequality, ideological splits regarding solutions with Arabs and Palestinians, and schisms over questions of state and religion.

In the 1980's and early 1990's the Israeli economy was fully transformed, a transformation that was about to be further accelerated by the influx of Russian immigrants and the peace process. Remnants of state control in conjunction with the socialist agenda in society (as best manifested in the heydays of the Histadrut) were losing their base. The Palestinian *Intifada* helped to widen the gap among Israelis about the nature of the state, and even the temporary solidarity achieved during the Gulf War as the country took to the shelters, could not alter the fact that the fabric of society was tearing at the seams and state requirements could no longer hold the community together as before.

Indeed, international affairs have also had an impact on the state-society relations on the Israeli scene. The collapse of the Soviet Union, the decline of third-worldism, and the triumph of capitalism and privatization world-wide, had a very strong impact on Israeli society and the Middle East peace process. Many Israelis have moved away from the republican, communal tradition of citizenship, demanding more and more spheres of freedom and appreciating less communal voluntarism and altruistic investments. While in the past, symbols of 'belonging' and contribution to society were mainly associated with service to the agents of the state, primarily the military, status in Israel today is mainly economic and individualistic. Lawyers and hi-tech professionals are the exemplars of success. Foreign labor and not '*avoda Ivrit*' have become the more pronounced characteristics of Israeli society. The trans-national modes of transportation and communication that exposed the Israelis to the outside world also contributed to widespread resentment concerning the idea that, being

VIII. POLITICAL TRENDS AND THE NEW ELITES

Political Trends and the New Elites in Palestine

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The choice of the title 'Political Trends and the New Elites' belies a certain preference to elite theory, which sees a pivotal role for elites in contrast to social movements, political parties and a more open class society. My observation is by no means meant as an attack on the conference organizers and on their political background or disposition; it is simply a thought. The title, however, may actually point to factual developments whereby Palestinian society is witnessing the circulation of elites or the creation of new ones as a means of distribution of power, rather than other social manifestations.

Before proceeding further, a definition of 'elites' would perhaps make an appropriate introduction. The word 'elites' usually denotes a hierarchy or ranking of people according to a structure of positions whether in the political, economic, professional, military, academic or other realms. According to some people, it is the attributes or characteristics of certain the individual that determine how far he will reach; thus, those with the appropriate attributes will eventually reach the top and find themselves in a position of power vis-à-vis others in the structure or in society at large.

Others argue, meanwhile, that the structure of positions is due to the complexity and organizational needs of modern societies. Historically, only a small number of people of any one society exercise political and other powers in society. The question, however, is how these individuals end up at the top of the structure or pyramid of power, wealth, influence, prestige, etc., ... and who are the people likely to become members of the various elites? Another question is whether the elites actually represent the majority of the population or are they

'elites' in the sense that they have their own 'clubish' tendencies that allow for some circulation of membership but impede the recruitment of members from outside their circles.[1]

An important question for us here is whether we can analyze recent developments in Palestine and neighboring countries from an elite perspective? If we can, then we have to be careful not to underestimate other social, economic and political forces that control the society. In addition, we have to admit that by choosing this elite-approach we are in effect taking an authoritarian and conservative view of society.

Political Development and Elite Competition

For the sake of the argument implicit in the title, I would undertake, after a brief historical overview, to examine the development and institutionalization of the PNA as an elite phenomenon that involves competition among various Palestinian political elites. In addition, I would argue that the fragmentation and cantonization of the West Bank, Gaza Strip and East Jerusalem limits and constrains the integration of the whole society and hence the ability of the Palestinian political elite to effectively standardize and enforce its power and influence across the three territories. Besides, the trend towards region-alization and the effects attendant on globalization whether in technological, economic or consumer matters constitute forces that serve to further constrain and limit the power and influence of the Palestinian political elite.

Elite Historical Basis

The historical basis for the emergence of the Palestinian elite was religious and it revolved around the **Islamic Fath of the country**. In particular, families associated with the **Fath,** with the holy places in Jerusalem and other localities, with Salah Ed-Din and with other religious personalities, associations and functions assumed traditionally elitist positions in Palestinian society. As a result, these families came to have a special status in the society and referring to them as 'notable' families was an accepted practice. Throughout the centuries, these families were able to use their religion-based privileged status to gain more advantages and power in economic, political, social and other

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[1] See William A. Welsh, *Leaders and Elites***,** New York: Holt, Rinehart and Winston, 1979. The book gives definitions and analyses of elites in different political contexts.

areas. Thus, these families became dominant and assumed the overall leadership of the Palestinians. An outstanding example of this dominance is the family politics and coalition during the British Mandate period.[2]

With the disintegration of Palestine and the creation of Israel in 1948, the family elite was jolted from its position of power but continued to assume important functions. Jordan integrated the Palestinian family elite into its administrative, political, economic and social structure. Other family elite members made it elsewhere in the Arab World or beyond. The role of the family elite continued to be a phenomenon of Palestinian social structure after 1948, in spite of the fact that it was seriously weakened: first, due to the failure suffered by the leadership of elite families in 1948 and then, due to the shift in the center of power from the West Bank to the East Bank, between 1948 and 1967.

In addition, Palestinian family elites were characterized as self-contained groups whose primary motivation was their own interests and those of their kin rather than those of the society as a whole. This localism and familism, if one wishes, contributed to the weakness of family elites and their potential role as a political and social leadership for the whole society in the 1950s and 1960s.[3]

The PLO as a Challenge to Traditional Bases of Elitism

With the War of 1967 and the emergence of the PLO, family elites received yet another jolt. The basis for extending influence and power over the whole society became political commitment and involvement. Revolutionary ideology of liberating Palestine became a basis for status, privilege and elitism rather than the old systems and traditional bases. It could be argued that PLO elitism was a combination of traditional and modern bases, of which the latter was related to engagement in the political and military struggle to recover Palestine.

But it was clear that elitism as social manifestation of power relationships in Palestinian society continued and, in one sense, with the hierarchical political and quasi-military organization of the PLO this elitism was reinforced. The PLO, according to another view, sought to be the major

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[2] See author's master's thesis on *Leading Palestinian Families and their Socio-Economic and Political Impact, 1917-1948.*

[3]   Shaul Mishal, 'Nationalism through Localism: Some Observations on the West Bank Political Elite', in *Middle Eastern Studies*, Volume 17 #4, October 1981 pp. 480-481.

if not only center of power in Palestinian society. Accordingly, it was not interested in the emergence of a competing power in the occupied territories; hence, the passive role allotted to the inhabitants of the territories that focused on non-cooperation with the Israeli authorities. When there was a perceived threat to the influence of the PLO center, as with the autonomy plan of the late 1970s, the PLO hurriedly established bodies, such as the National Guidance Committee in 1978, to consolidate the center-periphery relationship.[4]

Moving on to more recent history, the local leadership and elite of the West Bank and Gaza Strip was not capable of transforming itself into a viable national leadership. To a great extent, the allegiance of the overwhelming majority of the Palestinians in the Occupied Territories to the PLO constrained and limited the opportunity for such a transformation. Israeli policies of fragmentation and cantonization of towns and villages of the West Bank and Gaza Strip also played its role in limiting the possibilities of the emergence of a society-wide leadership. When the Israelis were looking for a leadership capable of delivering, there was no question that such a leadership existed only within the PLO. Local elites could deliver only at the local level under certain circumstances but they definitely could not deliver at the national level. The Oslo process is the prime example: while the 'local' Palestinian delegation was sitting in Washington to negotiate, the top decision makers in the PLO were conducting parallel secret negotiations. It was clear to everyone that only the Oslo negotiators could deliver.

Palestinian Society: Is it Run by Elites?

The return to the homeland of the PLO and the transformation of power from a liberation movement to a national government necessitates the question of whether Palestinian society is being run by elites? The hierarchical structures whether in politics, security or governmental administration point to the presence of elites that sit at the top of these hierarchies and exercise influence and control. But hierarchical structures by themselves do not necessarily point to elite-hegemony or to the absence of social and political forces that vie for power and influence with those in formal power positions.

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[4] Shmuel Sandler and Hillel Frisch. 'Evaluating Shared Rule Arrangements on the West Bank: The Problem of Palestinian Communal Structure', in *Middle East Focus: Canada's Magazine on the Contemporary Middle East*, Volume 7 #1 May 1984, p. 9 + p. 12.

The institutionalization of Palestinian government also changed the role of grass-root organizations and political groups. No longer is the role expected from these organizations and groups focused on mass mobilization to confront and end occupation. Rather, they are expected to coordinate with the national authority and to transform themselves into organizations that work toward the same political goals as prescribed by the political leadership.

The relationship between the new elites in the PNA and the local elites in various spheres differs according to need and mutual interests. Thus, it is clear that the PLO adopted the policy of co-optation of members of family elites whether in Jerusalem, the West Bank or the Gaza Strip. The relationship is thus mutually reinforcing: the PNA needs these members, who in turn need the PNA to legitimize their position of relative privilege and prestige in the society. Both benefit from the relationship that confirms that power relationships in Palestinian society, under the new conditions, are elite-based.

Another tendency that could be emerging but that needs to be ascertained and researched is how much of a presence does the Palestinian political and governing elite have in parallel economic and entrepreneurial elites? The relevance of this question is with regard to the practical implications it has on the nature of social structure, distribution of wealth in the society and Palestinian politics, in general.

On the other hand, if we assume that elites run the society then how do these ruling elites perpetuate themselves? And what kind of relationships do they have with intellectual and academic elites? The common complaint that intellectuals and academics feel marginalized may in fact be related to the question of recruitment of new elite members and its accompanying problems. It is expected that in elite-based social structures, academics and intellectuals usually play a bridging role between the elites and other groups in the society. In one sense, some intellectuals and academics end up becoming the legitimizing spokespersons for the elites. With the coming home of the PLO, its strongest popular base is in effect the thousands of the rank and file who returned home with its leadership. Thus, there is no apparent pressing need to use the intermediary function of academics and intellectuals in the West Bank and Gaza Strip to win a broader base of potential recruits.

Elites: Are They Best for Transitional Periods?

In periods of transition, the potential for loss of order and control is greatest especially when a whole society is involved. Accordingly, there are pressures, both from within the society and from outside, for social structures that would ensure law and order and that would provide the needed stability. Apparently, elite-based social structures are more qualified to fulfill this function since they do not have to answer for a wider constituency and hence their ability to deal directly and effectively with sources of instability for the society and its governance system.

This view, however, should not be considered out of specific socio-economic and political contexts. If we take the Palestinian case, the history of Israeli occupation and its resistance has meant that there was no legitimate civil authority for almost a third of a century. Accordingly, what emerged during this period were grassroots political, social and economic organizations, which operated relatively freely in the broader context of occupation and the oppression it generated. This accordingly has meant certain expectations of the population with respect to the conduct of government and civil life. These expectations are not necessarily in agreement with the thesis that elite-based social structures are best for transitional periods. In fact, some would argue that the overwhelming participation of Palestinians in the elections for the Administrative 'Legislative' Council and for the President of the PNA, on 20 January 1996, is proof of exactly the opposite point of view: the need for democratic and pluralist systems that would secure the needed stability for the society and for the governing authority. Thus, exit and opinion polls conducted prior to and on election day show Palestinian voter expectations for an open and free system of governance.[5]

The Implications of Fragmentation
for an Elite-Based Structure

With the fragmentation and cantonization of the territories, the result of Israel's obsession with security, the elite-based structure would have to accommodate itself to the effects of such fragmentation. Assuming that the structure is indeed elite-based, then the problem becomes how

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[5] See polls conducted by the JMCC, Jerusalem and CPRS, Nablus on the topic of elections and voter expectations.

would the political elite maintain its hegemony over three different territories, each with its own unique characteristics? The tendency to seek a security-oriented answer is strong because, in effect, it is the most straightforward and energy saving answer especially when prevailing conditions are those of transition and fragmentation. But there are limits for the security-oriented answer, as the situation of East Jerusalem clearly illustrates and as the differences in socio-economic, demographic and political contexts between the West Bank and Gaza illustrate. It follows then that elite-based structures that tend to rely on control methods to ensure stability would not necessarily be ideal to a situation as exists in the Palestinian Territories.

The security-oriented answer is feasible when relations between the PNA and the Israeli Government are smooth and there is agreement on issues and probable future scenarios. But when, as with the present Israeli Government, there are serious differences and divisions then the security-oriented answer has no legitimization within the Palestinian political context. But the security-oriented answer has one major flaw because its reading of the Palestinian scene is strictly political. Politics is one of the concerns of Palestinians but it is not the overwhelming concern. In fact, there are indications that almost 50 percent of the Palestinian population in the West Bank and Gaza Strip sees economic issues as most important.[6]

Of interest is the fact that in a survey conducted on a national sample in the first half of 1995, the ranking of influential groups in the society showed popular perceptions of the stratification system that may come as a surprise to the groups ranked. The following list shows in order of frequency the various groups that were selected:

Group	Percentage
University professors	90
Top levels of the security and police systems	83
Government members	78
Local political personalities	76
PLO leaders	75
Industrialists, bank managers, big merchants	75
Religious personalities/heads of religious communities	74
Spokespersons of the various political groups	71
Heads and members of municipal and village councils	59

[6] Theodor Hanf and Bernard Sabella, *A Date with Democracy: Palestinians on Society and Politics - An Empirical Survey*, Arnold Bergstraesser Institut, Freiburg, 1996 p. 65.

Hotel owners and tourist and travel agents	47	
Landowners		43
Heads of families/hamulas		40
Muhktars		31

(Source: Hanf and Sabella, Ibid. p. 67).

According to this list, one can divide the influential groups into a number of 'elites': academic, security, government, political, industrial-financial-commercial, religious, tourist, local-municipal, real estate and traditional-family. Palestinians are intelligent since they assess, outside of the academic elite, who in fact has power and influence in the society. The ranking of the security and police top levels before the political elite makes sense since they are the ones to implement and have immediate access to the tools of power and control. It is clear that leadership at the local level and traditional family leadership no longer carry the influence and prestige they once had. The orientation of the population is towards national elites and influential groups rather than to local groups. The ranking of university professors at the top of the list should be understood with this perspective in mind. In addition, the prestige accrued by university professors is tied to the high value attached to education by the society as a whole.

Open Social Structure:
Overcoming Constraints of Elitism and Fragmentation

Palestinians understand well the need for the integration of their society. The ranking of the influential groups in the list above is just one simple confirmation. Another is the fact that almost two thirds of Palestinians perceive themselves and their society as middle class. The tendency among the population is not towards an 'elitist' social structure but more towards an open social system.[7] Palestinian popular visions of the political order point also to a commitment by the population to democracy, government accountability, independent courts and freedom of the press. In addition, there is a strong desire for social equality among Palestinians, which is seen as dependent on the adoption of a wise fiscal policy by the government. At the same time, there is a rejection of any state-controlled economy.[8]

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[7] Hanf and Sabella, ibid., p. 42)
[8] Hanf and Sabella, ibid., p. 127.

But where did Palestinians get all these ideas from? Clearly a variety of factors are responsible: the struggle against Israeli occupation and the development of grassroots organizations both internally and externally, the emphasis on education, contacts with Israeli society, technological change and the shop-keeping and entrepreneurial spirit of Palestinians. They are also aware of their limits as over three quarters of Palestinians believe that regional economic cooperation is needed in order for states to survive. Over seven tenths believe that coordination and cooperation will characterize relations with Jordan in the long run.[9]

While some would refer to these processes taking place among Palestinians as de-politicization, I would prefer to designate them as democratization with rising expectations as to economic development, political discourse and to a pluralist and open nature of society and its structures. Clearly it is much more difficult to fulfill these expectations without an open system of governance and institutionalization of power. In the short run, Palestinian society may do without such institutionalization. But, in the long run, there is serious doubt that it will succeed in overcoming the difficult challenges that lie ahead without an open social system and institutionalization.

Conclusion

Elite-based social structures may be convenient for societies that are closed and that are characterized by conservatism and authoritarianism. In the Palestinian case, elite-based structures face constraints and limitations primarily from within the society. Some external factors or actors, such as Israel, are more comfortable with elite-based structures especially in matters pertaining to security. At the same time, these actors weaken the influence and power of the Palestinian elite-based structures by following policies of fragmentation and cantonization in the three Palestinian territories. Palestinian elites thus fall under conflicting pressure from within and without the society.

The way out of the dilemmas confronting Palestinian society is through the adoption of policies that would encourage the development of open systems of social structure, government accountability, economic development and institutionalization of power and influence.

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[9] Hanf and Sabella, ibid. pp. 100-101.

Indications are abundant that Palestinians are an intelligent and hard working people: opportunities should become available to them to prove that they can mold a free and democratic society. In an age of regionalization and globalization, what applies to the Palestinians applies as well to their neighbors. Together, we can all help shape the future of our individual societies and the future of our region as a whole.

Partisan Leadership and Electoral Laws: The Israeli Domain in Context

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Introduction

Elites and leaders are essential elements of collective and individual life in any given sociopolitical fabric. Theoretical approaches in political science and sociology have pointed to that fact, while arguing for the relative importance of the political elite in shaping and generating public life. The issue of who governs was central to modern endeavors to comprehend the essence of politics. Getano Mosca, who is considered one of the main elitist scholars, has defined political power in terms of political organizations in addition to the relations between these organizations and the public. Understanding political leaders and the political elite necessitates the investigation of the co-optation of economic and military power with political power. Organizations are stronger and more efficient than any single human being or individual group.

Yet, Mosca has neglected two important fundamentals of power: first, social bases from which political leaders and ruling groups can emerge, and the pressure groups that can shape or be relevant to the shaping of decision-making processes and that might legitimize political leaders. The first issue was illuminated primarily by Marxist and Post-Marxist scholars who explored the significance of social stratification in modern societies. Altusser, Foucault, and Hoffe are among the more prominent scholars who have emphasized this issue. The second element was underscored by more pluralist oriented scholars, such as David Truman and Robert Dahl. While current social scientists are equipped with those basic studies in order to investigate leadership, the task of accurately defining leadership is still extremely complex. The basic Weberian typology is between charismatic leadership, bureaucratic leadership, and traditional leadership.

Yet, Max Weber presumed that each type of leadership will be relevant to a different historical phase: primordial societies incline to be characterized by traditional leadership and transitional societies by charismatic leaders, while a bureaucratic leadership is a phenomenon of technological and industrial societies. Primordial leaders are legitimized by tradition and religion, while charismatic leaders are legitimized due to their own personality; bureaucratic leaders, meanwhile, operate within the legal and administrative sphere, which strengthens their legitimacy. Obviously, the Weberian typology is far from satisfactory: was Winston Churchill a charismatic leader, a bureaucratic leader, or both? And how should we define Charles De Gaulle or Yasser Arafat? In political reality leaders have different and mixed political traits. Moreover, the Weberian model of leadership does not provide any coherent explanation for the social basis of leaders.

The main theoretical claim of this article is that in modern states that have democratic procedures, political parties and the electoral systems should be the focal point of the study of political leadership. The structure of the partisan system, the parties' social development, partisan ideologies, their internal structure, and how they affect and are affected by the electoral laws can tell us a great deal about the nature of leadership and its social origins. This does not mean that personality and personal characteristics are not a significant part of leadership, but any systematic study of leadership should comprehend the political contexts that generate and eliminate ruling elite. Social sciences cannot predict a future politician, but they can explain political environments that shape leaders.

This method of thinking is applied here in order to understand leadership in Israel, since its inception in 1948 until 1996. In this article we shall explore the sociopolitical sources of Israeli leaders, ruling groups, and non-ruling groups, and all this by looking especially at political parties and electoral laws. In the case of Israel the cultural changes that have taken place, primarily after the 1970s, should be emphasized. The Americanization of the Israeli society affected its partisan apparatuses and electoral laws, and it is accepted that this trend could possibly affect the election of future Israeli leaders.

A.   The Partisan System (1948-1996)

244

The etiology of the party system was sharply divided into two historical periods: the emergence of Mapai in various structural forms as the dominant political party (1932-1973); and, the evaporation of dominance in the partisan system, and the emergence of polarization (1974-1996). The first period was generally characterized by the rather effective control of Mapai leaders. All of them - David Ben Gurion, Moshe Sharett, Levi Eshkol, and Golda Meir, were partisan leaders, who established bases of power within the party apparatus. They used the party machinery in order to control various national power-foci.

The first well organized labor political party was established in 1919 under the name of Hahdut Ha'Havoda. In order to control the labor market it established in 1920 the largest workers organization - the Histadruth. In 1930 the party co-opted other socialist political groups and Mapai was formed as the largest labor political party. Soon it controlled the majority of the financial resources and political bodies in the Yishuv, in addition to an organized military force. Mapai rhetoric was socialist, and it was advocated by most of the Jewish Yishuv at the time. Political parties were the chief avenue of political activity in the Yishuv, and Mapai was the principal force that led most of the Jewish Yishuv. Its social base was the second (1903-1914) and third (1919-1924) wave of immigration from Russia and East Europe. The leaders of Israel from Ben Gurion until Yitzhak Rabin were from those two waves of immigration to Palestine/ Eretz Yisrael.

The dominance of Mapai was articulated in several dimensions. Since 1932 the party has won the elections to the Jewish Agency, to the Histadruth, and the National Committee. Those three bodies, which conducted the domestic and foreign affairs of the Jewish community, were completely under Mapai's command. Such a high level of control induced a great deal of economic power - Mapai was the party that could supply jobs, land, and immigration licenses to its constituency, which enabled it to generate more electoral and cultural support. Its main political rival, the Revisionist movement, established in 1925, was far from being an effective counter-elite. The partisan and the central nature of the Yishuv made the Mapai dominance even stronger. Any counter organization lacked its public power, and no political leader could endanger Ben Gurion.

When the stage of state-building began in 1948 Ben Gurion dealt with several challenges. He centralized the military power by the

elimination of other military (Palmach) and terrorist organizations (Etzel, Lechi). In this context, in order to empower his leadership and guarantee the establishment of Israel as a sovereign state he used force against internal political enemies, primarily the Revisionist-led terrorist organization, the Etzel. In addition, Mapai established the army (Israel Defense Forces, IDF), and the security services, ensuring its and Ben Gurion's full control over those organizations.

The party, Mapai, the Histadruth, the generations of the second and third waves of immigration, and the military, were the bases of political legitimacy that strengthened Ben-Gurion's leadership. Using the Weberian terminology it was a combination of charismatic and bureaucratic leadership; but in reality it was a partisan leadership grounded in the nature of the Yishuv as a society of immigrants.

Israel was established as a Jewish state, a fact that was constituted and asserted in its legal fabric. The fading Arab minority was under a strict military regime of surveillance (mainly in 1948-1966). Emergency regulations were imposed on the Israeli-Arabs and deprived them of some of their civil rights. Arabs could vote and be elected to the Knesset, but the military regime hampered the emergence of a national Arab leadership. The national leadership was predominantly Jewish.

Ben Gurion's successors benefited from the same political sources - support of the Mapai/Labor apparatus ensured national leadership. Moshe Sharet was a political rival of Ben Gurion and opposed his emphasis on security and military actions. Sharet was supported by the more moderate groups in Mapai, and was also popular with the socialist Mapam, due to his emphasis on military restraint. Levi Eshkol was advanced by the Mapai apparatus in response to Ben-Gurion's declining power. In a similar way, Golda Meir was considered to be an experienced political actor who acquired her experience in the Histadruth and the party corridors.

Eshkol's rise to power in 1963 was the beginning of a clear decline in the party's public image, mainly because he lacked the military experience and the reputation of a war hero. Hence, in 1967, in the course of the internal crisis in Israel and on the eve of the War of 1967, he was forced to enlarge his ruling coalition. Despite Mapan grievances, the right-wing Gahal, headed by Menachem Begin, joined the 'national unity' government, which remained in power until 1970.

Eshkol was forced to co-opt the counter-elite into the ruling coalition, in order to legitimize his own leadership. This was a turning point in two respects: first, the Mapai leadership was losing its uniqueness in the partisan system; second, by co-opting the counter-elite, the leadership was losing its exclusive sources of popular support. This was, prior to the War of 1973, the main reason for the evaporation of Mapai hegemony in the political setting. It transformed the struggle over leadership to a far more bitter and complex battle. It also contributed to a transformation in the characteristics of the political leaders in Israel.

Since 1974 the political leaders have all come from military backgrounds. While only one leader out of four who governed prior to 1974 had security experience (Ben Gurion), all the five leaders who have governed since have experience in the field of national security, whether in the period prior to 1948 or afterwards. The occupation of the territories generated a much more militaristic discourse in the Israeli political setting, and in turn military or security experience became far more relevant than ever before. The inaccurate image of Levi Eshkol as a weak leader, who could not handle the 1967 crisis, added to that public atmosphere, which apparently condemned leaders without security experience.

More interesting is the fact that three out of the five leaders who controlled the state after 1974 were from the Likud party (Menachem Begin, Yitzhak Shamir, Benyamin Netanyahu). In the 1950s, Herut was delegitimatized as a peripheral and radical political party; in the 1960s it was condemned for its hawkish political views. But since 1967 the party has found more favor with the average Israeli voter, and gradually it became less peripheral and more centrist.

The process that was experienced by Herut/Gahal/Likud reflected the polarization in the Israeli political system. In a partisan system such as Israel's, prime ministers are not expected to be national leaders who mobilize support from various political factions. Yet, in the period of Mapai's dominance leaders such as Ben Gurion, Sharet, Eshkol, and Meir were supported by the majority of the public and by most of the political parties. This was not the case after 1974, and the polarization and the ideological fragmentation made it almost impossible for a national leadership to emerge.

A Model of Increased Polarization

	1949-65	1965-81	1981-96
Labor	44.17	46.5	41
Herut/Likud	15.67	40	36.25
Religious	16.83	15	17.25
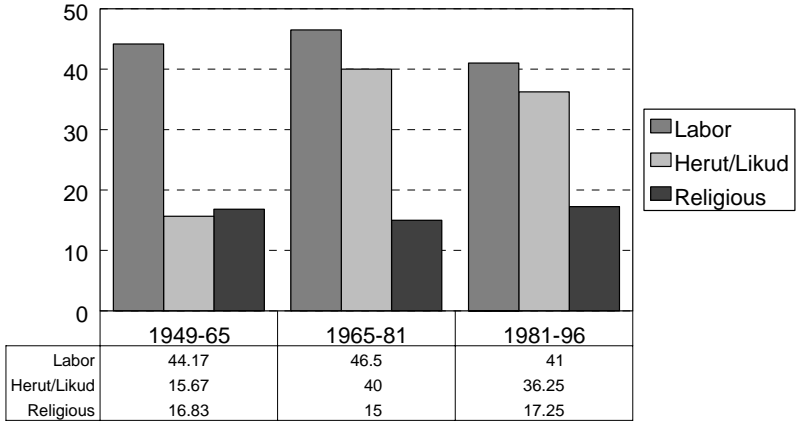
B. Non-Parliamentary Political Groups (1948-1996)

The Israeli political system was to a great extent a partisan system. Yet, the significance of political parties has never completely overshadowed the importance of extra-parliamentary political bodies. Left-wing pressure groups that advocated military restraint and right-wing pressure groups that called for a more active military policy were active even in the 1950s. The establishment of Gush Emunim in 1974, however, similarly to the establishment of Peace Now in 1978, mirrored a change in the political fabric. The two popular movements, both of which possessed the power to mobilize the public and enjoyed the support of larger parties (Likud supported Gush Emunim, and Labor supported Peace Now) were mass movements. They could shape the public agenda, create a great deal of media attention, and impose pressure on the Israeli governments.

Gush Emunim influenced the Likud government's plans for Jewish colonization of the territories. The Gush was far from being only an ideological movement; it was in fact a driving force behind the settlement policy of the Likud-led government. Peace Now, on the other hand, was far from being an exclusive idealist movement and

imposed a great deal of pressure on Likud and Labor governments to initiate a peace policy. Whether the movement was indeed influential in any significant way is a matter for future scientific work, but the movement helped to create a public atmosphere of more positive support for future formal negotiations between Israel and the PLO.

Those two extra-parliamentary movements were instrumental in advancing their activists to positions of leadership in the various political parties. Dedi Zucker and Mordechai Bar'On from Peace Now are two examples of activists who emerged as major political figures in Ratz, while Chanan Ben Porat from Gush Emunim became a major figure in Ha'Mafdal. Indeed, mass social movements played more than a small role in shaping complementary sociopolitical messages; they were channels of mobilizing political personalities from grass-roots positions to positions of major partisan activists.

This phenomenon of political transformation from activity in protest movements to activity in political parties was not unique to leaders of mass movements. Shulamit Aloni and Amnon Rubinstein are examples of politicians who developed their political activity by organizing extra-parliamentary activities. Yet, there is a correlation between polarization and the growing effect of extra-parliamentary activities. The political parties are far more dependent than ever before on organizations that can improve their power of political bargaining. There is also a correlation between the evolution of mass-media and the rise in activities of pressure groups. The pressure groups are able to use the media for their own purposes of shaping the political fabric, while the media is always interested in covering non-conventional activities. Therefore, the media will be a crucial domain for the activities of extra-parliamentary groups and political leaders.

C. *The New System of Direct Elections for Prime Ministership*

Constitutional changes that alter electoral systems were a common phenomenon in democracies after 1945. In general, one may distinguish between parliamentary systems and presidential systems. Israel was cited in the scientific literature as one of the best and most successful democratic regimes with a proportional parliamentary system. Often, students of politics have referred to it as a proof that even in a non-democratic region a representative democracy can flourish.

Abruptly, but not surprisingly, in a legalistic way, but not in a prudent fashion, this PR system has changed. Since 1996, Israel has had a different electoral system. The legislature desired to enact a presidential system, but in fact the new situation can be best described as a quasi-parliamentary, quasi-presidential system. The new system is based on direct, personal, and national elections for a prime minister, and proportional elections for political parties for the Knesset. Apparently the reform is clear and straightforward: the government will not be elected by the legislature, but rather directly by the people. In addition, each voter can enjoy the benefit of split voting: I can vote for party 'X' for the Knesset, and for candidate 'Y' as Prime Minister. Yet, the new situation is much more complex and problematic.

This new electoral system was a result of the weakening of the large political parties, Labor and Likud, both of which were perceived as being incapable of solving the Arab Palestinian-Israeli conflict. In addition, political corruption, especially that involving the religious parties, was conceived as prominent. Toward the end of the 1980s, a general atmosphere of political dissatisfaction prevailed in the country. Many people felt that in most issues, and primarily in national security matters, the general situation had reached a dead-end. New groups of intellectuals, mayors, and ex-senior military officers were looking for an opportunity to foster changes and to promote themselves, and they were the main force that mobilized the general public to support an electoral reform. Instead of solving the problems, they wanted to reformulate questions. At the end of the 1980s several reforms were suggested, among them a suggestion to change the elections for the parliament, and a suggestion to enact a constitution for Israel. All this failed. The only result was the reform in the elections for the executive. This was the general backdrop for the electoral reform of 1992, and the enactment of the new Basic Law: The Government.

Israel has adopted from the French model the principle of two electoral rounds. A candidate cannot become prime minister unless he or she has won at least 50%+1 of the valid votes. It is very clear that in order to guarantee such a decisive majority every candidate will do his utmost to enter any coalition that might help. Hence, the new system will be more corrupt than the previous one.

Moreover, according to clauses 3 and 19 of the new Basic Law, the new prime minister and the new government will require Knesset approval. The Parliament can also cast a vote of non-confidence in the government. If 61 MKs support it, new elections must be held. If, however, 80 will unseat the government by a vote of non- confidence, the elections will be only for the prime minister. Therefore, in order to prevent a vote of non-confidence the prime minister will have to consolidate parliamentary coalitions.

Empowerment of the prime minister and the creating of more executive efficiency was a major calculation in promoting this law. According to this line of argument, the proportional system had marginalized the ability of the PM to impose discipline inside the cabinet, and thus efficiency was reduced. In fact, the efficiency of heads of state as well as their ability to operate depends a great deal on their personality, the general political culture, and the nature of the problems. Churchill and Ben Gurion could govern effectively within the limits of parliamentary systems. The electoral system by itself cannot guarantee the capabilities of its rulers.

What the law has done, *inter alia*, is to weaken the parliament (the Knesset). The latter cannot supervise the government as effectively as it could in the past. It means that while political leaders will not necessarily become more efficient they will enjoy much more executive power, outside the legislative domain. From a pure democratic outlook it makes democratic constraints over the government much looser. It weakens the parliamentary elite, and makes the executive much stronger. Moreover, it encourages the PM to isolate him/herself from the bureaucracy and the military establishment. The quasi-presidential image of the regime encourages the PM to demonstrate his/her reliance and his/her sufficiency by creating personal teams of advisors. Thus, the personification of the regime reduces the ability of other elites to have any significant impact on decision-making processes.
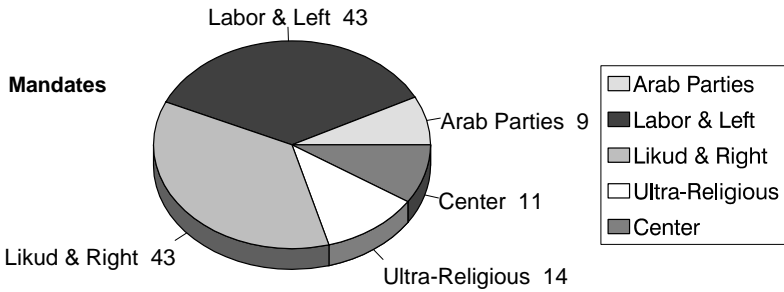
Not only the parliament loses power, but also the large political parties, which (as we have seen) were crucial fundamentals of the regime. The 1996 election results demonstrate this fact. In contrast, religious and ethnic parties gained more electoral weight. The ethnic vote in Israel has traditionally been very fluid, and ethnic groups often evaporated, while their factions were co-opted by the other political elite. The only ethnic success so far was that of Shas. This party

emerged in 1983, and since then has established itself as a permanent force in Israel. Shas became essential to the consolidation of governmental coalitions, which enabled it to obtain a higher percentage of the budget allocations. The rise to power of Shas represented the rise in the electoral power of all the Haredi, ultra-orthodox, political camp and conformed to the sociopolitical polarization in the Israeli political setting. The greater the polarization became, the more weight the Haredi parties gained as veto parties in the political setting.

The Haredi parties have represented a unique type of political elite inasmuch as they rely heavily on internal-communal public support. The leaders of Shas and the Ashkenazi ultra-orthodox mobilized their constituencies, which were based on religious affiliation, religious communities, and educational-religious institutions. Their political power is a result and efficient method of political recruitment. In addition, the Haredi parties reflected general feelings of disappointment among socially deprived groups from the secular population. The procedure of direct elections helped to reflect this trend of greater influence of Jewish religious fundamentalism on Israeli politics.

In addition, the system of direct elections generated the phenomenon of split-voting. The ability of many religious Jewish voters to vote for Netanyahu and also for their religious party and the greater demographic weight of the religious population are the main reasons why the religious parties gained 44% more electoral power. This figure includes the rise in power of the Mafdal (NRP, the National Religious Party). The Mafdal reflected the more prevalent ultra-nationalistic feelings among the religious Zionists in Israel.

Elections 1996 - Israeli Knesset

Mandates

Labor & Left 43

Arab Parties 9

Center 11

Ultra-Religious 14

Likud & Right 43

Legend
☐ Arab Parties
■ Labor & Left
▨ Likud & Right
☐ Ultra-Religious
▧ Center

D.   *The Arab-Israeli Political Parties*

Arab-Israeli political parties could not participate in coalition-building in Israel, and due to the Jewish state's ethnic nature they were severely deprived. Nevertheless, the public emergence of independent political parties among Israeli-Arabs is very clear. In contrast to the 1950s, and 1960s, the Arab parties do not depend on Jewish political parties, and they can express autonomous Arabs' aspirations. In the recent 1996 elections the Arab parties (Hadash and the United Arab List) increased their power in four seats, which is almost an increase of 50%. This reflects several major trends among the Israeli-Palestinians.

First, the Arab political elite became aware that according to the new system of voting, Arabs can vote again for Arab parties, and not for Jewish parties, e.g., Labor. The phenomenon of split-ticket voting might be very beneficial from this perspective. On the other hand, according to the previous PR system Arab lists were close to becoming member of the Labor-Led ruling coalitions. In contrast, under the direct system any prime minister might be less inclined to formally rely on the Arab parties. While the Arab parties accumulated much more power within the Knesset, the new system of elections has reduced the power of the Knesset and sharply increased the power of the PM.

Second, few political trends have emerged among Israeli-Arabs - from Palestinization to Israelization, from secularism to Islamic fundamentalism. At first each one of these trends was represented by a

253

distinctive political group. Nevertheless, the Israeli-Arab elites were effective in gathering the various sociopolitical groups into two coalitions: Hadash, which presented the more traditional political element of moderate post-communist Palestinization, and the United Arab list with the more liberal demands for cultural autonomy for the Israeli-Arabs. Those elite do not represent the whole spectrum of ideology and political trends within the Israeli-Arab population. The Islamic bloc is still far from expressing itself, due to the ability of the Israeli law to exclude an Islamic list from the national elections (clause 7A of Basic Law: The Knesset). The demand for Israeli-Arab cultural autonomy is also far from expressing itself. There are strong expectations with regard to how the peace process - if it exists at all - will develop. At the moment much of the political attention of the Israeli-Arabs is directed toward clear support for the establishment of a Palestinian state in the West Bank and Gaza Strip.

E.   *The Israeli Supreme Court*

In the 1950s the Israel Supreme Court, sitting as a High Court of Justice had to deal with 86 appeals, while in the early 1990s the number increased to around 2,300. This is an enormous change even if demographic changes are taken into account. The HCJ has become one of the most important political elites in Israel. Not only ordinary citizens, but pressure groups, political organizations, political parties, and politicians appeal to the Court; thus, litigation has become a crucial public method of conflict resolution.

The judicial elite of the supreme court, composed of 14 judges, is deeply involved in crucial political affairs. For this elite, the adjudication of public matters is an important and legitimate way to be intensively involved in shaping the country's affairs. Thus, the court has ruled in regard to parliamentary rules, senior administrative nominations, gender equality, military affairs, and other issues. In fact, the HCJ has become a major political actor on the political scene and is broadly supported by the public. The HCJ and the army are the two most prestigious institutions in Israel.

The Court's adjudication, and the public support, have some limits. The HCJ has expressed the logic of a liberal but a rather militaristic society, very much concerned with security issues. The Court shares, with the Jewish majority, the security myth. Therefore, the Court has

been very reluctant to intervene in security issues, especially in appeals of Palestinians from the occupied territories. In the 1970s the Court decided to adjudicate with regard to the Israeli operations in the territories. By doing this the Court has in fact legitimized the Israeli occupation, in spite of few cases where the Court has ruled against the government. In general, the Court has tended to refrain from intervening in matters that question the security authorities' actions and tends to presume that the authorities are always right. One clear example was the court's ruling that the deportations of the 400 Hamas activists are legal, despite the obvious illegal characteristic of the deportations.

The Court perceives itself as Jewish; none of the judges in the Supreme Court are Arabs. In its rulings, the Court has emphasized the supreme priority it grants to the Jewish nature of the State. As such, the Court is a crucial organ of the Jewish state, depriving in its rulings not only the Palestinians in the territories, but also Israeli- Arabs. The Jewish public supported this trend, and was broadly in favor of legalizing and legitimizing the governmental actions in the territories. This kind of public support was an important part of the Court's legitimacy.

A much more intensive form of adjudication was taking place with regard to internal issues. Here, when dealing with political and liberal rights, the Court was an extremely progressive force, which reflected and also generated the liberal aspects of the Israeli society. The HCJ also played an important role in privatizing religion and advancing the liberalization of the Israeli society. In its ruling it established freedom of occupation by narrowing the authority of the orthodox establishment. Recently, the Court has also declared its power to nullify the Knesset's legislation. This current development angered the orthodox and ultra-orthodox religious establishment. The latter wanted to preserve its power, and defined the Court as a danger to Jewish Halachic civilization. Hence, the attacks of religious constituencies on the Court's legitimacy.

The HCJ's emergence as an important elite should be conceived in the general context of the Israeli political system. The counter-elite, like the parties and the parliament lost much of their prestige in the eyes of the public. The continuation of the Arab-Palestinian-Israeli conflict, economic and political corruption, and sluggish processes of coalition building, all contributed to the decline in the prestige of the legislature

and the executive. Gradually, the Supreme Court was publicly perceived as a more reliable institution. The polarization of the Israeli political setting, primarily between hawks and doves, caused the Court to be perceived as a more crucial agent for conflict resolution. The growing Americanization of the political culture sharpened public awareness about litigation and generated the belief in adjudication. Israel still lacks a comprehensive constitution, but she has a strong and active judicial elite.

F. Conclusions

The Israeli society is changing. It is becoming a more Americanized society with a stronger emphasis on American rhetoric and property accumulation. The power of the Middle Class is greater than ever before. Individualistic traits, symbolized in the primaries, are more important than before. Israel is also a nationalistic society, with strong elements of racism and militarism. Those mixed characteristics of Israel make it difficult to predict the future. It is rather clear, however, that we are facing the decline of some of the old elites: the Histadruth, the Mapai party apparatus, the apparatuses of most of the secular political parties, and to some extent the military as a coherent organization.

We also see the weakening of the Knesset and parties due to the new system of elections, and partly because legislatures - at a cross-state level - are in a crisis facing the crisis of governability in the modern nation-state.

On the other hand we are witnessing the rise in the power of the prime ministership institution, as the result of the Americanization presidential-like atmosphere, and the new system. In this context the economic elite of the industry and financial institutions are gathering more power, despite the current disengagement from the Netanyahu government. The army is still crucial as a source for personal mobilization for the top of the political setting. Such trends are also mirrored in the media, which becomes a major field for the exhibition of individual and institutional struggles. Those struggles are often resolved by the judicial elite, whiteout gained a great deal of power and almost reached an hegemonic position. The trends, however, are not eternal; elites and leaders, like empires, may rise and also fall.

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WORKSHOP ONE:
Domestic Constraints on Middle East Negotiations
14-16 July 1995, PASSIA, Jerusalem

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WORKSHOP TWO:
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24-25 November 1995, PASSIA, Jerusalem

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Economics and Demography
18-19 April 1996, PASSIA, Jerusalem

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WORKSHOP FIVE:
State-Building, Identity, Pluralism and Participation
1 July 1996, RUSI, London

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> **WORKSHOP SIX:**
> **Palestine, Jordan and Israel in the Middle East**
> *2 July 1996 - RUSI, London*

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> **WORKSHOP SEVEN:**
> **Government and Civil Society**
> *3 November 1996, PASSIA, Jerusalem*

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WORKSHOP EIGHT:
Political Trends and the New Elites
4 November 1996, PASSIA, Jerusalem

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